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PRODUCTIVITY AND COSTS

First Quarter 2010, Preliminary

Nonfarm business sector labor productivity increased at a 3.6 percent annual rate during the first quarter of 2010, the U.S. Bureau of Labor Statistics reported today, with output rising 4.4 percent and hours worked rising 0.8 percent. (All quarterly percent changes in this release are seasonally adjusted annual rates.) From the first quarter of 2009 to the first quarter of 2010, output increased 3.1 percent while hours fell 3.0 percent, yielding an increase in productivity of 6.3 percent (chart 1, tables A and 2). This gain in productivity from the same quarter a year ago was the largest since output per hour increased 7.0 percent over the four-quarter period ending in the first quarter of 1962.

Labor productivity, or output per hour, is calculated by dividing an index of real output by an index of hours of all persons, including employees, proprietors, and unpaid family workers.

Chart 1. Output per hour, nonfarm business, all persons, 2005Q1 – 2010Q1

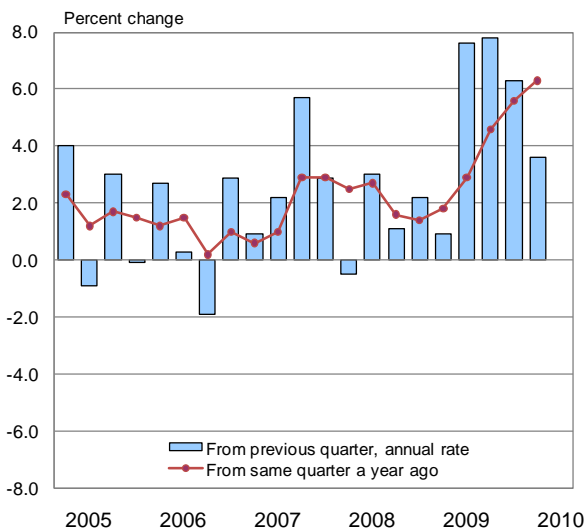
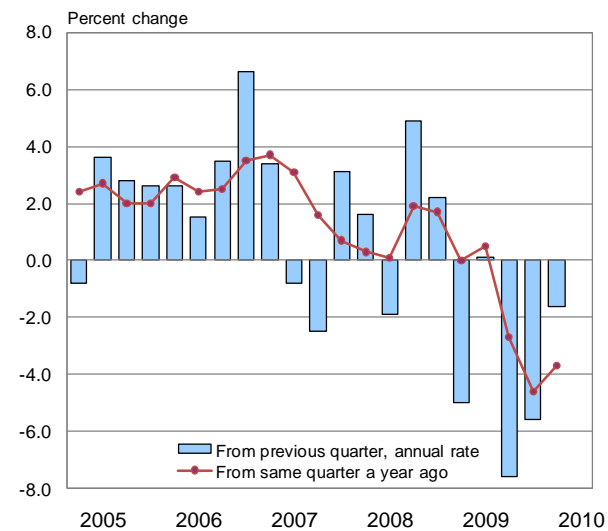


Chart 2. Unit labor costs, nonfarm business, all persons, 2005Q1 – 2010Q1



Unit labor costs in nonfarm businesses fell 1.6 percent in the first quarter of 2010, as the 3.6 percent increase in productivity outpaced a 1.9 percent gain in hourly compensation. Unit labor costs fell 3.7 percent over the last four quarters, as the 6.3 percent increase in productivity outpaced a 2.3 percent rise in hourly compensation (chart 2, tables A and 2).

BLS defines unit labor costs as the ratio of hourly compensation to labor productivity; increases in hourly compensation tend to increase unit labor costs and increases in output per hour tend to reduce them.

Manufacturing sector productivity grew 2.5 percent in the first quarter of 2010, as output rose 7.5 percent and hours worked increased 4.9 percent, the first increase in hours since the second quarter of 2007. Gains in productivity, output, and hours were each larger in the durable goods sector than in the nondurable goods sector (tables A, 3, 4 and 5). **Unit labor costs in manufacturing** declined 3.7 percent in the first quarter of 2010 and fell 6.1 percent over the last four quarters. The four-quarter decline was the largest in the series, which begins in the first quarter of 1988.

The data sources and methods used in the preparation of the manufacturing output series differ from those used in preparing the business and nonfarm business output series, and these measures are not directly comparable. See Technical Notes for further information on data sources (page 4).

Fourth quarter and annual 2009 measures of productivity and costs were announced for the **nonfinancial corporate sector** (tables C and 6). Output per employee hour rose 8.2 percent for the fourth quarter of 2009 as output and hours rose 8.5 percent and 0.3 percent, respectively.

Revised measures

Revised measures of real hourly compensation for all sectors for 2005 onward reflect revisions in the consumer price series based on new and revised data from the BLS Office of Prices and Living Conditions. Output data for the manufacturing sectors incorporates revised output indexes constructed by BLS using data from the U.S. Department of Commerce. Accordingly, manufacturing output, productivity and unit labor costs were revised back to 1987, the first year in the series (appendix tables 1-3). Table B presents previous and revised productivity and related measures for the major sectors: business, nonfarm business and manufacturing, for the fourth quarter and annual averages of 2009.

In the fourth quarter of 2009, nonfarm business productivity growth was revised down to 6.3 percent, reflecting a 0.6 percentage point downward revision to output and a 0.1 percentage point upward revision to hours. After revision, unit labor costs fell 5.6 percent—a smaller decline than previously reported. In the manufacturing sector, fourth-quarter productivity growth was revised down slightly to 6.5 percent.

Full historical annual and quarterly measures are available on the productivity and costs home page: <http://www.bls.gov/lpc/#data>

The revised Productivity and Costs press release for first-quarter 2010 is scheduled to be released Thursday, June 3, 2010 at 8:30 a.m. (EDT).

<p>Beginning with the Productivity and Costs news release scheduled for August 10, 2010, index series will be rebased from 1992=100 to 2005=100. Also, the presentation of the data in tables 1-6 will be reformatted. In the new format, the three panels in each table will be rearranged. The first panel will present percent changes from the previous quarter, the second will show percent changes from the corresponding quarter of the previous year, and the third will show indexes. Also, all data will be presented in reverse chronological order, listing the most recent data first.</p>
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Table A. Preliminary first-quarter 2010 measures: percent change from previous quarter at annual rate (Q to Q) and from same quarter a year ago (Y to Y)

Sector	Nonfarm Business		Business		Manufacturing		Durable Manufacturing		Nondurable Manufacturing	
	Q to Q	Y to Y	Q to Q	Y to Y	Q to Q	Y to Y	Q to Q	Y to Y	Q to Q	Y to Y
Productivity	3.6	6.3	3.0	6.3	2.5	7.5	3.8	9.0	2.2	5.0
Output	4.4	3.1	4.1	3.0	7.5	3.3	10.5	3.1	4.8	3.4
Hours	0.8	-3.0	1.1	-3.1	4.9	-3.9	6.4	-5.4	2.5	-1.6
Hourly compensation	1.9	2.3	1.7	2.4	-1.2	0.9	-1.2	1.6	-1.5	0.0
Real hourly compensation	0.4	-0.1	0.2	-0.1	-2.7	-1.5	-2.7	-0.8	-3.0	-2.4
Unit labor costs	-1.6	-3.7	-1.3	-3.7	-3.7	-6.1	-4.9	-6.8	-3.7	-4.8

Table B. Revised and previous measures for: fourth quarter and annual averages 2009

Sector	Nonfarm Business		Business		Manufacturing		Durable Manufacturing		Nondurable Manufacturing	
	Revised	Previous	Revised	Previous	Revised	Previous	Revised	Previous	Revised	Previous
Percent change, annual rate, fourth quarter 2009										
Productivity	6.3	6.9	6.6	7.2	6.5	6.6	7.1	6.8	6.1	6.4
Output	7.0	7.6	6.9	7.5	5.6	5.5	6.4	5.7	4.9	5.4
Hours	0.7	0.6	0.3	0.3	-0.8	-1.0	-0.7	-1.0	-1.2	-0.9
Hourly compensation	0.4	0.6	0.4	0.6	-0.3	-0.1	0.2	0.6	-1.2	-1.4
Real hourly compensation	-2.3	-2.8	-2.2	-2.7	-3.0	-3.5	-2.5	-2.8	-3.8	-4.7
Unit labor costs	-5.6	-5.9	-5.8	-6.2	-6.4	-6.3	-6.4	-5.8	-6.9	-7.3
Percent change, annual average 2009										
Productivity	3.7	3.8	3.8	3.8	1.8	1.8	-1.6	-1.6	3.0	3.0
Output	-3.6	-3.6	-3.5	-3.5	-11.1	-11.1	-16.4	-16.5	-5.6	-5.5
Hours	-7.1	-7.1	-7.0	-7.0	-12.6	-12.6	-15.1	-15.1	-8.3	-8.3
Hourly compensation	1.9	2.0	1.9	1.9	4.4	4.4	5.3	5.4	3.4	3.3
Real hourly compensation	2.3	2.3	2.3	2.3	4.8	4.8	5.7	5.7	3.7	3.7
Unit labor costs	-1.7	-1.7	-1.8	-1.8	2.6	2.6	7.0	7.1	0.3	0.3

Table C. Nonfinancial corporations: preliminary fourth-quarter and annual average 2009 productivity and cost measures

	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs	Unit profits	Implicit price deflator
Percent change, annual rate, fourth quarter 2009								
Q to Q	8.2	8.5	0.3	0.2	-2.4	-7.4	28.7	-2.9
Y to Y	3.4	-3.2	-6.4	0.6	-0.9	-2.8	15.1	-0.2
Percent change, annual average 2009								
2009	1.9	-5.8	-7.5	2.2	2.6	0.2	1.5	1.6

TECHNICAL NOTES

Labor Hours: Hours data for the labor productivity and cost measures include hours for all persons working in the sector—wage and salary workers, the self-employed and unpaid family workers. The primary source of hours and employment data is the BLS Current Employment Statistics (CES) program, which provides monthly survey data on the number of jobs held by wage and salary workers in nonfarm establishments. The CES also provides average weekly paid hours of production and nonsupervisory workers in these establishments. Weekly paid hours are adjusted to hours at work using data from the National Compensation Survey (NCS). The BLS Hours at Work survey, conducted for this purpose, was used for earlier years. The Office of Productivity and Technology estimates average weekly hours at work for nonproduction and supervisory workers using information from the Current Population Survey (CPS), the CES, and the NCS.

Data from the CPS are used for farm labor, nonfarm proprietors, and nonfarm unpaid family workers. Estimates of labor input for government enterprises are derived from the CPS, the CES, and the National Income and Product Accounts (NIPA) prepared by the Bureau of Economic Analysis (BEA) of the Department of Commerce.

The CES measures jobs, counting a person who is employed by two or more establishments at each place of employment. In contrast, the CPS features measures of employment that count each person only once and classify each person according to his or her primary job; hours worked at all jobs by that person accrue to his or her primary job. However, the CPS also collects more detailed information on employment and hours worked at primary jobs and all other jobs, separately. The BLS productivity measures use the more detailed information on employment and hours to assign all hours worked to the correct industrial sector and avoid duplicating hours data from the CES.

Output: Business sector output is a chain-type, current-weighted index constructed after excluding from gross domestic product (GDP) the following outputs: general government, nonprofit institutions, and private households (including owner-occupied housing). Corresponding exclusions also are made in labor inputs. Business output accounted for about 77 percent of the value of GDP in 2005. Nonfarm business, which excludes farming, accounted for about 76 percent of GDP in 2005.

Annual indexes for manufacturing and its durable and nondurable goods components are constructed by deflating current-dollar industry value of production data from the U.S. Bureau of the Census with deflators from the BLS. These deflators are based on data from the BLS producer price program and other sources. The industry shipments are aggregated using annual weights, and intrasector transactions are removed. Quarterly manufacturing output measures are based on the index of industrial production prepared monthly by the Board of Governors of the Federal Reserve System, adjusted to be consistent with annual indexes of manufacturing sector output prepared by BLS. Durables include the following 3-digit NAICS industries: wood product manufacturing; nonmetallic mineral product manufacturing; primary metal manufacturing; fabricated metal product manufacturing; machinery manufacturing; computer and electronic product manufacturing; electrical equipment and appliance manufacturing; transportation equipment manufacturing; furniture and related product manufacturing; and miscellaneous manufacturing. Nondurables include: food manufacturing; beverage and tobacco product manufacturing; textile mills; textile product mills; apparel manufacturing; leather and allied product manufacturing; paper manufacturing; printing and related support activities; petroleum and coal products manufacturing; chemical manufacturing; and plastics and rubber products manufacturing.

Nonfinancial corporate output is a chain-type, current-weighted index calculated on the basis of the costs incurred and the incomes earned from production. The output measure excludes the following outputs from GDP: general government; nonprofit institutions; private households; unincorporated business; and those corporations classified as offices of bank holding companies, offices of other holding companies, or offices in the finance and insurance sector. Nonfinancial corporations accounted for about 50 percent of the value of GDP in 2005.

Productivity: These productivity measures describe the relationship between real output and the labor time involved in its production. They show the changes from period to period in the amount of goods and services produced per hour. Although these measures relate output to hours at work of all persons engaged in a sector, they do not measure the specific contribution of labor, capital, or any other factor of

production. Rather, they reflect the joint effects of many influences, including changes in technology; capital investment; level of output; utilization of capacity, energy, and materials; the organization of production; managerial skill; and the characteristics and effort of the work force.

Labor Compensation: Estimates of labor compensation by major sector, required for measures of hourly compensation and unit labor costs, are based primarily on employee compensation data from the NIPA, prepared by the BEA. The compensation of employees in general government, nonprofit institutions and private households are subtracted from compensation of domestic employees to derive employee compensation for the business sector. The labor compensation of proprietors cannot be explicitly identified and must be estimated. This is done by assuming that proprietors have the same hourly compensation as employees in the same sector. The quarterly labor productivity and cost measures do not contain estimates of compensation for unpaid family workers.

Unit Labor Costs: The measures of unit labor costs in this release describe the relationship between compensation per hour and productivity, or real output per hour, and can be used as an indicator of inflationary pressure on producers. Increases in hourly compensation increase unit labor costs; labor productivity increases offset compensation increases and lower unit labor costs.

Presentation of the data: The quarterly data in this release are presented in three ways; as index number series where 1992=100, as percent changes from the corresponding quarter of the previous year, and as percent changes from the previous quarter presented at a compound annual rate. Annual data are presented both as index number series and percent changes from the previous year.

The index numbers and rates of change reported in the productivity and costs news release are rounded to one decimal place. All percent changes in this release and on the BLS web site are calculated using index numbers to three decimal places. These index numbers are available at the BLS web site, <http://www.bls.gov/data/home.htm>, or by contacting the BLS Division of Major Sector Productivity. (Telephone 202-691-5606 or email DPRWEB@BLS.GOV)

Information in this release will be made available to sensory-impaired individuals upon request. Voice phone: 202-691-5606; Federal Relay Service number: 1-800-877-8339.

Table 1. Business sector: Productivity, hourly compensation, unit labor costs, and prices, seasonally adjusted

Year and quarter	Output per hour of all persons	Output	Hours of all persons	Compensation per hour (1)	Real compensation per hour (2)	Unit labor costs	Unit non-labor payments (3)	Implicit price deflator (4)	
Indexes 1992=100									
2008	I	142.8	171.7	120.3	180.3	r121.3	126.3	141.7	132.1
	II	143.8	172.2	119.8	181.0	r120.2	125.8	143.8	132.5
	III	144.3	170.6	118.2	183.6	r120.1	127.2	145.3	134.0
	IV	145.0	167.4	115.4	185.4	r124.3	127.8	143.4	133.6
	ANNUAL	144.0	170.5	118.4	182.5	121.4	126.8	143.6	133.0
2009	I	145.3	163.6	112.6	183.5	r123.6	126.2	148.0	134.3
	II	148.0	163.2	110.3	186.8	r125.4	126.2	147.7	134.2
	III	150.9	164.1	108.7	186.8	r124.2	123.8	151.9	134.3
	IV	r153.4	r166.9	r108.8	r187.0	r123.5	r121.9	155.3	r134.4
	ANNUAL	r149.4	r164.5	r110.1	r186.0	r124.2	r124.5	r150.8	r134.3
2010	I	154.5	168.6	109.1	187.8	123.6	121.6	156.6	134.6
Percent change from previous quarter at annual rate(5)									
2008	I	-0.2	-1.3	-1.1	0.9	r-3.6	1.1	-0.3	0.6
	II	2.9	1.1	-1.8	1.4	r-3.6	-1.5	6.1	1.4
	III	1.4	-3.7	-5.0	5.9	r-0.4	4.5	4.1	4.3
	IV	2.1	-7.2	-9.1	4.1	r14.6	1.9	-5.2	-1.0
	ANNUAL	2.1	0.0	-2.1	3.0	-0.8	0.8	2.6	1.5
2009	I	0.9	-8.7	-9.5	-4.1	r-2.0	-5.0	13.4	2.1
	II	7.6	-1.0	-8.0	7.5	r5.7	-0.1	-0.7	-0.3
	III	8.0	2.2	-5.3	0.0	r-3.6	-7.4	11.9	0.1
	IV	r6.6	r6.9	0.3	r0.4	r-2.2	r-5.8	9.3	r0.3
	ANNUAL	3.8	-3.5	-7.0	1.9	2.3	-1.8	5.0	0.9
2010	I	3.0	4.1	1.1	1.7	0.2	-1.3	3.2	0.6
Percent change from corresponding quarter of previous year									
2008	I	2.7	2.0	-0.7	2.9	-1.2	0.2	3.7	1.6
	II	2.7	1.4	-1.3	2.7	-1.6	0.0	3.2	1.2
	III	1.6	-0.5	-2.1	3.3	r-1.9	1.7	2.4	2.0
	IV	1.5	-2.8	-4.3	3.0	1.5	1.5	1.1	1.3
	ANNUAL	2.1	0.0	-2.1	3.0	-0.8	0.8	2.6	1.5
2009	I	1.8	-4.7	-6.4	1.7	1.9	-0.1	4.4	1.7
	II	3.0	-5.2	-7.9	3.3	r4.3	0.3	2.7	1.3
	III	4.6	-3.8	-8.0	1.8	3.4	-2.7	4.6	0.2
	IV	r5.7	r-0.3	-5.7	0.9	-0.6	r-4.6	8.3	r0.6
	ANNUAL	3.8	-3.5	-7.0	1.9	2.3	-1.8	5.0	0.9
2010	I	6.3	3.0	-3.1	2.4	-0.1	-3.7	5.8	0.2

See footnotes following Table 6.
r=revised

May 6, 2010
Source: Bureau of Labor Statistics

Table 2. Nonfarm business sector: Productivity, hourly compensation, unit labor costs, and prices, seasonally adjusted

Year and quarter	Output per hour of all persons	Output	Hours of all persons	Compensation per hour (1)	Real compensation per hour (2)	Unit labor costs	Unit non-labor payments (3)	Implicit price deflator (4)	
Indexes 1992=100									
2008	I	141.8	172.0	121.3	179.3	r120.6	126.4	142.5	132.3
	II	142.8	172.6	120.8	179.7	r119.4	125.9	144.9	132.9
	III	143.2	170.8	119.3	182.4	r119.3	127.4	146.5	134.4
	IV	144.0	167.5	116.3	184.4	r123.6	128.1	145.1	134.3
	ANNUAL	142.9	170.7	119.4	181.4	120.7	126.9	144.7	133.5
2009	I	144.3	163.7	113.4	182.5	r123.0	126.4	150.3	135.2
	II	147.0	163.2	111.1	185.9	r124.7	126.4	150.0	135.1
	III	149.8	164.1	109.6	185.7	r123.5	124.0	154.6	135.2
	IV	r152.1	r166.9	r109.8	r185.9	r122.8	r122.2	r157.5	r135.2
	ANNUAL	r148.3	r164.5	r110.9	r185.0	r123.5	r124.7	r153.2	r135.2
2010	I	153.4	168.7	110.0	186.7	122.9	121.7	158.9	135.4
Percent change from previous quarter at annual rate(5)									
2008	I	-0.5	-1.7	-1.2	1.1	r-3.5	1.6	-1.3	0.5
	II	3.0	1.3	-1.6	1.1	r-3.9	-1.9	7.1	1.6
	III	1.1	-4.0	-5.0	6.0	r-0.3	4.9	4.2	4.6
	IV	2.2	-7.6	-9.6	4.5	r15.1	2.2	-3.7	-0.2
	ANNUAL	2.0	-0.1	-2.1	3.0	-0.8	1.0	2.4	1.5
2009	I	0.9	-8.8	-9.6	-4.2	r-2.0	-5.0	15.3	2.7
	II	7.6	-1.1	-8.1	7.7	r5.8	0.1	-0.9	-0.3
	III	7.8	2.2	-5.3	-0.4	r-3.9	-7.6	13.0	0.4
	IV	r6.3	r7.0	r0.7	r0.4	r-2.3	r-5.6	7.7	r-0.2
	ANNUAL	r3.7	-3.6	-7.1	r1.9	2.3	-1.7	5.8	1.3
2010	I	3.6	4.4	0.8	1.9	0.4	-1.6	3.6	0.6
Percent change from corresponding quarter of previous year									
2008	I	2.5	1.9	-0.6	2.8	-1.3	0.3	3.1	1.4
	II	2.7	1.3	-1.4	2.8	r-1.5	0.1	2.8	1.1
	III	1.6	-0.7	-2.2	3.5	r-1.7	1.9	2.2	2.0
	IV	1.4	-3.0	-4.4	3.1	1.6	1.7	1.5	1.6
	ANNUAL	2.0	-0.1	-2.1	3.0	-0.8	1.0	2.4	1.5
2009	I	1.8	-4.8	-6.5	1.8	r1.9	0.0	5.5	2.2
	II	2.9	-5.4	-8.1	3.4	4.4	0.5	3.5	1.7
	III	4.6	-3.9	-8.2	1.8	r3.5	-2.7	5.6	0.6
	IV	r5.6	r-0.3	r-5.6	0.8	r-0.7	r-4.6	8.6	0.6
	ANNUAL	r3.7	-3.6	-7.1	r1.9	2.3	-1.7	5.8	1.3
2010	I	6.3	3.1	-3.0	2.3	-0.1	-3.7	5.7	0.1

See footnotes following Table 6.
r=revised

May 6, 2010
Source: Bureau of Labor Statistics

Table 3. Manufacturing sector: Productivity, hourly compensation, and unit labor costs, seasonally adjusted

Year and quarter	Output per hour of all persons	Output	Hours of all persons	Compensation per hour (1)	Real compensation per hour (2)	Unit labor costs	
Indexes 1992=100							
2008	I	r182.9	r150.1	82.1	175.6	r118.1	r96.0
	II	r181.1	r148.1	81.8	176.1	r117.0	r97.3
	III	r181.0	r144.6	79.9	179.2	r117.3	r99.1
	IV	r179.7	r137.4	76.5	185.4	r124.2	r103.1
	ANNUAL	r181.2	r145.1	80.1	179.0	119.0	r98.8
2009	I	r178.4	r129.2	72.4	185.0	r124.7	r103.7
	II	r181.3	r126.5	69.8	187.8	r126.0	r103.6
	III	r187.6	r129.3	68.9	187.4	r124.6	r99.9
	IV	r190.6	r131.1	r68.7	r187.2	r123.7	r98.2
	ANNUAL	r184.4	r129.0	r70.0	r186.9	r124.8	r101.3
2010	I	191.8	133.5	69.6	186.7	122.8	97.3
Percent change from previous quarter at annual rate(5)							
2008	I	0.8	-1.2	-2.0	-1.7	r-6.2	-2.5
	II	-3.9	-5.2	-1.4	1.3	r-3.7	5.3
	III	-0.3	-9.3	-9.0	7.2	r0.8	7.6
	IV	-2.7	-18.4	-16.1	14.3	r25.9	17.5
	ANNUAL	r1.1	r-3.0	-4.0	3.1	-0.7	r2.0
2009	I	-2.9	-21.7	-19.4	-0.8	r1.4	2.1
	II	6.6	-8.1	-13.8	6.3	r4.5	r-0.3
	III	14.8	9.0	-5.1	-1.0	r-4.5	-13.7
	IV	r6.5	r5.6	r-0.8	r-0.3	r-3.0	r-6.4
	ANNUAL	1.8	-11.1	-12.6	4.4	4.8	2.6
2010	I	2.5	7.5	4.9	-1.2	-2.7	-3.7
Percent change from corresponding quarter of previous year							
2008	I	r3.5	r1.5	-2.0	1.6	r-2.4	r-1.8
	II	1.9	r-0.8	-2.7	2.3	-1.9	r0.3
	III	0.4	-3.9	-4.3	3.7	-1.5	3.3
	IV	-1.5	-8.7	-7.3	5.1	3.5	6.7
	ANNUAL	r1.1	r-3.0	-4.0	3.1	-0.7	r2.0
2009	I	-2.4	-13.9	-11.7	5.4	r5.5	8.0
	II	0.1	-14.6	-14.7	6.6	7.7	6.5
	III	3.7	-10.6	-13.8	4.6	6.2	0.8
	IV	6.1	-4.6	-10.1	r1.0	r-0.5	r-4.8
	ANNUAL	1.8	-11.1	-12.6	4.4	4.8	2.6
2010	I	7.5	3.3	-3.9	0.9	-1.5	-6.1

See footnotes following Table 6.
r=revised

May 6, 2010
Source: Bureau of Labor Statistics

Table 4. Durable manufacturing sector: Productivity, hourly compensation, and unit labor costs, seasonally adjusted

Year and quarter	Output per hour of all persons	Output	Hours of all persons	Compensation per hour (1)	Real compensation per hour (2)	Unit labor costs	
Indexes 1992=100							
2008	I	r213.8	r185.6	86.8	169.4	r114.0	r79.2
	II	r210.3	r182.1	86.6	170.2	r113.1	r80.9
	III	r213.1	r178.4	83.7	174.0	r113.9	r81.7
	IV	r206.2	r165.4	80.2	179.4	r120.3	r87.0
	ANNUAL	r210.9	r177.9	84.4	173.1	115.1	r82.1
2009	I	r200.2	r150.4	75.1	179.5	r120.9	r89.6
	II	r201.7	r143.9	71.3	184.2	r123.6	r91.3
	III	r212.5	r149.0	70.1	182.8	r121.6	r86.0
	IV	r216.2	r151.3	r70.0	r182.9	r120.8	r84.6
	ANNUAL	r207.5	r148.6	r71.6	r182.3	r121.7	r87.9
2010	I	218.2	155.1	71.1	182.4	120.0	83.6
Percent change from previous quarter at annual rate(5)							
2008	I	-1.0	-0.9	0.1	-3.6	r-7.9	-2.6
	II	-6.5	-7.3	-0.8	1.9	r-3.1	9.0
	III	5.5	-7.9	-12.7	9.4	r2.8	3.7
	IV	-12.3	-26.2	-15.9	13.0	r24.4	r28.9
	ANNUAL	r1.1	r-3.2	-4.2	2.9	-0.9	r1.8
2009	I	-11.1	-31.6	-23.0	0.1	r2.3	12.6
	II	3.0	-16.1	-18.6	11.0	r9.0	7.7
	III	r23.2	r14.8	-6.8	-2.9	r-6.4	r-21.2
	IV	r7.1	r6.4	r-0.7	r0.2	r-2.5	r-6.4
	ANNUAL	-1.6	r-16.4	-15.1	r5.3	5.7	r7.0
2010	I	3.8	10.5	6.4	-1.2	-2.7	-4.9
Percent change from corresponding quarter of previous year							
2008	I	r4.9	r2.9	-1.9	0.9	-3.2	r-3.8
	II	r2.0	r-0.6	-2.5	2.2	-2.0	r0.2
	III	r1.5	-3.7	-5.1	3.9	r-1.3	r2.4
	IV	-3.8	-11.1	-7.6	5.0	3.4	9.1
	ANNUAL	r1.1	r-3.2	-4.2	2.9	-0.9	r1.8
2009	I	-6.4	-19.0	-13.5	6.0	r6.1	13.2
	II	-4.1	-21.0	-17.6	8.2	9.3	12.8
	III	-0.3	-16.5	-16.3	5.1	r6.8	r5.3
	IV	r4.9	r-8.5	r-12.7	r1.9	r0.5	r-2.8
	ANNUAL	-1.6	r-16.4	-15.1	r5.3	5.7	r7.0
2010	I	9.0	3.1	-5.4	1.6	-0.8	-6.8

See footnotes following Table 6.
r=revised

May 6, 2010
Source: Bureau of Labor Statistics

Table 5. Nondurable manufacturing sector: Productivity, hourly compensation, and unit labor costs, seasonally adjusted

Year and quarter	Output per hour of all persons	Output	Hours of all persons	Compensation per hour (1)	Real compensation per hour (2)	Unit labor costs
Indexes 1992=100						
2008	I	r154.4	r115.7	74.9	185.2	r124.6
	II	r154.1	r114.9	74.5	185.2	r123.0
	III	r150.7	r111.7	74.1	187.0	r122.4
	IV	r153.7	r108.8	70.8	194.5	r130.3
	ANNUAL	r153.2	r112.8	73.6	187.9	124.9
2009	I	r154.5	r105.7	68.4	193.7	r130.5
	II	r156.6	r105.6	67.5	193.5	r129.8
	III	r159.0	r106.6	67.1	195.0	r129.7
	IV	r161.3	r107.9	r66.9	r194.4	r128.4
	ANNUAL	r157.8	r106.5	r67.5	r194.2	r129.6
2010	I	162.2	109.2	67.3	193.7	127.4
Percent change from previous quarter at annual rate(5)						
2008	I	4.4	-1.4	-5.5	1.6	r-3.0
	II	-0.6	-2.8	-2.3	0.0	r-4.9
	III	-8.5	-10.6	-2.3	4.1	r-2.1
	IV	8.0	-9.9	-16.6	16.9	r28.8
	ANNUAL	r0.9	r-2.8	-3.7	3.6	-0.3
2009	I	2.1	-11.1	-12.9	-1.6	r0.6
	II	5.7	0.0	-5.4	-0.4	r-2.2
	III	6.2	r3.8	-2.2	3.2	r-0.5
	IV	r6.1	r4.9	r-1.2	r-1.2	r-3.8
	ANNUAL	3.0	r-5.6	-8.3	r3.4	3.7
2010	I	2.2	4.8	2.5	-1.5	-3.0
Percent change from corresponding quarter of previous year						
2008	I	r2.2	r0.0	-2.2	3.1	-1.1
	II	r2.1	r-1.0	-3.0	2.4	-1.8
	III	r-1.2	-4.0	-2.8	3.4	r-1.8
	IV	0.6	-6.3	-6.9	5.4	r3.8
	ANNUAL	r0.9	r-2.8	-3.7	3.6	-0.3
2009	I	0.1	-8.7	-8.7	4.6	4.8
	II	1.6	-8.0	-9.5	4.5	5.5
	III	5.5	-4.5	-9.4	4.3	r6.0
	IV	r5.0	r-0.8	-5.5	r0.0	-1.5
	ANNUAL	3.0	r-5.6	-8.3	r3.4	3.7
2010	I	5.0	3.4	-1.6	0.0	-2.4

See footnotes following Table 6.
r=revised

May 6, 2010
Source: Bureau of Labor Statistics

Table 6. Nonfinancial corporate sector: Productivity, hourly compensation, unit labor costs, unit profits, and prices, seasonally adjusted

Year and quarter	Output per all-employee hour	Output	Employee hours	Hourly compensation (1)	Real hourly compensation(2)	Unit labor costs	Unit non-labor costs(6)	Total unit costs (7)	Unit profits (8)	Implicit price deflator (4)	
Indexes 1992=100											
2007	I	143.6	175.1	122.0	164.3	r115.2	114.4	123.1	116.8	171.2	121.8
	II	144.3	176.5	122.3	165.0	r114.3	114.4	124.9	117.2	171.8	122.2
	III	144.0	175.8	122.1	166.1	r114.4	115.3	127.4	118.6	155.6	122.0
	IV	146.2	178.5	122.1	168.6	r114.8	115.3	127.9	118.7	149.9	121.6
	ANNUAL	144.5	176.5	122.1	166.0	114.6	114.9	125.8	117.8	162.1	121.9
2008	I	145.0	176.9	122.0	168.7	r113.5	116.3	129.1	119.8	133.0	121.0
	II	147.3	178.8	121.3	169.7	r112.7	115.1	129.2	118.9	134.7	120.4
	III	149.1	178.4	119.7	172.4	r112.8	115.6	129.8	119.4	145.3	121.8
	IV	149.2	174.6	117.0	175.0	r117.3	117.3	134.1	121.8	129.5	122.5
	ANNUAL	147.6	177.2	120.0	171.4	114.0	116.1	130.5	120.0	135.7	121.4
2009	I	146.6	166.6	113.7	173.2	r116.7	118.1	139.1	123.8	127.5	124.1
	II	149.9	166.4	111.0	175.4	r117.7	117.1	138.0	122.7	133.8	123.7
	III	151.3	165.7	109.5	175.9	r116.9	116.3	135.7	121.5	140.0	123.2
	IV	154.3	169.1	109.6	176.0	116.2	114.1	134.5	119.5	149.1	122.2
	ANNUAL	150.5	167.0	111.0	175.1	116.9	116.4	136.8	121.9	137.6	123.3
Percent change from previous quarter at annual rate(5)											
2007	I	-0.6	0.2	0.8	3.9	r-0.1	4.5	7.5	5.3	-10.2	3.2
	II	2.0	3.2	1.2	1.7	r-2.9	-0.3	5.8	1.4	1.5	1.4
	III	-0.8	-1.5	-0.7	2.6	r0.2	3.4	8.2	4.8	-32.7	-0.7
	IV	6.3	6.2	-0.1	6.3	r1.4	0.0	1.5	0.5	-13.8	-1.3
	ANNUAL	1.0	1.7	0.7	3.6	0.7	2.6	5.8	3.5	-9.9	1.7
2008	I	-3.2	-3.6	-0.4	0.1	r-4.4	3.5	3.9	3.6	-38.0	-1.9
	II	6.6	4.4	-2.1	2.3	r-2.7	-4.0	0.5	-2.7	5.0	-2.0
	III	4.9	-0.8	-5.4	6.5	r0.1	1.6	1.8	1.6	35.5	4.8
	IV	0.2	-8.3	-8.5	6.3	r17.1	6.1	13.9	8.3	-37.0	2.4
	ANNUAL	2.2	0.4	-1.7	3.2	-0.6	1.1	3.7	1.8	-16.3	-0.4
2009	I	-6.8	-17.1	-11.0	-4.1	r-2.0	2.9	15.8	6.6	-5.8	5.3
	II	9.2	-0.6	-9.0	5.3	r3.5	-3.6	-3.2	-3.5	21.0	-1.3
	III	3.9	-1.7	-5.4	1.0	r-2.6	-2.8	-6.5	-3.9	19.9	-1.8
	IV	8.2	8.5	0.3	0.2	-2.4	-7.4	-3.4	-6.2	28.7	-2.9
	ANNUAL	1.9	-5.8	-7.5	2.2	2.6	0.2	4.8	1.6	1.5	1.6
Percent change from corresponding quarter of previous year											
2007	I	0.3	1.4	1.1	3.3	0.8	2.9	5.5	3.7	-3.0	2.8
	II	1.6	2.6	1.0	3.6	0.9	2.0	5.0	2.8	-2.2	2.1
	III	0.4	0.9	0.5	3.9	1.6	3.5	7.0	4.5	-18.7	1.1
	IV	1.7	2.0	0.3	3.6	-0.4	1.9	5.7	3.0	-14.7	0.6
	ANNUAL	1.0	1.7	0.7	3.6	0.7	2.6	5.8	3.5	-9.9	1.7
2008	I	1.0	1.0	0.0	2.7	-1.5	1.7	4.8	2.6	-22.3	-0.6
	II	2.1	1.3	-0.8	2.8	-1.4	0.7	3.5	1.5	-21.6	-1.5
	III	3.5	1.5	-2.0	3.8	-1.4	0.2	1.9	0.7	-6.6	-0.1
	IV	2.0	-2.2	-4.1	3.8	2.2	1.7	4.9	2.6	-13.6	0.8
	ANNUAL	2.2	0.4	-1.7	3.2	-0.6	1.1	3.7	1.8	-16.3	-0.4
2009	I	1.1	-5.8	-6.8	2.7	r2.8	1.6	7.7	3.4	-4.1	2.6
	II	1.7	-6.9	-8.5	3.4	4.4	1.7	6.8	3.2	-0.7	2.8
	III	1.5	-7.1	-8.5	2.1	3.7	0.6	4.5	1.7	-3.7	1.1
	IV	3.4	-3.2	-6.4	0.6	-0.9	-2.8	0.3	-1.9	15.1	-0.2
	ANNUAL	1.9	-5.8	-7.5	2.2	2.6	0.2	4.8	1.6	1.5	1.6

See footnotes following Table 6.
r=revised

May 6, 2010
Source: Bureau of Labor Statistics

SOURCES: Output data are from the Bureau of Economic Analysis and the Census Bureau of the U.S. Department of Commerce; the Bureau of Labor Statistics, U.S. Department of Labor; and the Federal Reserve Board. Compensation and hours data are from the Bureau of Labor Statistics and the Bureau of Economic Analysis.

RELIABILITY: Productivity and cost measures are regularly revised as more complete information becomes available. The measures are first published within 40 days of the close of the reference period; revisions appear 30 days later, and second revisions after an additional 60 days. In the business sector, the third publication (second revision) of a quarterly index of output per hour of all persons has differed from the initial value by between -1.5 and +1.5 index points approximately 95 percent of the time. This interval is based on the performance of this measure between the fourth quarter of 1995 and the fourth quarter of 2009.

Footnotes, Tables 1-6

- (1) Wages and salaries of employees plus employers' contributions for social insurance and private benefit plans. Except for nonfinancial corporations, where there are no self-employed, data also include an estimate of wages, salaries, and supplemental payments for the self-employed.
- (2) The change for recent quarters is based on the Consumer Price Index for all urban consumers (CPI-U). The trend from 1978-2009 is based on the Consumer Price Index research series (CPI-U-RS).
- (3) Unit nonlabor payments include profits, consumption of fixed capital, taxes on production and imports less subsidies, net interest and miscellaneous payments, business current transfer payments, rental income of persons, and the current surplus of government enterprises.
- (4) Current dollar output divided by the output index.
- (5) Quarterly changes: Percent change compounded at annual rate is calculated using index numbers to three decimal places. Indexes published in the news release are rounded to one decimal place for convenience. Annual changes: Percent change is calculated using annual average indexes to three decimal places.
- (6) Unit nonlabor costs include consumption of fixed capital, taxes on production and imports less subsidies, net interest and miscellaneous payments, and business current transfer payments.
- (7) Total unit costs are the sum of unit labor and nonlabor costs.
- (8) Unit profits include corporate profits before tax with inventory valuation and capital consumption adjustments.

Appendix table 1.

Manufacturing sector: Productivity, hourly compensation, and unit labor costs
 Indexes 1992=100

Year	Output per hour of all persons	Output	Hours of all persons	Compensation per hour (1)	Real compensation per hour (2)	Unit labor costs
1987	r89.0	r92.4	103.8	80.6	97.2	r90.5
1988	r90.9	r97.2	106.9	83.5	97.1	r91.8
1989	r91.9	r98.8	107.6	86.0	95.9	r93.6
1990	r93.9	r98.5	104.9	90.1	95.7	r96.0
1991	r96.3	96.8	100.5	95.5	97.9	r99.1
1992	100.0	100.0	100.0	100.0	100.0	100.0
1993	r102.6	r103.9	101.3	102.3	99.8	r99.7
1994	r106.2	r110.1	103.7	104.8	100.1	r98.7
1995	r111.0	r115.9	104.4	106.5	99.3	r95.9
1996	r115.1	r119.8	104.2	108.3	98.4	r94.1
1997	r121.3	r128.7	106.0	110.9	98.7	r91.4
1998	r127.9	r135.3	105.8	117.8	103.4	r92.1
1999	r133.7	r140.5	105.1	123.0	105.7	r92.0
2000	r139.2	r144.3	103.7	132.5	110.2	r95.2
2001	r141.4	r137.0	96.9	137.5	111.2	r97.3
2002	r151.1	r136.1	90.1	145.1	115.5	r96.0
2003	r160.6	r137.5	85.6	156.7	122.0	r97.6
2004	r164.3	r140.0	85.2	157.9	119.7	r96.1
2005	r172.0	r144.9	84.3	163.2	119.7	r94.9
2006	r173.4	r147.2	84.9	166.4	118.2	r96.0
2007	r179.2	r149.5	83.4	173.5	119.9	r96.8
2008	r181.2	r145.1	80.1	179.0	119.0	r98.8
2009	r184.4	r129.0	r70.0	r186.9	r124.8	r101.3

See footnotes following Table 6.
 r=revised

May 6, 2010
 Source: Bureau of Labor Statistics

Appendix table 2.

Durable manufacturing sector: Productivity, hourly compensation, and unit labor costs
Indexes 1992=100

Year	Output per hour of all persons	Output	Hours of all persons	Compensa- tion per hour (1)	Real compensa- tion per hour (2)	Unit labor costs
1987	r88.5	r94.2	106.5	80.7	97.3	r91.1
1988	r90.4	r100.0	110.6	82.9	96.5	r91.7
1989	r91.2	r101.1	110.9	85.4	95.2	r93.6
1990	r92.9	r99.8	107.4	89.1	94.7	r95.9
1991	r94.6	r96.0	101.4	94.8	97.2	r100.2
1992	100.0	100.0	100.0	100.0	100.0	100.0
1993	r103.9	r105.4	101.4	102.0	99.5	r98.1
1994	r109.1	r114.2	104.7	104.5	99.9	r95.8
1995	r115.9	r123.3	106.3	105.3	98.2	r90.8
1996	r122.1	r131.0	107.3	106.4	96.7	r87.2
1997	r130.5	r144.0	110.4	108.3	96.3	r83.0
1998	r140.5	r156.0	111.0	115.3	101.1	r82.0
1999	r150.6	r166.4	110.5	120.3	103.4	r79.9
2000	r158.0	r173.5	109.8	129.8	107.9	r82.2
2001	r158.9	r162.0	101.9	133.6	108.0	r84.0
2002	r170.9	r159.8	93.5	140.1	111.5	r82.0
2003	r183.2	r162.2	88.5	153.0	119.1	r83.5
2004	r186.4	r166.1	89.1	152.5	115.6	r81.8
2005	r196.1	r174.4	89.0	157.2	115.3	r80.2
2006	r200.0	r179.9	89.9	160.7	114.1	r80.4
2007	r208.6	r183.7	88.1	168.2	116.2	r80.6
2008	r210.9	r177.9	84.4	173.1	115.1	r82.1
2009	r207.5	r148.6	r71.6	r182.3	r121.7	r87.9

See footnotes following Table 6.
r=revisedMay 6, 2010
Source: Bureau of Labor Statistics

Appendix table 3.

Nondurable manufacturing sector: Productivity, hourly compensation, and unit labor costs
Indexes 1992=100

Year	Output per hour of all persons	Output	Hours of all persons	Compensa- tion per hour (1)	Real compensa- tion per hour (2)	Unit labor costs
1987	r91.3	r91.0	99.7	79.8	96.3	r87.4
1988	r93.2	r94.4	101.4	83.6	97.2	r89.7
1989	r94.0	r96.4	102.5	86.3	96.3	r91.8
1990	r96.0	r97.1	101.1	91.4	97.1	r95.3
1991	r98.3	r97.4	99.1	96.4	98.9	r98.1
1992	100.0	100.0	100.0	100.0	100.0	100.0
1993	r101.2	r102.4	101.2	102.7	100.3	r101.6
1994	r103.5	r105.7	102.1	105.0	100.4	r101.5
1995	r106.2	r107.7	101.5	108.1	100.9	r101.8
1996	r108.4	r107.8	99.4	110.8	100.7	r102.3
1997	r112.8	r112.2	99.5	114.7	102.1	r101.7
1998	r115.8	r113.4	97.9	121.0	106.2	r104.5
1999	r117.0	r113.3	96.9	126.3	108.5	r107.9
2000	r120.8	r114.2	94.5	135.4	112.6	r112.1
2001	r123.7	r110.5	89.4	143.2	115.9	r115.8
2002	r130.7	r110.9	84.8	153.2	121.9	r117.2
2003	r137.0	r111.4	81.3	162.2	126.3	r118.4
2004	r141.9	r112.6	79.4	166.5	126.3	r117.3
2005	r148.8	r114.8	77.2	172.5	126.6	r115.9
2006	r148.5	r114.7	77.3	175.1	124.4	r117.9
2007	r151.8	r116.0	76.4	181.4	125.3	r119.5
2008	r153.2	r112.8	73.6	187.9	124.9	r122.6
2009	r157.8	r106.5	r67.5	r194.2	r129.6	r123.0

See footnotes following Table 6.
r=revised

May 6, 2010
Source: Bureau of Labor Statistics