

News

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PRODUCTIVITY AND COSTS

First Quarter 2009, Revised

The Bureau of Labor Statistics of the U.S. Department of Labor today reported revised productivity data—as measured by output per hour of all persons—for the first quarter of 2009. The revised seasonally adjusted annual rates of productivity change in the first quarter were:

1.8 percent in the business sector and
1.6 percent in the nonfarm business sector.

In both sectors, the first-quarter productivity gains were greater than the preliminary estimates reported on May 7, due solely to revisions to output growth.

In manufacturing, the revised productivity changes in the first quarter were:

-2.7 percent in manufacturing,
-10.4 percent in durable goods manufacturing, and
1.9 percent in nondurable goods manufacturing.

Manufacturing productivity in the first quarter of 2009 fell at a slower rate than was reported on May 7. Output and hours in manufacturing, which includes about 11 percent of U.S. business-sector employment, tend to vary more from quarter to quarter than data for the aggregate business and nonfarm business sectors. First-quarter measures are summarized in table A and appear in detail in tables 1 through 5.

The data sources and methods used in the preparation of the manufacturing series differ from those used in preparing the business and nonfarm business series, and these measures are not directly comparable. Output measures for business and nonfarm business are based on measures of gross domestic product prepared by the Bureau of Economic Analysis of the U.S. Department of Commerce. Quarterly output measures for manufacturing reflect indexes of industrial production prepared by the Board of Governors of the Federal Reserve System. See Technical Notes for further information on data sources (page 8).

Table A. Productivity and costs: Revised first-quarter 2009 measures (Seasonally adjusted annual rates)						
Sector	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs
Percent change from preceding quarter						
Business	1.8	-7.2	-8.8	4.5	7.0	2.7
Nonfarm business	1.6	-7.6	-9.0	4.6	7.1	3.0
Manufacturing	-2.7	-21.7	-19.5	13.4	16.1	16.6
Durable	-10.4	-31.0	-23.0	15.8	18.6	29.3
Nondurable	1.9	-11.6	-13.2	10.1	12.8	8.1
Percent change from same quarter a year ago						
Business	2.0	-3.8	-5.7	4.1	4.3	2.0
Nonfarm business	1.9	-4.0	-5.8	4.1	4.3	2.2
Manufacturing	-3.2	-13.9	-11.0	8.4	8.7	12.0
Durable	-6.9	-18.8	-12.8	9.5	9.7	17.6
Nondurable	-0.8	-8.8	-8.0	6.9	7.1	7.8

Business

Business sector productivity grew 1.8 percent in the first quarter of 2009 as output decreased 7.2 percent and hours worked by all persons—employees, proprietors, and unpaid family workers—decreased 8.8 percent (seasonally adjusted annual rates). The decrease in hours was the largest since a decline of 12.1 percent in the first quarter of 1975. From the first quarter of 2008 to the first quarter of 2009, productivity has increased 2.0 percent, with output and hours falling 3.8 percent and 5.7 percent, respectively (tables A and 1). This productivity growth rate was lower than the 2.5 percent average annual rate from 2000 to 2007.

Hourly compensation increased at a 4.5 percent annual rate in the first quarter of 2009. This measure of compensation includes wages and salaries, supplements, employer contributions to employee benefit plans, and taxes. Real hourly compensation, which takes into account changes in consumer prices, rose 7.0 percent in the first quarter of 2009.

The change in unit labor costs approximates the change in hourly compensation less the change in productivity. In the first quarter of 2009 these costs grew at a 2.7 percent annual rate, higher than the 2.0 percent rate from the first quarter of 2008 to the first quarter of 2009 and the 1.4 percent average annual rate from 2000 to 2007. The implicit price deflator for business output, which reflects changes in both unit labor costs and unit nonlabor payments, grew 2.2 percent in the first quarter of 2009.

Nonfarm Business

During the first quarter of 2009, productivity rose 1.6 percent in the nonfarm business sector; output fell 7.6 percent and hours of all persons fell 9.0 percent (seasonally-adjusted annual rates). The decrease in hours, 9.0 percent, was the largest since the first quarter of 1975, when hours fell 12.0 percent. Over the last four quarters, productivity in the nonfarm business sector grew 1.9 percent (chart 1, tables A and 2). This growth rate was lower than the 2.5 percent average rate of growth from 2000 to 2007.

Hourly compensation increased at a 4.6 percent annual rate in the nonfarm business sector in the first quarter of 2009. The measure increased 4.5 percent in the fourth quarter, as revised. When hourly compensation is adjusted for the fall in consumer prices, real hourly compensation grew 7.1 percent in the first quarter of 2009.

Unit labor costs rose 3.0 percent in the first quarter of 2009. The percent change from the same quarter a year ago was 2.2 percent (chart 2). The implicit price deflator for nonfarm business output increased 2.8 percent in the first quarter of 2009.

Chart 1. Output per Hour, Nonfarm Business, all persons, 2001:1-2009:1

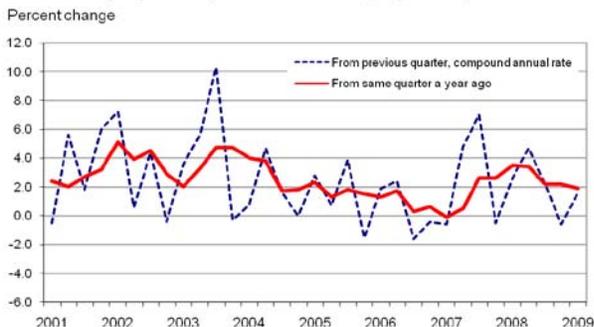
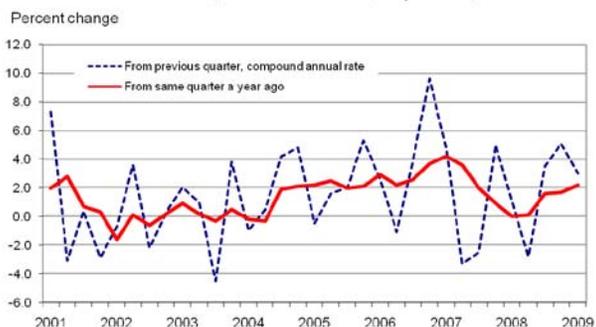


Chart 2. Unit Labor Costs, Nonfarm Business, all persons, 2001:1-2009:1



Manufacturing

Productivity decreased at a 2.7 percent annual rate in the manufacturing sector during the first quarter of 2009, reflecting a 21.7 percent decrease in output and a 19.5 percent decrease in hours (tables A and 3). These were the largest-ever declines in the output and hours series, which begin with data for the second quarter of 1987. Over the last four quarters, manufacturing productivity fell 3.2 percent, the largest four-quarter decline in the series (chart 3, tables A and 3). This contrasts with the 3.7 percent average annual increase from 2000 to 2007. In the durable goods manufacturing subsector, output declined 31.0 percent and hours fell 23.0 percent, yielding a productivity decline of 10.4 percent. In nondurable goods industries, productivity rose 1.9 percent as the decline in output of 11.6 percent was less than the 13.2 percent decline in hours.

Hourly compensation in manufacturing grew 13.4 percent during the first quarter of 2009, reflecting a 15.8 percent rise in durable goods industries and a 10.1 percent rise in the nondurable goods industries (seasonally-adjusted annual rates). Real hourly compensation, which takes into account changes in consumer prices, increased 16.1 percent for all manufacturing workers.

Unit labor costs rose 16.6 percent in manufacturing during the first quarter of 2009, after increasing 17.1 percent in the fourth quarter of 2008. Over the last four quarters total manufacturing unit labor costs increased 12.0 percent, the largest increase in the series (chart 4).

Chart 3. Output per Hour, Manufacturing, all persons, 2001:1-2009:1

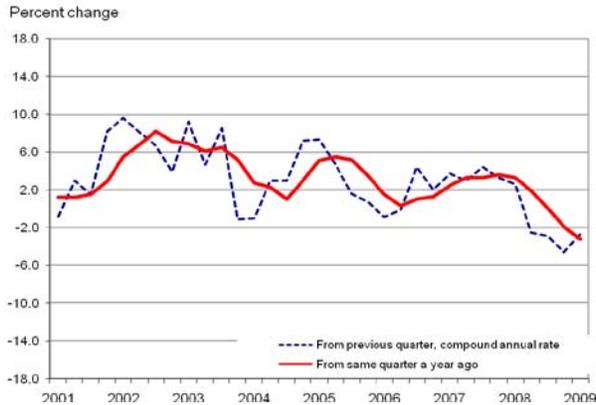
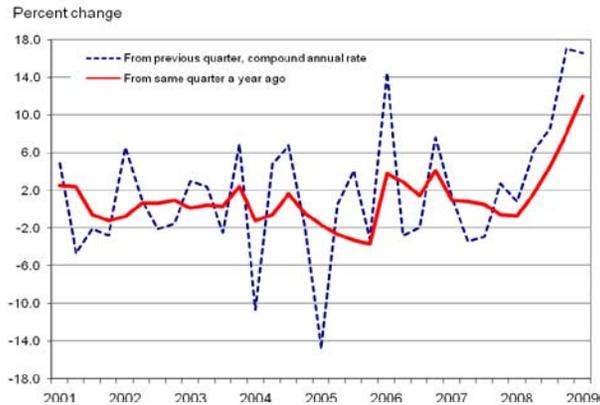


Chart 4. Unit Labor Costs, Manufacturing, all persons, 2001:1-2009:1



Nonfinancial Corporations

Preliminary first-quarter 2009 measures of productivity and costs for nonfinancial corporations also were announced today (tables B and 6). Productivity decreased 2.1 percent in the first quarter as output fell 12.3 percent and hours fell 10.4 percent (seasonally adjusted annual rates). The decline in output was the largest in the series, which begins in the second quarter of 1958. The hours decline was the largest since a 13.9 percent decline in the first quarter of 1975. From the first quarter of 2008 to the first quarter of 2009 productivity grew 2.0 percent; it had grown at a 2.7 percent annual rate from 2000 to 2007. The nonfinancial corporate sector includes all corporations doing business in the United States, except those classified as depository institutions, nondepository institutions, security and commodity brokers, insurance carriers, regulated investment offices, small business investment offices, and real estate investment trusts.

Table B. Nonfinancial corporations: Preliminary first-quarter 2009 productivity and costs measures
(Seasonally adjusted annual rates)

Period	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs	Unit profits	Implicit price deflator
Percent change from preceding quarter								
2009 I	-2.1	-12.3	-10.4	6.3	8.8	8.5	-20.5	6.4
Percent change from same quarter a year ago								
2009 I	2.0	-4.1	-5.9	5.0	5.2	3.0	-9.7	2.8

Hourly compensation increased 6.3 percent during the first quarter of 2009; real hourly compensation increased 8.8 percent, after accounting for the decline in prices. Unit labor costs in nonfinancial corporations rose 8.5 percent in the first quarter of 2009, and 3.0 percent over the last four quarters.

Revised Measures

Previous and revised measures for the first quarter of 2009 in the business, nonfarm business, and manufacturing sectors are compared in table C. In the business, nonfarm business, and

Table C. Previous and revised productivity and related measures
(Quarterly percent changes at seasonally adjusted annual rates)

Sector	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs
First quarter 2009						
Business:						
Previous.....	1.1	-7.8	-8.8	4.1	6.6	2.9
Revised.....	1.8	-7.2	-8.8	4.5	7.0	2.7
Nonfarm business:						
Previous.....	0.8	-8.2	-9.0	4.1	6.6	3.3
Revised.....	1.6	-7.6	-9.0	4.6	7.1	3.0
Manufacturing:						
Previous.....	-3.4	-22.4	-19.7	12.8	15.5	16.7
Revised.....	-2.7	-21.7	-19.5	13.4	16.1	16.6
Fourth quarter 2008						
Business:						
Previous.....	-0.5	-8.5	-8.0	4.9	14.4	5.4
Revised.....	-0.5	-8.5	-8.0	4.2	13.7	4.8
Nonfarm business:						
Previous.....	-0.6	-8.8	-8.3	5.2	14.8	5.7
Revised.....	-0.6	-8.8	-8.3	4.5	14.0	5.1
Manufacturing:						
Previous.....	-4.2	-18.0	-14.4	10.1	20.2	15.0
Revised.....	-4.6	-18.3	-14.4	11.8	22.0	17.1
Annual average 2008						
Business:						
Previous.....	2.7	0.8	-1.9	3.6	-0.2	0.9
Revised.....	2.7	0.8	-1.9	3.6	-0.2	0.9
Nonfarm business:						
Previous.....	2.8	0.8	-1.9	3.7	-0.1	0.9
Revised.....	2.8	0.8	-1.9	3.7	-0.2	0.9
Manufacturing:						
Previous.....	0.9	-3.0	-3.9	4.0	0.2	3.1
Revised.....	0.9	-3.1	-3.9	4.1	0.3	3.2

manufacturing sectors productivity was revised up along with output; hours were also revised up slightly in the manufacturing sector. Upward revisions to hourly compensation were less than the revisions to productivity, so unit labor costs increased less than was reported on May 7 for each of the three sectors.

Table C also presents preliminary and revised results for the fourth quarter and annual average of 2008. In the business and nonfarm business sectors, revised employee compensation data from the Bureau of Economic Analysis (BEA) of the Department of Commerce resulted in downward revisions to hourly compensation, real hourly compensation, and unit labor costs. In the manufacturing sector, fourth quarter productivity was revised down due to a downward revision to output. Unit labor costs were revised up due both to the downward revision to productivity and an upward revision to hourly compensation. Annual measures for all sectors were mostly unaffected by the fourth-quarter revisions.

Revised Measures Nonfinancial Corporations

Fourth quarter and annual average 2008 measures were revised for the nonfinancial corporate sector. As revised, productivity decreased at a 4.3 percent annual rate in the fourth quarter of 2008, reflecting a 0.4 percentage point downward revision to output and unchanged employee hours. A downward revision to hourly compensation was larger than the downward revision to productivity; as a result, unit labor costs rose slightly less than reported on May 7. Annual measures were virtually the same as the preliminary estimates.

Table D. Nonfinancial corporations: Previous and revised productivity and costs measures (Quarterly percent changes at seasonally adjusted annual rates)

	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs	Unit profits	Implicit price deflator
Fourth quarter 2008								
Previous	-3.9	-10.5	-6.9	5.4	15.0	9.6	-28.8	5.0
Revised	-4.3	-10.9	-6.9	4.7	14.2	9.4	-28.5	5.0
Annual average 2008								
Previous	2.8	1.3	-1.5	3.9	0.1	1.1	-10.4	0.0
Revised	2.8	1.3	-1.5	3.9	0.0	1.1	-10.4	0.0

Next release date

The next release of **Productivity and Costs** is scheduled for **8:30 AM EDT, Tuesday, August 11, 2009**. Preliminary second-quarter measures for business, nonfarm business, and manufacturing will be released at that time. The August 11 release also will incorporate the three-year revision of the National Income and Product Accounts.

Upcoming change to the Productivity and Costs news release

Beginning with the *Productivity and Costs* news release scheduled for publication on Wednesday, September 2, 2009, the Bureau of Labor Statistics will introduce changes to the format of the text section, including text tables. *All data series will continue to be provided.* For further information, see the note under “Latest Announcements” on <http://www.bls.gov/newsroom/>.

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 78 percent of the value of GDP in 2000. Nonfarm business, which excludes farming, accounted for about 77 percent of GDP in 2000.

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 54 percent of the value of GDP in 2000.

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									
2007	I	135.7	164.5	121.3	174.3	122.1	128.5	134.3	130.7
	II	137.5	166.8	121.3	175.4	121.6	127.5	137.5	131.2
	III	140.0	169.0	120.8	177.4	122.3	126.7	139.8	131.6
	IV	139.6	168.8	120.9	178.9	121.6	128.2	139.0	132.2
	ANNUAL	138.2	167.3	121.1	176.5	121.9	127.7	137.7	131.4
2008	I	140.4	169.1	120.4	180.5	121.3	128.6	140.2	132.9
	II	142.0	170.2	119.9	181.3	120.6	127.7	142.4	133.2
	III	142.8	169.4	118.6	183.9	120.4	128.8	144.3	134.6
	IV	142.6	165.7	116.2	r185.8	r124.4	r130.3	r141.8	134.6
	ANNUAL	r141.9	168.6	r118.8	r182.8	r121.6	r128.8	r142.1	133.8
2009	I	r143.2	r162.6	r113.5	r187.8	r126.5	r131.2	r142.3	r135.3
Percent change from previous quarter at annual rate(5)									
2007	I	-0.7	-0.7	0.0	4.0	0.2	4.7	3.0	4.0
	II	5.7	5.6	0.0	2.4	-1.7	-3.1	9.9	1.7
	III	7.3	5.5	-1.7	4.6	2.2	-2.5	7.0	1.1
	IV	-1.1	-0.6	0.5	3.7	-2.0	4.8	-2.3	2.0
	ANNUAL	1.6	2.0	0.5	4.2	1.3	2.6	2.1	2.4
2008	I	2.2	0.7	-1.5	3.5	-1.1	1.2	3.2	2.0
	II	4.7	2.6	-1.9	1.9	-2.4	-2.6	6.4	0.9
	III	2.3	-1.8	-4.0	5.7	-0.4	3.3	5.6	4.2
	IV	-0.5	-8.5	-8.0	r4.2	r13.7	r4.8	r-6.9	0.0
	ANNUAL	2.7	0.8	-1.9	3.6	-0.2	0.9	3.2	1.8
2009	I	r1.8	r-7.2	-8.8	r4.5	r7.0	r2.7	1.6	r2.2
Percent change from corresponding quarter of previous year									
2007	I	-0.2	1.0	1.2	3.9	1.5	4.1	0.6	2.7
	II	0.7	1.7	1.0	4.3	1.6	3.6	0.9	2.5
	III	2.9	3.0	0.1	4.9	2.6	1.9	2.6	2.2
	IV	2.7	2.4	-0.3	3.7	-0.3	0.9	4.3	2.2
	ANNUAL	1.6	2.0	0.5	4.2	1.3	2.6	2.1	2.4
2008	I	3.5	2.8	-0.7	3.5	-0.7	0.0	4.4	1.7
	II	3.2	2.0	-1.2	3.4	-0.8	0.2	3.5	1.5
	III	2.0	0.2	-1.7	3.7	-1.5	1.6	3.2	2.3
	IV	2.1	-1.8	-3.9	r3.8	r2.3	r1.6	r2.0	1.8
	ANNUAL	2.7	0.8	-1.9	3.6	-0.2	0.9	3.2	1.8
2009	I	r2.0	r-3.8	-5.7	4.1	4.3	r2.0	r1.5	r1.8

See footnotes following Table 6.
r=revised

June 4, 2009
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									
2007	I	134.7	164.7	122.2	173.4	121.5	128.7	135.1	131.1
	II	136.3	167.0	122.5	174.0	120.6	127.6	138.3	131.5
	III	138.7	169.2	122.0	175.8	121.2	126.8	140.5	131.8
	IV	138.5	168.9	122.0	177.8	120.8	128.4	139.7	132.5
	ANNUAL	137.0	167.5	122.2	175.2	121.0	127.9	138.4	131.7
2008	I	139.4	169.3	121.5	179.4	120.6	128.7	141.0	133.2
	II	141.0	170.5	120.9	180.2	119.8	127.8	143.3	133.5
	III	141.7	169.7	119.7	182.7	119.7	128.9	145.6	135.0
	IV	141.5	165.8	117.1	r184.7	r123.7	r130.5	r143.4	135.2
	ANNUAL	r140.9	168.8	r119.8	r181.7	r120.8	r129.0	r143.3	134.2
2009	I	r142.1	r162.6	r114.4	r186.8	r125.8	r131.5	r144.2	r136.2
Percent change from previous quarter at annual rate(5)									
2007	I	-0.6	-0.9	-0.2	4.2	0.3	4.8	1.2	3.4
	II	4.8	5.8	0.9	1.3	-2.8	-3.3	9.7	1.5
	III	7.0	5.5	-1.5	4.4	2.0	-2.5	6.4	0.9
	IV	-0.5	-0.7	-0.2	4.4	-1.2	5.0	-2.3	2.1
	ANNUAL	1.4	2.0	0.5	4.1	1.3	2.7	1.2	2.1
2008	I	2.6	0.9	-1.7	3.7	-0.8	1.1	3.8	2.1
	II	4.7	2.8	-1.7	1.7	-2.7	-2.8	6.9	0.9
	III	2.2	-1.9	-3.9	5.7	-0.4	3.5	6.4	4.7
	IV	-0.6	-8.8	-8.3	r4.5	r14.0	r5.1	r-5.9	0.6
	ANNUAL	2.8	0.8	-1.9	3.7	r-0.2	0.9	3.5	1.9
2009	I	r1.6	r-7.6	-9.0	r4.6	r7.1	r3.0	r2.4	r2.8
Percent change from corresponding quarter of previous year									
2007	I	-0.1	0.9	1.0	4.1	1.7	4.2	-0.3	2.5
	II	0.5	1.6	1.1	4.2	1.5	3.6	-0.2	2.1
	III	2.6	2.9	0.3	4.7	2.3	2.0	1.5	1.8
	IV	2.6	2.4	-0.3	3.6	-0.4	0.9	3.6	2.0
	ANNUAL	1.4	2.0	0.5	4.1	1.3	2.7	1.2	2.1
2008	I	3.5	2.8	-0.6	3.5	-0.7	0.0	4.3	1.6
	II	3.4	2.1	-1.3	3.6	-0.7	0.1	3.6	1.5
	III	2.2	0.3	-1.9	3.9	-1.3	1.6	3.6	2.4
	IV	2.2	-1.8	-4.0	r3.9	r2.3	r1.7	r2.7	2.1
	ANNUAL	2.8	0.8	-1.9	3.7	r-0.2	0.9	3.5	1.9
2009	I	r1.9	r-4.0	-5.8	r4.1	r4.3	r2.2	r2.3	2.2

See footnotes following Table 6.
r=revised

June 4, 2009
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							
2007	I	176.9	148.0	83.7	176.6	123.7	99.8
	II	178.2	149.3	83.8	176.3	122.3	99.0
	III	180.1	150.3	83.4	177.0	122.0	98.2
	IV	181.6	150.4	82.8	179.6	122.1	98.9
	ANNUAL	179.2	149.5	83.4	177.4	122.5	99.0
2008	I	182.8	149.9	82.0	181.1	121.7	99.1
	II	181.6	148.0	81.5	182.7	121.5	100.6
	III	180.3	144.4	80.1	185.1	121.2	102.7
	IV	r178.2	r137.3	77.0	r190.3	r127.4	r106.8
	ANNUAL	r180.7	r144.9	80.2	r184.7	r122.8	r102.2
2009	I	r177.0	r129.1	r73.0	r196.4	r132.3	r111.0

Percent change from previous quarter at annual rate(5)							
2007	I	3.7	1.8	-1.9	5.0	1.1	1.2
	II	3.0	3.4	0.4	-0.5	-4.5	-3.4
	III	4.4	2.7	-1.6	1.4	-1.0	-2.9
	IV	3.3	0.3	-2.9	6.1	0.3	2.7
	ANNUAL	3.2	1.3	-1.8	3.6	0.7	0.4
2008	I	2.6	-1.2	-3.7	3.4	-1.1	0.8
	II	-2.5	-5.2	-2.7	3.5	-0.9	6.2
	III	-2.9	-9.3	-6.5	5.4	-0.7	8.6
	IV	r-4.6	r-18.3	-14.4	r11.8	r22.0	r17.1
	ANNUAL	0.9	r-3.1	-3.9	r4.1	r0.3	r3.2
2009	I	r-2.7	r-21.7	r-19.5	r13.4	r16.1	r16.6

Percent change from corresponding quarter of previous year							
2007	I	2.5	0.4	-2.0	3.5	1.0	0.9
	II	3.3	1.3	-2.0	4.1	1.4	0.8
	III	3.3	1.6	-1.6	3.8	1.5	0.5
	IV	3.6	2.0	-1.5	2.9	-1.0	-0.6
	ANNUAL	3.2	1.3	-1.8	3.6	0.7	0.4
2008	I	3.3	1.3	-2.0	2.6	-1.6	-0.7
	II	1.9	-0.9	-2.7	3.6	-0.7	1.6
	III	0.1	-3.9	-4.0	4.6	-0.6	4.5
	IV	r-1.9	r-8.7	-7.0	r6.0	r4.4	r8.0
	ANNUAL	0.9	r-3.1	-3.9	r4.1	r0.3	r3.2
2009	I	r-3.2	r-13.9	r-11.0	r8.4	r8.7	r12.0

See footnotes following Table 6.
r=revised

June 4, 2009
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							
2007	I	204.1	180.4	88.4	172.7	121.0	84.6
	II	206.9	183.0	88.5	172.5	119.6	83.4
	III	209.7	185.0	88.2	173.0	119.3	82.5
	IV	212.9	185.7	87.2	175.7	119.4	82.5
	ANNUAL	208.4	183.5	88.1	173.5	119.8	83.2
2008	I	213.6	185.3	86.8	176.5	118.7	82.7
	II	211.1	181.8	86.1	178.7	118.9	84.7
	III	212.2	178.1	83.9	181.7	119.1	85.6
	IV	r204.3	r165.1	80.8	r186.3	r124.8	r91.2
	ANNUAL	r210.4	r177.6	84.4	r180.7	r120.2	r85.9
2009	I	r198.8	r150.4	r75.7	r193.3	r130.2	r97.2

Percent change from previous quarter at annual rate(5)							
2007	I	4.2	1.2	-2.9	6.2	2.3	1.9
	II	5.6	6.0	0.4	-0.5	-4.5	-5.8
	III	5.6	4.4	-1.1	1.3	-1.0	-4.1
	IV	6.3	1.4	-4.5	6.3	0.5	0.0
	ANNUAL	4.0	1.8	-2.1	4.2	1.3	0.2
2008	I	1.2	-0.9	-2.0	2.0	-2.4	0.8
	II	-4.6	-7.3	-2.9	5.1	0.6	10.1
	III	2.2	-7.9	-9.9	6.9	0.7	4.5
	IV	r-14.1	r-26.2	-14.1	r10.5	r20.5	r28.6
	ANNUAL	r0.9	r-3.3	-4.2	r4.2	0.3	r3.2
2009	I	r-10.4	-31.0	r-23.0	r15.8	r18.6	r29.3

Percent change from corresponding quarter of previous year							
2007	I	2.6	0.3	-2.3	4.2	1.7	1.5
	II	4.1	1.4	-2.6	4.8	2.1	0.7
	III	4.0	2.3	-1.6	4.6	2.3	0.6
	IV	5.4	3.2	-2.1	3.3	-0.7	-2.0
	ANNUAL	4.0	1.8	-2.1	4.2	1.3	0.2
2008	I	4.6	2.7	-1.8	2.2	-1.9	-2.3
	II	2.0	-0.7	-2.6	3.6	-0.6	1.6
	III	1.2	-3.7	-4.9	5.0	-0.2	3.8
	IV	-4.0	r-11.1	-7.3	r6.1	r4.5	r10.5
	ANNUAL	r0.9	r-3.3	-4.2	r4.2	0.3	r3.2
2009	I	r-6.9	r-18.8	r-12.8	r9.5	r9.7	r17.6

See footnotes following Table 6.
r=revised

June 4, 2009
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							
2007	I	151.3	115.9	76.6	181.6	127.2	120.0
	II	151.4	116.0	76.7	181.3	125.7	119.8
	III	152.6	116.3	76.2	182.0	125.5	119.2
	IV	152.3	116.0	76.2	184.7	125.6	121.3
	ANNUAL	151.9	116.1	76.4	182.4	126.0	120.1
2008	I	154.3	115.6	74.9	187.3	125.9	121.4
	II	154.2	114.8	74.4	187.6	124.7	121.6
	III	150.1	111.6	74.4	189.1	123.9	126.0
	IV	r152.4	r108.8	71.4	r195.5	r130.9	r128.3
	ANNUAL	r152.8	r112.7	73.8	r189.8	r126.3	r124.3
2009	I	r153.1	r105.5	r68.9	r200.3	r134.9	r130.9

Percent change from previous quarter at annual rate(5)							
2007	I	2.4	2.4	0.0	2.8	-1.0	0.4
	II	0.3	0.7	0.4	-0.5	-4.5	-0.7
	III	3.4	0.8	-2.5	1.4	-0.9	-1.9
	IV	-0.9	-0.9	0.0	6.1	0.3	7.0
	ANNUAL	2.0	0.9	-1.1	2.4	-0.4	0.4
2008	I	5.4	-1.4	-6.5	5.8	1.2	0.4
	II	-0.4	-2.8	-2.5	0.5	-3.8	0.9
	III	-10.2	-10.6	-0.5	3.4	-2.6	15.1
	IV	r6.1	r-9.8	-15.0	r14.3	r24.7	r7.6
	ANNUAL	0.6	-2.9	-3.4	r4.1	r0.2	r3.5
2009	I	r1.9	r-11.6	r-13.2	r10.1	r12.8	r8.1

Percent change from corresponding quarter of previous year							
2007	I	2.3	0.7	-1.6	2.1	-0.3	-0.1
	II	2.1	1.2	-0.9	2.8	0.1	0.7
	III	2.5	0.9	-1.6	2.3	0.0	-0.2
	IV	1.3	0.8	-0.5	2.4	-1.5	1.1
	ANNUAL	2.0	0.9	-1.1	2.4	-0.4	0.4
2008	I	2.0	-0.2	-2.2	3.2	-1.0	1.1
	II	1.9	-1.1	-2.9	3.4	-0.8	1.5
	III	-1.7	-4.0	-2.4	3.9	-1.2	5.7
	IV	r0.0	r-6.2	-6.3	r5.9	r4.3	r5.8
	ANNUAL	0.6	-2.9	-3.4	r4.1	r0.2	r3.5
2009	I	r-0.8	r-8.8	-8.0	r6.9	r7.1	r7.8

See footnotes following Table 6.
r=revised

June 4, 2009
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	145.4	177.2	121.9	170.0	119.1	116.9	117.6	117.1	172.4	122.1
	II	146.7	179.1	122.0	171.1	118.6	116.6	117.9	116.9	173.1	122.0
	III	147.8	180.2	121.9	172.8	119.1	116.9	118.2	117.2	167.4	121.7
	IV	148.3	181.2	122.2	174.9	118.9	117.9	119.3	118.3	156.4	121.7
	ANNUAL	147.1	179.4	122.0	172.2	118.9	117.1	118.3	117.4	167.3	121.9
2008	I	148.1	180.6	121.9	176.1	118.4	118.9	119.4	119.0	150.8	121.8
	II	151.2	183.2	121.2	177.4	118.0	117.3	119.8	118.0	147.8	120.6
	III	153.6	184.2	120.0	180.0	117.9	117.3	121.3	118.3	156.7	121.8
	IV	r151.9	r179.0	117.9	r182.1	r121.9	r119.9	r124.9	r121.2	r144.1	123.3
	ANNUAL	r151.2	r181.8	r120.2	r178.9	r119.0	r118.3	r121.3	r119.1	r149.9	121.9
2009	I	151.1	173.2	114.7	184.9	124.5	122.4	128.9	124.1	136.1	125.2

Percent change from previous quarter at annual rate(5)											
2007	I	-0.6	-0.2	0.4	5.3	1.4	5.9	3.8	5.4	-4.5	4.0
	II	3.8	4.2	0.4	2.6	-1.5	-1.1	0.9	-0.6	1.7	-0.3
	III	3.0	2.7	-0.4	4.0	1.6	0.9	1.2	1.0	-12.6	-0.8
	IV	1.2	2.1	0.9	5.0	-0.8	3.7	3.7	3.7	-23.8	0.0
	ANNUAL	0.7	1.4	0.7	4.1	1.2	3.4	3.2	3.3	-8.8	1.7
2008	I	-0.4	-1.4	-0.9	2.7	-1.7	3.2	0.3	2.4	-13.6	0.5
	II	8.5	6.0	-2.3	3.1	-1.3	-5.0	1.2	-3.4	-7.7	-3.8
	III	6.4	2.3	-3.9	6.1	-0.1	-0.3	5.4	1.2	26.5	3.8
	IV	r-4.3	r-10.9	-6.9	r4.7	r14.2	r9.4	r12.2	r10.1	r-28.5	5.0
	ANNUAL	2.8	1.3	-1.5	3.9	r0.0	1.1	2.6	1.5	-10.4	0.0
2009	I	-2.1	-12.3	-10.4	6.3	8.8	8.5	13.7	10.0	-20.5	6.4

Percent change from corresponding quarter of previous year											
2007	I	-0.4	0.7	1.1	3.5	1.1	4.0	4.1	4.0	-5.6	2.7
	II	0.7	1.6	0.9	4.1	1.4	3.4	2.9	3.2	-5.6	2.0
	III	0.8	1.2	0.4	4.6	2.3	3.8	3.2	3.7	-13.5	1.2
	IV	1.9	2.2	0.3	4.2	0.2	2.3	2.4	2.3	-10.3	0.7
	ANNUAL	0.7	1.4	0.7	4.1	1.2	3.4	3.2	3.3	-8.8	1.7
2008	I	1.9	1.9	0.0	3.6	-0.6	1.6	1.5	1.6	-12.5	-0.2
	II	3.0	2.3	-0.7	3.7	-0.6	0.6	1.6	0.9	-14.6	-1.1
	III	3.9	2.2	-1.6	4.2	-1.0	0.3	2.6	1.0	-6.4	0.1
	IV	r2.4	r-1.2	-3.5	r4.1	r2.6	1.7	r4.7	2.5	r-7.8	1.3
	ANNUAL	2.8	1.3	-1.5	3.9	r0.0	1.1	2.6	1.5	-10.4	0.0
2009	I	2.0	-4.1	-5.9	5.0	5.2	3.0	8.0	4.3	-9.7	2.8

See footnotes following Table 6.
r=revised

June 4, 2009
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 $+1.3$ 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 2008.

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 1978-2008 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.