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PRODUCTIVITY AND COSTS

Second Quarter 2025, Preliminary

Nonfarm business sector labor productivity increased 2.4 percent in the second quarter of 2025, the U.S. Bureau of Labor Statistics reported today, as output increased 3.7 percent and hours worked increased 1.3 percent. (All quarterly percent changes in this release are seasonally adjusted annualized rates.) From the same quarter a year ago, nonfarm business sector labor productivity increased 1.3 percent in the second quarter of 2025. (See chart 1 and tables A1 and 2.)

Chart 1. Labor productivity, nonfarm business, 2021Q1 – 2025Q2

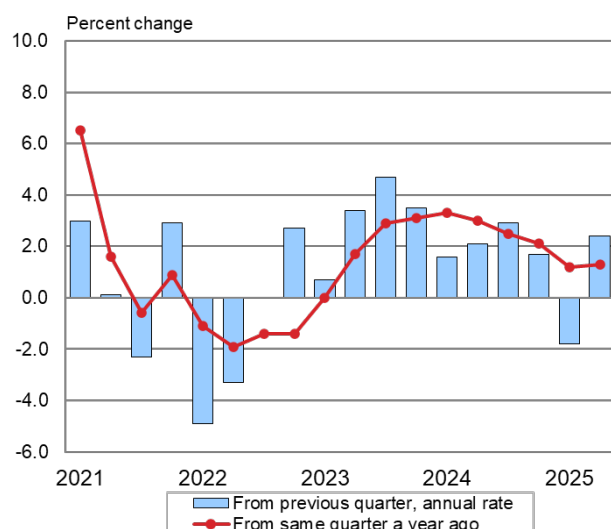
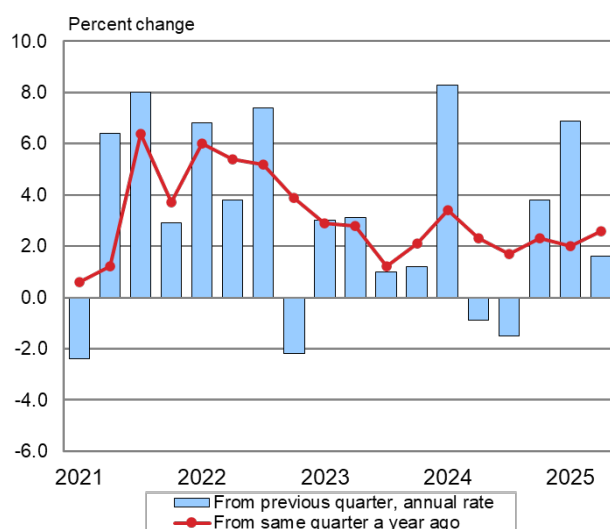


Chart 2. Unit labor costs, nonfarm business, 2021Q1 – 2025Q2



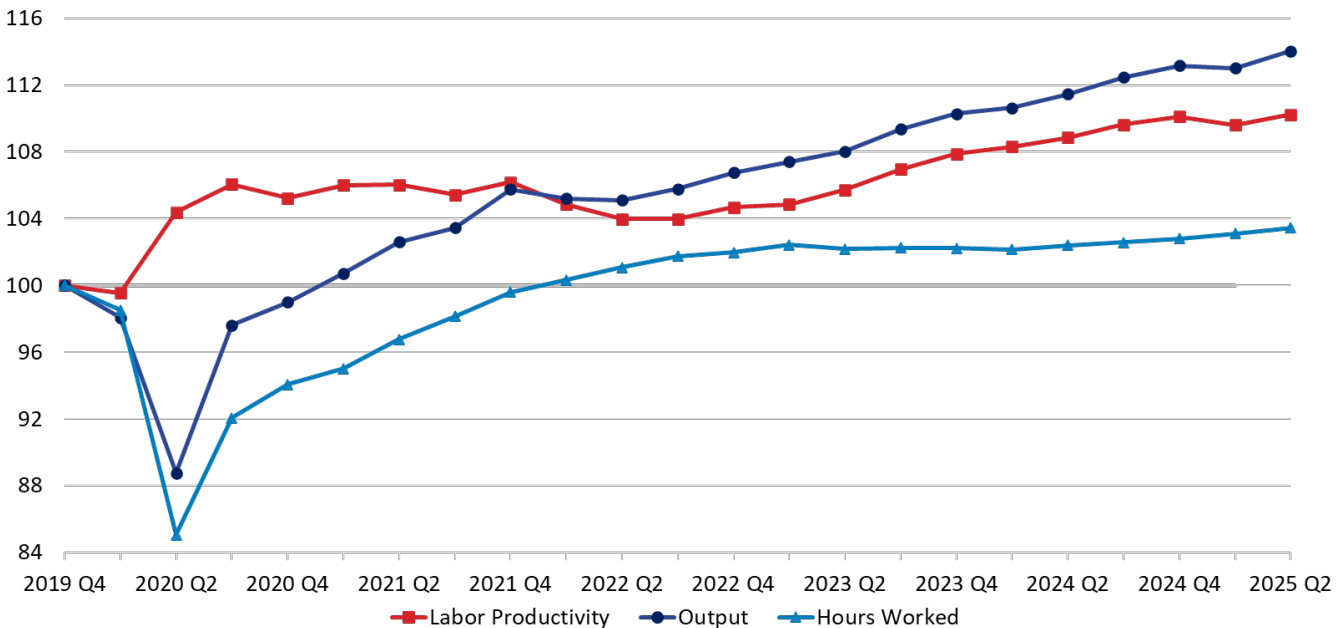
Unit labor costs in the nonfarm business sector increased 1.6 percent in the second quarter of 2025, reflecting a 4.0-percent increase in hourly compensation and a 2.4-percent increase in productivity. Unit labor costs increased 2.6 percent over the last four quarters. (See chart 2 and tables A1 and 2.)

BLS calculates 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 productivity tend to reduce them. Real hourly compensation, which takes into account consumer prices, increased 2.3 percent in the second quarter of 2025, and increased 1.4 percent over the last four quarters.

Labor productivity, or output per hour, is calculated by dividing an index of real output by an index of hours worked by all workers, including employees, proprietors, and unpaid family workers. During the current business cycle, starting in the fourth quarter of 2019, labor productivity has grown at an annualized rate of 1.8 percent, reflecting a 2.4-percent rate of growth in output and a 0.6-percent rate of growth in hours worked. (See chart 3.) The 1.8-percent annualized rate of productivity growth in the

current business cycle thus far is higher than the 1.5-percent rate of the previous business cycle from the fourth quarter of 2007 through the fourth quarter of 2019, and is below the long-term rate of 2.1 percent since the first quarter of 1947.

Chart 3. Labor Productivity, Output, and Hours Worked index series, nonfarm business, 2019 Q4 – 2025 Q2

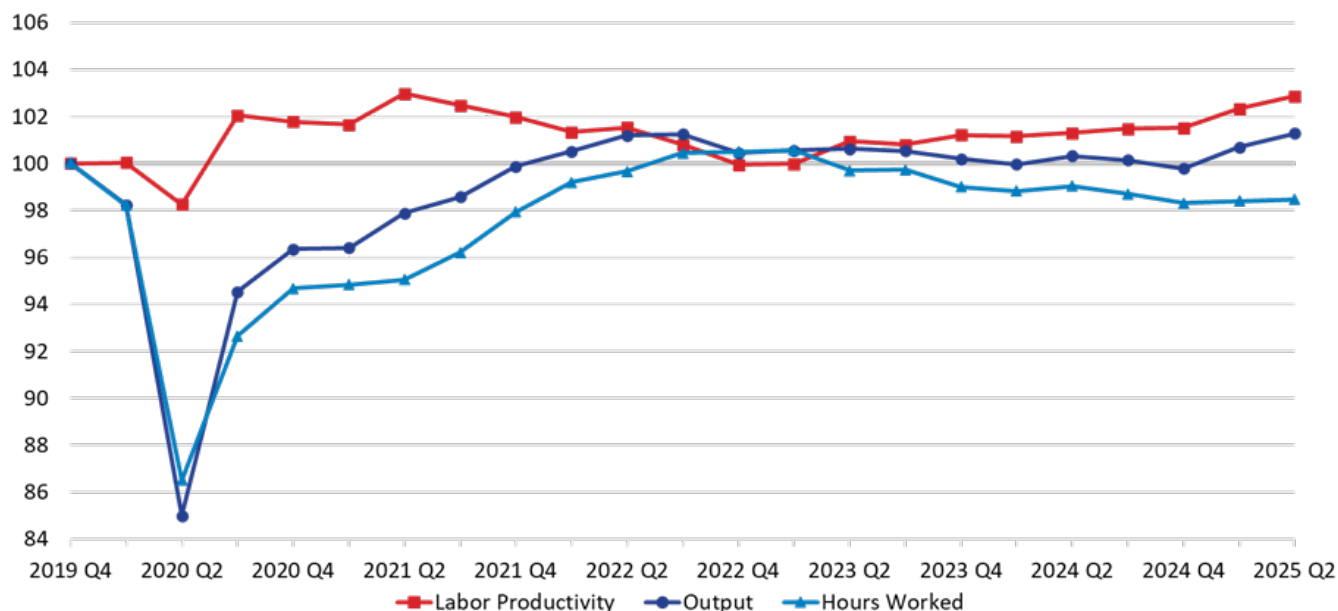


Manufacturing sector labor productivity increased 2.1 percent in the second quarter of 2025, as output increased 2.3 percent and hours worked increased 0.3 percent. In the durable manufacturing sector, productivity increased 3.3 percent, reflecting a 4.1-percent increase in output and a 0.8-percent increase in hours worked. Nondurable manufacturing sector productivity increased 1.2 percent, as output increased 0.5 percent and hours worked decreased 0.7 percent. Total manufacturing sector productivity increased 1.5 percent from the same quarter a year ago. This is the largest four-quarter gain in manufacturing productivity since the second quarter of 2021, when it increased 4.8 percent. (See tables A1, 3, 4, and 5.)

Unit labor costs in the total manufacturing sector increased 1.7 percent in the second quarter of 2025, reflecting a 3.8-percent increase in hourly compensation and a 2.1-percent increase in productivity. Unit labor costs increased 3.8 percent in the nondurable goods sector and declined 0.2 percent in durable goods industries. Manufacturing unit labor costs increased 2.5 percent from the same quarter a year ago. (See tables A1 and 3.)

Manufacturing sector labor productivity has grown at an annualized rate of 0.5 percent during the current business cycle, as output has increased 0.2 percent and hours have declined 0.3 percent. (See chart 4.) The 0.5-percent annualized rate of productivity growth in the current business cycle thus far is above the 0.1-percent rate of the previous business cycle from the fourth quarter of 2007 through the fourth quarter of 2019 and is below the long-term rate of 2.1 percent since the first quarter of 1987.

Chart 4. Labor Productivity, Output, and Hours Worked index series, manufacturing, 2019 Q4 – 2025 Q2



The concepts, sources, and methods used for the manufacturing output series differ from those used in the business and nonfarm business output series; these output measures are not directly comparable. See the Technical Notes for a more detailed explanation. (See page 6.)

Revised measures

Regular updates of source data published in June and July by the BLS and the Bureau of Economic Analysis (BEA) are reflected in revised data for all sectors for the first quarter of 2025; labor data published by BLS August 1, 2025, have not yet been incorporated. Regular updates of source data published in June and July by the Board of Governors of the Federal Reserve System are reflected in revised data for the manufacturing sectors for fourth-quarter 2024 and first-quarter 2025.

Table B1 presents revised and previously published labor productivity and related measures for the nonfarm business, business, and manufacturing sectors for the first quarter of 2025. Table A2 presents these measures for the nonfinancial corporate sector.

Nonfarm business sector productivity was revised down 0.3 percentage point to a decrease of 1.8 percent in the **first quarter of 2025**; output was revised down 0.4 percentage point to a decrease of 0.6 percent and hours worked were revised down 0.1 percentage point to an increase of 1.2 percent. (See table B1.) The downward revision to productivity translated to a 0.3-percentage point upward revision to first-quarter unit labor costs, to a rate of 6.9 percent; hourly compensation was not revised.

Manufacturing sector productivity was revised down 1.1 percentage points to an increase of 3.3 percent in the **first quarter of 2025**, reflecting a 1.1-percentage point downward revision to output; hours worked were not revised. Productivity was revised down 0.4 percentage point to an increase of 6.8 percent in the durable manufacturing subsector, and the preliminary estimate of a 1.7-percent increase in nondurable manufacturing was revised down 1.7 percentage points to no change. In the first quarter of 2025, total manufacturing unit labor costs were revised up 0.9 percentage point to an increase of 2.9 percent, primarily reflecting the 1.1-percentage point downward revision to productivity; hourly compensation was revised down 0.1 percentage point. (See tables B1 and 3.)

Nonfinancial corporate sector productivity was revised up 1.0 percentage point to a decrease of 0.2 percent in the **first quarter of 2025**, reflecting a 0.9-percentage point upward revision to output and a 0.1-percentage point downward revision to hours worked. Unit labor costs in the nonfinancial corporate sector were revised down 0.9 percentage point to an increase of 4.6 percent. (See table A2 and 6.)

Quarterly and annual data for all sectors from 2023 forward appear in tables 1-6. Full historical measures can be found on the Productivity and Costs home page: www.bls.gov/productivity/tables/.

The revised Productivity and Costs news release for second-quarter 2025 is scheduled to be released on Thursday, September 4, 2025, at 8:30 a.m. (ET).

Table A1. Labor productivity growth and related measures - preliminary second-quarter 2025 (percent change from previous quarter at annual rate and from same quarter a year ago)							
Sector	Percent change from:	Labor productivity	Output	Hours worked	Hourly compensation	Real hourly compensation	Unit labor costs
Nonfarm business	Previous quarter	2.4	3.7	1.3	4.0	2.3	1.6
	A year ago	1.3	2.3	1.0	3.9	1.4	2.6
Business	Previous quarter	2.8	3.8	1.0	4.3	2.6	1.5
	A year ago	1.3	2.2	0.9	4.1	1.6	2.7
Manufacturing	Previous quarter	2.1	2.3	0.3	3.8	2.1	1.7
	A year ago	1.5	1.0	-0.6	4.1	1.6	2.5
Durable manufacturing	Previous quarter	3.3	4.1	0.8	3.0	1.4	-0.2
	A year ago	2.2	1.1	-1.1	4.3	1.8	2.1
Nondurable manufacturing	Previous quarter	1.2	0.5	-0.7	5.1	3.4	3.8
	A year ago	0.6	0.8	0.2	3.7	1.2	3.1

Table A2. Labor productivity growth and related measures - revised and previously published first-quarter 2025 (percent change from previous quarter at annual rate)							
Sector		Labor productivity	Output	Hours worked	Hourly compensation	Real hourly compensation	Unit labor costs
Nonfinancial corporate	Revised	-0.2	0.6	0.8	4.3	0.5	4.6
	Previously published	-1.2	-0.3	0.9	4.3	0.5	5.5

Table B1. Labor productivity growth and related measures - revised and previously published first-quarter 2025 (percent change from previous quarter at annual rate)							
Sector		Labor productivity	Output	Hours worked	Hourly compensation	Real hourly compensation	Unit labor costs
Nonfarm business	Revised	-1.8	-0.6	1.2	5.0	1.2	6.9
	Previously published	-1.5	-0.2	1.3	5.0	1.2	6.6
Business	Revised	-2.0	-0.9	1.1	5.1	1.3	7.3
	Previously published	-1.8	-0.6	1.2	5.1	1.3	7.0
Manufacturing	Revised	3.3	3.7	0.4	6.3	2.4	2.9
	Previously published	4.4	4.8	0.4	6.4	2.6	2.0
Durable manufacturing	Revised	6.8	7.5	0.6	7.1	3.2	0.2
	Previously published	7.2	7.9	0.6	7.2	3.3	0.0
Nondurable manufacturing	Revised	0.0	0.0	0.0	4.8	1.0	4.8
	Previously published	1.7	1.7	0.0	4.9	1.0	3.1

TECHNICAL NOTES

Labor Hours

Hours worked data for the labor productivity and cost measures include hours worked 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 and hours paid to wage and salary workers in nonfarm establishments, counting a person who is employed by two or more establishments at each place of employment. As of the February 3, 2023 Employment Situation release, the CES program has updated the national nonfarm payroll series to the 2022 North American Industry Classification System (NAICS). The BLS Major Sector Productivity program will be remaining on a NAICS 2017 basis for the time being by converting NAICS 2022 data from CES back to a NAICS 2017 basis using ratios published on the CES website and based on the Quarterly Census of Employment and Wages (QCEW). Hours of paid time off are removed from hours paid using data from the National Compensation Survey (NCS) for 1996 forward and data from the BLS Hours at Work survey, conducted for this purpose, prior to 1990. Between 1990 and 1995, hours of paid time off are removed using a combination of NCS and Hours at Work survey data. Off-the-clock hours are added, yielding hours worked, using data from the Current Population Survey (CPS).

Data from the CPS are used to estimate hours worked for farm labor, nonfarm proprietors, and nonfarm unpaid family workers. Using CPS information on employment and hours worked at primary jobs and all other jobs, separately, the BLS productivity measures assign all hours worked to the appropriate industrial sector. Hours 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.

Detailed hours data are presented in the table “Hours Worked in Total U.S. Economy and Subsectors” on the BLS website (www.bls.gov/productivity/tables/total-economy-hours-employment.xlsx).

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 households (including owner-occupied housing). Corresponding exclusions also are made in labor hours worked. Businesses accounted for about 77 percent of the value of nominal GDP in 2024. Nonfarm businesses, which exclude farming, accounted for about 76 percent of nominal GDP in 2024.

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 Index program and other sources. The industry shipments are aggregated using annual weights, and intrasectoral transactions are removed. Quarterly manufacturing output measures are based on the indexes 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.

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; 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 51 percent of the value of nominal GDP in 2024.

Labor Productivity

The measure describes the relationship between real output and the labor time involved in its production. Measures of labor productivity growth show the changes from period to period in the amount of goods and services produced per hour worked. 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

The measure includes accrued wages and salaries, supplements, employer contributions to employee benefit plans, and taxes. 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 households are subtracted from compensation of employees in domestic industries 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

These measures describe the relationship between compensation per hour and labor 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 percent changes from the previous quarter presented at a compound annual rate, as percent changes from the corresponding quarter of the previous year, and as index number series where 2017=100. 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. A complete historical series of these index numbers are available at the BLS productivity web site, <https://www.bls.gov/productivity/data.htm>, or by contacting the BLS Division of Major Sector Productivity (Telephone 202-691-5606 or email productivity@bls.gov).

For a more detailed explanation of methods see the Handbook of Methods at www.bls.gov/opub/hom/msp/home.htm.

If you are deaf, hard of hearing, or have a speech disability, please dial 7-1-1 to access telecommunications relay services.

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

Year and quarter	Labor productivity	Output	Hours worked	Hourly compensation (1)	Real hourly compensation (2)	Unit labor costs	Unit nonlabor payments (3)	Value-added output price deflator (4)

Percent change from previous quarter at annual rate (5)								
2025 II	2.8	3.8	1.0	4.3	2.6	1.5	1.1	1.3
I	-2.0 r	-0.9 r	1.1 r	5.1	1.3	7.3 r	-0.6 r	3.7 r
2024 ANNUAL	2.8	3.0	0.1	5.2	2.2	2.4	1.2	1.9
2024 IV	2.2	2.5	0.3	6.1	2.9	3.8	-0.2	2.0
III	2.4	3.5	1.1	0.9	-0.5	-1.4	4.8	1.4
II	2.3	3.3	1.0	1.1	-1.6	-1.1	6.4	2.2
I	1.7	1.4	-0.3	10.0	6.1	8.2	-4.5	2.2
2023 ANNUAL	1.9	2.9	1.0	4.1	0.0	2.2	4.9	3.4
2023 IV	3.6	3.4	-0.2	4.8	2.0	1.2	0.3	0.8
III	4.7	4.9	0.2	5.9	2.3	1.2	4.8	2.8
II	3.3	2.5	-0.7	6.1	3.0	2.7	-0.3	1.3
I	0.7	2.5	1.8	3.8	0.1	3.1	4.4	3.7

Percent change from corresponding quarter of previous year								
2025 II	1.3	2.2	0.9	4.1	1.6	2.7	1.3	2.1
I	1.2	2.1 r	0.9	3.3	0.5	2.1 r	2.6	2.3
2024 ANNUAL	2.8	3.0	0.1	5.2	2.2	2.4	1.2	1.9
2024 IV	2.1	2.7	0.5	4.5	1.7	2.3	1.6	2.0
III	2.5	2.9	0.4	4.2	1.5	1.6	1.7	1.7
II	3.1	3.2	0.2	5.4	2.2	2.3	1.7	2.0
I	3.3	3.0	-0.3	6.7	3.3	3.3	0.0	1.8
2023 ANNUAL	1.9	2.9	1.0	4.1	0.0	2.2	4.9	3.4
2023 IV	3.0	3.3	0.3	5.2	1.9	2.0	2.3	2.1
III	2.9	3.4	0.5	4.1	0.5	1.2	4.9	2.9
II	1.7	2.8	1.1	4.5	0.4	2.7	3.9	3.2
I	0.1	2.1	1.9	3.1	-2.5	3.0	8.8	5.6

Indexes 2017=100								
2025 II	116.2	123.2	106.0	143.7	109.5	123.7	130.0	126.4
I	115.4 r	122.1 r	105.8 r	142.2 r	108.8 r	123.2 r	129.6 r	126.0 r
2024 ANNUAL	115.0	121.1	105.2	138.6	108.0	120.5	128.6	124.1
2024 IV	116.0	122.4	105.5	140.4	108.4	121.1	129.8	124.9
III	115.4	121.6	105.4	138.4	107.6	119.9	129.9	124.3
II	114.7	120.6	105.1	138.1	107.8	120.4	128.4	123.9
I	114.1	119.6	104.8	137.7	108.2	120.7	126.4	123.2
2023 ANNUAL	111.9	117.6	105.1	131.7	105.6	117.7	127.1	121.8
2023 IV	113.6	119.2	104.9	134.4	106.6	118.4	127.8	122.5
III	112.6	118.2	105.0	132.9	106.1	118.0	127.7	122.3
II	111.3	116.8	104.9	131.0	105.5	117.7	126.2	121.4
I	110.4	116.1	105.1	129.0	104.7	116.9	126.4	121.0

See footnotes following Table 6.
r=revised

August 7, 2025
Source: Bureau of Labor Statistics

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

Year and quarter	Labor productivity	Output	Hours worked	Hourly compensation (1)	Real hourly compensation (2)	Unit labor costs	Unit nonlabor payments (3)	Value-added output price deflator (4)

Percent change from previous quarter at annual rate (5)								
2025 II	2.4	3.7	1.3	4.0	2.3	1.6	2.0	1.8
I	-1.8 r	-0.6 r	1.2 r	5.0	1.2	6.9 r	-0.3 r	3.6 r
2024 ANNUAL	2.8	2.9	0.1	5.3	2.3	2.4	1.6	2.1
2024 IV	1.7	2.5	0.8	5.5	2.4	3.8	-0.5	1.8
III	2.9	3.6	0.7	1.3	-0.1	-1.5	4.4	1.1
II	2.1	3.0	1.0	1.1	-1.6	-0.9	6.4	2.3
I	1.6	1.3	-0.3	10.1	6.1	8.3	-4.1	2.6
2023 ANNUAL	1.8	2.9	1.1	4.1	0.0	2.2	5.3	3.6
2023 IV	3.5	3.4	-0.1	4.7	1.9	1.2	1.3	1.3
III	4.7	5.0	0.3	5.8	2.2	1.0	5.4	3.0
II	3.4	2.4	-1.0	6.5	3.5	3.1	0.6	1.9
I	0.7	2.5	1.8	3.7	0.1	3.0	5.2	4.0

Percent change from corresponding quarter of previous year								
2025 II	1.3	2.3	1.0	3.9	1.4	2.6	1.4	2.1
I	1.2 r	2.1 r	0.9 r	3.2	0.5	2.0 r	2.5	2.2
2024 ANNUAL	2.8	2.9	0.1	5.3	2.3	2.4	1.6	2.1
2024 IV	2.1	2.6	0.6	4.4	1.7	2.3	1.5	1.9
III	2.5	2.8	0.3	4.2	1.5	1.7	1.9	1.8
II	3.0	3.2	0.2	5.4	2.1	2.3	2.2	2.3
I	3.3	3.0	-0.3	6.8	3.4	3.4	0.7	2.2
2023 ANNUAL	1.8	2.9	1.1	4.1	0.0	2.2	5.3	3.6
2023 IV	3.1	3.3	0.2	5.2	1.9	2.1	3.1	2.5
III	2.9	3.4	0.5	4.1	0.5	1.2	5.5	3.1
II	1.7	2.8	1.1	4.5	0.4	2.8	4.2	3.4
I	0.0	2.1	2.1	2.9	-2.7	2.9	8.7	5.5

Indexes 2017=100								
2025 II	115.9	123.4	106.5	143.3	109.1	123.6	130.2	126.5
I	115.2 r	122.3 r	106.1 r	141.9 r	108.5 r	123.1 r	129.5 r	125.9 r
2024 ANNUAL	114.8	121.1	105.5	138.4	107.8	120.6	128.6	124.1
2024 IV	115.7	122.4	105.8	140.1	108.2	121.1	129.6	124.8
III	115.2	121.7	105.6	138.3	107.5	120.0	129.8	124.3
II	114.4	120.6	105.4	137.8	107.6	120.4	128.4	123.9
I	113.8	119.7	105.1	137.4	108.0	120.7	126.4	123.2
2023 ANNUAL	111.7	117.7	105.4	131.4	105.4	117.7	126.6	121.6
2023 IV	113.4	119.3	105.2	134.2	106.4	118.3	127.8	122.4
III	112.4	118.3	105.2	132.6	105.9	118.0	127.3	122.1
II	111.1	116.9	105.2	130.8	105.3	117.7	125.7	121.2
I	110.2	116.2	105.4	128.7	104.4	116.8	125.5	120.6

See footnotes following Table 6.
r=revised

August 7, 2025
Source: Bureau of Labor Statistics

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

Year and quarter	Labor productivity	Output	Hours worked	Hourly compensation (1)	Real hourly compensation (2)	Unit labor costs
Percent change from previous quarter at annual rate (5)						
2025 II	2.1	2.3	0.3	3.8	2.1	1.7
I	3.3 r	3.7 r	0.4	6.3 r	2.4 r	2.9 r
2024 ANNUAL	0.6	-0.4	-1.0	3.8	0.8	3.2
2024 IV	0.1	-1.4	-1.6	2.1	-0.9	2.0
III	0.7	-0.7	-1.4	4.2	2.7	3.4
II	0.5	1.4	0.9	-5.2	-7.8	-5.7
I	-0.2	-0.9	-0.7	6.8	2.9	7.0
2023 ANNUAL	-0.4	-0.4	0.0	4.7	0.6	5.1
2023 IV	1.6	-1.4	-2.9	6.3	3.4	4.6
III	-0.5	-0.4	0.1	6.7	3.1	7.2
II	3.8	0.3	-3.4	10.0	6.8	5.9
I	0.2	0.5	0.3	3.1	-0.5	2.9
Percent change from corresponding quarter of previous year						
2025 II	1.5	1.0	-0.6	4.1	1.6	2.5
I	1.2 r	0.7 r	-0.4	1.7 r	-1.0 r	0.6 r
2024 ANNUAL	0.6	-0.4	-1.0	3.8	0.8	3.2
2024 IV	0.3	-0.4	-0.7	1.8	-0.9	1.5
III	0.7	-0.4	-1.0	2.9	0.2	2.2
II	0.4	-0.3	-0.7	3.5	0.3	3.1
I	1.2	-0.6	-1.7	7.4	4.0	6.2
2023 ANNUAL	-0.4	-0.4	0.0	4.7	0.6	5.1
2023 IV	1.3	-0.3	-1.5	6.5	3.1	5.1
III	0.0	-0.7	-0.7	4.8	1.2	4.8
II	-0.6	-0.6	0.0	5.1	1.1	5.8
I	-1.3	0.0	1.4	3.2	-2.4	4.6
Indexes 2017=100						
2025 II	100.1	100.1	100.0	133.0	101.3	132.9
I	99.5 r	99.5 r	99.9 r	131.7 r	100.8 r	132.3 r
2024 ANNUAL	98.5 r	98.9 r	100.4	128.9	100.4	130.8 r
2024 IV	98.7 r	98.6 r	99.8	129.7	100.2	131.4 r
III	98.7	99.0	100.2	129.1	100.4	130.7
II	98.5	99.1	100.6	127.8	99.7	129.7
I	98.4	98.8	100.4	129.5	101.7	131.6
2023 ANNUAL	97.9	99.3	101.4	124.1	99.6	126.8
2023 IV	98.5	99.0	100.5	127.4	101.0	129.4
III	98.1	99.3	101.3	125.5	100.2	128.0
II	98.2	99.4	101.3	123.5	99.4	125.7
I	97.3	99.4	102.1	120.6	97.8	123.9

See footnotes following Table 6.
r=revised

August 7, 2025
Source: Bureau of Labor Statistics

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

Year and quarter	Labor productivity	Output	Hours worked	Hourly compensation (1)	Real hourly compensation (2)	Unit labor costs
Percent change from previous quarter at annual rate (5)						
2025 II	3.3	4.1	0.8	3.0	1.4	-0.2
I	6.8 r	7.5 r	0.6	7.1 r	3.2 r	0.2 r
2024 ANNUAL	0.4	-1.0	-1.5	4.4	1.4	3.9
2024 IV	-1.7	-3.7	-2.0	1.2	-1.8	3.0
III	0.5	-3.1	-3.6	6.1	4.7	5.6
II	-0.5	0.3	0.8	-8.4	-10.9	-8.0
I	2.3	0.0	-2.3	9.6	5.7	7.1
2023 ANNUAL	-0.7	0.2	0.9	4.9	0.7	5.7
2023 IV	-0.1	-3.0	-2.9	8.4	5.4	8.5
III	-2.3	-0.1	2.3	5.8	2.2	8.2
II	6.2	1.8	-4.2	12.5	9.3	6.0
I	-1.9	-0.4	1.6	3.3	-0.4	5.2
Percent change from corresponding quarter of previous year						
2025 II	2.2	1.1	-1.1	4.3	1.8	2.1
I	1.2 r	0.2 r	-1.1	1.3	-1.4	0.1 r
2024 ANNUAL	0.4	-1.0	-1.5	4.4	1.4	3.9
2024 IV	0.1	-1.6	-1.8	1.9	-0.8	1.7
III	0.6	-1.5	-2.0	3.6	1.0	3.1
II	-0.1	-0.7	-0.6	3.6	0.4	3.7
I	1.5	-0.3	-1.8	9.0	5.6	7.4
2023 ANNUAL	-0.7	0.2	0.9	4.9	0.7	5.7
2023 IV	0.4	-0.4	-0.8	7.4	4.1	7.0
III	-0.5	-0.3	0.2	4.8	1.2	5.3
II	-0.5	0.2	0.7	5.3	1.3	5.9
I	-1.4	1.1	2.6	3.0	-2.7	4.5
Indexes 2017=100						
2025 II	98.5	98.0	99.5	133.7	101.8	135.7
I	97.7 r	97.0 r	99.3 r	132.7 r	101.5 r	135.8 r
2024 ANNUAL	96.2 r	96.3 r	100.1	129.7	101.1	134.8 r
2024 IV	96.1 r	95.3 r	99.2	130.4	100.7	135.8 r
III	96.5	96.2	99.7	130.1	101.2	134.8
II	96.4	96.9	100.6	128.1	100.0	132.9
I	96.5	96.9	100.4	131.0	102.9	135.8
2023 ANNUAL	95.8	97.3	101.6	124.3	99.6	129.7
2023 IV	96.0	96.9	101.0	128.0	101.5	133.4
III	96.0	97.6	101.7	125.5	100.2	130.8
II	96.5	97.6	101.1	123.7	99.7	128.2
I	95.1	97.2	102.2	120.1	97.5	126.3

See footnotes following Table 6.
r=revised

August 7, 2025
Source: Bureau of Labor Statistics

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

Year and quarter	Labor productivity	Output	Hours worked	Hourly compensation (1)	Real hourly compensation (2)	Unit labor costs
Percent change from previous quarter at annual rate (5)						
2025 II	1.2	0.5	-0.7	5.1	3.4	3.8
I	0.0 r	0.0 r	0.0	4.8 r	1.0	4.8 r
2024 ANNUAL	0.4	0.2	-0.1	2.8	-0.2	2.4
2024 IV	1.8	0.9	-0.9	4.0	0.9	2.2
III	-0.6	1.9	2.4	1.1	-0.3	1.6
II	1.5	2.6	1.1	1.4	-1.3	-0.1
I	-3.7	-1.7	2.0	1.9	-1.7	5.8
2023 ANNUAL	0.6	-0.9	-1.5	4.1	0.0	3.5
2023 IV	3.4	0.3	-2.9	2.2	-0.6	-1.1
III	2.7	-0.7	-3.4	7.8	4.2	4.9
II	1.0	-1.2	-2.2	5.3	2.3	4.3
I	3.2	1.3	-1.8	2.5	-1.1	-0.6
Percent change from corresponding quarter of previous year						
2025 II	0.6	0.8	0.2	3.7	1.2	3.1
I	0.7 r	1.3 r	0.7 r	2.8	0.1	2.1 r
2024 ANNUAL	0.4	0.2	-0.1	2.8	-0.2	2.4
2024 IV	-0.3	0.9	1.2	2.1	-0.6	2.4
III	0.1	0.7	0.6	1.6	-1.0	1.5
II	0.9	0.1	-0.8	3.3	0.1	2.3
I	0.8	-0.8	-1.6	4.3	1.0	3.4
2023 ANNUAL	0.6	-0.9	-1.5	4.1	0.0	3.5
2023 IV	2.6	-0.1	-2.6	4.5	1.2	1.8
III	1.1	-1.2	-2.3	4.7	1.1	3.5
II	-0.2	-1.3	-1.1	4.6	0.5	4.8
I	-0.5	-1.0	-0.5	3.4	-2.2	3.9
Indexes 2017=100						
2025 II	100.3	101.2	100.9	131.7	100.4	131.3
I	100.0 r	101.0 r	101.0 r	130.1 r	99.5 r	130.1 r
2024 ANNUAL	99.6 r	100.5 r	100.9	127.3	99.2	127.8 r
2024 IV	100.0 r	101.0 r	101.0	128.6	99.3	128.6 r
III	99.6	100.8	101.2	127.3	99.0	127.9
II	99.7	100.3	100.6	127.0	99.1	127.4
I	99.3	99.7	100.4	126.6	99.4	127.4
2023 ANNUAL	99.2	100.2	101.0	123.9	99.3	124.8
2023 IV	100.3	100.1	99.9	126.0	99.9	125.6
III	99.4	100.0	100.6	125.3	100.0	126.0
II	98.8	100.2	101.5	122.9	99.0	124.5
I	98.5	100.5	102.0	121.3	98.4	123.2

See footnotes following Table 6.
r=revised

August 7, 2025
Source: Bureau of Labor Statistics

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

Year and quarter	Labor productivity	Output	Hours worked	Hourly compensation (1)	Real hourly compensation (2)	Unit labor costs	Value-added output price deflator (4)	Unit nonlabor costs (6)	Unit combined input costs (7)	Unit profits (8)
Percent change from previous quarter at annual rate (5)										
2025 I	-0.2 r	0.6 r	0.8 r	4.3	0.5	4.6 r	2.6	7.8 r	5.6 r	-10.2 r
2024 ANNUAL	4.3	4.5	0.2	5.6	2.6	1.3	1.1	0.4	1.0	1.6
2024 IV	5.9	6.4	0.4	6.3	3.1	0.3	0.5	0.3	0.3	1.6
III	2.5	2.9	0.4	1.3	-0.1	-1.2	0.3	3.2	0.2	0.8
II	1.1	2.5	1.4	0.8	-1.8	-0.2	1.4	-3.7	-1.3	15.1
I	6.5	6.4	-0.1	12.4	8.4	5.5	0.0	6.0	5.7	-22.2
2023 ANNUAL	0.2	1.5	1.3	4.3	0.1	4.1	3.5	-0.3	2.7	7.3
2023 IV	6.3	6.0	-0.3	4.6	1.7	-1.6	1.3	-2.0	-1.7	15.9
III	2.9	2.9	0.0	5.0	1.4	2.0	3.5	-1.6	0.9	16.9
II	3.3	2.5	-0.7	6.1	3.0	2.7	1.9	-2.5	1.1	6.0
I	-2.9	-0.6	2.4	5.7	2.0	8.9	4.2	-1.5	5.5	-1.6
Percent change from corresponding quarter of previous year										
2025 I	2.3 r	3.1 r	0.8	3.2 r	0.4	0.8 r	1.2	1.8 r	1.1 r	1.4 r
2024 ANNUAL	4.3	4.5	0.2	5.6	2.6	1.3	1.1	0.4	1.0	1.6
2024 IV	4.0	4.5	0.5	5.1	2.3	1.1	0.6	1.4	1.2	-2.1
III	4.1	4.4	0.4	4.7	2.0	0.6	0.7	0.8	0.7	1.1
II	4.2	4.4	0.3	5.6	2.4	1.4	1.6	-0.4	0.8	5.0
I	4.7	4.5	-0.3	7.0	3.6	2.1	1.7	-0.1	1.4	2.8
2023 ANNUAL	0.2	1.5	1.3	4.3	0.1	4.1	3.5	-0.3	2.7	7.3
2023 IV	2.3	2.7	0.3	5.3	2.0	2.9	2.7	-1.9	1.4	9.0
III	0.2	0.8	0.6	4.2	0.6	3.9	3.0	-1.0	2.3	6.0
II	-0.2	1.2	1.4	4.5	0.5	4.7	3.1	-0.6	3.0	3.7
I	-1.3	1.1	2.4	3.4	-2.3	4.8	5.1	2.3	4.0	10.8
Indexes 2017=100										
2025 I	118.3 r	125.9 r	106.4 r	143.2 r	109.5 r	121.1 r	124.9 r	112.5 r	118.3 r	169.7 r
2024 ANNUAL	116.6	123.6	106.0	139.8	108.9	119.8	123.9	110.2	116.7	172.2
2024 IV	118.4	125.7	106.2	141.7	109.4	119.7	124.1	110.4	116.7	174.3
III	116.7	123.8	106.1	139.6	108.5	119.6	124.0	110.3	116.6	173.7
II	116.0	122.9	106.0	139.1	108.6	120.0	123.9	109.5	116.5	173.3
I	115.6	122.1	105.6	138.8	109.1	120.0	123.5	110.5	116.9	167.3
2023 ANNUAL	111.8	118.3	105.8	132.3	106.1	118.3	122.5	109.7	115.5	169.5
2023 IV	113.8	120.2	105.6	134.8	106.9	118.4	123.5	108.9	115.3	178.2
III	112.1	118.5	105.7	133.3	106.5	118.9	123.1	109.5	115.8	171.7
II	111.3	117.6	105.7	131.7	106.1	118.3	122.0	109.9	115.6	165.1
I	110.4	116.9	105.9	129.8	105.3	117.5	121.4	110.6	115.3	162.7

See footnotes following Table 6.

r=revised

August 7, 2025
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. Hours and compensation data are from the Bureau of Labor Statistics and the Bureau of Economic Analysis.

SIZE OF REVISIONS: Productivity and cost measures are revised on a regular schedule as more complete data become available. The first estimate is published within 40 days of the close of the reference quarter, the second estimate approximately 30 days later, and the third estimate approximately 60 days after the second estimate. Based on past revisions, the third estimate of nonfarm business sector quarterly labor productivity growth has differed from the first estimate by -1.0 to +1.3 percentage point about 80 percent of the time. This interval is based on estimates for reference quarters from the first quarter of 2001 to the first quarter of 2025. For more about revisions to labor productivity growth see “Revisions to BLS quarterly labor productivity estimates: How large are they?” at www.bls.gov/opub/mlr/2022/article/revisions-to-bls-quarterly-labor-productivity-estimates-how-large-are-they.htm.

Table Footnotes

- (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 1978-2024 is based on the Consumer Price Index Retroactive series (CPI-URS).
- (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 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 adjustment.