

News

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PRODUCTIVITY AND COSTS

Fourth Quarter and Annual Averages, 2008 Revised

The Bureau of Labor Statistics of the U.S. Department of Labor today reported revised fourth-quarter seasonally-adjusted annual rates of productivity change—as measured by output per hour of all persons—and revised changes for calendar year 2008. Percent changes in business and nonfarm business productivity were:

	Fourth quarter	Annual averages 2007-2008
Business sector.....	-0.4	2.7
Nonfarm Business sector	-0.4	2.8

Productivity growth for the fourth quarter of 2008 was revised down by 3.5 percentage points in the business sector and 3.6 percentage points in the nonfarm business sector from the estimates published February 5. In both sectors output was revised down by 3.2 percentage points and hours were revised up by 0.1 percentage point. Productivity growth during calendar year 2008 was not revised in either sector.

In the manufacturing sector, percent changes in productivity were:

	Fourth quarter	Annual averages 2007-2008
Manufacturing sector	-4.0	1.5
Durable goods manufacturing.....	-14.8	1.6
Nondurable goods manufacturing.....	7.6	1.0

Data in this release reflect annual benchmark revision of BLS Current Employment Statistics program data on nonfarm employee hours, and revised seasonal adjustment of those data. Also, hours of other nonfarm and farm workers based on the BLS Current Population Survey incorporate new seasonal adjustment factors. Due to these revisions, hours measures for all major sectors were revised back to the first quarter of 2004 and appear in detail in tables 1 through 6 and appendix tables 1 through 6. See Revised Measures, page 7.

In the manufacturing sector, productivity fell 1.0 percentage point more than was reported Feb. 5, as a 1.0 percentage point downward revision to output was partially offset by a 0.1 percentage point downward revision to hours. Annual average growth in manufacturing productivity from 2007 to 2008 was revised up by 0.2 percentage point. Output and hours in manufacturing, which includes about 12 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. Fourth-quarter productivity and related measures are summarized in table A and appear in detail in tables 1 through 5. Preliminary and revised fourth-quarter and annual data appear in table C.

Table A. Productivity and costs: Revised fourth-quarter 2008 measures (Seasonally adjusted annual rates)						
Sector	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs
Percent change from preceding quarter						
Business	-0.4	-8.4	-8.0	5.0	15.6	5.4
Nonfarm Business	-0.4	-8.7	-8.3	5.3	15.9	5.7
Manufacturing	-4.0	-17.7	-14.2	10.1	21.2	14.7
Durable	-14.8	-26.9	-14.2	10.1	21.2	29.1
Nondurable	7.6	-7.7	-14.2	10.1	21.3	2.3
Percent change from same quarter a year ago						
Business	2.2	-1.8	-3.9	4.0	2.5	1.8
Nonfarm Business	2.2	-1.8	-4.0	4.1	2.5	1.8
Manufacturing	-1.1	-8.0	-6.9	5.6	4.0	6.8
Durable	-3.5	-10.6	-7.4	6.0	4.4	9.8
Nondurable	0.8	-5.3	-6.1	4.9	3.3	4.1

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 (page 9) for further information on data sources.

Business

Productivity in the business sector decreased 0.4 percent in the fourth quarter of 2008, as output decreased 8.4 percent and hours of all persons decreased 8.0 percent (seasonally adjusted annual rates). The decline in output was the largest since the first quarter of 1982 (-8.6 percent)

and the decline in hours was the largest since the first quarter of 1975 (-12.1 percent). When the fourth quarter of 2008 is compared to the fourth quarter of 2007 output per hour increased 2.2 percent (tables A and 1).

Hourly compensation grew at a 5.0 percent annual rate in the fourth quarter. This measure includes wages and salaries, supplements, employer contributions to employee-benefit plans, and taxes. Real hourly compensation increased 15.6 percent in the fourth quarter. This measure takes into account changes in consumer prices, which fell at a 9.2 percent annual rate in the fourth quarter.

Unit labor costs, which reflect changes in hourly compensation and productivity, increased 5.4 percent during the fourth quarter, after rising 3.3 percent in the third quarter. The implicit price deflator for business sector output edged down 0.1 percent in the fourth quarter of 2008, but increased 1.7 percent from the same quarter a year ago.

Nonfarm Business

In the nonfarm business sector, productivity decreased at an annual rate of 0.4 percent in the fourth quarter of 2008, as output decreased 8.7 percent and hours of all persons—employees, proprietors, and unpaid family workers—decreased 8.3 percent. As in the business sector, the decline in nonfarm business output was the largest since the first quarter of 1982 (-8.7 percent) and the decline in hours was the largest since the first quarter of 1975 (-12.0 percent). Productivity increased 2.2 percent during the last four quarters (chart 1 and table 2).

Hourly compensation grew 5.3 percent in the fourth quarter of 2008. Real hourly compensation rose steeply, 15.9 percent, when the 9.2 percent decrease in consumer prices was taken into account. This was the largest increase in the real hourly compensation series, which begins in the second quarter of 1947. As in the business sector, real hourly compensation rose 2.5 percent during the past four quarters.

Unit labor costs increased 5.7 percent in the fourth quarter and 1.8 percent over the last four quarters (chart 2). The implicit price deflator for nonfarm business increased 0.5 percent in the fourth quarter after increasing 4.7 percent in the previous quarter.

Chart 1. Output per Hour, Nonfarm Business, all persons, 2001:1-2008:4
Percent change

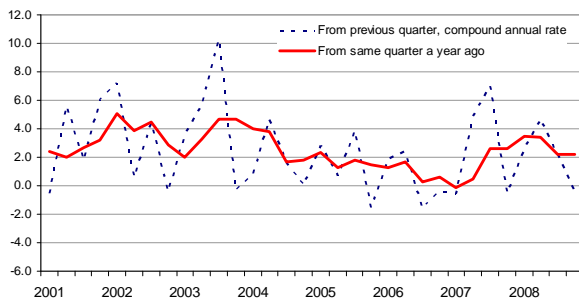
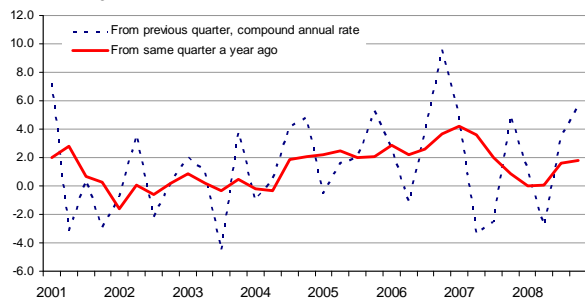


Chart 2. Unit Labor Costs, Nonfarm Business, all persons, 2001:1-2008:4
Percent change



Manufacturing

Manufacturing productivity, output, and hours all declined in the fourth quarter of 2008; output per hour fell 4.0 percent, output dropped 17.7 percent, and hours fell 14.2 percent. These were the largest declines for each of these series, which begin with data for the second quarter of 1987. From the fourth quarter of 2007 to the fourth quarter of 2008 manufacturing productivity decreased 1.1 percent, output fell 8.0 percent and hours fell 6.9 percent (table A and chart 3).

In the durable goods manufacturing sector, productivity dropped 14.8 percent in the fourth quarter of 2008, as output fell 26.9 percent and hours declined 14.2 percent. These were the largest decreases in output and output per hour for the entire series beginning in the second quarter of 1987. In the nondurable goods sector, productivity rose 7.6 percent in the fourth quarter as hours fell faster than output; output declined 7.7 percent and hours fell 14.2 percent.

Hourly compensation of all manufacturing workers increased 10.1 percent during the fourth quarter of 2008, and after taking into account the 9.2 percent decrease in consumer prices, real hourly compensation in manufacturing rose a series-high 21.2 percent. Hourly compensation also rose 10.1 percent in durable and nondurable manufacturing; real hourly compensation increased 21.2 percent and 21.3 percent, respectively.

Unit labor costs in manufacturing increased 14.7 percent in the fourth quarter of 2008. These cost increases were concentrated in durable goods manufacturing where unit labor costs rose 29.1 percent; unit labor costs rose 2.3 percent in nondurable goods industries. Over the last four quarters manufacturing unit labor costs increased 6.8 percent.

Chart 3. Output per Hour, Manufacturing, all persons, 2001:1-2008:4
Percent change

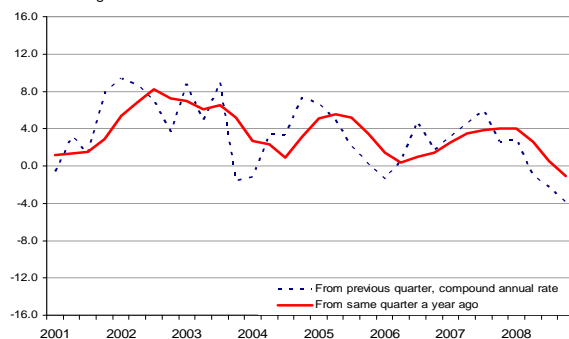
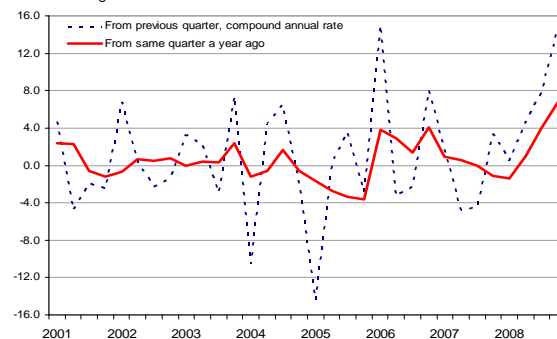


Chart 4. Unit Labor Costs, Manufacturing, all persons, 2001:1-2008:4
Percent change



ANNUAL AVERAGE CHANGES, 2007-2008

Business and Nonfarm Business

When annual averages for 2008 were compared with annual averages for 2007, labor productivity increased 2.7 percent in the business sector and 2.8 percent in the nonfarm business sector (table B). In both sectors, the productivity gains were the largest since 2004, due more to declines in hours than the small gains in output, and were larger than the 2.5 percent average annual increase during the 2000-2007 period.

In 2008, hourly compensation increased 3.6 percent and 3.7 percent in the business and nonfarm business sectors, respectively. Because consumer prices increased more, 3.8 percent, real hourly compensation fell slightly. The annual decline in this measure of purchasing power was the first since small declines occurred in three consecutive years—1993, 1994, and 1995.

Unit labor costs rose just 0.9 percent in both the business and nonfarm business sectors during 2008, as hourly compensation growth was largely offset by productivity growth. Unit labor costs had increased 1.4 percent from 2000 to 2007 in both sectors.

Sector	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs
	Percent change from previous year					
Business	2.7	0.8	-1.9	3.6	-0.2	0.9
Nonfarm Business	2.8	0.8	-1.9	3.7	-0.1	0.9
Manufacturing	1.5	-2.5	-3.9	4.0	0.2	2.5
Durable	1.6	-2.6	-4.2	4.2	0.3	2.5
Nondurable	1.0	-2.4	-3.4	3.8	0.0	2.8

Manufacturing

In the manufacturing sector, labor productivity rose 1.5 percent in 2008 as output fell 2.5 percent but hours fell faster, 3.9 percent (table B). Durable manufacturing output per hour increased 1.6 percent as output fell 2.6 percent and hours fell 4.2 percent, while in nondurable goods industries productivity increased 1.0 percent, output fell 2.4 percent and hours fell 3.4 percent. Total manufacturing productivity had grown at a 3.7 percent average annual rate from 2000 to 2007.

Hourly compensation of manufacturing workers increased 4.0 percent in 2008, which is the same as the average annual rate of growth from 2000 to 2007. The gain in hourly compensation was offset by the 3.8 percent increase in consumer prices, and real hourly compensation edged up 0.2 percent. Unit labor costs in manufacturing increased 2.5 percent in 2008, as hourly compensation increased more than productivity. These costs had increased at a 0.3 percent average annual rate from 2000 to 2007.

Table C. Previous and revised productivity and related measures: Fourth-quarter 2008, third-quarter 2008, and annual averages 2008 (Seasonally adjusted annual rates)						
Sector	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs
Percent change, fourth quarter 2008						
Business:						
Previous.....	3.1	-5.2	-8.1	4.7	15.3	1.5
Revised.....	-0.4	-8.4	-8.0	5.0	15.6	5.4
Nonfarm Business:						
Previous.....	3.2	-5.5	-8.4	5.0	15.6	1.8
Revised.....	-0.4	-8.7	-8.3	5.3	15.9	5.7
Manufacturing:						
Previous.....	-3.0	-16.7	-14.1	9.8	20.9	13.3
Revised.....	-4.0	-17.7	-14.2	10.1	21.2	14.7
Percent change, third quarter 2008						
Business:						
Previous.....	1.7	-1.8	-3.5	4.2	-2.3	2.5
Revised.....	2.3	-1.8	-4.0	5.7	-1.0	3.3
Nonfarm Business:						
Previous.....	1.5	-1.9	-3.4	4.2	-2.4	2.6
Revised.....	2.2	-1.9	-3.9	5.7	-0.9	3.5
Manufacturing:						
Previous.....	-3.3	-8.8	-5.7	4.9	-1.7	8.4
Revised.....	-2.2	-8.6	-6.5	5.4	-1.3	7.8
Percent change, 2007 – 2008						
Business:						
Previous.....	2.7	1.0	-1.7	3.3	-0.5	0.6
Revised.....	2.7	0.8	-1.9	3.6	-0.2	0.9
Nonfarm Business:						
Previous.....	2.8	1.0	-1.8	3.4	-0.4	0.5
Revised.....	2.8	0.8	-1.9	3.7	-0.1	0.9
Manufacturing:						
Previous.....	1.3	-2.4	-3.7	3.9	0.1	2.5
Revised.....	1.5	-2.5	-3.9	4.0	0.2	2.5

Revised Measures

Quarterly and annual measures for all sectors were revised back to 2004 to incorporate the annual benchmark adjustment and updated information on seasonal trends from the BLS nonfarm payroll series (table C and appendix tables 1-5). Hours and related measures for the business and nonfarm business sectors were revised to incorporate updated information on seasonal trends in Current Population Survey data on hours worked. Full quarterly and annual historical series are available on the BLS website, <http://www.bls.gov/lpc/#data>.

Previous and revised productivity and related data for the third quarter, fourth quarter, and full year 2008 for business, nonfarm business, and manufacturing are displayed in Table C. In the business and nonfarm business sectors, productivity declined 0.4 percent in the fourth quarter of 2008, rather than increasing as reported Feb. 5. In both sectors, this resulted from a 3.2 percentage points downward revision to output, with hours little changed. Also in both sectors, the downward revisions to productivity and the 0.3 percentage point upward revisions to hourly compensation resulted in upward revisions to unit labor costs of 3.9 percentage points.

In the manufacturing sector, fourth-quarter productivity growth was revised down from -3.0 percent to -4.0 percent, due to the 1.0 percentage point downward revision to output; hours were revised down slightly. The combination of the downward revision to productivity and a small upward revision to hourly compensation led to an upward revision in unit labor costs from 13.3 percent to 14.7 percent.

Productivity growth was revised up in the business and nonfarm business sectors for the third quarter, due solely to downward revisions to hours; output was not revised. In the manufacturing sector, productivity declined less than previously reported, reflecting a downward revision to hours and a slight upward revision to output. Unit labor costs were revised up in the business and nonfarm business sectors for the third quarter, while they were revised down in the manufacturing sector.

For the year 2008, productivity grew at the same rates reported Feb. 5 in both the business and nonfarm business sectors—2.7 percent and 2.8 percent, respectively. Because hourly compensation was revised up in these two sectors, unit labor costs were revised up as well. In the manufacturing sector, an upward revision to productivity was offset by an upward revision to hourly compensation, leading to unit labor costs not being revised.

Revised measures: Nonfinancial corporations

Measures for the nonfinancial corporate sector also were revised today to incorporate new information regarding output and compensation in the third quarter of 2008. Productivity growth was revised up from the preliminary estimate due to an upward revision to output and a downward revision to hours. Hourly compensation had an upward revision which, when paired with the upward revision to productivity, led to a slight upward revision to unit labor costs.

Table D. Nonfinancial corporations: Previous and revised productivity and cost measures Quarterly percent changes at seasonally adjusted annual rates								
	Produc- tivity	Output	Hours	Hourly compen- sation	Real hourly compen- sation	Unit labor costs	Unit profits	Implicit price deflator
	Third quarter 2008							
Previous	5.5	2.1	-3.2	5.1	-1.5	-0.4	26.8	3.8
Revised	6.4	2.3	-3.9	6.1	-0.6	-0.3	26.5	3.8

Next release date

The next release of **Productivity and Costs** is scheduled for **8:30 A.M. EDT, Thursday, May 7, 2009**, and will present preliminary first-quarter 2009 measures for business, nonfarm business, and manufacturing. Fourth-quarter 2008 and annual average data for 2008 for nonfinancial corporations will be released at that time.

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									
2006	I	r135.9	162.8	r119.8	r167.8	r120.5	r123.5	r133.4	127.2
	II	r136.5	164.0	r120.1	r168.1	r119.6	r123.1	r136.3	128.0
	III	r136.0	164.1	r120.7	r169.0	r119.1	r124.3	r136.3	128.8
	IV	r135.9	164.8	r121.3	r172.6	r122.1	r127.0	r133.3	129.4
	ANNUAL	r136.1	163.9	r120.5	r169.4	r120.3	r124.5	r134.8	128.3
2007	I	r135.7	164.5	r121.3	r174.3	r122.2	r128.5	r134.3	130.7
	II	r137.5	166.8	r121.3	r175.4	r121.6	r127.5	r137.5	131.2
	III	r140.0	169.0	r120.8	r177.4	r122.1	r126.7	r139.8	131.6
	IV	r139.6	168.8	r120.9	r178.9	r121.7	r128.2	r139.0	132.2
	ANNUAL	r138.2	167.3	r121.1	r176.5	r121.9	r127.7	r137.7	131.4
2008	I	r140.4	169.1	r120.4	r180.5	r121.5	r128.6	r140.2	132.9
	II	r142.0	170.2	r119.9	r181.3	r120.6	r127.7	r142.4	133.2
	III	r142.8	169.4	r118.6	r183.9	r120.3	r128.8	r144.3	134.6
	IV	r142.6	r165.7	r116.2	r186.1	r124.7	r130.5	r141.3	r134.5
	ANNUAL	r141.9	r168.6	r118.8	r182.9	r121.7	r128.9	r142.0	r133.8
Percent change from previous quarter at annual rate(5)									
2006	I	r2.0	5.6	r3.6	r4.8	r2.9	r2.7	r3.3	3.0
	II	r2.0	2.9	r0.9	r0.7	r-2.8	-1.2	r8.7	2.6
	III	r-1.6	0.3	r2.0	r2.3	r-1.7	r4.0	r0.1	2.4
	IV	r-0.3	1.7	r2.0	r8.8	r10.5	r9.2	r-8.5	1.9
	ANNUAL	0.9	3.0	2.1	3.8	0.5	2.9	3.3	3.0
2007	I	r-0.7	-0.7	r0.0	r4.0	r0.3	r4.7	r3.0	4.0
	II	r5.7	5.6	r0.0	r2.4	r-2.1	r-3.1	r9.9	1.7
	III	r7.3	5.5	r-1.7	r4.6	r1.8	-2.5	r7.0	1.1
	IV	r-1.1	-0.6	r0.5	r3.7	r-1.3	r4.8	r-2.3	2.0
	ANNUAL	r1.6	2.0	0.5	4.2	1.3	2.6	2.1	2.4
2008	I	r2.2	0.7	r-1.5	r3.5	r-0.8	r1.2	r3.2	2.0
	II	r4.7	2.6	r-1.9	r1.9	r-3.0	r-2.6	r6.4	0.9
	III	r2.3	-1.8	r-4.0	r5.7	r-1.0	r3.3	r5.6	4.2
	IV	r-0.4	r-8.4	r-8.0	r5.0	r15.6	r5.4	r-8.1	r-0.1
	ANNUAL	2.7	r0.8	r-1.9	r3.6	r-0.2	r0.9	r3.2	r1.8
Percent change from corresponding quarter of previous year									
2006	I	1.3	3.6	2.3	r4.2	r0.4	2.9	r3.8	3.3
	II	1.7	3.5	1.8	4.0	0.1	r2.2	r5.3	3.4
	III	r0.3	2.4	2.2	r3.0	-0.4	2.7	r3.4	3.0
	IV	0.5	2.6	2.1	4.1	2.1	3.6	0.7	2.5
	ANNUAL	0.9	3.0	2.1	3.8	0.5	2.9	3.3	3.0
2007	I	r-0.2	1.0	1.2	3.9	1.5	4.1	r0.6	2.7
	II	0.7	1.7	1.0	r4.3	r1.6	3.6	0.9	2.5
	III	r2.9	3.0	r0.1	r4.9	r2.5	1.9	2.6	2.2
	IV	r2.7	2.4	-0.3	3.7	-0.3	0.9	4.3	2.2
	ANNUAL	r1.6	2.0	0.5	4.2	1.3	2.6	2.1	2.4
2008	I	r3.5	2.8	r-0.7	r3.5	r-0.6	0.0	4.4	1.7
	II	r3.2	2.0	r-1.2	r3.4	r-0.8	0.2	r3.5	1.5
	III	r2.0	0.2	-1.7	r3.7	r-1.5	r1.6	r3.2	2.3
	IV	r2.2	r-1.8	r-3.9	r4.0	r2.5	r1.8	r1.6	r1.7
	ANNUAL	2.7	r0.8	r-1.9	r3.6	r-0.2	r0.9	r3.2	r1.8

See footnotes following Table 6.
r=revised

March 5, 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									
2006	I	r134.8	163.2	r121.0	r166.5	r119.6	r123.5	r135.5	127.9
	II	r135.6	164.3	r121.1	r167.0	r118.9	r123.1	r138.6	128.8
	III	r135.1	164.4	r121.7	r168.0	r118.4	r124.3	r138.4	129.5
	IV	r134.9	165.0	r122.3	r171.7	r121.4	r127.2	r134.7	130.0
	ANNUAL	r135.1	164.2	r121.5	r168.3	r119.5	r124.5	r136.8	129.1
2007	I	r134.7	164.7	r122.2	r173.4	r121.6	r128.7	r135.1	131.1
	II	r136.3	167.0	r122.5	r174.0	r120.6	r127.6	r138.3	131.5
	III	r138.7	169.2	r122.0	r175.8	r121.1	r126.8	r140.5	131.8
	IV	r138.5	168.9	r122.0	r177.8	r120.9	r128.4	r139.7	132.5
	ANNUAL	r137.0	167.5	r122.2	r175.2	r121.0	r127.9	r138.4	131.7
2008	I	r139.4	169.3	r121.5	r179.4	r120.8	r128.7	r141.0	133.2
	II	r141.0	170.5	r120.9	r180.2	r119.8	r127.8	r143.3	133.5
	III	r141.7	169.7	r119.7	r182.7	r119.5	r128.9	r145.6	135.0
	IV	r141.6	r165.8	r117.1	r185.0	r124.0	r130.7	r142.9	r135.2
	ANNUAL	r140.9	r168.8	r119.8	r181.8	r120.9	r129.0	r143.2	r134.2
Percent change from previous quarter at annual rate(5)									
2006	I	r1.9	6.0	r4.0	r4.5	r2.6	2.6	r4.0	3.1
	II	r2.4	2.9	r0.4	r1.3	r-2.3	-1.1	r9.5	2.9
	III	r-1.6	0.3	r1.9	r2.3	r-1.7	r3.9	r-0.7	2.1
	IV	r-0.4	1.4	r1.9	r9.1	r10.8	r9.6	r-10.1	1.5
	ANNUAL	r0.9	3.2	2.2	3.8	0.5	2.8	3.6	3.1
2007	I	r-0.6	-0.9	r-0.2	r4.2	r0.5	r4.8	r1.2	3.4
	II	r4.8	5.8	r0.9	r1.3	r-3.2	r-3.3	r9.7	1.5
	III	r7.0	5.5	r-1.5	r4.4	r1.6	r-2.5	r6.4	0.9
	IV	r-0.5	-0.7	r-0.2	r4.4	r-0.5	r5.0	r-2.3	2.1
	ANNUAL	1.4	2.0	0.5	4.1	r1.3	2.7	1.2	2.1
2008	I	2.6	0.9	-1.7	r3.7	r-0.6	r1.1	r3.8	2.1
	II	r4.7	2.8	r-1.7	r1.7	r-3.2	r-2.8	r6.9	0.9
	III	r2.2	-1.9	r-3.9	r5.7	r-0.9	r3.5	r6.4	4.7
	IV	r-0.4	r-8.7	r-8.3	r5.3	r15.9	r5.7	r-7.1	r0.5
	ANNUAL	2.8	r0.8	r-1.9	r3.7	r-0.1	r0.9	r3.5	r1.9
Percent change from corresponding quarter of previous year									
2006	I	1.3	3.7	2.4	4.2	r0.4	2.9	4.3	3.4
	II	1.7	3.7	2.0	3.9	0.0	2.2	5.9	3.6
	III	0.3	2.6	2.3	2.9	r-0.4	2.6	3.8	3.1
	IV	0.6	2.6	2.0	r4.2	2.2	r3.7	r0.4	2.4
	ANNUAL	r0.9	3.2	2.2	3.8	0.5	2.8	3.6	3.1
2007	I	r-0.1	0.9	1.0	r4.1	1.7	4.2	r-0.3	2.5
	II	0.5	1.6	1.1	4.2	1.5	r3.6	-0.2	2.1
	III	r2.6	2.9	r0.3	r4.7	r2.3	2.0	1.5	1.8
	IV	r2.6	2.4	-0.3	3.6	-0.4	0.9	r3.6	2.0
	ANNUAL	1.4	2.0	0.5	4.1	r1.3	2.7	1.2	2.1
2008	I	r3.5	2.8	r-0.6	r3.5	r-0.7	0.0	4.3	1.6
	II	r3.4	2.1	r-1.3	r3.6	r-0.7	0.1	r3.6	1.5
	III	2.2	0.3	r-1.9	r3.9	r-1.3	r1.6	r3.6	2.4
	IV	r2.2	r-1.8	r-4.0	r4.1	r2.5	r1.8	r2.3	r2.0
	ANNUAL	2.8	r0.8	r-1.9	r3.7	r-0.1	r0.9	r3.5	r1.9

See footnotes following Table 6.
r=revised

March 5, 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							
2006	I	r172.3	147.2	r85.4	r170.7	r122.5	r99.0
	II	r172.6	147.4	r85.4	r169.4	r120.6	r98.2
	III	r174.6	148.0	r84.8	r170.4	r120.1	r97.6
	IV	r175.3	147.4	r84.1	r174.4	r123.4	r99.5
	ANNUAL	r173.7	147.5	r84.9	r171.2	r121.6	r98.6
2007	I	r176.6	147.8	r83.7	r176.6	r123.8	r100.0
	II	r178.6	149.6	r83.8	r176.3	r122.2	r98.7
	III	r181.2	151.2	r83.4	r177.0	r121.8	r97.6
	IV	r182.4	151.0	r82.8	r179.6	r122.2	r98.5
	ANNUAL	r179.7	149.9	r83.4	r177.4	r122.5	98.7
2008	I	r183.7	150.7	r82.0	r181.1	r121.9	r98.6
	II	r183.2	149.3	r81.5	r182.7	r121.4	r99.7
	III	r182.2	r145.9	r80.1	r185.1	r121.1	r101.6
	IV	r180.3	r139.0	r77.1	r189.6	r127.0	r105.1
	ANNUAL	r182.4	r146.2	r80.2	r184.5	r122.7	r101.2

Percent change from previous quarter at annual rate(5)							
2006	I	r-1.4	1.8	r3.2	r13.4	r11.4	15.0
	II	r0.5	0.6	r0.1	r-2.9	r-6.2	-3.3
	III	r4.7	1.6	r-3.0	r2.3	r-1.6	-2.3
	IV	r1.7	-1.7	r-3.3	r9.8	r11.5	8.0
	ANNUAL	r1.0	1.8	0.8	4.1	0.8	3.0
2007	I	r3.1	1.2	r-1.9	r5.0	r1.3	1.8
	II	r4.5	4.9	r0.4	r-0.5	r-4.9	-4.8
	III	r6.0	4.3	r-1.6	r1.4	r-1.3	-4.4
	IV	r2.6	-0.4	r-2.9	r6.1	r1.0	3.4
	ANNUAL	r3.5	1.6	r-1.8	r3.6	0.7	0.1
2008	I	r2.9	-0.8	r-3.7	r3.4	r-0.8	0.5
	II	r-1.1	-3.8	r-2.7	r3.5	r-1.4	r4.7
	III	r-2.2	r-8.6	r-6.5	r5.4	r-1.3	r7.8
	IV	r-4.0	r-17.7	r-14.2	r10.1	r21.2	r14.7
	ANNUAL	r1.5	r-2.5	r-3.9	r4.0	r0.2	2.5

Percent change from corresponding quarter of previous year							
2006	I	r1.4	2.4	r1.0	r5.3	r1.5	3.8
	II	0.4	2.1	1.7	r3.2	r-0.7	2.9
	III	r1.0	2.3	r1.3	r2.4	-1.0	1.4
	IV	r1.4	0.6	r-0.8	r5.5	r3.5	4.1
	ANNUAL	r1.0	1.8	0.8	4.1	0.8	3.0
2007	I	r2.5	0.4	r-2.0	3.5	r1.0	0.9
	II	3.5	1.5	r-2.0	4.1	1.4	0.6
	III	r3.8	2.1	r-1.6	r3.8	r1.5	0.0
	IV	4.0	2.5	-1.5	2.9	-1.0	-1.1
	ANNUAL	r3.5	1.6	r-1.8	r3.6	0.7	0.1
2008	I	4.0	2.0	r-2.0	r2.6	r-1.5	-1.4
	II	r2.6	-0.2	r-2.7	r3.6	r-0.7	1.0
	III	r0.5	-3.5	r-4.0	r4.6	-0.6	r4.0
	IV	r-1.1	r-8.0	r-6.9	r5.6	r4.0	r6.8
	ANNUAL	r1.5	r-2.5	r-3.9	r4.0	r0.2	2.5

See footnotes following Table 6.
r=revised

March 5, 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							
2006	I	r198.5	179.6	r90.4	r165.8	r119.0	r83.5
	II	r198.8	180.5	r90.8	r164.5	r117.1	82.7
	III	r201.8	181.1	r89.7	r165.4	r116.5	r81.9
	IV	r202.3	180.1	r89.0	r170.1	r120.3	r84.1
	ANNUAL	r200.4	180.3	r90.0	r166.4	r118.2	r83.1
2007	I	r204.0	180.3	r88.4	r172.7	r121.1	r84.7
	II	r207.8	183.9	r88.5	r172.5	r119.6	r83.0
	III	r211.9	186.9	r88.2	r173.0	r119.1	r81.7
	IV	r214.5	187.0	r87.2	r175.7	r119.5	r81.9
	ANNUAL	r209.5	184.5	r88.1	r173.5	r119.8	r82.8
2008	I	r215.4	186.9	r86.8	r176.5	r118.8	r82.0
	II	r213.8	184.1	r86.1	r178.7	r118.8	r83.6
	III	r215.5	r180.8	r83.9	r181.7	r118.9	r84.3
	IV	r207.0	r167.2	r80.8	r186.2	r124.7	r89.9
	ANNUAL	r213.0	r179.8	r84.4	r180.7	r120.2	r84.8

Percent change from previous quarter at annual rate(5)							
2006	I	r-2.5	0.4	r3.0	r12.9	r10.9	15.9
	II	r0.6	2.1	r1.5	r-3.0	r-6.4	-3.6
	III	r6.2	1.2	r-4.7	r2.1	r-1.9	-3.9
	IV	r0.8	-2.1	r-2.9	r12.0	r13.7	11.1
	ANNUAL	r2.1	3.3	1.1	3.9	0.6	1.7
2007	I	r3.4	0.4	r-2.9	r6.2	r2.5	2.7
	II	r7.8	8.2	r0.4	r-0.5	r-4.9	-7.7
	III	r8.0	6.8	r-1.1	r1.3	r-1.4	-6.2
	IV	r5.0	0.3	r-4.5	r6.3	r1.2	1.2
	ANNUAL	r4.6	2.3	r-2.1	r4.2	r1.3	-0.3
2008	I	r1.6	-0.4	r-2.0	r2.0	r-2.2	0.4
	II	r-3.0	-5.7	r-2.9	r5.1	r0.0	r8.3
	III	r3.3	r-7.0	r-9.9	r6.9	r0.2	r3.5
	IV	r-14.8	r-26.9	r-14.2	10.1	21.2	r29.1
	ANNUAL	r1.6	r-2.6	r-4.2	r4.2	r0.3	2.5

Percent change from corresponding quarter of previous year							
2006	I	r3.1	4.8	1.6	r4.8	1.1	1.6
	II	2.0	4.6	r2.6	r3.0	-0.8	1.1
	III	r2.3	3.6	r1.3	r2.0	r-1.4	-0.4
	IV	r1.2	0.4	r-0.8	r5.8	r3.7	4.5
	ANNUAL	r2.1	3.3	1.1	3.9	0.6	1.7
2007	I	r2.7	0.4	r-2.3	r4.2	r1.7	1.4
	II	4.5	1.8	r-2.6	4.8	2.1	0.3
	III	r5.0	3.2	r-1.6	r4.6	r2.2	-0.3
	IV	r6.0	3.9	r-2.1	r3.3	r-0.7	-2.6
	ANNUAL	r4.6	2.3	r-2.1	r4.2	r1.3	-0.3
2008	I	r5.6	3.7	r-1.8	r2.2	r-1.9	-3.2
	II	r2.9	0.1	r-2.6	r3.6	r-0.6	0.8
	III	r1.7	r-3.3	r-4.9	5.0	-0.2	r3.3
	IV	r-3.5	r-10.6	r-7.4	r6.0	r4.4	r9.8
	ANNUAL	r1.6	r-2.6	r-4.2	r4.2	r0.3	2.5

See footnotes following Table 6.
r=revised

March 5, 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							
2006	I	r147.8	115.0	r77.8	r177.7	r127.6	r120.2
	II	r148.3	114.8	r77.4	r176.5	r125.6	r119.0
	III	r149.1	115.4	r77.4	r177.9	r125.3	r119.3
	IV	r150.2	115.1	r76.6	r180.3	r127.5	r120.0
	ANNUAL	r148.9	115.1	r77.3	r178.1	r126.5	r119.6
2007	I	r151.0	115.6	r76.6	r181.6	r127.3	r120.3
	II	r151.3	116.0	r76.7	r181.3	r125.7	r119.9
	III	r152.9	116.4	r76.2	r182.0	r125.3	r119.1
	IV	r152.4	116.1	r76.2	r184.7	r125.6	r121.2
	ANNUAL	r151.9	116.0	r76.4	r182.4	r126.0	r120.1
2008	I	r154.5	115.7	r74.9	r187.3	r126.1	r121.3
	II	r154.8	115.2	r74.4	r187.6	r124.7	r121.2
	III	r150.8	r112.1	r74.4	r189.1	r123.7	r125.4
	IV	r153.6	r109.9	r71.6	r193.8	r129.8	r126.1
	ANNUAL	r153.4	r113.3	r73.8	r189.4	r126.0	r123.5

Percent change from previous quarter at annual rate(5)							
2006	I	r0.2	3.6	r3.4	r14.6	r12.5	14.4
	II	r1.4	-0.9	r-2.3	r-2.8	r-6.2	-4.1
	III	r2.1	2.2	r0.1	r3.1	r-0.8	1.1
	IV	r3.0	-1.1	r-4.0	r5.6	r7.2	2.5
	ANNUAL	r0.1	0.3	r0.2	r4.4	1.1	4.3
2007	I	r2.0	2.0	r0.0	r2.8	r-0.8	0.8
	II	r0.9	1.3	r0.4	r-0.5	r-4.9	-1.4
	III	r4.2	1.6	r-2.5	r1.4	r-1.3	r-2.6
	IV	r-1.1	-1.1	r0.0	r6.1	r1.0	7.3
	ANNUAL	r2.0	0.9	r-1.1	r2.4	-0.4	0.4
2008	I	r5.5	-1.3	r-6.5	r5.8	r1.5	0.3
	II	r0.8	-1.7	r-2.5	r0.5	r-4.3	r-0.2
	III	r-9.8	r-10.3	r-0.5	r3.4	r-3.1	r14.7
	IV	7.6	r-7.7	r-14.2	r10.1	r21.3	r2.3
	ANNUAL	1.0	-2.4	-3.4	r3.8	r0.0	2.8

Percent change from corresponding quarter of previous year							
2006	I	r0.1	-0.1	r-0.2	r6.1	r2.3	6.0
	II	-0.7	-0.6	r0.2	r3.4	r-0.5	4.2
	III	-0.4	1.0	1.4	r3.2	-0.2	3.6
	IV	r1.7	0.9	r-0.7	r5.0	r2.9	3.2
	ANNUAL	r0.1	0.3	r0.2	r4.4	1.1	4.3
2007	I	2.1	0.5	-1.6	r2.1	r-0.3	0.0
	II	2.0	1.1	-0.9	r2.8	0.1	0.7
	III	2.5	0.9	r-1.6	2.3	r0.0	-0.2
	IV	r1.5	0.9	r-0.5	r2.4	r-1.5	r0.9
	ANNUAL	r2.0	0.9	r-1.1	r2.4	-0.4	0.4
2008	I	r2.3	0.1	r-2.2	r3.2	r-0.9	0.8
	II	r2.3	-0.7	r-2.9	r3.4	r-0.8	1.1
	III	r-1.3	r-3.7	r-2.4	r3.9	r-1.3	r5.3
	IV	r0.8	r-5.3	r-6.1	r4.9	r3.3	4.1
	ANNUAL	1.0	-2.4	-3.4	r3.8	r0.0	2.8

See footnotes following Table 6.
r=revised

March 5, 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											
2006	I	r146.0	176.1	r120.6	r164.2	r117.9	112.5	113.0	112.6	182.6	118.8
	II	r145.7	176.2	r120.9	r164.4	r117.0	112.8	114.6	113.3	183.4	119.5
	III	r146.7	178.1	r121.4	r165.1	r116.4	112.5	114.5	113.1	193.4	120.3
	IV	r145.6	177.3	r121.8	r167.8	r118.7	115.3	116.5	115.6	174.4	120.8
	ANNUAL	r146.0	176.9	r121.2	r165.4	r117.5	113.3	114.6	113.6	183.5	119.9
2007	I	r145.4	177.2	r121.9	r170.0	r119.2	116.9	117.6	117.1	172.4	122.1
	II	r146.7	179.1	r122.0	r171.1	r118.6	116.6	117.9	116.9	173.1	122.0
	III	r147.8	180.2	r121.9	r172.8	r119.0	116.9	118.2	117.2	167.4	121.7
	IV	r148.3	181.2	r122.2	r174.9	r119.0	117.9	119.3	118.3	156.4	121.7
	ANNUAL	r147.1	179.4	r122.0	r172.2	r118.9	117.1	118.3	117.4	167.3	121.9
2008	I	r148.1	180.6	r121.9	r176.1	r118.5	118.9	119.4	119.0	150.8	121.8
	II	r151.2	183.2	r121.2	r177.4	r118.0	117.3	119.8	118.0	147.8	120.6
	III	r153.6	r184.2	r120.0	r180.0	r117.8	r117.3	r121.3	r118.3	r156.7	r121.8
Percent change from previous quarter at annual rate(5)											
2006	I	r3.0	6.3	r3.2	r7.5	r5.5	4.3	0.1	3.1	12.8	4.4
	II	r-0.7	0.4	r1.1	r0.5	r-3.0	1.2	5.7	2.4	1.8	2.3
	III	r2.8	4.4	r1.6	r1.8	r-2.1	-0.9	-0.2	-0.7	23.7	2.4
	IV	r-3.1	-1.9	r1.2	r6.7	r8.3	10.0	7.2	9.2	-34.0	2.0
	ANNUAL	1.8	4.1	2.2	3.6	0.3	1.8	1.7	1.8	12.6	3.1
2007	I	r-0.6	-0.2	r0.4	r5.3	r1.6	5.9	3.8	5.4	-4.5	4.0
	II	r3.8	4.2	r0.4	r2.6	r-1.9	-1.1	0.9	-0.6	1.7	-0.3
	III	r3.0	2.7	r-0.4	r4.0	r1.2	0.9	1.2	1.0	-12.6	-0.8
	IV	r1.2	2.1	r0.9	r5.0	r0.0	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	r-0.4	-1.4	r-0.9	r2.7	r-1.5	3.2	0.3	2.4	-13.6	0.5
	II	r8.5	6.0	r-2.3	r3.1	r-1.9	-5.0	1.2	-3.4	-7.7	-3.8
	III	r6.4	r2.3	r-3.9	r6.1	r-0.6	r-0.3	r5.4	1.2	r26.5	3.8
Percent change from corresponding quarter of previous year											
2006	I	r2.9	5.7	r2.7	r4.0	r0.3	1.1	1.6	1.2	17.3	3.2
	II	r1.2	3.6	2.3	r3.6	r-0.3	2.4	3.0	2.6	10.1	3.5
	III	r2.6	4.8	2.2	r2.7	r-0.6	0.1	-0.9	-0.2	27.3	3.0
	IV	0.5	2.2	1.8	4.1	2.1	3.6	3.1	3.5	-1.6	2.8
	ANNUAL	1.8	4.1	2.2	3.6	0.3	1.8	1.7	1.8	12.6	3.1
2007	I	-0.4	0.7	1.1	r3.5	1.1	4.0	4.1	4.0	-5.6	2.7
	II	0.7	1.6	r0.9	4.1	1.4	3.4	2.9	3.2	-5.6	2.0
	III	r0.8	1.2	r0.4	r4.6	r2.2	3.8	3.2	3.7	-13.5	1.2
	IV	1.9	2.2	0.3	r4.2	r0.2	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	r1.9	1.9	r0.0	r3.6	r-0.6	1.6	1.5	1.6	-12.5	-0.2
	II	r3.0	2.3	r-0.7	r3.7	r-0.5	0.6	1.6	0.9	-14.6	-1.1
	III	r3.9	2.2	r-1.6	r4.2	r-1.0	0.3	r2.6	r1.0	r-6.4	0.1

See footnotes following Table 6.
r=revised

March 5, 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 third 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 1978-2007 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.

Business sector: Revised 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									
2004	I	r131.1	151.4	r115.5	r153.8	r118.0	r117.4	r123.0	119.5
	II	r132.3	153.1	r115.7	r155.8	r118.6	r117.7	r125.3	120.5
	III	r132.9	154.6	r116.3	r158.0	r119.4	r118.9	r124.8	121.1
	IV	r133.4	155.7	r116.7	r160.3	r119.9	r120.1	r125.4	122.1
	ANNUAL	r132.4	153.7	r116.1	r157.0	r119.0	r118.5	r124.6	120.8
2005	I	r134.2	157.1	r117.1	r161.0	r119.9	r120.0	r128.5	123.2
	II	r134.2	158.4	r118.0	r161.6	r119.5	r120.4	r129.4	123.8
	III	r135.6	160.2	r118.1	r164.1	r119.5	r121.0	r131.8	125.0
	IV	r135.2	160.6	r118.8	r165.8	r119.6	r122.6	r132.4	126.3
	ANNUAL	r134.8	159.1	r118.0	r163.2	r119.7	r121.0	r130.5	124.6
Percent change from previous quarter at annual rate(5)									
2004	I	r2.3	3.7	r1.3	0.6	r-2.8	-1.7	12.3	3.4
	II	r3.8	4.4	r0.5	r5.1	r1.9	r1.2	r7.6	3.6
	III	r1.7	4.0	r2.2	r5.8	r2.8	r4.0	r-1.7	1.8
	IV	r1.5	3.0	r1.5	r6.0	r1.7	r4.4	r2.0	3.5
	ANNUAL	2.9	4.2	r1.2	3.8	r1.1	0.9	5.4	2.6
2005	I	r2.3	3.7	r1.3	r1.9	r0.1	-0.4	10.2	3.6
	II	r0.1	3.2	r3.1	r1.4	r-1.4	1.3	3.0	2.0
	III	r4.3	4.8	r0.5	r6.3	r0.0	r2.0	r7.5	4.1
	IV	r-1.2	1.0	r2.2	r4.3	r0.2	r5.6	r1.7	4.1
	ANNUAL	1.8	3.5	r1.7	r3.9	0.6	2.1	4.7	3.1
Percent change from corresponding quarter of previous year									
2004	I	4.2	4.9	r0.7	3.9	r2.0	-0.3	5.6	1.9
	II	r3.5	4.8	1.3	3.3	0.5	r-0.1	7.4	2.6
	III	r1.7	3.3	r1.5	r3.6	r0.9	1.9	r3.9	2.6
	IV	2.4	3.8	1.4	4.3	0.9	1.9	4.9	3.0
	ANNUAL	2.9	4.2	r1.2	3.8	r1.1	0.9	5.4	2.6
2005	I	2.4	3.8	r1.4	4.7	r1.6	2.3	4.4	3.1
	II	1.4	3.5	2.0	3.8	0.8	2.3	3.3	2.7
	III	2.1	3.7	r1.6	r3.9	r0.1	r1.8	r5.6	3.3
	IV	r1.3	3.1	r1.8	3.5	-0.2	2.1	5.6	3.4
	ANNUAL	1.8	3.5	r1.7	r3.9	0.6	2.1	4.7	3.1

See footnotes following Table 6.
r=revisedMarch 5, 2009
Source: Bureau of Labor Statistics

Appendix table 2.

Nonfarm business sector: Revised 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									
2004	I	r130.2	151.5	r116.4	r152.9	r117.3	r117.4	r123.7	119.7
	II	r131.7	153.4	r116.5	r154.9	r117.9	r117.6	r125.9	120.6
	III	r132.2	154.9	r117.1	r157.1	r118.7	r118.8	r125.8	121.4
	IV	r132.2	155.9	r117.9	r158.9	r118.9	r120.2	r126.4	122.5
	ANNUAL	r131.6	153.9	r116.9	r156.0	r118.2	r118.5	r125.5	121.1
2005	I	r133.2	157.3	r118.1	r159.9	r119.1	r120.0	r129.9	123.7
	II	r133.4	158.4	r118.8	r160.8	r118.9	r120.5	r130.8	124.3
	III	r134.7	160.3	r119.0	r163.2	r118.9	r121.1	r133.4	125.6
	IV	r134.2	160.8	r119.8	r164.7	r118.8	r122.7	r134.2	126.9
	ANNUAL	r133.9	159.2	r118.9	r162.1	r118.9	r121.1	r132.1	125.1

Percent change from previous quarter at annual rate(5)									
2004	I	r0.8	2.6	r1.8	r-0.2	r-3.5	-1.0	11.2	3.4
	II	r4.7	5.0	r0.3	r5.2	r2.1	0.5	r7.2	3.0
	III	r1.6	3.8	r2.3	r5.9	r2.9	r4.2	r-0.3	2.4
	IV	r0.0	2.6	r2.6	r4.8	r0.6	r4.8	r2.2	3.8
	ANNUAL	2.8	4.1	1.3	r3.7	r1.0	0.9	4.9	2.4
2005	I	r2.8	3.7	r0.9	r2.3	r0.6	-0.5	r11.3	3.9
	II	r0.7	2.9	r2.2	r2.3	r-0.5	1.6	3.0	2.2
	III	r3.9	4.8	r0.8	r6.0	r-0.2	r2.0	r8.0	4.3
	IV	r-1.5	1.3	r2.8	r3.8	-0.3	r5.3	r2.4	4.2
	ANNUAL	r1.7	3.4	r1.7	4.0	r0.6	2.2	r5.3	3.4

Percent change from corresponding quarter of previous year									
2004	I	4.0	4.8	0.8	3.8	1.9	-0.2	4.6	1.6
	II	3.8	5.0	r1.1	3.4	r0.7	r-0.3	6.6	2.2
	III	r1.7	3.3	r1.6	r3.6	r0.8	1.9	r3.6	2.5
	IV	1.8	3.5	1.7	3.9	0.5	2.1	5.0	3.2
	ANNUAL	2.8	4.1	1.3	r3.7	r1.0	0.9	4.9	2.4
2005	I	2.3	3.8	r1.5	r4.5	r1.5	2.2	5.0	3.3
	II	1.3	3.3	2.0	r3.8	0.9	2.5	3.9	3.1
	III	r1.8	3.5	r1.6	r3.9	r0.1	2.0	r6.0	3.5
	IV	1.5	3.2	r1.7	3.6	-0.1	2.1	6.1	3.6
	ANNUAL	r1.7	3.4	r1.7	4.0	r0.6	2.2	r5.3	3.4

See footnotes following Table 6.
r=revised

March 5, 2009
Source: Bureau of Labor Statistics

Appendix table 3.

Manufacturing sector: Revised 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							
2004	I	r161.6	138.3	r85.6	r156.8	r120.3	97.0
	II	r163.0	138.9	r85.3	r159.9	r121.7	r98.1
	III	r164.3	139.9	r85.2	r163.7	r123.7	r99.7
	IV	r167.2	141.8	r84.8	r165.8	r124.0	r99.2
	ANNUAL	r164.0	139.7	r85.2	r161.5	r122.5	r98.5
2005	I	r169.9	143.7	r84.6	r162.1	r120.7	r95.4
	II	r171.9	144.5	r84.0	r164.1	r121.4	r95.5
	III	r172.8	144.7	r83.7	r166.4	r121.2	r96.3
	IV	r172.9	146.5	r84.7	r165.4	r119.3	r95.6
	ANNUAL	r171.9	144.8	r84.3	r164.5	r120.7	95.7
----- Percent change from previous quarter at annual rate(5)							
2004	I	r-1.2	0.3	r1.5	-11.6	r-14.5	-10.5
	II	r3.4	1.7	r-1.6	r8.0	r4.8	4.4
	III	r3.3	2.9	r-0.3	r10.0	r6.9	6.5
	IV	r7.3	5.3	r-1.8	r5.2	1.0	-1.9
	ANNUAL	r2.3	1.7	-0.5	2.1	-0.6	-0.2
2005	I	r6.7	5.7	r-1.0	r-8.7	r-10.3	-14.4
	II	r4.9	2.0	r-2.7	r5.2	r2.3	0.3
	III	r2.1	0.6	-1.5	r5.7	-0.5	3.5
	IV	r0.2	5.3	r5.1	r-2.6	r-6.3	-2.8
	ANNUAL	r4.8	3.7	r-1.1	r1.8	r-1.5	-2.8
----- Percent change from corresponding quarter of previous year							
2004	I	r2.7	0.7	r-1.9	1.5	r-0.3	-1.2
	II	2.3	1.7	r-0.6	r1.7	-1.1	-0.6
	III	0.9	1.9	1.0	r2.7	-0.1	1.7
	IV	3.1	2.5	r-0.6	2.5	r-0.8	-0.6
	ANNUAL	r2.3	1.7	-0.5	2.1	-0.6	-0.2
2005	I	r5.1	3.9	r-1.2	3.4	0.4	-1.7
	II	r5.5	4.0	r-1.4	2.7	-0.2	-2.7
	III	r5.2	3.4	-1.8	r1.7	r-2.0	-3.4
	IV	r3.5	3.4	r-0.1	-0.3	r-3.8	-3.6
	ANNUAL	r4.8	3.7	r-1.1	r1.8	r-1.5	-2.8

See footnotes following Table 6.
r=revised

March 5, 2009
Source: Bureau of Labor Statistics

Appendix table 4.

Durable manufacturing sector: Revised 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 -----							
2004	I	r184.5	164.6	r89.2	r152.3	r116.8	82.6
	II	r185.1	164.6	r88.9	r155.7	r118.5	r84.1
	III	r186.0	166.1	r89.3	r159.8	r120.8	r85.9
	IV	r189.5	168.5	r88.9	r161.3	r120.6	r85.1
	ANNUAL	r186.3	165.9	r89.1	r157.3	r119.2	r84.4
2005	I	r192.5	171.4	r89.0	r158.1	r117.8	r82.1
	II	r195.0	172.6	r88.5	r159.6	r118.1	81.9
	III	r197.2	174.7	r88.6	r162.2	r118.1	r82.2
	IV	r199.8	179.4	r89.8	r160.8	r116.0	r80.5
	ANNUAL	r196.2	174.5	r89.0	r160.2	r117.5	81.7
----- Percent change from previous quarter at annual rate(5) -----							
2004	I	r-2.5	1.3	r3.9	r-18.6	r-21.3	-16.5
	II	r1.3	0.0	r-1.3	r9.2	r5.9	7.8
	III	2.0	3.6	1.5	10.9	7.8	8.7
	IV	7.6	5.9	r-1.6	r3.7	-0.4	-3.6
	ANNUAL	1.7	2.3	r0.6	r0.3	-2.4	-1.4
2005	I	r6.5	7.1	r0.5	r-7.6	r-9.2	r-13.3
	II	r5.4	3.0	r-2.2	r3.9	r1.0	r-1.3
	III	r4.7	4.9	r0.2	r6.4	r0.1	1.7
	IV	r5.3	11.2	r5.5	r-3.2	r-7.0	-8.2
	ANNUAL	r5.3	5.2	r-0.1	1.9	-1.4	-3.3
----- Percent change from corresponding quarter of previous year -----							
2004	I	2.9	1.8	-1.1	-0.5	-2.3	-3.4
	II	r2.1	2.5	r0.4	r0.0	r-2.7	-2.1
	III	-0.3	2.3	r2.6	1.0	-1.7	1.3
	IV	2.0	2.7	r0.6	r0.6	r-2.7	-1.4
	ANNUAL	1.7	2.3	r0.6	r0.3	-2.4	-1.4
2005	I	r4.3	4.1	r-0.2	r3.8	r0.8	-0.5
	II	5.4	4.9	r-0.5	r2.5	r-0.4	-2.7
	III	r6.0	5.2	r-0.8	r1.5	r-2.2	-4.3
	IV	5.5	6.5	1.0	-0.3	-3.9	-5.4
	ANNUAL	r5.3	5.2	r-0.1	1.9	-1.4	-3.3

See footnotes following Table 6.
r=revisedMarch 5, 2009
Source: Bureau of Labor Statistics

Appendix table 5.

Nondurable manufacturing sector: Revised 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							
2004	I	r138.5	111.0	r80.1	r163.8	r125.6	r118.3
	II	r140.7	112.1	r79.7	r166.1	r126.4	118.1
	III	r142.7	112.7	r79.0	r169.2	r127.9	r118.6
	IV	r145.1	114.0	r78.6	r172.5	r129.1	118.9
	ANNUAL	r141.7	112.4	r79.4	r167.9	r127.3	r118.5
2005	I	r147.8	115.1	r77.9	r167.6	r124.8	r113.4
	II	r149.4	115.4	r77.2	r170.6	r126.2	r114.2
	III	149.6	114.3	76.4	r172.3	125.5	115.2
	IV	r147.8	114.0	r77.2	r171.8	r123.9	r116.3
	ANNUAL	r148.6	114.7	r77.2	r170.6	r125.1	114.8
----- Percent change from previous quarter at annual rate(5)							
2004	I	r1.6	-0.8	r-2.4	r2.8	r-0.7	1.1
	II	r6.5	4.1	r-2.3	r5.8	r2.6	-0.6
	III	r5.8	2.3	r-3.3	r7.8	r4.8	1.9
	IV	r7.0	4.7	r-2.1	r8.0	r3.6	0.9
	ANNUAL	3.6	1.2	r-2.4	r5.4	r2.6	1.7
2005	I	r7.6	4.0	r-3.3	r-11.0	r-12.6	-17.3
	II	4.6	0.9	-3.5	7.5	4.5	2.8
	III	r0.6	-3.9	r-4.5	r4.1	r-2.1	r3.5
	IV	r-4.9	-0.8	r4.3	r-1.3	r-5.1	3.9
	ANNUAL	4.9	2.0	-2.8	1.6	r-1.7	-3.1
----- Percent change from corresponding quarter of previous year							
2004	I	r2.8	-0.5	r-3.2	5.1	3.2	2.3
	II	r3.2	0.9	-2.1	4.7	1.9	1.5
	III	r3.4	1.7	r-1.7	r5.5	r2.7	2.0
	IV	5.2	2.6	-2.5	6.1	2.6	0.8
	ANNUAL	3.6	1.2	r-2.4	r5.4	r2.6	1.7
2005	I	r6.7	3.8	r-2.8	r2.3	r-0.6	-4.1
	II	r6.2	3.0	-3.1	r2.7	r-0.2	-3.3
	III	r4.9	1.4	-3.4	r1.8	r-1.9	-2.9
	IV	1.8	0.0	-1.8	r-0.4	-4.0	-2.2
	ANNUAL	4.9	2.0	-2.8	1.6	r-1.7	-3.1

See footnotes following Table 6.
r=revised

March 5, 2009
Source: Bureau of Labor Statistics

Appendix table 6.

Nonfinancial corporate sector: Revised 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											
2004	I	r137.4	159.4	r116.0	r150.9	r115.7	109.8	109.5	109.7	135.2	112.0
	II	r139.1	161.6	r116.2	r152.9	r116.4	109.9	109.3	109.8	145.7	113.0
	III	r141.3	164.8	r116.6	r155.2	r117.3	109.9	109.0	109.6	150.3	113.3
	IV	r140.8	165.1	r117.2	r157.0	r117.5	111.5	109.3	110.9	147.9	114.2
	ANNUAL	r139.7	162.7	r116.5	r154.0	r116.8	110.3	109.3	110.0	144.8	113.1
2005	I	r141.9	166.6	r117.4	r157.8	r117.5	111.2	111.2	111.2	155.7	115.2
	II	144.0	170.2	118.2	158.6	117.3	110.2	111.2	110.4	166.5	115.5
	III	r143.0	169.9	r118.8	r160.8	r117.1	112.4	115.5	113.3	152.0	116.7
	IV	r144.9	173.4	r119.7	r161.2	r116.3	111.3	113.0	111.7	177.2	117.6
	ANNUAL	r143.4	170.0	r118.5	r159.6	r117.1	111.3	112.7	111.7	163.0	116.3
Percent change from previous quarter at annual rate(5)											
2004	I	r2.2	4.9	r2.6	-2.9	-6.1	-5.1	-1.6	-4.1	73.5	1.8
	II	r4.9	5.6	r0.6	r5.4	r2.2	0.5	-0.9	0.1	35.0	3.5
	III	r6.4	8.1	r1.6	r6.1	r3.2	-0.2	-1.3	-0.5	13.3	1.0
	IV	r-1.3	0.8	r2.1	r4.8	r0.6	6.1	1.3	4.8	-6.3	3.4
	ANNUAL	3.7	5.1	1.3	3.0	0.3	-0.7	-1.6	-0.9	31.8	2.0
2005	I	r3.0	3.7	r0.7	r2.0	r0.3	-0.9	7.1	1.2	23.0	3.5
	II	r6.1	8.9	r2.6	r2.1	r-0.7	-3.8	-0.1	-2.8	30.8	0.9
	III	r-2.7	-0.6	r2.2	r5.5	r-0.7	8.4	16.7	10.6	-30.6	4.5
	IV	r5.4	8.4	r2.8	r1.2	r-2.8	-4.1	-8.7	-5.3	84.8	2.9
	ANNUAL	r2.7	4.5	1.7	r3.6	r0.3	0.9	3.2	1.5	12.5	2.8
Percent change from corresponding quarter of previous year											
2004	I	4.0	4.7	0.6	3.2	1.3	-0.8	-2.7	-1.3	31.3	1.4
	II	r4.0	5.2	1.2	2.7	r0.0	-1.2	-1.5	-1.3	37.8	2.1
	III	r4.0	5.7	r1.6	r2.9	r0.2	-1.0	-1.6	-1.2	33.3	2.0
	IV	3.0	4.8	1.7	3.3	-0.1	0.2	-0.6	0.0	25.6	2.4
	ANNUAL	3.7	5.1	1.3	3.0	0.3	-0.7	-1.6	-0.9	31.8	2.0
2005	I	r3.2	4.5	r1.2	r4.6	r1.5	1.3	1.5	1.4	15.2	2.9
	II	r3.5	5.3	1.7	3.8	r0.8	0.2	1.7	0.6	14.3	2.2
	III	r1.2	3.1	r1.9	r3.6	r-0.2	2.3	6.0	3.3	1.1	3.1
	IV	2.9	5.0	2.1	2.7	-1.0	-0.2	3.3	0.7	19.8	2.9
	ANNUAL	r2.7	4.5	1.7	r3.6	r0.3	0.9	3.2	1.5	12.5	2.8

See footnotes following Table 6.
r=revised

March 5, 2009
Source: Bureau of Labor Statistics