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## **PRODUCTIVITY AND COSTS**

Second Quarter 2008, Preliminary

The Bureau of Labor Statistics of the U.S. Department of Labor today reported preliminary productivity data—as measured by output per hour of all persons—for the second quarter of 2008. The seasonally adjusted annual rates of productivity change in the second quarter were:

- 2.3 percent in the business sector and
- 2.2 percent in the nonfarm business sector.

Productivity gains in both sectors reflected output increases and small declines in hours worked.

In manufacturing, the preliminary productivity changes in the second quarter were:

- 1.4 percent in manufacturing,
- 3.5 percent in durable goods manufacturing, and
- 0.7 percent in nondurable goods manufacturing.

Productivity in the total manufacturing sector fell 1.4 percent in the second quarter of 2008, as both output and hours worked decreased. The decline in productivity was concentrated in the durable goods subsector. 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. Second-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 independently prepared by the Board of Governors of the Federal Reserve System. See Technical Notes for further information on data sources (page 7).

Data in this release reflect the regular multi-year revision to the national income and product accounts released by the Bureau of Economic Analysis of the U.S. Department of Commerce on July 31. See Revised Measures, page 4.

Table A. Productivity and costs: Preliminary second-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	2.3	1.5	-0.7	3.8	-1.2	1.5
Nonfarm business	2.2	1.7	-0.5	3.6	-1.4	1.3
Manufacturing	-1.4	-3.5	-2.0	4.6	-0.4	6.1
Durable	-3.5	-5.5	-2.1	5.0	0.0	8.8
Nondurable	0.7	-1.3	-2.0	3.8	-1.2	3.0
Percent change from same quarter a year ago						
Business	2.7	1.7	-0.9	4.2	-0.1	1.5
Nonfarm business	2.8	1.8	-1.0	4.3	0.1	1.5
Manufacturing	2.6	-0.1	-2.7	4.6	0.3	1.9
Durable	2.7	0.2	-2.5	4.3	0.0	1.6
Nondurable	2.6	-0.5	-3.1	5.0	0.7	2.3

## Business

Business sector output per hour increased 2.3 percent from the first quarter to the second quarter of 2008, as output increased 1.5 percent and hours of all persons engaged in the sector—employees, proprietors, and unpaid family workers—fell 0.7 percent (seasonally adjusted annual rates). The increase in output was greater and the decline in hours was smaller than in the first quarter, when productivity rose 2.2 percent, as revised (tables A, B, and 1). Historically, from 2000 through 2007, business sector productivity had grown at an average annual rate of 2.5 percent.

Hourly compensation increased 3.8 percent in the second quarter of 2008, less than the 5.0 percent gain in the first quarter. 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, fell 1.2 percent during the second quarter of 2008 as consumer prices increased 5.0 percent (seasonally adjusted annual rates).

Unit labor costs, which reflect changes in both hourly compensation and productivity, increased at an annual rate of 1.5 percent during the second quarter of 2008. The implicit price deflator for the business sector, which reflects changes in both unit labor costs and unit nonlabor payments, increased 0.6 percent in the second quarter of 2008 and 2.0 percent one quarter earlier.

## Nonfarm Business

Productivity increased 2.2 percent in the nonfarm business sector during the second quarter of 2008 as output grew 1.7 percent and hours at work declined 0.5 percent. Revised results for first-quarter 2008 show that productivity increased 2.6 percent, output rose 0.9 percent, and hours fell 1.6 percent (tables A, B and 2). Nonfarm business output per hour had increased at an average annual rate of 2.5 percent from 2000 through 2007.

Hourly compensation in the nonfarm business sector increased 3.6 percent in the second quarter of 2008, compared to a 5.2 percent rise one quarter earlier. When the 5.0 percent annual rate of increase in consumer prices is taken into account, real hourly compensation fell 1.4 percent in the second quarter of 2008. This measure rose 0.8 percent in the first quarter.

Unit labor costs increased 1.3 percent in the second quarter of 2008 and 1.5 percent over the last four quarters. The implicit price deflator for nonfarm business output rose 0.5 percent in the second quarter of 2008 and 2.1 percent in the first quarter.

Chart 1. Output per Hour, Nonfarm Business, all persons, 2001:1-2008:2  
Percent change

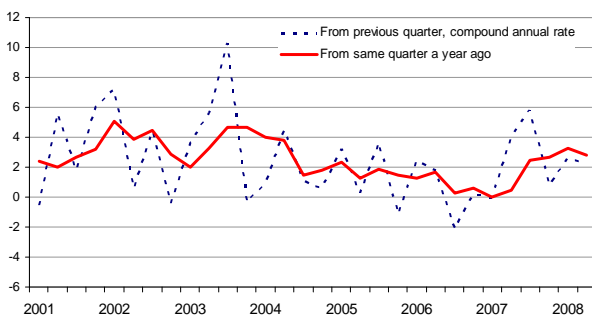
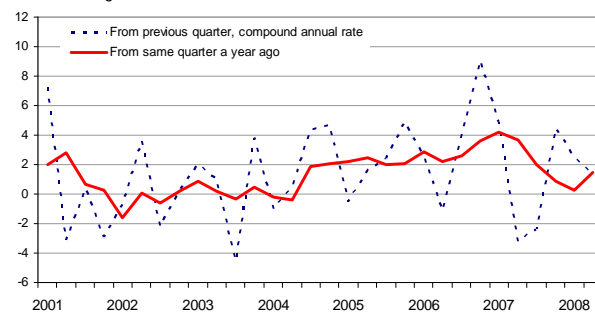


Chart 2. Unit Labor Costs, Nonfarm Business, all persons, 2001:1-2008:2  
Percent change



## Manufacturing

Productivity decreased 1.4 percent in manufacturing in the second quarter, as output fell 3.5 percent and hours of all persons declined 2.0 percent. In durable goods industries, productivity fell 3.5 percent—the largest drop since fourth-quarter 1990, when output per hour fell 4.6 percent. In nondurable goods industries, productivity grew 0.7 percent in the second quarter as hours fell faster than output (tables A, 3, 4, 5). In total manufacturing, output per hour increased 2.6 percent from the second quarter of 2007 to the second quarter of 2008; output declined slightly over the four quarters, 0.1 percent, whereas hours fell by 2.7 percent. For the entire 2000-2007 period manufacturing productivity increased at a 3.7 percent annual rate.

During the second quarter of 2008, hourly compensation grew 4.6 percent in total manufacturing, 5.0 percent in durable manufacturing and 3.8 percent in nondurable manufacturing (seasonally adjusted annual rates). Manufacturing hourly compensation also increased 4.6 percent over the last four quarters. When the increase in consumer prices is taken into account, the real hourly compensation of all manufacturing workers fell 0.4 percent in the second quarter.

Unit labor costs in manufacturing jumped 6.1 percent in the second quarter of 2008. The growth in unit labor costs from the second quarter of 2007 was 1.9 percent, reversing the 0.8 percent decline from the first quarter of 2007 to the first quarter of 2008 (chart 4). The 2000-2007 long-term average annual rate of growth for unit labor costs is 0.3 percent.

Chart 3. Output per Hour, Manufacturing, all persons, 2001:1-2008:2  
Percent change

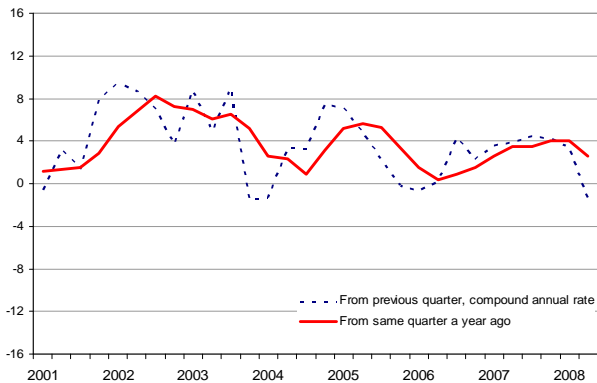
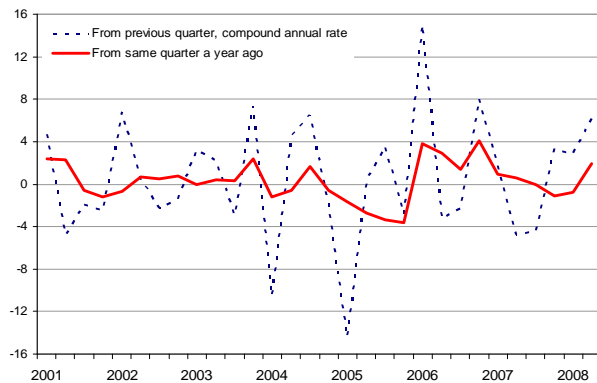


Chart 4. Unit Labor Costs, Manufacturing, all persons, 2001:1-2008:2  
Percent change



## Revised Measures

Output data for the business and nonfarm business sectors, and the compensation series for all sectors, incorporate the revised national income and product accounts (NIPA) data released by the Bureau of Economic Analysis, U.S. Department of Commerce, on July 31. Revisions for these sectors go back to the first quarter of 2005. Table B presents previous and revised productivity and related measures for the major sectors: business, nonfarm business and manufacturing, for the first quarter of 2008 and for the years 2007 through 2005 (see page 5).

In the first quarter of 2008, output and hours were revised up in all three sectors. In both the business and manufacturing sectors the revisions to hours were greater than to output, resulting in downward revisions to productivity. In nonfarm business the revision to hours offset the revision to output, and productivity increased at the same 2.6 percent rate reported June 4. In business and nonfarm business there were small upward revisions to hourly compensation and unit labor costs. In manufacturing, hourly compensation growth was revised down much more than productivity; the downward revision to unit labor costs was due solely to the downward revision to hourly compensation.

Growth in output and output per hour were revised down in the business and nonfarm business sectors in 2007 and 2005, and were little changed in 2006. In both sectors, the average annual rate of productivity growth from 2004 to 2007 was 1.4 percent, compared to 3.3 percent from 2000 to 2004. Manufacturing sector output per hour was not revised historically.

For the year 2007, hourly compensation was revised down in all three sectors, leading to downward revisions to unit labor costs. For 2006, manufacturing hourly compensation and unit labor costs were revised up; for 2005 these same measures were revised down. Revised quarterly series appear in tables 1-5 and appendix tables 1-5. The full historical revisions including the quarterly measures can be found on the productivity and costs home page <http://www.bls.gov/lpc/#data>.

Table B. Previous and revised productivity and related measures

Percent changes at annual rates						
Sector	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs
First Quarter 2008						
Business:						
Previous.....	2.4	0.6	-1.7	4.8	0.4	2.3
Revised.....	2.2	0.7	-1.5	5.0	0.6	2.7
Nonfarm business:						
Previous.....	2.6	0.7	-1.8	4.9	0.6	2.2
Revised.....	2.6	0.9	-1.6	5.2	0.8	2.5
Manufacturing:						
Previous.....	3.6	-1.2	-4.7	7.9	3.5	4.2
Revised.....	3.4	-0.8	-4.0	6.2	1.8	2.8
Annual average 2007						
Business:						
Previous.....	1.9	2.3	0.4	5.1	2.2	3.2
Revised.....	1.5	2.0	0.5	4.2	1.3	2.6
Nonfarm business:						
Previous.....	1.8	2.3	0.5	5.1	2.2	3.2
Revised.....	1.4	2.0	0.5	4.1	1.3	2.7
Manufacturing:						
Previous.....	3.4	1.6	-1.7	5.6	2.7	2.1
Revised.....	3.4	1.6	-1.7	3.5	0.7	0.1
Annual average 2006						
Business:						
Previous.....	1.0	3.1	2.1	4.0	0.7	2.9
Revised.....	0.9	3.0	2.1	3.8	0.5	2.9
Nonfarm business:						
Previous.....	1.0	3.2	2.2	3.9	0.6	2.9
Revised.....	1.0	3.2	2.2	3.8	0.5	2.8
Manufacturing:						
Previous.....	1.1	1.8	0.8	2.8	-0.5	1.7
Revised.....	1.1	1.8	0.8	4.1	0.8	3.0
Annual average 2005						
Business:						
Previous.....	2.0	3.6	1.6	4.0	0.6	2.0
Revised.....	1.8	3.5	1.6	4.0	0.6	2.1
Nonfarm business:						
Previous.....	1.9	3.6	1.7	4.0	0.6	2.1
Revised.....	1.7	3.4	1.7	4.0	0.6	2.2
Manufacturing:						
Previous.....	4.9	3.7	-1.2	4.2	0.9	-0.6
Revised.....	4.9	3.7	-1.2	1.9	-1.4	-2.8

## Revised Measures: Nonfinancial Corporations

Output, based on the income side of the NIPA for nonfinancial corporations, was revised down sharply in the first quarter to -0.1 percent, leading to a corresponding downward revision to productivity (table C). Unit labor costs were revised up as the revision to productivity was greater than a downward revision to hourly compensation. Unit profits fell 14.7 percent, rather than 1.5 percent as reported June 4. From the first quarter of 2007 through the first quarter of 2008, productivity increased 2.1 percent (table 6). Productivity had increased at an average annual rate of 2.7 percent from 2000 through 2007.

Table C. Nonfinancial corporations: Previous and revised productivity and cost measures Percent changes at annual rates								
	Produc- tivity	Output	Hours	Hourly compen- sation	Real hourly compen- sation	Unit labor costs	Unit profits	Implicit price deflator
First quarter 2008								
Previous.....	4.6	3.2	-1.4	5.9	1.5	1.2	-1.5	0.5
Revised.....	1.0	-0.1	-1.1	4.9	0.6	3.9	-14.7	0.5
Annual average 2007								
Previous.....	1.5	2.2	0.7	4.8	1.9	3.2	-5.8	1.6
Revised.....	0.9	1.6	0.7	4.1	1.3	3.2	-9.0	1.5
Annual average 2006								
Previous...	0.7	3.0	2.2	3.5	0.2	2.8	5.5	2.8
Revised.....	2.1	4.4	2.2	3.6	0.3	1.5	12.2	2.8
Annual average 2005								
Previous.....	1.4	3.1	1.7	3.8	0.4	2.4	6.6	2.9
Revised.....	2.6	4.3	1.7	3.7	0.4	1.1	12.7	2.9

### Next release date

The next release of **Productivity and Costs** is scheduled for **8:30 a.m. EDT, Thursday, Sept. 4, 2008**. Revised second-quarter measures for business, nonfarm business, and manufacturing will be released at that time, along with preliminary measures for nonfinancial corporations.

## 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	r136.1	r162.8	r119.7	r168.0	r120.6	r123.5	r133.4	r127.2
	II	r136.6	r164.0	r120.1	r168.1	r119.6	r123.1	r136.2	r128.0
	III	r135.9	r164.1	r120.8	r168.9	r119.1	r124.3	r136.2	r128.8
	IV	r135.9	r164.8	r121.2	r172.6	r122.1	r127.0	r133.4	r129.4
	ANNUAL	r136.1	r163.9	r120.4	r169.4	r120.3	r124.5	r134.8	r128.3
2007	I	r135.9	r164.5	r121.0	r174.7	r122.4	r128.5	r134.3	r130.7
	II	r137.6	r166.8	r121.2	r175.5	r121.7	r127.5	r137.4	r131.2
	III	r139.7	r169.0	r121.0	r177.1	r121.9	r126.8	r139.7	r131.6
	IV	r139.7	r168.8	r120.8	r179.0	r121.7	r128.1	r139.2	r132.2
	ANNUAL	r138.2	r167.3	r121.0	r176.5	r121.9	r127.7	r137.7	r131.4
2008	I	r140.5	r169.1	r120.3	r181.2	r121.9	r128.9	r139.5	r132.9
	II	141.3	169.7	120.1	182.9	121.6	129.4	139.2	133.1
Percent change from previous quarter at annual rate(5)									
2006	I	r2.6	r5.6	3.0	r5.5	r3.6	r2.8	r3.1	r3.0
	II	r1.4	r2.9	1.5	r0.2	r-3.3	r-1.2	r8.6	r2.6
	III	r-2.0	r0.3	r2.4	r2.0	r-1.9	r4.1	r-0.1	r2.4
	IV	r0.2	r1.7	r1.5	r9.0	r10.7	r8.8	r-8.0	r1.9
	ANNUAL	r0.9	r3.0	2.1	r3.8	r0.5	2.9	r3.3	r3.0
2007	I	r0.0	r-0.7	r-0.7	r4.8	r1.1	r4.8	r2.8	r4.0
	II	r5.0	r5.6	r0.6	r1.9	r-2.6	r-2.9	r9.6	r1.7
	III	r6.2	r5.5	-0.7	r3.6	r0.8	r-2.4	r6.9	r1.1
	IV	r0.1	r-0.6	-0.7	r4.4	r-0.6	r4.3	r-1.6	r2.0
	ANNUAL	r1.5	r2.0	r0.5	r4.2	r1.3	r2.6	r2.1	r2.4
2008	I	r2.2	r0.7	r-1.5	r5.0	r0.6	r2.7	r1.0	2.0
	II	2.3	1.5	-0.7	3.8	-1.2	1.5	-0.8	0.6
Percent change from corresponding quarter of previous year									
2006	I	r1.3	r3.6	2.3	4.2	0.5	r2.9	r3.9	r3.3
	II	r1.7	r3.5	1.8	4.0	r0.1	r2.3	5.2	r3.4
	III	0.2	2.4	2.2	r2.9	r-0.4	r2.7	3.5	3.0
	IV	r0.5	r2.6	2.1	r4.1	r2.1	r3.6	r0.7	r2.5
	ANNUAL	r0.9	r3.0	2.1	r3.8	r0.5	2.9	r3.3	r3.0
2007	I	r-0.1	r1.0	r1.2	r3.9	r1.5	r4.1	r0.7	r2.7
	II	r0.8	r1.7	0.9	r4.4	r1.7	r3.6	r0.9	r2.5
	III	r2.8	r3.0	r0.2	r4.8	r2.4	r1.9	r2.6	r2.2
	IV	r2.8	r2.4	-0.4	r3.7	r-0.3	r0.9	r4.3	r2.2
	ANNUAL	r1.5	r2.0	r0.5	r4.2	r1.3	r2.6	r2.1	r2.4
2008	I	3.4	r2.8	r-0.6	r3.7	r-0.4	r0.4	r3.9	r1.7
	II	2.7	1.7	-0.9	4.2	-0.1	1.5	1.3	1.4

See footnotes following Table 6.  
r=revised

August 8, 2008  
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	r135.1	r163.2	r120.8	r166.8	r119.7	r123.5	r135.5	r127.9
	II	r135.7	r164.3	r121.1	r167.1	r118.9	r123.1	r138.6	r128.8
	III	r134.9	r164.4	r121.9	r167.9	r118.3	r124.4	r138.3	r129.5
	IV	r135.0	r165.0	r122.2	r171.7	r121.4	r127.1	r134.9	r130.0
	ANNUAL	r135.2	r164.2	r121.5	r168.3	r119.6	r124.5	r136.8	r129.1
2007	I	r135.0	r164.7	r122.0	r173.7	r121.8	r128.7	r135.2	r131.1
	II	r136.4	r167.0	r122.4	r174.1	r120.7	r127.7	r138.2	r131.5
	III	r138.3	r169.2	r122.3	r175.5	r120.9	r126.9	r140.3	r131.8
	IV	r138.6	r168.9	r121.9	r177.8	r121.0	r128.3	r139.8	r132.5
	ANNUAL	r137.1	r167.5	r122.2	r175.3	r121.1	r127.9	r138.4	r131.7
2008	I	r139.5	r169.3	r121.4	r180.1	r121.2	r129.1	r140.3	r133.2
	II	140.3	170.0	121.2	181.7	120.8	129.5	140.0	133.4
Percent change from previous quarter at annual rate(5)									
2006	I	r2.5	r6.0	r3.3	r5.2	r3.3	r2.6	r3.9	r3.1
	II	r1.8	r2.9	1.1	r0.7	r-2.8	r-1.1	r9.4	r2.9
	III	r-2.1	r0.3	2.4	r2.0	r-2.0	r4.1	r-0.9	r2.1
	IV	r0.2	r1.4	r1.2	r9.4	r11.0	r9.1	r-9.5	r1.5
	ANNUAL	1.0	3.2	2.2	r3.8	r0.5	r2.8	r3.6	r3.1
2007	I	r0.0	r-0.9	-0.9	r4.9	r1.2	r4.9	r0.9	r3.4
	II	r4.1	r5.8	r1.6	r0.8	r-3.6	r-3.2	r9.4	r1.5
	III	r5.8	r5.5	r-0.3	3.3	r0.5	r-2.4	r6.3	r0.9
	IV	r0.8	r-0.7	-1.6	r5.4	r0.4	r4.5	r-1.6	r2.1
	ANNUAL	r1.4	r2.0	0.5	r4.1	r1.3	r2.7	r1.2	r2.1
2008	I	2.6	r0.9	r-1.6	r5.2	r0.8	r2.5	r1.5	r2.1
	II	2.2	1.7	-0.5	3.6	-1.4	1.3	-0.9	0.5
Percent change from corresponding quarter of previous year									
2006	I	r1.3	r3.7	2.4	4.2	r0.5	r2.9	r4.3	r3.4
	II	r1.7	r3.7	2.0	r3.9	r0.0	2.2	r5.9	r3.6
	III	r0.3	r2.6	2.3	r2.9	r-0.5	2.6	r3.8	r3.1
	IV	r0.6	r2.6	2.0	r4.3	r2.2	r3.6	r0.5	r2.4
	ANNUAL	1.0	3.2	2.2	r3.8	r0.5	r2.8	r3.6	r3.1
2007	I	r0.0	r0.9	0.9	r4.2	r1.7	r4.2	r-0.2	r2.5
	II	r0.5	r1.6	r1.1	r4.2	r1.5	r3.7	r-0.2	r2.1
	III	r2.5	r2.9	r0.4	r4.6	r2.2	r2.0	r1.5	r1.8
	IV	r2.7	r2.4	r-0.3	r3.6	r-0.4	r0.9	r3.7	r2.0
	ANNUAL	r1.4	r2.0	0.5	r4.1	r1.3	r2.7	r1.2	r2.1
2008	I	3.3	r2.8	r-0.5	r3.6	r-0.5	r0.3	r3.8	r1.6
	II	2.8	1.8	-1.0	4.3	0.1	1.5	1.3	1.4

See footnotes following Table 6.  
r=revised

August 8, 2008  
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	172.6	147.2	85.3	r170.9	r122.7	r99.0
	II	172.7	147.4	85.4	r169.5	r120.7	r98.2
	III	174.5	148.0	84.8	r170.3	r120.0	r97.6
	IV	175.4	147.4	84.0	r174.6	r123.5	r99.5
	ANNUAL	173.8	147.5	84.9	r171.3	r121.7	r98.6
2007	I	177.0	147.8	83.5	r176.9	r124.0	r100.0
	II	178.7	149.6	83.7	r176.4	r122.3	r98.7
	III	180.6	151.2	83.7	r176.4	r121.4	r97.6
	IV	r182.5	r151.0	82.8	r179.7	r122.2	r98.5
	ANNUAL	r179.7	r149.9	83.4	r177.3	r122.5	r98.7
2008	I	r184.0	r150.7	r81.9	r182.4	r122.8	r99.1
	II	183.3	149.4	81.5	184.5	122.7	100.6
-----							
Percent change from previous quarter at annual rate(5)							
2006	I	-0.6	1.8	2.4	r14.3	r12.3	r15.0
	II	0.2	0.6	0.4	r-3.1	r-6.5	r-3.3
	III	4.3	1.6	-2.5	r1.8	r-2.1	r-2.3
	IV	2.2	-1.7	-3.8	r10.4	r12.1	r8.0
	ANNUAL	1.1	1.8	0.8	r4.1	r0.8	r3.0
2007	I	3.6	1.2	-2.3	r5.5	r1.8	r1.8
	II	3.8	4.9	1.0	r-1.1	r-5.5	r-4.8
	III	4.5	4.3	-0.2	r-0.1	r-2.8	r-4.4
	IV	4.2	-0.4	-4.4	r7.8	r2.7	r3.4
	ANNUAL	3.4	1.6	-1.7	r3.5	r0.7	r0.1
2008	I	r3.4	r-0.8	r-4.0	r6.2	r1.8	r2.8
	II	-1.4	-3.5	-2.0	4.6	-0.4	6.1
-----							
Percent change from corresponding quarter of previous year							
2006	I	1.5	2.4	0.9	r5.4	r1.6	r3.8
	II	0.4	2.1	1.7	r3.3	r-0.6	r2.9
	III	0.9	2.3	1.4	r2.3	r-1.0	r1.4
	IV	1.5	0.6	-0.9	r5.6	r3.6	r4.1
	ANNUAL	1.1	1.8	0.8	r4.1	r0.8	r3.0
2007	I	2.6	0.4	-2.1	r3.5	r1.1	r0.9
	II	3.5	1.5	-1.9	r4.1	r1.4	r0.6
	III	3.5	2.1	-1.3	r3.6	r1.2	r0.0
	IV	4.0	2.5	-1.5	r2.9	r-1.0	r-1.1
	ANNUAL	3.4	1.6	-1.7	r3.5	r0.7	r0.1
2008	I	4.0	r2.0	r-1.9	r3.1	r-1.0	r-0.8
	II	2.6	-0.1	-2.7	4.6	0.3	1.9
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See footnotes following Table 6.  
r=revised

August 8, 2008  
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	198.8	179.6	90.3	r166.0	r119.2	r83.5
	II	198.9	180.5	90.7	r164.6	r117.1	r82.7
	III	201.7	181.1	89.8	r165.3	r116.5	r81.9
	IV	202.4	180.1	89.0	r170.2	r120.4	r84.1
	ANNUAL	200.4	180.3	90.0	r166.5	r118.3	r83.1
2007	I	204.4	180.3	88.2	r173.0	r121.3	r84.7
	II	207.9	183.9	88.4	r172.5	r119.6	r83.0
	III	210.9	186.9	88.6	r172.2	r118.6	r81.7
	IV	r214.3	r187.0	87.3	r175.5	r119.4	r81.9
	ANNUAL	r209.4	r184.5	88.1	r173.3	r119.7	r82.8
2008	I	r215.4	r186.8	r86.7	r177.8	r119.7	r82.5
	II	213.5	184.2	86.3	180.0	119.7	84.3
-----							
Percent change from previous quarter at annual rate(5)							
2006	I	-1.8	0.4	2.3	r13.7	r11.7	r15.9
	II	0.3	2.1	1.8	r-3.3	r-6.6	r-3.6
	III	5.7	1.2	-4.3	r1.6	r-2.3	r-3.9
	IV	1.4	-2.1	-3.4	r12.6	r14.4	r11.1
	ANNUAL	2.2	3.3	1.1	r3.9	r0.6	r1.7
2007	I	3.9	0.4	-3.4	r6.7	r3.0	r2.7
	II	7.1	8.2	1.0	r-1.2	r-5.5	r-7.7
	III	6.0	6.8	0.8	r-0.7	r-3.3	r-6.2
	IV	6.6	0.3	-6.0	r7.9	r2.8	r1.2
	ANNUAL	4.5	2.3	-2.0	r4.1	r1.3	r-0.3
2008	I	r2.1	r-0.4	r-2.5	r5.2	r0.9	r3.0
	II	-3.5	-5.5	-2.1	5.0	0.0	8.8
-----							
Percent change from corresponding quarter of previous year							
2006	I	3.2	4.8	1.6	r4.9	r1.1	r1.6
	II	2.0	4.6	2.5	r3.1	r-0.8	r1.1
	III	2.2	3.6	1.4	r1.9	r-1.5	r-0.4
	IV	1.4	0.4	-1.0	r5.9	r3.9	r4.5
	ANNUAL	2.2	3.3	1.1	r3.9	r0.6	r1.7
2007	I	2.8	0.4	-2.4	r4.3	r1.8	r1.4
	II	4.5	1.8	-2.5	r4.8	r2.1	r0.3
	III	4.6	3.2	-1.3	r4.2	r1.8	r-0.3
	IV	5.9	3.9	-1.9	r3.1	r-0.8	r-2.6
	ANNUAL	4.5	2.3	-2.0	r4.1	r1.3	r-0.3
2008	I	r5.4	r3.6	r-1.7	r2.7	r-1.4	r-2.5
	II	2.7	0.2	-2.5	4.3	0.0	1.6
-----							

See footnotes following Table 6.  
r=revised

August 8, 2008  
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	148.0	115.0	77.7	r178.0	r127.8	r120.2
	II	148.4	114.8	77.3	r176.6	r125.7	r119.0
	III	149.0	115.4	77.4	r177.8	r125.3	r119.3
	IV	150.3	115.1	76.6	r180.4	r127.6	r120.0
	ANNUAL	148.9	115.1	77.2	r178.2	r126.6	r119.6
2007	I	151.2	115.6	76.5	r181.9	r127.5	r120.3
	II	151.4	116.0	76.6	r181.4	r125.8	r119.9
	III	152.7	116.4	76.3	r181.8	r125.2	r119.1
	IV	r152.9	r116.1	75.9	r185.3	r126.0	r121.2
	ANNUAL	r152.0	r116.0	76.3	r182.6	r126.1	r120.1
2008	I	r155.1	r115.8	r74.6	r188.8	r127.1	r121.8
	II	155.4	115.4	74.3	190.6	126.7	122.7
Percent change from previous quarter at annual rate(5)							
2006	I	1.0	3.6	2.6	r15.5	r13.4	r14.4
	II	1.1	-0.9	-1.9	r-3.1	r-6.5	r-4.1
	III	1.5	2.2	0.6	r2.6	r-1.4	1.1
	IV	3.5	-1.1	-4.4	r6.1	r7.7	r2.5
	ANNUAL	0.2	0.3	0.1	r4.5	r1.1	r4.3
2007	I	2.5	2.0	-0.5	r3.3	r-0.3	r0.8
	II	0.4	1.3	0.9	r-1.0	r-5.3	r-1.4
	III	3.5	1.6	-1.9	r0.7	r-2.0	r-2.7
	IV	0.6	-1.1	-1.7	r7.9	r2.8	r7.3
	ANNUAL	2.1	0.9	-1.2	r2.5	r-0.3	r0.4
2008	I	r5.9	r-1.2	r-6.7	r7.9	r3.5	r1.9
	II	0.7	-1.3	-2.0	3.8	-1.2	3.0
Percent change from corresponding quarter of previous year							
2006	I	0.2	-0.1	-0.3	r6.2	r2.4	r6.0
	II	-0.7	-0.6	0.1	r3.5	r-0.4	r4.2
	III	-0.4	1.0	1.4	r3.1	r-0.2	r3.6
	IV	1.8	0.9	-0.8	r5.1	r3.0	r3.2
	ANNUAL	0.2	0.3	0.1	r4.5	r1.1	r4.3
2007	I	2.1	0.5	-1.6	r2.2	r-0.2	r0.0
	II	2.0	1.1	-0.9	r2.7	r0.1	r0.7
	III	2.5	0.9	-1.5	r2.3	r-0.1	r-0.2
	IV	1.7	0.9	-0.8	r2.7	r-1.2	r1.0
	ANNUAL	2.1	0.9	-1.2	r2.5	r-0.3	r0.4
2008	I	r2.6	r0.1	-2.4	r3.8	r-0.3	r1.2
	II	2.6	-0.5	-3.1	5.0	0.7	2.3

See footnotes following Table 6.  
r=revised

August 8, 2008  
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	r146.3	r176.2	r120.4	r164.5	r118.1	r112.4	r112.9	r112.5	r182.5	r118.8
	II	r146.0	r176.5	r120.9	r164.5	r117.0	r112.6	r114.4	r113.1	r183.1	r119.4
	III	r147.0	r178.5	r121.5	r165.1	r116.3	r112.3	r114.2	r112.8	r193.0	r120.0
	IV	r146.0	r177.8	r121.8	r167.8	r118.7	r114.9	r116.2	r115.3	r173.9	r120.5
	ANNUAL	r146.3	r177.3	r121.1	r165.5	r117.5	r113.1	r114.4	r113.4	r183.1	r119.7
2007	I	r146.2	r177.8	r121.7	r170.3	r119.4	r116.5	r117.2	r116.7	r171.8	r121.6
	II	r147.4	r179.7	r121.9	r171.3	r118.7	r116.2	r117.4	r116.5	r172.5	r121.5
	III	r148.1	r180.9	r122.5	r172.5	r118.7	r116.5	r117.8	r116.8	r166.8	r121.3
	IV	r148.8	r181.7	r122.1	r175.0	r119.0	r117.6	r118.9	r117.9	r155.9	r121.3
	ANNUAL	r147.6	r180.0	r122.0	r172.3	r119.0	r116.7	r117.9	r117.0	r166.7	r121.4
2008	I	r149.2	r181.7	r121.8	r177.1	r119.2	r118.7	r118.7	r118.7	r149.8	r121.5
-----											
Percent change from previous quarter at annual rate(5)											
2006	I	r4.4	r7.0	2.4	r8.3	r6.3	r3.7	r-0.6	r2.5	r12.1	r3.7
	II	r-0.9	r0.8	1.7	r0.0	r-3.5	r0.9	r5.3	r2.1	r1.4	r2.0
	III	r2.7	r4.7	1.9	r1.5	r-2.5	r-1.2	r-0.5	r-1.0	r23.3	r2.1
	IV	r-2.6	r-1.6	r1.0	r6.9	r8.5	r9.7	r6.9	r9.0	r-34.1	r1.7
	ANNUAL	r2.1	r4.4	2.2	r3.6	r0.3	r1.5	1.4	r1.4	r12.2	2.8
2007	I	r0.4	r0.0	-0.3	r6.1	r2.4	r5.7	r3.6	r5.1	r-4.7	r3.8
	II	r3.4	r4.3	0.8	r2.2	-2.3	r-1.2	r0.8	r-0.7	r1.7	r-0.4
	III	r1.8	r2.6	0.7	2.8	0.1	r1.0	r1.3	r1.0	r-12.5	r-0.8
	IV	r1.9	r1.9	0.0	5.9	r0.9	r3.9	r3.9	r3.9	r-23.7	r0.2
	ANNUAL	r0.9	r1.6	0.7	r4.1	r1.3	3.2	r3.0	r3.2	r-9.0	r1.5
2008	I	r1.0	r-0.1	r-1.1	r4.9	r0.6	r3.9	r-0.9	r2.6	r-14.7	0.5
-----											
Percent change from corresponding quarter of previous year											
2006	I	r3.2	r5.9	2.6	r4.1	r0.4	r0.9	r1.4	r1.0	r17.1	r3.0
	II	r1.6	r3.9	2.3	r3.7	r-0.2	r2.0	r2.7	r2.2	r9.8	3.2
	III	r2.9	r5.2	r2.2	r2.6	r-0.7	r-0.3	r-1.3	r-0.6	r26.8	r2.6
	IV	r0.9	r2.7	1.8	r4.1	r2.1	r3.2	r2.7	r3.1	r-2.0	2.4
	ANNUAL	r2.1	r4.4	2.2	r3.6	r0.3	r1.5	1.4	r1.4	r12.2	2.8
2007	I	r-0.1	r1.0	1.1	r3.6	r1.1	r3.7	r3.8	r3.7	r-5.9	r2.4
	II	r1.0	r1.8	r0.8	r4.1	r1.4	r3.1	r2.7	r3.0	r-5.8	r1.8
	III	r0.7	r1.3	0.6	r4.5	r2.1	3.7	r3.1	r3.6	r-13.6	1.1
	IV	r1.9	r2.2	0.3	r4.3	r0.3	r2.3	r2.4	r2.3	r-10.3	r0.7
	ANNUAL	r0.9	r1.6	0.7	r4.1	r1.3	3.2	r3.0	r3.2	r-9.0	r1.5
2008	I	r2.1	r2.2	r0.1	r4.0	r-0.2	r1.9	r1.3	r1.7	r-12.8	r-0.1

See footnotes following Table 6.  
r=revised

August 8, 2008  
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 first 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									
2005	I	r134.3	r157.1	r117.0	r161.2	r120.1	r120.0	r128.5	r123.2
	II	r134.2	r158.4	r118.0	r161.6	r119.5	r120.4	r129.5	r123.8
	III	r135.6	r160.2	r118.2	r164.1	r119.6	r121.1	r131.6	r125.0
	IV	r135.2	r160.6	r118.8	r165.8	r119.6	r122.6	r132.4	r126.3
	ANNUAL	r134.8	r159.1	r118.0	r163.2	r119.7	r121.0	r130.5	r124.6
Percent change from previous quarter at annual rate(5)									
2005	I	r2.7	3.7	0.9	r2.3	r0.5	r-0.4	r10.2	r3.6
	II	r-0.3	r3.2	3.5	r1.0	r-1.8	r1.3	r3.0	r2.0
	III	r4.1	r4.8	0.7	r6.5	r0.2	r2.3	r6.9	r4.1
	IV	-1.0	1.0	2.0	r4.2	r0.1	r5.2	r2.4	r4.1
	ANNUAL	r1.8	r3.5	1.6	4.0	0.6	r2.1	r4.7	3.1
Percent change from corresponding quarter of previous year									
2005	I	r2.4	3.8	1.3	r4.7	r1.7	r2.3	r4.4	3.1
	II	r1.4	3.5	2.0	3.8	r0.8	2.3	r3.3	r2.7
	III	r2.1	r3.7	1.5	4.0	r0.3	r1.8	r5.5	r3.3
	IV	r1.4	r3.1	r1.7	r3.5	r-0.3	r2.1	r5.6	r3.4
	ANNUAL	r1.8	r3.5	1.6	4.0	0.6	r2.1	r4.7	3.1

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									
2005	I	r133.3	r157.3	r118.0	r160.0	r119.2	r120.0	r129.9	r123.7
	II	r133.4	r158.4	r118.8	r160.8	r118.9	r120.5	r130.8	r124.3
	III	r134.6	r160.3	r119.1	r163.2	r118.9	r121.2	r133.2	r125.6
	IV	r134.2	r160.8	r119.8	r164.7	r118.8	r122.7	r134.2	r126.9
	ANNUAL	r133.9	r159.2	r118.9	r162.2	r118.9	r121.1	r132.0	r125.1
Percent change from previous quarter at annual rate(5)									
2005	I	r3.2	r3.7	0.5	r2.8	r1.0	r-0.5	r11.2	r3.9
	II	r0.3	r2.9	2.7	r1.9	r-0.9	r1.6	r3.0	r2.2
	III	r3.7	r4.8	1.0	r6.2	r-0.1	r2.4	r7.4	r4.3
	IV	r-1.1	r1.3	2.5	r3.7	r-0.4	r4.9	r3.1	r4.2
	ANNUAL	r1.7	r3.4	1.7	4.0	0.6	r2.2	r5.2	3.4
Percent change from corresponding quarter of previous year									
2005	I	r2.3	3.8	1.4	r4.6	r1.6	r2.2	r5.0	3.3
	II	r1.3	r3.3	2.0	r3.8	r0.9	2.5	r3.9	r3.1
	III	r1.9	r3.5	1.6	4.0	0.2	r2.0	r5.9	3.5
	IV	r1.5	r3.2	1.7	r3.6	r-0.1	r2.1	r6.1	r3.6
	ANNUAL	r1.7	r3.4	1.7	4.0	0.6	r2.2	r5.2	3.4

See footnotes following Table 6.  
r=revised

August 8, 2008  
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						
2005 I	170.0	143.7	84.5	r162.2	r120.8	r95.4
II	172.0	144.5	84.0	r164.2	r121.4	r95.5
III	172.9	144.7	83.7	r166.5	r121.3	r96.3
IV	172.8	146.5	84.8	r165.3	r119.2	r95.6
ANNUAL	171.9	144.8	84.3	r164.5	r120.7	r95.7
Percent change from previous quarter at annual rate(5)						
2005 I	7.1	5.7	-1.4	r-8.3	r-9.9	r-14.4
II	4.7	2.0	-2.5	r5.0	r2.1	r0.3
III	2.2	0.6	-1.5	5.8	r-0.5	r3.5
IV	-0.2	5.3	5.5	r-2.9	r-6.7	r-2.8
ANNUAL	4.9	3.7	-1.2	r1.9	r-1.4	r-2.8
Percent change from corresponding quarter of previous year						
2005 I	5.2	3.9	-1.3	r3.4	r0.4	r-1.7
II	5.6	4.0	-1.5	r2.7	r-0.2	r-2.7
III	5.3	3.4	-1.8	r1.8	r-1.9	r-3.4
IV	3.4	3.4	0.0	r-0.3	r-3.9	r-3.6
ANNUAL	4.9	3.7	-1.2	r1.9	r-1.4	r-2.8

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						
2005 I	192.6	171.4	88.9	r158.3	r117.9	r82.1
II	195.0	172.6	88.5	r159.7	r118.1	r81.9
III	197.3	174.7	88.5	r162.2	r118.2	r82.2
IV	199.7	179.4	89.8	r160.7	r115.9	r80.5
ANNUAL	196.2	174.5	89.0	r160.2	r117.5	r81.7
Percent change from previous quarter at annual rate(5)						
2005 I	7.1	7.1	-0.1	r-7.1	r-8.7	r-13.2
II	5.1	3.0	-2.0	r3.7	r0.8	r-1.4
III	4.8	4.9	0.1	r6.6	r0.3	r1.7
IV	4.9	11.2	6.0	r-3.7	r-7.4	r-8.2
ANNUAL	5.4	5.2	-0.2	r1.9	r-1.4	r-3.3
Percent change from corresponding quarter of previous year						
2005 I	4.4	4.1	-0.3	r3.9	r0.9	r-0.5
II	5.4	4.9	-0.6	r2.6	r-0.3	r-2.7
III	6.1	5.2	-0.9	r1.6	r-2.1	r-4.3
IV	5.5	6.5	1.0	r-0.3	r-3.9	r-5.4
ANNUAL	5.4	5.2	-0.2	r1.9	r-1.4	r-3.3

See footnotes following Table 6.  
r=revised

August 8, 2008  
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						
2005 I	147.8	115.1	77.9	r167.6	r124.9	r113.4
II	149.5	115.4	77.2	r170.7	r126.3	r114.2
III	149.6	114.3	76.4	r172.3	r125.5	r115.2
IV	147.7	114.0	77.2	r171.7	r123.9	r116.3
ANNUAL	148.7	114.7	77.2	r170.6	r125.1	r114.8
Percent change from previous quarter at annual rate(5)						
2005 I	7.8	4.0	-3.6	r-10.8	r-12.4	r-17.3
II	4.6	0.9	-3.5	r7.5	r4.5	r2.8
III	0.4	-3.9	-4.3	r3.9	r-2.2	r3.4
IV	-5.1	-0.8	4.5	r-1.5	r-5.3	r3.9
ANNUAL	4.9	2.0	-2.8	r1.6	r-1.6	r-3.1
Percent change from corresponding quarter of previous year						
2005 I	6.8	3.8	-2.9	r2.4	r-0.5	r-4.1
II	6.3	3.0	-3.1	r2.8	r-0.1	r-3.3
III	5.0	1.4	-3.4	r1.9	r-1.8	r-2.9
IV	1.8	0.0	-1.8	r-0.5	r-4.0	r-2.2
ANNUAL	4.9	2.0	-2.8	r1.6	r-1.6	r-3.1

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										
2005 I	r141.8	r166.4	r117.3	r158.0	r117.7	r111.4	r111.3	r111.4	r155.9	r115.3
II	r143.7	r169.9	r118.2	r158.6	r117.3	r110.4	r111.4	r110.6	r166.8	r115.7
III	r142.8	r169.7	r118.8	r160.8	r117.2	r112.6	r115.7	r113.5	r152.2	r116.9
IV	r144.8	r173.2	r119.7	r161.2	r116.3	r111.4	r113.1	r111.8	r177.4	r117.7
ANNUAL	r143.3	r169.8	r118.5	r159.7	r117.1	r111.4	r112.9	r111.8	r163.2	116.4
Percent change from previous quarter at annual rate(5)										
2005 I	r3.0	r3.2	0.2	r2.5	r0.7	r-0.4	r7.6	r1.7	r23.6	4.0
II	r5.5	r8.7	3.0	r1.7	r-1.1	r-3.6	r0.1	r-2.6	r31.1	r1.1
III	r-2.5	r-0.5	r2.0	r5.6	r-0.6	r8.4	r16.7	r10.6	r-30.6	r4.4
IV	r5.6	r8.7	3.0	r1.0	r-2.9	r-4.3	r-8.9	r-5.6	r84.3	r2.7
ANNUAL	r2.6	r4.3	1.7	r3.7	0.4	r1.1	r3.3	r1.7	r12.7	2.9
Percent change from corresponding quarter of previous year										
2005 I	r3.2	r4.4	1.1	4.7	r1.6	r1.4	r1.6	r1.5	r15.3	3.0
II	r3.4	r5.1	1.7	r3.8	r0.9	r0.4	r1.9	r0.8	r14.5	r2.4
III	r1.2	r3.0	1.7	3.8	0.0	r2.5	r6.2	r3.5	r1.3	3.2
IV	r2.8	r4.9	2.1	r2.7	r-1.0	r-0.1	r3.4	r0.8	r20.0	r3.1
ANNUAL	r2.6	r4.3	1.7	r3.7	0.4	r1.1	r3.3	r1.7	r12.7	2.9

See footnotes following Table 6.  
r=revised

August 8, 2008  
Source: Bureau of Labor Statistics