

NEWS RELEASE



Transmission of material in this release is embargoed until 8:30 a.m. (EDT) Thursday, September 1, 2011

USDL-11-1276

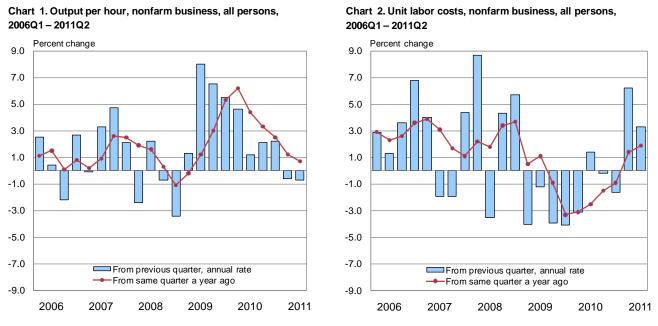
Technical information:(202) 691-5606 • dprweb@bls.gov • www.bls.gov/lpcMedia contact:(202) 691-5902 • PressOffice@bls.gov

PRODUCTIVITY AND COSTS

Second Quarter 2011, Revised

Nonfarm business sector labor productivity decreased at a 0.7 percent annual rate during the second quarter of 2011, the U.S. Bureau of Labor Statistics reported today, with output and hours worked rising 1.3 percent and 2.0 percent, respectively. (All quarterly percent changes in this release are seasonally adjusted annual rates.) From the second quarter of 2010 to the second quarter of 2011, output increased 2.4 percent while hours rose 1.6 percent, yielding an increase in productivity of 0.7 percent. (See chart 1, tables A and 2.)

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



Unit labor costs in nonfarm businesses rose 3.3 percent in the second quarter of 2011, because hourly compensation increased 2.7 percent while productivity decreased 0.7 percent. Over the last four quarters, hourly compensation increased more than output per hour, and unit labor costs rose 1.9 percent. (See chart 2, tables A and 2.)

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

Manufacturing sector productivity fell 1.5 percent in the second quarter of 2011, as output rose 1.2 percent and hours increased 2.7 percent. Productivity declined 2.7 percent in the durable goods sector and increased 1.3 percent in the nondurable goods sector. Over the last four quarters, total manufacturing productivity increased 2.4 percent. **Unit labor costs in manufacturing** rose 4.6 percent in the second quarter of 2011 and 0.4 percent over the last four quarters. (See tables A, 3, 4, and 5.)

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

Preliminary data for the second quarter of 2011 for the **nonfinancial corporate sector** also were released today. Productivity increased 4.4 percent as output and hours rose 7.5 percent and 3.0 percent, respectively. (See tables C and 6.)

Revised Measures

The measures released today were based on more recent source data than were available for the preliminary report. Tables B and C present previous and revised productivity and related measures for the major sectors: nonfarm business, business and manufacturing, as well as nonfinancial corporations.

In the second quarter of 2011, **nonfarm business** productivity decreased 0.7 percent, rather than 0.3 percent, reflecting a downward revision of 0.5 percentage points to output; hours were not revised. Hourly compensation increased 2.7 percent in the second quarter, a larger gain than reported August 9. The increase in unit labor costs was revised up to 3.3 percent. In the manufacturing sector, productivity showed a smaller decline than previously reported, 1.5 percent, due to an upward revision to output; hours were revised up slightly. Unit labor costs increased 4.6 percent rather than 4.4 percent.

In the first quarter of 2011, nonfarm business productivity growth was not revised. Unit labor costs increased 6.2 percent, rather than the previous estimate of 4.8 percent, due solely to an upward revision to hourly compensation. The first-quarter increase in unit labor costs follows a 2.0 percent decline from 2009 to 2010, the largest in the annual series. **In manufacturing,** productivity growth was not revised. Unit labor costs fell 0.1 percent, rather than 1.1 percent, due to an upward revision to hourly compensation.

Nonfinancial corporate sector productivity growth in the first quarter of 2011 was revised up to 2.3 percent from the preliminary estimate of 1.4 percent. (See tables C and 6.)

Manufacturing sector productivity, output, and unit labor costs series were revised back to 1987 to reflect revised output indexes constructed by BLS using data from the U.S. Department of Commerce. Manufacturing productivity was revised up for the years 2009 and 2010, and the average annual rate of growth from 2007 to 2010 is now 2.0 percent, compared to 1.6 percent as of August 9. Revised annual index series appear in appendix tables 1-3. Full historical annual and quarterly measures can be found on the productivity and costs home page at www.bls.gov/lpc/#data.

The preliminary Productivity and Costs news release for third-quarter 2011 is scheduled to be released on Thursday, November 3, 2011 at 8:30 a.m. (EDT).

Table A. Revised second-qua	arter 2011 mea	sures: perce	ent change	from previo	ous quarter,	annual rate	e (Q to Q) an	d from same	quarter a	year
ago (Y to Y)									-	-
		onfarm					Durab	-		urable
Sector		siness		usiness		ufacturing		facturing		facturing
	Q to Q	Y to Y	Q to Q	Y to Y	Q to Q	Y to Y	Q to Q	Y to Y	Q to Q	Y to Y
Productivity	-0.7	0.7	-0.5	0.6	-1.5	2.4	-2.7	2.7	1.3	3.5
Output	1.3	2.4	1.2	2.1	1.2	4.6	2.2	7.4	0.3	1.8
Hours	2.0	1.6	1.7	1.5	2.7	2.1	5.0	4.5	-0.9	-1.7
Hourly compensation	2.7	2.7	3.1	2.7	3.1	2.8	2.4	2.0	4.1	3.7
Real hourly compensation	-1.4	-0.7	-1.0	-0.6	-0.9	-0.6	-1.6	-1.3	0.0	0.3
Unit labor costs	3.3	1.9	3.5	2.1	4.6	0.4	5.2	-0.7	2.7	0.1
Table B. Revised and previou	us measures:	second quar	ter and firs	t quarter 20	11					
		onfarm					Durab	-		lurable
Sector		siness		siness		facturing		facturing		Ifacturing
	Revised	Previous	Revised	Previous	Revised	Previous	Revised	Previous	Revised	Previous
		Percer	nt change, a	innual rate, s	second quart	er 2011				
Productivity	-0.7	-0.3	-0.5	0.0	-1.5	-2.0	-2.7	-3.5	1.3	1.2
Output	1.3	1.8	1.2	1.6	1.2	0.6	2.2	1.4	0.3	-0.2
Hours	2.0	2.0	1.7	1.7	2.7	2.6	5.0	5.1	-0.9	-1.4
Hourly compensation	2.7	1.9	3.1	2.3	3.1	2.3	2.4	1.6	4.1	3.0
Real hourly compensation	-1.4	-2.1	-1.0	-1.7	-0.9	-1.7	-1.6	-2.4	0.0	-1.0
Unit labor costs	3.3	2.2	3.5	2.4	4.6	4.4	5.2	5.3	2.7	1.8
		Perc	ent change,	annual rate	, first quarter	2011				
Productivity	-0.6	-0.6	-1.4	-1.4	4.2	4.2	6.8	6.9	3.4	3.4
Output	0.9	0.9	0.3	0.3	7.8	7.8	13.7	13.8	2.1	2.0
Hours	1.5	1.5	1.7	1.7	3.4	3.4	6.4	6.4	-1.3	-1.3
Hourly compensation	5.6	4.2	5.4	4.0	4.1	3.1	4.4	4.9	2.8	-0.8
Real hourly compensation	0.3	-1.0	0.1	-1.2	-1.2	-2.1	-0.8	-0.4	-2.4	-5.8
Unit labor costs	6.2	4.8	6.8	5.4	-0.1	-1.1	-2.3	-1.9	-0.6	-4.0
Table C. Nonfinancial corpor	ations: prelim	inary second	•							
Bradu	uctivity Out	put Hou		Hourly pensation	Real ho compens		Unit labor costs	Unit profi		olicit price leflator
Float							COSIS		15 (lenator
Q to Q 4.	4 7.		-	innual rate, s 2.5	econd quart 1.5-		-1.8	28.9		1.8
Y to Y 0.				2.3	-1.0		-1.8 1.5	20.9 10.7		2.0
1.01 0.	J J.	-		-	, first quarter		1.0	10.7		2.0
Revised 2.	3 4.			4.5	.0.8-		2.1	3.7		2.0
Previous 1.				3.1	-2.1		1.6	4.6		2.0

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 75 percent of the value of GDP in 2010. Nonfarm business, which excludes farming, accounted for about 74 percent of GDP in 2010.

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; transportation equipment manufacturing; furniture and related product manufacturing; and miscellaneous manufacturing. Nondurables include: food manufacturing; beverage and tobacco 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 48 percent of the value of GDP in 2010.

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: The measure includes accrued wages and salaries, supplements, employer contributions to employee benefit plans, and taxes. Estimates of labor compensation by major sector, required for measures of hourly compensation and unit labor costs, are based primarily on employee compensation data from the NIPA, prepared by the BEA. The compensation of employees in general government, nonprofit institutions and 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 percent changes from the previous quarter presented at a compound annual rate, as percent changes from the corresponding quarter of the previous year, and as index number series where 2005=100. Annual data are presented both as index number series and percent changes from the previous year.

The index numbers and rates of change reported in the productivity and costs news release are rounded to one decimal place. All percent changes in this release and on the BLS web site are calculated using index numbers to three decimal places. These index numbers are available at the BLS web site, 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.

Year and quar		Output per hour of all persons	Output		Compen- sation per hour (1)	per hour (2)	labor costs	Unit nonlabor payments (3)	price
		P			evious quart				
2011	II	-0.5 r	1.2 r	1.7	3.1 r		3.5 r		2.7 r
	I	-1.4	0.3	1.7	5.4 r	0.1 r	6.8 r	-2.2 r	2.9
2010	ANNUAL	4.1	3.9	-0.1	2.0	0.4	-2.0	6.1	1.3
2010		1.7	3.2	1.5		-2.2	-1.3	7.3	2.2
	III	2.5	3.7	1.2	2.2	0.7	-0.3	3.2	1.1
	II	1.1	4.7	3.6	2.4	2.9	1.2	2.8	1.9
	I	4.3	5.1	0.8	1.2	0.0	-2.9	9.0	1.8
2009	ANNUAL	2.4	-4.9	-7.1	1.6	2.0	-0.8	3.1	0.7
2009	IV	5.3	5.0	-0.3	1.2	-1.6	-3.9	9.0	1.1
	III	7.0	1.8	-4.9	2.7	-0.9	-4.0	7.3	0.3
	II	8.0	-1.0	-8.4	6.6	4.6	-1.3	-1.0	-1.2
	I	1.5	-8.5	-9.8	-2.7	-0.4	-4.1	10.5	1.4
		Per			esponding qu				
2011	тт	0.6 r	2.1 r	1.5	2 7 r	-0.6 r	2.1 r	2.4 r	2.3 r
	I	1.0	3.0	2.0		0.4 r		2.7 r	2.0
2010	ANNUAL	4.1	3.9	-0.1	2.0	0.4	-2.0	6.1	1.3
2010	IV	2.4	4.2	1.8	1.5	0.3	-0.8	5.5	1.8
	III	3.3	4.6	1.3	1.7	0.5	-1.5	6.0	1.5
	II	4.4	4.1	-0.3	1.9	0.1	-2.4	7.0	1.3
	I	6.2	2.7	-3.3	2.9	0.5	-3.1	6.0	0.5
2009	ANNUAL	2.4	-4.9	-7.1	1.6	2.0	-0.8	3.1	0.7
2009	IV	5.4	-0.8	-5.9	1.9	0.4	-3.3	6.3	0.4
	III	3.3	-5.1	-8.1	2.0	3.7	-1.2	1.8	0.0
	II	1.3	-6.8	-8.0	2.2	3.2	0.9	0.5	0.8
	I	-0.1	-6.5	-6.4	0.3	0.5	0.4	4.0	1.8
				Inde	exes 2005=10	0			
2011	II	110.2 r	104.3 r	94.6	118.8 r	103.2 r	107.7 r	118.3 r	111.9 r
	I	110.4	104.0	94.2	117.9 r	103.5 r	106.8 r	117.8 r	111.2
2010	ANNUAL	110.0	102.5	93.2	115.8	103.6	105.3	116.3	109.6
2010	IV	110.7	103.9	93.8	116.3	103.5	105.0	118.5	110.4
	III	110.3	103.1	93.5	116.2	104.1	105.4	116.4	109.7
	II	109.6	102.1	93.2	115.6	103.9	105.5	115.5	109.4
	I	109.3	101.0	92.4	114.9	103.1	105.1	114.7	108.9
2009	ANNUAL	105.7	98.7	93.4	113.5	103.3	107.4	109.6	108.3
2009	IV	108.2	99.7	92.2	114.6	103.1	105.9	112.3	108.4
		106.8	98.5	92.3	114.2	103.5	107.0	109.9	108.1
	II	105.0	98.1	93.4	113.5	103.8	108.1	108.0	108.1
	I	103.0		95.5	111.7		108.5	108.2	108.4

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

See footnotes following Table 6. r=revised

Year and quarter	p	utput er hour f all ersons	Output	-	Compen- sation per hour (1)	per hour (2)	labor costs	Unit nonlabor payments (3)	Implicit price deflator (4)
		E			evious quart				
2011 II		-0.7 r	1.3 r	2.0	2.7 r	-1.4 r	3.3 r	1.5 r	2.6 r
I		-0.6	0.9	1.5	5.6 r	0.3 r	6.2 r	-3.1 r	2.2
2010 ANN	NUAL	4.1	4.0	-0.1	2.1	0.4	-2.0	5.7	1.1
2010 IV		2.2	3.8	1.5	0.6	-2.1	-1.6	6.4	1.7
III	I	2.1	3.5	1.4	1.9	0.4	-0.2	2.0	0.7
II		1.2	4.6	3.4	2.6	3.1	1.4	3.0	2.0
I		4.6	5.2	0.5	1.4	0.2	-3.1	8.8	1.6
2009 ANN	NUAL	2.3	-5.1	-7.2	1.6	2.0	-0.7	3.8	1.1
2009 IV		5.5	5.6	0.1	1.2	-1.5	-4.1	7.7	0.5
III	I	6.5	1.4	-4.8	2.3	-1.3	-3.9	8.1	0.6
II		8.0	-1.1	-8.4	6.7	4.7	-1.2	-1.3	-1.2
I		1.3	-8.7	-9.9	-2.7	-0.4	-4.0	12.1	2.0
		Per			esponding qu				
2011 II		0.7 r	2.4 r	1.6	2.7 r	-0.7 r	1.9 r	1.6 r	1.8 r
I		1.2	3.2	1.9		0.4 r		2.0 r	1.7
2010 ANN	NUAL	4.1	4.0	-0.1	2.1	0.4	-2.0	5.7	1.1
2010 IV		2.5	4.3	1.7	1.6	0.4	-0.9	5.0	1.5
III	I	3.3	4.7	1.3	1.8	0.5	-1.5	5.3	1.2
II		4.4	4.2	-0.3	1.9	0.1	-2.5	6.9	1.2
I		6.2	2.7	-3.2	2.9	0.5	-3.1	5.7	0.4
2009 ANN	NUAL	2.3	-5.1	-7.2	1.6	2.0	-0.7	3.8	1.1
2009 IV		5.3	-0.9	-5.9	1.8	0.3	-3.3	6.5	0.5
III		3.0	-5.5	-8.2	2.1	3.7	-0.9	2.5	0.4
II		1.2	-7.1	-8.2	2.4	3.4	1.1	1.2	1.2
I		-0.2	-6.7	-6.5	0.4	0.5	0.5	5.0	2.2
				Inde	exes 2005=10	0			
2011 II	1	10.3 r	104.4 r	94.6 r	118.7 r	103.2 r	107.6 r	117.5 r	111.5 r
I		10.5	104.0	94.2	117.9 r	103.6 r	106.7 r	117.0 r	110.8
2010 ANN	NUAL 1	09.8	102.4	93.2	115.8	103.7	105.4	116.1	109.6
2010 IV	1	10.7	103.8	93.8	116.3	103.5	105.1	118.0	110.2
		10.1	102.9	93.5	116.2	104.0	105.6	116.1	109.7
II			102 0	93.1	115.6	103.9	105.6	115.6	109.5
I		09.2	102.0	92.4	114.9	103.1	105.3	114.7	109.0
2009 ANN	NUAL 1		98.5	93.3	113.4	103.3	107.5	109.8	108.4
2009 TV	1	07.9	99.6	92.2	114.5	103.1	106.1	112.3	108.5
III							107.2	112.3	108.4
II	- 1 1	06.5 04.8	98.2 97.9	93 4	114.2 113.5	103.5 103.8	107.2	108.1	108.4
I					111 7	102 6			
÷	-				111.7	102.6			

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

See footnotes following Table 6. r=revised

Year and quar		Output per hour of all persons	Output	Hours of all persons	Compen- sation per hour (1)	Real compen- sation per hour (2)	Unit labor costs
				previous quarter	at annual rate(5)	
2011	II I	-1.5 r 4.2	1.2 r 7.8	2.7 r 3.4	3.1 r 4.1 r	-0.9 r -1.2 r	4.6 r -0.1 r
2010	ANNUAL	6.1 r	6.0 r	0.0	1.6	0.0	-4.2 r
2010	III	4.9 2.1	3.8 5.6	-1.0 3.4	2.3 1.7	-0.4 0.2	-2.5 -0.5
	II I	5.2 4.7	9.2 7.8	3.8 3.0	3.8 -2.7	4.3 -3.9	-1.3 -7.1
2009	ANNUAL	0.5 r	-12.5 r	-13.0	4.5	4.9	4.0 r
2009	IV III II I	7.3 r 13.1 r 6.3 r -1.4 r	6.5 r 7.5 r -10.1 r -21.1 r	-0.8 -4.9 -15.4 -20.0	3.1 1.4 7.9 0.5	0.3 -2.2 5.9 2.9	-3.9 r -10.3 r 1.5 r 1.9 r
				responding quar	ter of previous	year	
2011	II I	2.4 r 4.1	4.6 r 6.6	2.1 2.4	2.8 r 2.9 r	-0.6 r 0.7 r	0.4 r -1.1 r
2010	ANNUAL	6.1 r	6.0 r	0.0	1.6	0.0	-4.2 r
2010	IV III II I	4.2 4.8 r 7.5 r 7.8 r	6.6 7.3 r 7.7 r 2.6 r	2.3 2.3 0.2 -4.8	1.2 1.4 1.4 2.4	0.0 0.2 -0.4 0.0	-2.9 -3.2 r -5.7 r -5.0 r
2009	ANNUAL	0.5 r	-12.5 r	-13.0	4.5	4.9	4.0 r
2009	IV III II I	6.2 r 2.7 r -1.7 r -4.8 r	-5.1 r -11.9 r -16.5 r -16.0 r	-10.6 -14.2 -15.1 -11.8	3.2 4.8 5.8 4.0	1.7 6.6 6.9 4.2	-2.8 r 2.0 r 7.6 r 9.2 r
			 Ir	dexes 2005=100			
2011	II I	113.7 r 114.1 r	95.9 r 95.6 r	84.4 r 83.8	119.7 r 118.8 r	104.1 r 104.3 r	105.3 r 104.1 r
2010	ANNUAL	111.3 r	92.0 r	82.7	116.6	104.4	104.8 r
2010	IV III II I	112.9 r 111.6 r 111.0 r 109.6 r	93.8 r 92.9 r 91.7 r 89.7 r	83.1 83.3 82.6 81.8	117.6 117.0 116.5 115.4	104.6 104.7 104.7 103.6	104.2 r 104.8 r 105.0 r 105.3 r
2009	ANNUAL	104.9 r	86.8 r	82.7	114.8	104.5	109.4 r
2009	IV III II I	108.3 r 106.5 r 103.2 r 101.7 r	88.0 r 86.7 r 85.1 r 87.4 r	81.2 81.4 82.4 86.0	116.2 115.3 114.9 112.8	104.6 104.5 105.1 103.6	107.3 r 108.3 r 111.3 r 110.9 r

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

See footnotes following Table 6. r=revised

Year and quar		Output per hour of all persons	Output	Hours of all persons	Compen- sation per hour (1)	Real compen- sation per hour (2)	Unit labor costs
		Percent	t change from p	previous quarter	at annual rate(5)	
2011	II	-2.7 r	2.2 r	5.0 r	2.4 r	-1.6 r	5.2 r
	I	6.8 r	13.7 r	6.4	4.4 r	-0.8 r	-2.3 r
2010	ANNUAL	7.7 r	7.6 r	-0.1	2.1	0.4	-5.2 r
2010	IV	5.3	5.7	0.4	2.2	-0.5	-3.0
	III	1.7	8.3	6.5	-0.8	-2.2	-2.5
	II	11.3	14.5	2.8	7.1	7.7	-3.7
	I	6.2	10.2	3.8	-3.1	-4.3	-8.7
2009	ANNUAL	-4.6 r	-19.3 r	-15.5	5.7	6.1	10.8 r
2009	IV	6.3 r	5.9 r	-0.4	3.8	1.0	-2.3 r
	III	18.2 r	10.3 r	-6.6	1.0	-2.6	-14.5 r
	II	2.1 r	-18.8 r	-20.5	11.6	9.5	9.3 r
	I	-10.0 r	-31.2 r	-23.6	3.1	5.5	14.6 r
		Percent	change from cor	responding quar	ter of previous	year	
2011	II	2.7 r	7.4 r	4.5 r	2.0 r	-1.3 r	-0.7 r
	I	6.2 r	10.5	4.0	3.2 r	1.0 r	-2.9 r
2010	ANNUAL	7.7 r	7.6 r	-0.1	2.1	0.4	-5.2 r
2010	IV	6.1	9.6	3.4	1.3	0.1	-4.5
	III	6.3 r	9.7 r	3.2	1.7	0.4	-4.4 r
	II	10.4 r	10.2 r	-0.2	2.1	0.3	-7.5 r
	I	8.0 r	1.1 r	-6.4	3.2	0.8	-4.5 r
2009	ANNUAL	-4.6 r	-19.3 r	-15.5	5.7	6.1	10.8 r
2009	IV	3.6 r	-10.1 r	-13.3	4.8	3.3	1.1 r
	III	-2.5 r	-18.9 r	-16.8	5.9	7.7	8.7 r
	II	-7.8 r	-24.4 r	-18.0	7.4	8.4	16.4 r
	I	-10.5 r	-22.5 r	-13.4	4.6	4.8	16.9 r
			Ir	ndexes 2005=100			
2011	II	112.1 r	93.3 r	83.2 r	120.9 r	105.1 r	107.9 r
	I	112.9 r	92.8 r	82.2	120.2 r	105.6 r	106.5 r
2010	ANNUAL	109.0 r	87.3 r	80.1	118.1	105.7	108.3 r
2010	IV	111.0 r	89.8 r	80.9	118.9	105.8	107.1 r
-	III	109.6 r	88.6 r	80.9	118.3	105.9	108.0 r
	II	109.1 r	86.9 r	79.6	118.5	106.5	108.6 r
	I	106.2 r	84.0 r	79.0	116.5	104.6	109.7 r
2009	ANNUAL	101.2 r	81.2 r	80.2	115.7	105.3	114.3 r
2009	IV	104.7 r	82.0 r	78.3	117.4	105.7	112.2 r
	III	103.1 r	80.8 r	78.4	116.4	105.5	112.9 r
	II	98.9 r	78.8 r	79.7	116.1	106.2	117.4 r

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

See footnotes following Table 6. r=revised

Year and quarter	Output per hour of all persons	Output	Hours of all persons	Compen- sation per hour (1)	Real compen- sation per hour (2)	Unit labor costs
				at annual rate(
	Percen	t change from p	revious quarter	at annual fate(5)	
2011 II -	1.3 r	0.3 r	-0.9 r	4.1 r	0.0 r	2.7 r
I	3.4	2.1 r	-1.3	2.8 r	-2.4 r	-0.6 r
2010 ANNUA	L 3.9 r	3.9 r	0.1	0.8	-0.9	-3.0 r
2010 IV	5.3	2.0	-3.2	2.2	-0.5	-3.0
III	4.2	2.8	-1.3	5.7	4.2	1.4
II	-1.3 r	4.0	5.4	-1.9	-1.4	-0.5
I	3.6	5.4	1.7	-2.2	-3.4	-5.6
2009 ANNUA	L 2.3 r	-6.6 r	-8.7	2.9	3.2	0.5 r
2009 IV	7.7 r	6.2 r	-1.4	1.9	-0.9	-5.4 r
III	5.3 r	3.0 r	-2.2	2.5	-1.1	-2.6 r
II	4.3 r	-2.5 r	-6.5	2.8	0.8	-1.5 r
I		-11.2 r		-3.3	-1.0	-6.0 r
				ter of previous		
2011 II	3.5	1.8 r	-1.7 r	3.7 r	0.3 r	0.1 r
I	2.9	2.7	-0.2	2.1 r		-0.7 r
2010 ANNUA	L 3.9 r	3.9 r	0.1	0.8	-0.9	-3.0 r
2010 IV	2.9	3.5	0.6	0.9	-0.3	-2.0
ZUIU IV III	2.9 3.5 r	3.5 4.6 r	1.1	0.9	-0.4	-2.0 -2.6 r
II	3.8 r	4.6 r	0.8	0.1	-1.7	-3.6 r
I	5.2 r	3.0 r	-2.1	1.2	-1.1	-3.8 r
2009 ANNUA	L 2.3 r	-6.6 r	-8.7	2.9	3.2	0.5 r
2009 IV	5.0 r	-1.3 r	-6.0	0.9	-0.5	-3.9 r
III	4.5 r	-1.3 I -5.8 r	-9.8	3.5	5.2	-3.9 I -1.0 r
II	4.5 I 0.9 r	-9.1 r	-9.9	3.7	4.7	2.8 r
I	-1.0 r	-9.7 r	-8.8	3.3	3.4	4.3 r
		Ir	dexes 2005=100			
2011 II	111.3 r	96.1 r	86.4 r	117.8 r	102.4 r	105.8 r
I	110.9 r	96.0 r	86.6	116.6 r	102.4 r	105.1 r
2010 ANNUA	L 108.5 r	94.6 r	87.2	114.7	102.7	105.7 r
2010 777	110 0 ~	05 5 ~~	86.9	115.8	102 0	105 2
2010 IV	110.0 r 108.6 r	95.5 r 95.1 r	86.9 87.6	115.8	103.0 103.2	105.3 r 106.1 r
III II	108.6 r 107.5 r	95.1 r 94.4 r	87.9	113.6	103.2	106.1 r 105.7 r
I	107.8 r	94.4 r 93.5 r	87.9 86.7	113.6	102.1	105.7 r 105.9 r
2009 ANNUA	L 104.5 r	91.1 r	87.2	113.8	103.6	109.0 r
2009 IV		92.3 r	86.3	114.8	103.3	107.4 r
III	104.9 r	90.9 r	86.6	114.3	103.6	108.9 r
II	103.6 r	90.2 r	87.1	113.5	103.8	109.6 r
I	102.5 r	90.8 r	88.6	112.8	103.6	110.0 r

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

See footnotes following Table 6. r=revised

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

Year and quar	2	Output per all- employee hour		Employee	Hourly compen- sation (1)	Real hourly compen- sation (2)	Unit labor costs	Unit non- labor costs (6)	Total unit cost (7)	Unit pro- fits (8)	Implicit price deflator (4)
			Percen	t change f	rom previo	ous quarter	at annua	l rate(5)			
2011	II I	4.4 2.3 r	7.5 4.5 r	3.0 2.1	2.5 4.5 r	-1.5 -0.8 r	-1.8 2.1 r	-3.2 0.7 r	-2.2 1.7 r	28.9 3.7 r	1.8 2.0
2010	ANNUAL	5.3	5.4	0.1	1.9	0.3	-3.2	-9.7	-5.1	40.6	-0.7
2010	IV III II I	-3.1 -0.1 -1.2 9.3	-1.3 2.3 2.9 10.6	1.9 2.3 4.2 1.2	-0.3 2.6 1.4 0.9	-3.0 1.2 2.0 -0.4	2.9 2.7 2.7 -7.7	1.8 -4.6 -7.8 -15.0	2.6 0.6 -0.4 -9.9	-0.8 13.3 10.2 101.8	2.1 2.3 0.9 -0.5
2009	ANNUAL	1.6	-6.3	-7.8	2.0	2.4	0.4	5.3	1.8	-9.2	0.6
2009	IV III II I	10.5 9.3 7.2 -8.1	9.9 3.8 -3.2 -18.6	-0.6 -5.0 -9.7 -11.5	1.6 3.0 7.4 -6.3	-1.1 -0.7 5.4 -4.0	-8.1 -5.7 0.2 2.0	-10.4 -13.5 -3.3 21.4	-8.7 -8.1 -0.9 7.4	74.1 52.8 -28.2 -29.7	-2.4 -3.7 -3.7 3.0
			Percent	change fro	m correspo	nding quar	ter of pr	evious ye	ar		
2011	II I	0.8 -0.6 r	3.2 2.1 r	2.3 2.6	2.3 2.0 r	-1.0 -0.2 r	1.5 2.6 r	-1.4 -2.5 r	0.7 1.1	10.7 6.5 r	2.0 1.8
2010	ANNUAL	5.3	5.4	0.1	1.9	0.3	-3.2	-9.7	-5.1	40.6	-0.7
2010	IV III II I	1.1 4.5 6.8 9.1	3.5 6.4 6.8 5.1	2.4 1.8 -0.1 -3.6	1.1 1.6 1.7 3.2	-0.1 0.4 0.0 0.8	0.0 -2.7 -4.8 -5.4	-6.6 -9.5 -11.7 -10.7	-1.9 -4.7 -6.9 -7.0	25.7 44.7 56.0 40.1	1.2 0.1 -1.4 -2.6
2009	ANNUAL	1.6	-6.3	-7.8	2.0	2.4	0.4	5.3	1.8	-9.2	0.6
2009	IV III II I	4.5 1.3 1.1 -0.3	-2.6 -7.6 -7.7 -7.2	-6.8 -8.8 -8.7 -6.9	1.3 2.5 2.9 1.5	-0.1 4.1 3.9 1.6	-3.0 1.2 1.7 1.8	-2.3 4.9 8.7 10.4	-2.8 2.2 3.7 4.3	7.6 -19.2 -16.2 -7.8	-1.7 -0.3 1.6 3.0
					Indexes	2005=100					
2011	II I	111.3 110.1 r	105.4 103.6 r	94.7 94.0	118.0 117.3 r	102.6 103.0 r	106.0 106.5 r	106.5 107.4 r	106.2 106.8 r	128.0 120.1 r	108.9 108.5
2010	ANNUAL	110.3	102.2	92.7	115.6	103.5	104.9	108.0	105.7	116.7	107.1
2010	IV III II I	109.5 110.4 110.4 110.7	102.4 102.8 102.2 101.5	93.5 93.1 92.6 91.6	116.0 116.1 115.4 115.0	103.2 104.0 103.7 103.2	106.0 105.2 104.5 103.8	107.2 106.7 107.9 110.2	106.3 105.6 105.5 105.6	119.0 119.3 115.6 112.8	107.9 107.3 106.8 106.5
2009	ANNUAL	104.7	97.0	92.6	113.4	103.2	108.4	119.5	111.5	83.0	107.9
2009	IV III II I	108.3 105.6 103.3 101.5	98.9 96.6 95.7 96.5	91.3 91.5 92.7 95.1	114.7 114.3 113.4 111.4	103.3 103.6 103.7 102.4	105.9 108.2 109.8 109.7	114.7 117.9 122.3 123.3	108.4 110.9 113.2 113.5	94.7 82.4 74.1 80.5	106.6 107.3 108.3 109.3

See footnotes following Table 6. r=revised

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 -1.8 and 1.6 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 2011.

Table Footnotes

(1) Wages and salaries of employees plus employers' contributions for social insurance and private benefit plans. Except for nonfinancial corporations, where there are no self-employed, data also include an estimate of wages, salaries, and supplemental payments for the self-employed.

(2) The change for recent quarters is based on the Consumer Price Index for all urban consumers (CPI-U). The trend from 1978-2010 is based on the Consumer Price Index research series (CPI-U-RS).

(3) Unit nonlabor payments include profits, consumption of fixed capital, taxes on production and imports less subsidies, net interest and miscellaneous payments, business current transfer payments, rental income of persons, and the current surplus of government enterprises.

(4) Current dollar output divided by the output index.

(5) Quarterly changes: Percent change compounded at annual rate is calculated using index numbers to three decimal places. Indexes published in the news release are rounded to one decimal place for convenience. Annual changes: Percent change is calculated using annual average indexes to three decimal places.

(6) Unit nonlabor costs include consumption of fixed capital, taxes on production and imports less subsidies, net interest and miscellaneous payments, and business current transfer payments.

(7) Total unit costs are the sum of unit labor and nonlabor costs.

(8) Unit profits include corporate profits before tax with inventory valuation and capital consumption adjustments.

Appendix table 1. Manufacturing sector: Productivity, hourly compensation, and unit labor costs

Year	Output per hour of all persons	Output	Hours of all persons	Compen- sation per hour (1)	Real compen- sation per hour (2)	Unit labor costs
		I:	ndexes 2005=100)		
2010	111.3 r	92.0 r	82.7	116.6	104.4	104.8 r
2009	104.9 r	86.8 r	82.7	114.8	104.5	109.4 r
2008	104.4 r	99.2 r	95.1	109.8	99.6	105.2 r
2007	104.9 r	103.8 r	99.0	105.3	99.2	100.4 r
2006	100.9 r	101.6 r	100.7	102.0	98.8	101.1 r
2005	100.0	100.0	100.0	100.0	100.0	100.0
2004	95.4 r	96.5 r	101.1	96.8	100.0	101.4 r
2003	93.3 r	94.9 r	101.7	96.0	101.9	102.9 r
2002	87.8 r	93.9 r	106.9	88.9	96.5	101.2 r
2001	81.9 r	94.2 r	115.0	84.3	92.9	102.9 r
2000	80.4 r	98.9 r	123.1	81.2	92.0	101.0 r
1999	76.9 r	95.9 r	124.7	75.4	88.3	97.9 r
1998	73.3 r	92.1 r	125.5	72.2	86.3	98.4 r
1997	69.5 r	87.4 r	125.9	68.0	82.4	97.8 r
1996	65.9 r	81.5 r	123.6	66.4	82.2	100.7 r
1995	63.6 r	78.8 r	123.9	65.2	83.0	102.6 r
1994	60.8 r	74.9 r	123.1	64.2	83.7	105.6 r
1993	58.8 r	70.7 r	120.3	62.7	83.4	106.6 r
1992	57.3 r	68.0 r	118.7	61.3	83.5	106.9 r
1991	55.2 r	65.8 r	119.3	58.5	81.8	106.0 r
1990	53.8 r	67.0 r	124.5	55.2	80.0	102.7 r
1989	52.6 r	67.2 r	127.7	52.7	80.1	100.1 r
1988	52.1 r	66.1 r	126.9	51.2	81.1	98.2 r
1987	51.0 r	62.9 r	123.2	49.4	81.2	96.8 r

See footnotes following Table 6.

r=revised

September 1, 2011

Source: Bureau of Labor Statistics

Appendix	table 2.								
Durable	manufacturing	sector:	Productivity,	hourly	compensation,	and	unit	labor	costs

Year	Output per hour of all persons	-		Compen- sation per hour (1)	per hour	Unit labor costs
			ndexes 2005=100)		
2010	109.0 r	87.3 r	80.1	118.1	105.7	108.3 r
2009	101.2 r	81.2 r	80.2	115.7	105.3	114.3 r
2008	106.0 r	100.6 r	94.9	109.4	99.2	103.2 r
2007	107.7 r	106.6 r	99.0	106.1	99.9	98.5 r
2006	102.2 r	103.3 r	101.1	102.2	99.0	100.1 r
2005	100.0	100.0	100.0	100.0	100.0	100.0
2004	95.0 r	95.2 r	100.2	97.0	100.2	102.1 r
2003	93.4 r	93.0 r	99.5	97.3	103.3	104.2 r
2002	87.1 r	91.6 r	105.1	89.1	96.7	102.3 r
2001	80.7 r	92.5 r	114.6	84.9	93.7	105.2 r
2000	79.9 r	98.7 r	123.4	82.6	93.6	103.3 r
1999	75.8 r	94.2 r	124.2	76.5	89.7	100.9 r
1998	70.4 r	87.9 r	124.8	73.3	87.7	104.1 r
1997	65.2 r	81.0 r	124.1	68.9	83.5	105.5 r
1996	61.0 r	73.6 r	120.6	67.7	83.8	110.9 r
1995	57.9 r	69.3 r	119.5	66.9	85.2	115.5 r
1994	54.5 r	64.2 r	117.7	66.5	86.6	121.9 r
1993	51.9 r	59.2 r	114.0	64.8	86.3	124.9 r
1992	50.0 r	56.2 r	112.4	63.6	86.7	127.3 r
1991	47.3 r	53.9 r	114.0	60.3	84.3	127.5 r
1990	46.4 r	56.1 r	120.7	56.7	82.1	122.1 r
1989	45.6 r	56.8 r	124.7	54.3	82.5	119.2 r
1988	45.2 r	56.2 r	124.3	52.7	83.6	116.7 r
1987	44.2 r	52.9 r	119.7	51.3	84.3	116.0 r

See footnotes following Table 6.

r=revised

Appendix table 3. Nondurable manufacturing sector: Productivity, hourly compensation, and unit labor costs

Year	Output per hour of all persons	Output	persons	per hour (1)	Real compen- sation per hour (2)	labor costs
			ndexes 2005=100			
2010	108.5 r	94.6 r	87.2	114.7	102.7	105.7 r
2009	104.5 r	91.1 r	87.2	113.8	103.6	109.0 r
2008	102.1 r	97.5 r	95.4	110.7	100.4	108.4 r
2007	102.0 r	101.0 r	99.0	103.8	97.8	101.8 r
2006	99.8 r	99.9 r	100.1	101.5	98.3	101.7 r
2005	100.0	100.0	100.0	100.0	100.0	100.0
2004	95.3 r	98.1 r	102.8	96.5	99.8	101.2 r
2003	92.0 r	96.9 r	105.3	94.0	99.8	102.2 r
2002	87.8 r	96.6 r	110.0	88.8	96.4	101.1 r
2001	82.9 r	96.0 r	115.9	83.0	91.5	100.2 r
2000	80.9 r	99.1 r	122.5	78.5	89.0	97.0 r
1999	78.2 r	98.1 r	125.5	73.2	85.7	93.6 r
1998	77.2 r	97.9 r	126.9	70.2	83.9	90.9 r
1997	75.2 r	97.0 r	128.9	66.5	80.7	88.4 r
1996	72.3 r	93.2 r	128.9	64.2	79.6	88.9 r
1995	70.8 r	93.1 r	131.5	62.7	79.7	88.5 r
1994	69.1 r	91.4 r	132.4	60.9	79.3	88.2 r
1993	67.5 r	88.5 r	131.1	59.6	79.2	88.2 r
1992	66.7 r	86.5 r	129.6	58.0	79.0	86.9 r
1991	65.6 r	84.2 r	128.4	55.9	78.1	85.2 r
1990	64.0 r	83.9 r	131.1	53.0	76.7	82.8 r
1989	62.7 r	83.4 r	132.9	50.0	76.1	79.7 r
1988	62.2 r	81.7 r	131.4	48.5	76.8	77.9 r
1987	61.0 r	78.8 r	129.2	46.3	76.1	75.9 r

See footnotes following Table 6.

r=revised

September 1, 2011

Source: Bureau of Labor Statistics