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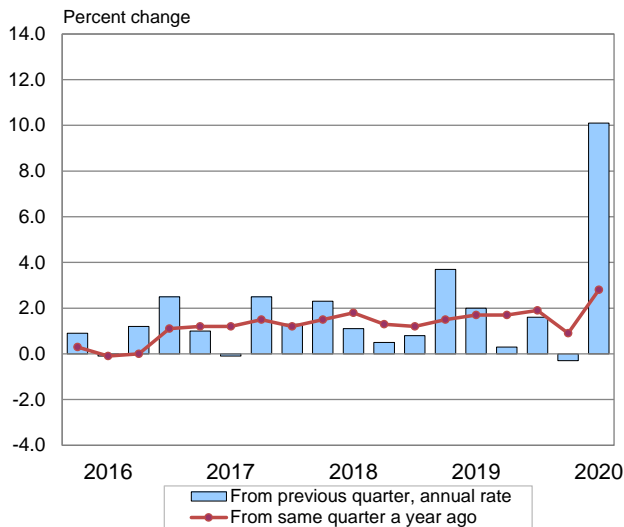
### PRODUCTIVITY AND COSTS

#### Second Quarter 2020, Revised

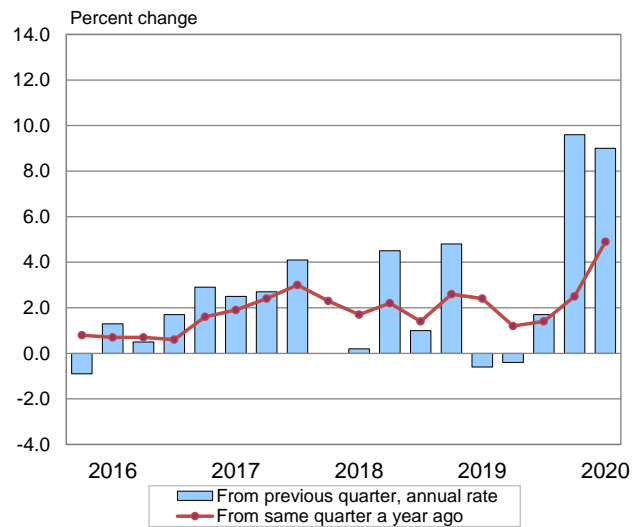
**Nonfarm business sector labor productivity** increased 10.1 percent in the second quarter of 2020, the U.S. Bureau of Labor Statistics reported today, as output decreased 37.1 percent and hours worked decreased 42.9 percent. (All quarterly percent changes in this release are seasonally adjusted annual rates, and show what the percent change would be if the quarterly rate continued for four quarters.)

The 10.1-percent increase in nonfarm business sector labor productivity in the second quarter of 2020 is the largest quarterly increase since the first quarter of 1971, when output per hour increased 12.3 percent. The declines in both output and hours worked in the second quarter of 2020 were the largest in these series, which begin with data for first-quarter 1947. From the second quarter of 2019 to the second quarter of 2020, productivity increased 2.8 percent, reflecting an 11.2-percent decrease in output and a 13.6-percent decrease in hours worked. (See chart 1 and table A1.)

**Chart 1. Labor productivity, nonfarm business, 2016Q1 – 2020Q2**



**Chart 2. Unit labor costs, nonfarm business, 2016Q1 – 2020Q2**

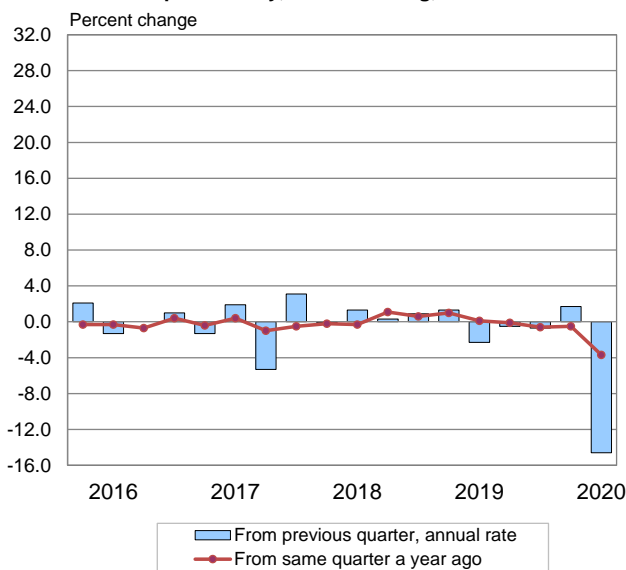


**Unit labor costs** in the nonfarm business sector increased at an annual rate of 9.0 percent in the second quarter of 2020, as a 20.0-percent increase in hourly compensation outpaced the 10.1-percent increase in productivity. Unit labor costs increased 9.6 percent in the first quarter of 2020, and 4.9 percent over the last four quarters. (See chart 2 and table 2.) BLS calculates unit labor costs as the ratio of hourly compensation to labor productivity. Increases in hourly compensation tend to increase unit labor costs, and increases in labor productivity tend to reduce unit labor costs.

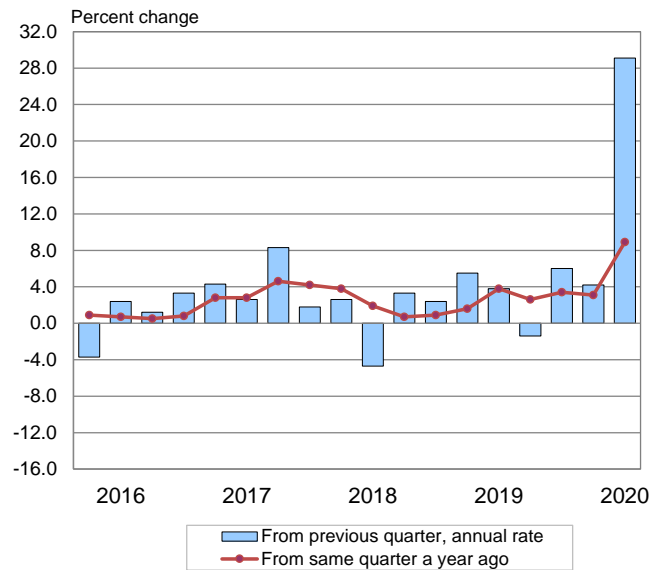
The 20.0-percent increase in hourly compensation in the second quarter of 2020 was the largest increase in the series which begins in 1947. Also, the labor share—defined as the percentage of current-dollar output that accrues to workers in the form of compensation—increased to 59.8 percent in the second quarter of 2020, the highest level since the fourth quarter of 2008 (60.1 percent).

**Manufacturing sector labor productivity** decreased at a 14.6 percent annual rate in the second quarter of 2020, as output fell 47.0 percent and hours worked dropped 38.0 percent. These were the largest quarterly declines in each of these series, which begin with data for 1987. Total manufacturing sector productivity declined 3.7 percent over the last four quarters, as output decreased 15.7 percent and hours worked decreased 12.4 percent. For the second quarter of 2020, durable manufacturing saw a 26.9-percent decrease in productivity, reflecting a 57.9-percent decrease in output and a 42.4-percent decrease in hours worked. Nondurable manufacturing saw a 5.1-percent decrease in productivity, as output decreased 33.5 percent and hours worked decreased 30.0 percent. (See tables A1, 3, 4, 5 and chart 3.)

**Chart 3. Labor productivity, manufacturing, 2016Q1 – 2020Q2**



**Chart 4. Unit labor costs, manufacturing, 2016Q1 – 2020Q2**



**Unit labor costs** in the total manufacturing sector increased 29.1 percent in the second quarter of 2020, and increased 8.9 percent from the same quarter a year ago. The increase in unit labor costs in the second quarter of 2020 was the largest increase in the series for total manufacturing, as were unit labor cost increases in the durable manufacturing and nondurable manufacturing sectors. (See table A1 and chart 4.)

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

**Nonfinancial corporate sector labor productivity** increased at a 3.1-percent annual rate in the second quarter of 2020 as output fell 39.3 percent and hours worked fell 41.1 percent. Both the output and the hours worked declines were the largest in these series, which begin in 1947. Since the second quarter of 2019, labor productivity in the nonfinancial corporate sector has increased 0.9 percent.

## Revised measures

The measures released today are based on more recent source data than were available for the preliminary report. Table B1 presents previous and revised productivity and related measures for the nonfarm business, business, and manufacturing sectors.

**In the second quarter of 2020**, nonfarm business sector productivity increased 10.1 percent—a 2.8-percentage point upward revision from the preliminary estimate of 7.3 percent—mainly due to a 1.8-percentage point upward revision to output. Unit labor costs increased 9.0 percent, a smaller increase than previously reported (12.2 percent). This downward revision is largely due to the 2.8-percentage point upward revision to productivity; the remaining revision comes from hourly compensation being revised down 0.4 percentage point, from a 20.4-percent increase to a 20.0-percent increase.

Manufacturing sector productivity for the second quarter of 2020 was revised up to a decrease of 14.6 percent from a previously-reported decrease of 15.5 percent. Durable manufacturing productivity was also revised up, to a decline of 26.9 percent; nondurable manufacturing productivity was revised down slightly, to a decline of 5.1 percent. Total manufacturing unit labor costs increased 29.1 percent in the second quarter of 2020, rather than increasing 31.1 percent as previously reported.

Table B2 shows previous and revised labor productivity and related measures for the nonfarm business, business, manufacturing and nonfinancial corporate sectors for the first quarter of 2020.

**In the first quarter of 2020**, nonfarm business productivity was not revised. Unit labor costs were revised down slightly to an increase of 9.6 percent. Manufacturing sector productivity was revised up 0.1-percentage point to an increase of 1.7 percent. Unit labor costs were revised down to an increase of 4.2 percent. In the nonfinancial corporate sector, first-quarter 2020 productivity was revised down 0.1-percentage point, to an increase of 0.2 percent. Unit profits were revised up 0.1-percentage point, to a decline of 44.1 percent. (See table 6.)

Complete annual and quarterly data series can be found on the Productivity and Costs home page: [www.bls.gov/lpc/#data](http://www.bls.gov/lpc/#data).

**The preliminary Productivity and Costs news release for third-quarter 2020 is scheduled to be released on Thursday, November 5, 2020 at 8:30 a.m. (ET).**

### Coronavirus (COVID-19) Pandemic Impact on Productivity Data

BLS quarterly estimates of labor productivity combine output data with hours worked data based primarily on BLS Current Employment Statistics (CES) survey and supplemented with data from the Current Population Survey (CPS). The March reference period for these surveys largely predated many of the COVID-19-related job losses that occurred in the latter part of March. To capture these job losses, adjustments were made to employment and hours using supplementary data. Hours worked and related measures—including labor productivity—for the first quarter of 2020 reflect these adjustments.

Given the continued rapid changes in the economy, BLS explored the possibility of adjusting second quarter (Q2) estimates. BLS compared several adjustment methods for Q2 and found that the economic movements between April and June tended to be offsetting, resulting in Q2 results that were similar to the usual methodology. Therefore no adjustments were made to Q2. For more information see [www.bls.gov/covid19/productivity-and-costs-covid19-impacts-second-quarter-2020-preliminary.htm](http://www.bls.gov/covid19/productivity-and-costs-covid19-impacts-second-quarter-2020-preliminary.htm).

Sector	Percent change from:	Labor productivity	Output	Hours worked	Hourly compensation	Real hourly compensation	Unit labor costs
Nonfarm business	<b>Previous quarter</b>	<b>10.1</b>	<b>-37.1</b>	<b>-42.9</b>	<b>20.0</b>	<b>24.4</b>	<b>9.0</b>
	A year ago	2.8	-11.2	-13.6	7.8	7.4	4.9
Business	<b>Previous quarter</b>	<b>8.9</b>	<b>-37.2</b>	<b>-42.3</b>	<b>19.3</b>	<b>23.7</b>	<b>9.6</b>
	A year ago	2.5	-11.1	-13.3	7.6	7.1	4.9
Manufacturing	<b>Previous quarter</b>	<b>-14.6</b>	<b>-47.0</b>	<b>-38.0</b>	<b>10.3</b>	<b>14.4</b>	<b>29.1</b>
	A year ago	-3.7	-15.7	-12.4	4.8	4.3	8.9
Durable manufacturing	<b>Previous quarter</b>	<b>-26.9</b>	<b>-57.9</b>	<b>-42.4</b>	<b>9.1</b>	<b>13.1</b>	<b>49.2</b>
	A year ago	-8.3	-21.5	-14.4	4.5	4.0	13.9
Nondurable manufacturing	<b>Previous quarter</b>	<b>-5.1</b>	<b>-33.5</b>	<b>-30.0</b>	<b>14.6</b>	<b>18.8</b>	<b>20.7</b>
	A year ago	-0.4	-9.5	-9.1	6.0	5.5	6.4

Sector	Percent change from:	Labor productivity	Output	Hours worked	Hourly compensation	Real hourly compensation	Unit labor costs
Nonfinancial corporate	<b>Previous quarter</b>	<b>3.1</b>	<b>-39.3</b>	<b>-41.1</b>	<b>27.1</b>	<b>31.7</b>	<b>23.3</b>
	A year ago	0.9	-12.1	-12.9	9.0	8.5	7.9

Sector		Labor productivity	Output	Hours worked	Hourly compensation	Real hourly compensation	Unit labor costs
Nonfarm business	<b>Revised</b>	<b>10.1</b>	<b>-37.1</b>	<b>-42.9</b>	<b>20.0</b>	<b>24.4</b>	<b>9.0</b>
	Previously published	7.3	-38.9	-43.0	20.4	24.8	12.2
Business	<b>Revised</b>	<b>8.9</b>	<b>-37.2</b>	<b>-42.3</b>	<b>19.3</b>	<b>23.7</b>	<b>9.6</b>
	Previously published	6.6	-38.7	-42.5	19.7	24.1	12.3
Manufacturing	<b>Revised</b>	<b>-14.6</b>	<b>-47.0</b>	<b>-38.0</b>	<b>10.3</b>	<b>14.4</b>	<b>29.1</b>
	Previously published	-15.5	-47.0	-37.3	10.7	14.8	31.1
Durable manufacturing	<b>Revised</b>	<b>-26.9</b>	<b>-57.9</b>	<b>-42.4</b>	<b>9.1</b>	<b>13.1</b>	<b>49.2</b>
	Previously published	-28.4	-58.1	-41.5	8.9	12.9	52.2
Nondurable manufacturing	<b>Revised</b>	<b>-5.1</b>	<b>-33.5</b>	<b>-30.0</b>	<b>14.6</b>	<b>18.8</b>	<b>20.7</b>
	Previously published	-4.9	-33.2	-29.8	16.0	20.3	22.0

**Table B2. Labor productivity growth and related measures - revised and previously published first-quarter 2020**  
(percent change from previous quarter at annual rate)

Sector		Labor productivity	Output	Hours worked	Hourly compensation	Real hourly compensation	Unit labor costs
Nonfarm business	<b>Revised</b>	<b>-0.3</b>	<b>-6.4</b>	<b>-6.1</b>	<b>9.2</b>	<b>7.9</b>	<b>9.6</b>
	Previously published	-0.3	-6.4	-6.1	9.4	8.1	9.8
Business	<b>Revised</b>	<b>0.0</b>	<b>-6.0</b>	<b>-6.0</b>	<b>9.0</b>	<b>7.7</b>	<b>9.0</b>
	Previously published	0.0	-6.0	-6.0	9.2	7.9	9.2
Manufacturing	<b>Revised</b>	<b>1.7</b>	<b>-5.4</b>	<b>-7.0</b>	<b>6.0</b>	<b>4.7</b>	<b>4.2</b>
	Previously published	1.6	-5.6	-7.0	6.2	4.9	4.6
Durable manufacturing	<b>Revised</b>	<b>-2.6</b>	<b>-9.8</b>	<b>-7.4</b>	<b>4.5</b>	<b>3.2</b>	<b>7.3</b>
	Previously published	-2.5	-9.7	-7.4	4.6	3.3	7.3
Nondurable manufacturing	<b>Revised</b>	<b>6.2</b>	<b>-0.6</b>	<b>-6.4</b>	<b>9.0</b>	<b>7.7</b>	<b>2.6</b>
	Previously published	5.8	-1.0	-6.4	9.6	8.3	3.6
Nonfinancial corporate	<b>Revised</b>	<b>0.2</b>	<b>-4.0</b>	<b>-4.2</b>	<b>8.1</b>	<b>6.8</b>	<b>7.9</b>
	Previously published	0.3	-3.9	-4.2	8.4	7.1	8.0

## TECHNICAL NOTES

### Labor Hours

Hours worked data for the labor productivity and cost measures include hours worked for all persons working in the sector—wage and salary workers, the self-employed and unpaid family workers. The primary source of hours and employment data is the BLS Current Employment Statistics (CES) program, which provides monthly survey data on the number of jobs held by wage and salary workers in nonfarm establishments, counting a person who is employed by two or more establishments at each place of employment. The CES also provides average weekly paid hours of production and nonsupervisory workers in these establishments. Weekly paid hours are adjusted to hours worked using data from the National Compensation Survey (NCS) for 1996 forward and data from the BLS Hours at Work survey, conducted for this purpose, prior to 1990. Between 1990 and 1995, weekly paid hours are adjusted to hours at work using a combination of NCS and Hours at Work survey data. 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 to estimate hours worked for farm labor, nonfarm proprietors, and nonfarm unpaid family workers. Using CPS information on employment and hours worked at primary jobs and all other jobs, separately, the BLS productivity measures assign all hours worked to the appropriate industrial sector. Hours for government enterprises are derived from the CPS, the CES, and the National Income and Product Accounts (NIPA) prepared by the Bureau of Economic Analysis (BEA) of the Department of Commerce.

Detailed hours data are presented in the table “Hours Worked in Total U.S. Economy and Subsectors” on the BLS website ([https://www.bls.gov/lpc/special\\_requests/us\\_total\\_hrs\\_emp.xlsx](https://www.bls.gov/lpc/special_requests/us_total_hrs_emp.xlsx)).

### Output

Business sector output is a chain-type, current-weighted index constructed after excluding from gross domestic product (GDP) the following outputs: general government, nonprofit institutions, and private households (including owner-occupied housing). Corresponding exclusions also are made in labor hours worked. Business output accounted for about 78 percent of the value of GDP in 2019. Nonfarm business, which excludes farming, accounted for about 77 percent of GDP in 2019.

Annual indexes for manufacturing and its durable and nondurable goods components are constructed by deflating current-dollar industry value of production data from the U.S. Bureau of the Census with deflators from the BLS. These deflators are based on data from the BLS Producer Price Index program and other sources. The industry shipments are aggregated using annual weights, and intrasector transactions are removed. Quarterly manufacturing output measures are based on the indexes of industrial production prepared monthly by the Board of Governors of the Federal Reserve System, adjusted to be consistent with annual indexes of manufacturing sector output prepared by BLS.

Nonfinancial corporate output is a chain-type, current-weighted index calculated on the basis of the costs incurred and the incomes earned from production. The output measure excludes the following outputs from GDP: general government; nonprofit institutions; 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 50 percent of the value of GDP in 2019.

## **Labor Productivity**

The measure describes the relationship between real output and the labor time involved in its production. Measures of labor productivity growth show the changes from period to period in the amount of goods and services produced per hour worked. They reflect the joint effects of many influences, including changes in technology; capital investment; level of output; utilization of capacity, energy, and materials; the organization of production; managerial skill; and the characteristics and effort of the work force.

## **Labor Compensation**

The measure includes accrued wages and salaries, supplements, employer contributions to employee benefit plans, and taxes. Estimates of labor compensation by major sector, required for measures of hourly compensation and unit labor costs, are based primarily on employee compensation data from the NIPA, prepared by the BEA. The compensation of employees in general government, nonprofit institutions and private households are subtracted from compensation of employees in domestic industries to derive employee compensation for the business sector. The labor compensation of proprietors cannot be explicitly identified and must be estimated. This is done by assuming that proprietors have the same hourly compensation as employees in the same sector. The quarterly labor productivity and cost measures do not contain estimates of compensation for unpaid family workers.

## **Unit Labor Costs**

These measures describe the relationship between compensation per hour and labor productivity, or real output per hour, and can be used as an indicator of inflationary pressure on producers. Increases in hourly compensation increase unit labor costs; labor productivity increases offset compensation increases and lower unit labor costs.

## **Presentation of the data**

The quarterly data in this release are presented in three ways: as percent changes from the previous quarter presented at a compound annual rate, as percent changes from the corresponding quarter of the previous year, and as index number series where 2012=100. Annual data are presented both as index number series and percent changes from the previous year.

The index numbers and rates of change reported in the productivity and costs news release are rounded to one decimal place. All percent changes in this release and on the BLS web site are calculated using index numbers to three decimal places. A complete historical series of these index numbers are available at the BLS web site, [www.bls.gov/data/home.htm](http://www.bls.gov/data/home.htm), or by contacting the BLS Division of Major Sector Productivity (Telephone 202-691-5606 or email [productivity@bls.gov](mailto:productivity@bls.gov)).

For a more detailed explanation of methodology see "Technical Information About the Major Sector Productivity and Costs Methods" at [www.bls.gov/lpc/lpcmmethods.pdf](http://www.bls.gov/lpc/lpcmmethods.pdf).

Information in this release will be made available to sensory-impaired individuals upon request. Voice phone: 202-691-5200; Federal Relay Service number: 1-800-877-8339.

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

Year and quarter	Labor productivity	Output	Hours worked	Hourly compensation (1)	Real hourly compensation (2)	Unit labor costs	Unit nonlabor payments (3)	Implicit price deflator (4)
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Percent change from previous quarter at annual rate (5)								
2020 II	8.9 r	-37.2 r	-42.3 r	19.3 r	23.7 r	9.6 r	-21.8 r	-4.7 r
I	0.0	-6.0	-6.0	9.0 r	7.7 r	9.0 r	-9.2 r	0.8
2019 ANNUAL	1.7	2.4	0.7	3.6	1.8	1.9	0.9	1.5
2019 IV	1.4	2.8	1.4	3.1	0.7	1.7	0.6	1.2
III	0.2	2.9	2.7	-0.1	-1.9	-0.3	2.9	1.1
II	2.2	1.3	-0.9	1.7	-1.3	-0.5	7.8	3.0
I	3.6	3.6	0.0	8.8	7.9	5.0	-5.4	0.4
2018 ANNUAL	1.6	3.5	1.9	3.4	0.9	1.8	2.7	2.2
2018 IV	0.7	1.5	0.8	1.5	0.3	0.9	2.2	1.4
III	0.1	2.3	2.1	4.7	2.5	4.5	-3.0	1.1
II	1.7	3.0	1.3	1.7	-0.5	-0.1	8.4	3.6
I	2.9	4.5	1.6	2.7	-0.6	-0.2	5.0	2.0
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Percent change from corresponding quarter of previous year								
2020 II	2.5 r	-11.1 r	-13.3 r	7.6 r	7.1 r	4.9 r	-7.4 r	-0.4
I	0.9	0.2	-0.8	3.3 r	1.2 r	2.4	0.3	1.5
2019 ANNUAL	1.7	2.4	0.7	3.6	1.8	1.9	0.9	1.5
2019 IV	1.8	2.6	0.8	3.3	1.3	1.4	1.4	1.4
III	1.7	2.3	0.6	2.9	1.1	1.2	1.8	1.5
II	1.7	2.2	0.5	4.1	2.3	2.4	0.2	1.5
I	1.5	2.6	1.0	4.1	2.5	2.6	0.4	1.6
2018 ANNUAL	1.6	3.5	1.9	3.4	0.9	1.8	2.7	2.2
2018 IV	1.3	2.8	1.4	2.6	0.4	1.3	3.1	2.0
III	1.3	3.6	2.2	3.4	0.7	2.1	2.7	2.3
II	2.0	3.9	1.9	3.7	1.0	1.6	3.7	2.5
I	1.6	3.7	2.1	3.9	1.6	2.3	1.3	1.9
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Indexes 2012=100								
2020 II	111.0 r	107.6 r	96.9 r	129.2 r	115.5 r	116.4 r	101.0 r	109.7 r
I	108.7	120.8	111.2	123.6 r	109.6 r	113.8 r	107.4 r	111.0
2019 ANNUAL	108.2	121.6	112.3	120.2	107.8	111.1	109.0	110.2
2019 IV	108.7	122.7	113.0	121.0	107.6	111.4	110.1	110.8
III	108.3	121.9	112.6	120.1	107.4	110.9	109.9	110.4
II	108.3	121.0	111.8	120.1	107.9	111.0	109.1	110.2
I	107.7	120.6	112.1	119.6	108.3	111.1	107.1	109.4
2018 ANNUAL	106.4	118.7	111.5	116.0	105.9	109.0	108.0	108.6
2018 IV	106.7	119.6	112.1	117.1	106.2	109.8	108.6	109.3
III	106.5	119.1	111.8	116.7	106.2	109.5	108.0	108.9
II	106.5	118.5	111.3	115.4	105.5	108.3	108.8	108.5
I	106.0	117.6	110.9	114.9	105.6	108.3	106.7	107.6
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See footnotes following Table 6.  
r=revised

September 3, 2020  
Source: Bureau of Labor Statistics



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

Year and quarter	Labor productivity	Output	Hours worked	Hourly compensation (1)	Real hourly compensation (2)	Unit labor costs	Unit nonlabor payments (3)	Implicit price deflator (4)
-----								
Percent change from previous quarter at annual rate (5)								
2020 II	10.1 r	-37.1 r	-42.9 r	20.0 r	24.4 r	9.0 r	-19.9 r	-4.0 r
I	-0.3	-6.4	-6.1	9.2 r	7.9 r	9.6 r	-9.8 r	0.8
2019 ANNUAL	1.7	2.5	0.7	3.6	1.8	1.9	1.1	1.5
2019 IV	1.6	2.8	1.2	3.3	0.9	1.7	0.6	1.2
III	0.3	2.9	2.6	-0.2	-2.0	-0.4	2.9	1.0
II	2.0	1.2	-0.7	1.4	-1.6	-0.6	8.0	3.0
I	3.7	3.8	0.1	8.7	7.7	4.8	-5.2	0.4
2018 ANNUAL	1.4	3.5	2.0	3.4	0.9	1.9	2.7	2.2
2018 IV	0.8	1.4	0.7	1.8	0.5	1.0	1.9	1.4
III	0.5	2.3	1.8	5.1	2.9	4.5	-2.4	1.4
II	1.1	3.0	1.8	1.3	-0.9	0.2	8.3	3.6
I	2.3	4.3	2.0	2.2	-1.0	0.0	4.9	2.1
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Percent change from corresponding quarter of previous year								
2020 II	2.8 r	-11.2 r	-13.6 r	7.8 r	7.4 r	4.9 r	-7.0 r	-0.3 r
I	0.9	0.1	-0.8	3.4	1.2 r	2.5	0.2 r	1.5
2019 ANNUAL	1.7	2.5	0.7	3.6	1.8	1.9	1.1	1.5
2019 IV	1.9	2.7	0.8	3.3	1.2	1.4	1.4	1.4
III	1.7	2.3	0.6	2.9	1.1	1.2	1.8	1.4
II	1.7	2.2	0.4	4.2	2.3	2.4	0.5	1.6
I	1.5	2.6	1.1	4.2	2.5	2.6	0.5	1.7
2018 ANNUAL	1.4	3.5	2.0	3.4	0.9	1.9	2.7	2.2
2018 IV	1.2	2.7	1.6	2.6	0.4	1.4	3.1	2.1
III	1.3	3.6	2.2	3.5	0.8	2.2	2.7	2.4
II	1.8	3.9	2.1	3.5	0.8	1.7	3.7	2.6
I	1.5	3.7	2.2	3.8	1.6	2.3	1.4	1.9
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Indexes 2012=100								
2020 II	110.9 r	107.3 r	96.7 r	129.7 r	115.9 r	116.9 r	102.3 r	110.5 r
I	108.3	120.5	111.2	123.9 r	109.8 r	114.4 r	108.2 r	111.7
2019 ANNUAL	107.9	121.3	112.4	120.4	107.9	111.5	110.0	110.8
2019 IV	108.4	122.5	113.0	121.2	107.7	111.8	111.0	111.4
III	108.0	121.6	112.7	120.2	107.5	111.3	110.8	111.1
II	107.9	120.8	111.9	120.2	108.0	111.4	110.1	110.8
I	107.4	120.4	112.1	119.8	108.4	111.6	108.0	110.0
2018 ANNUAL	106.1	118.4	111.6	116.2	106.0	109.5	108.8	109.2
2018 IV	106.4	119.3	112.1	117.3	106.4	110.3	109.4	109.9
III	106.2	118.9	111.9	116.8	106.3	110.0	108.9	109.5
II	106.1	118.2	111.4	115.4	105.5	108.8	109.6	109.1
I	105.8	117.3	110.9	115.0	105.8	108.8	107.4	108.2
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See footnotes following Table 6.  
r=revised

September 3, 2020  
Source: Bureau of Labor Statistics

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

Year and quarter	Labor productivity	Output	Hours worked	Hourly compensation (1)	Real hourly compensation (2)	Unit labor costs
-----						
Percent change from previous quarter at annual rate (5)						
2020 II	-14.6 r	-47.0	-38.0 r	10.3 r	14.4 r	29.1 r
I	1.7 r	-5.4 r	-7.0	6.0 r	4.7 r	4.2 r
2019 ANNUAL	0.1	0.0	-0.1	2.9	1.1	2.8
2019 IV	-0.7	-0.2	0.5	5.2	2.8	6.0
III	-0.5	0.9	1.4	-1.9	-3.7	-1.4
II	-2.3	-3.1	-0.9	1.4	-1.6	3.8
I	1.3	-1.7	-3.1	6.9	6.0	5.5
2018 ANNUAL	0.3	2.2	1.9	2.1	-0.3	1.8
2018 IV	0.9	1.6	0.6	3.4	2.1	2.4
III	0.3	4.0	3.7	3.6	1.5	3.3
II	1.3	2.6	1.3	-3.4	-5.5	-4.7
I	-0.1	1.8	1.9	2.5	-0.8	2.6
-----						
Percent change from corresponding quarter of previous year						
2020 II	-3.7 r	-15.7 r	-12.4 r	4.8 r	4.3 r	8.9 r
I	-0.5	-2.0	-1.5	2.6 r	0.5 r	3.1 r
2019 ANNUAL	0.1	0.0	-0.1	2.9	1.1	2.8
2019 IV	-0.6	-1.1	-0.5	2.9	0.8	3.4
III	-0.1	-0.6	-0.5	2.4	0.6	2.6
II	0.1	0.1	0.1	3.8	2.0	3.8
I	1.0	1.6	0.6	2.6	0.9	1.6
2018 ANNUAL	0.3	2.2	1.9	2.1	-0.3	1.8
2018 IV	0.6	2.5	1.9	1.5	-0.7	0.9
III	1.1	3.3	2.2	1.9	-0.8	0.7
II	-0.3	1.7	2.0	1.6	-1.1	1.9
I	-0.2	1.4	1.6	3.6	1.4	3.8
-----						
Indexes 2012=100						
2020 II	95.0 r	88.2 r	92.9 r	121.1 r	108.3 r	127.5 r
I	98.8 r	103.4 r	104.7	118.1 r	104.7 r	119.6 r
2019 ANNUAL	98.7	105.0	106.4	115.5	103.5	117.1
2019 IV	98.3	104.8	106.6	116.4	103.5	118.4
III	98.5	104.9	106.5	115.0	102.8	116.7
II	98.6	104.7	106.1	115.5	103.8	117.1
I	99.2	105.5	106.3	115.1	104.2	116.0
2018 ANNUAL	98.6	105.0	106.4	112.2	102.4	113.8
2018 IV	98.9	106.0	107.1	113.2	102.7	114.5
III	98.7	105.5	107.0	112.3	102.1	113.8
II	98.6	104.5	106.0	111.3	101.8	112.9
I	98.3	103.8	105.7	112.2	103.2	114.2
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See footnotes following Table 6.  
r=revised

September 3, 2020  
Source: Bureau of Labor Statistics

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

Year and quarter	Labor productivity	Output	Hours worked	Hourly compensation (1)	Real hourly compensation (2)	Unit labor costs
-----						
Percent change from previous quarter at annual rate (5)						
2020 II	-26.9 r	-57.9 r	-42.4 r	9.1 r	13.1 r	49.2 r
I	-2.6 r	-9.8 r	-7.4	4.5 r	3.2 r	7.3
2019 ANNUAL	0.7	0.8	0.2	2.4	0.5	1.7
2019 IV	-1.1	-1.5	-0.4	8.0	5.5	9.2
III	0.4	1.5	1.1	-3.2	-4.9	-3.6
II	-0.7	-2.3	-1.6	0.4	-2.5	1.1
I	0.3	-2.7	-3.0	6.9	5.9	6.6
2018 ANNUAL	1.4	3.6	2.2	2.7	0.2	1.3
2018 IV	1.8	5.0	3.1	1.5	0.3	-0.3
III	2.6	6.3	3.6	3.3	1.2	0.7
II	0.9	2.9	2.0	-2.8	-4.9	-3.7
I	1.7	4.8	3.1	2.7	-0.6	1.0
-----						
Percent change from corresponding quarter of previous year						
2020 II	-8.3 r	-21.5 r	-14.4 r	4.5	4.0	13.9 r
I	-1.0	-3.1	-2.1	2.4	0.2 r	3.4
2019 ANNUAL	0.7	0.8	0.2	2.4	0.5	1.7
2019 IV	-0.3	-1.3	-1.0	2.9	0.9	3.2
III	0.5	0.3	-0.1	1.4	-0.4	0.9
II	1.0	1.5	0.5	3.0	1.2	2.0
I	1.4	2.8	1.4	2.2	0.5	0.7
2018 ANNUAL	1.4	3.6	2.2	2.7	0.2	1.3
2018 IV	1.8	4.8	2.9	1.1	-1.0	-0.6
III	2.3	4.8	2.5	2.4	-0.2	0.2
II	0.5	2.7	2.2	2.2	-0.4	1.7
I	1.0	2.2	1.2	4.9	2.6	3.9
-----						
Indexes 2012=100						
2020 II	92.4 r	84.1 r	91.1 r	121.2 r	108.4 r	131.2 r
I	99.9 r	104.5 r	104.5	118.6 r	105.1 r	118.7 r
2019 ANNUAL	100.8	107.4	106.6	116.0	104.0	115.2
2019 IV	100.6	107.2	106.6	117.3	104.3	116.6
III	100.9	107.6	106.7	115.1	102.9	114.1
II	100.7	107.2	106.4	116.0	104.2	115.1
I	100.9	107.8	106.8	115.9	104.8	114.8
2018 ANNUAL	100.1	106.6	106.4	113.4	103.5	113.2
2018 IV	100.8	108.5	107.6	113.9	103.3	113.0
III	100.4	107.2	106.8	113.5	103.3	113.1
II	99.7	105.6	105.9	112.6	103.0	112.9
I	99.5	104.8	105.4	113.4	104.3	114.0
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See footnotes following Table 6.  
r=revised

September 3, 2020  
Source: Bureau of Labor Statistics

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

Year and quarter	Labor productivity	Output	Hours worked	Hourly compensation (1)	Real hourly compensation (2)	Unit labor costs
-----						
Percent change from previous quarter at annual rate (5)						
2020 II	-5.1 r	-33.5 r	-30.0 r	14.6 r	18.8 r	20.7 r
I	6.2 r	-0.6 r	-6.4	9.0 r	7.7 r	2.6 r
2019 ANNUAL	-0.4	-0.9	-0.5	3.9	2.1	4.4
2019 IV	-0.8	1.2	2.1	0.2	-2.1	1.1
III	-1.8	0.2	2.0	0.7	-1.1	2.4
II	-4.4	-4.0	0.5	3.7	0.6	8.5
I	2.5	-0.7	-3.2	7.0	6.0	4.3
2018 ANNUAL	-0.8	0.5	1.4	1.0	-1.4	1.8
2018 IV	1.4	-2.0	-3.3	6.4	5.1	4.9
III	-2.4	1.4	3.9	4.3	2.2	6.9
II	1.9	2.0	0.1	-4.8	-6.8	-6.5
I	-1.6	-1.6	0.0	1.7	-1.5	3.3
-----						
Percent change from corresponding quarter of previous year						
2020 II	-0.4 r	-9.5	-9.1 r	6.0 r	5.5 r	6.4 r
I	-0.3 r	-0.8 r	-0.5	3.3 r	1.2 r	3.6 r
2019 ANNUAL	-0.4	-0.9	-0.5	3.9	2.1	4.4
2019 IV	-1.2	-0.8	0.3	2.8	0.8	4.0
III	-0.6	-1.6	-1.0	4.4	2.6	5.0
II	-0.8	-1.3	-0.6	5.3	3.4	6.1
I	0.8	0.2	-0.7	3.1	1.5	2.3
2018 ANNUAL	-0.8	0.5	1.4	1.0	-1.4	1.8
2018 IV	-0.2	-0.1	0.1	1.8	-0.4	2.0
III	-0.1	1.5	1.6	0.7	-1.9	0.8
II	-1.2	0.3	1.6	0.3	-2.4	1.5
I	-1.8	0.4	2.3	1.2	-1.0	3.1
-----						
Indexes 2012=100						
2020 II	97.1 r	93.2 r	96.0 r	121.4 r	108.5 r	125.0 r
I	98.4 r	103.2 r	104.9	117.3 r	104.0 r	119.3 r
2019 ANNUAL	97.5	103.3	106.0	114.4	102.6	117.3
2019 IV	96.9	103.4	106.7	114.8	102.0	118.5
III	97.1	103.0	106.1	114.7	102.6	118.2
II	97.5	103.0	105.6	114.6	102.9	117.5
I	98.6	104.0	105.5	113.5	102.7	115.1
2018 ANNUAL	98.0	104.3	106.5	110.1	100.5	112.4
2018 IV	98.0	104.2	106.3	111.6	101.2	113.9
III	97.7	104.7	107.2	109.9	100.0	112.5
II	98.3	104.4	106.2	108.8	99.5	110.7
I	97.8	103.9	106.2	110.1	101.2	112.5
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See footnotes following Table 6.  
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September 3, 2020  
Source: Bureau of Labor Statistics

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

Year and quarter	Labor productivity	Output	Hours worked	Hourly compensation (1)	Real hourly compensation (2)	Unit labor costs	Unit nonlabor costs (6)	Total unit costs (7)	Unit profits (8)	Implicit price deflator (4)
-----										
Percent change from previous quarter at annual rate (5)										
2020 II	3.1	-39.3	-41.1	27.1	31.7	23.3	-46.3	-3.3	-14.2	-4.5
I	0.2 r	-4.0 r	-4.2	8.1 r	6.8 r	7.9 r	10.3 r	8.7	-44.1 r	0.6
2019 ANNUAL	0.6	1.6	0.9	3.7	1.9	3.1	1.9	2.7	-3.3	1.9
2019 IV	1.3	2.6	1.2	2.5	0.1	1.2	-2.3	0.1	12.4	1.5
III	-0.8	-0.1	0.7	0.0	-1.7	0.9	6.6	2.6	-5.3	1.6
II	1.0	1.0	0.1	1.3	-1.7	0.3	1.5	0.7	16.1	2.4
I	1.4	2.9	1.5	11.1	10.1	9.5	3.3	7.5	-30.8	1.7
2018 ANNUAL	0.6	2.6	1.9	3.5	1.0	2.8	-1.0	1.6	6.2	2.2
2018 IV	-0.3	0.2	0.5	1.3	0.0	1.7	2.4	1.9	2.2	1.9
III	2.5	3.7	1.1	3.2	1.0	0.6	-1.9	-0.2	15.1	1.7
II	-2.2	0.2	2.5	0.1	-2.0	2.4	-0.2	1.6	15.2	3.2
I	4.7	6.7	1.8	8.6	5.1	3.7	-4.2	1.1	8.0	1.9
-----										
Percent change from corresponding quarter of previous year										
2020 II	0.9	-12.1	-12.9	9.0	8.5	7.9	-11.3	1.9	-15.5	-0.2
I	0.4	-0.2 r	-0.6	2.9 r	0.8 r	2.5	3.9	3.0	-8.9	1.5
2019 ANNUAL	0.6	1.6	0.9	3.7	1.9	3.1	1.9	2.7	-3.3	1.9
2019 IV	0.7	1.6	0.9	3.6	1.6	2.9	2.2	2.7	-3.9	1.8
III	0.3	1.0	0.7	3.3	1.6	3.0	3.4	3.1	-6.1	1.9
II	1.1	1.9	0.8	4.1	2.3	2.9	1.3	2.4	-1.4	1.9
I	0.3	1.7	1.4	3.8	2.2	3.5	0.9	2.7	-1.6	2.1
2018 ANNUAL	0.6	2.6	1.9	3.5	1.0	2.8	-1.0	1.6	6.2	2.2
2018 IV	1.1	2.6	1.5	3.2	1.0	2.1	-1.0	1.1	10.0	2.2
III	1.0	3.0	2.0	3.6	0.9	2.6	-1.8	1.2	10.1	2.3
II	-0.2	1.9	2.1	3.5	0.8	3.7	-0.8	2.2	3.2	2.4
I	0.7	2.9	2.2	3.7	1.4	3.0	-0.3	1.9	1.4	1.9
-----										
Indexes 2012=100										
2020 II	103.6	102.5	98.9	130.9	117.0	126.3	94.4	115.7	81.4	110.8
I	102.9 r	116.1 r	112.9	123.3 r	109.2 r	119.8 r	110.3 r	116.7 r	84.5 r	112.1 r
2019 ANNUAL	102.6	116.7	113.7	120.2	107.8	117.2	107.1	113.8	95.4	111.2
2019 IV	102.8	117.3	114.1	120.9	107.4	117.6	107.6	114.3	97.8	111.9
III	102.5	116.6	113.7	120.1	107.4	117.2	108.2	114.2	95.0	111.5
II	102.7	116.6	113.6	120.1	107.9	117.0	106.5	113.5	96.3	111.0
I	102.4	116.3	113.5	119.7	108.4	116.9	106.1	113.3	92.7	110.4
2018 ANNUAL	102.0	114.9	112.7	115.9	105.8	113.7	105.1	110.8	98.7	109.1
2018 IV	102.1	115.5	113.1	116.6	105.8	114.3	105.3	111.3	101.7	109.9
III	102.2	115.4	113.0	116.3	105.8	113.8	104.7	110.8	101.1	109.4
II	101.5	114.4	112.7	115.4	105.5	113.6	105.2	110.8	97.6	108.9
I	102.1	114.3	112.0	115.3	106.0	112.9	105.2	110.4	94.2	108.1
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See footnotes following Table 6.  
r=revised

September 3, 2020  
Source: Bureau of Labor Statistics

**SOURCES:** Output data are from the Bureau of Economic Analysis and the Census Bureau of the U.S. Department of Commerce; the Bureau of Labor Statistics, U.S. Department of Labor; and the Federal Reserve Board. Hours and compensation data are from the Bureau of Labor Statistics and the Bureau of Economic Analysis.

**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 -1.4 and 1.4 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 2020.

### **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 1978-2019 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 indexes to three decimal places.
- (6) Unit nonlabor costs include consumption of fixed capital, taxes on production and imports less subsidies, net interest and miscellaneous payments, and business current transfer payments.
- (7) Total unit costs are the sum of unit labor and nonlabor costs.
- (8) Unit profits include corporate profits before tax with inventory valuation and capital consumption adjustment.