

Real Earnings – January 2009

Every month, the Bureau of Labor Statistics releases data on real earnings for production or nonsupervisory workers in the private sector. Real earnings reflect the value of workers' paychecks adjusted for inflation. They indicate whether or not wage increases have actually translated into an improved standard of living.

Real Earnings Stats at a Glance - January

Year	Private Sector		Manufacturing	
	Average Hourly Earnings	Earnings Adjusted for Inflation <i>(Jan. 2009 dollars)</i>	Average Hourly Earnings	Earnings Adjusted for Inflation <i>(Jan. 2009 dollars)</i>
2003	\$15.21	\$17.61	\$15.59	\$18.05
2004	\$15.52	\$17.65	\$15.94	\$18.13
2005	\$15.91	\$17.56	\$16.38	\$18.08
2006	\$16.43	\$17.41	\$16.71	\$17.71
2007	\$17.12	\$17.81	\$17.02	\$17.71
2008	\$17.77	\$17.64	\$17.52	\$17.39
2009	\$18.46		\$18.01	

- Prices rebounded slightly in January following three months of decline. But despite the small increase, prices remain depressed at November 2007 levels.
- The deflation of recent months has allowed real earnings, or the purchasing power of earnings, to grow. In January, average hourly earnings in the private sector were up nearly 4 percent over the year. After adjusting for inflation (or deflation) earnings were up an even larger 4.6 percent.
- In the battered manufacturing sector earnings growth was weaker – 3 percent over the year and 3.6 percent after adjusting for inflation.

The Bureau of Labor Statistics report can be found at:
<http://www.bls.gov/news.release/pdf/realer.pdf>

Next release: March 18, 2009

UAW Research Department
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