

Real Earnings – December 2008

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 - December

Year	Private Sector		Manufacturing	
	Average Hourly Earnings	Earnings Adjusted for Inflation <i>(Dec. 2008 dollars)</i>	Average Hourly Earnings	Earnings Adjusted for Inflation <i>(Dec. 2008 dollars)</i>
2003	\$15.48	\$17.61	\$15.92	\$18.12
2004	\$15.88	\$17.46	\$16.35	\$17.98
2005	\$16.37	\$17.39	\$16.68	\$17.72
2006	\$17.07	\$17.70	\$16.95	\$17.58
2007	\$17.70	\$17.58	\$17.41	\$17.29
2008	\$18.36	\$18.36	\$17.92	\$17.92

- Real hourly earnings were up again in December as prices continued to fall.
- In the private sector, real hourly earnings increased \$.22 over the month. Some of the increase was due to a growth in earnings (\$.05), but most of the increased purchasing power was due to a drop in prices (\$.17).
- In manufacturing, average hourly earnings were down in December to \$17.92 from \$17.94, though inflation adjusted earnings did rise \$.14 over the month.
- Although increased purchasing power is a positive for workers with jobs, the price deflation that is driving it is a negative for the economy.

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

Next release: February 20, 2009

UAW Research Department
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