

Real Earnings – March 2010

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 - March

Year	Private Sector		Manufacturing	
	Average Hourly Earnings	Earnings Adjusted for Inflation <i>(March 2010 dollars)</i>	Average Hourly Earnings	Earnings Adjusted for Inflation <i>(March 2010 dollars)</i>
2005	15.98	18.13	16.44	18.65
2006	16.55	18.11	16.72	18.29
2007	17.23	18.35	17.10	18.21
2008	17.89	18.26	17.64	18.01
2009	18.52	19.09	18.14	18.70
2010		18.90		18.45

As economic recovery takes hold we can expect upward pressure on prices. However, with the unemployment rate still near 10 percent we should not expect much wage growth. The combination of rising prices and stagnant wages will result in a decline in purchasing power or real wages.

- In March real average hourly earnings fell .2 percent due to a decrease in hourly earnings (.1 percent) and an increase in inflation (.1 percent).
- With the economy improving hours worked have picked up. The increase in hours was enough to offset the decline in hourly earnings and give workers a small (.1 percent) increase in purchasing power.
- Between March 2005 and March 2010 real hourly earnings increased just 4.2 percent. In manufacturing, over the same period, real hourly earnings fell 1 percent.

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

Next release: April 14, 2010

UAW Research Department
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