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PRODUCTIVITY AND COSTS Second Quarter 2002

The Bureau of Labor Statistics of the U.S. Department of Labor reported preliminary productivity data—as measured by output per hour of all persons—for the second quarter of 2002. The preliminary seasonally adjusted annual rates of productivity change in the second quarter were:

1.4 percent in the business sector and
1.1 percent in the nonfarm business sector.

In the business sector, productivity grew as hours dropped 1.1 percent and output edged up 0.3 percent. A similar pattern occurred in nonfarm businesses, where hours fell 0.7 percent as output grew 0.5 percent.

In manufacturing, the preliminary productivity changes in the second quarter were:

4.9 percent in manufacturing,
7.0 percent in durable goods manufacturing, and
2.9 percent in nondurable goods manufacturing.

Manufacturing productivity grew 4.9 percent in the second quarter, compared with a 9.7-percent rise (as revised) in the first quarter. Output rose 4.1 percent in the second quarter of 2002 and hours of all persons fell 0.8 percent. Output and hours in manufacturing, which includes about 16 percent of U.S. business-sector employment, tend to vary more from quarter to quarter than data for the more aggregate business and nonfarm business sectors. Second-quarter measures are summarized in table A and appear in detail in tables 1 through 5.

The data in this release reflect the regular multi-year GDP revisions released by the Bureau of Economic Analysis of the U.S. Department of Commerce on July 31. They also reflect the annual benchmark revision to the BLS establishment survey data and revisions to hours series released by BLS on June 7. All employment and hours series incorporate new information on seasonal patterns. See Revised Measures, page 4. Appendix tables 1-6 show revised historical series.

Table A. Productivity and costs: Preliminary second-quarter 2002 measures (Seasonally adjusted annual rates)						
Sector	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs
Percent change from preceding quarter						
Business	1.4	0.3	-1.1	3.9	0.5	2.4
Nonfarm business	1.1	0.5	-0.7	3.6	0.2	2.4
Manufacturing	4.9	4.1	-0.8	3.0	-0.4	-1.8
Durable	7.0	6.1	-0.8	2.8	-0.6	-3.9
Nondurable	2.9	1.9	-0.9	3.5	0.1	0.6
Percent change from same quarter a year ago						
Business	4.7	2.2	-2.5	2.5	1.2	-2.2
Nonfarm business	4.7	2.1	-2.5	2.4	1.1	-2.2
Manufacturing	5.3	-1.1	-6.1	3.4	2.1	-1.8
Durable	6.2	-1.7	-7.5	3.5	2.2	-2.5
Nondurable	3.9	-0.3	-4.0	3.5	2.2	-0.3

The data sources and methods used in the preparation of the manufacturing series differ from those used in preparing the business and nonfarm business series, and these measures are not directly comparable. Output measures for business and nonfarm business are based on measures of gross domestic product prepared by the Bureau of Economic Analysis of the U.S. Department of Commerce. Quarterly output measures for manufacturing reflect indexes of industrial production independently prepared by the Board of Governors of the Federal Reserve System. See Technical Notes for further information on data sources (page 8).

Business

From the first quarter to the second quarter of 2002, business sector output per hour increased at a 1.4-percent annual rate. Output rose 0.3 percent and hours of all persons engaged in the sector fell 1.1 percent (seasonally adjusted annual rates). As revised, labor productivity grew 8.3 percent in the first quarter of 2002, when output increased 5.9 percent and hours decreased 2.2 percent (table 1).

Hourly compensation increased 3.9 percent in the second quarter and 3.8 percent in the first quarter of 2002 (seasonally adjusted annual rates). This measure includes wages and salaries; vacation and other paid leave; bonuses, stock options, and other supplements; employer contributions to employee benefit plans; and taxes. Real hourly compensation, which takes into account changes in consumer prices, rose at a 0.5-percent annual rate during the second quarter of 2002, after rising 2.3 percent during the previous quarter.

Unit labor costs, which reflect changes in both hourly compensation and productivity, increased 2.4 percent during the second quarter of 2002. These costs had fallen 4.2 percent in the first quarter. The implicit price deflator for the business sector, which reflects changes in unit labor costs and unit nonlabor payments, increased 0.6 percent in the second quarter and 0.3 percent in the first quarter of 2002.

Nonfarm business

Productivity increased 1.1 percent in the nonfarm business sector during the second quarter of 2002, as output edged up 0.5 percent and hours of all persons declined 0.7 percent (seasonally adjusted annual rates). Output per hour grew at an 8.6 percent annual rate in the first quarter of 2002, as output increased 6.2 percent and hours decreased 2.2 percent (table 2). The first-quarter productivity gain was the largest in this sector since the second quarter of 1983, when output per hour increased 9.9 percent.

Hourly compensation in the nonfarm business sector increased 3.6 percent in both the first and second quarters of 2002. When the rise in consumer prices is taken into account, real hourly compensation for the second quarter of 2002 rose 0.2 percent.

Unit labor costs increased 2.4 percent in the second quarter of 2002, after falling 4.6 percent during the first quarter. The implicit price deflator for nonfarm business output grew 1.4 percent in the second quarter and declined 0.2 percent in the first quarter of 2002.

Manufacturing

Productivity increased 4.9 percent in manufacturing, as output grew 4.1 percent and hours of all persons declined 0.8 percent (seasonally adjusted annual rates). In the previous quarter, productivity rose 9.7 percent, reflecting an increase of 3.0 percent in output and a drop of 6.1 percent in hours. Growth in second-quarter productivity differed in the durable and nondurable goods sectors. In durable goods, productivity rose 7.0 percent as output rose 6.1 percent and hours of all persons fell 0.8 percent. The drop in hours reflected an employment decline of 1.8 percent and a rise of 1.0 percent in average weekly hours at work. In nondurable goods, second-quarter productivity increased by 2.9 as output grew 1.9 percent and hours declined 0.9 percent (tables 3, 4, and 5).

Hourly compensation of all manufacturing workers increased 3.0 percent during the second quarter, reflecting growth of 2.8 percent in durable goods and 3.5 percent in nondurable goods. When the increase in consumer prices is taken into account, the real hourly compensation of all manufacturing workers declined 0.4 percent in the second quarter, after rising 5.4 percent in the first quarter.

Unit labor costs in manufacturing dropped 1.8 percent in the second quarter, marking the fourth consecutive decline in the series. Reflecting the differing growth rates in productivity and hourly compensation in the second quarter, unit labor costs grew dissimilarly in the two manufacturing sectors. Unit labor costs fell 3.9 percent in durable goods manufacturing and rose

0.6 percent in nondurable goods manufacturing. The change in unit labor costs is roughly equal to the change in hourly compensation less the change in productivity.

Revised Measures

Current and previous measures for the first quarter of 2002 for the business, nonfarm business, and manufacturing sectors are compared in table B. In the business and nonfarm business sectors, productivity, output, and hours movements were similar to those reported on May 31. Hourly compensation grew more, and unit labor costs fell less, than reported on May 31, based on information then available. In manufacturing, productivity growth was slightly higher, primarily as a result of a downward revision to hours. Unit labor costs fell considerably less than originally reported, reflecting a sharp upward revision to hourly compensation.

Table B. Previous and revised productivity and related measures Quarterly percent changes at seasonally adjusted annual rates						
Sector	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs
First quarter 2002						
Business:						
Previous.....	8.3	6.2	-2.0	2.9	1.4	-5.0
Current	8.3	5.9	-2.2	3.8	2.3	-4.2
Nonfarm business:						
Previous.....	8.4	6.1	-2.1	2.8	1.4	-5.2
Current	8.6	6.2	-2.2	3.6	2.2	-4.6
Manufacturing:						
Previous.....	9.4	2.9	-5.9	2.4	1.0	-6.4
Current	9.7	3.0	-6.1	6.9	5.4	-2.6

Current and previous changes in the annual measures for the business, nonfarm business, and manufacturing sectors are compared in table C. Output data for the business and nonfarm business sectors and the compensation series for all sectors incorporate the revisions of the national income and product accounts produced by the Bureau of Economic Analysis, U.S. Department of Commerce. Labor input measures have been revised to reflect the annual benchmarking of employment levels derived from the monthly Current Employment Statistics (CES) program that occurred on June 7. Updated seasonal adjustment factors also have been incorporated into the labor input measures beginning in 1997. Appendix tables 1-6 present quarterly and annual measures for all sectors for 1997-99.

Revised measures of real output for the manufacturing, durable manufacturing, and nondurable manufacturing sectors are now available. These measures incorporate the results of the 2000 Annual Survey of Manufactures (ASM). Manufacturing output data for earlier years reflect a number of revisions to data from the ASM and other series, including industry price

indexes. In addition, methods used to estimate the intra-sector flows of output have been improved. Updated measures of multifactor productivity for manufacturing industries through 2000 will be available later.

In the business and nonfarm business sectors, productivity was revised down in both 2000 and 2001. Both output and hours of all persons were revised downward, with the revisions in output being larger than those in hours. In 2000, upward revisions in compensation, combined with the lower productivity, resulted in higher unit labor costs in both sectors than before the revisions. In 2001, however, unit labor costs in the business and nonfarm business sectors were revised down, as the lower productivity rates were more than offset by sharp downward revisions to hourly compensation.

In manufacturing, output and productivity were revised down in 1998, 2000, and 2001. As a result, unit labor costs were revised up in 1998 and 2000, but, in 2001, sharply lower estimates of hourly compensation more than offset the small downward revision to productivity and unit labor costs were lower than previously reported. Output and productivity were revised up for 1999, resulting in a downward revision in unit labor costs.

The downward revisions to productivity in 2000 and 2001 lowered the 1990-2001 average annual rate of growth in both the business and the nonfarm business sectors by 0.1 percentage point. For the business sector, productivity increased 2.0 percent a year over the past decade—substantially faster than the 1.5-percent growth rate for the 1973-90 period. In nonfarm businesses, productivity grew 1.9 percent a year between 1990 and 2001, up from 1.3 percent between 1973 and 1990. In manufacturing, the rate of growth between 1990 and 2001 was reduced by 0.2 percentage point, to 3.5 percent per year, up from the 2.5 percent annual rate of growth in the 1973-90 period.

Effective with the release of preliminary third-quarter 2002 data on Nov. 7, BLS will begin to issue revised measures for hourly compensation and unit labor costs for the previous two quarters. This revision practice will be followed whenever preliminary quarterly estimates are first announced. This change is in accordance with the announcement by the Bureau of Economic Analysis of their new revision schedule for wage and salary data. See "National Income and Product Accounts" (BEA 02-23), released July 31.

Table C. Previous and revised productivity and related measures
Annual percent changes

Sector	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs
Annual average 2001						
Business:						
Previous.....	2.0	0.9	-1.0	6.0	3.1	3.9
Current	1.1	-0.2	-1.3	2.9	0.2	1.8
Nonfarm business:						
Previous.....	1.9	0.9	-0.9	5.8	2.9	3.8
Current	1.1	-0.1	-1.2	2.7	-0.1	1.6
Manufacturing:						
Previous.....	1.1	-4.2	-5.3	7.3	4.4	6.1
Current	0.9	-4.8	-5.6	1.5	-1.2	0.6
Annual average 2000						
Business:						
Previous.....	3.4	4.6	1.1	6.4	3.0	2.9
Current	3.0	4.1	1.0	6.8	3.4	3.7
Nonfarm business:						
Previous.....	3.3	4.5	1.1	6.5	3.1	3.1
Current	2.9	4.0	1.0	7.0	3.5	3.9
Manufacturing:						
Previous.....	6.1	4.6	-1.4	7.0	3.6	0.9
Current	4.1	2.5	-1.5	7.4	3.9	3.2
Annual average 1999						
Business:						
Previous.....	2.5	4.6	2.0	4.6	2.4	2.0
Current	2.6	4.7	2.0	4.6	2.4	1.9
Nonfarm business:						
Previous.....	2.3	4.6	2.2	4.4	2.2	2.0
Current	2.4	4.6	2.2	4.4	2.2	2.0
Manufacturing:						
Previous.....	4.5	3.7	-0.8	4.0	1.9	-0.5
Current	5.1	4.3	-0.8	4.0	1.8	-1.1
Annual average 1998						
Manufacturing:						
Previous.....	5.4	5.1	-0.2	5.4	3.9	0.0
Current	4.9	4.7	-0.2	5.3	3.9	0.4

Revised measures: Nonfinancial Corporations

Productivity and cost measures for the first quarter for nonfinancial corporations also were revised to incorporate more recent information than was available on May 31. Productivity was revised down, reflecting the downward revision to output. Unit labor costs showed less of a decline than originally reported, reflecting the lower productivity growth and an upward revision to hourly compensation. Unit profits were revised down to show a slight decline; they had originally showed an increase (table D).

Table D. Nonfinancial corporations: Previous and revised productivity and cost measures Quarterly percent changes at seasonally adjusted annual rates								
	Produc- tivity	Output	Hours	Hourly compen- sation	Real hourly compen- sation	Unit labor costs	Unit profits	Implicit price deflator
First quarter 2002								
Previous	6.7	5.4	-1.2	3.6	2.1	-2.9	15.5	-0.8
Current	5.1	3.7	-1.3	4.1	2.6	-0.9	-0.6	-0.8

Next release date

The next release of **Productivity and Costs** is scheduled for **8:30 a.m. EDT, Thursday, Sept. 5, 2002**. Revised second-quarter measures for business, nonfarm business, and manufacturing will be released at that time, along with preliminary measures for nonfinancial corporations.

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. The Office of Productivity and Technology estimates average weekly paid hours of nonproduction and supervisory workers. Weekly paid hours are adjusted to hours at work using the BLS Hours at Work survey, conducted for this purpose.

Data from the BLS Current Population Survey (CPS) are used for farm labor; in the nonfarm sector, the National Income and Product Accounts (NIPA) prepared by the Bureau of Economic Analysis (BEA) of the Department of Commerce and the CPS are used to measure labor input for government enterprises, proprietors, and unpaid family workers.

Output: Business sector output is an annual-weighted index constructed after excluding from gross domestic product (GDP) the following outputs: General government, nonprofit institutions, paid employees of private households, and the rental value of owner-occupied dwellings. Corresponding exclusions also are made in labor inputs. Business output accounted for about 77 percent of the value of GDP in 1996. Nonfarm business, which also excludes farming, accounted for about 76 percent of GDP in 1996.

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 BEA. 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 2-digit SIC industries: Primary metal industries; fabricated metal products; nonelectrical machinery; industrial and commercial machinery and computer equipment; electronic and other electrical equipment; transportation equipment; instruments; lumber and lumber products; furniture and fixtures; stone, clay, and glass and concrete products; and miscellaneous manufactures. Nondurables include: Food and kindred products, tobacco products, textile mill products, apparel products, paper and allied products, printing and publishing, chemicals and chemical products, petroleum refining and related industries, rubber and plastic products, and leather and leather products.

Nonfinancial corporate output is an annual-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; employees of private households; the rental value of owner-occupied dwellings; unincorporated business; and those corporations which are depository institutions, nondepository institutions, security and commodity brokers, insurance carriers, regulated investment offices, small business investment offices, and real estate investment trusts. Nonfinancial corporations accounted for about 53 percent of the value of GDP in 1996.

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.

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: Productivity, hourly compensation, unit labor costs, and prices, seasonally adjusted

Year and quarter		Output per hour of all persons	Output	Hours of all persons	Compensation per hour (1)	Real compensation per hour (2)	Unit labor costs	Unit non-labor payments (3)	Implicit price deflator (4)
Indexes 1992=100									
2000	I	115.3	r138.4	r120.1	r131.4	r110.5	r114.0	r110.7	r112.8
	II	r117.2	r140.3	r119.7	r132.4	r110.5	r113.0	r114.1	r113.4
	III	r117.3	r140.4	r119.7	r135.0	r111.7	r115.1	r111.2	r113.7
	IV	r117.9	r140.7	r119.4	r136.3	r111.9	r115.6	112.0	r114.3
	ANNUAL	r116.9	r140.0	r119.7	r133.8	r111.2	r114.4	r112.0	r113.5
2001	I	r117.5	r140.4	r119.5	r137.3	r111.8	r116.9	r112.3	115.2
	II	r117.4	r139.4	r118.7	r137.5	r111.0	r117.1	r113.6	r115.8
	III	r117.9	r139.1	r117.9	r137.8	r111.1	r116.8	r115.5	r116.4
	IV	r120.1	r140.3	r116.8	r138.3	r111.6	r115.1	r117.2	115.9
	ANNUAL	r118.2	r139.8	r118.2	r137.7	r111.4	r116.5	r114.7	115.8
2002	I	r122.5	r142.3	r116.1	r139.6	r112.2	r113.9	r119.6	r116.0
	II	123.0	142.4	115.8	140.9	112.3	114.6	118.9	116.2
Percent change from previous quarter at annual rate(5)									
2000	I	r0.3	2.2	r1.9	r14.7	r10.3	r14.4	r-15.1	r2.4
	II	r6.7	r5.4	r-1.2	r3.0	r0.0	r-3.5	r12.9	r2.2
	III	r0.4	r0.4	r0.0	r8.3	r4.6	r7.8	r-9.6	r1.1
	IV	r2.1	r0.9	r-1.2	r3.7	r0.7	r1.6	r2.6	r1.9
	ANNUAL	r3.0	r4.1	r1.0	r6.8	r3.4	r3.7	r-1.7	r1.7
2001	I	r-1.5	r-1.0	r0.4	r3.1	r-0.6	r4.7	r1.1	r3.4
	II	r-0.2	r-2.8	r-2.6	r0.5	r-2.6	r0.7	r4.9	r2.2
	III	r1.8	r-0.9	r-2.6	r0.9	r0.2	r-0.9	r6.8	r1.8
	IV	r7.6	r3.5	r-3.9	r1.4	r1.7	r-5.8	r6.1	r-1.6
	ANNUAL	r1.1	r-0.2	r-1.3	r2.9	r0.2	r1.8	r2.4	r2.0
2002	I	8.3	r5.9	r-2.2	r3.8	r2.3	r-4.2	r8.3	r0.3
	II	1.4	0.3	-1.1	3.9	0.5	2.4	-2.3	0.6
Percent change from corresponding quarter of previous year									
2000	I	2.3	r4.6	2.3	r5.9	r2.5	r3.5	r-2.0	r1.4
	II	r4.1	r5.4	r1.3	r6.5	r3.1	r2.3	r0.8	r1.7
	III	r3.3	r4.1	r0.7	r7.7	r4.1	r4.3	r-2.5	r1.7
	IV	r2.4	r2.2	r-0.1	r7.3	r3.8	4.9	r-2.9	r1.9
	ANNUAL	r3.0	r4.1	r1.0	r6.8	r3.4	r3.7	r-1.7	r1.7
2001	I	r1.9	r1.4	r-0.5	r4.5	r1.2	r2.6	r1.4	r2.2
	II	r0.2	r-0.7	r-0.9	r3.9	r0.5	r3.6	r-0.4	r2.1
	III	r0.5	r-1.0	r-1.5	r2.0	r-0.6	r1.5	r3.8	r2.3
	IV	r1.9	r-0.3	r-2.2	r1.5	r-0.3	r-0.4	r4.7	r1.4
	ANNUAL	r1.1	r-0.2	r-1.3	r2.9	r0.2	r1.8	r2.4	r2.0
2002	I	r4.3	r1.4	-2.8	r1.6	r0.4	r-2.6	r6.5	r0.7
	II	4.7	2.2	-2.5	2.5	1.2	-2.2	4.6	0.3

See footnotes following Table 6.
r=revised

August 9, 2002
Source: Bureau of Labor Statistics

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

Year and quarter		Output per hour of all persons	Output	Hours of all persons	Compensation per hour (1)	Real compensation per hour (2)	Unit labor costs	Unit non-labor payments (3)	Implicit price deflator (4)
Indexes 1992=100									
2000	I	r114.7	r138.7	120.9	r130.8	r110.0	r114.0	r112.3	r113.4
	II	r116.4	r140.5	r120.7	r131.5	r109.8	r113.0	r115.6	r113.9
	III	r116.6	r140.6	r120.6	r134.3	r111.1	r115.2	r112.8	r114.3
	IV	r117.1	r141.0	r120.4	r135.3	r111.2	r115.6	113.4	r114.8
	ANNUAL	r116.2	r140.2	r120.6	r133.0	r110.6	r114.4	r113.5	r114.1
2001	I	r116.7	r140.7	r120.6	r136.3	r110.9	r116.8	r113.8	115.7
	II	r116.6	r139.7	r119.8	r136.3	r110.1	r116.9	r115.3	r116.3
	III	r117.2	r139.4	r118.9	r136.7	r110.2	r116.6	r117.2	r116.8
	IV	r119.3	r140.4	r117.7	r137.2	r110.7	r115.0	r119.2	116.5
	ANNUAL	r117.5	r140.1	r119.2	r136.6	r110.5	r116.3	r116.4	r116.3
2002	I	r121.8	r142.5	r117.0	r138.4	r111.3	r113.6	r121.3	r116.4
	II	122.1	142.7	116.8	139.6	111.3	114.3	121.2	116.8
Percent change from previous quarter at annual rate(5)									
2000	I	r0.2	r1.9	r1.7	r15.2	r10.7	r14.9	r-15.3	r2.7
	II	r6.0	r5.4	r-0.6	r2.2	r-0.7	r-3.6	r12.2	r1.9
	III	r0.6	r0.2	r-0.4	r8.7	r4.9	r8.0	r-9.1	r1.4
	IV	r1.7	r1.1	r-0.6	r3.1	r0.2	r1.4	r2.1	r1.6
	ANNUAL	r2.9	r4.0	r1.0	r7.0	r3.5	r3.9	r-1.7	r1.8
2001	I	r-1.5	r-0.9	r0.5	r2.8	r-0.9	r4.3	r1.5	r3.3
	II	r-0.1	r-2.7	r-2.6	r0.1	r-2.9	r0.3	r5.1	r2.0
	III	r2.1	r-0.8	r-2.9	r1.0	r0.3	r-1.1	r6.8	1.7
	IV	r7.3	r2.9	r-4.1	r1.5	r1.8	r-5.4	r6.9	r-1.0
	ANNUAL	r1.1	r-0.1	r-1.2	r2.7	r-0.1	r1.6	r2.5	r1.9
2002	I	r8.6	r6.2	r-2.2	r3.6	r2.2	r-4.6	r7.5	r-0.2
	II	1.1	0.5	-0.7	3.6	0.2	2.4	-0.3	1.4
Percent change from corresponding quarter of previous year									
2000	I	r2.3	r4.5	r2.1	r6.2	r2.8	r3.7	r-1.8	r1.7
	II	r4.0	r5.4	r1.3	r6.6	r3.2	r2.5	r0.7	r1.8
	III	r3.3	r3.9	r0.6	r7.9	r4.3	r4.5	r-2.6	r1.8
	IV	r2.1	r2.2	r0.0	r7.2	r3.7	r4.9	r-3.1	r1.9
	ANNUAL	r2.9	r4.0	r1.0	r7.0	r3.5	r3.9	r-1.7	r1.8
2001	I	r1.7	r1.4	r-0.3	r4.2	r0.9	r2.4	r1.4	r2.1
	II	r0.2	r-0.6	r-0.8	r3.6	r0.3	r3.5	r-0.3	r2.1
	III	r0.5	r-0.8	r-1.4	r1.8	r-0.8	r1.2	r3.9	r2.2
	IV	r1.9	r-0.4	r-2.3	r1.4	r-0.4	r-0.5	r5.1	r1.5
	ANNUAL	r1.1	r-0.1	r-1.2	r2.7	r-0.1	r1.6	r2.5	r1.9
2002	I	r4.4	r1.3	-2.9	r1.6	r0.3	r-2.7	r6.6	r0.6
	II	4.7	2.1	-2.5	2.4	1.1	-2.2	5.2	0.5

See footnotes following Table 6.
r=revised

August 9, 2002
Source: Bureau of Labor Statistics

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

Year and quarter		Output per hour of all persons	Output	Hours of all persons	Compensation per hour (1)	Real compensation per hour (2)	Unit labor costs
Indexes 1992=100							
2000	I	r133.6	r138.3	103.5	r131.4	r110.5	r98.4
	II	r134.9	r139.8	r103.6	r129.3	r107.9	r95.9
	III	r135.4	r139.3	r102.9	r132.2	r109.4	r97.7
	IV	r135.9	r137.6	101.3	r131.5	r108.0	r96.7
	ANNUAL	r134.9	r138.7	r102.8	r131.1	r109.0	r97.2
2001	I	r135.4	r135.1	r99.8	r132.0	r107.4	r97.5
	II	r135.4	r133.0	r98.2	r133.0	r107.4	r98.2
	III	r136.4	r131.3	r96.3	r133.3	r107.5	r97.8
	IV	r137.6	r129.2	r93.9	r134.3	r108.3	r97.6
	ANNUAL	r136.2	r132.1	r97.1	r133.1	r107.7	r97.8
2002	I	r140.9	r130.2	r92.4	r136.5	r109.8	r96.9
	II	142.6	131.5	92.2	137.5	109.7	96.5
Percent change from previous quarter at annual rate(5)							
2000	I	r4.5	r2.7	r-1.7	r25.3	r20.5	r19.9
	II	r3.8	r4.4	r0.5	r-6.3	r-9.0	r-9.7
	III	r1.6	r-1.3	-2.8	r9.5	r5.8	r7.8
	IV	r1.6	r-4.8	r-6.3	r-2.3	r-5.1	r-3.8
	ANNUAL	r4.1	r2.5	r-1.5	r7.4	r3.9	r3.2
2001	I	r-1.5	-7.1	r-5.6	r1.6	r-2.1	r3.1
	II	r0.0	-6.2	r-6.2	r3.1	r-0.1	r3.1
	III	r2.9	-4.9	r-7.6	r1.0	r0.3	r-1.9
	IV	r3.8	-6.3	r-9.7	r2.9	r3.2	r-0.9
	ANNUAL	r0.9	r-4.8	r-5.6	r1.5	r-1.2	r0.6
2002	I	r9.7	r3.0	r-6.1	r6.9	r5.4	r-2.6
	II	4.9	4.1	-0.8	3.0	-0.4	-1.8
Percent change from corresponding quarter of previous year							
2000	I	r4.4	r3.6	-0.8	r8.9	r5.5	r4.3
	II	r4.7	r3.8	r-0.8	r6.9	r3.5	r2.1
	III	r4.3	r2.6	r-1.7	r7.9	r4.3	r3.4
	IV	r2.9	r0.2	r-2.6	r5.9	r2.4	r2.9
	ANNUAL	r4.1	r2.5	r-1.5	r7.4	r3.9	r3.2
2001	I	r1.3	r-2.3	r-3.6	r0.5	r-2.7	r-0.9
	II	r0.4	r-4.9	r-5.2	r2.9	r-0.5	r2.5
	III	r0.7	r-5.7	r-6.4	r0.8	r-1.8	r0.1
	IV	r1.3	-6.1	r-7.3	r2.1	r0.3	r0.8
	ANNUAL	r0.9	r-4.8	r-5.6	r1.5	r-1.2	r0.6
2002	I	4.0	-3.7	-7.4	r3.4	r2.2	r-0.6
	II	5.3	-1.1	-6.1	3.4	2.1	-1.8

See footnotes following Table 6.
r=revised

August 9, 2002
Source: Bureau of Labor Statistics

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

Year and quarter		Output per hour of all persons	Output	Hours of all persons	Compensation per hour (1)	Real compensation per hour (2)	Unit labor costs
Indexes 1992=100							
2000	I	r148.6	r162.9	109.7	r130.8	r109.9	r88.0
	II	r150.0	r165.2	r110.2	r127.5	r106.4	r85.0
	III	r150.3	r164.6	r109.5	r130.6	r108.0	r86.9
	IV	r150.1	r162.0	r107.9	r128.4	r105.5	r85.5
	ANNUAL	r149.7	r163.7	r109.3	r129.3	r107.5	r86.4
2001	I	r149.0	r157.9	r106.0	r129.4	r105.3	r86.8
	II	r149.1	r155.3	r104.1	r130.5	r105.4	r87.5
	III	r150.1	r152.2	r101.4	r130.2	r105.0	r86.7
	IV	r150.9	r148.6	r98.5	r131.8	r106.3	r87.3
	ANNUAL	r149.8	r153.5	r102.5	r130.4	r105.5	r87.1
2002	I	r155.7	r150.3	r96.5	r134.2	r107.9	r86.2
	II	158.3	152.6	96.4	135.1	107.7	85.3
Percent change from previous quarter at annual rate(5)							
2000	I	r7.6	r6.3	r-1.2	r29.7	r24.6	r20.5
	II	r3.9	r5.8	r1.8	r-9.6	r-12.1	r-13.0
	III	r0.8	r-1.6	r-2.3	r9.9	r6.1	r9.1
	IV	r-0.6	r-6.2	r-5.7	r-6.5	r-9.2	r-6.0
	ANNUAL	r4.4	r3.6	r-0.7	r7.7	r4.2	r3.2
2001	I	r-3.0	-9.7	r-6.9	r3.1	r-0.6	r6.2
	II	r0.4	-6.5	r-6.9	r3.6	r0.4	r3.2
	III	r2.7	-7.6	r-10.0	r-1.0	r-1.7	r-3.6
	IV	r2.3	-9.2	r-11.2	r5.0	r5.4	r2.7
	ANNUAL	r0.0	r-6.2	r-6.2	r0.9	r-1.9	r0.8
2002	I	r13.2	r4.7	-7.5	r7.5	r6.0	r-5.0
	II	7.0	6.1	-0.8	2.8	-0.6	-3.9
Percent change from corresponding quarter of previous year							
2000	I	r5.2	r5.1	-0.1	r10.5	r7.0	r5.0
	II	r5.1	r5.3	r0.2	r7.4	r4.0	r2.2
	III	r4.3	r3.2	r-1.1	r8.1	r4.5	r3.6
	IV	r2.9	r1.0	r-1.9	r4.8	r1.4	r1.8
	ANNUAL	r4.4	r3.6	r-0.7	r7.7	r4.2	r3.2
2001	I	r0.3	r-3.1	r-3.3	r-1.1	r-4.2	r-1.3
	II	r-0.6	r-6.0	r-5.5	r2.3	r-1.0	r3.0
	III	r-0.1	r-7.5	r-7.4	r-0.3	r-2.8	r-0.2
	IV	r0.6	-8.2	r-8.8	r2.6	r0.8	r2.1
	ANNUAL	r0.0	r-6.2	r-6.2	r0.9	r-1.9	r0.8
2002	I	r4.5	-4.8	r-8.9	r3.7	r2.5	r-0.8
	II	6.2	-1.7	-7.5	3.5	2.2	-2.5

See footnotes following Table 6.
r=revised

August 9, 2002
Source: Bureau of Labor Statistics

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

Year and quarter		Output per hour of all persons	Output	Hours of all persons	Compensation per hour (1)	Real compensation per hour (2)	Unit labor costs

Indexes 1992=100							
2000	I	120.6	r114.9	95.3	r130.6	r109.8	r108.3
	II	r121.8	r115.6	r95.0	r130.4	r108.9	r107.1
	III	122.6	115.4	r94.1	r133.2	r110.2	r108.7
	IV	r123.9	r114.5	92.4	r135.0	r110.9	r108.9
	ANNUAL	122.2	r115.1	94.2	r132.3	r110.0	r108.3
2001	I	r123.9	r113.4	r91.6	r134.7	r109.7	r108.7
	II	r123.6	r111.7	r90.4	r135.5	r109.4	r109.6
	III	r124.4	r111.3	r89.5	r137.2	r110.6	r110.3
	IV	r125.9	r110.5	r87.8	r137.1	r110.6	r108.9
	ANNUAL	r124.4	r111.7	r89.8	r136.1	r110.1	r109.4
2002	I	r127.5	r110.8	r86.9	r139.1	r111.8	r109.1
	II	128.4	111.4	86.7	140.3	111.9	109.3

Percent change from previous quarter at annual rate(5)							
2000	I	r0.8	r-1.8	r-2.5	r17.8	r13.3	r17.0
	II	r3.8	r2.4	r-1.4	r-0.5	r-3.4	r-4.2
	III	r2.6	-0.9	r-3.5	r8.7	r4.9	r5.9
	IV	r4.6	r-3.0	r-7.2	r5.6	r2.5	r0.9
	ANNUAL	3.8	1.1	-2.6	r6.7	r3.3	r2.9
2001	I	r-0.1	-3.7	r-3.6	r-0.8	r-4.4	r-0.7
	II	r-0.9	-5.9	r-5.0	r2.3	r-0.8	r3.2
	III	r2.5	-1.5	r-3.8	r5.1	r4.4	r2.5
	IV	r4.9	-2.9	r-7.4	r-0.3	r0.0	r-5.0
	ANNUAL	r1.8	-2.9	r-4.7	r2.9	r0.1	r1.0
2002	I	r5.3	r1.2	r-3.9	r6.1	r4.6	r0.8
	II	2.9	1.9	-0.9	3.5	0.1	0.6

Percent change from corresponding quarter of previous year							
2000	I	r3.4	1.6	-1.8	r6.1	r2.8	r2.6
	II	4.4	r1.8	r-2.5	5.8	r2.5	1.4
	III	4.4	r1.7	-2.5	r7.4	r3.8	r2.9
	IV	r2.9	r-0.8	r-3.7	r7.7	r4.2	r4.6
	ANNUAL	3.8	1.1	-2.6	r6.7	r3.3	r2.9
2001	I	r2.7	-1.3	r-3.9	r3.1	r-0.1	r0.4
	II	r1.5	r-3.4	r-4.8	r3.9	r0.5	r2.3
	III	r1.5	-3.5	r-4.9	r3.0	r0.4	r1.5
	IV	r1.6	-3.5	r-5.0	r1.5	r-0.3	r0.0
	ANNUAL	r1.8	-2.9	r-4.7	r2.9	r0.1	r1.0
2002	I	r2.9	-2.3	r-5.0	r3.2	r2.0	r0.3
	II	3.9	-0.3	-4.0	3.5	2.2	-0.3

See footnotes following Table 6.
r=revised

August 9, 2002
Source: Bureau of Labor Statistics

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

Year and quarter		Output per all-employee hour	Output	Employee hours	Hourly compensation (1)	Real hourly compensation (2)	Unit labor costs	Unit non-labor costs (6)	Total unit costs (7)	Unit profits (8)	Implicit price deflator (4)
Indexes 1992=100											
2000	I	r116.7	r146.0	125.1	r126.9	r106.7	r108.7	r105.4	r107.8	r120.5	108.9
	II	r116.8	r146.0	r125.0	r127.8	r106.6	r109.4	r107.7	r108.9	r120.4	r109.9
	III	r117.6	r146.9	r125.0	r130.4	r107.9	r110.9	r108.9	r110.4	r111.4	110.5
	IV	r117.3	r146.4	r124.8	r131.7	r108.2	r112.2	r111.0	r111.9	r100.4	110.9
	ANNUAL	r117.1	r146.3	r125.0	r129.2	r107.4	r110.3	r108.3	r109.8	r113.2	110.0
2001	I	r116.6	r145.2	r124.6	r131.3	r106.9	r112.6	r113.7	r112.9	r94.9	111.4
	II	r117.3	r145.1	r123.7	r131.9	r106.5	r112.5	r115.6	r113.3	r97.2	112.0
	III	r118.2	r145.0	r122.7	r132.7	r107.0	r112.3	r117.6	r113.7	r99.7	r112.5
	IV	r121.3	r146.9	r121.2	r133.6	r107.8	r110.2	r116.2	r111.8	r109.6	r111.6
	ANNUAL	r118.3	r145.6	r123.0	r132.4	r107.0	r111.9	r115.8	r112.9	r100.3	r111.9
2002	I	r122.8	r148.3	r120.8	r134.9	r108.5	r109.9	r116.0	r111.6	r109.4	r111.4
Percent change from previous quarter at annual rate(5)											
2000	I	r5.3	r7.6	r2.3	r14.2	r9.8	r8.5	r1.3	r6.5	r-17.6	r3.9
	II	r0.3	r-0.2	r-0.4	r2.8	r-0.1	r2.6	r8.9	r4.2	r-0.5	r3.8
	III	2.6	r2.6	r0.0	r8.5	r4.7	r5.7	r4.5	r5.4	r-26.8	r2.0
	IV	r-0.7	r-1.3	r-0.5	r4.1	r1.1	r4.9	r7.8	r5.6	r-33.9	r1.7
	ANNUAL	r2.1	r3.7	r1.5	r6.7	r3.2	r4.4	r4.6	r4.5	r-14.1	2.5
2001	I	r-2.6	r-3.2	r-0.7	r-1.2	r-4.8	r1.4	r10.1	r3.6	r-20.2	r1.6
	II	r2.3	r-0.4	r-2.7	r1.8	r-1.3	r-0.5	r7.1	r1.5	r10.0	r2.1
	III	r3.2	r-0.3	r-3.4	r2.5	r1.9	r-0.7	r7.2	r1.5	r10.7	r2.1
	IV	r10.8	r5.4	r-4.8	r2.7	r3.0	r-7.3	r-5.0	r-6.7	r46.0	r-3.3
	ANNUAL	r1.0	r-0.5	r-1.5	r2.5	r-0.3	r1.4	r6.9	r2.9	r-11.3	r1.7
2002	I	r5.1	r3.7	r-1.3	r4.1	r2.6	r-0.9	r-0.6	r-0.8	r-0.6	-0.8
Percent change from corresponding quarter of previous year											
2000	I	r2.1	r4.8	r2.6	r5.6	r2.3	r3.4	r3.8	r3.5	r-12.1	r1.8
	II	r2.1	r4.0	r1.9	r6.2	r2.8	r4.0	r5.0	r4.3	r-11.2	r2.6
	III	r2.6	r3.8	r1.2	r7.6	r4.0	r4.9	r4.1	r4.7	r-12.9	2.9
	IV	r1.8	r2.1	r0.3	r7.3	r3.8	r5.4	r5.6	r5.4	r-20.6	r2.8
	ANNUAL	r2.1	r3.7	r1.5	r6.7	r3.2	r4.4	r4.6	r4.5	r-14.1	2.5
2001	I	r-0.1	r-0.5	r-0.4	r3.5	r0.2	r3.6	r7.8	r4.7	r-21.3	r2.3
	II	r0.4	r-0.6	r-1.0	r3.2	r-0.1	r2.8	r7.3	r4.0	r-19.3	r1.9
	III	r0.5	r-1.3	r-1.8	r1.8	r-0.8	r1.2	r8.0	r3.1	r-10.5	r1.9
	IV	r3.3	r0.3	r-2.9	r1.4	r-0.4	r-1.8	r4.7	r-0.1	r9.1	r0.6
	ANNUAL	r1.0	r-0.5	r-1.5	r2.5	r-0.3	r1.4	r6.9	r2.9	r-11.3	r1.7
2002	I	r5.3	r2.1	r-3.1	r2.8	r1.5	r-2.4	2.0	r-1.2	r15.3	r0.0

See footnotes following Table 6.
r=revised

August 9, 2002
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. 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 -1.6 and $+1.7$ 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 2002.

Footnotes, Tables 1-6

- (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 1978-2001 is based on the Consumer Price Index research series (CPI-U-RS).
- (3) Unit nonlabor payments include profits, capital consumption allowances, interest, rental income of persons, and indirect taxes.
- (4) Current dollar output divided by the output index.
- (5) Quarterly changes: Percent change compounded at annual rate from the original data rather than index numbers. Annual changes: Percent change between annual average levels.
- (6) Unit nonlabor costs include capital consumption allowances, interest, rental income of persons, and indirect taxes. For nonfinancial corporations, rental income of persons is zero by definition.
- (7) Total unit costs are the sum of unit labor and nonlabor costs.
- (8) Unit profits include corporate profits with inventory valuation and capital consumption adjustments.

Appendix table 1.

Business sector: Revised productivity, hourly compensation, unit labor costs, and prices, seasonally adjusted

Year and quarter	Output per hour of all persons	Output	Hours of all persons	Compensation per hour (1)	Real compensation per hour (2)	Unit labor costs	Unit non-labor payments (3)	Implicit price deflator (4)
Indexes 1992=100								
1997	I	106.4	119.9	112.7	112.2	100.2	105.4	115.3
	II	107.6	122.0	113.4	112.6	100.4	104.7	118.0
	III	108.5	123.5	113.8	113.8	101.0	104.9	118.4
	IV	108.6	124.4	114.6	115.5	102.0	106.4	116.7
	ANNUAL	107.8	122.5	113.6	113.5	101.0	105.3	117.1
1998	I	110.0	126.7	115.2	117.6	103.6	106.9	116.1
	II	110.0	127.3	115.7	119.1	104.7	108.3	114.0
	III	110.6	128.7	116.3	120.5	105.5	108.9	113.7
	IV	111.8	131.3	117.4	121.7	106.1	108.8	114.2
	ANNUAL	110.6	128.5	116.2	119.7	105.0	108.2	114.5
1999	I	112.7	132.4	117.4	124.1	107.7	110.2	112.9
	II	112.5	133.0	118.2	124.3	107.1	110.5	113.2
	III	113.6	134.9	118.8	125.4	107.3	110.4	114.1
	IV	115.2	137.7	119.5	127.0	107.8	110.2	115.3
	ANNUAL	113.5	134.5	118.5	125.2	107.6	110.3	113.9
Percent change from previous quarter at annual rate(5)								
1997	I	1.6	5.2	3.5	2.2	-0.1	0.5	6.0
	II	4.4	7.1	2.6	1.6	0.7	-2.7	9.5
	III	3.5	4.9	1.4	4.3	2.6	0.7	1.4
	IV	0.5	3.2	2.7	6.3	4.0	5.8	-5.7
	ANNUAL	2.3	5.2	2.9	3.1	0.9	0.8	3.4
1998	I	5.1	7.5	2.2	7.3	6.5	2.1	-2.0
	II	0.1	1.9	1.9	5.4	4.2	5.3	-6.9
	III	2.3	4.4	2.0	4.7	3.1	2.3	-1.2
	IV	4.4	8.2	3.7	4.0	2.2	-0.4	2.0
	ANNUAL	2.6	4.9	2.2	5.5	4.0	2.8	-2.2
1999	I	3.1	3.4	0.2	8.2	6.5	5.0	-4.5
	II	-0.6	2.1	2.7	0.5	-2.3	1.1	0.9
	III	3.8	5.9	2.0	3.7	0.8	-0.1	3.3
	IV	5.8	8.4	2.4	5.1	1.7	-0.7	4.3
	ANNUAL	2.6	4.7	2.0	4.6	2.4	1.9	-0.5
Percent change from corresponding quarter of previous year								
1997	I	1.9	5.2	3.2	3.3	0.6	1.4	2.7
	II	1.8	5.0	3.1	2.6	0.5	0.7	3.8
	III	2.8	5.7	2.8	2.8	0.8	0.0	4.5
	IV	2.5	5.1	2.5	3.6	1.8	1.1	2.7
	ANNUAL	2.3	5.2	2.9	3.1	0.9	0.8	3.4
1998	I	3.4	5.7	2.2	4.8	3.4	1.4	0.7
	II	2.3	4.4	2.0	5.8	4.3	3.5	-3.3
	III	2.0	4.2	2.2	5.9	4.5	3.9	-4.0
	IV	3.0	5.5	2.4	5.3	4.0	2.3	-2.1
	ANNUAL	2.6	4.9	2.2	5.5	4.0	2.8	-2.2
1999	I	2.5	4.5	1.9	5.6	4.0	3.0	-2.7
	II	2.3	4.5	2.2	4.3	2.3	2.0	-0.8
	III	2.6	4.9	2.2	4.1	1.7	1.4	0.4
	IV	3.0	4.9	1.8	4.3	1.6	1.3	0.9
	ANNUAL	2.6	4.7	2.0	4.6	2.4	1.9	-0.5

See footnotes following Table 6.

August 9, 2002

Source: Bureau of Labor Statistics

Appendix table 2. Nonfarm business sector: Revised productivity, hourly compensation, unit labor costs, and prices, seasonally adjusted

1995, seasonally adjusted				1995, seasonally adjusted					
Year and quarter		Output per hour of all persons	Output	Hours of all persons	Compensation per hour (1)	Real compensation per hour (2)	Unit labor costs	Unit non-labor payments (3)	Implicit price deflator (4)
Indexes 1992=100									
1997	I	106.2	120.2	113.1	111.8	99.8	105.2	115.9	109.1
	II	107.4	122.2	113.8	112.2	100.1	104.5	118.7	109.7
	III	108.2	123.6	114.3	113.3	100.6	104.7	119.4	110.1
	IV	108.3	124.7	115.1	115.0	101.5	106.1	117.8	110.4
	ANNUAL	107.5	122.7	114.1	113.1	100.6	105.2	118.0	109.8
1998	I	109.6	127.0	115.9	116.9	103.0	106.7	117.3	110.5
	II	109.8	127.7	116.3	118.6	104.2	108.0	115.2	110.6
	III	110.3	129.0	117.0	119.9	105.0	108.7	114.8	111.0
	IV	111.4	131.6	118.1	121.1	105.5	108.6	115.4	111.1
	ANNUAL	110.3	128.8	116.8	119.1	104.5	108.0	115.7	110.8
1999	I	112.1	132.7	118.4	123.2	106.9	109.9	114.3	111.5
	II	111.9	133.3	119.1	123.4	106.3	110.3	114.8	111.9
	III	112.9	135.3	119.8	124.5	106.6	110.3	115.8	112.3
	IV	114.7	138.0	120.4	126.3	107.2	110.1	117.0	112.6
	ANNUAL	112.9	134.8	119.4	124.3	106.8	110.1	115.5	112.1
Percent change from previous quarter at annual rate(5)									
1997	I	1.1	4.8	3.7	2.2	-0.1	1.1	6.3	3.1
	II	4.5	7.1	2.5	1.7	0.9	-2.6	10.1	2.2
	III	3.0	4.6	1.6	3.7	2.0	0.7	2.3	1.3
	IV	0.5	3.4	2.9	6.1	3.8	5.6	-5.5	1.1
	ANNUAL	2.0	5.1	3.1	3.0	0.8	0.9	3.9	2.1
1998	I	4.9	7.8	2.8	7.0	6.2	2.0	-1.7	0.6
	II	0.6	2.1	1.4	5.8	4.6	5.1	-6.8	0.4
	III	1.9	4.3	2.4	4.6	3.0	2.7	-1.3	1.2
	IV	4.3	8.3	3.8	3.8	2.0	-0.4	2.0	0.5
	ANNUAL	2.6	5.0	2.4	5.4	3.9	2.7	-1.9	0.9
1999	I	2.4	3.3	0.9	7.3	5.5	4.8	-3.9	1.4
	II	-0.8	1.9	2.6	0.6	-2.2	1.3	1.7	1.5
	III	3.7	6.0	2.2	3.7	0.8	0.0	3.7	1.4
	IV	6.3	8.3	1.9	5.8	2.5	-0.5	4.2	1.3
	ANNUAL	2.4	4.6	2.2	4.4	2.2	2.0	-0.2	1.2
Percent change from corresponding quarter of previous year									
1997	I	1.6	5.1	3.4	3.2	0.4	1.5	2.9	2.0
	II	1.7	5.0	3.2	2.6	0.4	0.9	4.3	2.2
	III	2.5	5.5	3.0	2.7	0.7	0.2	5.3	2.2
	IV	2.2	5.0	2.7	3.4	1.6	1.1	3.1	1.9
	ANNUAL	2.0	5.1	3.1	3.0	0.8	0.9	3.9	2.1
1998	I	3.2	5.7	2.4	4.6	3.2	1.4	1.2	1.3
	II	2.2	4.5	2.2	5.6	4.1	3.3	-3.0	0.8
	III	2.0	4.4	2.4	5.9	4.4	3.8	-3.8	0.8
	IV	2.9	5.6	2.6	5.3	3.9	2.3	-2.0	0.7
	ANNUAL	2.6	5.0	2.4	5.4	3.9	2.7	-1.9	0.9
1999	I	2.3	4.5	2.1	5.4	3.8	3.0	-2.5	0.9
	II	1.9	4.4	2.4	4.0	2.1	2.1	-0.4	1.1
	III	2.4	4.8	2.4	3.8	1.5	1.4	0.8	1.2
	IV	2.9	4.8	1.9	4.3	1.6	1.4	1.4	1.4
	ANNUAL	2.4	4.6	2.2	4.4	2.2	2.0	-0.2	1.2

See footnotes following Table 6.

August 9, 2002

Source: Bureau of Labor Statistics

Appendix table 3. Manufacturing sector: Revised productivity, hourly compensation, and unit labor costs, seasonally adjusted

Year and quarter	Output per hour of all persons	Output	Hours of all persons	Compensation per hour (1)	Real compensation per hour (2)	Unit labor costs

Indexes 1992=100						
1997 I	115.4	121.3	105.1	110.3	98.6	95.6
II	116.4	122.8	105.5	110.6	98.6	95.0
III	118.7	124.9	105.2	111.6	99.1	94.0
IV	119.8	127.0	106.0	113.3	100.0	94.6
ANNUAL	117.6	124.0	105.4	111.5	99.1	94.8
1998 I	121.3	128.3	105.8	115.5	101.8	95.2
II	122.3	129.0	105.5	117.0	102.8	95.7
III	124.3	130.0	104.5	118.2	103.5	95.1
IV	125.5	131.8	105.0	119.0	103.7	94.8
ANNUAL	123.3	129.8	105.2	117.4	103.0	95.2
1999 I	128.0	133.4	104.3	120.6	104.7	94.3
II	128.8	134.6	104.5	120.9	104.2	93.9
III	129.8	135.8	104.7	122.6	104.9	94.4
IV	132.1	137.3	103.9	124.2	105.4	94.0
ANNUAL	129.7	135.3	104.4	122.1	104.9	94.1

Percent change from previous quarter at annual rate(5)						
1997 I	3.5	6.9	3.2	0.1	-2.2	-3.3
II	3.4	4.9	1.5	1.0	0.1	-2.4
III	8.3	7.1	-1.2	3.7	2.0	-4.2
IV	3.5	6.9	3.3	6.1	3.9	2.6
ANNUAL	4.2	6.0	1.7	1.9	-0.2	-2.2
1998 I	5.1	4.4	-0.7	7.9	7.1	2.7
II	3.5	2.1	-1.4	5.5	4.4	2.0
III	6.8	3.0	-3.5	3.9	2.4	-2.6
IV	3.9	5.7	1.8	2.8	1.0	-1.1
ANNUAL	4.9	4.7	-0.2	5.3	3.9	0.4
1999 I	8.0	5.1	-2.7	5.6	3.9	-2.2
II	2.7	3.6	0.9	1.0	-1.8	-1.7
III	3.1	3.6	0.5	5.6	2.6	2.5
IV	7.5	4.5	-2.8	5.4	2.0	-1.9
ANNUAL	5.1	4.3	-0.8	4.0	1.8	-1.1

Percent change from corresponding quarter of previous year						
1997 I	3.7	6.2	2.4	1.8	-1.0	-1.8
II	3.9	5.6	1.7	1.4	-0.7	-2.4
III	4.6	5.8	1.1	1.8	-0.2	-2.7
IV	4.7	6.4	1.7	2.7	0.9	-1.9
ANNUAL	4.2	6.0	1.7	1.9	-0.2	-2.2
1998 I	5.1	5.8	0.7	4.7	3.2	-0.4
II	5.1	5.1	0.0	5.8	4.3	0.7
III	4.7	4.1	-0.6	5.9	4.4	1.1
IV	4.8	3.8	-1.0	5.0	3.7	0.2
ANNUAL	4.9	4.7	-0.2	5.3	3.9	0.4
1999 I	5.5	4.0	-1.5	4.5	2.9	-1.0
II	5.3	4.4	-0.9	3.3	1.4	-1.9
III	4.4	4.5	0.1	3.7	1.4	-0.6
IV	5.3	4.2	-1.0	4.4	1.7	-0.9
ANNUAL	5.1	4.3	-0.8	4.0	1.8	-1.1

See footnotes following Table 6.

August 9, 2002

Source: Bureau of Labor Statistics

Appendix table 4. Durable manufacturing sector: Revised productivity, hourly compensation, and unit, labor costs seasonally adjusted

Year and quarter		Output per hour of all persons	Output	Hours of all persons	Compensation per hour (1)	Real compensation per hour (2)	Unit labor costs
Indexes 1992=100							
1997	I	121.1	132.6	109.5	107.7	96.2	89.0
	II	122.7	135.2	110.2	108.0	96.3	88.0
	III	125.5	138.2	110.1	109.0	96.8	86.9
	IV	127.6	141.9	111.1	110.9	97.9	86.9
	ANNUAL	124.2	137.0	110.2	108.9	96.9	87.7
1998	I	129.8	144.6	111.4	113.0	99.6	87.1
	II	131.1	145.6	111.1	114.4	100.5	87.3
	III	134.5	148.2	110.2	115.4	101.0	85.8
	IV	137.3	152.3	111.0	116.5	101.5	84.9
	ANNUAL	133.2	147.7	110.9	114.8	100.7	86.2
1999	I	141.2	155.0	109.7	118.4	102.7	83.8
	II	142.8	156.9	109.9	118.7	102.4	83.2
	III	144.1	159.5	110.7	120.8	103.4	83.8
	IV	145.9	160.4	110.0	122.6	104.1	84.0
	ANNUAL	143.5	158.0	110.1	120.1	103.2	83.7
Percent change from previous quarter at annual rate(5)							
1997	I	3.0	9.1	6.0	-0.9	-3.2	-3.8
	II	5.6	8.0	2.3	1.0	0.1	-4.4
	III	9.2	9.2	0.0	3.9	2.2	-4.9
	IV	7.1	11.1	3.7	7.0	4.7	-0.1
	ANNUAL	5.1	8.2	2.9	1.4	-0.7	-3.5
1998	I	6.9	8.0	1.0	7.8	6.9	0.9
	II	4.3	2.9	-1.3	5.2	4.1	0.9
	III	10.7	7.2	-3.2	3.5	1.9	-6.5
	IV	8.5	11.6	2.9	3.9	2.0	-4.3
	ANNUAL	7.2	7.8	0.6	5.4	4.0	-1.6
1999	I	11.9	7.1	-4.3	6.5	4.8	-4.8
	II	4.6	5.1	0.5	1.3	-1.5	-3.2
	III	3.6	6.9	3.1	7.1	4.1	3.4
	IV	5.1	2.3	-2.7	6.0	2.6	0.8
	ANNUAL	7.7	6.9	-0.7	4.6	2.5	-2.9
Percent change from corresponding quarter of previous year							
1997	I	4.2	8.1	3.8	0.8	-1.9	-3.2
	II	4.6	7.4	2.6	0.8	-1.3	-3.6
	III	5.4	7.8	2.3	1.3	-0.7	-3.9
	IV	6.2	9.4	3.0	2.7	0.9	-3.3
	ANNUAL	5.1	8.2	2.9	1.4	-0.7	-3.5
1998	I	7.2	9.1	1.7	4.9	3.4	-2.2
	II	6.9	7.7	0.8	6.0	4.5	-0.8
	III	7.2	7.2	0.0	5.9	4.4	-1.3
	IV	7.6	7.4	-0.2	5.1	3.7	-2.3
	ANNUAL	7.2	7.8	0.6	5.4	4.0	-1.6
1999	I	8.8	7.2	-1.5	4.8	3.2	-3.7
	II	8.9	7.7	-1.1	3.8	1.8	-4.7
	III	7.1	7.6	0.5	4.7	2.3	-2.3
	IV	6.3	5.3	-0.9	5.2	2.5	-1.0
	ANNUAL	7.7	6.9	-0.7	4.6	2.5	-2.9

See footnotes following Table 6.

August 9, 2002
Source: Bureau of Labor Statistics

Appendix table 5. Nondurable manufacturing sector: Revised productivity, hourly compensation, and unit, labor costs seasonally adjusted

Year and quarter	Output per hour of all persons	Output	Hours of all persons	Compensation per hour (1)	Real compensation per hour (2)	Unit labor costs
Indexes 1992=100						
1997 I	111.6	110.6	99.1	113.7	101.6	101.9
II	112.0	111.1	99.2	114.0	101.6	101.7
III	114.2	112.5	98.5	114.9	102.0	100.6
IV	114.0	113.1	99.2	116.2	102.6	101.9
ANNUAL	112.9	111.8	99.0	114.7	102.0	101.5
1998 I	115.0	113.2	98.4	118.4	104.4	103.0
II	115.7	113.5	98.0	120.2	105.6	103.8
III	116.3	112.9	97.0	121.5	106.4	104.5
IV	115.9	112.5	97.1	121.8	106.1	105.1
ANNUAL	115.7	113.0	97.6	120.5	105.7	104.1
1999 I	116.6	113.2	97.0	123.1	106.8	105.5
II	116.6	113.6	97.4	123.3	106.3	105.7
III	117.4	113.4	96.6	124.0	106.2	105.6
IV	120.4	115.5	95.9	125.4	106.4	104.1
ANNUAL	117.8	113.9	96.7	123.9	106.5	105.2
Percent change from previous quarter at annual rate(5)						
1997 I	5.6	4.9	-0.7	1.3	-1.0	-4.1
II	1.5	1.8	0.3	0.9	0.0	-0.6
III	8.0	4.9	-2.8	3.3	1.6	-4.3
IV	-0.5	2.2	2.7	4.6	2.4	5.1
ANNUAL	3.9	4.0	0.0	2.5	0.4	-1.3
1998 I	3.4	0.2	-3.2	7.8	7.0	4.2
II	2.5	1.1	-1.4	6.0	4.8	3.4
III	2.1	-1.9	-4.0	4.7	3.1	2.5
IV	-1.6	-1.5	0.1	0.8	-1.0	2.5
ANNUAL	2.5	1.0	-1.4	5.0	3.6	2.5
1999 I	2.6	2.4	-0.2	4.4	2.7	1.7
II	0.1	1.6	1.5	0.6	-2.1	0.5
III	2.8	-0.6	-3.3	2.6	-0.3	-0.2
IV	10.5	7.3	-2.8	4.3	1.0	-5.5
ANNUAL	1.8	0.8	-0.9	2.9	0.8	1.1
Percent change from corresponding quarter of previous year						
1997 I	3.9	4.4	0.5	3.0	0.3	-0.8
II	3.7	4.1	0.3	2.2	0.1	-1.4
III	4.5	3.9	-0.6	2.4	0.4	-2.0
IV	3.6	3.5	-0.1	2.5	0.8	-1.0
ANNUAL	3.9	4.0	0.0	2.5	0.4	-1.3
1998 I	3.1	2.3	-0.8	4.1	2.7	1.0
II	3.3	2.1	-1.2	5.4	3.9	2.0
III	1.9	0.4	-1.5	5.8	4.3	3.8
IV	1.6	-0.5	-2.1	4.8	3.4	3.1
ANNUAL	2.5	1.0	-1.4	5.0	3.6	2.5
1999 I	1.4	0.0	-1.4	3.9	2.4	2.5
II	0.8	0.1	-0.7	2.6	0.6	1.8
III	0.9	0.5	-0.5	2.1	-0.2	1.1
IV	3.9	2.6	-1.2	2.9	0.3	-0.9
ANNUAL	1.8	0.8	-0.9	2.9	0.8	1.1

See footnotes following Table 6.

August 9, 2002
Source: Bureau of Labor Statistics

Appendix table 6. Nonfinancial corporations: Revised productivity, hourly compensation, unit labor costs, unit profits, and prices, seasonally adjusted

Year and quarter	Output per all-employee hour	Output	Employee hours	Hourly compensation (1)	Real hourly compensation (2)	Unit labor costs	Unit non-labor costs (6)	Total unit costs (7)	Unit profits (8)	Implicit price deflator (4)
Indexes 1992=100										
1997 I	107.6	123.8	115.1	109.6	97.9	101.9	100.6	101.6	154.8	106.1
II	107.7	125.7	116.7	109.5	97.7	101.7	101.5	101.7	155.4	106.2
III	108.9	128.2	117.7	110.3	97.9	101.3	101.0	101.2	160.5	106.2
IV	109.6	130.2	118.8	111.8	98.7	102.1	100.6	101.7	156.8	106.3
ANNUAL	108.4	127.0	117.1	110.3	98.1	101.8	100.9	101.5	156.9	106.2
1998 I	109.9	131.2	119.4	113.8	100.3	103.6	101.7	103.1	143.8	106.5
II	111.2	133.1	119.7	115.4	101.4	103.8	101.9	103.3	140.4	106.4
III	112.7	135.6	120.3	116.7	102.2	103.6	101.8	103.1	144.9	106.7
IV	113.2	137.3	121.3	117.8	102.7	104.1	103.3	103.9	137.7	106.7
ANNUAL	111.7	134.3	120.2	116.0	101.7	103.8	102.2	103.3	141.7	106.6
1999 I	114.3	139.3	121.9	120.2	104.3	105.1	101.6	104.2	137.1	106.9
II	114.5	140.4	122.7	120.4	103.8	105.2	102.6	104.5	135.5	107.1
III	114.6	141.6	123.5	121.2	103.7	105.7	104.6	105.4	127.8	107.3
IV	115.2	143.4	124.4	122.7	104.2	106.5	105.1	106.1	126.5	107.8
ANNUAL	114.7	141.2	123.1	121.1	104.1	105.6	103.5	105.1	131.7	107.3
Percent change from previous quarter at annual rate(5)										
1997 I	-3.2	3.0	6.4	-0.5	-2.8	2.7	1.9	2.5	0.6	2.3
II	0.4	6.0	5.6	-0.2	-1.0	-0.6	3.5	0.5	1.7	0.6
III	4.6	8.4	3.6	2.9	1.2	-1.7	-2.1	-1.8	13.7	0.0
IV	2.4	6.3	3.8	5.6	3.3	3.1	-1.5	1.8	-8.9	0.4
ANNUAL	0.9	5.9	5.0	1.3	-0.9	0.4	0.3	0.4	3.1	0.7
1998 I	1.2	3.2	2.0	7.4	6.5	6.1	4.5	5.7	-29.2	0.7
II	5.0	5.9	0.9	5.7	4.5	0.7	0.8	0.7	-9.2	-0.4
III	5.4	7.8	2.2	4.7	3.1	-0.7	-0.5	-0.6	13.5	0.9
IV	1.7	4.9	3.1	3.7	1.8	1.9	5.9	3.0	-18.4	0.3
ANNUAL	3.0	5.8	2.6	5.1	3.6	2.0	1.2	1.8	-9.7	0.3
1999 I	4.1	6.2	2.0	8.3	6.5	3.9	-6.3	1.1	-1.8	0.8
II	0.4	3.1	2.7	0.7	-2.1	0.2	4.1	1.2	-4.7	0.6
III	0.6	3.3	2.7	2.8	-0.1	2.1	7.9	3.7	-20.8	0.8
IV	2.2	5.2	3.0	5.2	1.9	3.0	1.9	2.7	-4.0	2.0
ANNUAL	2.6	5.1	2.4	4.4	2.3	1.8	1.3	1.7	-7.1	0.7
Percent change from corresponding quarter of previous year										
1997 I	1.1	5.9	4.7	1.7	-1.0	0.6	-0.6	0.3	2.8	0.6
II	0.3	5.5	5.2	0.6	-1.4	0.3	0.8	0.5	2.4	0.7
III	1.0	6.2	5.2	0.8	-1.2	-0.2	0.6	0.0	5.6	0.7
IV	1.0	5.9	4.8	1.9	0.1	0.8	0.4	0.7	1.4	0.8
ANNUAL	0.9	5.9	5.0	1.3	-0.9	0.4	0.3	0.4	3.1	0.7
1998 I	2.2	6.0	3.7	3.9	2.5	1.7	1.1	1.5	-7.1	0.4
II	3.3	5.9	2.6	5.4	3.9	2.0	0.4	1.6	-9.7	0.2
III	3.5	5.8	2.2	5.8	4.4	2.3	0.8	1.9	-9.7	0.4
IV	3.3	5.4	2.1	5.3	4.0	2.0	2.7	2.2	-12.1	0.4
ANNUAL	3.0	5.8	2.6	5.1	3.6	2.0	1.2	1.8	-9.7	0.3
1999 I	4.0	6.2	2.1	5.6	4.0	1.5	-0.1	1.0	-4.7	0.4
II	2.9	5.5	2.5	4.3	2.3	1.3	0.7	1.2	-3.5	0.6
III	1.7	4.4	2.6	3.8	1.5	2.1	2.8	2.2	-11.8	0.6
IV	1.8	4.5	2.6	4.2	1.5	2.3	1.8	2.2	-8.1	1.0
ANNUAL	2.6	5.1	2.4	4.4	2.3	1.8	1.3	1.7	-7.1	0.7

See footnotes following Table 6.

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Source: Bureau of Labor Statistics