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PRODUCTIVITY AND COSTS
Fourth Quarter and Annual Averages, 2000

The Bureau of Labor Statistics of the U.S. Department of Labor today reported revised fourth-quarter seasonally-adjusted annual rates of productivity change--as measured by output per hour of all persons--and revised annual changes for the full year 2000. Percent changes in business and nonfarm business productivity were:

	Fourth quarter	Annual averages 1999-2000
Business sector	3.1	4.2
Nonfarm business sector	2.2	4.3

In both sectors, fourth-quarter productivity increases reflected small gains in output combined with drops in hours of all persons. Fourth-quarter productivity and related measures are summarized in table A and appear in detail in tables 1 through 5; the preliminary and revised fourth-quarter and annual data appear in table C.

In the manufacturing sector, increases in productivity were:

	Fourth quarter	Annual averages 1999-2000
Manufacturing	5.3	7.1
Durable goods manufacturing	6.6	10.5
Nondurable goods manufacturing	3.8	3.2

Manufacturing productivity rose 5.3 percent (seasonally adjusted annual rate) in the fourth quarter. This increase was higher than originally reported, reflecting an upward revision to output per hour in durable goods--labor productivity was revised down in nondurable goods manufacturing. (Output and hours in manufacturing, which includes about 17 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.)

Table A. Productivity and costs: Revised fourth-quarter 2000 measures
(Seasonally adjusted annual rates)

Sector	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs
Percent change from preceding quarter						
Business	3.1	0.8	-2.2	7.5	4.5	4.3
Nonfarm business	2.2	0.8	-1.4	6.6	3.6	4.3
Manufacturing	5.3	-1.8	-6.7	8.4	5.4	3.0
Durable	6.6	-0.5	-6.7	9.4	6.4	2.6
Nondurable	3.8	-3.2	-6.7	6.8	3.8	2.9
Percent change from same quarter a year ago						
Business	3.5	3.7	0.1	6.0	2.5	2.3
Nonfarm business	3.4	3.7	0.3	5.7	2.3	2.3
Manufacturing	6.6	4.2	-2.3	6.2	2.7	-0.5
Durable	10.5	8.4	-1.9	5.9	2.4	-4.2
Nondurable	2.1	-0.8	-2.8	6.6	3.1	4.4

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 data 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.

THIRD-TO-FOURTH QUARTER 2000 CHANGES

Business

Business sector productivity rose 3.1 percent (seasonally adjusted annual rate) in the fourth quarter of 2000, as output increased 0.8 percent and hours of all persons engaged in the sector decreased 2.2 percent (table 1). The fourth-quarter decrease in hours was the largest since the first quarter of 1992, when hours fell 2.5 percent. During third-quarter 2000, productivity had increased 2.4 percent as output grew 2.3 percent and hours edged down by 0.1 percent.

Hourly compensation grew at a 7.5-percent annual rate in the fourth quarter, compared with a 5.7-percent rise in the third quarter. This measure includes wages and salaries, supplements, employer contributions to employee-benefit plans, and taxes. Real hourly compensation, which takes into account changes in consumer prices, rose 4.5 percent in the fourth quarter and 2.0 percent in the third quarter.

Unit labor costs, which reflect changes in both hourly compensation and productivity, increased 4.3 percent during the fourth quarter. The implicit price deflator for business output, which reflects changes in unit labor costs and unit nonlabor payments, increased 1.6 percent in the fourth quarter. This measure rose 1.2 percent during the third quarter.

Nonfarm business

In the nonfarm business sector, productivity rose at an annual rate of 2.2 percent in the fourth quarter of 2000, as output grew 0.8 percent and hours of all persons--employees, proprietors, and unpaid family workers--fell 1.4 percent (seasonally adjusted annual rates). During the third quarter, productivity had increased 3.0 percent, output had increased 2.3 percent, and hours had declined 0.7 percent (table 2).

Hourly compensation rose 6.6 percent in the fourth quarter. This was the largest increase in this measure since the first quarter of 1992, when hourly compensation increased 8.8 percent. When the increase in consumer prices was taken into account, real hourly compensation rose 3.6 percent in the fourth quarter of 2000.

Unit labor costs rose 4.3 percent in the fourth quarter and 3.2 percent in the third quarter. The implicit price deflator for nonfarm business rose 1.5 percent in the fourth quarter, as a 2.9 percent decline in unit nonlabor payments offset much of the rise in unit labor costs.

Manufacturing

Manufacturing productivity rose 5.3 percent (seasonally adjusted annual rate) in the fourth quarter of 2000, as output fell 1.8 percent and hours dropped by 6.7 percent (table 3). Productivity rose in both of the manufacturing subsectors. In durable goods, productivity increased 6.6 percent in the fourth quarter, reflecting declines of 0.5 percent in output and 6.7 percent in hours. In nondurable goods, productivity grew 3.8 percent in the fourth quarter, reflecting a 3.2-percent drop in output and a 6.7-percent decline in hours (tables 4 and 5).

Hourly compensation of all manufacturing workers rose 8.4 percent during the fourth quarter. This was the largest increase in hourly compensation in the sector since a 12.0-percent rise in the second quarter of 1982. Hourly compensation rose in both of the manufacturing subsectors in fourth-quarter 2000, rising 9.4 percent for durable goods manufacturers and 6.8 percent for nondurable goods manufacturers. When the increase in consumer prices was taken into account, real hourly compensation for all manufacturing workers rose 5.4 percent in the fourth quarter.

Unit labor costs in manufacturing rose 3.0 percent in the fourth quarter of 2000--2.6 percent in durable goods and 2.9 percent in nondurable goods. For durable goods manufacturers, this was the first increase in unit labor costs since the second quarter of 1995, when they rose 0.9 percent, and the largest increase in these costs since the third quarter of 1993, when they rose 5.7 percent.

ANNUAL AVERAGE CHANGES, 1999-2000

Business

In calendar year 2000, business sector productivity increased 4.2 percent, after having increased 2.8 percent in both 1998 and 1999 (table 1). Output grew 5.6 percent in 2000 and 4.8 percent in 1999. Hours of all persons in the business sector rose less in 2000, 1.3 percent, than in 1999, 2.0 percent.

 Table B. Productivity and costs: Revised 2000 annual averages
 (Seasonally adjusted annual rates)

Sector	Productivity	Output	Hours	Hourly compensation	Real	Unit labor costs
					hourly compensation	

Percent change from previous year						
Business	4.2	5.6	1.3	5.0	1.7	0.8
Nonfarm business	4.3	5.7	1.3	5.1	1.7	0.7
Manufacturing	7.1	6.0	-1.1	5.2	1.9	-1.8
Durable	10.5	10.0	-0.5	5.2	1.9	-4.8
Nondurable	3.2	1.2	-2.0	5.1	1.7	1.8

Hourly compensation increased 5.0 percent in 2000, after having increased 4.6 percent in 1999. Real hourly compensation increased 1.7 percent in 2000 and 2.4 percent in 1999. Calendar year 2000 was the fifth consecutive year of growth in this series, following three years of declining real hourly compensation (1993-95).

Unit labor costs increased 0.8 percent in 2000, less than the 1.8-percent increase in the previous year. The implicit price deflator rose 1.8 percent in 2000, compared with a 1.1-percent increase in 1999.

Nonfarm business

Productivity increased 4.3 percent in the nonfarm business sector during 2000, more than in any year since 1983, when output per hour increased 4.5 percent. Productivity rose rapidly in 2000 because output grew 5.7 percent while hours of all persons rose just 1.3 percent. In 1999, productivity rose 2.6 percent as output grew 4.8 percent and hours of all persons rose 2.2 percent.

Hourly compensation grew 5.1 percent in 2000, compared with a 4.4-percent increase in 1999. The increase in real hourly compensation in 2000, 1.7 percent, was smaller than during the previous year, when it had increased 2.3 percent.

Unit labor costs in the nonfarm business sector rose 0.7 percent in 2000, less than the 1.8-percent increase posted in 1999. The implicit price deflator, which reflects nonlabor payments as well as labor costs, rose 1.8 percent in 2000, following a 1.3-percent rise in 1999.

Manufacturing

Manufacturing productivity grew 7.1 percent in 2000, continuing a trend of annual increases that began in 1980. Output in the manufacturing sector increased 6.0 percent in 2000, and hours of all persons fell 1.1 percent. The 2000 increase in output per hour was the largest recorded over the 51-year history of the measure. In 2000, labor productivity increased 10.5 percent in durable goods manufacturing (also the largest in the history of this measure), reflecting a 10.0-percent output increase and a decline of 0.5 percent in hours. In nondurable goods manufacturing, productivity rose 3.2 percent in 2000, as output grew 1.2 percent and hours of all persons declined 2.0 percent (tables B, 3, 4, and 5).

Hourly compensation of manufacturing workers increased 5.2 percent in 2000, faster than the 4.0 percent increase a year earlier. Real hourly compensation rose 1.9 percent in both 1999 and 2000. In 2000, hourly compensation increases in the two subsectors were similar to the manufacturing total, 5.2 percent in durable goods and 5.1 percent in nondurable goods.

Unit labor costs fell 1.8 percent in the manufacturing sector, the seventh consecutive decline. This trend of declining unit labor costs was due almost entirely to decreases in durable goods manufacturing, where these costs have fallen for nine consecutive years. In 2000, unit labor costs in durable goods industries fell 4.8 percent. In contrast, unit labor costs rose 1.8 percent in nondurable goods industries.

REVISED MEASURES

Productivity and cost data for the fourth-quarter and full-year 2000 for business, nonfarm business, and manufacturing were revised to incorporate the most recent information (table C). In the business and nonfarm business sectors, productivity, output, and hours measures for the fourth quarter are lower--and increases in unit labor costs are higher--than those reported on Feb. 7, based on information available at that time. Fourth-quarter measures of manufacturing productivity were revised up from those reported on Feb. 7, reflecting a smaller decline in output and a greater decrease in hours than originally reported. Unit labor costs in manufacturing show a smaller increase than originally reported. Annual measures of productivity and costs are similar to those reported on Feb. 7. Measures of real hourly compensation in the business, nonfarm business, and manufacturing sectors for 2000 were revised to incorporate the annual recalculation of seasonal factors for the Consumer Price Index.

Table C. Previous and revised productivity and related measures:
Fourth-quarter and annual averages 2000
(Seasonally adjusted annual rates)

Sector	Produc- tivity	Output	Hours	Hourly compen- sation	Real hourly compen- sation	Unit labor costs

Percent change, third to fourth quarter 2000						
Business:						
Previous	3.2	1.2	-2.0	7.5	4.6	4.1
Current	3.1	0.8	-2.2	7.5	4.5	4.3
Nonfarm business:						
Previous	2.4	1.2	-1.1	6.6	3.8	4.1
Current	2.2	0.8	-1.4	6.6	3.6	4.3
Manufacturing:						
Previous	4.8	-2.1	-6.6	8.6	5.7	3.6
Current	5.3	-1.8	-6.7	8.4	5.4	3.0

Percent change, 1999 - 2000						
Business:						
Previous	4.3	5.7	1.4	5.0	1.6	0.7
Current	4.2	5.6	1.3	5.0	1.7	0.8
Nonfarm business:						
Previous	4.3	5.7	1.3	5.1	1.7	0.7
Current	4.3	5.7	1.3	5.1	1.7	0.7
Manufacturing:						
Previous	7.1	5.9	-1.1	5.2	1.8	-1.7
Current	7.1	6.0	-1.1	5.2	1.9	-1.8

NEXT RELEASE DATE

The next release of Productivity and Costs is scheduled for 8:30 AM EDT, Tuesday, May 8, 2001, and will present preliminary first-quarter measures for business, nonfarm business, and manufacturing. Fourth-quarter and annual data for nonfinancial corporations will be released at that time.

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. Average weekly paid hours of nonproduction and supervisory workers are estimated by the Office of Productivity and Technology. 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 constructed by excluding from GDP the following outputs: 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									
1998	I	110.0	126.8	115.3	117.4	103.2	106.7	116.3	110.3
	II	110.3	127.7	115.8	118.9	104.1	107.8	115.1	110.5
	III	110.8	128.9	116.3	120.3	105.0	108.6	114.5	110.7
	IV	111.8	131.0	117.2	121.6	105.7	108.8	114.6	110.9
	ANNUAL	110.8	128.6	116.1	119.6	104.6	108.0	115.1	110.6
1999	I	112.5	132.3	117.5	123.0	106.4	109.3	115.1	111.4
	II	112.7	133.1	118.1	124.3	106.8	110.4	114.2	111.8
	III	114.0	135.3	118.7	125.9	107.4	110.5	114.4	111.9
	IV	116.1	138.5	119.3	127.1	107.6	109.5	116.9	112.2
	ANNUAL	113.8	134.8	118.4	125.1	107.1	109.9	115.1	111.8
2000	I	116.6	140.3	120.3	128.2	107.5	110.0	118.2	113.0
	II	118.6	142.4	120.1	130.4	r108.6	110.0	120.0	113.7
	III	119.3	143.3	120.1	132.2	109.1	110.8	119.5	114.0
	IV	120.2	r143.5	r119.4	134.6	110.3	112.0	r118.7	114.5
	ANNUAL	r118.6	142.4	120.0	131.4	r109.0	110.7	r119.1	113.8
Percent change from previous quarter at annual rate(5)									
1998	I	4.8	7.9	2.9	6.4	5.7	1.5	-1.5	0.3
	II	1.1	2.9	1.8	5.1	3.5	3.9	-4.2	0.7
	III	1.9	3.7	1.8	4.9	3.4	2.9	-1.9	1.1
	IV	3.5	6.8	3.2	4.3	2.7	0.8	0.3	0.6
	ANNUAL	2.8	5.0	2.2	5.3	3.9	2.5	-1.7	0.8
1999	I	2.7	3.8	1.1	4.5	2.9	1.8	2.0	1.9
	II	0.5	2.6	2.1	4.5	1.3	4.0	-3.4	1.2
	III	4.7	6.6	1.9	5.1	2.4	0.4	0.8	0.5
	IV	7.6	9.9	2.1	3.8	0.9	-3.6	9.0	1.0
	ANNUAL	2.8	4.8	2.0	4.6	2.4	1.8	0.0	1.1
2000	I	1.7	5.3	3.5	3.7	r-0.4	1.9	4.8	3.0
	II	7.0	6.3	-0.7	7.1	r4.0	0.0	6.1	2.4
	III	2.4	2.3	-0.1	5.7	r2.0	3.1	-1.7	1.2
	IV	r3.1	r0.8	r-2.2	7.5	r4.5	r4.3	r-2.7	r1.6
	ANNUAL	r4.2	r5.6	r1.3	5.0	r1.7	r0.8	r3.4	1.8
Percent change from corresponding quarter of previous year									
1998	I	3.4	5.8	2.3	4.7	3.3	1.2	0.9	1.1
	II	2.7	4.7	2.0	5.7	4.1	2.9	-2.5	0.8
	III	2.2	4.4	2.2	5.8	4.3	3.5	-3.3	0.8
	IV	2.8	5.3	2.4	5.2	3.8	2.3	-1.8	0.7
	ANNUAL	2.8	5.0	2.2	5.3	3.9	2.5	-1.7	0.8
1999	I	2.3	4.3	2.0	4.7	3.1	2.4	-1.0	1.1
	II	2.1	4.2	2.0	4.6	2.6	2.4	-0.8	1.2
	III	2.8	4.9	2.1	4.6	2.3	1.8	-0.1	1.0
	IV	3.8	5.7	1.8	4.5	1.9	0.6	2.0	1.1
	ANNUAL	2.8	4.8	2.0	4.6	2.4	1.8	0.0	1.1
2000	I	3.6	6.1	2.4	4.3	1.0	0.6	2.7	1.4
	II	5.2	7.0	1.7	4.9	r1.7	-0.3	5.1	1.7
	III	4.7	5.9	1.2	5.0	1.6	0.3	4.5	1.9
	IV	r3.5	r3.7	r0.1	6.0	2.5	2.3	r1.6	r2.0
	ANNUAL	r4.2	r5.6	r1.3	5.0	r1.7	r0.8	r3.4	1.8

See footnotes following Table 6.
r=revised

March 6, 2001
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								
1998	I	109.6	127.1	115.9	116.8	102.6	106.5	117.4
	II	110.1	128.1	116.4	118.3	103.6	107.5	116.2
	III	110.5	129.2	116.9	119.8	104.5	108.4	115.7
	IV	111.4	131.4	118.0	120.9	105.1	108.6	115.8
	ANNUAL	110.4	129.0	116.8	119.0	104.0	107.7	116.3
1999	I	111.9	132.6	118.4	122.1	105.6	109.0	116.7
	II	112.0	133.4	119.1	123.4	106.0	110.2	115.8
	III	113.4	135.6	119.6	125.0	106.6	110.2	116.1
	IV	115.6	138.9	120.2	126.3	107.0	109.3	118.6
	ANNUAL	113.2	135.1	119.3	124.2	106.4	109.7	116.8
2000	I	116.2	140.7	121.1	127.6	107.0	109.8	120.1
	II	118.0	142.9	121.1	129.4	r107.8	109.7	121.8
	III	118.8	143.7	120.9	131.4	r108.5	110.6	121.4
	IV	119.5	r144.0	r120.5	133.5	109.4	r111.8	r120.6
	ANNUAL	118.1	142.8	120.9	130.5	108.2	110.5	121.0
Percent change from previous quarter at annual rate(5)								
1998	I	4.7	8.2	3.3	6.3	5.5	1.6	-1.4
	II	1.6	3.1	1.5	5.3	3.7	3.6	-3.8
	III	1.6	3.7	2.0	4.9	3.4	3.3	-1.8
	IV	3.2	6.8	3.5	4.0	2.4	0.7	0.2
	ANNUAL	2.7	5.1	2.4	5.2	3.8	2.5	-1.4
1999	I	2.0	3.6	1.6	3.8	2.1	1.8	3.0
	II	0.2	2.4	2.2	4.5	1.3	4.3	-3.0
	III	5.0	7.0	1.9	5.2	2.6	0.2	1.3
	IV	8.0	10.0	1.8	4.2	1.3	-3.5	8.9
	ANNUAL	2.6	4.8	2.2	4.4	2.3	1.8	0.5
2000	I	2.1	5.2	3.0	4.1	r0.0	1.9	5.1
	II	6.3	6.5	0.2	6.0	r2.9	-0.2	5.7
	III	3.0	2.3	-0.7	6.2	r2.6	3.2	-1.2
	IV	r2.2	r0.8	r-1.4	6.6	r3.6	r4.3	r-2.9
	ANNUAL	4.3	5.7	1.3	5.1	1.7	0.7	3.6
Percent change from corresponding quarter of previous year								
1998	I	3.2	5.8	2.5	4.5	3.1	1.2	1.3
	II	2.6	4.8	2.1	5.5	4.0	2.8	-2.1
	III	2.2	4.6	2.3	5.7	4.2	3.5	-3.1
	IV	2.8	5.4	2.6	5.1	3.8	2.3	-1.7
	ANNUAL	2.7	5.1	2.4	5.2	3.8	2.5	-1.4
1999	I	2.1	4.3	2.1	4.5	2.9	2.4	-0.6
	II	1.7	4.1	2.3	4.3	2.3	2.5	-0.4
	III	2.6	4.9	2.3	4.4	2.1	1.7	0.3
	IV	3.8	5.7	1.9	4.4	1.8	0.6	2.5
	ANNUAL	2.6	4.8	2.2	4.4	2.3	1.8	0.5
2000	I	3.8	6.1	2.2	4.5	1.3	0.7	3.0
	II	5.3	7.2	1.7	4.9	r1.7	-0.4	5.2
	III	4.8	6.0	1.1	5.1	r1.7	0.3	4.6
	IV	3.4	r3.7	0.3	5.7	2.3	r2.3	r1.6
	ANNUAL	4.3	5.7	1.3	5.1	1.7	0.7	3.6

See footnotes following Table 6.
r=revised

March 6, 2001
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							
1998	I	121.7	128.8	105.8	115.4	101.4	94.9
	II	123.2	129.9	105.5	116.8	102.2	94.8
	III	125.7	131.3	104.5	118.0	103.0	93.9
	IV	126.8	133.0	104.8	119.0	103.4	93.9
	ANNUAL	124.3	130.7	105.2	117.3	102.6	94.4
1999	I	128.9	134.3	104.2	119.9	103.7	93.0
	II	130.2	136.1	104.5	121.2	104.1	93.1
	III	131.9	138.1	104.7	122.8	104.7	93.1
	IV	135.0	140.4	104.0	124.1	105.2	91.9
	ANNUAL	131.5	137.2	104.3	122.0	104.5	92.8
2000	I	137.7	142.8	103.7	125.7	105.4	91.2
	II	139.8	145.6	104.1	127.0	r105.7	90.8
	III	142.1	146.9	103.4	129.1	r106.6	90.9
	IV	r144.0	r146.3	101.6	131.8	108.0	r91.5
	ANNUAL	140.9	r145.4	103.2	128.4	r106.5	91.1
----- Percent change from previous quarter at annual rate(5)							
1998	I	6.3	6.0	-0.3	7.2	6.4	0.8
	II	5.2	3.6	-1.5	4.9	3.3	-0.3
	III	8.3	4.5	-3.5	4.4	2.9	-3.6
	IV	3.8	5.0	1.2	3.4	1.8	-0.3
	ANNUAL	6.2	5.9	-0.3	5.3	3.9	-0.8
1999	I	6.8	4.1	-2.5	2.8	1.2	-3.7
	II	4.2	5.4	1.1	4.6	1.3	0.4
	III	5.2	6.0	0.7	5.3	2.6	0.1
	IV	9.7	6.8	-2.7	4.5	1.6	-4.8
	ANNUAL	5.8	4.9	-0.8	4.0	1.9	-1.7
2000	I	8.3	7.1	-1.1	5.0	r0.9	-3.0
	II	6.3	8.0	1.6	4.3	r1.3	-1.9
	III	6.7	3.8	-2.8	6.9	r3.3	0.2
	IV	r5.3	r-1.8	r-6.7	r8.4	r5.4	r3.0
	ANNUAL	7.1	r6.0	-1.1	5.2	r1.9	r-1.8
----- Percent change from corresponding quarter of previous year							
1998	I	6.0	6.8	0.7	4.6	3.2	-1.3
	II	6.6	6.4	-0.2	5.8	4.2	-0.8
	III	6.3	5.5	-0.7	5.9	4.4	-0.4
	IV	5.9	4.8	-1.0	5.0	3.6	-0.8
	ANNUAL	6.2	5.9	-0.3	5.3	3.9	-0.8
1999	I	6.0	4.3	-1.6	3.9	2.3	-2.0
	II	5.7	4.7	-0.9	3.8	1.8	-1.8
	III	5.0	5.1	0.1	4.0	1.7	-0.9
	IV	6.5	5.6	-0.8	4.3	1.7	-2.0
	ANNUAL	5.8	4.9	-0.8	4.0	1.9	-1.7
2000	I	6.8	6.3	-0.5	4.8	1.6	-1.9
	II	7.4	7.0	-0.4	4.8	r1.6	-2.4
	III	7.7	6.4	-1.2	5.2	r1.8	-2.4
	IV	r6.6	r4.2	-2.3	6.2	2.7	r-0.5
	ANNUAL	7.1	r6.0	-1.1	5.2	r1.9	r-1.8

See footnotes following Table 6.
r=revised

March 6, 2001
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							
1998	I	130.2	145.0	111.4	112.8	99.1	86.6
	II	132.4	147.1	111.0	113.9	99.7	86.0
	III	136.6	150.5	110.2	115.1	100.4	84.2
	IV	139.3	154.3	110.8	116.3	101.1	83.5
	ANNUAL	134.6	149.2	110.8	114.5	100.1	85.0
1999	I	142.9	156.6	109.6	117.5	101.7	82.2
	II	145.6	159.8	109.8	119.2	102.4	81.9
	III	148.0	163.8	110.7	120.9	103.1	81.7
	IV	151.8	167.0	109.9	122.5	103.8	80.7
	ANNUAL	147.1	161.8	110.0	120.0	102.8	81.6
2000	I	156.9	172.0	109.7	123.8	103.8	78.9
	II	160.7	177.7	110.5	124.9	r104.0	77.7
	III	165.2	181.2	109.7	126.9	104.7	76.8
	IV	r167.8	r180.9	107.8	129.8	r106.3	r77.3
	ANNUAL	r162.6	r177.9	109.4	126.3	r104.8	r77.7
----- Percent change from previous quarter at annual rate(5)							
1998	I	8.7	10.2	1.3	6.5	5.7	-2.0
	II	7.0	5.8	-1.1	4.1	2.5	-2.7
	III	13.3	9.7	-3.1	4.1	2.6	-8.1
	IV	7.9	10.2	2.1	4.4	2.8	-3.3
	ANNUAL	9.0	9.6	0.5	5.2	3.8	-3.5
1999	I	10.8	6.1	-4.3	4.1	2.5	-6.1
	II	7.9	8.6	0.7	6.0	2.7	-1.8
	III	6.8	10.4	3.4	5.7	3.1	-1.0
	IV	10.7	7.9	-2.6	5.6	2.7	-4.6
	ANNUAL	9.3	8.4	-0.8	4.8	2.7	-4.1
2000	I	13.9	12.7	-1.1	4.2	r0.1	-8.6
	II	10.2	13.7	3.2	3.7	r0.7	-5.9
	III	11.5	8.1	-3.0	6.3	r2.7	-4.6
	IV	r6.6	r-0.5	r-6.7	r9.4	r6.4	r2.6
	ANNUAL	r10.5	r10.0	-0.5	r5.2	r1.9	r-4.8
----- Percent change from corresponding quarter of previous year							
1998	I	8.5	10.4	1.7	4.6	3.2	-3.6
	II	9.0	9.7	0.6	5.7	4.1	-3.1
	III	9.4	9.3	-0.1	5.7	4.2	-3.4
	IV	9.2	9.0	-0.2	4.8	3.4	-4.0
	ANNUAL	9.0	9.6	0.5	5.2	3.8	-3.5
1999	I	9.7	7.9	-1.6	4.2	2.6	-5.1
	II	10.0	8.7	-1.2	4.7	2.7	-4.8
	III	8.3	8.8	0.4	5.1	2.8	-3.0
	IV	9.0	8.2	-0.7	5.4	2.7	-3.4
	ANNUAL	9.3	8.4	-0.8	4.8	2.7	-4.1
2000	I	9.8	9.9	0.1	5.4	2.1	-4.0
	II	10.4	11.2	0.7	4.8	r1.6	-5.0
	III	11.6	10.6	-0.9	5.0	1.5	-5.9
	IV	r10.5	r8.4	-1.9	5.9	2.4	r-4.2
	ANNUAL	r10.5	r10.0	-0.5	r5.2	r1.9	r-4.8

See footnotes following Table 6.
r=revised

March 6, 2001
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							
1998	I	115.4	113.7	98.5	118.6	104.2	102.7
	II	116.2	113.9	98.0	120.3	105.3	103.5
	III	117.0	113.5	97.0	121.8	106.2	104.1
	IV	116.7	113.2	96.9	122.2	106.2	104.7
	ANNUAL	116.3	113.6	97.6	120.7	105.6	103.8
1999	I	117.2	113.7	97.0	122.5	106.0	104.5
	II	117.2	114.2	97.4	123.2	105.8	105.1
	III	118.4	114.4	96.7	124.4	106.2	105.1
	IV	120.9	116.0	96.0	125.2	106.1	103.6
	ANNUAL	118.4	114.6	96.8	123.8	106.1	104.6
2000	I	121.4	116.2	95.7	127.2	106.7	104.8
	II	122.0	116.5	95.5	128.8	r107.2	105.6
	III	122.2	116.1	94.9	131.3	108.3	107.4
	IV	r123.4	r115.1	93.3	133.4	109.3	r108.1
	ANNUAL	r122.2	r116.0	94.9	130.1	107.9	r106.5
----- Percent change from previous quarter at annual rate(5)							
1998	I	3.5	0.8	-2.6	8.1	7.4	4.5
	II	2.8	0.9	-1.9	6.1	4.5	3.2
	III	2.5	-1.6	-4.1	4.8	3.3	2.2
	IV	-0.9	-1.0	-0.2	1.6	0.0	2.4
	ANNUAL	3.0	1.5	-1.5	5.3	3.9	2.3
1999	I	1.7	2.0	0.3	0.9	-0.7	-0.8
	II	-0.1	1.7	1.8	2.3	-0.9	2.4
	III	4.1	0.8	-3.2	4.0	1.4	-0.1
	IV	8.6	5.6	-2.8	2.5	-0.3	-5.6
	ANNUAL	1.8	0.9	-0.8	2.6	0.5	0.8
2000	I	1.6	0.5	-1.1	6.5	r2.3	4.8
	II	2.0	1.2	-0.8	5.0	r1.9	3.0
	III	0.9	-1.5	-2.4	8.0	r4.3	7.0
	IV	r3.8	r-3.2	r-6.7	6.8	r3.8	r2.9
	ANNUAL	r3.2	r1.2	-2.0	5.1	1.7	r1.8
----- Percent change from corresponding quarter of previous year							
1998	I	3.5	2.7	-0.7	4.3	2.9	0.8
	II	3.9	2.5	-1.4	5.8	4.2	1.8
	III	2.5	0.9	-1.6	6.0	4.6	3.4
	IV	2.0	-0.3	-2.2	5.1	3.8	3.1
	ANNUAL	3.0	1.5	-1.5	5.3	3.9	2.3
1999	I	1.6	0.1	-1.5	3.3	1.8	1.8
	II	0.8	0.3	-0.6	2.4	0.4	1.6
	III	1.2	0.9	-0.3	2.2	0.0	1.0
	IV	3.6	2.5	-1.0	2.4	-0.1	-1.1
	ANNUAL	1.8	0.9	-0.8	2.6	0.5	0.8
2000	I	3.5	2.1	-1.3	3.8	0.6	0.3
	II	4.1	2.0	-2.0	4.5	r1.3	0.4
	III	3.2	1.4	-1.8	5.5	2.0	2.2
	IV	r2.1	r-0.8	-2.8	6.6	3.1	r4.4
	ANNUAL	r3.2	r1.2	-2.0	5.1	1.7	r1.8

See footnotes following Table 6.
r=revised

March 6, 2001
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											
1998	I	110.6	132.1	119.4	113.7	99.9	102.8	100.7	102.3	150.8	106.4
	II	111.7	133.8	119.7	115.2	100.9	103.1	101.2	102.6	147.7	106.4
	III	113.1	136.0	120.3	116.7	101.8	103.2	100.7	102.5	152.0	106.7
	IV	113.7	137.8	121.2	117.8	102.4	103.6	102.1	103.2	145.3	106.8
	ANNUAL	112.3	134.9	120.2	115.9	101.3	103.2	101.2	102.6	148.9	106.6
1999	I	114.6	139.6	121.9	119.0	103.0	103.9	101.3	103.2	150.6	107.2
	II	115.3	141.4	122.6	120.3	103.3	104.3	102.2	103.7	148.6	107.5
	III	116.6	143.8	123.3	121.8	103.9	104.5	102.9	104.0	144.4	107.5
	IV	118.3	146.9	124.2	123.0	104.2	104.0	103.4	103.9	147.0	107.5
	ANNUAL	116.2	142.9	123.0	121.1	103.7	104.2	102.5	103.7	147.6	107.4
2000	I	119.2	149.1	125.1	123.9	103.9	104.0	104.2	104.0	152.2	108.1
	II	120.8	151.4	125.3	125.8	r104.8	104.2	104.9	104.3	156.3	108.8
	III	122.1	153.0	125.3	127.7	r105.4	104.5	105.5	104.8	153.0	108.9
Percent change from previous quarter at annual rate(5)											
1998	I	3.5	5.9	2.3	6.5	5.8	2.9	0.5	2.3	-14.5	0.1
	II	4.2	5.3	1.0	5.5	4.0	1.3	1.9	1.4	-8.0	0.3
	III	4.8	6.9	2.0	5.1	3.5	0.2	-2.1	-0.4	12.4	1.1
	IV	2.4	5.4	2.9	3.9	2.3	1.5	5.9	2.7	-16.6	0.2
	ANNUAL	3.5	6.3	2.6	5.0	3.6	1.4	0.3	1.1	-5.1	0.3
1999	I	3.0	5.4	2.3	4.3	2.6	1.2	-3.2	0.0	15.6	1.7
	II	2.7	5.1	2.4	4.4	1.1	1.6	3.4	2.1	-5.3	1.2
	III	4.4	6.9	2.4	5.0	2.4	0.6	2.9	1.2	-10.8	-0.3
	IV	5.8	8.8	2.8	4.1	1.2	-1.7	2.1	-0.7	7.3	0.2
	ANNUAL	3.5	5.9	2.3	4.5	2.3	1.0	1.3	1.0	-0.9	0.8
2000	I	3.1	6.2	3.0	2.9	r-1.1	-0.2	3.0	0.7	14.9	2.3
	II	5.6	6.4	0.7	6.3	r3.2	0.7	2.6	1.2	11.4	2.4
	III	4.4	4.4	0.0	6.0	r2.4	1.5	2.6	1.8	-8.3	0.5
Percent change from corresponding quarter of previous year											
1998	I	2.8	6.6	3.7	3.7	2.3	0.9	0.1	0.7	-2.6	0.3
	II	3.9	6.5	2.5	5.3	3.8	1.4	-0.3	0.9	-5.0	0.2
	III	3.8	6.1	2.2	5.8	4.3	1.9	-0.3	1.3	-5.3	0.5
	IV	3.7	5.9	2.1	5.3	3.9	1.5	1.5	1.5	-7.3	0.4
	ANNUAL	3.5	6.3	2.6	5.0	3.6	1.4	0.3	1.1	-5.1	0.3
1999	I	3.6	5.7	2.0	4.7	3.1	1.0	0.6	0.9	-0.1	0.8
	II	3.2	5.7	2.4	4.4	2.4	1.1	0.9	1.1	0.6	1.0
	III	3.1	5.7	2.5	4.4	2.1	1.2	2.2	1.5	-5.0	0.7
	IV	4.0	6.5	2.5	4.4	1.8	0.4	1.3	0.7	1.2	0.7
	ANNUAL	3.5	5.9	2.3	4.5	2.3	1.0	1.3	1.0	-0.9	0.8
2000	I	4.0	6.8	2.6	4.1	0.9	0.1	2.8	0.8	1.0	0.8
	II	4.7	7.1	2.2	4.6	r1.4	-0.2	2.6	0.6	5.2	1.1
	III	4.7	6.4	1.6	4.8	r1.4	0.1	2.6	0.7	5.9	1.3

See footnotes following Table 6.
r=revised

March 6, 2001
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 -1.7 and +2.2 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 third quarter of 2000.

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 1978-1999 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.