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PRODUCTIVITY AND COSTS
First Quarter 2001

The Bureau of Labor Statistics of the U.S. Department of Labor today reported preliminary productivity data--as measured by output per hour of all persons--for the first quarter of 2001. The seasonally adjusted annual rates of productivity change in the first quarter were:

-0.4 percent in the business sector and
-0.1 percent in the nonfarm business sector.

Although productivity fell slightly in the business and nonfarm business sectors, both output and hours registered increases. In the business sector, output rose 1.8 percent and hours of all persons increased 2.2 percent. Output in nonfarm business rose 1.9 percent, and hours grew 2.0 percent. First-quarter measures are summarized in table A and appear in detail in tables 1 through 5.

In manufacturing, productivity changes in the first quarter were:

0.3 percent in manufacturing,
-0.1 percent in durable goods manufacturing, and
0.6 percent in nondurable goods manufacturing.

Productivity growth in manufacturing in the first quarter of 2001 reflected a decline of 5.7 percent in output and a drop of 6.0 percent in the hours of all persons. 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.

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.

Table A. Productivity and costs: Preliminary first-quarter 2001 measures
(Seasonally adjusted annual rates)

Sector	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs
Percent change from preceding quarter						
Business	-0.4	1.8	2.2	5.2	1.0	5.6
Nonfarm business	-0.1	1.9	2.0	5.2	1.0	5.2
Manufacturing	0.3	-5.7	-6.0	4.7	0.6	4.4
Durable	-0.1	-7.4	-7.3	4.0	-0.1	4.1
Nondurable	0.6	-3.3	-3.9	6.3	2.1	5.7
Percent change from same quarter a year ago						
Business	3.0	2.8	-0.2	6.4	2.9	3.3
Nonfarm business	2.8	2.8	0.1	6.0	2.5	3.1
Manufacturing	4.7	1.0	-3.5	6.1	2.6	1.4
Durable	7.0	3.2	-3.5	5.9	2.4	-1.0
Nondurable	1.8	-1.7	-3.5	6.5	3.0	4.6

Business

Productivity in the business sector declined at a 0.4 percent annual rate from the fourth quarter of 2000 to the first quarter of 2001, as output increased 1.8 percent and hours of all persons engaged in the sector rose 2.2 percent (seasonally adjusted annual rates). Productivity last declined in the business sector during the first quarter of 1995, when it fell 1.3 percent. Revised data for the fourth quarter of 2000 show that output per hour increased 2.9 percent, as output increased 0.7 percent and hours of all persons fell 2.1 percent (table 1).

Hourly compensation increased 5.2 percent during the first quarter of 2001. This measure includes wages and salaries, supplements, employer contributions to employee benefit plans, and taxes. Unit labor costs, which reflect changes in hourly compensation and productivity, increased at a 5.6 percent rate during first-quarter 2001 and at a 4.5 percent rate in fourth-quarter 2000.

Real hourly compensation, which takes into account changes in consumer prices, rose at a 1.0 percent annual rate in first-quarter 2001, following a 4.4 percent increase during fourth-quarter 2000.

The implicit price deflator for the business sector, which reflects changes in both unit labor costs and unit nonlabor payments, rose at a 2.7 percent annual rate in the first quarter.

Nonfarm business

Productivity declined 0.1 percent in the nonfarm business sector in the first quarter, as output increased 1.9 percent and hours of all persons rose 2.0 percent. During the fourth quarter of 2000, productivity had increased 2.0 percent in this sector, as output rose 0.8 percent and hours fell 1.3 percent (table 2).

Hourly compensation increased at a 5.2 percent annual rate in the first quarter of 2001. When the rise in consumer prices was taken into account, real hourly compensation rose 1.0 percent in the first quarter; it had increased 3.6 percent in the fourth quarter of 2000.

Unit labor costs rose 5.2 percent in the first quarter, after rising 4.5 percent in the fourth quarter of 2000. The first-quarter increase was the largest since the fourth quarter of 1997, when it rose 5.5 percent. The implicit price deflator for nonfarm business output rose 2.5 percent in the first quarter, compared with a 1.6 percent rise one quarter earlier.

Manufacturing

Productivity increased at a 0.3 percent seasonally adjusted annual rate in manufacturing in the first quarter of 2001, as output decreased 5.7 percent and hours of all persons declined 6.0 percent. Although output and hours also had fallen in the fourth quarter--by 1.5 and 6.6 percent, respectively--productivity grew more rapidly, by 5.5 percent. In the first quarter of 2001, productivity fell 0.1 percent in durable goods manufacturing, where output dropped 7.4 percent and hours fell 7.3 percent. Nondurable goods manufacturing productivity rose 0.6 percent, reflecting a 3.3 percent decline in output and a 3.9 percent drop in hours of all persons.

Hourly compensation of all manufacturing workers rose 4.7 percent during the first quarter, and real hourly compensation increased 0.6 percent. The hourly compensation of workers in durable goods manufacturing rose 4.0 percent, while that of employees in nondurable goods manufacturing grew 6.3 percent.

Unit labor costs in manufacturing rose 4.4 percent in the first quarter of 2001, as unit labor costs of durable goods producers rose 4.1 percent and those of nondurable goods producers increased at a 5.7 percent annual rate. The increase for total manufacturing was the largest since a 7.2 percent increase in the first quarter of 1991.

Fourth-quarter and annual measures for nonfinancial corporations

Fourth-quarter and annual 2000 measures of productivity and costs also were announced today for the nonfinancial corporate sector (tables B, C, and 6). Output per all-employee hour rose 0.3 percent from the third to the fourth quarter of 2000, as output fell 0.7 percent and employee hours fell further, 1.0 percent. This was the smallest increase in labor productivity since the second quarter of 1997, when it rose 0.1 percent. The sector includes all corporations doing business in the United States, except those classified as depository institutions, nondepository institutions, security and commodity brokers, insurance carriers, regulated investment offices, small business investment offices, and real estate investment trusts.

Table B. Nonfinancial corporations: Fourth-quarter 2000 productivity and cost measures
(Seasonally adjusted annual rates)

Period	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs	Unit profits	Implicit price deflator
Percent change from preceding quarter								
2000 IV	0.3	-0.7	-1.0	7.4	4.3	7.1	-38.5	1.2
Percent change from same quarter a year ago								
2000 IV	3.3	4.0	0.7	5.6	2.2	2.2	-7.8	1.6

Hourly compensation increased 7.4 percent in the fourth quarter, and real hourly compensation rose 4.3 percent. Unit labor costs grew 7.1 percent in the fourth quarter of 2000. This was the largest increase since a 7.9 percent rise occurred in the first quarter of 1982. In the fourth quarter, unit profits declined 38.5 percent--they have fallen in 8 of the last 13 quarters. The implicit price deflator for nonfinancial corporate output rose 1.2 percent during the fourth quarter of 2000, somewhat faster than the 0.5 percent increase observed in the third quarter.

Productivity grew 4.2 percent in 2000 for nonfinancial corporations, the fastest increase since 1971, when it rose by the same amount (table C). Nonfinancial corporate output grew 6.1 percent in 2000, slightly faster than the 5.9 percent increase of the previous year. Employee hours increased 1.8 percent in 2000 and 2.3 percent in 1999.

Table C. Nonfinancial corporations: Annual changes in productivity and related measures, 1991-2000

Measure	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Productivity	2.3	2.4	0.7	2.4	1.0	3.2	0.9	3.5	3.5	4.2
Output	-0.8	2.6	3.0	6.4	4.2	5.0	5.9	6.3	5.9	6.1
Hours	-3.1	0.2	2.3	3.9	3.1	1.8	5.0	2.6	2.3	1.8
Hourly compensation	4.9	5.0	2.0	2.1	1.9	2.6	1.3	5.0	4.5	4.8
Real hourly compensation	1.2	2.3	-0.5	-0.1	-0.6	-0.1	-0.9	3.6	2.3	1.4
Unit labor costs	2.5	2.5	1.3	-0.3	0.8	-0.5	0.4	1.4	1.0	0.6
Unit nonlabor costs	4.1	-2.0	0.2	1.0	0.9	-1.5	0.3	0.3	1.3	3.1
Total unit cost	2.9	1.3	1.0	0.1	0.8	-0.8	0.4	1.1	1.0	1.2
Unit profits	-1.4	7.6	13.2	16.3	5.5	9.5	3.1	-5.1	-0.9	1.1
Implicit price deflator	2.6	1.8	2.1	1.6	1.4	0.4	0.7	0.3	0.8	1.2

Hourly compensation grew 4.8 percent in 2000, and real hourly compensation increased 1.4 percent. Total unit costs rose 1.2 percent, reflecting an increase of 0.6 percent in unit labor costs and a 3.1-percent rise in unit nonlabor costs. Unit profits rose 1.1 percent in 2000, the first increase in the series since 1997 (when they rose 3.1 percent). The implicit price deflator, which reflects both the unit costs and unit profits measures, rose 1.2 percent in 2000.

REVISED MEASURES

Current and previous measures for the fourth quarter of 2000 for the business, nonfarm business, and manufacturing sectors are compared in table D. Some of the quarterly movements differ from those reported on March 6, based on information then available. In business and nonfarm business, productivity was revised down and unit labor costs correspondingly revised up. In manufacturing, productivity was revised up and unit labor costs down.

Table D. Previous and revised productivity and related measures
Quarterly percent change at seasonally adjusted annual rate

Sector	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs
Fourth quarter 2000						
Business:						
Previous	3.1	0.8	-2.2	7.5	4.5	4.3
Current	2.9	0.7	-2.1	7.5	4.4	4.5
Nonfarm business:						
Previous	2.2	0.8	-1.4	6.6	3.6	4.3
Current	2.0	0.8	-1.3	6.6	3.6	4.5
Manufacturing:						
Previous	5.3	-1.8	-6.7	8.4	5.4	3.0
Current	5.5	-1.5	-6.6	8.4	5.3	2.8

The Consumer Price Index Research Series has been updated. This affected indexes of real hourly compensation for all years. In manufacturing, historical output has been revised. (See Multifactor Productivity Trends, 1999, USDL 01-125.) Appendix tables 1-3 present revised data for 1996-98.

Next release date

The next release of Productivity and Costs is scheduled for 8:30 AM EDT, Tuesday, June 5, 2001. First-quarter measures for nonfinancial corporations and revised measures for business, nonfarm business, and manufacturing 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								
1999	I	112.5	132.3	117.5	123.0	106.4	109.3	115.1
	II	112.7	133.1	118.1	124.3	r106.9	110.4	114.2
	III	114.0	135.3	118.7	125.9	107.4	110.5	114.4
	IV	116.1	138.5	119.3	127.1	r107.5	109.5	116.9
	ANNUAL	113.8	134.8	118.4	125.1	107.1	109.9	115.1
2000	I	116.6	140.3	120.3	128.2	r107.4	110.0	118.2
	II	118.6	142.4	120.1	130.4	r108.5	110.0	120.0
	III	119.3	143.3	120.1	132.2	109.1	110.8	119.5
	IV	r120.1	143.5	r119.5	134.6	110.3	r112.1	118.7
	ANNUAL	118.6	142.4	120.0	131.4	r108.9	110.7	119.1
2001	I	120.0	144.2	120.1	136.4	110.5	113.6	118.2
Percent change from previous quarter at annual rate(5)								
1999	I	2.7	3.8	1.1	4.5	2.9	1.8	2.0
	II	0.5	2.6	2.1	4.5	r1.6	4.0	-3.4
	III	4.7	6.6	1.9	5.1	r2.0	0.4	0.8
	IV	7.6	9.9	2.1	3.8	r0.5	-3.6	9.0
	ANNUAL	2.8	4.8	2.0	4.6	2.4	1.8	0.0
2000	I	1.7	5.3	3.5	3.7	r-0.3	1.9	4.8
	II	7.0	6.3	-0.7	7.1	4.0	0.0	6.1
	III	2.4	2.3	-0.1	5.7	2.0	3.1	-1.7
	IV	r2.9	r0.7	r-2.1	7.5	r4.4	r4.5	r-2.6
	ANNUAL	4.2	5.6	1.3	5.0	r1.6	0.8	3.4
2001	I	-0.4	1.8	2.2	5.2	1.0	5.6	-1.9
Percent change from corresponding quarter of previous year								
1999	I	2.3	4.3	2.0	4.7	3.1	2.4	-1.0
	II	2.1	4.2	2.0	4.6	2.6	2.4	-0.8
	III	2.8	4.9	2.1	4.6	2.3	1.8	-0.1
	IV	3.8	5.7	1.8	4.5	r1.8	0.6	2.0
	ANNUAL	2.8	4.8	2.0	4.6	2.4	1.8	0.0
2000	I	3.6	6.1	2.4	4.3	1.0	0.6	2.7
	II	5.2	7.0	1.7	4.9	r1.5	-0.3	5.1
	III	4.7	5.9	1.2	5.0	1.6	0.3	4.5
	IV	3.5	r3.6	0.1	6.0	2.5	r2.4	1.6
	ANNUAL	4.2	5.6	1.3	5.0	r1.6	0.8	3.4
2001	I	3.0	2.8	-0.2	6.4	2.9	3.3	-0.1

See footnotes following Table 6.

r=revised

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Source: Bureau of Labor Statistics

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

Seasonally adjusted					Real	Unit	Unit non-	Implicit	
Year and quarter	Output per hour of all persons	Output	Hours of all persons	Compensation per hour (1)	compensation per hour (2)	labor costs	labor pay-ments (3)	price deflator (4)	

Indexes 1992=100									
1999	I	111.9	132.6	118.4	122.1	105.6	109.0	116.7	111.8
	II	112.0	133.4	119.1	123.4	r106.1	110.2	115.8	112.2
	III	113.4	135.6	119.6	125.0	106.6	110.2	116.1	112.4
	IV	115.6	138.9	120.2	126.3	r106.9	109.3	118.6	112.7
	ANNUAL	113.2	135.1	119.3	124.2	106.4	109.7	116.8	112.3
2000	I	116.2	140.7	121.1	127.6	r106.9	109.8	120.1	113.6
	II	118.0	142.9	121.1	129.4	r107.7	109.7	121.8	114.1
	III	118.8	143.7	120.9	131.4	r108.4	110.6	121.4	114.5
	IV	r119.4	144.0	r120.6	133.5	r109.3	111.8	120.6	115.0
	ANNUAL	118.1	142.8	120.9	130.5	r108.1	110.5	121.0	114.3
2001	I	119.4	144.6	121.1	135.2	109.6	113.2	120.0	115.7

Percent change from previous quarter at annual rate(5)									
1999	I	2.0	3.6	1.6	3.8	r2.2	1.8	3.0	2.2
	II	0.2	2.4	2.2	4.5	r1.6	4.3	-3.0	1.5
	III	5.0	7.0	1.9	5.2	r2.2	0.2	1.3	0.6
	IV	8.0	10.0	1.8	4.2	r0.9	-3.5	8.9	1.0
	ANNUAL	2.6	4.8	2.2	4.4	2.3	1.8	0.5	1.3
2000	I	2.1	5.2	3.0	4.1	r0.1	1.9	5.1	3.2
	II	6.3	6.5	0.2	6.0	r3.0	-0.2	5.7	2.0
	III	3.0	2.3	-0.7	6.2	2.6	3.2	-1.2	1.4
	IV	r2.0	0.8	r-1.3	6.6	3.6	r4.5	r-2.8	r1.6
	ANNUAL	4.3	5.7	1.3	5.1	r1.6	0.7	3.6	1.8
2001	I	-0.1	1.9	2.0	5.2	1.0	5.2	-1.8	2.5

Percent change from corresponding quarter of previous year									
1999	I	2.1	4.3	2.1	4.5	2.9	2.4	-0.6	1.2
	II	1.7	4.1	2.3	4.3	2.3	2.5	-0.4	1.4
	III	2.6	4.9	2.3	4.4	r2.0	1.7	0.3	1.2
	IV	3.8	5.7	1.9	4.4	r1.7	0.6	2.5	1.3
	ANNUAL	2.6	4.8	2.2	4.4	2.3	1.8	0.5	1.3
2000	I	3.8	6.1	2.2	4.5	r1.2	0.7	3.0	1.6
	II	5.3	7.2	1.7	4.9	r1.5	-0.4	5.2	1.7
	III	4.8	6.0	1.1	5.1	r1.6	0.3	4.6	1.9
	IV	r3.3	r3.6	0.3	5.7	2.3	2.3	1.6	r2.1
	ANNUAL	4.3	5.7	1.3	5.1	r1.6	0.7	3.6	1.8
2001	I	2.8	2.8	0.1	6.0	2.5	3.1	-0.1	1.9

See footnotes following Table 6.

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May 8, 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							
1999	I	r127.5	r132.8	104.2	119.9	103.7	r94.0
	II	r128.4	r134.1	104.5	121.2	r104.2	r94.4
	III	r129.8	r135.8	104.7	122.8	104.7	r94.6
	IV	r132.7	r138.0	104.0	124.1	r105.0	r93.5
	ANNUAL	r129.6	r135.2	104.3	122.0	104.5	r94.1
2000	I	r135.4	r140.3	103.7	125.7	r105.3	r92.8
	II	r137.5	r143.1	104.1	127.0	105.7	r92.4
	III	r139.7	r144.4	103.4	129.1	r106.5	r92.4
	IV	r141.6	r143.9	101.6	131.8	r107.9	r93.1
	ANNUAL	r138.5	r142.9	103.2	128.4	r106.4	r92.7
2001	I	141.7	141.8	100.1	133.3	108.1	94.1
Percent change from previous quarter at annual rate(5)							
1999	I	r5.1	r2.5	-2.5	2.8	1.2	r-2.2
	II	r3.0	r4.1	1.1	4.6	r1.7	r1.5
	III	r4.4	r5.1	0.7	5.3	r2.2	r0.9
	IV	r9.3	r6.4	-2.7	4.5	r1.2	r-4.4
	ANNUAL	r4.5	r3.7	-0.8	4.0	1.9	r-0.5
2000	I	8.3	7.1	-1.1	5.0	r1.0	-3.0
	II	6.3	8.0	1.6	4.3	1.3	-1.9
	III	6.7	r3.7	-2.8	6.9	3.3	0.2
	IV	r5.5	r-1.5	r-6.6	8.4	r5.3	r2.8
	ANNUAL	r6.9	r5.7	-1.1	5.2	r1.8	r-1.6
2001	I	0.3	-5.7	-6.0	4.7	0.6	4.4
Percent change from corresponding quarter of previous year							
1999	I	r4.6	r2.9	-1.6	3.9	2.3	r-0.7
	II	r4.3	r3.3	-0.9	3.8	1.8	r-0.5
	III	r3.7	r3.8	0.1	4.0	1.7	r0.3
	IV	r5.4	r4.5	-0.8	4.3	r1.6	r-1.1
	ANNUAL	r4.5	r3.7	-0.8	4.0	1.9	r-0.5
2000	I	r6.2	r5.7	-0.5	4.8	r1.5	r-1.3
	II	r7.1	r6.7	-0.4	4.8	r1.4	r-2.1
	III	r7.6	r6.3	-1.2	5.2	r1.7	r-2.3
	IV	r6.7	r4.3	-2.3	6.2	2.7	-0.5
	ANNUAL	r6.9	r5.7	-1.1	5.2	r1.8	r-1.6
2001	I	4.7	1.0	-3.5	6.1	2.6	1.4

See footnotes following Table 6.
r=revised

May 8, 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							
1999	I	r140.4	r153.8	109.6	117.5	101.7	r83.7
	II	r142.3	r156.2	109.8	119.2	102.4	r83.8
	III	r144.1	r159.5	110.7	120.9	103.1	r83.9
	IV	r147.6	r162.2	109.9	122.5	r103.7	r83.0
	ANNUAL	r143.6	r157.9	110.0	120.0	102.8	r83.6
2000	I	r152.5	r167.2	109.7	123.8	103.8	r81.2
	II	r156.2	r172.6	110.5	124.9	104.0	r80.0
	III	r160.5	r176.0	109.7	126.9	104.7	r79.1
	IV	r163.1	r175.9	107.8	129.8	106.3	r79.6
	ANNUAL	r158.0	r172.9	109.4	126.3	r104.7	r79.9
2001	I	163.1	172.5	105.8	131.1	106.2	80.4
Percent change from previous quarter at annual rate(5)							
1999	I	r7.6	r3.0	-4.3	4.1	2.5	r-3.2
	II	r5.5	r6.2	0.7	6.0	r3.0	r0.5
	III	r5.2	r8.7	3.4	5.7	r2.7	r0.5
	IV	r9.9	r7.1	-2.6	5.6	r2.3	r-3.9
	ANNUAL	r6.9	r6.1	-0.8	4.8	2.7	r-2.0
2000	I	13.9	12.7	-1.1	4.2	r0.2	-8.6
	II	10.2	13.7	3.2	3.7	r0.8	-5.9
	III	11.5	8.1	-3.0	6.3	2.7	-4.6
	IV	6.6	r-0.4	r-6.6	9.4	r6.3	2.6
	ANNUAL	r10.0	r9.5	-0.5	5.2	r1.8	r-4.4
2001	I	-0.1	-7.4	-7.3	4.0	-0.1	4.1
Percent change from corresponding quarter of previous year							
1999	I	r7.4	r5.7	-1.6	4.2	2.6	r-3.0
	II	r7.4	r6.1	-1.2	4.7	2.7	r-2.5
	III	r5.9	r6.4	0.4	5.1	r2.7	r-0.8
	IV	r7.0	r6.2	-0.7	5.4	r2.6	r-1.6
	ANNUAL	r6.9	r6.1	-0.8	4.8	2.7	r-2.0
2000	I	r8.6	r8.7	0.1	5.4	r2.0	r-2.9
	II	r9.8	r10.5	0.7	4.8	r1.5	r-4.5
	III	r11.4	r10.4	-0.9	5.0	1.5	r-5.7
	IV	10.5	8.4	-1.9	5.9	r2.5	-4.2
	ANNUAL	r10.0	r9.5	-0.5	5.2	r1.8	r-4.4
2001	I	7.0	3.2	-3.5	5.9	2.4	-1.0

See footnotes following Table 6.
r=revised

May 8, 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							
1999	I	r116.6	r113.1	97.0	122.5	106.0	r105.1
	II	r116.5	r113.5	97.4	123.2	r105.9	r105.8
	III	r117.7	r113.7	96.7	124.4	106.2	r105.8
	IV	r120.1	r115.3	96.0	125.2	r106.0	r104.3
	ANNUAL	r117.7	r113.9	96.8	123.8	106.1	r105.2
2000	I	r120.6	r115.4	95.7	127.2	r106.6	r105.5
	II	r121.2	r115.8	95.5	128.8	r107.1	r106.2
	III	r121.5	r115.3	94.9	131.3	108.3	r108.1
	IV	r122.6	r114.4	93.3	133.4	r109.2	r108.8
	ANNUAL	r121.4	r115.2	94.9	130.1	r107.8	r107.1
2001	I	122.8	113.4	92.4	135.4	109.8	110.3
Percent change from previous quarter at annual rate(5)							
1999	I	r1.5	r1.8	0.3	0.9	r-0.6	r-0.6
	II	r-0.2	r1.5	1.8	2.3	r-0.5	r2.5
	III	r4.0	r0.7	-3.2	4.0	r1.0	r0.0
	IV	8.6	5.6	-2.8	2.5	r-0.7	-5.6
	ANNUAL	r1.5	r0.7	-0.8	2.6	0.5	r1.0
2000	I	1.6	0.5	-1.1	6.5	r2.4	4.8
	II	2.0	1.2	-0.8	5.0	r2.0	3.0
	III	0.9	-1.5	-2.4	8.0	4.3	7.0
	IV	3.8	r-3.1	-6.7	r6.7	r3.6	r2.7
	ANNUAL	3.2	1.2	-2.0	5.1	1.7	1.8
2001	I	0.6	-3.3	-3.9	6.3	2.1	5.7
Percent change from corresponding quarter of previous year							
1999	I	r1.2	r-0.3	-1.5	3.3	1.8	r2.1
	II	r0.5	r0.0	-0.6	2.4	0.4	r1.8
	III	r1.0	r0.7	-0.3	2.2	r-0.1	r1.2
	IV	r3.4	r2.4	-1.0	2.4	r-0.2	r-1.0
	ANNUAL	r1.5	r0.7	-0.8	2.6	0.5	r1.0
2000	I	r3.4	r2.0	-1.3	3.8	r0.5	r0.4
	II	r4.0	2.0	-2.0	4.5	r1.2	0.4
	III	3.2	1.4	-1.8	5.5	2.0	2.2
	IV	2.1	-0.8	-2.8	r6.5	3.1	4.4
	ANNUAL	3.2	1.2	-2.0	5.1	1.7	1.8
2001	I	1.8	-1.7	-3.5	6.5	3.0	4.6

See footnotes following Table 6.
r=revised

May 8, 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
	II	111.7	133.8	119.7	115.2	r101.0	103.1	101.2	102.6	147.7
	III	113.1	136.0	120.3	116.7	101.8	103.2	100.7	102.5	152.0
	IV	113.7	137.8	121.2	117.8	102.4	103.6	102.1	103.2	145.3
	ANNUAL	112.3	134.9	120.2	115.9	101.3	103.2	101.2	102.6	148.9
1999	I	114.6	139.6	121.9	119.0	103.0	103.9	101.3	103.2	150.6
	II	115.3	141.4	122.6	120.3	r103.4	104.3	102.2	103.7	148.6
	III	116.6	143.8	123.3	121.8	103.9	104.5	102.9	104.0	144.4
	IV	118.3	146.9	124.2	123.0	r104.1	104.0	103.4	103.9	147.0
	ANNUAL	116.2	142.9	123.0	121.1	103.7	104.2	102.5	103.7	147.6
2000	I	119.2	149.1	125.1	123.9	103.9	104.0	104.2	104.0	152.2
	II	120.8	151.4	125.3	125.8	r104.7	104.2	104.9	104.3	156.3
	III	122.1	153.0	125.3	127.7	r105.3	104.5	105.5	104.8	153.0
	IV	122.2	152.8	125.0	130.0	106.4	106.3	107.9	106.8	135.5
	ANNUAL	121.1	151.6	125.2	126.8	105.1	104.8	105.6	105.0	149.2
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
	II	4.2	5.3	1.0	5.5	r4.3	1.3	1.9	1.4	-8.0
	III	4.8	6.9	2.0	5.1	3.5	0.2	-2.1	-0.4	12.4
	IV	2.4	5.4	2.9	3.9	r2.0	1.5	5.9	2.7	-16.6
	ANNUAL	3.5	6.3	2.6	5.0	3.6	1.4	0.3	1.1	-5.1
1999	I	3.0	5.4	2.3	4.3	r2.7	1.2	-3.2	0.0	15.6
	II	2.7	5.1	2.4	4.4	r1.5	1.6	3.4	2.1	-5.3
	III	4.4	6.9	2.4	5.0	r2.0	0.6	2.9	1.2	-10.8
	IV	5.8	8.8	2.8	4.1	r0.8	-1.7	2.1	-0.7	7.3
	ANNUAL	3.5	5.9	2.3	4.5	2.3	1.0	1.3	1.0	-0.9
2000	I	3.1	6.2	3.0	2.9	r-1.0	-0.2	3.0	0.7	14.9
	II	5.6	6.4	0.7	6.3	r3.3	0.7	2.6	1.2	11.4
	III	4.4	4.4	0.0	6.0	2.4	1.5	2.6	1.8	-8.3
	IV	0.3	-0.7	-1.0	7.4	4.3	7.1	9.4	7.7	-38.5
	ANNUAL	4.2	6.1	1.8	4.8	1.4	0.6	3.1	1.2	1.1
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
	II	3.9	6.5	2.5	5.3	3.8	1.4	-0.3	0.9	-5.0
	III	3.8	6.1	2.2	5.8	4.3	1.9	-0.3	1.3	-5.3
	IV	3.7	5.9	2.1	5.3	3.9	1.5	1.5	1.5	-7.3
	ANNUAL	3.5	6.3	2.6	5.0	3.6	1.4	0.3	1.1	-5.1
1999	I	3.6	5.7	2.0	4.7	3.1	1.0	0.6	0.9	-0.1
	II	3.2	5.7	2.4	4.4	2.4	1.1	0.9	1.1	0.6
	III	3.1	5.7	2.5	4.4	r2.0	1.2	2.2	1.5	-5.0
	IV	4.0	6.5	2.5	4.4	r1.7	0.4	1.3	0.7	1.2
	ANNUAL	3.5	5.9	2.3	4.5	2.3	1.0	1.3	1.0	-0.9
2000	I	4.0	6.8	2.6	4.1	r0.8	0.1	2.8	0.8	1.0
	II	4.7	7.1	2.2	4.6	r1.2	-0.2	2.6	0.6	5.2
	III	4.7	6.4	1.6	4.8	r1.3	0.1	2.6	0.7	5.9
	IV	3.3	4.0	0.7	5.6	2.2	2.2	4.4	2.8	-7.8
	ANNUAL	4.2	6.1	1.8	4.8	1.4	0.6	3.1	1.2	1.1

See footnotes following Table 6.
r=revised

May 8, 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 -1.6 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 fourth 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 1978-2000 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. 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							
1996	I	111.3	114.2	102.6	108.4	99.2	97.4
	II	112.2	116.5	103.8	108.9	98.9	97.1
	III	113.3	118.0	104.1	109.6	98.9	96.7
	IV	114.2	119.1	104.3	110.3	98.8	96.5
	ANNUAL	112.8	117.0	103.7	109.3	99.0	96.9
1997	I	115.2	121.1	105.1	110.3	98.3	95.8
	II	116.1	122.7	105.6	110.4	98.1	95.1
	III	118.9	125.1	105.3	111.5	98.7	93.8
	IV	120.3	127.4	105.9	113.4	99.8	94.3
	ANNUAL	117.6	124.1	105.5	111.4	98.8	94.7
1998	I	121.9	129.0	105.8	115.4	101.4	94.7
	II	123.1	129.8	105.5	116.8	102.3	94.9
	III	125.2	130.8	104.5	118.0	103.0	94.3
	IV	125.9	132.0	104.8	119.0	103.4	94.5
	ANNUAL	124.0	130.4	105.2	117.3	102.6	94.6
Percent change from previous quarter at annual rate(5)							
1996	I	3.7	0.4	-3.2	-0.6	-3.6	-4.1
	II	3.1	8.1	4.9	1.9	-1.5	-1.1
	III	4.2	5.3	1.1	2.3	0.3	-1.8
	IV	3.3	3.9	0.6	2.7	-0.6	-0.5
	ANNUAL	3.5	3.1	-0.3	1.3	-1.4	-2.1
1997	I	3.5	6.7	3.1	0.2	-2.1	-3.2
	II	3.2	5.5	2.2	0.3	-0.6	-2.8
	III	9.8	8.2	-1.4	4.0	2.2	-5.3
	IV	4.9	7.4	2.5	7.0	4.7	2.0
	ANNUAL	4.3	6.1	1.7	1.9	-0.2	-2.3
1998	I	5.4	5.1	-0.3	7.2	6.4	1.7
	II	4.1	2.5	-1.5	4.9	3.6	0.8
	III	6.9	3.2	-3.5	4.4	2.9	-2.4
	IV	2.3	3.5	1.2	3.4	1.5	1.1
	ANNUAL	5.4	5.1	-0.3	5.3	3.8	-0.1
Percent change from corresponding quarter of previous year							
1996	I	3.6	1.1	-2.4	1.5	-1.0	-2.0
	II	3.3	3.2	-0.1	1.1	-1.5	-2.2
	III	3.4	3.9	0.4	1.1	-1.5	-2.3
	IV	3.5	4.4	0.8	1.6	-1.4	-1.9
	ANNUAL	3.5	3.1	-0.3	1.3	-1.4	-2.1
1997	I	3.5	6.0	2.4	1.8	-1.0	-1.7
	II	3.5	5.3	1.8	1.3	-0.7	-2.1
	III	4.9	6.1	1.1	1.8	-0.3	-3.0
	IV	5.3	6.9	1.6	2.8	1.0	-2.3
	ANNUAL	4.3	6.1	1.7	1.9	-0.2	-2.3
1998	I	5.8	6.6	0.7	4.6	3.2	-1.1
	II	6.0	5.8	-0.2	5.8	4.2	-0.2
	III	5.3	4.6	-0.7	5.9	4.4	0.5
	IV	4.7	3.6	-1.0	5.0	3.6	0.3
	ANNUAL	5.4	5.1	-0.3	5.3	3.8	-0.1

See footnotes following Table 6.

May 8, 2001

Source: Bureau of Labor Statistics

Appendix table 2. 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							
1996	I	116.3	122.7	105.6	106.9	97.8	91.9
	II	117.5	126.2	107.4	107.0	97.1	91.1
	III	118.8	128.1	107.8	107.5	97.0	90.5
	IV	119.9	129.4	108.0	108.0	96.7	90.1
	ANNUAL	118.1	126.6	107.2	107.3	97.2	90.9
1997	I	120.5	132.0	109.5	107.8	96.0	89.4
	II	122.2	134.9	110.3	107.8	95.8	88.2
	III	125.7	138.6	110.3	108.9	96.3	86.6
	IV	128.2	142.3	111.0	111.0	97.7	86.6
	ANNUAL	124.2	137.0	110.3	108.9	96.5	87.7
1998	I	130.7	145.6	111.4	112.8	99.1	86.3
	II	132.5	147.2	111.0	113.9	99.8	85.9
	III	136.1	149.9	110.2	115.1	100.4	84.5
	IV	137.9	152.7	110.8	116.3	101.1	84.4
	ANNUAL	134.3	148.8	110.8	114.5	100.1	85.3
Percent change from previous quarter at annual rate(5)							
1996	I	4.9	2.4	-2.3	-3.1	-6.0	-7.6
	II	4.2	11.9	7.4	0.6	-2.8	-3.5
	III	4.5	6.1	1.5	1.7	-0.3	-2.7
	IV	3.7	4.2	0.5	1.9	-1.4	-1.8
	ANNUAL	4.4	5.4	0.9	-0.2	-2.8	-4.4
1997	I	2.3	8.2	5.8	-0.7	-3.0	-2.9
	II	5.7	9.0	3.1	0.2	-0.7	-5.2
	III	11.7	11.6	-0.2	3.9	2.2	-7.0
	IV	8.4	11.2	2.6	8.1	5.8	-0.3
	ANNUAL	5.1	8.2	2.9	1.4	-0.7	-3.5
1998	I	8.0	9.4	1.3	6.5	5.7	-1.4
	II	5.6	4.4	-1.1	4.1	2.9	-1.5
	III	11.2	7.7	-3.1	4.1	2.6	-6.4
	IV	5.4	7.6	2.1	4.4	2.5	-0.9
	ANNUAL	8.1	8.7	0.5	5.2	3.7	-2.7
Percent change from corresponding quarter of previous year							
1996	I	4.1	2.9	-1.1	0.2	-2.4	-3.8
	II	4.5	6.0	1.4	-0.6	-3.2	-4.9
	III	4.5	6.4	1.8	-0.6	-3.1	-4.9
	IV	4.3	6.1	1.7	0.2	-2.6	-3.9
	ANNUAL	4.4	5.4	0.9	-0.2	-2.8	-4.4
1997	I	3.7	7.6	3.7	0.8	-1.9	-2.7
	II	4.0	6.8	2.7	0.7	-1.3	-3.2
	III	5.8	8.2	2.3	1.3	-0.7	-4.3
	IV	7.0	10.0	2.8	2.8	1.0	-3.9
	ANNUAL	5.1	8.2	2.9	1.4	-0.7	-3.5
1998	I	8.4	10.3	1.7	4.6	3.2	-3.5
	II	8.4	9.1	0.6	5.7	4.1	-2.6
	III	8.3	8.2	-0.1	5.7	4.2	-2.4
	IV	7.5	7.3	-0.2	4.8	3.4	-2.5
	ANNUAL	8.1	8.7	0.5	5.2	3.7	-2.7

See footnotes following Table 6.

May 8, 2001

Source: Bureau of Labor Statistics

Appendix table 3. 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							
1996	I	107.3	105.9	98.7	110.3	101.0	102.8
	II	108.0	106.9	99.0	111.3	101.0	103.1
	III	109.1	108.2	99.1	112.2	101.3	102.8
	IV	110.0	109.3	99.3	113.3	101.5	103.0
	ANNUAL	108.6	107.6	99.0	111.8	101.3	102.9
1997	I	111.7	110.8	99.2	113.7	101.3	101.8
	II	112.0	111.3	99.4	113.8	101.1	101.6
	III	114.2	112.6	98.6	114.8	101.6	100.6
	IV	114.4	113.4	99.1	116.3	102.4	101.6
	ANNUAL	113.1	112.0	99.1	114.6	101.7	101.4
1998	I	115.2	113.5	98.5	118.6	104.2	102.9
	II	115.9	113.6	98.0	120.3	105.4	103.9
	III	116.5	113.0	97.0	121.8	106.3	104.5
	IV	116.1	112.6	96.9	122.2	106.2	105.3
	ANNUAL	115.9	113.1	97.6	120.7	105.6	104.1
Percent change from previous quarter at annual rate(5)							
1996	I	2.6	-1.9	-4.4	3.4	0.2	0.8
	II	2.5	3.9	1.3	3.7	0.2	1.1
	III	4.3	4.8	0.5	3.2	1.2	-1.1
	IV	3.3	4.2	0.9	4.1	0.8	0.8
	ANNUAL	2.9	0.8	-2.1	3.6	0.8	0.7
1997	I	6.3	5.6	-0.7	1.3	-1.0	-4.7
	II	0.9	1.8	0.9	0.3	-0.6	-0.6
	III	8.1	4.6	-3.2	3.8	2.0	-4.0
	IV	0.9	3.2	2.3	5.1	2.9	4.2
	ANNUAL	4.1	4.1	0.0	2.5	0.4	-1.5
1998	I	2.8	0.1	-2.6	8.1	7.4	5.2
	II	2.3	0.3	-1.9	6.1	4.9	3.7
	III	2.1	-2.0	-4.1	4.8	3.3	2.7
	IV	-1.2	-1.4	-0.2	1.6	-0.3	2.8
	ANNUAL	2.5	1.0	-1.5	5.3	3.9	2.7
Percent change from corresponding quarter of previous year							
1996	I	3.3	-1.0	-4.1	3.6	0.9	0.3
	II	2.4	0.1	-2.3	3.5	0.8	1.1
	III	2.7	1.2	-1.5	3.6	0.9	0.9
	IV	3.2	2.7	-0.4	3.6	0.6	0.4
	ANNUAL	2.9	0.8	-2.1	3.6	0.8	0.7
1997	I	4.1	4.6	0.5	3.0	0.3	-1.0
	II	3.7	4.1	0.4	2.2	0.1	-1.4
	III	4.6	4.0	-0.5	2.3	0.3	-2.2
	IV	4.0	3.8	-0.2	2.6	0.8	-1.4
	ANNUAL	4.1	4.1	0.0	2.5	0.4	-1.5
1998	I	3.1	2.4	-0.7	4.3	2.9	1.1
	II	3.5	2.0	-1.4	5.8	4.3	2.2
	III	2.0	0.4	-1.6	6.0	4.6	4.0
	IV	1.5	-0.8	-2.2	5.1	3.8	3.6
	ANNUAL	2.5	1.0	-1.5	5.3	3.9	2.7

See footnotes following Table 6.

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Source: Bureau of Labor Statistics