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PRODUCTIVITY AND COSTS
First Quarter 2001

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

- 1.4 percent in the business sector, and
- 1.2 percent in the nonfarm business sector.

In both sectors, the first-quarter productivity gains were lower than those reported initially on May 8. (These data do not reflect the employment benchmark of the BLS Current Employment Statistics data released on June 1.)

In manufacturing, the revised productivity changes in the first quarter were:

- 2.1 percent in manufacturing,
- 2.4 percent in durable goods manufacturing, and
- 2.0 percent in nondurable goods manufacturing.

The declines in manufacturing productivity reflected decreases in output that were larger than the corresponding decreases in hours worked. The

productivity decline in manufacturing was the first recorded since the third quarter of 1993, when it fell 0.6 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. First-quarter measures are summarized in table A and appear in detail in tables 1 through 5.

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: Revised 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	-1.4	1.0	2.4	5.2	1.0	6.7
Nonfarm business	-1.2	1.0	2.2	5.1	0.9	6.3
Manufacturing	-2.1	-7.8	-5.8	4.7	0.5	7.0
Durable	-2.4	-9.3	-7.1	4.0	-0.2	6.5
Nondurable	-2.0	-5.8	-3.8	6.4	2.1	8.6

Percent change from same quarter a year ago						
Business	2.7	2.6	-0.1	6.3	2.9	3.5
Nonfarm business	2.5	2.6	0.1	6.0	2.5	3.4
Manufacturing	4.0	0.4	-3.4	6.1	2.6	2.0
Durable	6.3	2.7	-3.4	5.8	2.4	-0.5
Nondurable	1.1	-2.3	-3.4	6.5	3.0	5.3

Business

From the fourth quarter of 2000 to the first quarter of 2001, business productivity decreased 1.4 percent, reflecting increases of 1.0 percent in output and 2.4 percent in hours of all persons (seasonally adjusted annual rates). This was the largest decline in output per hour since the first quarter of 1993, when it fell 4.7 percent. During the fourth quarter of 2000, productivity had increased 2.9 percent, when output rose 0.7 percent and hours fell 2.1 percent (table 1).

Hourly compensation increased 5.2 percent during the first quarter of 2001. This measure of compensation includes wages and salaries, supplements, employer contributions to employee benefit plans, and taxes. Real hourly compensation, which takes into account changes in consumer prices, increased 1.0 percent in the first quarter.

Unit labor costs, which reflect changes in both hourly compensation and productivity, increased 6.7 percent during the first quarter. The implicit price deflator for business output, which reflects changes in both unit labor costs and unit nonlabor payments, increased 2.8 percent in the first quarter.

Nonfarm business

Productivity fell 1.2 percent in the nonfarm business sector during the first quarter of 2001, reflecting a 1.0-percent rise in output and a 2.2-percent increase in hours of all persons. In the fourth quarter of 2000, nonfarm business productivity grew 2.0 percent, as output rose 0.8 percent and hours decreased 1.3 percent (table 2).

The first-quarter 2001 increase in hourly compensation, 5.1 percent, was smaller than the 6.6-percent increase reported for the fourth quarter of 2000. When the rise in consumer prices is taken into account, there was a 0.9-percent gain in real hourly compensation in the first quarter of 2001.

The 6.3-percent increase in unit labor costs during the first quarter was the largest posted since the fourth quarter of 1990, when unit labor costs rose 6.8 percent. The implicit price deflator for nonfarm business output rose 2.6 percent in the first quarter of 2001.

Manufacturing

Productivity fell 2.1 percent in manufacturing in the first quarter of 2001, as output dropped 7.8 percent and hours of all persons declined 5.8 percent (seasonally adjusted annual rates). This was the largest decline in labor productivity in the manufacturing sector since the third quarter of 1989, when it fell 3.2 percent. In durable goods industries, productivity fell 2.4 percent in the first quarter of 2001. This reflected a large decrease in output, 9.3 percent, and a decline of 7.1 percent in hours of all persons. In nondurable goods industries, productivity fell 2.0 percent as output and hours dropped 5.8 and 3.8 percent, respectively (tables 3, 4, and 5).

Hourly compensation in manufacturing rose 4.7 percent during the first quarter. This increase reflects a rise of 4.0 percent in the hourly compensation of persons in durable goods industries and a larger increase, 6.4 percent, in the hourly compensation of workers in nondurable goods industries. Real hourly compensation, which takes account of changes in consumer prices, rose 0.5 percent for all manufacturing workers.

The combination of a 2.1-percent drop in manufacturing productivity and a 4.7-percent increase in hourly compensation in the first quarter caused unit labor costs in manufacturing to rise 7.0 percent. The last time unit labor costs rose this much in one quarter was in the first quarter of 1991, when they rose 7.2 percent. Unit labor costs rose in both parts of manufacturing in the first quarter of 2001. In durable goods industries, they rose 6.5 percent, and, in nondurable goods industries, they rose even more, 8.6 percent.

Nonfinancial corporations

Preliminary first-quarter 2001 measures of productivity and costs for nonfinancial corporations also were announced today (tables B and 6). Productivity dropped slightly, 0.1 percent, in the first quarter, as output increased 0.4 percent and employee-hours grew 0.5 percent (seasonally adjusted annual rates). The last time productivity fell in the nonfinancial corporate sector was the first quarter of 1997, when it dropped 3.1 percent. Nonfinancial corporations include all corporations doing business in the United States, except banks, stock and commodity brokers, and finance and insurance agencies.

 Table B. Nonfinancial corporations: Preliminary first-quarter 2001
 productivity and cost measures
 (Seasonally adjusted annual rates)

Period	Produc- tivity	Output	Hours	Real		Unit labor costs	Unit profits	Implicit price deflator
				Hourly compen- sation	hourly compen- sation			

Percent change from preceding quarter								
2001 I	-0.1	0.4	0.5	5.9	1.7	6.0	-16.2	1.9

Percent change from same quarter a year ago								
2001 I	2.5	2.6	0.1	6.4	2.9	3.8	-14.8	1.5

Hourly compensation increased 5.9 percent during the first quarter of 2001, down from a 7.4-percent rise in the previous quarter. When the rise in consumer prices is taken into account, real hourly compensation rose 1.7 percent in the first quarter. Unit labor costs in nonfinancial corporations rose 6.0 percent in the first quarter, less than the 7.1-percent rise one quarter earlier.

Unit profits fell 16.2 percent in first-quarter 2001 and 38.5 percent in the fourth quarter of 2000. They have fallen in 9 of the last 14 quarters. The implicit price deflator for nonfinancial corporate output rose 1.9 percent in the first quarter of 2001.

REVISED MEASURES

Current and previous measures for the first quarter of 2001 for business, nonfarm business, and manufacturing are compared in table C. In the business, nonfarm business, and manufacturing sectors, output and productivity were revised down from the data reported on May 8, based on information then available. As a result, unit labor costs were revised upward.

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

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

First quarter 2001						
Business:						
Previous	-0.4	1.8	2.2	5.2	1.0	5.6
Current	-1.4	1.0	2.4	5.2	1.0	6.7
Nonfarm business:						
Previous	-0.1	1.9	2.0	5.2	1.0	5.2
Current	-1.2	1.0	2.2	5.1	0.9	6.3
Manufacturing:						
Previous	0.3	-5.7	-6.0	4.7	0.6	4.4
Current	-2.1	-7.8	-5.8	4.7	0.5	7.0

NEXT RELEASE DATE

The next release of Productivity and Costs is scheduled for 8:30 AM EDT, Tuesday, Aug. 7, 2001. Preliminary second-quarter measures for business, nonfarm business, and manufacturing will be released at that time. This release will incorporate the annual benchmark revision to the employment levels in the BLS establishment survey data. All employment and hours series will incorporate new information on seasonal patterns. The release also will incorporate the annual three-year revision of the National Income and Product Accounts by the Bureau of Economic Analysis, U.S. Department of Commerce.

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	111.4
	II	112.7	133.1	118.1	124.3	106.9	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	107.5	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	107.4	110.0	118.2	113.0
	II	118.6	142.4	120.1	130.4	108.5	110.0	120.0	113.7
	III	119.3	143.3	120.1	132.2	109.1	110.8	119.5	114.0
	IV	120.1	143.5	119.5	134.6	110.3	112.1	118.7	114.5
	ANNUAL	118.6	142.4	120.0	131.4	108.9	110.7	119.1	113.8
2001	I	r119.7	r143.9	r120.2	r136.3	110.5	r113.9	r117.7	115.3
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	1.9
	II	0.5	2.6	2.1	4.5	1.6	4.0	-3.4	1.2
	III	4.7	6.6	1.9	5.1	2.0	0.4	0.8	0.5
	IV	7.6	9.9	2.1	3.8	0.5	-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	-0.3	1.9	4.8	3.0
	II	7.0	6.3	-0.7	7.1	4.0	0.0	6.1	2.4
	III	2.4	2.3	-0.1	5.7	2.0	3.1	-1.7	1.2
	IV	2.9	0.7	-2.1	7.5	4.4	4.5	-2.6	1.7
	ANNUAL	4.2	5.6	1.3	5.0	1.6	0.8	3.4	1.8
2001	I	r-1.4	r1.0	r2.4	5.2	1.0	r6.7	r-3.2	r2.8
Percent change from corresponding quarter of previous year									
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	1.8	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	1.5	-0.3	5.1	1.7
	III	4.7	5.9	1.2	5.0	1.6	0.3	4.5	1.9
	IV	3.5	3.6	0.1	6.0	2.5	2.4	1.6	2.1
	ANNUAL	4.2	5.6	1.3	5.0	1.6	0.8	3.4	1.8
2001	I	r2.7	r2.6	r-0.1	r6.3	2.9	r3.5	r-0.4	2.0

See footnotes following Table 6.
r=revised

June 5, 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									
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	106.1	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	106.9	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	106.9	109.8	120.1	113.6
	II	118.0	142.9	121.1	129.4	107.7	109.7	121.8	114.1
	III	118.8	143.7	120.9	131.4	108.4	110.6	121.4	114.5
	IV	119.4	144.0	120.6	133.5	109.3	111.8	120.6	115.0
	ANNUAL	118.1	142.8	120.9	130.5	108.1	110.5	121.0	114.3
2001	I	r119.1	r144.3	r121.2	135.2	109.6	r113.5	r119.6	115.7
Percent change from previous quarter at annual rate(5)									
1999	I	2.0	3.6	1.6	3.8	2.2	1.8	3.0	2.2
	II	0.2	2.4	2.2	4.5	1.6	4.3	-3.0	1.5
	III	5.0	7.0	1.9	5.2	2.2	0.2	1.3	0.6
	IV	8.0	10.0	1.8	4.2	0.9	-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	0.1	1.9	5.1	3.2
	II	6.3	6.5	0.2	6.0	3.0	-0.2	5.7	2.0
	III	3.0	2.3	-0.7	6.2	2.6	3.2	-1.2	1.4
	IV	2.0	0.8	-1.3	6.6	3.6	4.5	-2.8	1.6
	ANNUAL	4.3	5.7	1.3	5.1	1.6	0.7	3.6	1.8
2001	I	r-1.2	r1.0	r2.2	r5.1	r0.9	r6.3	r-3.2	r2.6
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	2.0	1.7	0.3	1.2
	IV	3.8	5.7	1.9	4.4	1.7	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	1.2	0.7	3.0	1.6
	II	5.3	7.2	1.7	4.9	1.5	-0.4	5.2	1.7
	III	4.8	6.0	1.1	5.1	1.6	0.3	4.6	1.9
	IV	3.3	3.6	0.3	5.7	2.3	2.3	1.6	2.1
	ANNUAL	4.3	5.7	1.3	5.1	1.6	0.7	3.6	1.8
2001	I	r2.5	r2.6	0.1	6.0	2.5	r3.4	r-0.4	1.9

See footnotes following Table 6.
r=revised

June 5, 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	127.5	132.8	104.2	119.9	103.7	94.0
	II	128.4	134.1	104.5	121.2	104.2	94.4
	III	129.8	135.8	104.7	122.8	104.7	94.6
	IV	132.7	138.0	104.0	124.1	105.0	93.5
	ANNUAL	129.6	135.2	104.3	122.0	104.5	94.1
2000	I	135.4	140.3	103.7	125.7	105.3	92.8
	II	137.5	143.1	104.1	127.0	105.7	92.4
	III	139.7	144.4	103.4	129.1	106.5	92.4
	IV	141.6	143.9	101.6	131.8	107.9	93.1
	ANNUAL	138.5	142.9	103.2	128.4	106.4	92.7
2001	I	r140.8	r141.0	100.1	133.3	r108.0	r94.7
----- Percent change from previous quarter at annual rate(5)							
1999	I	5.1	2.5	-2.5	2.8	1.2	-2.2
	II	3.0	4.1	1.1	4.6	1.7	1.5
	III	4.4	5.1	0.7	5.3	2.2	0.9
	IV	9.3	6.4	-2.7	4.5	1.2	-4.4
	ANNUAL	4.5	3.7	-0.8	4.0	1.9	-0.5
2000	I	8.3	7.1	-1.1	5.0	1.0	-3.0
	II	6.3	8.0	1.6	4.3	1.3	-1.9
	III	6.7	3.7	-2.8	6.9	3.3	0.2
	IV	5.5	-1.5	-6.6	8.4	5.3	2.8
	ANNUAL	6.9	5.7	-1.1	5.2	1.8	-1.6
2001	I	r-2.1	r-7.8	r-5.8	4.7	r0.5	r7.0
----- Percent change from corresponding quarter of previous year							
1999	I	4.6	2.9	-1.6	3.9	2.3	-0.7
	II	4.3	3.3	-0.9	3.8	1.8	-0.5
	III	3.7	3.8	0.1	4.0	1.7	0.3
	IV	5.4	4.5	-0.8	4.3	1.6	-1.1
	ANNUAL	4.5	3.7	-0.8	4.0	1.9	-0.5
2000	I	6.2	5.7	-0.5	4.8	1.5	-1.3
	II	7.1	6.7	-0.4	4.8	1.4	-2.1
	III	7.6	6.3	-1.2	5.2	1.7	-2.3
	IV	6.7	4.3	-2.3	6.2	2.7	-0.5
	ANNUAL	6.9	5.7	-1.1	5.2	1.8	-1.6
2001	I	r4.0	r0.4	r-3.4	6.1	2.6	r2.0

See footnotes following Table 6.
r=revised

June 5, 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	140.4	153.8	109.6	117.5	101.7	83.7
	II	142.3	156.2	109.8	119.2	102.4	83.8
	III	144.1	159.5	110.7	120.9	103.1	83.9
	IV	147.6	162.2	109.9	122.5	103.7	83.0
	ANNUAL	143.6	157.9	110.0	120.0	102.8	83.6
2000	I	152.5	167.2	109.7	123.8	103.8	81.2
	II	156.2	172.6	110.5	124.9	104.0	80.0
	III	160.5	176.0	109.7	126.9	104.7	79.1
	IV	163.1	175.9	107.8	129.8	106.3	79.6
	ANNUAL	158.0	172.9	109.4	126.3	104.7	79.9
2001	I	r162.1	r171.6	r105.9	r131.0	106.2	r80.8
----- Percent change from previous quarter at annual rate(5)							
1999	I	7.6	3.0	-4.3	4.1	2.5	-3.2
	II	5.5	6.2	0.7	6.0	3.0	0.5
	III	5.2	8.7	3.4	5.7	2.7	0.5
	IV	9.9	7.1	-2.6	5.6	2.3	-3.9
	ANNUAL	6.9	6.1	-0.8	4.8	2.7	-2.0
2000	I	13.9	12.7	-1.1	4.2	0.2	-8.6
	II	10.2	13.7	3.2	3.7	0.8	-5.9
	III	11.5	8.1	-3.0	6.3	2.7	-4.6
	IV	6.6	-0.4	-6.6	9.4	6.3	2.6
	ANNUAL	10.0	9.5	-0.5	5.2	1.8	-4.4
2001	I	r-2.4	r-9.3	r-7.1	4.0	r-0.2	r6.5
----- Percent change from corresponding quarter of previous year							
1999	I	7.4	5.7	-1.6	4.2	2.6	-3.0
	II	7.4	6.1	-1.2	4.7	2.7	-2.5
	III	5.9	6.4	0.4	5.1	2.7	-0.8
	IV	7.0	6.2	-0.7	5.4	2.6	-1.6
	ANNUAL	6.9	6.1	-0.8	4.8	2.7	-2.0
2000	I	8.6	8.7	0.1	5.4	2.0	-2.9
	II	9.8	10.5	0.7	4.8	1.5	-4.5
	III	11.4	10.4	-0.9	5.0	1.5	-5.7
	IV	10.5	8.4	-1.9	5.9	2.5	-4.2
	ANNUAL	10.0	9.5	-0.5	5.2	1.8	-4.4
2001	I	r6.3	r2.7	r-3.4	r5.8	2.4	r-0.5

See footnotes following Table 6.
r=revised

June 5, 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	116.6	113.1	97.0	122.5	106.0	105.1
	II	116.5	113.5	97.4	123.2	105.9	105.8
	III	117.7	113.7	96.7	124.4	106.2	105.8
	IV	120.1	115.3	96.0	125.2	106.0	104.3
	ANNUAL	117.7	113.9	96.8	123.8	106.1	105.2
2000	I	120.6	115.4	95.7	127.2	106.6	105.5
	II	121.2	115.8	95.5	128.8	107.1	106.2
	III	121.5	115.3	94.9	131.3	108.3	108.1
	IV	122.6	114.4	93.3	133.4	109.2	108.8
	ANNUAL	121.4	115.2	94.9	130.1	107.8	107.1
2001	I	r122.0	r112.7	92.4	r135.5	109.8	r111.1
----- Percent change from previous quarter at annual rate(5)							
1999	I	1.5	1.8	0.3	0.9	-0.6	-0.6
	II	-0.2	1.5	1.8	2.3	-0.5	2.5
	III	4.0	0.7	-3.2	4.0	1.0	0.0
	IV	8.6	5.6	-2.8	2.5	-0.7	-5.6
	ANNUAL	1.5	0.7	-0.8	2.6	0.5	1.0
2000	I	1.6	0.5	-1.1	6.5	2.4	4.8
	II	2.0	1.2	-0.8	5.0	2.0	3.0
	III	0.9	-1.5	-2.4	8.0	4.3	7.0
	IV	3.8	-3.1	-6.7	6.7	3.6	2.7
	ANNUAL	3.2	1.2	-2.0	5.1	1.7	1.8
2001	I	r-2.0	r-5.8	r-3.8	r6.4	2.1	r8.6
----- Percent change from corresponding quarter of previous year							
1999	I	1.2	-0.3	-1.5	3.3	1.8	2.1
	II	0.5	0.0	-0.6	2.4	0.4	1.8
	III	1.0	0.7	-0.3	2.2	-0.1	1.2
	IV	3.4	2.4	-1.0	2.4	-0.2	-1.0
	ANNUAL	1.5	0.7	-0.8	2.6	0.5	1.0
2000	I	3.4	2.0	-1.3	3.8	0.5	0.4
	II	4.0	2.0	-2.0	4.5	1.2	0.4
	III	3.2	1.4	-1.8	5.5	2.0	2.2
	IV	2.1	-0.8	-2.8	6.5	3.1	4.4
	ANNUAL	3.2	1.2	-2.0	5.1	1.7	1.8
2001	I	r1.1	r-2.3	r-3.4	6.5	3.0	r5.3

See footnotes following Table 6.
r=revised

June 5, 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											
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	103.4	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	104.1	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	104.7	104.2	104.9	104.3	156.3	108.8
	III	122.1	153.0	125.3	127.7	105.3	104.5	105.5	104.8	153.0	108.9
	IV	122.2	152.8	125.0	130.0	106.4	106.3	107.9	106.8	135.5	109.2
	ANNUAL	121.1	151.6	125.2	126.8	105.1	104.8	105.6	105.0	149.2	108.8
2001	I	122.2	152.9	125.2	131.8	106.9	107.9	107.8	107.9	129.7	109.7

Percent change from previous quarter at annual rate(5)											
1999	I	3.0	5.4	2.3	4.3	2.7	1.2	-3.2	0.0	15.6	1.7
	II	2.7	5.1	2.4	4.4	1.5	1.6	3.4	2.1	-5.3	1.2
	III	4.4	6.9	2.4	5.0	2.0	0.6	2.9	1.2	-10.8	-0.3
	IV	5.8	8.8	2.8	4.1	0.8	-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	-1.0	-0.2	3.0	0.7	14.9	2.3
	II	5.6	6.4	0.7	6.3	3.3	0.7	2.6	1.2	11.4	2.4
	III	4.4	4.4	0.0	6.0	2.4	1.5	2.6	1.8	-8.3	0.5
	IV	0.3	-0.7	-1.0	7.4	4.3	7.1	9.4	7.7	-38.5	1.2
	ANNUAL	4.2	6.1	1.8	4.8	1.4	0.6	3.1	1.2	1.1	1.2
2001	I	-0.1	0.4	0.5	5.9	1.7	6.0	-0.4	4.3	-16.2	1.9

Percent change from corresponding quarter of previous year											
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	2.0	1.2	2.2	1.5	-5.0	0.7
	IV	4.0	6.5	2.5	4.4	1.7	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	0.8	0.1	2.8	0.8	1.0	0.8
	II	4.7	7.1	2.2	4.6	1.2	-0.2	2.6	0.6	5.2	1.1
	III	4.7	6.4	1.6	4.8	1.3	0.1	2.6	0.7	5.9	1.3
	IV	3.3	4.0	0.7	5.6	2.2	2.2	4.4	2.8	-7.8	1.6
	ANNUAL	4.2	6.1	1.8	4.8	1.4	0.6	3.1	1.2	1.1	1.2
2001	I	2.5	2.6	0.1	6.4	2.9	3.8	3.5	3.7	-14.8	1.5

See footnotes following Table 6.
r=revised

June 5, 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.