

USDL 01-292  
TRANSMISSION OF THIS  
MATERIAL IS EMBARGOED  
UNTIL 8:30 A.M. EDT,  
WEDNESDAY, SEPTEMBER 5, 2001.

Internet address: <http://stats.bls.gov/lprhome.htm>  
Historical, technical  
information: (202) 691-5606  
Current data: (202) 691-5200  
Media contact: (202) 691-5902

PRODUCTIVITY AND COSTS  
Second 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 second quarter of 2001. The seasonally adjusted annual rates of productivity change in the second quarter were:

2.2 percent in the business sector and  
2.1 percent in the nonfarm business sector.

In both sectors, increases in productivity were smaller than reported on Aug. 7; both output and hours movements were revised down. (See table C.)

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

1.1 percent in manufacturing,  
1.7 percent in durable goods manufacturing, and  
0.0 percent in nondurable goods manufacturing.

In total manufacturing, the change in productivity was revised to show a small increase in the second quarter, compared with the preliminary estimate of a slight decline. Output and hours in manufacturing, which includes about 16 percent of U.S. business-sector employment, tend to vary more from quarter to quarter than data for the more aggregate business and nonfarm business sectors. Second-quarter measures are summarized in table A and appear in detail in tables 1 through 5; the differences between these measures and the preliminary second-quarter figures issued on Aug. 7 are shown in table C.

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 second-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	2.2	-0.8	-2.9	5.4	2.2	3.1
Nonfarm business	2.1	-0.5	-2.6	4.8	1.7	2.7
Manufacturing	1.1	-4.8	-5.8	6.2	3.1	5.1
Durable	1.7	-5.1	-6.7	6.4	3.2	4.6
Nondurable	0.0	-4.4	-4.4	6.1	3.0	6.1
Percent change from same quarter a year ago						
Business	1.5	0.9	-0.6	6.6	3.1	5.0
Nonfarm business	1.5	0.9	-0.5	6.5	3.0	4.9
Manufacturing	2.2	-2.7	-4.9	8.8	5.2	6.4
Durable	3.3	-2.0	-5.1	9.4	5.8	5.9
Nondurable	0.8	-3.7	-4.5	7.7	4.2	6.9

#### Business

From the first to the second quarter of 2001, business sector productivity rose at a 2.2 percent annual rate, as output decreased 0.8 percent and hours of all persons engaged in the sector fell 2.9 percent (tables A and 1). This was the first decline in business sector output since the first quarter of 1993, when it fell 1.5 percent. The drop in hours of all persons was the largest since a 4.6-percent decline in the first quarter of 1991.

A 5.4-percent rise in hourly compensation in the second quarter of 2001 was similar to the 5.3-percent increase one quarter earlier (seasonally adjusted annual rates). Hourly 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 2.2 percent in the second quarter of 2001, after rising 1.1 percent in the first quarter.

Changes in unit labor costs reflect changes in both hourly compensation and productivity. Unit labor costs increased 3.1 percent in the second quarter of 2001, after rising 5.3 percent in the first quarter (seasonally adjusted annual rates). The implicit price deflator for the business sector rose 1.8 percent in the second quarter, as the increase in unit labor costs was partially offset by a 0.5 percent drop in unit nonlabor payments.

#### Nonfarm business

Productivity in the nonfarm business sector increased 2.1 percent during the second quarter of 2001, as output declined 0.5 percent and hours of all persons fell 2.6 percent (table A). As in the larger business sector, this was the first drop in output since the first quarter of 1993, when it fell 1.3 percent. The drop in hours was the largest since the first quarter of 1991, when hours decreased 4.8 percent. In the first quarter of 2001, nonfarm productivity had increased 0.1 percent, as output and hours grew 1.4 and 1.3 percent, respectively (table 2).

Hourly compensation grew at a 4.8 percent annual rate in the second quarter of 2001, following a 5.1 percent increase in the first quarter. When the rise in consumer prices is taken into account, real hourly compensation increased 1.7 percent in the second quarter of 2001.

Unit labor costs increased 2.7 percent in the second quarter of 2001. This measure had increased 5.0 percent in the first quarter. Unit nonlabor payments fell 0.4 percent in the second quarter of 2001, and the implicit price deflator for nonfarm business output rose 1.6 percent (seasonally adjusted annual rates).

## Manufacturing

In the second quarter of 2001, productivity increased 1.1 percent in manufacturing, as the decline in output, 4.8 percent, was outpaced by the drop in hours of all persons, 5.8 percent (seasonally adjusted annual rates). The second-quarter increase in output per hour was due entirely to the 1.7-percent productivity gain in the durable goods sector, as output per hour remained unchanged in the nondurable goods sector (tables 3, 4, and 5). In durable goods, output fell 5.1 percent, and hours declined 6.7 percent. In nondurable goods, output and hours both fell 4.4 percent.

The hourly compensation of all manufacturing workers increased 6.2 percent during the second quarter of 2001, reflecting a 6.4-percent rise in hourly compensation in durable goods industries and a 6.1-percent increase in the nondurable goods sector. Real hourly compensation in the total manufacturing sector grew 3.1 percent in the second quarter.

Unit labor costs in manufacturing rose 5.1 percent in the second quarter of 2001. Unit labor costs increased 4.6 percent in durable goods and 6.1 percent in nondurable goods.

## Nonfinancial corporations

Preliminary second-quarter 2001 measures of productivity and costs also were announced today for nonfinancial corporations (tables B and 6). Productivity increased 2.8 percent during the second quarter, as output rose 0.2 percent while hours fell 2.5 percent (seasonally adjusted annual rates). The 0.2-percent output increase was the smallest since a 2.3-percent decline in the first quarter of 1993. The second-quarter 2001 drop in hours was the largest since a decline of 2.7 percent in the second quarter of 1991. Nonfinancial corporations include 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: Preliminary second-quarter 2001 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								
2001 II	2.8	0.2	-2.5	6.2	3.0	3.3	-17.1	2.2
-----								
Percent change from same quarter a year ago								
2001 II	2.2	1.6	-0.6	7.1	3.5	4.7	-24.4	1.3
-----								

Hourly compensation rose 6.2 percent in the second quarter. When the rise in consumer prices is taken into account, real hourly compensation increased 3.0 percent in the second quarter of 2001 (table 6).

Unit labor costs for nonfinancial corporations increased 3.3 percent in the second quarter of 2001, less than the 5.0-percent growth in the first quarter of the year. Unit profits fell 17.1 percent in the second quarter, marking four consecutive quarters of declines. The implicit price deflator for nonfinancial corporate output rose 2.2 percent in the second quarter of 2001.

Revised Measures

Current and previous measures for the second quarter of 2001 for the business, nonfarm business, and manufacturing sectors are compared in table C. The quarterly movements differ from those reported on Aug. 7 based on information then available. In the business and nonfarm business sectors, both output and hours were revised down--output more than hours. As a result of these revisions, reported productivity growth was revised down. Unit labor costs in both sectors grew more rapidly than first reported. In the manufacturing sector, productivity was revised up, as output did not fall as much as originally reported, and hours were revised down further. Unit labor costs in manufacturing grew more slowly than reported on Aug. 7.

-----  
 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
----- Second quarter 2001 -----						
Business:						
Previous	2.8	0.0	-2.7	5.2	2.1	2.4
Current	2.2	-0.8	-2.9	5.4	2.2	3.1
Nonfarm business:						
Previous	2.5	0.1	-2.4	4.7	1.6	2.1
Current	2.1	-0.5	-2.6	4.8	1.7	2.7
Manufacturing:						
Previous	-0.2	-5.8	-5.6	6.2	3.0	6.4
Current	1.1	-4.8	-5.8	6.2	3.1	5.1

-----

Next release date

The next release of Productivity and Costs is scheduled for 8:30 AM EST, Wednesday, Nov. 7, 2001. Preliminary third-quarter 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	112.8	132.4	117.4	123.2	106.6	109.2	114.5	111.2
	II	112.5	132.9	118.2	124.5	107.0	110.7	112.6	111.4
	III	113.3	134.6	118.8	126.1	107.5	111.3	112.3	111.7
	IV	115.2	137.8	119.6	127.2	107.6	110.4	114.8	112.0
	ANNUAL	113.4	134.4	118.5	125.2	107.3	110.4	113.6	111.6
2000	I	115.0	138.6	120.5	129.0	108.1	112.1	114.2	112.9
	II	117.1	140.8	120.2	131.7	109.6	112.5	115.2	113.5
	III	117.4	141.2	120.3	133.8	110.3	114.0	113.9	113.9
	IV	118.2	141.9	120.0	136.8	112.0	115.7	112.1	114.4
	ANNUAL	116.9	140.6	120.3	132.8	110.1	113.6	113.9	113.7
2001	I	118.2	142.3	120.4	138.6	112.3	117.2	111.8	115.2
	II	r118.9	r142.0	119.5	140.4	r113.0	r118.1	r111.6	r115.7
Percent change from previous quarter at annual rate(5)									
1999	I	3.1	3.5	0.4	4.7	3.1	1.5	0.9	1.3
	II	-1.1	1.6	2.7	4.2	1.4	5.4	-6.3	0.8
	III	2.9	5.1	2.1	5.1	2.0	2.1	-1.1	0.9
	IV	7.0	9.9	2.7	3.5	0.3	-3.2	9.1	1.2
	ANNUAL	2.5	4.6	2.0	4.6	2.4	2.0	-0.8	0.9
2000	I	-0.6	2.2	2.9	5.9	1.8	6.5	-2.0	3.2
	II	7.3	6.5	-0.7	8.6	5.5	1.2	3.6	2.1
	III	1.0	1.3	0.3	6.5	2.9	5.5	-4.5	1.7
	IV	3.0	1.8	-1.1	9.4	6.3	6.3	-6.1	1.6
	ANNUAL	3.1	4.6	1.5	6.0	2.6	2.9	0.3	1.9
2001	I	0.0	1.2	1.2	5.3	1.1	5.3	-1.3	2.9
	II	r2.2	r-0.8	r-2.9	r5.4	r2.2	r3.1	r-0.5	r1.8
Percent change from corresponding quarter of previous year									
1999	I	2.6	4.5	1.9	4.8	3.2	2.2	-1.4	0.8
	II	2.3	4.4	2.1	4.5	2.5	2.2	-1.2	0.9
	III	2.3	4.6	2.2	4.5	2.2	2.2	-1.2	0.9
	IV	2.9	5.0	2.0	4.4	1.7	1.4	0.5	1.1
	ANNUAL	2.5	4.6	2.0	4.6	2.4	2.0	-0.8	0.9
2000	I	2.0	4.7	2.6	4.7	1.4	2.6	-0.3	1.5
	II	4.1	5.9	1.8	5.7	2.4	1.6	2.3	1.9
	III	3.6	4.9	1.3	6.1	2.6	2.4	1.4	2.1
	IV	2.6	3.0	0.3	7.6	4.1	4.8	-2.3	2.1
	ANNUAL	3.1	4.6	1.5	6.0	2.6	2.9	0.3	1.9
2001	I	2.8	2.7	-0.1	7.4	3.9	4.6	-2.1	2.1
	II	r1.5	r0.9	-0.6	6.6	3.1	r5.0	r-3.1	2.0

See footnotes following Table 6.  
r=revised

September 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	112.2	132.8	118.3	122.3	105.9	109.0	116.0	111.5
	II	111.9	133.2	119.1	123.6	106.2	110.5	114.2	111.8
	III	112.7	134.9	119.8	125.1	106.8	111.1	114.0	112.1
	IV	114.7	138.1	120.4	126.4	107.0	110.2	116.5	112.5
	ANNUAL	112.9	134.8	119.4	124.4	106.5	110.2	115.2	112.0
2000	I	114.5	138.8	121.2	128.4	107.6	112.1	116.0	113.5
	II	116.3	141.0	121.3	130.7	108.8	112.4	116.7	114.0
	III	116.7	141.4	121.2	133.0	109.7	114.0	115.4	114.5
	IV	117.4	142.1	121.0	135.9	111.3	115.8	113.5	114.9
	ANNUAL	116.2	140.8	121.2	132.0	109.4	113.6	115.4	114.2
2001	I	117.4	142.5	121.4	137.6	111.5	117.2	113.1	115.7
	II	r118.0	r142.3	r120.6	r139.2	r112.0	r118.0	r113.0	116.2
Percent change from previous quarter at annual rate(5)									
1999	I	2.4	3.5	1.0	3.8	2.2	1.3	1.9	1.5
	II	-1.4	1.4	2.8	4.2	1.3	5.6	-5.9	1.2
	III	3.0	5.3	2.2	5.2	2.1	2.1	-0.8	1.0
	IV	7.4	9.8	2.3	4.2	0.9	-2.9	9.1	1.4
	ANNUAL	2.3	4.6	2.2	4.4	2.2	2.0	-0.4	1.1
2000	I	-0.6	2.0	2.6	6.2	2.1	6.8	-1.7	3.5
	II	6.3	6.5	0.2	7.6	4.5	1.2	2.6	1.7
	III	1.4	1.2	-0.2	7.1	3.5	5.6	-4.4	1.8
	IV	2.3	1.8	-0.5	8.9	5.8	6.4	-6.6	1.5
	ANNUAL	3.0	4.5	1.5	6.1	2.7	3.1	0.2	2.0
2001	I	0.1	1.4	1.3	5.1	0.9	5.0	-1.2	2.7
	II	r2.1	r-0.5	r-2.6	r4.8	r1.7	r2.7	r-0.4	r1.6
Percent change from corresponding quarter of previous year									
1999	I	2.4	4.5	2.1	4.6	3.0	2.1	-1.1	0.9
	II	1.9	4.3	2.4	4.2	2.3	2.3	-0.9	1.1
	III	2.1	4.6	2.4	4.3	1.9	2.1	-0.8	1.0
	IV	2.8	4.9	2.1	4.3	1.6	1.5	0.9	1.3
	ANNUAL	2.3	4.6	2.2	4.4	2.2	2.0	-0.4	1.1
2000	I	2.0	4.6	2.5	5.0	1.6	2.9	0.0	1.8
	II	4.0	5.9	1.8	5.8	2.4	1.8	2.2	1.9
	III	3.6	4.8	1.2	6.3	2.8	2.6	1.3	2.1
	IV	2.3	2.8	0.5	7.4	4.0	5.0	-2.6	2.2
	ANNUAL	3.0	4.5	1.5	6.1	2.7	3.1	0.2	2.0
2001	I	2.5	2.7	0.2	7.2	3.7	4.6	-2.5	2.0
	II	r1.5	r0.9	-0.5	r6.5	r3.0	r4.9	r-3.2	r1.9

See footnotes following Table 6.  
r=revised

September 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	127.4	132.8	104.3	119.9	103.7	94.1
	II	128.4	134.1	104.5	121.3	104.2	94.4
	III	129.8	135.8	104.7	123.0	104.9	94.7
	IV	132.7	138.0	104.0	124.4	105.3	93.7
	ANNUAL	129.6	135.2	104.3	122.1	104.6	94.3
2000	I	135.2	140.3	103.8	125.9	105.5	93.2
	II	137.3	143.1	104.2	128.1	106.6	93.3
	III	139.4	144.4	103.6	131.2	108.3	94.1
	IV	141.3	143.9	101.8	135.2	110.7	95.7
	ANNUAL	138.3	142.9	103.4	130.1	107.8	94.1
2001	I	140.0	140.9	100.6	137.2	111.3	98.0
	II	r140.4	r139.1	r99.1	139.3	112.1	r99.3
Percent change from previous quarter at annual rate(5)							
1999	I	5.1	2.5	-2.5	2.6	1.1	-2.3
	II	3.3	4.1	0.8	4.8	1.9	1.4
	III	4.4	5.1	0.7	5.7	2.6	1.2
	IV	9.3	6.4	-2.6	4.7	1.4	-4.2
	ANNUAL	4.5	3.7	-0.8	4.0	1.9	-0.5
2000	I	7.6	7.1	-0.5	5.1	1.0	-2.3
	II	6.5	8.0	1.5	7.0	3.9	0.5
	III	6.4	3.7	-2.5	10.3	6.5	3.7
	IV	5.3	-1.5	-6.5	12.6	9.4	6.9
	ANNUAL	6.7	5.7	-0.9	6.5	3.1	-0.2
2001	I	-3.6	-8.1	-4.7	6.2	1.9	10.1
	II	r1.1	r-4.8	r-5.8	6.2	r3.1	r5.1
Percent change from corresponding quarter of previous year							
1999	I	4.5	2.9	-1.5	3.9	2.3	-0.7
	II	4.3	3.3	-1.0	3.6	1.7	-0.7
	III	3.7	3.8	0.1	4.0	1.7	0.3
	IV	5.5	4.5	-0.9	4.4	1.7	-1.0
	ANNUAL	4.5	3.7	-0.8	4.0	1.9	-0.5
2000	I	6.1	5.7	-0.4	5.1	1.7	-1.0
	II	6.9	6.7	-0.2	5.6	2.2	-1.2
	III	7.4	6.3	-1.0	6.7	3.2	-0.6
	IV	6.5	4.3	-2.1	8.7	5.2	2.1
	ANNUAL	6.7	5.7	-0.9	6.5	3.1	-0.2
2001	I	3.6	0.4	-3.1	9.0	5.4	5.2
	II	r2.2	r-2.7	r-4.9	8.8	5.2	r6.4

See footnotes following Table 6.  
r=revised

September 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	140.2	153.8	109.7	117.7	101.9	84.0
	II	142.2	156.2	109.8	119.4	102.6	84.0
	III	144.0	159.5	110.7	121.1	103.3	84.1
	IV	147.5	162.2	110.0	122.6	103.7	83.1
	ANNUAL	143.5	157.9	110.1	120.2	103.0	83.8
2000	I	152.0	167.2	110.0	124.0	103.9	81.6
	II	155.9	172.6	110.8	126.2	105.0	81.0
	III	159.7	176.0	110.2	129.5	106.8	81.1
	IV	162.0	175.9	108.5	133.9	109.6	82.6
	ANNUAL	157.4	172.9	109.9	128.4	106.4	81.6
2001	I	160.3	171.5	106.9	136.0	110.2	84.8
	II	r161.0	r169.2	105.1	138.1	111.1	r85.8
Percent change from previous quarter at annual rate(5)							
1999	I	7.5	3.0	-4.2	4.0	2.4	-3.2
	II	5.8	6.2	0.4	5.8	2.9	0.0
	III	5.2	8.7	3.4	5.8	2.7	0.6
	IV	10.1	7.1	-2.7	5.0	1.7	-4.6
	ANNUAL	6.9	6.1	-0.8	4.7	2.5	-2.1
2000	I	12.6	12.7	0.1	4.8	0.8	-6.9
	II	10.7	13.7	2.8	7.1	4.1	-3.2
	III	10.3	8.1	-1.9	10.9	7.1	0.6
	IV	5.9	-0.4	-6.0	14.3	11.0	7.9
	ANNUAL	9.7	9.5	-0.2	6.8	3.3	-2.6
2001	I	-4.1	-9.6	-5.8	6.3	2.1	10.9
	II	r1.7	r-5.1	r-6.7	r6.4	3.2	r4.6
Percent change from corresponding quarter of previous year							
1999	I	7.4	5.7	-1.6	4.3	2.7	-2.9
	II	7.3	6.1	-1.1	4.4	2.4	-2.8
	III	5.8	6.4	0.5	4.9	2.6	-0.9
	IV	7.1	6.2	-0.8	5.2	2.4	-1.9
	ANNUAL	6.9	6.1	-0.8	4.7	2.5	-2.1
2000	I	8.4	8.7	0.3	5.3	2.0	-2.8
	II	9.6	10.5	0.9	5.7	2.3	-3.6
	III	10.9	10.4	-0.5	6.9	3.4	-3.6
	IV	9.8	8.4	-1.3	9.2	5.7	-0.5
	ANNUAL	9.7	9.5	-0.2	6.8	3.3	-2.6
2001	I	5.5	2.6	-2.8	9.6	6.0	3.9
	II	r3.3	r-2.0	-5.1	9.4	5.8	r5.9

See footnotes following Table 6.  
r=revised

September 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	122.1	105.7	104.8
	II	116.6	113.5	97.3	123.1	105.8	105.5
	III	117.8	113.7	96.6	124.5	106.3	105.8
	IV	120.1	115.3	96.0	125.8	106.5	104.8
	ANNUAL	117.8	113.9	96.7	123.9	106.1	105.2
2000	I	120.7	115.4	95.6	127.5	106.9	105.7
	II	121.2	115.8	95.5	129.5	107.8	106.8
	III	121.8	115.3	94.7	132.4	109.2	108.7
	IV	123.2	114.4	92.9	135.4	110.9	110.0
	ANNUAL	121.7	115.2	94.7	131.2	108.7	107.8
2001	I	122.2	112.7	92.2	137.5	111.4	112.5
	II	r122.2	r111.4	r91.2	139.5	112.3	r114.2
Percent change from previous quarter at annual rate(5)							
1999	I	1.6	1.8	0.2	0.7	-0.9	-0.9
	II	0.2	1.5	1.3	3.1	0.3	2.9
	III	4.0	0.7	-3.1	4.9	1.9	0.9
	IV	8.2	5.6	-2.5	4.2	0.9	-3.7
	ANNUAL	1.6	0.7	-0.9	2.8	0.7	1.2
2000	I	1.9	0.5	-1.4	5.5	1.4	3.5
	II	1.8	1.2	-0.6	6.4	3.4	4.5
	III	1.9	-1.5	-3.4	9.1	5.4	7.1
	IV	4.5	-3.1	-7.3	9.6	6.5	4.9
	ANNUAL	3.3	1.2	-2.1	5.9	2.4	2.4
2001	I	-3.0	-5.9	-3.0	6.2	1.9	9.4
	II	r0.0	r-4.4	r-4.4	6.1	3.0	r6.1
Percent change from corresponding quarter of previous year							
1999	I	1.1	-0.3	-1.5	3.2	1.6	2.0
	II	0.7	0.0	-0.7	2.4	0.5	1.7
	III	1.2	0.7	-0.5	2.5	0.2	1.3
	IV	3.4	2.4	-1.0	3.2	0.5	-0.2
	ANNUAL	1.6	0.7	-0.9	2.8	0.7	1.2
2000	I	3.5	2.0	-1.4	4.4	1.1	0.9
	II	3.9	2.0	-1.9	5.2	1.9	1.2
	III	3.4	1.4	-2.0	6.3	2.7	2.8
	IV	2.5	-0.8	-3.2	7.6	4.1	5.0
	ANNUAL	3.3	1.2	-2.1	5.9	2.4	2.4
2001	I	1.3	-2.4	-3.6	7.8	4.3	6.5
	II	r0.8	r-3.7	r-4.5	r7.7	4.2	r6.9

See footnotes following Table 6.  
r=revised

September 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	114.3	139.2	121.8	119.2	103.2	104.3	103.0	103.9	141.8	107.1
	II	114.4	140.3	122.6	120.4	103.5	105.2	103.7	104.8	135.8	107.5
	III	115.2	142.3	123.4	121.9	104.0	105.8	105.1	105.6	128.2	107.5
	IV	116.5	145.0	124.5	123.1	104.1	105.6	105.0	105.4	131.1	107.6
	ANNUAL	115.1	141.7	123.1	121.2	103.8	105.2	104.2	105.0	134.2	107.4
2000	I	117.7	147.5	125.4	124.7	104.5	106.0	105.5	105.9	134.3	108.3
	II	119.7	150.3	125.5	127.2	105.8	106.2	105.3	106.0	137.8	108.7
	III	120.9	151.9	125.6	129.3	106.6	106.9	105.6	106.6	133.8	108.9
	IV	121.4	152.4	125.6	132.3	108.3	109.0	106.0	108.2	118.5	109.0
	ANNUAL	119.9	150.5	125.5	128.3	106.4	107.0	105.6	106.7	131.0	108.7
2001	I	121.5	152.6	125.6	134.1	108.7	110.3	107.5	109.6	109.2	109.5
	II	122.4	152.7	124.8	136.1	109.5	111.2	109.2	110.7	104.2	110.1
-----											
Percent change from previous quarter at annual rate(5)											
1999	I	3.9	6.0	2.0	4.5	2.9	0.6	-1.0	0.1	12.4	1.4
	II	0.4	3.2	2.8	4.2	1.3	3.8	2.8	3.6	-16.0	1.2
	III	2.8	5.6	2.7	4.9	1.9	2.1	5.5	3.0	-20.4	0.3
	IV	4.5	8.0	3.3	3.8	0.6	-0.6	-0.7	-0.6	9.1	0.3
	ANNUAL	3.0	5.5	2.4	4.5	2.3	1.4	2.0	1.6	-5.3	0.8
2000	I	4.0	7.2	3.0	5.5	1.4	1.4	2.2	1.6	10.2	2.5
	II	7.1	7.6	0.5	8.1	5.0	0.9	-0.7	0.4	11.0	1.5
	III	4.0	4.4	0.4	6.8	3.1	2.7	0.8	2.2	-11.1	0.7
	IV	1.6	1.3	-0.3	9.6	6.5	7.9	1.7	6.2	-38.6	0.6
	ANNUAL	4.1	6.2	2.0	5.9	2.5	1.7	1.3	1.6	-2.3	1.2
2001	I	0.6	0.7	0.0	5.7	1.5	5.0	5.8	5.2	-27.8	1.8
	II	2.8	0.2	-2.5	6.2	3.0	3.3	6.5	4.2	-17.1	2.2
-----											
Percent change from corresponding quarter of previous year											
1999	I	4.0	6.1	2.0	4.7	3.1	0.7	1.3	0.8	-1.3	0.6
	II	2.9	5.4	2.4	4.4	2.4	1.4	1.8	1.5	-3.2	1.0
	III	2.2	4.9	2.6	4.4	2.0	2.1	3.3	2.4	-11.5	0.8
	IV	2.9	5.7	2.7	4.4	1.7	1.5	1.6	1.5	-4.9	0.8
	ANNUAL	3.0	5.5	2.4	4.5	2.3	1.4	2.0	1.6	-5.3	0.8
2000	I	2.9	6.0	3.0	4.6	1.3	1.7	2.4	1.9	-5.3	1.1
	II	4.6	7.1	2.4	5.6	2.2	0.9	1.6	1.1	1.5	1.1
	III	4.9	6.8	1.8	6.0	2.5	1.1	0.4	0.9	4.3	1.3
	IV	4.2	5.1	0.9	7.5	4.0	3.2	1.0	2.6	-9.6	1.3
	ANNUAL	4.1	6.2	2.0	5.9	2.5	1.7	1.3	1.6	-2.3	1.2
2001	I	3.3	3.4	0.1	7.5	4.0	4.1	1.9	3.5	-18.7	1.2
	II	2.2	1.6	-0.6	7.1	3.5	4.7	3.7	4.4	-24.4	1.3

See footnotes following Table 6.  
r=revised

September 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 +1.8 index points approximately 95 percent of the time. This interval is based on the performance of this measure between the fourth quarter of 1995 and the first quarter of 2001.

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