

USDL 02-261  
TRANSMISSION OF THIS  
MATERIAL IS EMBARGOED  
UNTIL 8:30 A.M. EDT,  
TUESDAY, MAY 7, 2002.

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

PRODUCTIVITY AND COSTS  
First Quarter 2002

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 2002. The seasonally adjusted annual rates of productivity change in the first quarter were:

8.5 percent in the business sector and  
8.6 percent in the nonfarm business sector.

These large productivity increases resulted from output growth of 6.5 percent in both the business and nonfarm business sectors in combination with declines in hours worked. Hours of all persons decreased 1.8 percent in the business sector and 1.9 percent in the nonfarm business sector. 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:

9.7 percent in manufacturing,  
13.3 percent in durable goods manufacturing, and  
5.1 percent in nondurable goods manufacturing.

Productivity growth in manufacturing in the first quarter of 2002 reflected an increase of 3.2 percent in output and a drop of 5.9 percent in hours of all persons (seasonally adjusted annual rates). 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 2002 measures  
(Seasonally adjusted annual rates)

Sector	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs
Percent change from preceding quarter						
Business	8.5	6.5	-1.8	2.8	1.3	-5.3
Nonfarm business	8.6	6.5	-1.9	2.7	1.2	-5.4
Manufacturing	9.7	3.2	-5.9	2.5	1.1	-6.5
Durable	13.3	5.0	-7.3	2.0	0.6	-9.9
Nondurable	5.1	1.2	-3.7	3.9	2.4	-1.1
Percent change from same quarter a year ago						
Business	4.1	1.2	-2.8	3.4	2.1	-0.7
Nonfarm business	4.3	1.3	-2.9	3.3	2.1	-0.9
Manufacturing	4.0	-3.6	-7.4	3.6	2.4	-0.4
Durable	4.6	-4.7	-8.9	4.0	2.8	-0.5
Nondurable	2.8	-2.3	-4.9	3.4	2.1	0.6

#### Business

Productivity in the business sector increased at an 8.5 percent annual rate from the fourth quarter of 2001 to the first quarter of 2002, as output increased 6.5 percent and hours of all persons engaged in the sector declined 1.8 percent (seasonally adjusted annual rates). This was the largest increase in business sector output per hour since the second quarter of 1972, when it rose 9.1 percent. Revised data for the fourth quarter of 2001 show that output per hour increased 5.4 percent, as output increased 1.6 percent and hours of all persons fell 3.6 percent (table 1).

Hourly compensation increased 2.8 percent during the first quarter of 2002. This measure includes wages and salaries, supplements, employer contributions to employee benefit plans, and taxes. Real hourly compensation, which takes into account changes in consumer prices, rose at a 1.3 percent annual rate in the first quarter of 2002, following a 2.5 percent increase during fourth- quarter 2001.

Unit labor costs, which reflect changes in hourly compensation and productivity, fell at a 5.3 percent rate during first-quarter 2002, after falling 3.0 percent in the fourth quarter of 2001. The first-quarter drop in unit labor costs was the largest in this sector since the first quarter of 1955, when they dropped 7.5 percent.

The implicit price deflator for the business sector, which reflects changes in both unit labor costs and unit nonlabor payments, fell at a 0.2 percent annual rate in the first quarter.

#### Nonfarm business

Productivity increased 8.6 percent in the nonfarm business sector in first-quarter 2002, as output increased 6.5 percent and hours of all persons decreased 1.9 percent (seasonally adjusted annual rates). This was the largest increase in nonfarm business sector output per hour since the second quarter of 1983, when it rose 9.9 percent. During the fourth quarter of 2001, productivity had increased 5.5 percent, as output rose 1.5 percent and hours fell 3.8 percent (table 2).

Hourly compensation increased at a 2.7 percent annual rate in the first quarter of 2002. When the rise in consumer prices was taken into account, real hourly compensation rose 1.2 percent in the first quarter; it had increased 2.6 percent in the fourth quarter of 2001.

Unit labor costs fell 5.4 percent in the first quarter of 2002 and 3.1 percent in the fourth quarter of 2001. The first-quarter decrease was the largest since the second quarter of 1983, when unit labor costs fell 6.5 percent. The implicit price deflator for nonfarm business output declined 0.8 percent in the first quarter and 0.4 percent one quarter earlier.

## Manufacturing

Productivity increased 9.7 percent in manufacturing in the first quarter of 2002, as output increased 3.2 percent and hours of all persons declined 5.9 percent (seasonally adjusted annual rates). Both output and hours had fallen in fourth-quarter 2001--by 6.3 and 10.4 percent, respectively--and productivity grew 4.7 percent. In the first quarter of 2002, productivity grew 13.3 percent in durable goods manufacturing, where output rose 5.0 percent and hours fell 7.3 percent. Nondurable goods manufacturing productivity rose 5.1 percent, reflecting a 1.2 percent rise in output and a 3.7 percent drop in hours of all persons.

Hourly compensation of all manufacturing workers rose 2.5 percent during the first quarter, and real hourly compensation increased 1.1 percent. The hourly compensation of workers in durable goods manufacturing rose 2.0 percent, while that of employees in nondurable goods manufacturing grew 3.9 percent.

Unit labor costs in manufacturing fell 6.5 percent in the first quarter of 2002, as unit labor costs of durable goods producers fell 9.9 percent and those of nondurable goods producers declined at a 1.1 percent annual rate. The decrease for total manufacturing was the largest since a 6.9 percent decrease in the second quarter of 1961.

### Fourth-quarter and annual measures for nonfinancial corporations

Fourth-quarter and annual 2001 measures of productivity and costs also were announced today for the nonfinancial corporate sector (tables B, C, and 6). Output per all-employee hour grew 11.2 percent from the third to the fourth quarter of 2001, as output grew 6.2 percent and employee hours fell 4.5 percent. This was the largest productivity increase in this sector since the second quarter of 1975, when productivity grew 11.4 percent, output grew 6.8 percent, and hours worked fell 4.2 percent. The nonfinancial corporate 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 2001 productivity and cost measures  
(Seasonally adjusted annual rates)  
-----

Period	Produc- tivity	Output	Hours	Hourly compen- sation	Real	Unit labor costs	Unit profits	Implicit price deflator
					hourly compen- sation			
-----								
Percent change from preceding quarter								
2001 IV	11.2	6.2	-4.5	3.6	3.9	-6.8	58.0	-3.2
-----								
Percent change from same quarter a year ago								
2001 IV	3.9	1.2	-2.6	5.0	3.1	1.1	-7.3	0.9
-----								

Hourly compensation increased 3.6 percent in the fourth quarter, and real hourly compensation rose 3.9 percent. Unit labor costs fell 6.8 percent in the fourth quarter of 2001--the largest decrease in the series, which begins with data for 1958. In the fourth quarter, unit profits increased at a 58.0 percent annual rate after falling in the five previous quarters. The implicit price deflator for nonfinancial corporate output fell 3.2 percent during the fourth quarter of 2001, compared with a 2.8 percent increase in the third quarter.

Productivity grew 2.3 percent in 2001 for nonfinancial corporations, following increases of 3.1 percent in each of the 3 previous years (table C). Nonfinancial corporate output grew 1.1 percent in 2001, and employee hours decreased 1.2 percent. This was the first decrease in employee hours since a 3.1-percent decline in 1991.

Table C. Nonfinancial corporations: Annual changes in productivity and related measures, 1992-2001

Measure	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Productivity	2.4	0.7	2.4	1.0	3.2	0.9	3.1	3.1	3.1	2.3
Output	2.6	3.0	6.4	4.2	5.0	5.9	5.8	5.6	4.8	1.1
Hours	0.2	2.3	3.9	3.1	1.8	5.0	2.6	2.4	1.7	-1.2
Hourly compensation	5.0	2.0	2.1	1.9	2.7	1.3	5.1	4.5	6.3	6.5
Real hourly compensation	2.4	-0.4	0.0	-0.5	0.0	-0.9	3.7	2.3	2.8	3.6
Unit labor costs	2.5	1.3	-0.3	0.8	-0.5	0.4	2.0	1.3	3.1	4.1
Unit nonlabor costs	-2.0	0.2	1.0	0.9	-1.5	0.3	1.2	1.9	2.7	4.4
Total unit cost	1.3	1.0	0.1	0.8	-0.8	0.4	1.8	1.4	3.0	4.2
Unit profits	7.6	13.2	16.3	5.5	9.5	3.1	-9.7	-5.4	-1.0	-19.0
Implicit price deflator	1.8	2.1	1.6	1.4	0.4	0.7	0.3	0.7	2.5	1.8

Hourly compensation grew 6.5 percent in 2001, and real hourly compensation increased 3.6 percent. Total unit costs rose 4.2 percent, reflecting increases of 4.1 percent in unit labor costs and 4.4 percent in unit nonlabor costs. Unit profits fell 19.0 percent in 2001, continuing a series of annual declines that began in 1998. The implicit price deflator, which reflects both the unit costs and unit profits measures, rose 1.8 percent in 2001.

#### REVISED MEASURES

Current and previous measures for the fourth quarter of 2001 for the business, nonfarm business, and manufacturing sectors are compared in table D. Some of the quarterly movements differ from those reported on March 7, based on information then available. In all three sectors, productivity and output were revised up and unit labor costs were revised 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 2001						
Business:						
Previous	5.1	1.3	-3.6	2.2	2.5	-2.7
Current	5.4	1.6	-3.6	2.2	2.5	-3.0
Nonfarm business:						
Previous	5.2	1.2	-3.8	2.3	2.6	-2.7
Current	5.5	1.5	-3.8	2.3	2.6	-3.1
Manufacturing:						
Previous	4.1	-6.7	-10.4	2.5	2.8	-1.5
Current	4.7	-6.3	-10.4	2.5	2.8	-2.1

The Consumer Price Index Research Series has been updated. This affected indexes of real hourly compensation for all years.

Next release date

The next release of Productivity and Costs is scheduled for 8:30 AM EDT, Friday, May 31, 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 costs 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								
2000	I	115.3	138.6	120.2	129.3	r108.7	112.2	112.9
	II	117.5	140.8	119.8	132.1	r110.3	112.5	113.5
	III	117.8	141.2	119.9	134.3	r111.1	114.0	113.9
	IV	118.7	141.9	119.5	137.4	r112.9	115.8	114.4
	ANNUAL	117.3	140.6	119.8	133.3	r110.8	113.6	113.7
2001	I	118.6	142.3	119.9	139.1	r113.3	117.3	115.2
	II	119.3	142.1	119.1	140.9	r113.8	118.1	115.7
	III	119.5	141.2	118.2	142.1	r114.5	118.9	116.2
	IV	r121.1	r141.8	117.1	r142.8	r115.3	r118.0	r115.9
	ANNUAL	119.6	r141.9	118.6	141.2	r114.2	118.1	r115.8
2002	I	123.6	144.1	116.6	143.8	115.6	116.4	115.8
Percent change from previous quarter at annual rate(5)								
2000	I	-0.1	2.2	2.3	6.5	2.4	6.6	-2.1
	II	7.7	6.5	-1.1	9.0	5.9	1.3	3.5
	III	1.2	1.3	0.1	6.8	3.1	5.5	-4.5
	IV	3.0	1.8	-1.1	9.5	6.4	6.3	-6.1
	ANNUAL	3.4	4.6	1.1	6.4	3.0	2.9	0.2
2001	I	-0.2	1.2	1.4	5.1	r1.4	5.3	-1.3
	II	2.2	-0.7	-2.8	5.2	2.0	3.0	-0.6
	III	0.7	-2.3	-2.9	3.3	r2.6	2.6	0.6
	IV	r5.4	r1.6	-3.6	2.2	2.5	r-3.0	r2.2
	ANNUAL	r2.0	0.9	-1.0	r6.0	r3.1	3.9	-1.8
2002	I	8.5	6.5	-1.8	2.8	1.3	-5.3	9.4
Percent change from corresponding quarter of previous year								
2000	I	2.3	4.7	2.3	5.0	1.7	2.7	-0.3
	II	4.5	5.9	1.4	6.2	2.8	1.6	2.2
	III	4.0	4.9	0.9	6.6	3.0	2.5	1.3
	IV	2.9	3.0	0.0	7.9	4.4	4.9	-2.4
	ANNUAL	3.4	4.6	1.1	6.4	3.0	2.9	0.2
2001	I	2.9	2.7	-0.2	7.6	4.2	4.6	-2.2
	II	1.6	0.9	-0.6	6.6	3.2	5.0	-3.2
	III	1.4	0.0	-1.4	5.8	r3.1	4.3	-1.9
	IV	r2.0	r0.0	-2.0	4.0	2.1	r1.9	r0.2
	ANNUAL	r2.0	0.9	-1.0	r6.0	r3.1	3.9	-1.8
2002	I	4.1	1.2	-2.8	3.4	2.1	-0.7	2.8

See footnotes following Table 6.  
r=revised

May 7, 2002  
Source: Bureau of Labor Statistics

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

Year and quarter	Output per hour of all persons	Output	Hours of all persons	Compensation per hour (1)	Real compensation per hour (2)	Unit labor costs	Unit non-labor payments (3)	Implicit price deflator (4)
Indexes 1992=100								
2000	I	114.8	138.8	120.9	128.7	r108.2	112.1	115.9
	II	116.7	141.0	120.8	131.2	r109.5	112.5	116.7
	III	117.2	141.4	120.7	133.6	r110.5	114.0	115.3
	IV	117.8	142.1	120.6	136.5	r112.1	115.8	113.4
	ANNUAL	116.6	140.8	120.8	132.5	r110.2	113.6	115.3
2001	I	117.8	142.5	121.0	138.1	r112.4	117.2	113.1
	II	118.4	142.4	120.2	139.7	r112.8	118.0	112.9
	III	118.7	141.5	119.2	141.0	r113.7	118.7	112.9
	IV	r120.3	r142.1	118.1	141.8	r114.4	r117.8	r114.2
	ANNUAL	118.8	142.1	119.6	140.1	r113.3	r117.9	r113.3
2002	I	122.8	144.3	117.5	142.7	114.7	116.2	116.4
Percent change from previous quarter at annual rate(5)								
2000	I	0.0	2.0	2.0	6.9	r2.7	6.9	-1.8
	II	6.7	6.5	-0.2	8.1	5.0	1.3	2.5
	III	1.6	1.2	-0.5	7.4	3.7	5.7	-4.4
	IV	2.3	1.8	-0.5	8.9	5.8	6.4	-6.6
	ANNUAL	3.3	4.5	1.1	6.5	3.1	3.1	0.1
2001	I	-0.1	1.4	1.4	4.9	r1.2	5.0	-1.2
	II	2.1	-0.4	-2.4	4.7	1.5	2.6	-0.5
	III	1.1	-2.3	-3.4	3.7	r3.0	2.6	0.0
	IV	r5.5	r1.5	-3.8	2.3	2.6	r-3.1	r4.6
	ANNUAL	1.9	0.9	-0.9	5.8	r2.9	3.8	-1.8
2002	I	8.6	6.5	-1.9	2.7	1.2	-5.4	7.9
Percent change from corresponding quarter of previous year								
2000	I	2.4	4.6	2.2	5.3	2.0	2.9	0.0
	II	4.4	5.9	1.4	6.3	2.9	1.8	2.1
	III	4.0	4.8	0.8	6.7	3.2	2.7	1.2
	IV	2.6	2.8	0.2	7.8	4.3	5.0	-2.6
	ANNUAL	3.3	4.5	1.1	6.5	3.1	3.1	0.1
2001	I	2.6	2.7	0.1	7.3	3.9	4.6	-2.5
	II	1.5	1.0	-0.5	6.5	3.0	4.9	-3.2
	III	1.3	0.1	-1.2	5.5	2.8	4.1	-2.1
	IV	r2.1	r0.0	-2.1	3.9	2.0	r1.7	r0.7
	ANNUAL	1.9	0.9	-0.9	5.8	r2.9	3.8	-1.8
2002	I	4.3	1.3	-2.9	3.3	2.1	-0.9	2.9

See footnotes following Table 6.

r=revised

May 7, 2002

Source: Bureau of Labor Statistics

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

Year and quarter		Output per hour of all persons	Output	Hours of all persons	Compensation per hour (1)	Real compensation per hour (2)	Unit labor costs
Indexes 1992=100							
2000	I	135.2	139.9	103.5	126.3	r106.2	93.4
	II	137.2	142.3	103.8	128.6	r107.4	93.8
	III	138.3	142.5	103.0	131.9	r109.2	95.4
	IV	139.2	141.1	101.3	135.9	r111.7	97.6
	ANNUAL	137.5	141.5	102.9	130.7	r108.6	95.1
2001	I	138.3	138.5	100.1	137.9	r112.3	99.7
	II	138.1	136.3	98.7	140.0	r113.0	101.3
	III	139.0	134.6	96.8	141.2	r113.8	101.5
	IV	r140.6	r132.4	94.2	142.0	r114.6	r101.0
	ANNUAL	r139.0	r135.5	97.5	140.2	r113.4	100.9
2002	I	143.9	133.5	92.8	142.9	114.9	99.3
Percent change from previous quarter at annual rate(5)							
2000	I	7.6	6.3	-1.2	5.9	1.8	-1.6
	II	6.1	7.1	0.9	7.5	r4.4	1.4
	III	3.3	0.4	-2.8	10.6	6.8	7.1
	IV	2.8	-4.0	-6.6	12.7	9.5	9.7
	ANNUAL	6.1	4.6	-1.4	7.0	r3.6	0.9
2001	I	-2.7	-7.1	-4.5	6.0	r2.2	8.9
	II	-0.5	-6.2	-5.7	6.1	r2.8	6.7
	III	2.6	-4.9	-7.3	3.5	r2.8	0.8
	IV	r4.7	r-6.3	-10.4	2.5	2.8	r-2.1
	ANNUAL	1.1	r-4.2	-5.3	7.3	4.4	r6.1
2002	I	9.7	3.2	-5.9	2.5	1.1	-6.5
Percent change from corresponding quarter of previous year							
2000	I	6.0	5.1	-0.8	5.5	r2.2	-0.5
	II	6.9	6.1	-0.7	6.1	2.8	-0.7
	III	6.7	5.1	-1.5	7.3	3.7	0.5
	IV	4.9	2.3	-2.4	9.1	5.6	4.0
	ANNUAL	6.1	4.6	-1.4	7.0	r3.6	0.9
2001	I	2.3	-1.0	-3.3	9.2	5.7	6.7
	II	0.7	-4.3	-4.9	8.8	5.3	8.1
	III	0.5	-5.5	-6.0	7.0	4.3	6.5
	IV	r1.0	r-6.1	-7.0	4.5	r2.7	r3.5
	ANNUAL	1.1	r-4.2	-5.3	7.3	4.4	r6.1
2002	I	4.0	-3.6	-7.4	3.6	2.4	-0.4

See footnotes following Table 6.  
r=revised

May 7, 2002  
Source: Bureau of Labor Statistics

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

Year and quarter		Output per hour of all persons	Output	Hours of all persons	Compensation per hour (1)	Real compensation per hour (2)	Unit labor costs
Indexes 1992=100							
2000	I	152.0	166.7	109.7	124.4	r104.6	81.8
	II	155.0	171.0	110.3	126.7	r105.8	81.7
	III	156.4	171.6	109.7	130.1	r107.7	83.2
	IV	156.9	169.5	108.0	134.6	r110.5	85.7
	ANNUAL	155.1	169.7	109.4	128.9	r107.2	83.1
2001	I	155.2	165.2	106.5	136.6	r111.2	88.0
	II	155.2	162.5	104.7	138.7	r112.0	89.3
	III	156.0	159.3	102.1	140.2	r113.0	89.8
	IV	r157.4	r155.5	98.8	141.4	r114.1	r89.9
	ANNUAL	155.9	160.6	103.0	139.2	r112.6	r89.2
2002	I	162.3	157.4	97.0	142.1	114.3	87.5
Percent change from previous quarter at annual rate(5)							
2000	I	13.5	12.8	-0.6	5.6	1.5	-7.0
	II	8.2	10.7	2.3	7.7	4.6	-0.5
	III	3.7	1.4	-2.2	11.2	7.4	7.3
	IV	1.3	-4.8	-6.0	14.3	11.1	12.9
	ANNUAL	8.1	7.4	-0.6	7.3	3.8	-0.8
2001	I	-4.3	-9.7	-5.6	6.1	2.3	10.9
	II	0.0	-6.5	-6.6	6.3	3.0	6.2
	III	2.0	-7.6	-9.4	4.3	r3.6	2.3
	IV	r3.5	r-9.2	-12.3	3.6	3.9	r0.1
	ANNUAL	0.5	r-5.3	-5.9	7.9	5.0	7.4
2002	I	13.3	5.0	-7.3	2.0	0.6	-9.9
Percent change from corresponding quarter of previous year							
2000	I	8.0	7.9	-0.1	5.7	2.4	-2.1
	II	9.1	9.5	0.4	6.2	2.8	-2.7
	III	8.7	7.7	-0.9	7.5	3.9	-1.1
	IV	6.5	4.8	-1.7	9.6	6.1	2.9
	ANNUAL	8.1	7.4	-0.6	7.3	3.8	-0.8
2001	I	2.1	-0.9	-2.9	9.8	6.3	7.5
	II	0.1	-5.0	-5.1	9.4	5.9	9.3
	III	-0.3	-7.2	-6.9	7.7	r5.0	8.0
	IV	r0.3	r-8.2	-8.5	5.1	3.2	r4.8
	ANNUAL	0.5	r-5.3	-5.9	7.9	5.0	7.4
2002	I	4.6	-4.7	-8.9	4.0	2.8	-0.5

See footnotes following Table 6.

r=revised

May 7, 2002

Source: Bureau of Labor Statistics

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

Year and quarter		Output per hour of all persons	Output	Hours of all persons	Compensation per hour (1)	Real compensation per hour (2)	Unit labor costs
Indexes 1992=100							
2000	I	120.6	115.0	95.3	127.9	r107.6	106.1
	II	121.7	115.7	95.1	130.1	r108.6	106.9
	III	122.6	115.4	94.2	133.1	r110.1	108.6
	IV	124.0	114.6	92.4	136.2	r111.9	109.8
	ANNUAL	122.2	115.2	94.2	131.8	r109.6	107.8
2001	I	123.8	113.5	91.7	138.2	r112.5	111.7
	II	123.3	111.8	90.7	140.2	r113.2	113.7
	III	124.1	111.4	89.8	141.1	r113.8	113.7
	IV	r125.6	r110.6	r88.0	141.5	r114.2	112.6
	ANNUAL	124.2	111.8	90.1	140.2	r113.4	112.9
2002	I	127.2	110.9	87.2	142.8	114.8	112.3
Percent change from previous quarter at annual rate(5)							
2000	I	0.5	-1.6	-2.1	6.3	2.2	5.7
	II	3.6	2.5	-1.1	6.9	3.9	3.2
	III	2.9	-0.9	-3.7	9.4	5.7	6.3
	IV	4.8	-2.9	-7.4	9.7	6.6	4.7
	ANNUAL	3.8	1.1	-2.6	6.4	2.9	2.5
2001	I	-0.9	-3.7	-2.8	5.9	2.1	6.9
	II	-1.6	-5.9	-4.4	5.9	2.7	7.6
	III	2.7	-1.5	-4.1	2.6	r1.9	-0.1
	IV	r5.1	r-2.9	r-7.6	r1.1	r1.4	-3.8
	ANNUAL	1.6	-2.9	-4.4	6.4	r3.5	4.7
2002	I	5.1	1.2	-3.7	3.9	2.4	-1.1
Percent change from corresponding quarter of previous year							
2000	I	3.5	1.6	-1.8	4.9	r1.6	1.3
	II	4.4	1.9	-2.4	5.8	2.4	1.4
	III	4.4	1.8	-2.5	6.8	3.3	2.4
	IV	3.0	-0.7	-3.6	8.1	4.6	5.0
	ANNUAL	3.8	1.1	-2.6	6.4	2.9	2.5
2001	I	2.6	-1.3	-3.8	8.0	4.6	5.3
	II	1.3	-3.3	-4.6	7.7	4.3	6.4
	III	1.2	-3.5	-4.7	6.0	3.3	4.7
	IV	1.3	r-3.5	-4.7	3.9	2.0	r2.6
	ANNUAL	1.6	-2.9	-4.4	6.4	r3.5	4.7
2002	I	2.8	-2.3	-4.9	3.4	2.1	0.6

See footnotes following Table 6.

r=revised

May 7, 2002

Source: Bureau of Labor Statistics

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

Year and quarter	Output per all-employee hour	Output	Employee hours	Hourly compensation (1)	Real hourly compensation (2)	Unit labor costs	Unit non-labor costs (6)	Total unit costs (7)	Unit profits (8)	Implicit price deflator (4)
Indexes 1992=100										
1999	I	114.5	139.5	121.9	119.1	r103.4	104.1	102.8	103.7	141.6
	II	114.7	140.8	122.7	120.4	r103.8	104.9	103.4	104.5	135.4
	III	115.4	142.5	123.4	121.9	r104.3	105.6	105.0	105.4	128.0
	IV	116.4	144.8	124.3	123.2	r104.6	105.8	105.1	105.6	131.3
	ANNUAL	115.3	141.9	123.1	121.2	r104.1	105.1	104.1	104.8	134.0
2000	I	117.2	146.6	125.1	125.0	r105.1	106.6	106.2	106.5	135.1
	II	118.8	148.7	125.1	127.6	r106.5	107.4	106.5	107.1	139.3
	III	119.6	149.7	125.2	129.7	r107.3	108.5	107.1	108.1	135.8
	IV	119.8	149.8	125.1	132.7	r109.0	110.8	107.8	110.0	120.5
	ANNUAL	118.8	148.7	125.1	128.8	r107.0	108.3	106.9	107.9	132.6
2001	I	119.9	150.1	125.1	134.5	r109.5	112.2	109.3	111.4	111.1
	II	120.9	150.4	124.4	136.5	r110.3	112.9	111.2	112.5	107.4
	III	121.2	149.4	123.3	138.1	r111.4	114.0	114.2	114.0	99.6
	IV	124.4	151.7	121.9	139.4	112.5	112.0	111.6	111.9	111.6
	ANNUAL	121.6	150.4	123.7	137.1	110.9	112.8	111.6	112.4	107.4
Percent change from previous quarter at annual rate(5)										
1999	I	4.5	6.8	2.2	4.3	2.7	-0.2	-1.7	-0.6	11.6
	II	0.8	3.6	2.8	4.2	1.4	3.4	2.4	3.1	-16.4
	III	2.4	4.9	2.5	5.2	r2.2	2.7	6.1	3.6	-20.0
	IV	3.5	6.5	2.9	4.2	0.9	0.7	0.7	0.7	10.5
	ANNUAL	3.1	5.6	2.4	4.5	2.3	1.3	1.9	1.4	-5.4
2000	I	2.8	5.3	2.5	6.0	r1.9	3.2	4.1	3.4	12.2
	II	5.6	5.7	0.1	8.4	r5.3	2.7	1.1	2.3	13.0
	III	2.6	2.8	0.2	7.0	3.3	4.3	2.4	3.8	-9.8
	IV	0.7	0.3	-0.3	9.6	6.5	8.9	2.6	7.2	-38.0
	ANNUAL	3.1	4.8	1.7	6.3	2.8	3.1	2.7	3.0	-1.0
2001	I	0.5	0.7	0.2	5.5	1.7	5.0	5.8	5.2	-27.8
	II	3.3	0.8	-2.4	6.1	2.8	2.7	7.0	3.8	-12.6
	III	0.9	-2.6	-3.5	4.7	r4.0	3.8	11.2	5.7	-26.1
	IV	11.2	6.2	-4.5	3.6	3.9	-6.8	-8.5	-7.3	58.0
	ANNUAL	2.3	1.1	-1.2	6.5	3.6	4.1	4.4	4.2	-19.0
Percent change from corresponding quarter of previous year										
1999	I	4.2	6.3	2.1	4.6	3.1	0.4	1.1	0.6	-1.6
	II	3.2	5.8	2.5	4.3	2.3	1.1	1.5	1.2	-3.6
	III	2.4	5.1	2.6	4.4	2.0	2.0	3.1	2.3	-11.6
	IV	2.8	5.5	2.6	4.5	1.8	1.6	1.8	1.7	-4.7
	ANNUAL	3.1	5.6	2.4	4.5	2.3	1.3	1.9	1.4	-5.4
2000	I	2.4	5.1	2.7	4.9	1.6	2.5	3.3	2.7	-4.6
	II	3.6	5.6	2.0	6.0	2.6	2.3	3.0	2.5	2.9
	III	3.6	5.1	1.4	6.4	2.9	2.7	2.0	2.5	6.0
	IV	2.9	3.5	0.6	7.8	4.3	4.7	2.5	4.1	-8.2
	ANNUAL	3.1	4.8	1.7	6.3	2.8	3.1	2.7	3.0	-1.0
2001	I	2.3	2.3	0.0	7.6	4.2	5.2	2.9	4.6	-17.8
	II	1.8	1.2	-0.6	7.0	3.6	5.2	4.4	5.0	-22.9
	III	1.3	-0.2	-1.5	6.5	r3.8	5.1	6.6	5.5	-26.7
	IV	3.9	1.2	-2.6	5.0	3.1	1.1	3.6	1.7	-7.3
	ANNUAL	2.3	1.1	-1.2	6.5	3.6	4.1	4.4	4.2	-19.0

See footnotes following Table 6.  
r=revised

May 7, 2002  
Source: Bureau of Labor Statistics

SOURCES: Output data are from the Bureau of Economic Analysis and the Census Bureau of the U.S. Department of Commerce; the Bureau of Labor Statistics, U.S. Department of Labor; and the Federal Reserve Board. Compensation and hours data are from the Bureau of Labor Statistics and the Bureau of Economic Analysis.

RELIABILITY: Productivity and cost measures are regularly revised as more complete information becomes available. The measures are first published within 40 days of the close of the reference period; revisions appear 30 days later, and second revisions after an additional 60 days. In the business sector, the third publication (second revision) of a quarterly index of output per hour of all persons has differed from the initial value by between -1.5 and +1.7 index points approximately 95 percent of the time. This interval is based on the performance of this measure between the fourth quarter of 1995 and the fourth 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 1978-2001 is based on the Consumer Price Index research series (CPI-U-RS).

(3) Unit nonlabor payments include profits, capital consumption allowances, interest, rental income of persons, and indirect taxes.

(4) Current dollar output divided by the output index.

(5) Quarterly changes: Percent change compounded at annual rate from the original data rather than index numbers. Annual changes: Percent change between annual average levels.

(6) Unit nonlabor costs include capital consumption allowances, interest, rental income of persons, and indirect taxes. For nonfinancial corporations, rental income of persons is zero by definition.

(7) Total unit costs are the sum of unit labor and nonlabor costs.

(8) Unit profits include corporate profits with inventory valuation and capital consumption adjustments.