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PRODUCTIVITY AND COSTS

First Quarter 2002

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

8.3 percent in the business sector and
8.4 percent in the nonfarm business sector.

In both sectors, the first-quarter productivity gains were slightly lower than those reported initially on May 7.

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

9.4 percent in manufacturing,
13.3 percent in durable goods manufacturing, and
4.6 percent in nondurable goods manufacturing.

Manufacturing productivity rose as first-quarter output increased while hours of all persons working in the sector declined for the seventh consecutive quarter. 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 (page 6).

Table A. Productivity and costs: Revised 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	8.3	6.2	-2.0	2.9	1.4	-5.0
Nonfarm business	8.4	6.1	-2.1	2.8	1.4	-5.2
Manufacturing	9.4	2.9	-5.9	2.4	1.0	-6.4
Durable	13.3	4.8	-7.5	1.9	0.4	-10.1
Nondurable	4.6	1.0	-3.5	3.8	2.4	-0.7
Percent change from same quarter a year ago						
Business	4.1	1.2	-2.8	3.4	2.1	-0.7
Nonfarm business	4.2	1.2	-2.9	3.4	2.1	-0.8
Manufacturing	4.0	-3.7	-7.4	3.6	2.4	-0.3
Durable	4.6	-4.8	-9.0	4.0	2.7	-0.6
Nondurable	2.7	-2.3	-4.9	3.4	2.1	0.7

Business

Productivity increased 8.3 percent in the business sector (seasonally adjusted annual rate) from the fourth quarter of 2001 to the first quarter of 2002, as output increased 6.2 percent and hours worked by all persons decreased 2.0 percent (table 1). The gain in output per hour was the largest since the first quarter of 1973, when growth was 8.4 percent.

Hourly compensation increased 2.9 percent during the first quarter of 2002. 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 1.4 percent in the first quarter.

Unit labor costs, which reflect changes in both hourly compensation and productivity, dropped 5.0 percent during the first quarter of 2002. The decline in unit labor costs was the largest since a fall of 7.5 percent in the first quarter of 1955. The implicit price deflator for business output, which reflects changes in both unit labor costs and unit nonlabor payments, was unchanged between the fourth quarter of 2001 and the first quarter of 2002.

Nonfarm business

Productivity rose 8.4 percent in the nonfarm business sector during the first quarter of 2002, reflecting a 6.1-percent rise in output and a 2.1-percent decrease in working hours of all persons. The increase in output per hour was the largest since the second quarter of 1983, when growth was 9.9 percent. Hours worked in the nonfarm business sector now have declined in seven of the last eight quarters (table 2).

Hourly compensation increased 2.8 percent in the first quarter of 2002. When the rise in consumer prices is taken into account, real hourly compensation gained 1.4 percent in the first quarter.

The 5.2-percent decrease in unit labor costs during the first quarter of 2002 was the largest posted since the second quarter of 1983, when these costs fell 6.5 percent. The implicit price deflator for nonfarm business output declined 0.6 percent in the first quarter of 2002.

Manufacturing

Productivity rose 9.4 percent in manufacturing in the first quarter of 2002, as output increased 2.9 percent and working hours of all persons declined 5.9 percent (seasonally adjusted annual rates). In durable goods industries, productivity grew 13.3 percent, reflecting an output increase of 4.8 percent and a decline of 7.5 percent in hours of all persons. In nondurable goods industries, productivity rose 4.6 percent as output rose 1.0 percent and hours dropped 3.5 percent (tables 3, 4, and 5).

Hourly compensation in manufacturing rose 2.4 percent during the first quarter. This increase reflects a rise of 1.9 percent in the hourly compensation of persons in durable goods industries and a larger increase, 3.8 percent, in the hourly compensation of workers in nondurable goods industries. Real hourly compensation, which takes account of changes in consumer prices, rose 1.0 percent for all manufacturing workers.

The combination of a 9.4-percent rise in manufacturing productivity and a 2.4-percent increase in hourly compensation in the first quarter caused unit labor costs in manufacturing to fall 6.4 percent. The last time unit labor costs fell this much in one quarter was in the second quarter of 1961, when they fell 6.9 percent. Unit labor costs declined in both sectors of manufacturing in the first quarter of 2002. In durable goods industries, they fell 10.1 percent, the largest decline since a 10.3-percent drop in the first quarter of 1960. In nondurable goods industries, unit labor costs fell 0.7 percent in the first quarter of 2002.

Nonfinancial corporations

Preliminary first-quarter 2002 measures of productivity and costs for nonfinancial corporations also were announced today (tables B and 6). Productivity rose 6.7 percent in the first quarter, less than the 11.2-percent rise recorded in the fourth quarter of 2001. Output increased 5.4 percent in first quarter 2002, while employee-hours declined 1.2 percent (seasonally adjusted annual rates). This marked the fourth consecutive decline in hours of nonfinancial corporate employees, as employment fell in all four quarters. However, average weekly hours fell only in the last three quarters of 2001; they rose 1.0 percent in the first quarter of 2002. 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 2002 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								
2002 I	6.7	5.4	-1.2	3.6	2.1	-2.9	15.5	-0.8
Percent change from same quarter a year ago								
2002 I	5.5	2.4	-2.9	4.5	3.2	-0.9	4.2	0.2

Hourly compensation increased 3.6 percent during both the fourth quarter of 2001 and the first quarter of 2002. When the rise in consumer prices is taken into account, real hourly compensation rose 2.1 percent in the first quarter. Unit labor costs in nonfinancial corporations declined 2.9 percent in the first quarter, less than the 6.8-percent drop one quarter earlier. This was the first two-quarter decline in unit labor costs to occur since the second and third quarters of 1997, when they fell 0.6 and 1.7 percent, respectively.

Unit profits grew 15.5 percent in first quarter 2002, less than the 58.0-percent climb in the fourth quarter of 2001. Unit profits had fallen in the previous five quarters. The implicit price deflator for nonfinancial corporate output declined 0.8 percent in the first quarter of 2002.

REVISED MEASURES

Current and previous measures for the first quarter of 2002 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 7, 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	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs
First quarter 2002						
Business:						
Previous.....	8.5	6.5	-1.8	2.8	1.3	-5.3
Current	8.3	6.2	-2.0	2.9	1.4	-5.0
Nonfarm business:						
Previous.....	8.6	6.5	-1.9	2.7	1.2	-5.4
Current	8.4	6.1	-2.1	2.8	1.4	-5.2
Manufacturing:						
Previous.....	9.7	3.2	-5.9	2.5	1.1	-6.5
Current	9.4	2.9	-5.9	2.4	1.0	-6.4

Next release date

The next release of **Productivity and Costs** is scheduled for **8:30 AM EDT, Friday, Aug. 9, 2002**. 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. The Office of Productivity and Technology estimates average weekly paid hours of nonproduction and supervisory workers. 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 calculated on the basis of the costs incurred and the incomes earned from production. The output measure excludes the following outputs from GDP: 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	108.7	112.2	114.2	112.9
	II	117.5	140.8	119.8	132.1	110.3	112.5	115.1	113.5
	III	117.8	141.2	119.9	134.3	111.1	114.0	113.8	113.9
	IV	118.7	141.9	119.5	137.4	112.9	115.8	112.0	114.4
	ANNUAL	117.3	140.6	119.8	133.3	110.8	113.6	113.8	113.7
2001	I	118.6	142.3	119.9	139.1	113.3	117.3	111.7	115.2
	II	119.3	142.1	119.1	140.9	113.8	118.1	111.5	115.7
	III	119.5	141.2	118.2	142.1	114.5	118.9	111.7	116.2
	IV	121.1	141.8	117.1	142.8	115.3	118.0	112.3	115.9
	ANNUAL	119.6	141.9	118.6	141.2	114.2	118.1	111.8	115.8
2002	I	r123.5	r143.9	116.6	r143.9	r115.7	r116.5	114.8	r115.9
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	3.2
	II	7.7	6.5	-1.1	9.0	5.9	1.3	3.5	2.1
	III	1.2	1.3	0.1	6.8	3.1	5.5	-4.5	1.7
	IV	3.0	1.8	-1.1	9.5	6.4	6.3	-6.1	1.6
	ANNUAL	3.4	4.6	1.1	6.4	3.0	2.9	0.2	1.9
2001	I	-0.2	1.2	1.4	5.1	1.4	5.3	-1.3	2.9
	II	2.2	-0.7	-2.8	5.2	2.0	3.0	-0.6	1.7
	III	0.7	-2.3	-2.9	3.3	2.6	2.6	0.6	1.9
	IV	5.4	1.6	-3.6	2.2	2.5	-3.0	2.2	-1.2
	ANNUAL	2.0	0.9	-1.0	6.0	3.1	3.9	-1.8	1.8
2002	I	r8.3	r6.2	r-2.0	r2.9	r1.4	r-5.0	9.4	r0.0
Percent change from corresponding quarter of previous year									
2000	I	2.3	4.7	2.3	5.0	1.7	2.7	-0.3	1.5
	II	4.5	5.9	1.4	6.2	2.8	1.6	2.2	1.9
	III	4.0	4.9	0.9	6.6	3.0	2.5	1.3	2.1
	IV	2.9	3.0	0.0	7.9	4.4	4.9	-2.4	2.1
	ANNUAL	3.4	4.6	1.1	6.4	3.0	2.9	0.2	1.9
2001	I	2.9	2.7	-0.2	7.6	4.2	4.6	-2.2	2.1
	II	1.6	0.9	-0.6	6.6	3.2	5.0	-3.2	2.0
	III	1.4	0.0	-1.4	5.8	3.1	4.3	-1.9	2.0
	IV	2.0	0.0	-2.0	4.0	2.1	1.9	0.2	1.3
	ANNUAL	2.0	0.9	-1.0	6.0	3.1	3.9	-1.8	1.8
2002	I	4.1	1.2	-2.8	3.4	2.1	-0.7	2.8	r0.6

See footnotes following Table 6.
r=revised

May 31, 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	108.2	112.1	113.5
	II	116.7	141.0	120.8	131.2	109.5	112.5	114.0
	III	117.2	141.4	120.7	133.6	110.5	114.0	114.5
	IV	117.8	142.1	120.6	136.5	112.1	115.8	114.9
	ANNUAL	116.6	140.8	120.8	132.5	110.2	113.6	114.2
2001	I	117.8	142.5	121.0	138.1	112.4	117.2	115.7
	II	118.4	142.4	120.2	139.7	112.8	118.0	116.1
	III	118.7	141.5	119.2	141.0	113.7	118.7	116.6
	IV	120.3	142.1	118.1	141.8	114.4	117.8	116.5
	ANNUAL	118.8	142.1	119.6	140.1	113.3	117.9	116.2
2002	I	122.8	r144.2	r117.4	r142.8	r114.8	r116.3	r116.3
Percent change from previous quarter at annual rate(5)								
2000	I	0.0	2.0	2.0	6.9	2.7	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	1.2	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	3.0	2.6	0.0
	IV	5.5	1.5	-3.8	2.3	2.6	-3.1	4.6
	ANNUAL	1.9	0.9	-0.9	5.8	2.9	3.8	-1.8
2002	I	r8.4	r6.1	r-2.1	r2.8	r1.4	r-5.2	r8.2
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	2.1	0.0	-2.1	3.9	2.0	1.7	0.7
	ANNUAL	1.9	0.9	-0.9	5.8	2.9	3.8	-1.8
2002	I	r4.2	r1.2	-2.9	r3.4	2.1	r-0.8	r3.0

See footnotes following Table 6.
r=revised

May 31, 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	106.2	93.4
	II	137.2	142.3	103.8	128.6	107.4	93.8
	III	138.3	142.5	103.0	131.9	109.2	95.4
	IV	139.2	141.1	101.3	135.9	111.7	97.6
	ANNUAL	137.5	141.5	102.9	130.7	108.6	95.1
2001	I	138.3	138.5	100.1	137.9	112.3	99.7
	II	138.1	136.3	98.7	140.0	113.0	101.3
	III	139.0	134.6	96.8	141.2	113.8	101.5
	IV	140.6	132.4	94.2	142.0	114.6	101.0
	ANNUAL	139.0	135.5	97.5	140.2	113.4	100.9
2002	I	r143.8	r133.4	92.8	142.9	114.9	r99.4

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	4.4	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	3.6	0.9
2001	I	-2.7	-7.1	-4.5	6.0	2.2	8.9
	II	-0.5	-6.2	-5.7	6.1	2.8	6.7
	III	2.6	-4.9	-7.3	3.5	2.8	0.8
	IV	4.7	-6.3	-10.4	2.5	2.8	-2.1
	ANNUAL	1.1	-4.2	-5.3	7.3	4.4	6.1
2002	I	r9.4	r2.9	-5.9	r2.4	r1.0	r-6.4

Percent change from corresponding quarter of previous year							
2000	I	6.0	5.1	-0.8	5.5	2.2	-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	3.6	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	1.0	-6.1	-7.0	4.5	2.7	3.5
	ANNUAL	1.1	-4.2	-5.3	7.3	4.4	6.1
2002	I	4.0	r-3.7	-7.4	3.6	2.4	r-0.3

See footnotes following Table 6.
r=revised

May 31, 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	104.6	81.8
	II	155.0	171.0	110.3	126.7	105.8	81.7
	III	156.4	171.6	109.7	130.1	107.7	83.2
	IV	156.9	169.5	108.0	134.6	110.5	85.7
	ANNUAL	155.1	169.7	109.4	128.9	107.2	83.1
2001	I	155.2	165.2	106.5	136.6	111.2	88.0
	II	155.2	162.5	104.7	138.7	112.0	89.3
	III	156.0	159.3	102.1	140.2	113.0	89.8
	IV	157.4	155.5	98.8	141.4	114.1	89.9
	ANNUAL	155.9	160.6	103.0	139.2	112.6	89.2
2002	I	r162.4	157.4	r96.9	142.1	r114.2	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	3.6	2.3
	IV	3.5	-9.2	-12.3	3.6	3.9	0.1
	ANNUAL	0.5	-5.3	-5.9	7.9	5.0	7.4
2002	I	13.3	r4.8	r-7.5	r1.9	r0.4	r-10.1

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	5.0	8.0
	IV	0.3	-8.2	-8.5	5.1	3.2	4.8
	ANNUAL	0.5	-5.3	-5.9	7.9	5.0	7.4
2002	I	4.6	r-4.8	r-9.0	4.0	r2.7	r-0.6

See footnotes following Table 6.
r=revised

May 31, 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	107.6	106.1
	II	121.7	115.7	95.1	130.1	108.6	106.9
	III	122.6	115.4	94.2	133.1	110.1	108.6
	IV	124.0	114.6	92.4	136.2	111.9	109.8
	ANNUAL	122.2	115.2	94.2	131.8	109.6	107.8
2001	I	123.8	113.5	91.7	138.2	112.5	111.7
	II	123.3	111.8	90.7	140.2	113.2	113.7
	III	124.1	111.4	89.8	141.1	113.8	113.7
	IV	125.6	110.6	88.0	141.5	114.2	112.6
	ANNUAL	124.2	111.8	90.1	140.2	113.4	112.9
2002	I	r127.1	110.9	87.2	142.8	114.8	r112.4

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	1.9	-0.1
	IV	5.1	-2.9	-7.6	1.1	1.4	-3.8
	ANNUAL	1.6	-2.9	-4.4	6.4	3.5	4.7
2002	I	r4.6	r1.0	r-3.5	r3.8	2.4	r-0.7

Percent change from corresponding quarter of previous year							
2000	I	3.5	1.6	-1.8	4.9	1.6	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	-3.5	-4.7	3.9	2.0	2.6
	ANNUAL	1.6	-2.9	-4.4	6.4	3.5	4.7
2002	I	r2.7	-2.3	-4.9	3.4	2.1	r0.7

See footnotes following Table 6.
r=revised

May 31, 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										
2000	I	117.2	146.6	125.1	125.0	105.1	106.6	106.2	106.5	135.1
	II	118.8	148.7	125.1	127.6	106.5	107.4	106.5	107.1	139.3
	III	119.6	149.7	125.2	129.7	107.3	108.5	107.1	108.1	135.8
	IV	119.8	149.8	125.1	132.7	109.0	110.8	107.8	110.0	120.5
	ANNUAL	118.8	148.7	125.1	128.8	107.0	108.3	106.9	107.9	132.6
2001	I	119.9	150.1	125.1	134.5	109.5	112.2	109.3	111.4	111.1
	II	120.9	150.4	124.4	136.5	110.3	112.9	111.2	112.5	107.4
	III	121.2	149.4	123.3	138.1	111.4	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
2002	I	126.5	153.7	121.5	140.6	113.0	111.2	111.5	111.3	115.7
Percent change from previous quarter at annual rate (5)										
2000	I	2.8	5.3	2.5	6.0	1.9	3.2	4.1	3.4	12.2
	II	5.6	5.7	0.1	8.4	5.3	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	4.0	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
2002	I	6.7	5.4	-1.2	3.6	2.1	-2.9	-0.3	-2.2	15.5
Percent change from corresponding quarter of previous year										
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	3.8	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
2002	I	5.5	2.4	-2.9	4.5	3.2	-0.9	2.0	-0.1	4.2

See footnotes following Table 6.
r=revised

May 31, 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.