

News

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PRODUCTIVITY AND COSTS

Fourth Quarter and Annual Averages, 2003

The Bureau of Labor Statistics of the U.S. Department of Labor today reported revised fourth-quarter seasonally-adjusted annual rates of productivity change—as measured by output per hour of all persons—and revised annual changes for the full year 2003. Percent changes in business and nonfarm business productivity were:

	Fourth quarter	Annual averages 2002-2003
Business sector	2.0	4.5
Nonfarm business sector	2.6	4.4

In the fourth quarter, productivity increased 2.0 percent in the business sector, slightly more than the 1.8 percent rise reported Feb. 5. In nonfarm businesses, productivity grew 2.6 percent, compared to the preliminary estimate of 2.7 percent (seasonally adjusted annual rates). On an annual average basis, productivity rose 4.5 percent in the business sector and 4.4 percent in the nonfarm business sector—0.2 percentage points higher than previously reported in both sectors. Fourth-quarter productivity and related measures are summarized in table A and appear in detail in tables 1 through 5. Preliminary and revised fourth-quarter and annual data appear in table C.

In the manufacturing sector, increases in productivity were:

	Fourth quarter	Annual averages 2002-2003
Manufacturing	4.8	5.1
Durable goods manufacturing	6.1	7.7
Nondurable goods manufacturing	4.4	1.9

Productivity in total manufacturing grew at a 4.8 percent annual rate in the fourth quarter of 2003, the same as reported Feb. 5, as a downward revision to fourth-quarter productivity growth in durable goods manufacturing was offset by an upward revision to output per hour in the nondurable goods subsector. Productivity increases from 2002 to 2003 were revised upward in total manufacturing and both subsectors. (Output and hours in manufacturing, which includes

about 13 percent of U.S. business-sector employment, tend to vary more from quarter to quarter than data for the aggregate business and nonfarm business sectors.)

Table A. Productivity and costs: Revised fourth-quarter 2003 measures (Seasonally adjusted annual rates)						
Sector	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs
Percent change from preceding quarter						
Business	2.0	3.9	1.9	1.8	1.0	-0.2
Nonfarm business	2.6	4.1	1.5	2.2	1.4	-0.4
Manufacturing	4.8	6.1	1.3	2.7	2.0	-2.0
Durable	6.1	9.6	3.3	1.4	0.7	-4.4
Nondurable	4.4	2.2	-2.0	4.7	3.9	0.3
Percent change from same quarter a year ago						
Business	5.3	5.0	-0.3	3.6	1.7	-1.6
Nonfarm business	5.4	5.1	-0.3	3.6	1.7	-1.7
Manufacturing	5.8	1.6	-3.9	5.1	3.2	-0.6
Durable	7.7	3.7	-3.7	4.7	2.8	-2.8
Nondurable	3.6	-0.8	-4.2	5.9	4.0	2.2

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 data 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 9).

THIRD-TO-FOURTH QUARTER 2003 CHANGES

Business

Labor productivity in the business sector rose at a 2.0 percent annual rate in the fourth quarter of 2003, as output increased 3.9 percent and hours of all persons engaged in the sector increased 1.9 percent (table 1). The fourth-quarter increase in business sector hours was the largest since hours increased 2.3 percent in both the third and fourth quarters of 1999. Hours had increased 1.5 percent in the third quarter of 2003. Increases in both productivity and output were smaller in the fourth quarter than in the third quarter of 2003, when productivity increased 8.7 percent and output grew 10.3 percent.

Hourly compensation grew at a 1.8-percent annual rate in the fourth quarter, compared with a 2.7-percent rise in the third quarter. 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 1.0 percent in the fourth quarter of 2003 after rising 0.3 percent one quarter earlier.

Unit labor costs, which reflect changes in hourly compensation and productivity, declined 0.2 percent during the fourth quarter of 2003, after falling 5.5 percent in the third quarter. The implicit price deflator for business output, which reflects changes in unit labor costs and unit nonlabor payments, increased 1.2 percent in the fourth quarter and 1.3 percent in the third quarter.

Nonfarm business

In the nonfarm business sector, productivity rose at an annual rate of 2.6 percent in the fourth quarter of 2003, as output grew 4.1 percent and hours of all persons—employees, proprietors, and unpaid family workers—rose 1.5 percent (seasonally adjusted annual rates). This was the largest increase in hours since the first quarter of 2000. During the third quarter, productivity increased 9.5 percent, output grew 10.4 percent, and hours rose 0.9 percent (table 2).

Hourly compensation rose 2.2 percent in the fourth quarter, after rising 3.3 percent in the third quarter. When the increase in consumer prices was taken into account, real hourly compensation rose 1.4 percent in the fourth quarter and 1.0 percent in the third quarter.

Unit labor costs declined 0.4 percent in the fourth quarter, after dropping 5.6 percent in the third quarter. The implicit price deflator for nonfarm business increased 0.5 percent in the fourth quarter, and 1.1 percent in the third quarter, of 2003.

Manufacturing

Manufacturing productivity increased 4.8 percent in the fourth quarter of 2003, as output grew 6.1 percent and hours rose 1.3 percent (seasonally adjusted annual rates). This was the largest increase in manufacturing output since a 6.3-percent increase in the fourth quarter of 1999. The hours increase was the first since a 0.5-percent rise in the second quarter of 2000. In durable goods industries, productivity increased 6.1 percent when output grew 9.6 percent and hours rose 3.3 percent. In nondurable goods industries, output per hour gained 4.4 percent, reflecting an increase of 2.2 percent in output and a 2.0 percent decline in hours. During the third quarter, productivity had increased rapidly: 10.1 percent in total manufacturing, 14.5 percent in durable goods manufacturing, and 5.2 percent in nondurable goods manufacturing (tables 3, 4, and 5).

Hourly compensation of all manufacturing workers increased 2.7 percent during the fourth quarter, rising in both of the manufacturing subsectors—1.4 percent in durable goods and 4.7 percent in nondurable goods. When the increase in consumer prices was taken into account, real hourly compensation for all manufacturing workers rose 2.0 percent in the fourth quarter.

Unit labor costs in manufacturing declined 2.0 percent in the fourth quarter of 2003, after falling 4.6 percent in the third quarter. These costs fell 4.4 percent in durable goods industries and edged up 0.3 percent in nondurable goods industries during the fourth quarter of 2003.

ANNUAL AVERAGE CHANGES, 2002-2003

Business

Business sector productivity increased 4.5 percent when the annual index for 2003 was compared with the annual index for 2002 (table B). The 2002-2003 increase reflected a 3.7-percent increase in output and a 0.8-percent decline in hours. From 2001 to 2002, business sector productivity had increased 4.9 percent, when output grew 2.3 percent and hours worked fell 2.5 percent. The consecutive productivity increases in 2002 and 2003 yielded a 4.7-percent average annual rate of growth from 2001 to 2003. This was the largest two-year productivity gain since 1949-51, when output per hour grew at a 5.7-percent annual rate, reflecting annual increases of 8.1 percent in 1950 and 3.1 percent in 1951.

Table B. Productivity and costs: Revised 2003 annual averages
(Seasonally adjusted annual rates)

Sector	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs
Percent change from previous year						
Business	4.5	3.7	-0.8	3.3	1.0	-1.1
Nonfarm business	4.4	3.7	-0.7	3.2	0.9	-1.2
Manufacturing	5.1	0.1	-4.8	5.5	3.2	0.4
Durable	7.7	2.0	-5.3	5.4	3.1	-2.1
Nondurable	1.9	-2.2	-4.0	5.9	3.5	3.9

Hourly compensation in the business sector increased 3.3 percent in 2003 and 2.2 percent in 2002. Real hourly compensation also increased more in 2003, 1.0 percent, than in 2002, when it rose 0.6 percent.

Business sector unit labor costs decreased 1.1 percent in 2003. In 2002, these costs had fallen 2.5 percent—the largest annual decrease to date in this measure, which begins with data for 1948. The implicit price deflator rose 1.4 percent in 2003 and 0.8 percent in 2002.

Nonfarm business

Productivity increased 4.4 percent in the nonfarm business sector during 2003. Output grew 3.7 percent and hours of all persons declined 0.7 percent. During 2002, productivity had increased 5.0 percent in nonfarm business, as output rose 2.3 percent and hours of all persons fell 2.6 percent. As in the larger business sector, when the productivity increases for 2002 and 2003 are combined, productivity for the 2001-2003 period rose at an average annual rate of 4.7 percent in nonfarm businesses. The last comparable two-year rise occurred over the 1949-1951 period, when productivity increased at a 4.6 percent annual rate, incorporating rises of 6.6 percent in 1950 and 2.7 percent in 1951.

Hourly compensation grew 3.2 percent in 2003, more than the 2.3-percent increase in 2002. Real hourly compensation increased 0.9 percent in 2003, following a 0.7-percent rise in the previous year.

Unit labor costs in the nonfarm business sector dropped 1.2 percent in 2003. These costs had decreased 2.5 percent during 2002, the largest annual decline in this measure ever recorded. The implicit price deflator, which reflects nonlabor payments as well as labor costs, rose 1.2 percent in 2003, following a 0.9-percent rise in 2002.

Manufacturing

Manufacturing productivity grew 5.1 percent in 2003, reflecting a 0.1-percent rise in output and a 4.8-percent decline in hours. In 2002, output per hour had increased 7.2 percent, as output fell 0.6 percent but hours fell faster, 7.3 percent. Labor productivity increased 7.7 percent in durable goods manufacturing during 2003, as output grew 2.0 percent and hours dropped 5.3 percent. In nondurable goods manufacturing, productivity rose 1.9 percent in 2003, as output and hours fell 2.2 percent and 4.0 percent, respectively (tables B, 3, 4, and 5).

Hourly compensation of manufacturing workers increased 5.5 percent in 2003, compared to a 4.0-percent increase one year earlier. Real hourly compensation rose 3.2 percent in 2003, after gaining 2.4 percent in 2002. Hourly compensation increased 5.4 percent in durable goods industries and 5.9 percent in nondurable goods industries in 2003.

Unit labor costs rose 0.4 percent in manufacturing from 2002 to 2003. In durable manufacturing, unit labor costs fell 2.1 percent in 2003. By contrast, unit labor costs in nondurable manufacturing rose last year, by 3.9 percent.

REVISED MEASURES

Productivity and cost data for the fourth quarter and full year 2003 for business, nonfarm business, and manufacturing were revised to incorporate the most recent information (table C). Quarterly and annual measures for the business, nonfarm business, nonfinancial corporate, and manufacturing sectors were revised back to 1999 to incorporate the annual benchmark adjustment and updated information on seasonal trends from the BLS nonfarm payroll series. Quarterly measures of real hourly compensation in these sectors during 2003 also reflect the recalculation of seasonal factors for the Consumer Price Index for All Urban Consumers.

Table C. Previous and revised productivity and related measures:
Fourth-quarter and annual averages 2003
(Seasonally adjusted annual rates)

Sector	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs
Percent change, third to fourth quarter 2003						
Business:						
Previous.....	1.8	3.7	1.9	0.9	0.1	-0.8
Current.....	2.0	3.9	1.9	1.8	1.0	-0.2
Nonfarm business:						
Previous.....	2.7	4.2	1.5	1.3	0.5	-1.3
Current.....	2.6	4.1	1.5	2.2	1.4	-0.4
Manufacturing:						
Previous.....	4.8	6.6	1.7	1.5	0.7	-3.1
Current.....	4.8	6.1	1.3	2.7	2.0	-2.0
Percent change, 2002 - 2003						
Business:						
Previous.....	4.3	3.7	-0.6	3.0	0.7	-1.2
Current.....	4.5	3.7	-0.8	3.3	1.0	-1.1
Nonfarm business:						
Previous.....	4.2	3.7	-0.5	2.9	0.6	-1.2
Current.....	4.4	3.7	-0.7	3.2	0.9	-1.2
Manufacturing:						
Previous.....	4.3	0.1	-4.0	4.5	2.2	0.3
Current.....	5.1	0.1	-4.8	5.5	3.2	0.4

Business sector productivity increased 2.0 percent in fourth-quarter 2003, compared to a preliminary estimate of 1.8 percent (seasonally adjusted annual rates). In the nonfarm business sector, productivity grew 2.6 percent, about the same as the 2.7 percent figure published Feb. 5. Because hourly compensation growth was revised up by 0.9 percentage points in business and nonfarm business, unit labor costs did not decline as much as reported Feb. 5. Manufacturing productivity growth in the fourth quarter was the same as originally reported, reflecting downward revisions to both output and hours, so the larger gain in hourly compensation than previously reported implied a smaller decrease in unit labor costs.

When revised annual averages for 2003 are compared to those for 2002, downward revisions in hours worked led to upward revisions in productivity in business, nonfarm business, and especially manufacturing. In all of these sectors, upward revisions to hourly compensation approximately offset the larger productivity increases, and movements in unit labor costs were similar to the preliminary estimates.

Revised measures: Nonfinancial corporations

Measures for the nonfinancial corporate sector also were revised back to 1999 due to updated information on hours worked by employees. Third quarter measures for the sector were unchanged from information reported on Feb. 5. As a result of a slight downward revision to hours in 2002, productivity, hourly compensation, and real hourly compensation are slightly higher than previously announced. Unit labor costs are unchanged.

Table D. Nonfinancial corporations: Previous and revised productivity and cost measures
Quarterly percent changes at seasonally adjusted annual rates

	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs	Unit profits	Implicit price deflator
Third quarter 2003								
Previous	8.6	8.5	-0.1	3.6	1.2	-4.6	46.2	0.9
Current	8.6	8.5	-0.1	3.6	1.2	-4.6	46.2	0.9
Percent change, 2001-2002								
Previous	5.0	2.0	-2.8	2.2	0.6	-2.7	21.9	0.1
Current	5.1	2.0	-3.0	2.3	0.7	-2.7	21.9	0.1

Upcoming changes to productivity and cost data

New estimates of average weekly hours at work for nonproduction and supervisory workers will be introduced into the BLS major sector productivity and cost measures beginning with the August 10, 2004, release. An article discussing these new measures and the effects of this change will be published in the *Monthly Labor Review* sometime in the next few months. A technical note describing the methodology will be available this summer.

In addition, on Aug. 10, BLS intends to introduce two improvements in the way it uses data from the Current Population Survey to measure the hours for its quarterly labor productivity and costs program. Employment and hours for the farm sector, nonfarm self-employed, and nonfarm unpaid family workers and hours for employees of government enterprises will be adjusted to account for the effects of multiple jobholding. Concurrent seasonal adjustment of these series also will be introduced. Further information on these changes will be announced later this year.

Next release date

The next release of **Productivity and Costs** is scheduled for **8:30 AM EDT, Thursday, May 6, 2004**, and will present preliminary first-quarter measures for business, nonfarm business, and manufacturing. Fourth-quarter and annual data for nonfinancial corporations 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. The Office of Productivity and Technology estimates average weekly paid hours of nonproduction and supervisory workers. Weekly paid hours were adjusted to hours at work using the BLS Hours at Work survey, conducted for this purpose. Data from the National Compensation Survey are used for recent years.

Data from the BLS Current Population Survey (CPS) are used for farm labor, nonfarm proprietors, and nonfarm unpaid family workers. Estimates of labor input for government enterprises are derived from the CPS, the CES, and the National Income and Product Accounts (NIPA) prepared by the Bureau of Economic Analysis (BEA) of the Department of Commerce.

Output: Business sector output is an annual-weighted index constructed after excluding from gross domestic product (GDP) the following outputs: General government, nonprofit institutions, and private households (including owner-occupied housing). Corresponding exclusions also are made in labor inputs. Business output accounted for about 78 percent of the value of GDP in 2000. Nonfarm business, which also excludes farming, accounted for about 77 percent of GDP in 2000.

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 3-digit NAICS industries: wood product manufacturing; non-metallic mineral product manufacturing; primary metal manufacturing; fabricated metal product manufacturing; machinery manufacturing; computer and electronic product manufacturing; electrical equipment and appliance manufacturing; transportation equipment manufacturing; furniture and related product manufacturing; and miscellaneous manufacturing. Nondurables include: Food manufacturing; beverage and tobacco product manufacturing; textile mills; textile product mills; apparel manufacturing; leather and allied product manufacturing; paper manufacturing; printing and related support activities; petroleum and coal products manufacturing; chemical manufacturing; and plastics and rubber products manufacturing.

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; private households; unincorporated business; and those corporations classified as offices of bank holding companies, offices of other holding companies, or in the finance and insurance sector. Nonfinancial corporations accounted for about 54 percent of the value of GDP in 2000.

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: 202-691-5606; 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									
2001	I	r116.9	141.2	r120.8	r138.2	112.5	118.2	107.1	114.1
	II	r117.7	140.8	119.6	r139.1	112.4	118.2	109.6	115.0
	III	118.2	139.9	r118.4	r140.1	112.9	118.6	r109.5	115.2
	IV	r120.4	140.6	116.9	r141.5	r114.2	117.6	112.0	115.5
	ANNUAL	118.3	140.6	118.9	139.7	113.0	118.1	109.5	114.9
2002	I	r122.8	142.6	r116.1	r141.8	r114.1	115.5	115.0	115.3
	II	r123.3	143.1	116.1	142.6	113.7	115.7	115.8	115.7
	III	124.7	144.6	r115.9	r143.1	113.5	114.7	117.9	115.9
	IV	r125.4	145.1	r115.8	r143.8	r113.5	114.7	r119.3	116.5
	ANNUAL	r124.0	143.8	r116.0	r142.8	r113.7	r115.2	117.0	115.8
2003	I	r126.4	145.8	r115.4	r145.5	r113.8	115.1	120.0	116.9
	II	r128.6	147.3	r114.5	r147.4	r115.1	114.6	r121.5	117.2
	III	r131.3	151.0	r115.0	r148.4	r115.2	r113.0	125.3	117.6
	IV	r132.0	152.4	r115.5	r149.0	r115.5	r112.9	r126.3	117.9
	ANNUAL	r129.6	149.1	r115.1	r147.6	r114.9	r113.9	r123.3	117.4
Percent change from previous quarter at annual rate(5)									
2001	I	r-0.1	-0.8	r-0.7	r5.8	r2.0	5.9	r-3.1	2.7
	II	r3.0	-1.2	r-4.0	r2.7	r-0.6	-0.3	r9.7	3.1
	III	1.5	-2.6	-4.0	r3.0	r2.1	1.5	-0.4	0.8
	IV	r7.6	2.2	r-5.0	r3.9	r4.5	-3.4	9.6	1.1
	ANNUAL	2.2	0.1	-2.1	4.1	1.3	1.8	2.1	1.9
2002	I	r8.4	5.6	r-2.6	r0.9	r-0.4	r-6.9	r11.0	-0.7
	II	r1.5	1.4	r-0.1	r2.3	r-1.2	0.9	r3.0	1.6
	III	4.9	4.3	r-0.5	1.3	r-0.9	-3.4	7.4	0.5
	IV	r2.0	1.6	r-0.5	r2.2	r0.2	r0.1	r4.9	1.9
	ANNUAL	r4.9	2.3	r-2.5	r2.2	r0.6	-2.5	6.8	0.8
2003	I	r3.5	1.9	r-1.5	r4.8	r0.9	r1.3	2.3	1.6
	II	r7.2	4.2	r-2.8	r5.3	r4.7	-1.7	5.2	0.9
	III	8.7	10.3	r1.5	2.7	r0.3	-5.5	12.9	1.3
	IV	r2.0	r3.9	1.9	r1.8	r1.0	r-0.2	r3.4	r1.2
	ANNUAL	r4.5	3.7	r-0.8	r3.3	r1.0	r-1.1	r5.4	r1.4
Percent change from corresponding quarter of previous year									
2001	I	2.7	1.9	-0.8	4.6	1.2	1.8	1.7	1.8
	II	1.5	-0.2	-1.7	r4.8	r1.4	3.3	0.0	2.1
	III	2.0	-0.7	-2.6	3.5	0.8	1.4	3.0	2.0
	IV	2.9	-0.6	r-3.5	3.8	r2.0	0.9	3.8	1.9
	ANNUAL	2.2	0.1	-2.1	4.1	1.3	1.8	2.1	1.9
2002	I	r5.1	1.0	-3.9	2.6	1.4	-2.3	7.4	1.1
	II	r4.7	1.6	-2.9	r2.5	1.2	-2.1	5.7	0.7
	III	5.5	3.4	r-2.1	r2.1	r0.5	-3.3	7.7	0.6
	IV	r4.2	3.2	r-0.9	r1.7	r-0.6	-2.4	r6.5	0.8
	ANNUAL	r4.9	2.3	r-2.5	r2.2	r0.6	-2.5	6.8	0.8
2003	I	r3.0	2.3	r-0.6	r2.6	r-0.2	-0.3	4.4	1.4
	II	r4.4	3.0	r-1.3	r3.4	r1.2	-1.0	r4.9	1.2
	III	r5.3	4.4	r-0.8	r3.7	r1.5	-1.5	6.3	1.4
	IV	r5.3	5.0	r-0.3	r3.6	r1.7	r-1.6	r5.9	r1.3
	ANNUAL	r4.5	3.7	r-0.8	r3.3	r1.0	r-1.1	r5.4	r1.4

See footnotes following Table 6.
r=revised

March 4, 2004
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									

2001	I	r116.4	141.5	r121.6	r137.5	111.9	118.1	r108.6	114.6
	II	117.3	141.2	120.4	138.3	111.7	117.9	111.2	115.5
	III	117.8	140.3	119.1	139.3	112.3	118.3	111.0	115.6
	IV	r119.8	140.8	117.6	r140.7	113.5	117.5	113.4	116.0
	ANNUAL	117.8	141.0	119.7	138.9	r112.4	118.0	111.1	115.4
2002	I	r122.6	143.1	r116.7	r141.1	r113.5	115.1	116.9	115.8
	II	122.8	143.4	116.8	141.9	r113.2	115.6	117.6	116.3
	III	r124.2	144.8	r116.6	r142.4	112.9	114.6	119.9	116.6
	IV	r124.9	145.4	r116.4	r143.2	r113.0	114.6	r121.3	117.1
	ANNUAL	r123.6	144.2	r116.6	r142.1	r113.2	115.0	119.0	116.4
2003	I	r126.0	146.3	r116.1	r144.6	r113.1	114.8	r122.2	117.5
	II	r127.9	147.6	r115.4	r146.3	r114.2	114.4	r123.4	117.7
	III	r130.8	151.3	r115.7	r147.5	r114.5	r112.8	r127.1	118.1
	IV	r131.6	r152.8	r116.1	r148.3	r114.9	r112.7	r127.7	118.2
	ANNUAL	r129.1	149.5	r115.8	r146.7	r114.2	r113.6	r125.2	117.9

Percent change from previous quarter at annual rate(5)									

2001	I	r-0.1	-0.8	r-0.7	r5.6	r1.8	5.7	-3.0	2.5
	II	r3.1	-1.0	r-4.0	r2.4	r-0.8	r-0.7	r9.9	2.9
	III	1.6	-2.5	r-4.1	3.0	2.1	1.3	-0.8	0.6
	IV	r7.0	1.6	r-5.1	r4.0	r4.6	-2.8	9.0	1.3
	ANNUAL	2.1	0.1	-2.0	3.9	1.1	1.7	2.1	1.9
2002	I	r9.8	6.7	r-2.9	r1.2	r0.0	-7.8	13.0	-0.7
	II	r0.7	0.8	r0.1	r2.3	r-1.2	1.6	2.3	1.9
	III	4.5	4.0	-0.5	1.3	-0.9	-3.1	8.2	1.0
	IV	r2.3	1.6	r-0.7	r2.2	r0.2	r-0.1	r4.8	1.7
	ANNUAL	r5.0	2.3	r-2.6	r2.3	r0.7	-2.5	7.1	0.9
2003	I	r3.4	2.4	r-1.0	r4.0	r0.2	r0.6	3.0	1.5
	II	r6.2	3.8	r-2.3	r4.9	4.2	-1.3	4.0	0.7
	III	9.5	10.4	r0.9	r3.3	1.0	-5.6	12.5	1.1
	IV	r2.6	r4.1	1.5	r2.2	r1.4	r-0.4	r1.9	r0.5
	ANNUAL	r4.4	3.7	r-0.7	r3.2	r0.9	-1.2	r5.2	1.2

Percent change from corresponding quarter of previous year									

2001	I	2.5	2.0	-0.6	4.3	0.9	1.7	1.9	1.8
	II	1.5	-0.1	-1.6	4.7	r1.2	3.1	0.1	2.1
	III	2.0	-0.5	-2.5	r3.2	0.5	1.2	3.0	1.8
	IV	r2.9	-0.7	-3.5	r3.8	1.9	0.8	3.6	1.8
	ANNUAL	2.1	0.1	-2.0	3.9	1.1	1.7	2.1	1.9
2002	I	5.3	1.1	-4.0	r2.7	1.4	r-2.5	7.6	1.0
	II	4.7	1.6	r-3.0	2.6	r1.4	-2.0	5.7	0.7
	III	r5.5	3.2	-2.1	r2.2	r0.6	-3.1	8.0	0.8
	IV	r4.3	3.2	r-1.0	r1.8	r-0.5	-2.4	7.0	1.0
	ANNUAL	r5.0	2.3	r-2.6	r2.3	r0.7	-2.5	7.1	0.9
2003	I	r2.7	2.2	r-0.5	r2.5	r-0.4	-0.3	r4.5	1.5
	II	r4.1	2.9	r-1.1	r3.1	r0.9	-1.0	5.0	1.2
	III	r5.3	4.5	r-0.8	r3.6	r1.4	r-1.6	6.0	1.3
	IV	r5.4	r5.1	r-0.3	r3.6	r1.7	r-1.7	r5.2	0.9
	ANNUAL	r4.4	3.7	r-0.7	r3.2	r0.9	-1.2	r5.2	1.2

See footnotes following Table 6.
r=revised

March 4, 2004
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							
2001	I	r135.0	135.2	r100.1	r138.6	r112.9	102.7
	II	r136.0	133.3	r98.0	r137.4	r111.0	101.0
	III	r137.3	131.1	r95.5	r137.5	r110.8	100.1
	IV	140.5	129.7	r92.3	r139.7	r112.7	99.4
	ANNUAL	r137.1	132.3	96.5	138.3	r111.8	100.8
2002	I	r144.0	130.5	r90.6	r141.1	r113.5	98.0
	II	r146.3	131.8	r90.1	r143.3	r114.3	97.9
	III	r148.5	132.4	r89.2	r144.6	r114.7	97.4
	IV	r149.5	131.3	r87.8	r146.5	r115.7	98.0
	ANNUAL	r147.1	131.5	r89.4	r143.8	r114.5	97.8
2003	I	r151.4	131.3	r86.7	r149.0	r116.5	98.4
	II	r152.6	130.1	r85.3	r151.2	r118.0	99.0
	III	r156.4	131.5	r84.1	r153.1	r118.8	97.9
	IV	r158.2	r133.5	r84.4	r154.1	r119.4	r97.4
	ANNUAL	r154.6	r131.6	r85.1	r151.8	r118.2	r98.2

Percent change from previous quarter at annual rate(5)							
2001	I	r-1.1	-7.5	r-6.5	r4.4	r0.7	5.6
	II	r3.0	-5.4	r-8.1	r-3.6	r-6.6	-6.4
	III	r4.0	-6.3	r-9.9	r0.3	r-0.6	-3.6
	IV	r9.8	-4.3	r-12.8	r6.5	r7.1	-2.9
	ANNUAL	2.2	-4.6	-6.6	2.4	-0.4	0.2
2002	I	r10.2	2.5	r-7.0	r4.2	r2.9	-5.5
	II	6.5	4.0	-2.3	6.2	2.6	-0.2
	III	r6.0	1.7	r-4.1	r3.7	r1.5	-2.2
	IV	r3.0	-3.1	r-5.9	r5.5	r3.5	r2.5
	ANNUAL	r7.2	-0.6	r-7.3	r4.0	r2.4	-3.0
2003	I	r5.1	0.1	r-4.8	r6.9	r2.9	1.7
	II	r3.3	-3.6	r-6.6	r5.9	r5.3	2.6
	III	r10.1	4.3	r-5.3	r5.1	r2.7	r-4.6
	IV	4.8	r6.1	r1.3	r2.7	r2.0	r-2.0
	ANNUAL	r5.1	0.1	r-4.8	r5.5	r3.2	r0.4

Percent change from corresponding quarter of previous year							
2001	I	r2.0	-2.0	r-3.9	3.9	r0.5	1.9
	II	1.6	-4.6	r-6.0	r3.6	0.3	2.0
	III	r2.1	-5.7	-7.7	0.8	r-1.9	-1.3
	IV	3.8	-5.9	r-9.4	1.8	0.0	-1.9
	ANNUAL	2.2	-4.6	-6.6	2.4	-0.4	0.2
2002	I	r6.7	-3.4	r-9.5	r1.8	r0.6	-4.6
	II	r7.6	-1.1	r-8.1	r4.3	r3.0	-3.1
	III	r8.1	0.9	r-6.6	r5.2	r3.5	-2.7
	IV	r6.4	1.2	r-4.9	r4.9	r2.6	-1.4
	ANNUAL	r7.2	-0.6	r-7.3	r4.0	r2.4	-3.0
2003	I	r5.1	0.6	r-4.3	r5.6	r2.6	0.4
	II	r4.3	-1.3	r-5.4	r5.5	r3.3	1.1
	III	r5.3	-0.6	r-5.7	r5.9	r3.6	0.5
	IV	r5.8	r1.6	r-3.9	r5.1	r3.2	r-0.6
	ANNUAL	r5.1	0.1	r-4.8	r5.5	r3.2	r0.4

See footnotes following Table 6.
r=revised

March 4, 2004
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							
2001	I	r150.9	160.5	r106.4	r137.9	r112.3	91.4
	II	r151.5	157.5	r103.9	r136.7	r110.4	90.2
	III	r153.0	154.0	r100.7	r136.7	r110.2	89.4
	IV	r156.8	151.6	r96.7	r139.4	r112.5	88.9
	ANNUAL	153.0	155.9	101.9	137.7	r111.3	90.0
2002	I	r161.2	152.6	r94.7	r140.0	r112.6	86.8
	II	r164.4	154.7	r94.1	r142.4	r110.4	86.6
	III	r167.4	155.9	r93.1	r143.5	r113.8	85.7
	IV	r171.0	156.1	r91.3	r145.7	r115.0	r85.2
	ANNUAL	r166.0	154.8	r93.3	r142.9	r113.7	86.1
2003	I	r173.8	156.6	r90.1	r147.8	r115.6	85.0
	II	r175.5	155.1	r88.4	r150.1	r117.2	85.5
	III	r181.6	158.3	r87.2	r152.0	r118.0	83.7
	IV	r184.3	r162.0	r87.9	r152.5	r118.2	r82.8
	ANNUAL	r178.8	158.0	r88.4	r150.6	r117.2	84.2

Percent change from previous quarter at annual rate(5)							
2001	I	r-1.8	-9.7	r-8.0	r3.3	r-0.4	5.2
	II	r1.8	-7.3	r-9.0	r-3.4	r-6.5	-5.1
	III	r3.8	-8.5	r-11.9	r0.0	r-0.9	-3.7
	IV	r10.2	-6.2	r-14.9	r8.1	r8.7	-2.0
	ANNUAL	1.5	-5.9	-7.3	1.7	-1.1	0.2
2002	I	r11.9	2.8	r-8.2	r1.7	r0.4	r-9.1
	II	r8.0	5.5	r-2.3	r7.0	r3.3	-0.9
	III	r7.7	3.3	r-4.1	r3.3	r1.1	-4.1
	IV	r8.9	0.4	r-7.8	r6.1	r4.0	-2.6
	ANNUAL	r8.5	-0.7	r-8.5	r3.8	r2.1	-4.4
2003	I	r6.7	1.4	r-5.0	r6.0	r2.1	-0.7
	II	r4.0	-3.9	r-7.5	r6.5	r5.9	2.4
	III	r14.5	8.4	r-5.3	r5.0	r2.6	-8.3
	IV	r6.1	r9.6	r3.3	r1.4	r0.7	r-4.4
	ANNUAL	r7.7	r2.0	r-5.3	r5.4	r3.1	r-2.1

Percent change from corresponding quarter of previous year							
2001	I	1.2	-2.4	-3.6	r2.6	-0.8	1.3
	II	r0.7	-5.7	r-6.4	r3.0	r-0.4	2.3
	III	1.2	-7.6	-8.7	-0.2	-2.8	-1.4
	IV	3.4	-7.9	-11.0	1.9	0.1	-1.5
	ANNUAL	1.5	-5.9	-7.3	1.7	-1.1	0.2
2002	I	r6.9	-4.9	-11.0	r1.5	r0.3	-5.0
	II	r8.4	-1.8	r-9.4	r4.1	r2.8	-4.0
	III	r9.4	1.2	r-7.5	r5.0	r3.3	-4.1
	IV	r9.1	3.0	r-5.6	r4.5	r2.2	-4.2
	ANNUAL	r8.5	-0.7	r-8.5	r3.8	r2.1	-4.4
2003	I	r7.8	2.6	r-4.8	r5.6	r2.6	-2.1
	II	r6.8	0.3	r-6.1	r5.5	r3.3	r-1.2
	III	r8.5	1.5	r-6.4	r5.9	r3.6	-2.4
	IV	r7.7	r3.7	r-3.7	r4.7	r2.8	r-2.8
	ANNUAL	r7.7	r2.0	r-5.3	r5.4	r3.1	r-2.1

See footnotes following Table 6.
r=revised

March 4, 2004
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							
2001	I	r120.0	109.0	r90.9	r137.7	r112.1	114.8
	II	r121.1	108.2	89.3	r136.5	r110.2	112.7
	III	r122.0	107.2	r87.9	r137.0	r110.4	112.2
	IV	124.3	106.7	85.8	138.4	111.7	111.3
	ANNUAL	r121.8	107.8	r88.5	137.4	111.1	112.8
2002	I	r126.6	107.2	r84.7	r141.6	r113.9	111.8
	II	r128.1	107.8	r84.1	r143.3	r110.2	r111.9
	III	r129.4	107.7	r83.3	r144.9	r114.9	112.0
	IV	r127.9	105.7	r82.7	r146.7	r115.8	114.7
	ANNUAL	r128.0	107.1	r83.7	r144.1	r114.7	112.6
2003	I	r128.8	105.3	r81.8	r149.7	r117.1	r116.3
	II	r129.4	104.4	r80.7	r151.6	r118.4	117.1
	III	r131.1	104.3	r79.6	r153.6	r119.2	r117.2
	IV	r132.5	r104.9	r79.2	r155.4	r120.4	r117.3
	ANNUAL	r130.4	r104.7	r80.3	r152.6	r118.7	r117.0

Percent change from previous quarter at annual rate(5)							
2001	I	r-1.2	-4.9	r-3.8	r7.3	r3.5	8.6
	II	r4.0	-3.0	r-6.7	r-3.6	r-6.7	-7.3
	III	r3.0	-3.7	r-6.5	r1.5	r0.6	-1.5
	IV	r7.8	-2.0	r-9.1	r4.3	r4.9	r-3.2
	ANNUAL	2.6	-3.0	-5.4	4.1	1.3	1.5
2002	I	r7.5	2.0	r-5.1	r9.5	r8.1	1.8
	II	4.8	2.2	-2.5	4.9	1.3	0.1
	III	r4.1	-0.2	r-4.1	r4.6	r2.4	0.5
	IV	r-4.7	-7.3	r-2.8	r5.0	r2.9	r10.1
	ANNUAL	r5.1	-0.6	r-5.4	r4.9	r3.2	-0.2
2003	I	r2.9	-1.5	r-4.3	r8.6	r4.6	5.5
	II	r2.0	-3.2	r-5.2	r5.1	r4.5	r3.1
	III	5.2	-0.4	-5.3	5.3	2.9	0.1
	IV	r4.4	r2.2	r-2.0	r4.7	r3.9	r0.3
	ANNUAL	r1.9	-2.2	r-4.0	r5.9	r3.5	r3.9

Percent change from corresponding quarter of previous year							
2001	I	r2.7	-1.8	r-4.4	r6.6	r3.1	3.8
	II	2.3	-3.3	-5.5	5.1	r1.6	2.7
	III	r2.6	-3.5	r-5.9	r3.1	r0.4	0.4
	IV	r3.4	-3.4	-6.5	r2.3	r0.5	-1.0
	ANNUAL	2.6	-3.0	-5.4	4.1	1.3	1.5
2002	I	5.5	-1.7	r-6.9	r2.8	r1.6	-2.6
	II	r5.8	-0.4	r-5.8	r5.0	r3.7	-0.7
	III	r6.0	0.5	r-5.2	r5.8	r4.2	-0.2
	IV	r2.8	-0.9	r-3.6	r6.0	r3.6	3.0
	ANNUAL	r5.1	-0.6	r-5.4	r4.9	r3.2	-0.2
2003	I	r1.7	-1.8	r-3.4	r5.8	r2.8	4.0
	II	r1.0	-3.1	r-4.1	r5.8	r3.6	4.7
	III	r1.3	-3.1	r-4.4	r6.0	r3.7	4.6
	IV	r3.6	r-0.8	r-4.2	r5.9	r4.0	r2.2
	ANNUAL	r1.9	-2.2	r-4.0	r5.9	r3.5	r3.9

See footnotes following Table 6.
r=revised

March 4, 2004
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											
2001	I	121.3	150.7	124.2	135.0	109.9	111.3	108.2	110.5	90.9	108.7
	II	121.9	149.7	122.8	r136.2	r110.0	111.8	109.8	111.3	91.2	109.5
	III	122.7	148.8	121.2	137.7	111.0	112.2	111.3	112.0	87.2	109.8
	IV	r125.0	149.3	119.5	r139.0	112.1	111.2	111.4	111.3	96.4	109.9
	ANNUAL	122.7	149.6	121.9	r137.0	110.8	111.6	110.2	111.2	91.4	109.5
2002	I	r126.4	150.2	r118.8	r138.1	r111.1	109.3	111.9	110.0	105.3	109.5
	II	r128.3	152.2	118.7	r139.6	111.3	108.8	111.5	109.6	112.3	109.8
	III	r129.8	153.4	r118.2	r140.6	r111.6	108.3	111.5	109.2	111.8	109.4
	IV	r131.4	154.5	r117.6	r142.0	r112.1	108.1	111.3	109.0	116.2	109.6
	ANNUAL	r128.9	152.6	r118.3	r140.1	r111.5	108.6	111.5	109.4	111.4	109.6
2003	I	r132.2	154.7	r117.0	r143.3	r112.1	108.4	110.7	109.0	114.0	109.5
	II	r135.3	157.3	r116.3	r145.3	r113.5	107.4	108.0	107.6	130.7	109.6
	III	r138.1	160.5	r116.3	r146.6	r113.8	106.2	107.6	106.6	143.7	109.9
Percent change from previous quarter at annual rate(5)											
2001	I	r0.2	-2.1	r-2.3	r2.7	r-1.0	2.5	4.1	3.0	-24.6	0.5
	II	r1.7	-2.7	r-4.3	r3.6	r0.3	1.8	6.0	2.9	1.0	2.8
	III	r2.9	-2.3	r-5.0	r4.4	3.4	1.4	5.7	2.6	-16.1	1.1
	IV	r7.6	1.4	r-5.8	r3.7	r4.3	-3.6	0.4	-2.5	48.8	0.6
	ANNUAL	1.8	-0.7	-2.4	4.0	1.2	2.2	5.1	3.0	-16.4	1.2
2002	I	r4.6	2.3	r-2.2	r-2.5	r-3.7	-6.7	1.5	-4.6	42.4	-1.4
	II	r6.0	5.6	r-0.4	r4.4	r0.9	-1.5	-1.4	-1.5	29.5	0.9
	III	r4.9	3.2	-1.6	r3.0	r0.8	-1.8	0.0	-1.3	-1.7	-1.4
	IV	r4.9	2.8	r-2.0	r3.9	r1.9	-0.9	-0.4	-0.8	16.7	0.7
	ANNUAL	r5.1	2.0	r-3.0	r2.3	r0.7	-2.7	1.2	-1.6	21.9	0.1
2003	I	r2.4	0.5	r-1.9	r3.8	r-0.1	1.3	-2.4	0.3	-7.4	-0.5
	II	r9.7	7.1	r-2.4	r5.7	r5.1	-3.7	-9.3	-5.2	72.6	0.6
	III	8.6	8.5	-0.1	3.6	1.2	-4.6	-1.3	-3.7	46.2	0.9
Percent change from corresponding quarter of previous year											
2001	I	1.6	0.9	-0.7	4.4	0.9	2.7	5.6	3.5	-21.1	1.1
	II	1.5	-0.4	r-1.8	r4.7	r1.3	3.2	5.4	3.8	-21.8	1.3
	III	1.3	-1.8	-3.1	3.7	1.0	2.4	5.6	3.2	-19.2	1.2
	IV	r3.1	-1.4	r-4.4	3.6	r1.8	0.5	4.0	1.5	-1.2	1.2
	ANNUAL	1.8	-0.7	-2.4	4.0	1.2	2.2	5.1	3.0	-16.4	1.2
2002	I	r4.2	-0.3	-4.3	r2.3	r1.1	-1.8	3.4	-0.5	15.8	0.8
	II	5.2	1.7	r-3.4	r2.5	r1.2	-2.6	1.5	-1.5	23.2	0.3
	III	r5.8	3.1	r-2.5	2.1	0.5	-3.4	0.1	-2.5	28.2	-0.3
	IV	r5.1	3.5	r-1.6	r2.2	r-0.1	-2.8	-0.1	-2.1	20.6	-0.3
	ANNUAL	r5.1	2.0	r-3.0	r2.3	r0.7	-2.7	1.2	-1.6	21.9	0.1
2003	I	r4.6	3.0	r-1.5	r3.8	r0.9	-0.7	-1.1	-0.8	8.3	-0.1
	II	r5.5	3.4	r-2.0	r4.1	r1.9	-1.3	-3.1	-1.8	16.4	-0.1
	III	r6.4	4.6	r-1.6	r4.2	r2.0	-2.0	-3.4	-2.4	28.5	0.4

See footnotes following Table 6.
r=revised

March 4, 2004
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 $+1.5$ 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 third quarter of 2003.

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 1978-2002 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) Data for the manufacturing sectors are not comparable to those published in releases of Dec. 3, 2003 and earlier.
- (7) 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.
- (8) Total unit costs are the sum of unit labor and nonlabor costs.
- (9) Unit profits include corporate profits with inventory valuation and capital consumption adjustments.

Appendix table 1.

Business sector: Revised 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	111.5	132.7	119.0	124.1	107.8	111.3	108.5	110.3
	II	111.7	133.9	119.9	124.4	107.3	111.4	109.0	110.5
	III	112.5	135.7	120.6	125.5	107.4	111.6	109.6	110.8
	IV	114.1	138.5	121.3	127.7	108.5	111.9	109.9	111.1
	ANNUAL	112.4	135.2	120.2	125.4	107.8	111.6	109.2	110.7
2000	I	113.8	138.6	121.8	132.1	111.2	116.1	105.3	112.1
	II	116.0	141.1	121.6	132.7	110.8	114.4	109.5	112.6
	III	115.8	140.8	121.6	135.4	112.1	116.9	106.3	112.9
	IV	116.9	141.5	121.0	136.3	112.0	116.5	107.9	113.3
	ANNUAL	115.7	140.5	121.4	134.2	111.6	116.0	107.2	112.7
Percent change from previous quarter at annual rate(5)									
1999	I	3.3	3.7	0.4	7.9	6.3	4.4	-3.9	1.2
	II	0.6	3.8	3.2	0.9	-2.0	0.3	1.5	0.8
	III	3.0	5.4	2.3	3.7	0.6	0.7	2.3	1.3
	IV	6.0	8.4	2.3	7.1	4.0	1.1	1.1	1.1
	ANNUAL	2.9	5.1	2.1	4.8	2.7	1.8	-0.6	0.9
2000	I	-1.3	0.3	1.7	14.5	10.4	16.0	-15.8	3.4
	II	8.2	7.5	-0.7	1.8	-1.5	-5.9	17.2	1.8
	III	-0.6	-0.8	-0.2	8.5	4.7	9.2	-11.4	1.3
	IV	3.8	2.0	-1.7	2.5	-0.4	-1.3	6.3	1.4
	ANNUAL	2.9	3.9	1.0	7.0	3.6	4.0	-1.8	1.8
Percent change from corresponding quarter of previous year									
1999	I	2.9	4.9	1.9	5.7	4.1	2.7	-2.6	0.7
	II	2.9	5.1	2.2	4.5	2.5	1.6	-0.4	0.9
	III	2.8	5.2	2.3	4.2	1.8	1.4	0.3	1.0
	IV	3.2	5.3	2.0	4.9	2.2	1.6	0.2	1.1
	ANNUAL	2.9	5.1	2.1	4.8	2.7	1.8	-0.6	0.9
2000	I	2.0	4.5	2.4	6.5	3.1	4.3	-3.0	1.6
	II	3.9	5.4	1.4	6.7	3.3	2.7	0.5	1.9
	III	3.0	3.8	0.8	7.9	4.3	4.8	-3.0	1.9
	IV	2.4	2.2	-0.2	6.7	3.2	4.2	-1.8	2.0
	ANNUAL	2.9	3.9	1.0	7.0	3.6	4.0	-1.8	1.8

See footnotes following Table 6.
r=revisedMarch 4, 2004
Source: Bureau of Labor Statistics

Appendix table 2.

Nonfarm business sector: Revised 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	111.2	133.0	119.6	123.5	107.3	111.1	109.6	110.5
	II	111.4	134.3	120.5	123.8	106.8	111.2	110.6	111.0
	III	112.2	136.1	121.3	125.0	107.0	111.4	111.3	111.3
	IV	114.0	138.9	121.8	127.3	108.2	111.7	111.7	111.7
	ANNUAL	112.2	135.6	120.8	124.9	107.3	111.3	110.8	111.1
2000	I	113.5	138.8	122.3	131.8	110.9	116.1	106.7	112.6
	II	115.6	141.4	122.3	132.1	110.3	114.3	111.1	113.1
	III	115.5	141.1	122.2	134.9	111.7	116.9	107.8	113.5
	IV	116.4	141.8	121.8	135.6	111.4	116.5	109.5	113.9
	ANNUAL	115.3	140.8	122.1	133.7	111.2	116.0	108.8	113.3
Percent change from previous quarter at annual rate(5)									
1999	I	2.7	3.7	1.0	7.0	5.5	4.2	-3.6	1.3
	II	0.6	3.7	3.1	1.0	-1.9	0.4	3.6	1.6
	III	3.0	5.6	2.5	3.7	0.6	0.6	2.8	1.4
	IV	6.5	8.4	1.8	7.9	4.7	1.3	1.4	1.4
	ANNUAL	2.8	5.2	2.3	4.7	2.5	1.8	-0.1	1.1
2000	I	-1.7	-0.1	1.6	14.7	10.5	16.7	-16.9	3.3
	II	7.5	7.5	-0.1	1.1	-2.2	-6.0	17.6	1.8
	III	-0.4	-0.8	-0.4	8.8	5.0	9.2	-11.3	1.4
	IV	3.3	2.2	-1.1	2.0	-0.9	-1.3	6.3	1.3
	ANNUAL	2.8	3.8	1.0	7.0	3.6	4.2	-1.9	1.9
Percent change from corresponding quarter of previous year									
1999	I	2.8	4.9	2.1	5.5	4.0	2.7	-2.5	0.7
	II	2.6	5.1	2.5	4.3	2.3	1.7	0.1	1.1
	III	2.6	5.2	2.6	3.9	1.6	1.3	0.9	1.2
	IV	3.2	5.4	2.1	4.9	2.2	1.6	1.0	1.4
	ANNUAL	2.8	5.2	2.3	4.7	2.5	1.8	-0.1	1.1
2000	I	2.1	4.4	2.3	6.7	3.4	4.5	-2.7	1.9
	II	3.8	5.3	1.5	6.7	3.3	2.8	0.5	2.0
	III	2.9	3.6	0.7	8.0	4.4	5.0	-3.2	2.0
	IV	2.1	2.1	0.0	6.5	3.0	4.3	-2.0	2.0
	ANNUAL	2.8	3.8	1.0	7.0	3.6	4.2	-1.9	1.9

See footnotes following Table 6.
r=revisedMarch 4, 2004
Source: Bureau of Labor Statistics

Appendix table 3.

Manufacturing sector: Revised productivity, hourly compensation, and unit labor costs, seasonally adjusted

Year and quarter		Output per hour of all persons	Output	Hours of all persons	Compensation per hour (1)	Real compensation per hour (2)	Unit labor costs

Indexes 1992=100							
1999	I	126.7	132.9	104.9	121.7	r105.8	96.0
	II	r127.4	133.9	r105.1	r122.3	r105.5	r96.0
	III	r127.9	134.7	r105.3	r124.0	r106.1	96.9
	IV	130.8	136.8	r104.5	127.1	108.0	97.2
	ANNUAL	128.2	134.6	r105.0	123.8	r106.3	96.6
2000	I	r132.4	137.9	104.2	r133.4	112.3	100.8
	II	r133.9	139.7	104.3	r132.6	110.7	99.0
	III	r134.5	139.1	103.4	r136.4	r112.9	101.5
	IV	r135.4	137.8	r101.8	r137.2	r112.7	101.3
	ANNUAL	134.2	138.6	103.3	r135.0	112.3	100.6

Percent change from previous quarter at annual rate(5)							
1999	I	4.8	1.8	r-2.9	3.9	2.4	-0.9
	II	r2.1	2.9	r0.8	r2.1	r-0.9	0.0
	III	1.6	2.4	0.8	r5.5	2.3	3.7
	IV	r9.4	6.3	r-2.8	r10.5	r7.3	1.0
	ANNUAL	3.8	2.9	r-0.8	4.2	r2.0	0.3
2000	I	4.8	3.5	r-1.3	r21.3	16.9	15.7
	II	r4.7	5.2	r0.5	r-2.5	r-5.7	r-6.9
	III	r1.7	-1.7	-3.4	r12.2	r8.3	10.3
	IV	r2.7	-3.6	r-6.1	r2.1	r-0.8	-0.6
	ANNUAL	r4.7	3.0	r-1.6	9.1	5.6	4.2

Percent change from corresponding quarter of previous year							
1999	I	r4.2	2.5	-1.6	4.4	2.9	0.3
	II	r3.8	2.8	r-0.9	r3.3	r1.2	-0.5
	III	2.9	3.0	0.1	r3.5	r1.2	0.7
	IV	4.4	3.3	r-1.1	5.4	2.7	1.0
	ANNUAL	3.8	2.9	r-0.8	4.2	r2.0	0.3
2000	I	4.4	3.8	r-0.7	9.6	6.2	4.9
	II	5.1	4.4	-0.7	r8.4	4.9	3.1
	III	5.1	3.3	-1.8	10.1	6.4	4.7
	IV	3.5	0.8	-2.6	7.9	4.3	4.3
	ANNUAL	r4.7	3.0	r-1.6	9.1	5.6	4.2

See footnotes following Table 6.
r=revised

March 4, 2004
Source: Bureau of Labor Statistics

Appendix table 4.

Durable manufacturing sector: Revised productivity, hourly compensation, and unit, labor costs, seasonally adjusted

Year and quarter		Output per hour of all persons	Output	Hours of all persons	Compensation per hour (1)	Real compensation per hour (2)	Unit labor costs

Indexes 1992=100							
1999	I	141.0	155.4	r110.2	121.0	r105.2	85.8
	II	r142.4	157.3	r110.5	r121.7	r105.0	85.5
	III	r143.2	159.6	r111.4	r123.6	r105.8	86.3
	IV	146.0	161.6	110.7	127.3	108.2	87.2
	ANNUAL	r143.1	158.5	110.7	r123.4	r106.0	86.2
2000	I	r149.0	164.5	r110.4	r134.4	r113.2	90.2
	II	r150.5	167.1	r111.0	r132.7	r110.8	88.2
	III	r151.2	166.7	r110.2	r137.0	r113.4	90.6
	IV	r151.6	164.6	r108.6	r136.8	r112.4	90.3
	ANNUAL	150.7	165.7	109.9	135.4	r112.5	89.8

Percent change from previous quarter at annual rate(5)							
1999	I	r7.4	2.5	r-4.6	r5.1	r3.6	-2.2
	II	r3.9	4.8	r0.9	r2.4	r-0.6	-1.5
	III	r2.4	5.9	r3.4	r6.4	r3.2	3.9
	IV	r8.0	5.2	r-2.6	r12.5	r9.3	4.2
	ANNUAL	6.2	5.5	r-0.6	4.8	2.7	-1.3
2000	I	r8.6	7.5	r-1.0	r24.1	r19.7	14.4
	II	r4.0	6.3	r2.2	r-5.0	r-8.1	-8.6
	III	1.8	-1.0	-2.7	13.5	9.5	r11.5
	IV	r1.0	-4.7	r-5.7	r-0.5	r-3.3	-1.6
	ANNUAL	5.3	4.6	-0.7	9.7	6.1	4.2

Percent change from corresponding quarter of previous year							
1999	I	7.0	5.4	-1.5	4.7	3.1	-2.1
	II	r7.0	6.1	r-0.9	r3.7	r1.7	-3.1
	III	r5.3	6.0	r0.7	4.3	r1.9	-1.0
	IV	5.4	4.6	-0.8	6.5	3.8	1.1
	ANNUAL	6.2	5.5	r-0.6	4.8	2.7	-1.3
2000	I	5.7	5.8	0.2	r11.1	7.6	5.1
	II	5.7	6.2	0.5	9.0	5.5	3.1
	III	5.6	4.5	-1.1	10.8	7.1	5.0
	IV	3.8	1.9	r-1.9	7.4	r3.9	3.5
	ANNUAL	5.3	4.6	-0.7	9.7	6.1	4.2

See footnotes following Table 6.
r=revisedMarch 4, 2004
Source: Bureau of Labor Statistics

Appendix table 5.

Nondurable manufacturing sector: Revised productivity, hourly compensation, and unit, labor costs, seasonally adjusted

Year and quarter		Output per hour of all persons	Output	Hours of all persons	Compensation per hour (1)	Real compensation per hour (2)	Unit labor costs

Indexes 1992=100							
1999	I	r113.4	110.0	97.0	121.4	105.5	107.0
	II	113.4	110.1	r97.2	r121.8	105.1	107.5
	III	113.8	109.5	r96.3	r122.7	r105.0	107.8
	IV	r116.9	111.6	95.5	r124.6	105.8	106.6
	ANNUAL	r114.3	110.3	96.5	122.6	r105.3	107.2
2000	I	116.8	111.0	95.0	129.2	108.7	110.6
	II	r118.4	111.9	94.5	129.9	r108.4	109.7
	III	r118.9	111.1	r93.4	r132.8	r109.9	111.7
	IV	120.3	110.4	r91.8	r135.3	111.2	112.5
	ANNUAL	118.8	111.1	93.5	132.0	109.7	111.1

Percent change from previous quarter at annual rate(5)							
1999	I	r1.3	1.4	r0.1	r2.3	r0.8	1.0
	II	-0.3	0.4	0.7	1.4	-1.6	1.7
	III	r1.4	-2.3	r-3.6	r2.8	r-0.3	1.4
	IV	r11.4	7.8	r-3.3	r6.4	r3.3	-4.5
	ANNUAL	r0.9	-0.3	r-1.2	r2.8	r0.7	1.9
2000	I	r-0.3	-2.2	r-1.8	r15.6	r11.4	15.9
	II	r5.8	3.5	r-2.2	2.3	r-1.1	-3.4
	III	r1.5	-3.1	r-4.5	r9.4	r5.6	7.8
	IV	r4.9	-2.3	r-6.9	r7.7	r4.6	2.7
	ANNUAL	3.9	0.7	r-3.1	7.6	4.2	3.6

Percent change from corresponding quarter of previous year							
1999	I	0.7	-1.0	-1.7	3.9	r2.3	3.2
	II	r-0.2	-1.1	r-0.9	2.4	0.4	2.6
	III	0.0	-0.8	r-0.7	r1.9	r-0.4	2.0
	IV	3.3	1.8	-1.5	3.2	0.5	-0.2
	ANNUAL	r0.9	-0.3	r-1.2	r2.8	r0.7	1.9
2000	I	2.9	0.9	-2.0	6.4	r3.1	3.4
	II	4.5	1.6	-2.7	6.6	3.2	2.0
	III	4.5	1.4	-3.0	8.3	4.7	3.6
	IV	r2.9	-1.1	-3.9	r8.6	r5.0	5.5
	ANNUAL	3.9	0.7	r-3.1	7.6	4.2	3.6

See footnotes following Table 6.
r=revisedMarch 4, 2004
Source: Bureau of Labor Statistics

Appendix table 6.

Nonfinancial corporations: Revised 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	115.8	140.8	121.6	122.5	106.5	105.8	99.7	104.2	134.1	106.8
II	116.2	142.4	122.5	122.6	r105.7	105.5	100.3	104.1	134.4	106.8
III	r116.2	143.5	r123.5	r123.3	r105.5	106.1	101.6	104.9	126.9	106.9
IV	117.3	146.0	124.4	124.8	r106.1	106.4	102.2	105.2	124.1	106.9
ANNUAL	116.4	143.2	123.0	123.3	r105.9	106.0	101.0	104.6	129.8	106.9
2000 I	119.4	149.4	r125.0	r129.4	108.9	108.3	102.5	106.8	115.3	107.5
II	120.1	150.2	125.1	130.1	108.6	108.3	104.1	107.2	116.6	108.0
III	121.1	151.5	125.1	132.8	109.9	109.6	105.4	108.5	108.0	108.4
IV	121.3	151.5	124.9	134.1	110.2	110.6	107.1	109.7	97.6	108.6
ANNUAL	120.6	150.7	r124.9	131.7	109.5	109.2	104.8	108.0	109.3	108.1
Percent change from previous quarter at annual rate(5)										
1999 I	r6.8	8.6	1.7	r9.8	r8.2	2.8	-5.2	0.7	3.7	1.0
II	r1.3	4.5	r3.1	r0.2	r-2.7	-1.1	2.5	-0.2	0.9	0.0
III	0.1	3.1	3.0	2.4	-0.7	2.3	5.3	3.0	-20.3	0.2
IV	r4.0	7.2	r3.1	r5.0	r2.0	1.0	2.2	1.3	-8.6	0.2
ANNUAL	3.2	5.8	r2.6	4.6	2.5	1.4	1.1	1.3	-5.6	0.5
2000 I	r7.4	9.6	2.1	r15.4	r11.2	7.5	1.3	5.8	-25.6	2.2
II	r2.2	2.4	r0.2	r2.2	r-1.1	0.1	6.5	1.7	4.6	2.0
III	r3.5	3.5	-0.1	8.5	4.7	4.8	5.0	4.8	-26.3	1.5
IV	0.5	-0.1	-0.6	r4.2	r1.3	3.7	6.6	4.4	-33.4	0.5
ANNUAL	3.6	5.2	1.6	r6.8	3.3	3.1	3.8	3.3	-15.8	1.2
Percent change from corresponding quarter of previous year										
1999 I	4.0	6.2	r2.2	5.7	4.2	1.7	0.3	1.3	-4.2	0.7
II	r3.3	6.0	2.6	4.5	r2.4	1.1	0.9	1.0	-2.0	0.7
III	2.3	5.1	r2.8	4.0	r1.6	1.6	2.1	1.7	-9.5	0.4
IV	3.0	5.8	r2.7	4.3	1.6	1.2	1.1	1.2	-6.6	0.3
ANNUAL	3.2	5.8	r2.6	4.6	2.5	1.4	1.1	1.3	-5.6	0.5
2000 I	3.1	6.1	r2.8	r5.6	2.3	2.4	2.8	2.5	-14.0	0.6
II	r3.4	5.5	2.1	6.1	2.7	2.7	3.8	3.0	-13.2	1.1
III	4.2	5.6	r1.3	r7.7	r4.1	3.3	3.7	3.4	-14.9	1.5
IV	3.4	3.8	0.4	r7.4	3.9	4.0	4.8	4.2	-21.4	1.5
ANNUAL	3.6	5.2	1.6	r6.8	3.3	3.1	3.8	3.3	-15.8	1.2

See footnotes following Table 6.
r=revised

March 4, 2004
Source: Bureau of Labor Statistics