

# News

United States  
Department  
of Labor



Bureau of Labor Statistics

Washington, D.C. 20212

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## **PRODUCTIVITY AND COSTS** First Quarter 2004, preliminary

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 2004. The seasonally adjusted annual rates of productivity change in the first quarter were:

4.5 percent in the business sector and  
3.5 percent in the nonfarm business sector.

In both the business and nonfarm business sectors, productivity and output increased more in the first quarter than they had in the fourth quarter of 2003 (as revised) while the hours of all persons grew more slowly.

In manufacturing, productivity changes in the first quarter were:

3.1 percent in manufacturing,  
5.9 percent in durable goods manufacturing, and  
0.1 percent in nondurable goods manufacturing.

Productivity growth in manufacturing in the first quarter of 2004 reflected increases in both output and hours; output rose 5.8 percent and hours of all persons grew 2.7 percent (seasonally adjusted annual rates). 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. 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 9).

Table A. Productivity and costs: Preliminary first-quarter 2004 measures  
(Seasonally adjusted annual rates)

Sector	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs
Percent change from preceding quarter						
Business	4.5	4.8	0.3	5.3	1.6	0.8
Nonfarm business	3.5	4.9	1.3	4.0	0.4	0.5
Manufacturing	3.1	5.8	2.7	5.2	1.5	2.0
Durable	5.9	9.3	3.3	4.4	0.8	-1.4
Nondurable	0.1	1.8	1.7	6.4	2.7	6.3
Percent change from same quarter a year ago						
Business	5.5	5.8	0.2	4.2	2.3	-1.3
Nonfarm business	5.4	5.8	0.4	4.0	2.1	-1.3
Manufacturing	5.3	3.1	-2.0	4.9	3.0	-0.4
Durable	7.4	5.7	-1.6	4.8	2.9	-2.4
Nondurable	3.0	0.2	-2.7	5.0	3.0	1.9

## Business

Productivity in the business sector rose 4.5 percent in the first quarter 2004, as output grew 4.8 percent and hours of all persons engaged in the sector increased 0.3 percent (seasonally adjusted annual rates). Revised data for the fourth quarter of 2003 show that output per hour increased 1.8 percent, reflecting a 3.9-percent rise in output and a 2.0-percent increase in hours at work. (See table 1.)

Hourly compensation increased 5.3 percent during the first quarter of 2004. This measure includes wages and salaries, supplements, employer contributions to employee benefit plans, and taxes. Hourly compensation had risen 2.1 percent in the previous quarter. Real hourly compensation, which takes into account changes in consumer prices, increased 1.6 percent in the first quarter of 2004, growing slightly faster than in the fourth quarter of 2003, when it rose 1.3 percent.

Unit labor costs rose 0.8 percent in the first quarter of 2004, more rapidly than the 0.2-percent increase in the fourth quarter. Growth in unit labor costs is roughly equivalent to the change in hourly compensation less the change in output per hour.

The implicit price deflator for the business sector, which reflects changes in both unit labor costs and unit nonlabor payments, rose 2.1 percent in the first quarter. This was the largest

increase in the implicit price deflator since the second quarter of 2001, when it grew by 3.1 percent.

### **Nonfarm business**

Productivity rose 3.5 percent in the nonfarm business sector in first-quarter 2004, as output increased 4.9 percent and hours of all persons increased 1.3 percent (seasonally adjusted annual rates). In the fourth quarter of 2003, productivity had risen 2.5 percent, reflecting increases in output and hours of 4.2 and 1.6 percent, respectively. (See table 2.)

Hourly compensation increased at a 4.0 percent annual rate in the first quarter of 2004, more rapidly than the 2.5-percent increase in the fourth quarter. When the rise in consumer prices was taken into account, real hourly compensation grew by 0.4 percent in the first quarter; it had increased 1.7 percent in the fourth quarter of 2003.

Unit labor costs grew 0.5 percent in the first quarter of 2004; they were unchanged in the fourth quarter of 2003. The implicit price deflator for nonfarm business output rose 1.9 percent in the first quarter and 0.6 percent one quarter earlier.

### **Manufacturing**

Productivity increased 3.1 percent in manufacturing in the first quarter of 2004, as output increased 5.8 percent and hours of all persons grew 2.7 percent (seasonally adjusted annual rates). Productivity rose 5.9 percent in durable goods manufacturing, reflecting a 9.3 percent growth in output and a 3.3 percent increase in all person hours. In contrast, all of these measures grew much more slowly in nondurable goods manufacturing, where productivity rose 0.1 percent and output and hours grew 1.8 percent and 1.7 percent, respectively.

The hourly compensation of all manufacturing workers rose 5.2 percent during the first quarter, and real hourly compensation increased 1.5 percent. The 5.2-percent hourly compensation increase reflects a change of 4.4 percent in durable goods and 6.4 percent in nondurable goods.

Because the hourly compensation of manufacturing workers rose more rapidly than output per hour, unit labor costs increased in the first quarter, by 2.0 percent. This increase followed two quarters of decreases. Total manufacturing unit labor costs fell 4.1 percent in the third quarter of 2003 and 1.8 percent in fourth quarter, 2003. In durable goods manufacturing, however, unit labor costs continued to fall in the first quarter of 2004, dropping 1.4 percent. All of the increase in manufacturing unit labor costs came from the nondurable goods subsector, where unit labor costs grew 6.3 percent.

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

Fourth-quarter and annual 2003 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 3.3 percent from the third to the fourth quarter of 2003, as output grew 5.0 percent and employee hours increased 1.6 percent. This was the first increase in hours in the sector since a 0.2-percent rise was recorded in the second quarter of 2000. 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 2003 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								
2003 IV	3.3	5.0	1.6	2.3	1.6	-1.0	12.7	1.1
Percent change from same quarter a year ago								
2003 IV	6.2	5.4	-0.7	4.2	2.2	-1.9	27.1	0.5

Hourly compensation increased 2.3 percent in the fourth quarter, and real hourly compensation rose 1.6 percent. Unit labor costs fell 1.0 percent in the fourth quarter of 2003—the third consecutive drop in these costs. Unit labor costs have fallen in eight of the last nine quarters. In the fourth quarter, unit profits increased 12.7 percent after rising at a 45.0-percent annual rate in the previous quarter. The implicit price deflator for nonfinancial corporate output grew 1.1 percent during the fourth quarter of 2003, just slightly more than the 0.9-percent increase in the third quarter.

Productivity grew 5.7 percent in calendar year 2003 for nonfinancial corporations, following an increase of 5.1 percent in the previous year. (See table C.) These are the largest annual productivity increases in the history of the series, which begins in 1959. Nonfinancial corporate output grew 4.2 percent in 2003, and employee hours decreased 1.5 percent. This was the third consecutive decrease in employee hours.

Table C. Nonfinancial corporations: Annual changes in productivity and related measures, 1994-2003

Measure	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Productivity.....	2.0	0.8	3.6	2.5	2.8	3.2	3.6	1.8	5.1	5.7
Output .....	6.3	4.4	5.6	6.4	5.4	5.8	5.2	-0.7	2.0	4.2
Hours.....	4.2	3.5	2.0	3.8	2.5	2.6	1.6	-2.4	-3.0	-1.5
Hourly compensation.....	1.8	1.8	2.8	3.0	5.6	4.6	6.8	4.0	2.3	4.2
Real hourly compensation.....	-0.3	-0.6	0.1	0.9	4.1	2.5	3.3	1.2	0.7	1.8
Unit labor costs .....	-0.2	1.0	-0.7	0.5	2.7	1.4	3.1	2.2	-2.7	-1.5
Unit nonlabor costs .....	0.8	0.8	-1.3	-0.1	0.1	1.1	3.8	5.1	1.2	-2.8
Total unit cost .....	0.1	0.9	-0.9	0.3	2.0	1.3	3.3	3.0	-1.6	-1.8
Unit profits .....	15.3	4.2	9.5	3.0	-10.9	-5.6	-15.8	-16.4	21.9	20.5
Implicit price deflator .....	1.6	1.3	0.3	0.7	0.3	0.5	1.2	1.2	0.1	0.2

Hourly compensation grew 4.2 percent in 2003, and real hourly compensation increased 1.8 percent. Total unit costs declined 1.8 percent, reflecting a 1.5-percent decrease in unit labor costs and a 2.8-percent drop in unit nonlabor costs. Unit profits rose 20.5 percent in 2003. The implicit price deflator, which reflects both the unit costs and unit profits measures, rose 0.2 percent in 2003.

### Revised measures

Current and previous measures for the third and fourth quarters and annual average of 2003 in the business, nonfarm business, and manufacturing sectors are compared in table D. Some of the quarterly movements differ from those reported on March 4. Productivity was revised down slightly in the fourth quarter for the business and nonfarm business sectors, reflecting upward revisions to hours of all persons. In manufacturing, the upward revision to hours was matched by an upward revision to output so growth in productivity was unchanged.

In both the third and fourth quarters of 2003, hourly compensation and unit labor costs were revised up in the business and nonfarm business sectors. In the third quarter of 2003, unit labor costs in both the business and nonfarm business sectors continue to show a decline—although by less than previously reported. In the fourth quarter, however, unit labor costs in the business and nonfarm business sectors no longer show the slight declines reported on March 4. In the business sector, unit labor costs now show a small increase, 0.2 percent, in the fourth quarter and those in the nonfarm business sector are now unchanged. The combination of the upward quarterly revisions to hourly compensation and unit labor costs in both quarters was enough to change the annual average for these two sectors but unit labor costs still show a decline in 2003.

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 2003						
Business:						
Previous .....	2.0	3.9	1.9	1.8	1.0	-0.2
Current .....	1.8	3.9	2.0	2.1	1.3	0.2
Nonfarm business:						
Previous .....	2.6	4.1	1.5	2.2	1.4	-0.4
Current .....	2.5	4.2	1.6	2.5	1.7	0.0
Manufacturing:						
Previous .....	4.8	6.1	1.3	2.7	2.0	-2.0
Current .....	4.8	6.2	1.4	2.9	2.1	-1.8
Third quarter 2003						
Business:						
Previous .....	8.7	10.3	1.5	2.7	0.3	-5.5
Current .....	8.7	10.3	1.5	4.1	1.6	-4.3
Nonfarm business:						
Previous .....	9.5	10.4	0.9	3.3	1.0	-5.6
Current .....	9.5	10.4	0.9	4.7	2.3	-4.3
Manufacturing:						
Previous .....	10.1	4.3	-5.3	5.1	2.7	-4.6
Current .....	10.1	4.3	-5.3	5.6	3.1	-4.1
Annual average 2003						
Business:						
Previous .....	4.5	3.7	-0.8	3.3	1.0	-1.1
Current .....	4.5	3.7	-0.8	3.5	1.2	-0.9
Nonfarm business:						
Previous .....	4.4	3.7	-0.7	3.2	0.9	-1.2
Current .....	4.4	3.7	-0.7	3.4	1.1	-1.0
Manufacturing:						
Previous .....	5.1	0.1	-4.8	5.5	3.2	0.4
Current .....	5.1	0.1	-4.8	5.6	3.2	0.4

Hourly compensation also was revised up in manufacturing in both the third and fourth quarters of 2003. In the third quarter, hourly compensation was revised up by 0.5 percentage point, to 5.6 percent. Unit labor costs were revised up by the same amount, and now show a decline of 4.1 percent for the quarter. The upward revisions to hourly compensation in the fourth quarter were smaller, 0.2 percentage point. In the fourth quarter, hourly compensation rose 2.9 percent and unit labor costs declined 1.8 percent. For the entire year 2003, hourly compensation in manufacturing rose 5.6 percent and unit labor costs increased 0.4 percent.

The Consumer Price Index Research Series has been updated and new seasonal factors applied to it. Real hourly compensation measures are revised beginning with 1999. (See appendix tables 1-6.)

### Revised measures: Nonfinancial Corporations

Productivity and cost measures for nonfinancial corporations for the third quarter of 2003 also were revised to incorporate more recent information than was available on March 4. Productivity and output in this sector were revised up for the third quarter of 2003. Productivity grew at an annual rate of 9.5 percent, compared with the increase of 8.6 percent published March 4. Hourly compensation was revised up more than output per hour, so unit labor costs decreased less than reported in March. (See tables E and 6.)

Table E. Nonfinancial corporations: Previous and revised productivity and cost measures Quarterly percent changes at seasonally adjusted annual rates								
	Produc- tivity	Output	Hours	Hourly compen- sation	Real hourly compen- sation	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 .....	9.5	9.4	-0.1	4.9	2.4	-4.2	45.0	0.9

### Next release date

The next release of **Productivity and Costs** is scheduled for **8:30 AM EDT, Thursday, June 3, 2004**. First-quarter measures for nonfinancial corporations and revised first and fourth quarter measures for business, nonfarm business, and manufacturing will be released at that time.

### Current and upcoming changes to productivity and cost data

Effective with the next release of productivity and costs, BLS will begin to issue revised measures for hourly compensation and unit labor costs for the previous quarter along with revisions to the current quarterly estimates. Previously, revisions to the previous quarter had been reported two months later in the next quarter's preliminary estimates. This change is in accordance with the announcement by the Bureau of Economic Analysis of their new revision schedule for wage and salary data. See "Gross Domestic Product: First Quarter 2004 (Advance)" (BEA 04-18), released April 29.

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 April 2004 issue of *Monthly Labor Review*. A technical note describing the methodology will be available this summer.

In addition, on Aug. 10, BLS will begin using concurrent seasonal adjustment when measuring employment and hours for the farm sector, nonfarm self-employed, and nonfarm unpaid family workers and hours for employees of government enterprises in the productivity and cost measures. In addition, late in 2004 or early in 2005, BLS intends to improve the way it uses these series from the Current Population Survey, adjusting them to account for the effects of multiple jobholding. Further information on this change will be announced later this year.



## 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								
2002	I	122.8	142.6	116.1	141.8	114.1	115.5	115.3
	II	123.3	143.1	116.1	142.6	r113.8	115.7	115.7
	III	124.7	144.6	115.9	143.1	113.5	114.7	115.9
	IV	125.4	145.1	115.8	143.8	113.5	114.7	116.5
	ANNUAL	124.0	143.8	116.0	142.8	113.7	115.2	115.8
2003	I	126.4	145.8	115.4	145.5	113.8	115.1	120.0
	II	128.6	147.3	114.5	147.4	115.1	114.6	121.5
	III	131.3	151.0	115.0	r148.9	r115.6	r113.4	r124.6
	IV	r131.9	152.4	115.5	r149.7	r115.9	r113.4	r125.5
	ANNUAL	129.6	149.1	115.1	r147.9	r115.1	r114.1	r123.0
2004	I	133.4	154.2	115.6	151.6	116.4	113.6	126.8
Percent change from previous quarter at annual rate(5)								
2002	I	8.4	5.6	-2.6	0.9	-0.4	-6.9	11.0
	II	1.5	1.4	-0.1	2.3	r-1.1	0.9	3.0
	III	4.9	4.3	-0.5	1.3	r-1.0	-3.4	7.4
	IV	2.0	1.6	-0.5	2.2	r0.3	0.1	4.9
	ANNUAL	4.9	2.3	-2.5	2.2	0.6	-2.5	6.8
2003	I	3.5	1.9	-1.5	4.8	r1.0	1.3	2.3
	II	7.2	4.2	-2.8	5.3	r4.6	-1.7	5.2
	III	8.7	10.3	1.5	r4.1	r1.6	r-4.3	r10.6
	IV	r1.8	3.9	r2.0	r2.1	r1.3	r0.2	r3.0
	ANNUAL	4.5	3.7	-0.8	r3.5	r1.2	r-0.9	r5.1
2004	I	4.5	4.8	0.3	5.3	1.6	0.8	4.1
Percent change from corresponding quarter of previous year								
2002	I	5.1	1.0	-3.9	2.6	1.4	-2.3	7.4
	II	4.7	1.6	-2.9	2.5	1.2	-2.1	5.7
	III	5.5	3.4	-2.1	2.1	0.5	-3.3	7.7
	IV	4.2	3.2	-0.9	1.7	-0.6	-2.4	6.5
	ANNUAL	4.9	2.3	-2.5	2.2	0.6	-2.5	6.8
2003	I	3.0	2.3	-0.6	2.6	-0.2	-0.3	4.4
	II	4.4	3.0	-1.3	3.4	1.2	-1.0	4.9
	III	5.3	4.4	-0.8	r4.1	r1.9	r-1.2	r5.7
	IV	5.3	5.0	r-0.2	r4.0	r2.1	r-1.1	r5.2
	ANNUAL	4.5	3.7	-0.8	r3.5	r1.2	r-0.9	r5.1
2004	I	5.5	5.8	0.2	4.2	2.3	-1.3	5.7

See footnotes following Table 6.  
r=revisedMay 6, 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									
2002	I	122.6	143.1	116.7	141.1	113.5	115.1	116.9	115.8
	II	122.8	143.4	116.8	141.9	113.2	115.6	117.6	116.3
	III	124.2	144.8	116.6	142.4	112.9	114.6	119.9	116.6
	IV	124.9	145.4	116.4	143.2	113.0	114.6	121.3	117.1
	ANNUAL	123.6	144.2	116.6	142.1	113.2	115.0	119.0	116.4
2003	I	126.0	146.3	116.1	144.6	113.1	114.8	122.2	117.5
	II	127.9	147.6	115.4	146.3	114.2	114.4	123.4	117.7
	III	130.8	151.3	115.7	r148.0	r114.9	r113.2	r126.5	118.1
	IV	131.6	r152.9	r116.2	r148.9	r115.4	r113.2	r126.9	118.2
	ANNUAL	129.1	149.5	r115.9	r147.0	r114.4	r113.9	r124.8	117.9
2004	I	132.7	154.7	116.5	150.4	115.5	113.3	128.2	118.8
Percent change from previous quarter at annual rate(5)									
2002	I	9.8	6.7	-2.9	1.2	r-0.1	-7.8	13.0	-0.7
	II	0.7	0.8	0.1	2.3	r-1.1	1.6	2.3	1.9
	III	4.5	4.0	-0.5	1.3	r-1.0	-3.1	8.2	1.0
	IV	2.3	1.6	-0.7	2.2	r0.3	-0.1	4.8	1.7
	ANNUAL	5.0	2.3	-2.6	2.3	0.7	-2.5	7.1	0.9
2003	I	3.4	2.4	-1.0	4.0	0.2	0.6	3.0	1.5
	II	6.2	3.8	-2.3	4.9	4.2	-1.3	4.0	0.7
	III	9.5	10.4	0.9	r4.7	r2.3	r-4.3	r10.2	1.1
	IV	r2.5	r4.2	r1.6	r2.5	r1.7	r0.0	r1.5	r0.6
	ANNUAL	4.4	3.7	-0.7	r3.4	r1.1	r-1.0	r4.9	1.2
2004	I	3.5	4.9	1.3	4.0	0.4	0.5	4.1	1.9
Percent change from corresponding quarter of previous year									
2002	I	5.3	1.1	-4.0	2.7	1.4	-2.5	7.6	1.0
	II	4.7	1.6	-3.0	2.6	r1.3	-2.0	5.7	0.7
	III	5.5	3.2	-2.1	2.2	0.6	-3.1	8.0	0.8
	IV	4.3	3.2	-1.0	1.8	-0.5	-2.4	7.0	1.0
	ANNUAL	5.0	2.3	-2.6	2.3	0.7	-2.5	7.1	0.9
2003	I	2.7	2.2	-0.5	2.5	-0.4	-0.3	4.5	1.5
	II	4.1	2.9	-1.1	3.1	0.9	-1.0	5.0	1.2
	III	5.3	4.5	-0.8	r4.0	r1.7	r-1.3	r5.4	1.3
	IV	5.4	5.1	r-0.2	r4.0	r2.1	r-1.3	r4.6	r1.0
	ANNUAL	4.4	3.7	-0.7	r3.4	r1.1	r-1.0	r4.9	1.2
2004	I	5.4	5.8	0.4	4.0	2.1	-1.3	4.9	1.1

See footnotes following Table 6.  
r=revised

May 6, 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 -----						
2002	I	144.0	130.5	90.6	141.1	98.0
	II	146.3	131.8	90.1	143.3	97.9
	III	148.5	132.4	89.2	144.6	97.4
	IV	149.5	131.3	87.8	146.5	98.0
	ANNUAL	147.1	131.5	89.4	143.8	97.8
2003	I	151.4	131.3	86.7	149.0	98.4
	II	152.6	130.1	85.3	151.2	99.0
	III	156.4	131.5	84.1	r153.2	r98.0
	IV	158.2	133.5	84.4	r154.3	r97.6
	ANNUAL	154.6	131.6	85.1	r151.9	98.2
2004	I	159.4	135.4	85.0	156.3	98.0
----- Percent change from previous quarter at annual rate(5) -----						
2002	I	10.2	2.5	-7.0	4.2	-5.5
	II	6.5	4.0	-2.3	6.2	-0.2
	III	6.0	1.7	-4.1	3.7	-2.2
	IV	3.0	-3.1	-5.9	5.5	2.5
	ANNUAL	7.2	-0.6	-7.3	4.0	-3.0
2003	I	5.1	0.1	-4.8	6.9	1.7
	II	3.3	-3.6	-6.6	5.9	2.6
	III	10.1	4.3	-5.3	r5.6	r-4.1
	IV	4.8	r6.2	r1.4	r2.9	r-1.8
	ANNUAL	5.1	0.1	-4.8	r5.6	0.4
2004	I	3.1	5.8	2.7	5.2	2.0
----- Percent change from corresponding quarter of previous year -----						
2002	I	6.7	-3.4	-9.5	1.8	-4.6
	II	7.6	-1.1	-8.1	4.3	-3.1
	III	8.1	0.9	-6.6	5.2	-2.7
	IV	6.4	1.2	-4.9	4.9	-1.4
	ANNUAL	7.2	-0.6	-7.3	4.0	-3.0
2003	I	5.1	0.6	-4.3	5.6	0.4
	II	4.3	-1.3	-5.4	5.5	1.1
	III	5.3	-0.6	-5.7	r6.0	r0.6
	IV	5.8	r1.7	-3.9	r5.3	r-0.4
	ANNUAL	5.1	0.1	-4.8	r5.6	0.4
2004	I	5.3	3.1	-2.0	4.9	-0.4

See footnotes following Table 6.  
r=revised

May 6, 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 -----							
2002	I	161.2	152.6	94.7	140.0	112.6	86.8
	II	164.4	154.7	94.1	142.4	113.5	86.6
	III	167.4	155.9	93.1	143.5	113.8	85.7
	IV	171.0	156.1	91.3	145.7	115.0	85.2
	ANNUAL	166.0	154.8	93.3	142.9	113.7	86.1
2003	I	173.8	156.6	90.1	147.8	115.6	85.0
	II	175.5	155.1	88.4	150.1	117.2	85.5
	III	181.6	158.3	87.2	r152.5	r118.4	r84.0
	IV	r184.1	r161.9	87.9	r153.2	r118.7	r83.2
	ANNUAL	r178.7	158.0	88.4	r150.9	r117.4	r84.4
2004	I	186.7	165.5	88.6	154.9	118.9	82.9
----- Percent change from previous quarter at annual rate(5) -----							
2002	I	11.9	2.8	r-8.1	1.7	0.4	-9.1
	II	8.0	5.5	-2.3	7.0	r3.4	-0.9
	III	7.7	3.3	-4.1	3.3	r0.9	-4.1
	IV	8.9	0.4	-7.8	6.1	r4.1	-2.6
	ANNUAL	8.5	-0.7	-8.5	3.8	2.1	-4.4
2003	I	6.7	1.4	-5.0	6.0	r2.2	-0.7
	II	4.0	-3.9	-7.5	6.5	r5.8	2.4
	III	14.5	8.4	-5.3	r6.5	r4.0	r-7.0
	IV	r5.6	r9.4	r3.5	r1.8	r1.0	r-3.7
	ANNUAL	7.7	2.0	-5.3	r5.6	r3.3	r-1.9
2004	I	5.9	9.3	3.3	4.4	0.8	-1.4
----- Percent change from corresponding quarter of previous year -----							
2002	I	6.9	-4.9	-11.0	1.5	0.3	-5.0
	II	8.4	-1.8	-9.4	4.1	2.8	-4.0
	III	9.4	1.2	-7.5	5.0	3.3	-4.1
	IV	9.1	3.0	-5.6	4.5	2.2	-4.2
	ANNUAL	8.5	-0.7	-8.5	3.8	2.1	-4.4
2003	I	7.8	2.6	-4.8	5.6	2.6	-2.1
	II	6.8	0.3	-6.1	5.5	r3.2	-1.2
	III	8.5	1.5	-6.4	r6.3	r4.0	r-2.0
	IV	r7.6	3.7	-3.7	r5.2	r3.2	r-2.3
	ANNUAL	7.7	2.0	-5.3	r5.6	r3.3	r-1.9
2004	I	7.4	5.7	-1.6	4.8	2.9	-2.4

See footnotes following Table 6.  
r=revised

May 6, 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						
2002	I	126.6	107.2	84.7	141.6	113.9
	II	128.1	107.8	84.1	143.3	114.3
	III	129.4	107.7	83.3	144.9	114.9
	IV	127.9	105.7	82.7	146.7	115.8
	ANNUAL	128.0	107.1	83.7	144.1	114.7
2003	I	128.8	105.3	81.8	149.7	117.1
	II	129.4	104.4	80.7	151.6	118.4
	III	131.1	104.3	79.6	r153.1	r118.8
	IV	r132.6	r105.0	79.2	r154.7	r119.9
	ANNUAL	r130.5	r104.8	80.3	r152.3	r118.5
2004	I	132.6	105.5	79.5	157.1	120.7
----- Percent change from previous quarter at annual rate(5)						
2002	I	7.5	2.0	-5.1	9.5	8.1
	II	4.8	2.2	-2.5	4.9	1.3
	III	4.1	-0.2	-4.1	4.6	r2.2
	IV	-4.7	-7.3	-2.8	5.0	r3.0
	ANNUAL	5.1	-0.6	-5.4	4.9	3.2
2003	I	2.9	-1.5	-4.3	8.6	r4.7
	II	2.0	-3.2	-5.2	5.1	4.5
	III	5.2	-0.4	-5.3	r3.9	r1.4
	IV	r4.7	r2.6	r-1.9	r4.4	r3.6
	ANNUAL	1.9	-2.2	-4.0	r5.7	r3.3
2004	I	0.1	1.8	1.7	6.4	2.7
----- Percent change from corresponding quarter of previous year						
2002	I	5.5	-1.7	-6.9	2.8	1.6
	II	5.8	-0.4	-5.8	5.0	3.7
	III	6.0	0.5	-5.2	5.8	r4.1
	IV	2.8	-0.9	-3.6	6.0	3.6
	ANNUAL	5.1	-0.6	-5.4	4.9	3.2
2003	I	1.7	-1.8	-3.4	5.8	2.8
	II	1.0	-3.1	-4.1	5.8	3.6
	III	1.3	-3.1	-4.4	r5.6	r3.4
	IV	r3.7	r-0.7	-4.2	r5.5	r3.5
	ANNUAL	1.9	-2.2	-4.0	r5.7	r3.3
2004	I	3.0	0.2	-2.7	5.0	3.0

See footnotes following Table 6.  
r=revised

May 6, 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	r110.0	111.3	108.2	110.5	90.9	108.7
	II	121.9	149.7	122.8	136.2	r110.1	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	125.0	149.3	119.5	139.0	r112.2	111.2	111.4	111.3	96.4	109.9
	ANNUAL	122.7	149.6	121.9	137.0	110.8	111.6	110.2	111.2	91.4	109.5
2002	I	126.4	150.2	118.8	138.1	111.1	109.3	111.9	110.0	105.3	109.5
	II	128.3	152.2	118.7	139.6	r111.4	108.8	111.5	109.6	112.3	109.8
	III	129.8	153.4	118.2	140.6	r111.5	108.3	111.5	109.2	111.8	109.4
	IV	131.4	154.5	117.6	142.0	112.1	108.1	111.3	109.0	116.2	109.6
	ANNUAL	128.9	152.6	118.3	140.1	111.5	108.6	111.5	109.4	111.4	109.6
2003	I	132.2	154.7	117.0	143.3	112.1	108.4	110.7	109.0	114.0	109.5
	II	135.3	157.3	116.3	145.3	113.5	107.4	108.0	107.6	130.7	109.6
	III	r138.4	r160.9	116.3	r147.1	r114.1	r106.3	r107.4	106.6	r143.4	109.9
	IV	139.5	162.8	116.7	147.9	114.6	106.0	107.7	106.5	147.8	110.2
	ANNUAL	136.3	158.9	116.6	145.9	113.5	107.0	108.4	107.4	134.2	109.8
Percent change from previous quarter at annual rate(5)											
2001	I	0.2	-2.1	-2.3	2.7	r-0.9	2.5	4.1	3.0	-24.6	0.5
	II	1.7	-2.7	-4.3	3.6	0.3	1.8	6.0	2.9	1.0	2.8
	III	2.9	-2.3	-5.0	4.4	3.4	1.4	5.7	2.6	-16.1	1.1
	IV	7.6	1.4	-5.8	3.7	4.3	-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	4.6	2.3	-2.2	-2.5	-3.7	-6.7	1.5	-4.6	42.4	-1.4
	II	6.0	5.6	-0.4	4.4	0.9	-1.5	-1.4	-1.5	29.5	0.9
	III	4.9	3.2	-1.6	3.0	r0.7	-1.8	0.0	-1.3	-1.7	-1.4
	IV	4.9	2.8	-2.0	3.9	r2.0	-0.9	-0.4	-0.8	16.7	0.7
	ANNUAL	5.1	2.0	-3.0	2.3	0.7	-2.7	1.2	-1.6	21.9	0.1
2003	I	2.4	0.5	-1.9	3.8	r0.0	1.3	-2.4	0.3	-7.4	-0.5
	II	9.7	7.1	-2.4	5.7	r5.0	-3.7	-9.3	-5.2	72.6	0.6
	III	r9.5	r9.4	-0.1	r4.9	r2.4	r-4.2	r-2.1	r-3.6	r45.0	0.9
	IV	3.3	5.0	1.6	2.3	1.6	-1.0	1.2	-0.4	12.7	1.1
	ANNUAL	5.7	4.2	-1.5	4.2	1.8	-1.5	-2.8	-1.8	20.5	0.2
Percent change from corresponding quarter of previous year											
2001	I	1.6	0.9	-0.7	4.4	r1.0	2.7	5.6	3.5	-21.1	1.1
	II	1.5	-0.4	-1.8	4.7	1.3	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	3.1	-1.4	-4.4	3.6	1.8	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	4.2	-0.3	-4.3	2.3	r1.0	-1.8	3.4	-0.5	15.8	0.8
	II	5.2	1.7	-3.4	2.5	1.2	-2.6	1.5	-1.5	23.2	0.3
	III	5.8	3.1	-2.5	2.1	0.5	-3.4	0.1	-2.5	28.2	-0.3
	IV	5.1	3.5	-1.6	2.2	-0.1	-2.8	-0.1	-2.1	20.6	-0.3
	ANNUAL	5.1	2.0	-3.0	2.3	0.7	-2.7	1.2	-1.6	21.9	0.1
2003	I	4.6	3.0	-1.5	3.8	0.9	-0.7	-1.1	-0.8	8.3	-0.1
	II	5.5	3.4	-2.0	4.1	1.9	-1.3	-3.1	-1.8	16.4	-0.1
	III	r6.6	r4.9	-1.6	r4.6	r2.3	r-1.9	r-3.6	-2.4	r28.3	0.4
	IV	6.2	5.4	-0.7	4.2	2.2	-1.9	-3.2	-2.3	27.1	0.5
	ANNUAL	5.7	4.2	-1.5	4.2	1.8	-1.5	-2.8	-1.8	20.5	0.2

See footnotes following Table 6.  
r=revisedMay 6, 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  $-1.4$  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 fourth 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, consumption of fixed capital, taxes on production and imports less subsidies, net interest and miscellaneous payments, business current transfer payments, rental income of persons, and the current surplus of government enterprises.
- (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 consumption of fixed capital, taxes on production and imports less subsidies, net interest and miscellaneous payments, and business current transfer payments.
- (7) Total unit costs are the sum of unit labor and nonlabor costs.
- (8) Unit profits include corporate profits before tax 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
2001	I	116.9	141.2	120.8	138.2	112.5	118.2	107.1	114.1
	II	117.7	140.8	119.6	139.1	112.4	118.2	109.6	115.0
	III	118.2	139.9	118.4	140.1	112.9	118.6	109.5	115.2
	IV	120.4	140.6	116.9	141.5	114.2	117.6	112.0	115.5
	ANNUAL	118.3	140.6	118.9	139.7	113.0	118.1	109.5	114.9
Percent change from previous quarter at annual rate(5)									
1999	I	3.3	3.7	0.4	7.9	r6.2	4.4	-3.9	1.2
	II	0.6	3.8	3.2	0.9	r-1.9	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	r-1.4	-5.9	17.2	1.8
	III	-0.6	-0.8	-0.2	8.5	r4.6	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
2001	I	-0.1	-0.8	-0.7	5.8	r2.1	5.9	-3.1	2.7
	II	3.0	-1.2	-4.0	2.7	-0.6	-0.3	9.7	3.1
	III	1.5	-2.6	-4.0	3.0	r2.0	1.5	-0.4	0.8
	IV	7.6	2.2	-5.0	3.9	4.5	-3.4	9.6	1.1
	ANNUAL	2.2	0.1	-2.1	4.1	1.3	1.8	2.1	1.9
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	r3.2	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
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	4.8	1.4	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	-3.5	3.8	2.0	0.9	3.8	1.9
	ANNUAL	2.2	0.1	-2.1	4.1	1.3	1.8	2.1	1.9

See footnotes following Table 6.  
r=revisedMay 6, 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
2001	I	116.4	141.5	121.6	137.5	111.9	118.1	108.6	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	119.8	140.8	117.6	140.7	r113.6	117.5	113.4	116.0
	ANNUAL	117.8	141.0	119.7	138.9	112.4	118.0	111.1	115.4
----- Percent change from previous quarter at annual rate(5) -----									
1999	I	2.7	3.7	1.0	7.0	r5.4	4.2	-3.6	1.3
	II	0.6	3.7	3.1	1.0	r-1.8	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	r-2.1	-6.0	17.6	1.8
	III	-0.4	-0.8	-0.4	8.8	r4.9	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
2001	I	-0.1	-0.8	-0.7	5.6	r1.9	5.7	-3.0	2.5
	II	3.1	-1.0	-4.0	2.4	-0.8	-0.7	9.9	2.9
	III	1.6	-2.5	-4.1	3.0	r2.0	1.3	-0.8	0.6
	IV	7.0	1.6	-5.1	4.0	4.6	-2.8	9.0	1.3
	ANNUAL	2.1	0.1	-2.0	3.9	1.1	1.7	2.1	1.9
----- Percent change from corresponding quarter of previous year -----									
1999	I	2.8	4.9	2.1	5.5	r3.9	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
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	1.2	3.1	0.1	2.1
	III	2.0	-0.5	-2.5	3.2	0.5	1.2	3.0	1.8
	IV	2.9	-0.7	-3.5	3.8	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

See footnotes following Table 6.  
r=revisedMay 6, 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	r105.7	96.0
	II	127.4	133.9	105.1	122.3	105.5	96.0
	III	127.9	134.7	105.3	124.0	106.1	96.9
	IV	130.8	136.8	104.5	127.1	108.0	97.2
	ANNUAL	128.2	134.6	105.0	123.8	106.3	96.6
2000	I	132.4	137.9	104.2	133.4	112.3	100.8
	II	133.9	139.7	104.3	132.6	110.7	99.0
	III	134.5	139.1	103.4	136.4	112.9	101.5
	IV	135.4	137.8	101.8	137.2	112.7	101.3
	ANNUAL	134.2	138.6	103.3	135.0	112.3	100.6
2001	I	135.0	135.2	100.1	138.6	112.9	102.7
	II	136.0	133.3	98.0	137.4	111.0	101.0
	III	137.3	131.1	95.5	137.5	110.8	100.1
	IV	140.5	129.7	92.3	139.7	112.7	99.4
	ANNUAL	137.1	132.3	96.5	138.3	111.8	100.8
-----							
Percent change from previous quarter at annual rate(5)							
1999	I	4.8	1.8	-2.9	3.9	r2.3	-0.9
	II	2.1	2.9	0.8	2.1	r-0.8	0.0
	III	1.6	2.4	0.8	5.5	2.3	3.7
	IV	9.4	6.3	-2.8	10.5	7.3	1.0
	ANNUAL	3.8	2.9	-0.8	4.2	2.0	0.3
2000	I	4.8	3.5	-1.3	21.3	16.9	15.7
	II	4.7	5.2	0.5	-2.5	r-5.6	-6.9
	III	1.7	-1.7	-3.4	12.2	r8.2	10.3
	IV	2.7	-3.6	-6.1	2.1	-0.8	-0.6
	ANNUAL	4.7	3.0	-1.6	9.1	5.6	4.2
2001	I	-1.1	-7.5	-6.5	4.4	r0.8	5.6
	II	3.0	-5.4	-8.1	-3.6	-6.6	-6.4
	III	4.0	-6.3	-9.9	0.3	r-0.7	-3.6
	IV	9.8	-4.3	-12.8	6.5	7.1	-2.9
	ANNUAL	2.2	-4.6	-6.6	2.4	-0.4	0.2
-----							
Percent change from corresponding quarter of previous year							
1999	I	4.2	2.5	-1.6	4.4	r2.8	0.3
	II	3.8	2.8	-0.9	3.3	1.2	-0.5
	III	2.9	3.0	0.1	3.5	1.2	0.7
	IV	4.4	3.3	-1.1	5.4	2.7	1.0
	ANNUAL	3.8	2.9	-0.8	4.2	2.0	0.3
2000	I	4.4	3.8	-0.7	9.6	6.2	4.9
	II	5.1	4.4	-0.7	8.4	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	4.7	3.0	-1.6	9.1	5.6	4.2
2001	I	2.0	-2.0	-3.9	3.9	0.5	1.9
	II	1.6	-4.6	-6.0	3.6	0.3	2.0
	III	2.1	-5.7	-7.7	0.8	-1.9	-1.3
	IV	3.8	-5.9	-9.4	1.8	0.0	-1.9
	ANNUAL	2.2	-4.6	-6.6	2.4	-0.4	0.2
-----							

See footnotes following Table 6.  
r=revisedMay 6, 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	110.2	121.0	r105.1	85.8
	II	142.4	157.3	110.5	121.7	105.0	85.5
	III	143.2	159.6	111.4	123.6	105.8	86.3
	IV	146.0	161.6	110.7	127.3	108.2	87.2
	ANNUAL	143.1	158.5	110.7	123.4	106.0	86.2
2000	I	149.0	164.5	110.4	134.4	113.2	90.2
	II	150.5	167.1	111.0	132.7	110.8	88.2
	III	151.2	166.7	110.2	137.0	113.4	90.6
	IV	151.6	164.6	108.6	136.8	112.4	90.3
	ANNUAL	150.7	165.7	109.9	135.4	112.5	89.8
2001	I	150.9	160.5	106.4	137.9	112.3	91.4
	II	r151.6	157.5	103.9	136.7	110.4	90.2
	III	153.0	154.0	100.7	136.7	110.2	89.4
	IV	156.8	151.6	96.7	139.4	112.5	88.9
	ANNUAL	153.0	155.9	101.9	137.7	111.3	90.0
-----							
Percent change from previous quarter at annual rate(5)							
1999	I	7.4	2.5	-4.6	5.1	r3.5	-2.2
	II	3.9	4.8	0.9	2.4	r-0.5	-1.5
	III	2.4	5.9	3.4	6.4	3.2	3.9
	IV	8.0	5.2	-2.6	12.5	9.3	4.2
	ANNUAL	6.2	5.5	-0.6	4.8	2.7	-1.3
2000	I	8.6	7.5	-1.0	24.1	19.7	14.4
	II	4.0	6.3	2.2	-5.0	r-8.0	-8.6
	III	1.8	-1.0	-2.7	13.5	r9.4	11.5
	IV	1.0	-4.7	-5.7	-0.5	-3.3	-1.6
	ANNUAL	5.3	4.6	-0.7	9.7	6.1	4.2
2001	I	-1.8	-9.7	-8.0	3.3	r-0.3	5.2
	II	1.8	-7.3	-9.0	-3.4	-6.5	-5.1
	III	3.8	-8.5	-11.9	0.0	-0.9	-3.7
	IV	r10.3	-6.2	-14.9	8.1	8.7	-2.0
	ANNUAL	1.5	-5.9	-7.3	1.7	-1.1	0.2
-----							
Percent change from corresponding quarter of previous year							
1999	I	7.0	5.4	-1.5	4.7	3.1	-2.1
	II	7.0	6.1	-0.9	3.7	1.7	-3.1
	III	5.3	6.0	0.7	4.3	1.9	-1.0
	IV	5.4	4.6	-0.8	6.5	3.8	1.1
	ANNUAL	6.2	5.5	-0.6	4.8	2.7	-1.3
2000	I	5.7	5.8	0.2	11.1	7.6	5.1
	II	5.7	6.2	0.5	9.0	r5.6	3.1
	III	5.6	4.5	-1.1	10.8	7.1	5.0
	IV	3.8	1.9	-1.9	7.4	3.9	3.5
	ANNUAL	5.3	4.6	-0.7	9.7	6.1	4.2
2001	I	1.2	-2.4	-3.6	2.6	-0.8	1.3
	II	0.7	-5.7	-6.4	3.0	-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
-----							

See footnotes following Table 6.  
r=revised

May 6, 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	113.4	110.0	97.0	121.4	105.5	107.0
	II	113.4	110.1	97.2	121.8	105.1	107.5
	III	113.8	109.5	96.3	122.7	105.0	107.8
	IV	116.9	111.6	95.5	124.6	105.8	106.6
	ANNUAL	114.3	110.3	96.5	122.6	105.3	107.2
2000	I	116.8	111.0	95.0	129.2	108.7	110.6
	II	118.4	111.9	94.5	129.9	r108.5	109.7
	III	118.9	111.1	93.4	132.8	109.9	111.7
	IV	120.3	110.4	91.8	135.3	111.2	112.5
	ANNUAL	118.8	111.1	93.5	132.0	109.7	111.1
2001	I	120.0	109.0	90.9	137.7	r112.2	114.8
	II	121.1	108.2	89.3	136.5	110.2	112.7
	III	122.0	107.2	87.9	137.0	110.4	112.2
	IV	124.3	106.7	85.8	138.4	111.7	111.3
	ANNUAL	121.8	107.8	88.5	137.4	111.1	112.8
----- Percent change from previous quarter at annual rate(5)							
1999	I	1.3	1.4	0.1	2.3	r0.7	1.0
	II	-0.3	0.4	0.7	1.4	r-1.5	1.7
	III	1.4	-2.3	-3.6	2.8	-0.3	1.4
	IV	11.4	7.8	-3.3	6.4	3.3	-4.5
	ANNUAL	0.9	-0.3	-1.2	2.8	0.7	1.9
2000	I	-0.3	-2.2	-1.8	15.6	11.4	15.9
	II	5.8	3.5	-2.2	2.3	r-1.0	-3.4
	III	1.5	-3.1	-4.5	9.4	r5.5	7.8
	IV	4.9	-2.3	-6.9	7.7	4.6	2.7
	ANNUAL	3.9	0.7	-3.1	7.6	4.2	3.6
2001	I	-1.2	-4.9	-3.8	7.3	r3.6	8.6
	II	4.0	-3.0	-6.7	-3.6	-6.7	-7.3
	III	3.0	-3.7	-6.5	1.5	r0.5	-1.5
	IV	7.8	-2.0	-9.1	4.3	4.9	-3.2
	ANNUAL	2.6	-3.0	-5.4	4.1	1.3	1.5
----- Percent change from corresponding quarter of previous year							
1999	I	0.7	-1.0	-1.7	3.9	2.3	3.2
	II	-0.2	-1.1	-0.9	2.4	0.4	2.6
	III	0.0	-0.8	-0.7	1.9	-0.4	2.0
	IV	3.3	1.8	-1.5	3.2	0.5	-0.2
	ANNUAL	0.9	-0.3	-1.2	2.8	0.7	1.9
2000	I	2.9	0.9	-2.0	6.4	3.1	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	2.9	-1.1	-3.9	8.6	5.0	5.5
	ANNUAL	3.9	0.7	-3.1	7.6	4.2	3.6
2001	I	2.7	-1.8	-4.4	6.6	r3.2	3.8
	II	2.3	-3.3	-5.5	5.1	1.6	2.7
	III	2.6	-3.5	-5.9	3.1	0.4	0.4
	IV	3.4	-3.4	-6.5	2.3	0.5	-1.0
	ANNUAL	2.6	-3.0	-5.4	4.1	1.3	1.5

See footnotes following Table 6.  
r=revised

May 6, 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	r106.4	105.8	99.7	104.2	134.1	106.8
	II	116.2	142.4	122.5	122.6	105.7	105.5	100.3	104.1	134.4	106.8
	III	116.2	143.5	123.5	123.3	105.5	106.1	101.6	104.9	126.9	106.9
	IV	117.3	146.0	124.4	124.8	106.1	106.4	102.2	105.2	124.1	106.9
	ANNUAL	116.4	143.2	123.0	123.3	105.9	106.0	101.0	104.6	129.8	106.9
2000	I	119.4	149.4	125.0	129.4	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	124.9	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	6.8	8.6	1.7	9.8	r8.1	2.8	-5.2	0.7	3.7	1.0
	II	1.3	4.5	3.1	0.2	r-2.6	-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	4.0	7.2	3.1	5.0	2.0	1.0	2.2	1.3	-8.6	0.2
	ANNUAL	3.2	5.8	2.6	4.6	2.5	1.4	1.1	1.3	-5.6	0.5
2000	I	7.4	9.6	2.1	15.4	11.2	7.5	1.3	5.8	-25.6	2.2
	II	2.2	2.4	0.2	2.2	r-1.0	0.1	6.5	1.7	4.6	2.0
	III	3.5	3.5	-0.1	8.5	r4.6	4.8	5.0	4.8	-26.3	1.5
	IV	0.5	-0.1	-0.6	4.2	1.3	3.7	6.6	4.4	-33.4	0.5
	ANNUAL	3.6	5.2	1.6	6.8	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	2.2	5.7	r4.1	1.7	0.3	1.3	-4.2	0.7
	II	3.3	6.0	2.6	4.5	2.4	1.1	0.9	1.0	-2.0	0.7
	III	2.3	5.1	2.8	4.0	1.6	1.6	2.1	1.7	-9.5	0.4
	IV	3.0	5.8	2.7	4.3	1.6	1.2	1.1	1.2	-6.6	0.3
	ANNUAL	3.2	5.8	2.6	4.6	2.5	1.4	1.1	1.3	-5.6	0.5
2000	I	3.1	6.1	2.8	5.6	2.3	2.4	2.8	2.5	-14.0	0.6
	II	3.4	5.5	2.1	6.1	r2.8	2.7	3.8	3.0	-13.2	1.1
	III	4.2	5.6	1.3	7.7	4.1	3.3	3.7	3.4	-14.9	1.5
	IV	3.4	3.8	0.4	7.4	3.9	4.0	4.8	4.2	-21.4	1.5
	ANNUAL	3.6	5.2	1.6	6.8	3.3	3.1	3.8	3.3	-15.8	1.2
-----											
See footnotes following Table 6.							May 6, 2004				
r=revised							Source: Bureau of Labor Statistics				