

# News

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## PRODUCTIVITY AND COSTS

Preliminary Fourth Quarter and  
Annual Averages for 2005

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 fourth quarter and for the full year 2005. The seasonally adjusted annual rates of productivity change in the fourth quarter and the annual average changes were:

	Fourth quarter	Annual averages 2004-2005
Business sector	-0.2	2.6
Nonfarm business sector	-0.6	2.7

In the fourth quarter, productivity declined 0.2 percent in the business sector and 0.6 percent in the nonfarm business sector. In both sectors, the fourth-quarter productivity decline was the first since the first quarter of 2001. When the annual averages for 2005 were compared with annual averages for 2004, productivity rose 2.6 percent in the business sector and 2.7 percent in nonfarm businesses.

In the manufacturing sector, increases in productivity were:

	Fourth quarter	Annual averages 2004-2005
Manufacturing sector	3.9	4.8
Durable goods manufacturing	8.2	6.6
Nondurable goods manufacturing	-1.0	2.9

Manufacturing productivity grew 3.9 percent in the fourth quarter. On an annual average basis, output per hour in the manufacturing sector posted a 4.8-percent increase in 2005. 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. Fourth-quarter productivity and related measures are summarized in table A, and annual average data in table B. Detailed information is presented in tables 1 through 5.

Table A. Productivity and costs: Preliminary fourth-quarter 2005 measures (Seasonally adjusted annual rates)						
Sector	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs
Percent change from preceding quarter						
Business	-0.2	1.0	1.2	3.2	0.0	3.4
Nonfarm business	-0.6	0.9	1.5	2.8	-0.4	3.5
Manufacturing	3.9	8.4	4.4	1.9	-1.3	-1.9
Durable	8.2	13.7	5.1	1.2	-1.9	-6.4
Nondurable	-1.0	2.1	3.2	2.9	-0.3	4.0
Percent change from same quarter a year ago						
Business	2.2	3.5	1.3	3.1	-0.6	0.9
Nonfarm business	2.3	3.6	1.2	3.3	-0.4	1.0
Manufacturing	4.1	4.1	0.0	4.1	0.4	0.0
Durable	6.6	7.4	0.8	3.6	-0.1	-2.8
Nondurable	1.3	-0.1	-1.4	4.8	1.1	3.4

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 8).

## THIRD-TO-FOURTH QUARTER CHANGES, 2005

### Business

Productivity in the business sector decreased by 0.2 percent in the fourth quarter of 2005, reflecting increases of 1.0 percent in output and 1.2 percent in hours of all persons (seasonally adjusted annual rates). Output per hour had increased 5.2 percent in the third quarter of 2005, as output increased 4.8 percent and hours decreased 0.4 percent. The fourth-quarter decline in business sector productivity was the first since the first quarter of 2001, when it fell 0.5 percent.

Hourly compensation grew 3.2 percent in the fourth quarter of 2005, down from a 4.6-percent increase one quarter earlier. 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, was unchanged in the fourth quarter of 2005, after declining 0.5 percent in the third quarter and 4.0 percent in the second quarter.

Unit labor costs, which relate hourly compensation to output per hour, increased 3.4 percent in the fourth quarter. Business sector unit labor costs had declined in the two previous quarters; 0.6 percent in the third quarter and 0.9 percent in the second quarter.

### Nonfarm business

In the nonfarm business sector, productivity decreased 0.6 percent in the fourth quarter of 2005, as output grew 0.9 percent and hours of all persons grew 1.5 percent (seasonally adjusted annual rates). Productivity had increased 4.5 percent in the third quarter of 2005, reflecting a 4.7-percent rise in output and a 0.1-percent rise in hours of all persons (table 2). The fourth-quarter 0.6-percent decrease in productivity was the first since the first quarter of 2001 (-0.4 percent), and the largest since the third quarter of 2000 (-0.9 percent).

Hourly compensation in the nonfarm business sector rose 2.8 percent in the fourth quarter of 2005, following a 4.1-percent increase in the third quarter. When changes in consumer prices were taken into account, real hourly compensation declined 0.4 percent during the fourth quarter of 2005. This was the third consecutive decrease in this measure—real compensation per hour declined 1.0 percent in the third quarter and 3.1 percent in the second quarter of 2005.

Unit labor costs increased 3.5 percent in the fourth quarter of 2005, after falling 0.5 percent in the third quarter and 1.2 percent in the second quarter. The implicit price deflator for nonfarm business output increased 3.2 percent in the fourth quarter, after increasing 3.5 percent one quarter earlier.

### Manufacturing

Manufacturing productivity grew 3.9 percent (seasonally adjusted annual rate) in the fourth quarter of 2005 as output increased 8.4 percent and hours increased 4.4 percent (table 3). The output increase was the largest since the fourth quarter of 1997 (9.3 percent) and the hours increase was the first since the first quarter of 2004, when hours increased 2.4 percent. In the third quarter, manufacturing productivity had increased 3.7 percent, reflecting a 2.6-percent rise

in output and a 1.0-percent decline in hours. In durable goods manufacturing, productivity rose 8.2 percent in the fourth quarter as output grew 13.7 percent and hours increased 5.1 percent (table 4). Among nondurable goods manufacturers, productivity decreased 1.0 percent in the fourth quarter as output rose 2.1 percent and hours at work increased 3.2 percent (table 5).

Average hourly compensation of manufacturing workers increased 1.9 percent in the fourth quarter of 2005, reflecting increases in hourly compensation of 1.2 percent in durable goods manufacturing and 2.9 percent in nondurable goods manufacturing. When the increase in consumer prices was taken into account, real hourly compensation in total manufacturing fell 1.3 percent.

Unit labor costs for the manufacturing sector fell 1.9 percent in fourth-quarter 2005. In durable goods manufacturing, unit labor costs fell 6.4 percent, and in nondurable goods manufacturing unit labor costs increased 4.0 percent.

## ANNUAL AVERAGE CHANGES, 2004-2005

### Business

Business sector productivity increased 2.6 percent when the annual average for 2005 was compared with the annual average for 2004 (table B). Output increased 4.0 percent and hours of all persons engaged in the sector rose 1.3 percent. The 2.6-percent increase followed a 2002-2004 period with above-average annual productivity growth of 3.8 percent, and is more in-line with the productivity trend from 1995 to 2001, 2.7 percent.

Table B. Annual average changes in productivity and related measures, 1996-2005										
Measure	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
<b>Business:</b>										
Productivity .....	3.0	1.9	2.8	3.0	2.8	2.5	4.0	3.9	3.4	2.6
Output .....	4.6	5.3	4.8	5.1	3.9	0.3	1.5	3.4	4.8	4.0
Hours .....	1.6	3.3	2.0	2.1	1.1	-2.2	-2.4	-0.5	1.3	1.3
Hourly compensation.....	3.5	3.2	6.1	4.8	7.0	4.2	3.4	3.9	4.6	5.1
Real hourly compensation	0.8	1.1	4.6	2.7	3.5	1.4	1.8	1.6	1.9	1.7
.....										
Unit labor costs .....	0.5	1.3	3.2	1.8	4.0	1.6	-0.5	0.0	1.2	2.5
<b>Nonfarm Business:</b>										
Productivity .....	2.7	1.6	2.8	2.8	2.7	2.5	4.0	3.8	3.4	2.7
Output .....	4.5	5.2	5.0	5.2	3.8	0.4	1.5	3.3	4.8	4.1
Hours .....	1.8	3.5	2.1	2.3	1.1	-2.0	-2.5	-0.5	1.4	1.4
Hourly compensation.....	3.4	3.1	6.0	4.6	7.0	4.0	3.5	4.0	4.5	5.2
Real hourly compensation	0.7	0.9	4.5	2.5	3.6	1.1	1.9	1.6	1.8	1.8
.....										
Unit labor costs .....	0.7	1.4	3.1	1.8	4.2	1.4	-0.5	0.2	1.1	2.4
<b>Manufacturing:</b>										
Productivity .....	3.6	3.6	4.9	3.6	4.8	2.0	6.6	5.6	5.4	4.8
Output .....	3.2	5.5	4.6	3.0	3.1	-4.7	-0.9	0.5	5.0	3.8
Hours .....	-0.4	1.8	-0.3	-0.6	-1.6	-6.5	-7.1	-4.9	-0.4	-0.9
Hourly compensation.....	1.9	2.6	5.8	3.9	9.2	2.3	7.3	8.3	2.2	6.6
Real hourly compensation	-0.8	0.5	4.3	1.8	5.6	-0.5	5.6	5.8	-0.5	3.2
.....										
Unit labor costs .....	-1.6	-0.9	0.9	0.3	4.2	0.3	0.6	2.5	-3.1	1.7

Hourly compensation in the business sector increased 5.1 percent in 2005, following a 4.6-percent increase in 2004. Real hourly compensation increased 1.7 percent; 2005 was the fifth consecutive year with a real hourly compensation increase of less than 2.0 percent. Unit labor costs in the business sector rose 2.5 percent in 2005, more than in any year since 2000, when this measure grew 4.0 percent. The implicit price deflator for the business sector rose 2.6 percent in 2005 and 2.4 percent in 2004.

### **Nonfarm business**

Productivity increased 2.7 percent in the nonfarm business sector in 2005, reflecting increases of 4.1 percent in output and 1.4 percent in hours. Like the more comprehensive business sector, nonfarm productivity from 2001 to 2004 had grown at an above-average rate—3.7 percent. Productivity had been growing at an annual rate of 2.5 percent from 1995 to 2001.

In 2005, hourly compensation increased 5.2 percent, following a 4.5-percent rise in 2004. When the increase in consumer prices was taken into account, real hourly compensation rose 1.8 percent in both 2005 and 2004.

Unit labor costs in the nonfarm business sector increased 2.4 percent in 2005—more than in any year since 2000, when unit labor costs increased 4.2 percent. The implicit price deflator for nonfarm business rose 2.8 percent in 2005 and 2.1 percent in 2004.

### **Manufacturing**

In manufacturing, labor productivity rose 4.8 percent in 2005, as output grew 3.8 percent and hours of all persons declined 0.9 percent (table B). Productivity increased 5.4 percent in 2004, reflecting a 5.0-percent output increase and a 0.4-percent decline in hours. There was a 6.6-percent increase in durable goods manufacturing productivity in 2005, as output increased 6.3 percent and hours edged down 0.2 percent. Output per hour increased 2.9 percent in nondurable goods manufacturing, as output rose 0.7 percent and hours fell 2.1 percent.

Hourly compensation of manufacturing workers increased 6.6 percent in 2005, more than the 2.2-percent growth rate in 2004, but lower than the 8.3-percent increase in 2003 and the 7.3-percent increase in 2002. In 2005, hourly compensation rose 6.4 percent in durable goods manufacturing and 7.0 percent in nondurable good manufacturing. Taking into account the rise in consumer prices, real hourly compensation in manufacturing rose 3.2 percent in 2005 and fell 0.5 percent one year earlier.

Unit labor costs in manufacturing rose 1.7 percent in 2005, after decreasing 3.1 percent in calendar year 2004; unit labor costs increased 2.5 percent in 2003. Unit labor costs in durable goods manufacturing fell slightly in 2005, 0.2 percent, compared with a 4.0-percent rise in unit labor costs in nondurable goods manufacturing.

## Revised Measures

Current and previous measures for the third quarter of 2005 for the business, nonfarm business, and manufacturing sectors are compared in table C. In the business and nonfarm business sectors, productivity and output growth in the third quarter were lower than reported on Dec. 6, and hours worked remained the same. In both of these sectors, hourly compensation also grew more than reported in December. Hourly compensation was revised up and productivity was revised down, both contributing to a decline in unit labor costs in the third quarter that was less than previously reported.

Table C. Previous and revised productivity and related measures Quarterly percent change at seasonally adjusted annual rate						
Sector	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs
Third quarter 2005						
Business:						
Previous .....	5.4	5.0	-0.4	4.2	-0.8	-1.1
Revised.....	5.2	4.8	-0.4	4.6	-0.5	-0.6
Nonfarm business:						
Previous .....	4.7	4.8	0.1	3.7	-1.4	-1.0
Revised.....	4.5	4.7	0.1	4.1	-1.0	-0.5
Manufacturing:						
Previous .....	3.4	2.4	-1.0	3.1	-1.9	-0.3
Revised.....	3.7	2.6	-1.0	3.7	-1.3	0.1

In the manufacturing sector, output and productivity were revised up in the third quarter, and hours of all persons were unchanged. Growth in hourly compensation was revised up more than productivity, and unit labor costs edged up slightly (0.1 percent) rather than declining by 0.3 percent.

Manufacturing sector productivity and costs measures reflect revised source data. Annual indexes of real output for manufacturing and its durable and nondurable goods components were revised by BLS due to incorporation of revised current-dollar industry value of production data from the U.S. Bureau of the Census. Incorporating the revised data impacted both quarterly and annual measures of output, productivity, and unit labor costs back to 1987. The largest revisions begin in 2001, and appendix tables 1-3 display quarterly and annual data for manufacturing, durable manufacturing, and nondurable manufacturing beginning in 2000. Annual historical data for total manufacturing and its subsectors are presented in appendix tables 4-6. Full quarterly and annual historical series are available on the BLS website.

## Revised measures: Nonfinancial Corporations

Revised third-quarter productivity and output measures for nonfinancial corporations also were announced today. In the third quarter of 2005, increases in productivity, output, and hours were virtually the same as reported on Dec. 6. Hourly compensation was revised up, resulting in a larger increase in unit labor costs than previously reported (table D).

Table D. 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 2005								
Previous	3.2	4.0	0.8	4.5	-0.6	1.3	-2.9	1.7
Revised	3.2	4.1	0.8	4.9	-0.2	1.6	-7.9	2.1

The measure of real output for the nonfinancial corporate sector has been revised by the Bureau of Economic Analysis (BEA), U.S. Department of Commerce. As a result, several measures for this sector were revised back to the first quarter of 2002. Recent quarterly and annual data for nonfinancial corporations are shown in table 6. Appendix table 7 provides data for 2002. Full quarterly and annual historical series are available on the BLS website.

### Next release date

The next release of **Productivity and Costs** is scheduled for **8:30 A.M. EST, Tuesday, March 7, 2006**. Revised fourth-quarter and annual average measures for business, nonfarm business, and manufacturing will be released at that time.



## TECHNICAL NOTES

**Labor Hours:** Hours data for the labor productivity and cost measures include hours for all persons working in the sector—wage and salary workers, the self-employed and unpaid family workers. The primary source of hours and employment data is the BLS Current Employment Statistics (CES) program, which provides monthly survey data on the number of jobs held by wage and salary workers in nonfarm establishments. The CES also provides average weekly paid hours of production and nonsupervisory workers in these establishments. Weekly paid hours are adjusted to hours at work using data from the National Compensation Survey (NCS). The BLS Hours at Work survey, conducted for this purpose, was used for earlier years. The Office of Productivity and Technology estimates average weekly hours at work for nonproduction and supervisory workers using information from the Current Population Survey (CPS), the CES, and the NCS.

Data from the 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.

The CES measures jobs, counting a person who is employed by two or more establishments at each place of employment. In contrast, the CPS features measures of employment that count each person only once and classify each person according to his or her primary job; hours worked at all jobs by that person accrue to his or her primary job. However, the CPS also collects more detailed information on employment and hours worked at primary jobs and all other jobs, separately. The BLS productivity measures use the more detailed information on employment and hours to assign all hours worked to the correct industrial sector and avoid duplicating hours data from the CES.

**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 offices 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.

**Labor Compensation:** Estimates of labor compensation by major sector, required for measures of hourly compensation and unit labor costs, are based primarily on employee compensation data from the NIPA, prepared by the BEA. The compensation of employees in general government, nonprofit institutions and private households are subtracted from compensation of domestic employees to derive employee compensation for the business sector. The labor compensation of proprietors cannot be explicitly identified and must be estimated. This is done by assuming that proprietors have the same hourly compensation as employees in the same sector. The quarterly labor productivity and cost measures do not contain estimates of compensation for unpaid family workers.

**Unit Labor Costs:** The measures of unit labor costs in this release describe the relationship between compensation per hour and productivity, or real output per hour, and can be used as an indicator of inflationary pressure on producers. Increases in hourly compensation increase unit labor costs; labor productivity increases offset compensation increases and lower unit labor costs.

**Presentation of the data:** The quarterly data in this release are presented in three ways; as index number series where 1992=100, as percent changes from the corresponding quarter of the previous year, and as percent changes from the previous quarter presented at a compound annual rate. Annual data are presented both as index number series and percent changes from the previous year.

The index numbers and rates of change reported in the productivity and costs news release are rounded to one decimal place. All percent changes in this release and on the BLS web site are calculated using index numbers to three decimal places. These index numbers are available at the BLS web site, <http://www.bls.gov/data/home/htm>, or by contacting the BLS Division of Major Sector Productivity. (Telephone 202—691-5606 or email DPRWEB@BLS.GOV)

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									
2003	I	125.6	144.6	115.2	147.8	115.5	117.7	116.4	117.2
	II	127.9	146.4	114.5	150.3	117.3	117.5	117.2	117.4
	III	130.5	149.8	114.8	152.0	118.0	116.4	120.3	117.9
	IV	130.6	150.8	115.5	152.8	118.4	117.0	120.5	118.3
	ANNUAL	128.6	147.9	115.0	150.7	117.3	117.2	118.6	117.7
2004	I	131.7	152.6	115.9	154.4	118.5	117.3	123.0	119.4
	II	132.8	154.1	116.1	155.7	118.2	117.2	126.1	120.5
	III	133.3	155.8	116.9	158.2	119.6	118.7	124.2	120.7
	IV	134.3	157.2	117.1	162.5	121.8	121.0	122.3	121.5
	ANNUAL	133.0	154.9	116.5	157.7	119.5	118.6	123.9	120.6
2005	I	135.3	158.9	117.5	164.4	122.5	121.5	123.6	122.3
	II	135.5	160.4	118.4	164.3	121.2	121.2	126.2	123.1
	III	r137.3	r162.3	r118.3	r166.2	r121.1	r121.1	r129.1	r124.1
	IV	137.2	162.8	118.6	167.5	121.1	122.1	130.0	125.0
	ANNUAL	136.5	161.1	118.0	165.8	121.6	121.5	127.2	123.6
Percent change from previous quarter at annual rate(5)									
2003	I	2.8	1.7	-1.1	5.5	1.3	2.6	0.5	1.8
	II	7.6	4.9	-2.6	7.0	6.5	-0.6	2.8	0.6
	III	8.4	9.9	1.3	4.5	2.3	-3.6	10.7	1.6
	IV	0.3	2.6	2.3	2.3	1.4	2.1	0.9	1.6
	ANNUAL	3.9	3.4	-0.5	3.9	1.6	0.0	3.7	1.4
2004	I	3.4	4.9	1.5	4.2	0.3	0.8	8.6	3.7
	II	3.4	4.0	0.6	3.3	-1.0	-0.1	10.3	3.8
	III	1.4	4.4	3.0	6.5	4.8	5.0	-5.9	0.7
	IV	3.1	3.6	0.5	11.3	7.5	7.9	-6.0	2.4
	ANNUAL	3.4	4.8	1.3	4.6	1.9	1.2	4.4	2.4
2005	I	2.9	4.4	1.4	4.7	2.3	1.7	4.4	2.7
	II	0.8	4.0	3.1	-0.1	-4.0	-0.9	8.7	2.6
	III	r5.2	r4.8	-0.4	r4.6	r-0.5	r-0.6	r9.5	r3.2
	IV	-0.2	1.0	1.2	3.2	0.0	3.4	2.8	3.1
	ANNUAL	2.6	4.0	1.3	5.1	1.7	2.5	2.7	2.6
Percent change from corresponding quarter of previous year									
2003	I	2.4	2.0	-0.4	3.0	0.1	0.6	2.7	1.4
	II	3.8	2.6	-1.1	3.6	1.4	-0.2	3.9	1.3
	III	4.7	4.2	-0.5	4.3	2.0	-0.4	4.6	1.4
	IV	4.7	4.7	0.0	4.8	2.9	0.1	3.7	1.4
	ANNUAL	3.9	3.4	-0.5	3.9	1.6	0.0	3.7	1.4
2004	I	4.9	5.5	0.6	4.5	2.6	-0.4	5.7	1.9
	II	3.8	5.3	1.4	3.6	0.8	-0.2	7.6	2.7
	III	2.1	4.0	1.8	4.1	1.4	1.9	3.3	2.4
	IV	2.8	4.2	1.4	6.3	2.8	3.4	1.5	2.6
	ANNUAL	3.4	4.8	1.3	4.6	1.9	1.2	4.4	2.4
2005	I	2.7	4.1	1.3	6.4	3.3	3.6	0.5	2.4
	II	2.1	4.1	2.0	5.5	2.5	3.4	0.1	2.1
	III	r3.0	4.2	1.1	r5.1	r1.2	r2.0	3.9	2.7
	IV	2.2	3.5	1.3	3.1	-0.6	0.9	6.3	2.9
	ANNUAL	2.6	4.0	1.3	5.1	1.7	2.5	2.7	2.6

See footnotes following Table 6.  
r=revisedFebruary 2, 2006  
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									
2003	I	124.9	144.8	115.9	147.0	114.9	117.7	118.2	117.9
	II	126.9	146.5	115.4	149.3	116.5	117.6	118.7	118.0
	III	129.9	150.2	115.6	151.2	117.4	116.4	121.6	118.3
	IV	130.1	151.2	116.2	152.2	117.9	116.9	121.3	118.6
	ANNUAL	128.0	148.2	115.8	149.9	116.7	117.1	120.0	118.2
2004	I	130.8	152.8	116.8	153.5	117.8	117.3	123.5	119.6
	II	132.2	154.5	116.8	154.9	117.6	117.1	126.5	120.6
	III	132.7	156.3	117.8	157.2	118.8	118.5	125.3	121.0
	IV	133.5	157.7	118.2	161.0	120.7	120.7	123.7	121.8
	ANNUAL	132.3	155.3	117.4	156.7	118.7	118.4	124.7	120.7
2005	I	134.5	159.4	118.5	163.2	121.6	121.3	125.0	122.7
	II	135.3	161.2	119.2	163.6	120.6	120.9	127.9	123.5
	III	r136.8	r163.0	r119.2	r165.2	r120.3	r120.8	r131.0	r124.5
	IV	136.6	163.4	119.6	166.4	120.2	121.8	131.9	125.5
	ANNUAL	135.9	161.7	119.0	164.8	120.8	121.2	128.9	124.1
-----									
Percent change from previous quarter at annual rate(5)									
2003	I	3.1	2.0	-1.1	5.8	1.5	2.6	0.8	1.9
	II	6.6	4.7	-1.8	6.2	5.8	-0.3	1.7	0.4
	III	9.6	10.4	0.8	5.1	2.9	-4.1	10.2	1.0
	IV	0.8	2.8	2.0	2.7	1.8	2.0	-1.1	0.8
	ANNUAL	3.8	3.3	-0.5	4.0	1.6	0.2	3.2	1.3
2004	I	2.1	4.2	2.0	3.5	-0.5	1.3	7.4	3.6
	II	4.5	4.6	0.1	3.7	-0.7	-0.8	10.0	3.2
	III	1.3	4.6	3.3	6.1	4.4	4.8	-3.6	1.5
	IV	2.5	3.9	1.4	10.2	6.4	7.6	-5.1	2.6
	ANNUAL	3.4	4.8	1.4	4.5	1.8	1.1	3.9	2.1
2005	I	3.2	4.3	1.1	5.5	3.1	2.2	4.4	3.0
	II	2.1	4.4	2.2	0.9	-3.1	-1.2	9.4	2.7
	III	r4.5	r4.7	0.1	r4.1	r-1.0	r-0.5	r10.1	r3.5
	IV	-0.6	0.9	1.5	2.8	-0.4	3.5	2.8	3.2
	ANNUAL	2.7	4.1	1.4	5.2	1.8	2.4	3.4	2.8
-----									
Percent change from corresponding quarter of previous year									
2003	I	2.0	1.7	-0.3	3.0	0.1	1.0	2.7	1.6
	II	3.5	2.5	-0.9	3.5	1.3	0.1	3.2	1.2
	III	4.8	4.2	-0.5	4.4	2.1	-0.4	4.1	1.2
	IV	5.0	4.9	0.0	5.0	3.0	0.0	2.8	1.0
	ANNUAL	3.8	3.3	-0.5	4.0	1.6	0.2	3.2	1.3
2004	I	4.7	5.5	0.7	4.4	2.5	-0.3	4.5	1.5
	II	4.2	5.5	1.2	3.7	0.9	-0.4	6.5	2.1
	III	2.2	4.0	1.9	4.0	1.2	1.8	3.0	2.3
	IV	2.6	4.3	1.7	5.8	2.4	3.2	1.9	2.7
	ANNUAL	3.4	4.8	1.4	4.5	1.8	1.1	3.9	2.1
2005	I	2.9	4.4	1.5	6.3	3.3	3.4	1.2	2.6
	II	2.3	4.3	2.0	5.6	2.6	3.3	1.1	2.4
	III	3.1	r4.3	1.2	r5.1	r1.3	r2.0	4.5	r2.9
	IV	2.3	3.6	1.2	3.3	-0.4	1.0	6.6	3.1
	ANNUAL	2.7	4.1	1.4	5.2	1.8	2.4	3.4	2.8
-----									

See footnotes following Table 6.  
r=revisedFebruary 2, 2006  
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 -----							
2003	I	r151.0	r131.3	86.9	156.5	122.3	r103.7
	II	r152.6	r130.5	85.5	159.2	124.3	r104.3
	III	r156.5	r131.8	84.2	161.5	125.4	r103.2
	IV	r157.6	r133.8	84.9	163.2	126.5	r103.6
	ANNUAL	r154.4	r131.8	85.4	160.1	124.6	r103.7
2004	I	r158.9	r135.7	85.4	159.1	122.1	r100.1
	II	r162.1	r137.9	85.1	161.1	122.3	r99.4
	III	r163.9	r139.3	85.0	164.9	124.7	r100.6
	IV	r166.2	r140.8	84.7	169.3	126.9	r101.9
	ANNUAL	r162.8	r138.4	85.0	163.6	124.0	r100.5
2005	I	r168.2	r142.2	84.6	172.2	128.3	r102.4
	II	r169.8	r142.7	84.0	173.8	128.2	r102.4
	III	r171.4	r143.6	r83.8	r175.4	r127.8	r102.4
	IV	173.0	146.5	84.7	176.2	127.4	101.9
	ANNUAL	170.6	143.8	84.3	174.4	127.9	102.3
----- Percent change from previous quarter at annual rate(5) -----							
2003	I	7.0	0.3	-6.3	17.9	13.1	10.2
	II	4.3	r-2.5	-6.5	6.9	6.5	2.5
	III	10.4	3.9	-5.9	5.9	3.7	-4.0
	IV	3.0	6.4	3.3	4.3	3.4	1.3
	ANNUAL	r5.6	r0.5	-4.9	8.3	5.8	r2.5
2004	I	3.4	5.9	2.4	-9.7	-13.1	-12.7
	II	8.3	6.6	-1.6	5.1	0.7	-3.0
	III	4.4	4.1	-0.3	9.8	8.0	5.1
	IV	5.7	4.3	-1.3	11.2	7.4	5.2
	ANNUAL	5.4	5.0	-0.4	2.2	-0.5	-3.1
2005	I	4.9	4.2	-0.7	7.1	4.6	2.1
	II	4.0	1.2	-2.6	3.8	-0.4	-0.2
	III	r3.7	r2.6	-1.0	r3.7	r-1.3	r0.1
	IV	3.9	8.4	4.4	1.9	-1.3	-1.9
	ANNUAL	4.8	3.8	-0.9	6.6	3.2	1.7
----- Percent change from corresponding quarter of previous year -----							
2003	I	r5.3	r0.9	-4.2	8.2	5.2	r2.7
	II	r4.9	r-0.8	-5.4	7.8	5.5	r2.8
	III	r6.1	r-0.2	-6.0	8.4	6.0	r2.1
	IV	6.1	2.0	-3.9	8.7	6.6	2.4
	ANNUAL	r5.6	r0.5	-4.9	8.3	5.8	r2.5
2004	I	5.2	3.4	-1.8	1.6	-0.2	-3.4
	II	6.2	5.7	-0.5	1.2	-1.6	-4.7
	III	4.7	5.7	0.9	2.1	-0.6	-2.5
	IV	5.4	5.2	-0.2	3.7	0.3	-1.6
	ANNUAL	5.4	5.0	-0.4	2.2	-0.5	-3.1
2005	I	5.8	4.8	-1.0	8.3	5.1	2.3
	II	4.7	3.4	-1.2	7.9	4.8	3.0
	III	r4.6	r3.1	-1.4	r6.4	r2.5	r1.8
	IV	4.1	4.1	0.0	4.1	0.4	0.0
	ANNUAL	4.8	3.8	-0.9	6.6	3.2	1.7

See footnotes following Table 6.  
r=revisedFebruary 2, 2006  
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							
2003	I	r173.7	r156.6	90.1	154.9	121.1	r89.2
	II	r176.0	r155.9	88.6	157.7	123.1	r89.6
	III	r182.4	r158.9	87.1	160.1	124.3	r87.8
	IV	r184.0	r162.6	88.3	161.9	125.5	r88.0
	ANNUAL	r179.0	r158.5	88.5	158.6	123.5	r88.6
2004	I	r185.8	r165.9	89.3	155.5	119.4	r83.7
	II	r189.7	r168.7	88.9	158.2	120.1	r83.4
	III	r192.3	r171.6	89.2	162.1	122.6	r84.3
	IV	r195.7	r174.1	89.0	166.0	124.4	r84.8
	ANNUAL	r190.9	r170.1	89.1	160.4	121.6	r84.1
2005	I	r199.2	r177.0	88.9	169.0	125.9	r84.9
	II	r201.3	r178.1	88.5	170.1	125.5	r84.5
	III	r204.5	r181.2	r88.6	r171.5	r124.9	r83.8
	IV	208.6	187.0	89.7	172.0	124.3	82.4
	ANNUAL	203.4	180.8	88.9	170.6	125.1	83.9
-----							
Percent change from previous quarter at annual rate(5)							
2003	I	7.6	0.7	-6.4	22.2	17.2	13.6
	II	5.4	-1.8	-6.9	7.3	6.9	1.8
	III	15.2	8.0	-6.3	6.2	3.9	-7.8
	IV	3.7	9.5	5.6	4.7	3.8	1.0
	ANNUAL	r7.9	r2.2	-5.3	9.3	6.9	r1.4
2004	I	4.0	8.5	4.3	-14.9	-18.1	-18.1
	II	8.7	7.0	-1.5	6.9	2.4	-1.6
	III	5.5	6.9	1.3	10.3	8.5	4.6
	IV	7.3	6.1	-1.1	9.9	6.1	2.5
	ANNUAL	6.6	7.3	0.6	1.1	-1.5	-5.2
2005	I	7.3	6.8	-0.5	7.5	5.1	0.2
	II	4.3	2.6	-1.7	2.6	-1.5	-1.6
	III	r6.7	r7.0	0.3	r3.2	r-1.8	r-3.2
	IV	8.2	13.7	5.1	1.2	-1.9	-6.4
	ANNUAL	6.6	6.3	-0.2	6.4	2.9	-0.2
-----							
Percent change from corresponding quarter of previous year							
2003	I	r7.8	r2.7	-4.7	9.1	6.0	r1.3
	II	r7.0	r0.5	-6.1	8.7	6.4	r1.6
	III	8.8	r1.5	-6.7	9.6	7.3	0.7
	IV	7.9	4.0	-3.6	9.9	7.8	1.9
	ANNUAL	r7.9	r2.2	-5.3	9.3	6.9	r1.4
2004	I	7.0	5.9	-1.0	0.4	-1.4	-6.1
	II	7.8	8.2	0.4	0.3	-2.5	-6.9
	III	5.4	8.0	2.4	1.3	-1.4	-3.9
	IV	6.3	7.1	0.7	2.5	-0.9	-3.6
	ANNUAL	6.6	7.3	0.6	1.1	-1.5	-5.2
2005	I	7.2	6.7	-0.5	8.7	5.5	1.4
	II	6.1	5.6	-0.5	7.5	4.5	1.4
	III	r6.4	5.6	-0.7	r5.8	r1.9	r-0.6
	IV	6.6	7.4	0.8	3.6	-0.1	-2.8
	ANNUAL	6.6	6.3	-0.2	6.4	2.9	-0.2
-----							

See footnotes following Table 6.  
r=revisedFebruary 2, 2006  
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							
2003	I	r128.8	r105.8	82.1	158.0	123.5	r122.7
	II	r129.7	r104.9	80.9	160.5	125.3	r123.7
	III	r131.2	r104.7	79.8	162.7	126.3	r124.0
	IV	r132.2	r105.4	79.7	163.9	127.0	r124.0
	ANNUAL	r130.5	r105.2	80.6	161.2	125.5	r123.6
2004	I	r133.3	r106.1	79.6	164.1	125.9	r123.1
	II	r135.8	r107.7	79.3	164.7	125.1	r121.3
	III	r137.1	r107.8	78.7	168.1	127.1	r122.6
	IV	r138.4	r108.4	78.3	173.5	130.1	r125.4
	ANNUAL	r136.1	r107.5	79.0	167.6	127.0	r123.1
2005	I	r139.0	r108.6	78.1	176.1	131.3	r126.7
	II	r140.4	r108.5	77.3	178.7	131.8	r127.2
	III	r140.5	r107.7	r76.7	r180.6	r131.5	r128.5
	IV	140.2	108.3	77.3	181.9	131.5	129.7
	ANNUAL	140.0	108.3	77.3	179.3	131.5	128.0
-----							
Percent change from previous quarter at annual rate(5)							
2003	I	6.2	-0.2	-6.0	10.3	5.9	3.9
	II	2.9	-3.2	-5.9	6.3	5.9	3.3
	III	4.6	-0.8	-5.2	5.6	3.4	1.0
	IV	3.0	2.6	-0.4	3.0	2.1	0.0
	ANNUAL	r2.9	r-1.5	-4.2	6.4	4.0	r3.4
2004	I	3.4	2.6	-0.8	0.5	-3.3	-2.8
	II	7.8	6.0	-1.7	1.7	-2.6	-5.7
	III	3.8	0.7	-3.0	8.4	6.6	4.4
	IV	3.7	2.0	-1.6	13.7	9.7	9.6
	ANNUAL	4.3	2.2	-2.1	3.9	1.2	-0.4
2005	I	2.0	0.9	-1.1	6.1	3.7	r4.0
	II	4.0	-0.4	-4.3	5.8	1.6	1.7
	III	r0.3	r-2.8	r-3.2	r4.3	r-0.7	r4.0
	IV	-1.0	2.1	3.2	2.9	-0.3	4.0
	ANNUAL	2.9	0.7	-2.1	7.0	3.5	4.0
-----							
Percent change from corresponding quarter of previous year							
2003	I	r2.6	r-0.9	-3.4	6.7	3.7	r4.0
	II	r2.1	r-2.3	-4.3	6.4	4.1	r4.2
	III	r2.7	r-2.2	-4.8	6.2	3.9	r3.4
	IV	4.2	-0.4	-4.4	6.3	4.3	2.0
	ANNUAL	r2.9	r-1.5	-4.2	6.4	4.0	r3.4
2004	I	3.5	0.3	-3.1	3.8	2.0	0.3
	II	4.7	2.6	-2.0	2.7	-0.2	-1.9
	III	4.5	3.0	-1.5	3.3	0.6	-1.1
	IV	4.7	2.8	-1.8	5.9	2.4	1.2
	ANNUAL	4.3	2.2	-2.1	3.9	1.2	-0.4
2005	I	4.3	2.4	-1.8	7.4	4.3	2.9
	II	3.4	0.8	-2.5	8.5	5.4	4.9
	III	2.5	r-0.1	r-2.5	r7.4	r3.5	r4.8
	IV	1.3	-0.1	-1.4	4.8	1.1	3.4
	ANNUAL	2.9	0.7	-2.1	7.0	3.5	4.0

See footnotes following Table 6.  
r=revised

February 2, 2006  
Source: Bureau of Labor Statistics

Table 6. Nonfinancial corporate sector: 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											
2003	I	r130.5	r152.4	116.8	144.6	113.0	r110.8	r111.4	r111.0	r107.7	r110.7
	II	r132.8	r154.5	116.3	147.0	114.8	r110.7	r110.4	r110.6	r113.6	r110.9
	III	r135.2	r157.1	116.2	148.9	115.6	r110.1	r110.8	r110.3	r119.8	r111.1
	IV	r136.1	r158.9	116.8	149.8	116.0	r110.1	r110.7	r110.2	r124.6	r111.5
	ANNUAL	r133.7	r155.7	116.5	147.6	114.8	r110.4	r110.8	r110.5	r116.5	r111.0
2004	I	r136.4	r160.3	117.5	150.3	115.4	r110.2	r111.2	r110.5	r130.0	r112.2
	II	r137.2	r161.7	117.8	151.7	115.2	r110.6	r111.2	r110.7	r138.3	r113.2
	III	r139.7	r165.4	118.4	154.0	116.5	r110.2	r110.0	r110.2	r139.4	r112.8
	IV	r142.7	r169.4	118.8	158.0	118.4	r110.7	r108.5	r110.1	r142.7	r113.1
	ANNUAL	r139.0	r164.2	118.1	153.5	116.4	r110.4	r110.2	r110.4	r137.7	r112.8
2005	I	r143.6	r170.8	118.9	160.3	119.4	r111.6	r107.9	r110.6	r145.2	r113.7
	II	r145.2	r173.8	119.7	160.6	118.4	r110.6	r107.0	r109.7	r159.1	r114.1
	III	r146.3	r175.5	r120.0	r162.5	r118.4	r111.1	r109.4	r110.6	r155.8	r114.7
-----											
Percent change from previous quarter at annual rate(5)											
2003	I	r1.3	r-1.6	-2.8	3.9	-0.3	r2.6	r6.5	r3.7	r-11.8	r2.2
	II	r7.4	r5.6	-1.7	6.9	6.4	r-0.5	r-3.2	r-1.2	r23.6	r0.8
	III	r7.4	r7.1	-0.3	5.2	2.9	r-2.1	r1.2	r-1.2	r23.7	r0.9
	IV	r2.5	r4.7	2.1	2.4	1.5	r-0.1	r-0.4	r-0.2	r17.0	r1.4
	ANNUAL	r4.2	r2.8	-1.4	3.9	1.6	r-0.3	r0.0	r-0.2	r18.9	r1.3
2004	I	r0.9	r3.6	2.6	1.5	-2.3	r0.6	r2.0	r0.9	r18.4	r2.6
	II	r2.4	r3.5	1.0	3.7	-0.7	r1.2	r0.2	r0.9	r28.0	r3.5
	III	r7.5	r9.6	1.9	6.3	4.6	r-1.1	r-4.4	r-2.0	r3.3	r-1.4
	IV	r8.6	r10.1	1.3	10.6	6.8	r1.8	r-5.3	r-0.1	r9.8	r0.9
	ANNUAL	r4.0	r5.5	1.4	4.0	1.3	r0.0	r-0.5	r-0.1	r18.1	r1.6
2005	I	r2.8	3.3	0.5	5.9	3.5	3.1	-2.5	1.6	7.1	2.2
	II	4.3	7.1	2.6	0.8	-3.2	-3.4	-3.1	-3.3	44.3	1.4
	III	3.2	r4.1	0.8	r4.9	r-0.2	r1.6	r9.3	r3.6	r-7.9	r2.1
-----											
Percent change from corresponding quarter of previous year											
2003	I	r3.6	r2.1	-1.5	3.2	0.3	r-0.4	r-1.5	r-0.7	r25.5	1.2
	II	r3.9	r2.1	-1.8	3.6	1.4	r-0.3	r-0.2	r-0.3	r20.2	r1.3
	III	r4.8	r3.2	-1.5	4.3	2.1	r-0.5	r0.7	r-0.2	r19.5	r1.4
	IV	r4.6	r3.9	-0.7	4.6	2.6	r0.0	r0.9	r0.2	r12.1	r1.3
	ANNUAL	r4.2	r2.8	-1.4	3.9	1.6	r-0.3	r0.0	r-0.2	r18.9	r1.3
2004	I	r4.5	r5.2	0.7	4.0	2.1	r-0.5	r-0.1	r-0.4	r20.7	r1.4
	II	r3.3	r4.7	1.3	3.2	0.3	r-0.1	r0.7	r0.1	r21.7	r2.1
	III	r3.3	r5.3	1.9	3.5	0.7	r0.1	r-0.7	r-0.1	r16.3	r1.5
	IV	r4.8	r6.6	1.7	5.5	2.0	r0.6	r-1.9	r-0.1	r14.5	r1.4
	ANNUAL	r4.0	r5.5	1.4	4.0	1.3	r0.0	r-0.5	r-0.1	r18.1	r1.6
2005	I	r5.3	r6.5	1.2	6.6	3.5	r1.2	r-3.0	r0.1	r11.7	r1.3
	II	r5.8	r7.5	1.6	5.9	2.8	0.1	r-3.8	r-1.0	15.1	0.8
	III	4.7	r6.1	1.3	r5.5	r1.6	0.7	r-0.5	r0.4	r11.8	r1.7
-----											

See footnotes following Table 6.  
r=revisedFebruary 2, 2006  
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  $+1.4$  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 2005.

### 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 1978-2004 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. 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							
2000	I	r133.1	r138.6	104.1	133.2	112.1	r100.1
	II	r134.3	r139.9	104.1	132.5	110.7	r98.7
	III	r134.1	r139.2	103.8	135.9	112.4	r101.3
	IV	r135.4	r138.1	102.0	136.7	112.3	r101.0
	ANNUAL	r134.4	r138.9	103.4	134.7	112.0	r100.3
2001	I	r135.2	r135.5	100.2	138.1	112.4	r102.1
	II	r136.3	r133.6	98.0	137.3	110.9	r100.8
	III	r137.0	r131.3	95.8	137.0	110.4	r100.0
	IV	r140.0	r129.5	92.5	139.0	112.2	r99.3
	ANNUAL	r137.1	r132.5	96.6	137.8	111.5	r100.6
2002	I	r143.4	r130.1	90.8	144.7	116.3	r100.9
	II	r145.5	r131.6	90.4	147.6	117.7	r101.4
	III	r147.4	r132.0	89.6	149.0	118.3	r101.1
	IV	r148.5	r131.2	88.4	150.2	118.6	r101.2
	ANNUAL	r146.2	r131.2	89.8	147.9	117.7	r101.1
-----							
Percent change from previous quarter at annual rate(5)							
2000	I	r6.5	r4.5	-1.9	21.8	17.3	14.3
	II	r3.8	3.8	0.0	-2.1	-5.1	-5.6
	III	r-0.6	r-2.0	-1.4	10.6	6.6	r11.3
	IV	r4.0	r-3.0	-6.7	2.4	-0.4	r-1.5
	ANNUAL	r4.8	r3.1	-1.6	9.2	5.6	4.2
2001	I	r-0.5	r-7.2	-6.7	4.3	0.4	r4.8
	II	r3.1	r-5.7	-8.5	-2.4	-5.4	r-5.3
	III	r2.0	r-6.8	-8.6	-0.9	-1.7	r-2.9
	IV	r9.2	r-5.3	-13.3	5.9	6.5	r-3.0
	ANNUAL	r2.0	r-4.7	-6.5	2.3	-0.5	r0.3
2002	I	r10.0	r2.1	-7.2	17.4	15.7	r6.7
	II	r6.2	r4.6	-1.5	8.4	5.0	r2.1
	III	r5.2	r1.3	-3.8	4.0	1.8	r-1.2
	IV	r3.0	r-2.4	-5.3	3.2	1.1	r0.2
	ANNUAL	r6.6	r-0.9	-7.1	7.3	5.6	r0.6
-----							
Percent change from corresponding quarter of previous year							
2000	I	4.8	4.0	-0.8	9.8	6.4	4.8
	II	5.3	4.3	-0.9	8.5	5.1	3.1
	III	5.1	3.3	-1.7	10.0	6.4	4.7
	IV	r3.4	r0.8	-2.5	7.8	4.2	r4.3
	ANNUAL	r4.8	r3.1	-1.6	9.2	5.6	4.2
2001	I	r1.6	r-2.2	-3.7	3.7	0.3	r2.0
	II	r1.5	r-4.5	-5.9	3.6	0.2	r2.1
	III	r2.1	r-5.7	-7.6	0.8	-1.8	r-1.3
	IV	r3.4	r-6.3	-9.3	1.7	-0.1	r-1.7
	ANNUAL	r2.0	r-4.7	-6.5	2.3	-0.5	r0.3
2002	I	r6.0	r-4.0	-9.4	4.7	3.5	r-1.2
	II	r6.8	r-1.5	-7.8	7.5	6.2	r0.7
	III	r7.6	r0.6	-6.6	8.8	7.1	r1.1
	IV	r6.1	r1.3	-4.5	8.1	5.7	r1.9
	ANNUAL	r6.6	r-0.9	-7.1	7.3	5.6	r0.6
-----							

See footnotes following Table 6.  
r=revised

February 2, 2006  
Source: Bureau of Labor Statistics

Appendix table 2. 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							
2000	I	r150.0	r165.3	110.2	133.4	112.3	r88.9
	II	r151.3	r167.5	110.7	131.9	110.1	r87.1
	III	r151.3	r166.8	110.2	135.7	112.3	r89.7
	IV	r151.9	r165.0	108.6	135.4	111.3	r89.2
	ANNUAL	r151.3	r166.2	109.8	134.2	111.6	r88.7
2001	I	r151.3	r161.2	106.5	136.4	111.0	r90.1
	II	r152.4	r158.3	103.9	135.8	109.7	r89.1
	III	r153.5	r154.5	100.7	135.6	109.3	r88.3
	IV	r156.4	r151.1	96.6	137.9	111.3	r88.2
	ANNUAL	r153.4	r156.3	101.9	136.4	110.3	r88.9
2002	I	r161.2	r152.5	94.6	142.0	114.2	r88.1
	II	r164.4	r155.2	94.3	145.0	115.7	r88.2
	III	r167.6	r156.5	93.4	146.0	115.9	r87.1
	IV	r170.6	r156.3	91.7	147.4	116.4	r86.4
	ANNUAL	r165.9	r155.1	93.5	145.1	115.5	r87.4
-----							
Percent change from previous quarter at annual rate(5)							
2000	I	r10.9	r9.0	-1.7	25.0	20.3	r12.7
	II	r3.5	r5.2	1.6	-4.5	-7.5	r-7.8
	III	r0.0	r-1.6	-1.6	12.1	8.1	r12.1
	IV	r1.5	r-4.2	-5.6	-0.7	-3.5	r-2.2
	ANNUAL	r5.4	r4.7	-0.7	9.7	6.1	r4.1
2001	I	r-1.5	r-9.0	-7.6	2.7	-1.1	r4.2
	II	2.9	r-6.9	-9.4	-1.7	-4.7	-4.5
	III	r2.9	r-9.3	-11.8	-0.6	-1.4	r-3.4
	IV	r7.8	r-8.5	-15.2	7.1	7.7	r-0.7
	ANNUAL	r1.3	-5.9	-7.2	1.6	-1.2	0.2
2002	I	r12.8	r3.6	-8.1	12.4	10.7	r-0.4
	II	r8.3	r7.2	-1.0	8.9	5.4	r0.5
	III	r7.9	r3.5	-4.0	2.8	0.7	r-4.8
	IV	r7.3	r-0.5	-7.2	3.7	1.6	r-3.3
	ANNUAL	r8.2	r-0.8	-8.3	6.4	4.7	r-1.7
-----							
Percent change from corresponding quarter of previous year							
2000	I	r6.0	r6.2	0.2	11.2	7.7	r4.9
	II	5.6	r6.2	0.6	8.9	5.5	r3.1
	III	r5.7	r4.4	-1.2	10.9	7.2	r4.9
	IV	r3.9	r2.0	-1.8	7.4	3.8	r3.3
	ANNUAL	r5.4	r4.7	-0.7	9.7	6.1	r4.1
2001	I	r0.9	r-2.5	-3.4	2.2	-1.1	r1.3
	II	r0.7	r-5.4	-6.1	3.0	-0.4	r2.2
	III	r1.4	-7.3	-8.7	-0.1	-2.7	-1.5
	IV	r3.0	r-8.4	-11.1	1.8	0.0	r-1.1
	ANNUAL	r1.3	-5.9	-7.2	1.6	-1.2	0.2
2002	I	r6.5	r-5.4	-11.2	4.1	2.9	r-2.2
	II	r7.9	r-2.0	-9.2	6.8	5.5	r-1.0
	III	r9.2	r1.3	-7.2	7.7	6.1	r-1.4
	IV	r9.0	r3.4	-5.1	6.9	4.5	r-2.0
	ANNUAL	r8.2	r-0.8	-8.3	6.4	4.7	r-1.7
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See footnotes following Table 6.  
r=revised

February 2, 2006  
Source: Bureau of Labor Statistics

Appendix table 3. 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							
2000	I	r116.9	r111.1	95.0	130.5	109.8	r111.6
	II	r118.2	r111.5	94.4	131.4	109.7	r111.2
	III	r117.6	r110.6	94.1	133.7	110.7	r113.8
	IV	r119.7	r110.2	92.0	136.6	112.2	r114.1
	ANNUAL	r118.3	r110.9	93.7	133.2	110.8	r112.7
2001	I	r119.7	r108.7	90.8	139.2	113.3	r116.3
	II	r120.5	r107.5	89.2	138.0	111.5	r114.5
	III	r120.4	r106.7	88.6	137.8	111.1	r114.5
	IV	r123.4	r106.5	86.3	139.3	112.4	r112.8
	ANNUAL	r121.0	r107.3	88.7	138.6	112.1	r114.6
2002	I	r125.6	r106.8	85.0	148.1	119.1	r117.9
	II	r127.0	r107.4	84.5	150.8	120.3	r118.7
	III	r127.8	r107.1	83.8	153.1	121.5	r119.8
	IV	r126.9	r105.9	83.4	154.2	121.7	r121.5
	ANNUAL	r126.8	r106.8	84.2	151.5	120.6	r119.5
-----							
Percent change from previous quarter at annual rate(5)							
2000	I	r0.5	r-1.7	-2.2	15.4	11.1	r14.8
	II	r4.3	r1.4	-2.8	2.7	-0.4	r-1.5
	III	r-2.0	r-3.0	-1.0	7.4	3.5	r9.6
	IV	r7.4	r-1.7	-8.5	8.9	5.9	r1.4
	ANNUAL	r3.9	r0.6	-3.2	7.8	4.3	r3.8
2001	I	r-0.1	r-5.2	-5.1	7.8	3.8	r7.9
	II	r2.9	r-4.1	-6.8	-3.4	-6.3	r-6.1
	III	r-0.4	r-3.3	-2.9	-0.6	-1.4	r-0.2
	IV	r10.6	r-0.6	-10.1	4.3	4.9	r-5.7
	ANNUAL	r2.3	r-3.2	-5.3	4.0	1.2	r1.7
2002	I	r7.2	r1.3	-5.5	28.0	26.2	r19.4
	II	r4.7	r2.1	-2.4	7.4	4.0	r2.6
	III	r2.3	r-1.0	-3.2	6.3	4.1	r3.9
	IV	r-2.7	r-4.6	-2.0	2.8	0.7	r5.6
	ANNUAL	r4.8	r-0.5	-5.1	9.4	7.6	r4.3
-----							
Percent change from corresponding quarter of previous year							
2000	I	r3.4	r0.8	-2.5	6.7	3.4	r3.2
	II	r5.0	r1.3	-3.5	7.3	3.9	r2.2
	III	r4.1	r1.4	-2.6	8.2	4.6	r3.9
	IV	r2.5	r-1.3	-3.7	8.5	4.9	r5.9
	ANNUAL	r3.9	r0.6	-3.2	7.8	4.3	r3.8
2001	I	r2.3	r-2.2	-4.4	6.7	3.2	r4.2
	II	r2.0	r-3.5	-5.4	5.1	1.6	r3.0
	III	r2.4	r-3.6	-5.9	3.1	0.4	r0.6
	IV	r3.1	r-3.3	-6.3	1.9	0.1	r-1.2
	ANNUAL	r2.3	r-3.2	-5.3	4.0	1.2	r1.7
2002	I	r5.0	r-1.7	-6.4	6.4	5.1	r1.4
	II	r5.4	r-0.1	-5.3	9.3	7.9	r3.6
	III	r6.1	r0.4	-5.4	11.1	9.4	r4.7
	IV	r2.8	r-0.6	-3.3	10.7	8.3	r7.7
	ANNUAL	r4.8	r-0.5	-5.1	9.4	7.6	r4.3
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See footnotes following Table 6.  
r=revisedFebruary 2, 2006  
Source: Bureau of Labor Statistics

Appendix table 4. Manufacturing sector: Productivity, hourly compensation, and unit labor costs, Indexes 1992=100

Year	Output per hour of all persons	Output	Hours of all persons	Compensation per hour (1)	Real compensation per hour (2)	Unit labor costs
1987	r88.3	r91.6	103.8	81.3	98.0	r92.1
1988	r90.0	r96.2	107.0	84.1	97.8	r93.5
1989	r90.3	r97.2	107.6	86.6	96.6	r95.9
1990	r92.9	r97.6	105.0	90.5	96.1	r97.4
1991	r95.4	r96.0	100.5	95.6	98.0	r100.1
1992	100.0	100.0	100.0	100.0	100.0	100.0
1993	r102.7	r104.1	101.4	102.0	99.5	r99.4
1994	r106.1	r110.1	103.8	105.3	100.6	r99.2
1995	r110.0	r115.0	104.6	107.3	100.1	r97.6
1996	r113.9	r118.7	104.2	109.3	99.3	r96.0
1997	r118.0	r125.2	106.0	112.2	99.8	r95.1
1998	r123.8	r130.9	105.7	118.8	104.2	r95.9
1999	r128.3	r134.8	105.1	123.4	106.0	r96.2
2000	r134.4	r138.9	103.4	134.7	112.0	r100.3
2001	r137.1	r132.5	96.6	137.8	111.5	r100.6
2002	r146.2	r131.2	89.8	147.9	117.7	r101.1
2003	r154.4	r131.8	85.4	160.1	124.6	r103.7
2004	r162.8	r138.4	85.0	163.6	124.0	r100.5
2005	r170.6	r143.8	r84.3	r174.4	r127.9	r102.3

See footnotes following Table 6.  
r=revised

February 2, 2006  
Source: Bureau of Labor Statistics

Appendix table 5. Durable manufacturing sector: Productivity, hourly compensation, and unit labor costs, Indexes 1992=100

Year	Output per hour of all persons	Output	Hours of all persons	Compensation per hour (1)	Real compensation per hour (2)	Unit labor costs
1987	r89.3	r95.1	106.5	81.3	97.9	r91.0
1988	r91.3	r101.0	110.6	83.6	97.2	r91.6
1989	r91.2	r101.2	111.0	85.9	95.8	r94.2
1990	r93.2	r100.1	107.4	89.5	95.0	r96.0
1991	r94.6	r95.9	101.4	94.9	97.3	r100.3
1992	100.0	100.0	100.0	100.0	100.0	100.0
1993	r104.5	r106.0	101.4	101.9	99.4	r97.5
1994	r109.6	r114.8	104.7	105.4	100.7	r96.2
1995	r115.2	r122.8	106.6	106.7	99.5	r92.7
1996	r120.7	r129.5	107.3	108.1	98.2	r89.5
1997	r126.2	r139.5	110.5	110.6	98.4	r87.6
1998	r135.6	r150.4	111.0	117.1	102.7	r86.4
1999	r143.6	r158.7	110.6	122.4	105.2	r85.3
2000	r151.3	r166.2	109.8	134.2	111.6	r88.7
2001	r153.4	r156.3	101.9	136.4	110.3	r88.9
2002	r165.9	r155.1	93.5	145.1	115.5	r87.4
2003	r179.0	r158.5	88.5	158.6	123.5	r88.6
2004	r190.9	r170.1	89.1	160.4	121.6	r84.1
2005	r203.4	r180.8	r88.9	r170.6	r125.1	r83.9

See footnotes following Table 6.  
r=revised

February 2, 2006  
Source: Bureau of Labor Statistics

Appendix table 6. Nondurable manufacturing sector: Productivity, hourly compensation, and unit labor costs, Indexes 1992=100

Year	Output per hour of all persons	Output	Hours of all persons	Compensation per hour (1)	Real compensation per hour (2)	Unit labor costs
1987	r90.2	r89.9	99.7	80.8	97.4	r89.5
1988	r91.8	r93.1	101.5	84.2	98.0	r91.8
1989	r92.1	r94.6	102.7	87.1	97.2	r94.6
1990	r94.7	r96.0	101.4	91.7	97.4	r96.9
1991	r97.4	r96.6	99.2	96.5	98.9	r99.1
1992	100.0	100.0	100.0	100.0	100.0	100.0
1993	r100.4	r101.8	101.4	102.3	99.8	r101.8
1994	r102.2	r104.5	102.3	104.7	100.1	r102.5
1995	r104.6	r106.2	101.6	107.8	100.6	r103.0
1996	r107.1	r106.5	99.5	110.8	100.7	r103.5
1997	r110.6	r110.0	99.4	114.1	101.5	r103.1
1998	r112.9	r110.5	97.9	120.3	105.5	r106.6
1999	r113.8	r110.2	96.9	123.6	106.2	r108.6
2000	r118.3	r110.9	93.7	133.2	110.8	r112.7
2001	r121.0	r107.3	88.7	138.6	112.1	r114.6
2002	r126.8	r106.8	84.2	151.5	120.6	r119.5
2003	r130.5	r105.2	80.6	161.2	125.5	r123.6
2004	r136.1	r107.5	79.0	167.6	127.0	r123.1
2005	r140.0	r108.3	r77.3	r179.3	r131.5	r128.0

See footnotes following Table 6.  
r=revised

February 2, 2006  
Source: Bureau of Labor Statistics

Appendix table 7. Nonfinancial corporate sector: 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											
2002	I	r126.0	r149.3	118.5	140.1	112.7	r111.2	r113.0	r111.7	r85.8	r109.4
	II	r127.8	r151.3	118.4	141.8	113.1	r111.0	r110.7	r110.9	r94.5	r109.4
	III	r129.1	r152.2	117.9	142.7	113.3	r110.6	r110.0	r110.5	r100.3	r109.5
	IV	r130.1	r153.0	117.6	143.2	113.1	r110.1	r109.6	r110.0	r111.2	r110.1
	ANNUAL	r128.2	r151.5	118.1	142.0	113.0	r110.7	r110.8	r110.7	r98.0	r109.6
Percent change from previous quarter at annual rate(5)											
2002	I	r5.0	2.9	-2.0	2.3	0.8	-2.6	-9.0	-4.4	r66.8	-0.8
	II	6.1	5.6	-0.5	5.1	1.7	r-0.9	-7.9	-2.9	46.9	0.1
	III	3.9	2.3	-1.5	2.6	0.5	-1.2	-2.4	r-1.6	27.0	0.5
	IV	3.2	2.0	-1.2	1.3	-0.7	r-1.9	r-1.6	r-1.8	r50.9	r1.9
	ANNUAL	3.8	0.9	-2.8	3.4	1.8	-0.4	-1.6	-0.7	19.2	0.6
Percent change from corresponding quarter of previous year											
2002	I	2.8	-1.7	-4.4	3.4	2.2	0.6	3.5	1.4	-1.9	r1.2
	II	3.5	0.2	-3.2	3.7	2.4	r0.2	r-0.8	-0.1	8.7	0.5
	III	4.4	1.9	-2.4	3.5	1.9	-0.8	-3.5	r-1.5	27.0	0.3
	IV	4.5	3.2	-1.3	2.8	0.6	-1.7	r-5.3	r-2.7	47.2	0.4
	ANNUAL	3.8	0.9	-2.8	3.4	1.8	-0.4	-1.6	-0.7	19.2	0.6

See footnotes following Table 6.  
r=revised

February 2, 2006  
Source: Bureau of Labor Statistics