

News

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

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PRODUCTIVITY AND COSTS

Preliminary Fourth Quarter and
Annual Averages for 2006

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 2006. The seasonally adjusted annual rates of productivity change in the fourth quarter and the annual average changes were:

	Fourth quarter	Annual averages 2005-2006
Business sector	2.4	2.2
Nonfarm business sector	3.0	2.1

In the fourth quarter, productivity increased 2.4 percent in the business sector and 3.0 percent in the nonfarm business sector. In both sectors, the fourth-quarter productivity increases reflected faster growth in output than in hours worked. When the annual averages for 2006 were compared with annual averages for 2005, productivity rose 2.2 percent in the business sector and 2.1 percent in nonfarm businesses—slightly less than the 2.3-percent gains in both sectors from 2004 to 2005.

In the manufacturing sector, increases in productivity were:

	Fourth quarter	Annual averages 2005-2006
Manufacturing sector	2.2	3.9
Durable goods manufacturing	3.3	6.2
Nondurable goods manufacturing	0.9	1.5

Manufacturing productivity grew at a 2.2-percent annual rate in the fourth quarter, as output fell, but hours fell faster. On an annual average basis, output per hour in the manufacturing sector posted a 3.9-percent increase in 2006. Output and hours in manufacturing, which includes about 12 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.

Sector	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs
Percent change from preceding quarter						
Business	2.4	4.1	1.7	4.2	6.6	1.7
Nonfarm business	3.0	4.2	1.2	4.8	7.1	1.7
Manufacturing	2.2	-1.6	-3.7	7.3	9.8	5.0
Durable	3.3	-0.5	-3.7	7.9	10.4	4.5
Nondurable	0.9	-3.0	-3.9	6.1	8.5	5.1
Percent change from same quarter a year ago						
Business	2.0	3.8	1.8	4.8	2.8	2.8
Nonfarm business	2.1	3.9	1.8	4.9	3.0	2.8
Manufacturing	3.9	3.7	-0.2	4.3	2.3	0.3
Durable	5.3	4.9	-0.4	5.7	3.7	0.3
Nondurable	2.3	2.3	0.0	1.7	-0.2	-0.6

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, 2006

Business

Productivity in the business sector increased by 2.4 percent in the fourth quarter of 2006, reflecting increases of 4.1 percent in output and 1.7 percent in hours of all persons (seasonally

adjusted annual rates). Output per hour had edged up 0.1 percent in the third quarter of 2006, as output rose 1.9 percent and hours increased 1.8 percent.

Hourly compensation grew 4.2 percent in the fourth quarter of 2006, up from a 3.4-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, increased 6.6 percent in the fourth quarter of 2006. A 2.2-percent decline in consumer prices in the fourth quarter of 2006 contributed to the large increase in real hourly compensation, and was the first decline in the price measure since the fourth quarter of 2001 (0.4 percent).

Unit labor costs, which relate hourly compensation to output per hour, increased 1.7 percent in the fourth quarter and 3.3 percent in the third quarter, after falling 2.5 percent in the second quarter of 2006.

Nonfarm business

In the nonfarm business sector, productivity rose 3.0 percent in the fourth quarter of 2006, as output grew 4.2 percent and hours of all persons—employees, proprietors, and unpaid family workers—rose 1.2 percent (seasonally adjusted annual rates). Productivity declined 0.1 percent in the third quarter of 2006, as output and hours grew 1.9 percent and 2.0 percent, respectively (table 2).

Hourly compensation in the nonfarm business sector rose 4.8 percent in the fourth quarter of 2006, following a 3.1-percent increase in the third quarter. When the 2.2-percent decrease in consumer prices was taken into account, real hourly compensation grew 7.1 percent during the fourth quarter of 2006.

Unit labor costs rose 1.7 percent in the fourth quarter of 2006, after increasing 3.2 percent in the third quarter and decreasing 2.4 percent in the second quarter. The implicit price deflator for nonfarm business output rose 0.4 percent in the fourth quarter, after rising 0.8 percent one quarter earlier.

Manufacturing

Manufacturing productivity grew 2.2 percent in the fourth quarter of 2006 as output declined 1.6 percent and hours fell 3.7 percent (seasonally adjusted annual rates). The decrease in output was the first since the second quarter of 2003, when output decreased 2.4 percent. In the third quarter, manufacturing productivity had increased 6.3 percent, reflecting a 4.8-percent rise in output and a 1.5-percent decline in hours (table 3). In durable goods manufacturing, productivity rose 3.3 percent in the fourth quarter as output edged down 0.5 percent and hours fell 3.7 percent (table 4). Among nondurable goods manufacturers, productivity rose 0.9 percent in the fourth quarter as output fell 3.0 percent and hours at work fell 3.9 percent (table 5).

Average hourly compensation of manufacturing workers increased 7.3 percent in the fourth quarter of 2006, reflecting increases in hourly compensation of 7.9 percent in durable goods manufacturing and 6.1 percent in nondurable goods manufacturing. When the decrease in

consumer prices was taken into account, real hourly compensation in total manufacturing jumped 9.8 percent in the fourth quarter.

Unit labor costs for the manufacturing sector increased 5.0 percent in fourth-quarter 2006, following declines of 2.9 percent in the third quarter and 8.8 percent in the second quarter. Unit labor costs rose 4.5 percent in durable goods manufacturing and 5.1 percent in nondurable goods industries in the fourth quarter.

ANNUAL AVERAGE CHANGES, 2005-2006

Business and Nonfarm business

When annual averages for 2006 were compared with annual averages for 2005, labor productivity increased 2.2 percent in the business sector and 2.1 percent in the nonfarm business sector (table B). These were the smallest annual increases in both sectors since 1997, when output per hour rose 1.9 percent and 1.6 percent in the business and nonfarm business sectors, respectively. Productivity grew at a 2.3-percent rate from 2004 to 2005 in both sectors. Output per hour had grown at an above-average rate from 2000 to 2004—3.4 percent in the business sector and 3.3 percent in the nonfarm business sector. Between 1990 and 2000, productivity rose 2.1 percent per year in the business sector and 2.0 percent per year in nonfarm business.

Table B. Annual average changes in productivity and related measures, 1997-2006										
Measure	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Business:										
Productivity	1.9	2.8	3.1	2.9	2.6	4.1	3.8	3.1	2.3	2.2
Output	5.3	4.8	5.1	3.9	0.3	1.5	3.1	4.4	3.7	3.9
Hours	3.4	2.0	2.0	1.0	-2.2	-2.5	-0.7	1.3	1.4	1.6
Hourly compensation.....	3.2	6.1	4.9	7.1	4.2	3.6	4.0	3.8	4.4	5.4
Real hourly compensation	1.1	4.6	2.8	3.6	1.4	2.0	1.7	1.1	1.0	2.1
.....										
Unit labor costs	1.3	3.2	1.8	4.1	1.6	-0.5	0.2	0.7	2.1	3.1
Nonfarm Business:										
Productivity	1.6	2.8	2.9	2.8	2.5	4.1	3.7	3.0	2.3	2.1
Output	5.2	5.0	5.2	3.8	0.4	1.5	3.1	4.3	3.8	3.9
Hours	3.5	2.1	2.2	1.0	-2.0	-2.6	-0.6	1.3	1.5	1.7
Hourly compensation.....	3.1	6.0	4.7	7.2	4.0	3.7	4.0	3.6	4.4	5.3
Real hourly compensation	0.9	4.5	2.6	3.7	1.2	2.0	1.7	0.9	1.0	2.1
.....										
Unit labor costs	1.4	3.1	1.8	4.2	1.5	-0.5	0.3	0.7	2.0	3.2
Manufacturing:										
Productivity	5.4	5.5	4.4	4.4	1.5	7.0	6.2	1.8	4.7	3.9
Output	7.4	5.2	3.8	2.7	-5.1	-0.6	1.0	1.3	3.6	5.0
Hours	1.8	-0.3	-0.6	-1.6	-6.5	-7.1	-4.9	-0.5	-1.1	1.1
Hourly compensation.....	2.6	5.8	3.9	9.2	2.3	7.3	7.0	2.0	4.6	4.1
Real hourly compensation	0.5	4.3	1.8	5.6	-0.5	5.6	4.6	-0.7	1.2	0.9
.....										
Unit labor costs	-2.7	0.3	-0.5	4.5	0.8	0.2	0.8	0.2	-0.1	0.2

In 2006, hourly compensation increased 5.4 percent in the business sector and 5.3 percent in the nonfarm business sector, following 4.4-percent gains in both sectors during 2005. And in both sectors real hourly compensation increased 2.1 percent in 2006 and 1.0 percent in 2005.

Unit labor costs increased 3.1 percent in the business sector and 3.2 percent in the nonfarm business sector in 2006—more than in any year since 2000, when unit labor costs increased 4.1 percent and 4.2 percent in the business and nonfarm business sectors, respectively.

Manufacturing

In manufacturing, labor productivity rose 3.9 percent in 2006, slightly less than the 4.2-percent average annual rate from 2000 through 2005. Output increased 5.0 percent and hours rose 1.1 percent in 2006 (table B). There was a 6.2-percent increase in durable goods manufacturing productivity in 2006, as output increased 7.6 percent and hours increased 1.3 percent. Output per hour increased 1.5 percent in nondurable goods manufacturing, as output grew 2.2 percent and hours rose 0.7 percent.

The hourly compensation of manufacturing workers increased 4.1 percent in 2006, slightly less than the 4.6-percent growth rate in 2005. In 2006, hourly compensation rose 5.0 percent in durable goods manufacturing and 2.5 percent in nondurable goods manufacturing. Taking into account the rise in consumer prices, real hourly compensation in manufacturing rose 0.9 percent in 2006 after increasing 1.2 percent one year earlier.

Unit labor costs in manufacturing edged up 0.2 percent in 2006, after decreasing 0.1 percent in calendar year 2005. Unit labor costs in durable goods manufacturing decreased 1.2 percent in 2006, similar to the 1.1-percent decline in 2005. Unit labor costs in nondurable goods manufacturing rose 1.0 percent in 2006 and 0.9 percent in 2005.

Revised Measures

Current and previous measures for the third quarter of 2006 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. 5. Business sector productivity was revised down, reflecting a downward revision to output. Productivity in nonfarm businesses was revised from a very small increase, 0.2 percent, to a very small decrease, 0.1 percent. Both output and hours in the sector were revised down but output was revised more than hours.

In both of these sectors, hourly compensation also grew more than reported in December. Unit labor costs rose more rapidly than previously reported, reflecting both the higher hourly compensation and the lower productivity growth.

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 2006						
Business:						
Previous	0.4	2.2	1.8	2.9	-0.1	2.5
Revised.....	0.1	1.9	1.8	3.4	0.4	3.3
Nonfarm business:						
Previous	0.2	2.3	2.1	2.6	-0.4	2.3
Revised.....	-0.1	1.9	2.0	3.1	0.1	3.2
Manufacturing:						
Previous	6.7	5.1	-1.6	2.4	-0.5	-4.1
Revised.....	6.3	4.8	-1.5	3.3	0.3	-2.9

In the manufacturing sector, productivity was revised down in the third quarter due primarily to a downward revision to output. An upward revision to hourly compensation, combined with the downward revision to productivity, led to a smaller drop in unit labor costs than previously reported.

Manufacturing sector productivity and costs measures reflect historical revisions to the source data. Annual indexes of real output for manufacturing and its durable and nondurable goods components were revised by BLS beginning with data for 1997 due to incorporation of information on intermediate inputs from the U.S. Department of Commerce (described in the BLS news release, "Trends in Multifactor Productivity in Manufacturing, 2002, 2003, and 2004," December 6, 2006 (<http://www.bls.gov/news.release/prod5.nr0.htm>)). Annual indexes also were revised from 1987 forward due to a change in the way intrasector transactions are estimated. These transactions are excluded from sectoral output for the manufacturing sector. Quarterly changes in manufacturing output and related measures now reflect revised Indexes of Industrial Production, published by the Board of Governors of the Federal Reserve System on December 11, 2006. Appendix tables 1-3 display quarterly and annual data for manufacturing, durable manufacturing, and nondurable manufacturing beginning in 2001. Quarterly historical data are available on the BLS website. Annual historical data for total manufacturing and its subsectors are presented in appendix tables 4-6.

Revised measures: Nonfinancial Corporations

Revised third-quarter productivity and costs measures for nonfinancial corporations also were announced today. In the third quarter of 2006, increases in productivity, output, and hours were about the same as reported on Dec. 5, 2006. Both productivity and hourly compensation were revised up. Because the revision to hourly compensation was larger than that to productivity, unit labor costs decreased less 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 2006								
Previous	5.6	7.3	1.6	2.8	-0.1	-2.7	27.6	0.2
Revised	5.7	7.3	1.5	3.3	0.4	-2.3	30.2	0.5

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 2003. Recent quarterly and annual data for nonfinancial corporations are shown in table 6. Appendix table 7 provides data for 2003. Complete 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 6, 2007**. Revised fourth-quarter and annual average measures for business, nonfarm business, and manufacturing will be released at that time. This release will incorporate the annual benchmark revision to the employment levels in the BLS establishment survey data that were released February 2. All employment and hours series will incorporate new information on seasonal patterns.

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 BLS. 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; nonmetallic 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									
2004	I	131.4	151.7	115.5	154.4	118.5	117.5	122.9	119.5
	II	132.8	153.5	115.6	155.8	118.3	117.3	126.2	120.6
	III	133.0	154.8	116.4	157.5	119.1	118.5	125.5	121.1
	IV	133.5	155.8	116.7	160.1	120.0	119.9	125.8	122.1
	ANNUAL	132.7	154.0	116.1	157.0	119.0	118.3	125.1	120.8
2005	I	134.5	157.4	117.0	161.6	120.4	120.1	127.9	123.0
	II	134.9	159.0	117.9	162.0	119.5	120.0	130.0	123.7
	III	136.6	160.9	117.8	165.2	120.3	121.0	131.1	124.7
	IV	136.7	161.7	118.3	166.5	120.3	121.8	132.3	125.7
	ANNUAL	135.7	159.8	117.7	163.8	120.2	120.7	130.3	124.3
2006	I	138.2	164.3	118.9	171.9	123.6	124.4	130.2	126.6
	II	138.6	165.4	119.4	171.3	121.6	123.6	134.1	127.5
	III	r138.6	r166.2	r119.9	r172.7	r121.8	r124.7	r133.3	r127.9
	IV	139.4	167.9	120.4	174.5	123.7	125.2	133.2	128.2
	ANNUAL	138.7	165.9	119.7	172.6	122.6	124.5	132.7	127.5
Percent change from previous quarter at annual rate(5)									
2004	I	3.2	4.5	1.2	2.1	-1.5	-1.1	11.8	3.6
	II	4.5	4.8	0.3	3.5	-0.5	-0.9	11.1	3.6
	III	0.5	3.4	2.9	4.7	2.5	4.1	-2.0	1.7
	IV	1.6	2.6	1.0	6.7	3.0	5.0	0.9	3.4
	ANNUAL	3.1	4.4	1.3	3.8	1.1	0.7	5.8	2.6
2005	I	3.1	4.2	1.0	3.9	1.5	0.7	6.7	3.0
	II	1.2	4.1	2.9	0.8	-2.9	-0.4	6.6	2.3
	III	5.0	4.9	-0.1	8.3	2.7	3.2	3.6	3.3
	IV	0.2	1.8	1.6	3.1	-0.2	2.9	3.6	3.2
	ANNUAL	2.3	3.7	1.4	4.4	1.0	2.1	4.2	2.9
2006	I	4.5	6.7	2.1	13.6	11.3	8.7	-6.2	2.7
	II	1.1	2.7	1.7	-1.4	-6.1	-2.5	12.4	3.1
	III	r0.1	r1.9	1.8	r3.4	r0.4	r3.3	r-2.1	r1.2
	IV	2.4	4.1	1.7	4.2	6.6	1.7	-0.5	0.9
	ANNUAL	2.2	3.9	1.6	5.4	2.1	3.1	1.8	2.6
Percent change from corresponding quarter of previous year									
2004	I	4.5	5.1	0.6	4.3	2.4	-0.1	5.5	1.9
	II	3.8	5.2	1.3	3.3	0.5	-0.5	8.1	2.7
	III	1.7	3.5	1.7	3.3	0.6	1.6	4.5	2.7
	IV	2.5	3.8	1.3	4.2	0.9	1.7	5.3	3.1
	ANNUAL	3.1	4.4	1.3	3.8	1.1	0.7	5.8	2.6
2005	I	2.4	3.8	1.3	4.7	1.6	2.2	4.1	2.9
	II	1.6	3.6	1.9	4.0	1.0	2.3	3.0	2.6
	III	2.7	3.9	1.2	4.9	1.1	2.1	4.4	3.0
	IV	2.4	3.7	1.3	4.0	0.3	1.6	5.1	3.0
	ANNUAL	2.3	3.7	1.4	4.4	1.0	2.1	4.2	2.9
2006	I	2.7	4.4	1.6	6.4	2.6	3.6	1.8	2.9
	II	2.7	4.0	1.3	5.8	1.7	3.0	3.2	3.1
	III	1.5	r3.3	1.8	r4.5	r1.2	r3.1	r1.7	2.5
	IV	2.0	3.8	1.8	4.8	2.8	2.8	0.7	1.9
	ANNUAL	2.2	3.9	1.6	5.4	2.1	3.1	1.8	2.6

See footnotes following Table 6.
r=revised

February 7, 2007
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									
2004	I	130.5	151.9	116.4	153.4	117.8	117.6	123.6	119.8
	II	132.2	153.9	116.4	154.8	117.6	117.2	126.8	120.7
	III	132.2	155.1	117.3	156.6	118.3	118.4	126.6	121.4
	IV	132.4	156.0	117.8	158.7	118.9	119.9	127.0	122.5
	ANNUAL	131.8	154.2	117.0	155.9	118.2	118.3	126.0	121.1
2005	I	133.5	157.6	118.0	160.4	119.5	120.1	129.4	123.5
	II	134.3	159.4	118.6	161.0	118.9	119.9	131.8	124.3
	III	135.8	161.3	118.8	164.1	119.5	120.9	133.1	125.3
	IV	135.8	162.0	119.3	165.3	119.4	121.7	134.3	126.4
	ANNUAL	134.9	160.0	118.7	162.7	119.3	120.7	132.2	124.9
2006	I	137.2	164.6	120.0	170.6	122.6	124.4	132.2	127.3
	II	137.6	165.7	120.4	170.1	120.8	123.6	136.4	128.3
	III	r137.5	r166.5	r121.0	r171.4	r120.8	r124.6	r135.4	r128.6
	IV	138.6	168.2	121.4	173.4	122.9	125.2	134.9	128.7
	ANNUAL	137.7	166.2	120.7	171.4	121.8	124.5	134.7	128.2
Percent change from previous quarter at annual rate(5)									
2004	I	1.9	3.6	1.7	1.3	-2.2	-0.5	10.8	3.6
	II	5.1	5.2	0.1	3.7	-0.4	-1.4	10.6	3.1
	III	0.2	3.2	3.0	4.5	2.3	4.3	-0.6	2.4
	IV	0.4	2.4	2.0	5.6	2.0	5.1	1.3	3.7
	ANNUAL	3.0	4.3	1.3	3.6	0.9	0.7	5.4	2.4
2005	I	3.6	4.2	0.6	4.3	1.9	0.7	7.7	3.3
	II	2.3	4.4	2.1	1.6	-2.0	-0.7	7.8	2.5
	III	4.4	4.9	0.4	7.8	2.2	3.3	3.9	3.5
	IV	-0.1	1.8	1.8	2.9	-0.4	3.0	3.7	3.3
	ANNUAL	2.3	3.8	1.5	4.4	1.0	2.0	4.9	3.1
2006	I	4.3	6.7	2.3	13.7	11.3	9.0	-6.2	2.9
	II	1.2	2.7	1.5	-1.2	-5.9	-2.4	13.3	3.4
	III	r-0.1	r1.9	r2.0	r3.1	r0.1	r3.2	r-2.8	r0.8
	IV	3.0	4.2	1.2	4.8	7.1	1.7	-1.6	0.4
	ANNUAL	2.1	3.9	1.7	5.3	2.1	3.2	1.9	2.7
Percent change from corresponding quarter of previous year									
2004	I	4.3	5.1	0.7	4.2	2.3	-0.1	4.5	1.6
	II	4.1	5.3	1.2	3.4	0.6	-0.7	7.3	2.3
	III	1.6	3.4	1.7	3.2	0.4	1.5	4.2	2.5
	IV	1.9	3.6	1.7	3.8	0.4	1.8	5.4	3.2
	ANNUAL	3.0	4.3	1.3	3.6	0.9	0.7	5.4	2.4
2005	I	2.3	3.8	1.4	4.5	1.5	2.2	4.7	3.1
	II	1.6	3.6	1.9	4.0	1.0	2.3	4.0	3.0
	III	2.7	4.0	1.3	4.8	1.0	2.1	5.1	3.3
	IV	2.5	3.8	1.2	4.1	0.4	1.6	5.7	3.2
	ANNUAL	2.3	3.8	1.5	4.4	1.0	2.0	4.9	3.1
2006	I	2.7	4.4	1.7	6.4	2.6	3.6	2.2	3.0
	II	2.4	4.0	1.5	5.6	1.6	3.1	3.4	3.3
	III	r1.3	r3.2	1.9	r4.5	r1.1	r3.1	r1.8	2.6
	IV	2.1	3.9	1.8	4.9	3.0	2.8	0.4	1.9
	ANNUAL	2.1	3.9	1.7	5.3	2.1	3.2	1.9	2.7

See footnotes following Table 6.
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February 7, 2007
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							
2004	I	r161.7	r138.0	85.4	157.5	120.8	r97.4
	II	r163.0	r138.6	85.0	159.8	121.4	r98.0
	III	r164.1	r139.4	84.9	163.0	123.2	r99.3
	IV	r166.4	r140.5	84.4	165.5	124.0	r99.4
	ANNUAL	r163.8	r139.1	84.9	161.4	122.3	r98.5
2005	I	r168.7	r142.2	84.3	166.1	123.7	r98.5
	II	r171.1	r143.4	83.8	167.8	123.8	r98.0
	III	r172.5	r144.2	83.6	170.7	124.3	r98.9
	IV	r173.9	r147.0	84.5	170.9	123.4	r98.2
	ANNUAL	r171.6	r144.2	84.0	168.8	123.8	r98.4
2006	I	r175.6	r149.1	84.9	176.3	126.7	r100.4
	II	r177.0	r151.2	85.4	173.7	123.3	r98.1
	III	r179.8	r153.0	r85.1	r175.1	r123.4	r97.4
	IV	180.8	152.4	84.3	178.2	126.3	98.6
	ANNUAL	178.3	151.4	84.9	175.8	124.9	98.6
Percent change from previous quarter at annual rate(5)							
2004	I	r-1.7	r0.4	2.2	-10.6	-13.7	r-9.0
	II	r3.3	r1.7	-1.6	5.9	1.8	r2.5
	III	r2.7	r2.2	-0.4	8.3	6.0	r5.5
	IV	r5.8	r3.4	-2.3	6.3	2.7	r0.5
	ANNUAL	r1.8	1.3	-0.5	2.0	-0.7	r0.2
2005	I	r5.5	r4.9	-0.5	1.5	-0.8	r-3.8
	II	r6.0	r3.3	-2.5	4.0	0.3	r-1.9
	III	r3.3	r2.2	-1.0	7.1	1.5	r3.7
	IV	r3.2	r7.9	4.6	0.5	-2.7	r-2.6
	ANNUAL	r4.7	r3.6	-1.1	4.6	1.2	r-0.1
2006	I	r3.9	r6.0	2.0	13.3	11.0	r9.0
	II	r3.3	r5.7	2.3	-5.8	-10.3	r-8.8
	III	r6.3	r4.8	r-1.5	r3.3	r0.3	r-2.9
	IV	2.2	-1.6	-3.7	7.3	9.8	5.0
	ANNUAL	3.9	5.0	1.1	4.1	0.9	0.2
Percent change from corresponding quarter of previous year							
2004	I	r2.2	r0.4	-1.8	1.9	0.0	r-0.3
	II	r2.0	r1.4	-0.6	1.6	-1.1	r-0.4
	III	r0.7	r1.6	0.9	2.3	-0.4	r1.6
	IV	r2.5	r1.9	-0.6	2.2	-1.1	r-0.3
	ANNUAL	r1.8	1.3	-0.5	2.0	-0.7	r0.2
2005	I	r4.3	r3.0	-1.2	5.5	2.4	r1.1
	II	r5.0	r3.4	-1.5	5.0	2.0	r0.0
	III	r5.1	r3.5	-1.6	4.7	0.9	r-0.4
	IV	r4.5	r4.6	0.1	3.2	-0.5	r-1.2
	ANNUAL	r4.7	r3.6	-1.1	4.6	1.2	r-0.1
2006	I	r4.1	r4.9	0.7	6.1	2.4	r2.0
	II	r3.4	r5.5	1.9	3.5	-0.4	r0.1
	III	r4.2	r6.1	1.8	r2.6	r-0.7	r-1.5
	IV	3.9	3.7	-0.2	4.3	2.3	0.3
	ANNUAL	3.9	5.0	1.1	4.1	0.9	0.2

See footnotes following Table 6.
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February 7, 2007
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							
2004	I	r184.9	r165.1	89.2	153.6	117.9	r83.1
	II	r185.4	r165.0	89.0	156.4	118.9	r84.4
	III	r185.8	r165.9	89.3	159.8	120.8	r86.0
	IV	r188.1	r167.2	88.9	161.7	121.2	r86.0
	ANNUAL	r186.1	r165.8	89.1	157.9	119.7	r84.9
2005	I	r190.7	r169.5	88.9	161.7	120.5	r84.8
	II	r193.6	r171.5	88.6	162.8	120.2	r84.1
	III	r196.7	r174.4	88.7	165.8	120.8	r84.3
	IV	r201.1	r180.4	89.7	165.8	119.8	r82.5
	ANNUAL	r195.5	r174.0	89.0	164.1	120.3	r83.9
2006	I	r203.1	r182.9	90.0	172.1	123.6	r84.7
	II	r205.9	r187.0	90.9	169.6	120.4	r82.4
	III	r210.1	r189.6	90.2	r171.9	r121.2	r81.8
	IV	211.9	189.3	89.4	175.2	124.2	82.7
	ANNUAL	207.7	187.2	90.1	172.2	122.3	82.9
Percent change from previous quarter at annual rate(5)							
2004	I	r-2.3	r1.8	4.2	-16.1	-19.0	r-14.1
	II	r1.0	r-0.3	-1.2	7.5	3.3	r6.4
	III	r0.8	r2.3	1.5	8.9	6.6	r8.0
	IV	r5.1	r3.0	-1.9	5.0	1.4	r-0.1
	ANNUAL	r1.2	1.8	0.6	0.7	-1.9	r-0.5
2005	I	r5.7	r5.8	0.1	0.0	-2.3	r-5.4
	II	r6.3	r4.8	-1.4	2.8	-1.0	r-3.3
	III	6.5	r6.9	0.4	7.5	1.9	r1.0
	IV	r9.4	r14.6	4.8	0.0	-3.2	r-8.5
	ANNUAL	r5.1	r4.9	-0.1	3.9	0.5	r-1.1
2006	I	r4.1	r5.5	1.4	15.9	13.5	r11.3
	II	r5.5	r9.4	3.8	-5.5	-10.0	r-10.4
	III	r8.6	r5.5	-2.9	r5.5	r2.5	r-2.9
	IV	3.3	-0.5	-3.7	7.9	10.4	4.5
	ANNUAL	6.2	7.6	1.3	5.0	1.7	-1.2
Percent change from corresponding quarter of previous year							
2004	I	r2.5	r1.5	-1.0	0.4	-1.4	r-2.1
	II	1.8	2.2	0.4	0.5	-2.3	-1.3
	III	-0.7	1.8	2.5	1.2	-1.5	1.9
	IV	r1.1	r1.7	0.6	0.8	-2.5	r-0.4
	ANNUAL	r1.2	1.8	0.6	0.7	-1.9	r-0.5
2005	I	r3.1	r2.7	-0.4	5.3	2.2	r2.1
	II	4.4	4.0	-0.4	4.1	1.1	-0.3
	III	r5.9	5.1	-0.7	3.8	0.0	r-2.0
	IV	r6.9	r8.0	1.0	2.5	-1.2	r-4.1
	ANNUAL	r5.1	r4.9	-0.1	3.9	0.5	r-1.1
2006	I	r6.5	r7.9	1.3	6.4	2.6	r-0.1
	II	r6.3	r9.1	2.6	4.2	0.2	r-2.0
	III	r6.8	r8.7	1.7	r3.7	r0.3	-3.0
	IV	5.3	4.9	-0.4	5.7	3.7	0.3
	ANNUAL	6.2	7.6	1.3	5.0	1.7	-1.2

See footnotes following Table 6.
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February 7, 2007
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							
2004	I	r138.4	r110.1	79.6	163.0	125.1	r117.8
	II	r140.6	r111.2	79.1	164.2	124.8	r116.8
	III	r142.6	r111.8	78.4	166.9	126.2	r117.0
	IV	r145.0	r112.8	77.8	170.5	127.8	r117.6
	ANNUAL	r141.6	r111.5	78.7	166.1	125.9	r117.3
2005	I	r147.0	r113.9	77.5	172.3	128.4	r117.2
	II	r149.2	r114.3	76.6	175.0	129.1	r117.2
	III	r149.5	r113.5	75.9	177.5	129.3	r118.7
	IV	r148.3	r113.8	76.7	178.1	128.7	r120.1
	ANNUAL	r148.5	r113.9	76.7	175.7	128.9	r118.3
2006	I	r149.6	r115.6	77.3	181.9	130.7	r121.6
	II	r150.3	r116.1	77.3	178.7	126.9	r119.0
	III	r151.4	r117.3	r77.5	r178.5	r125.8	r117.9
	IV	151.7	116.4	76.7	181.1	128.4	119.4
	ANNUAL	150.7	116.3	77.2	180.0	127.9	119.4
Percent change from previous quarter at annual rate(5)							
2004	I	r-0.1	r-1.2	-1.1	0.3	-3.2	r0.4
	II	r6.6	r4.1	-2.3	3.1	-0.9	r-3.3
	III	r5.9	r2.0	-3.6	6.8	4.5	r0.9
	IV	r6.7	r3.7	-2.8	8.8	5.1	r2.0
	ANNUAL	r3.2	0.8	-2.4	4.2	1.5	r1.0
2005	I	r5.6	r3.8	-1.7	4.3	1.9	r-1.2
	II	r6.4	r1.6	-4.4	6.3	2.5	r-0.1
	III	r0.8	-2.8	-3.5	5.9	0.4	r5.1
	IV	r-3.2	r0.9	4.2	1.4	-1.9	r4.7
	ANNUAL	r4.9	r2.1	-2.6	5.8	2.3	r0.9
2006	I	r3.4	r6.6	3.1	8.8	6.5	r5.2
	II	r1.8	r1.7	-0.2	-6.7	-11.1	r-8.4
	III	r3.0	r4.1	r1.0	r-0.6	r-3.5	r-3.6
	IV	0.9	-3.0	-3.9	6.1	8.5	5.1
	ANNUAL	1.5	2.2	0.7	2.5	-0.7	1.0
Percent change from corresponding quarter of previous year							
2004	I	r2.2	r-0.9	-3.1	4.6	2.7	r2.3
	II	r2.8	r0.5	-2.2	3.6	0.8	r0.8
	III	r3.2	r1.4	-1.7	4.0	1.2	r0.8
	IV	r4.7	r2.1	-2.5	4.7	1.3	r0.0
	ANNUAL	r3.2	0.8	-2.4	4.2	1.5	r1.0
2005	I	r6.2	r3.4	-2.6	5.7	2.6	r-0.5
	II	r6.1	r2.8	-3.2	6.5	3.5	r0.4
	III	r4.8	r1.5	-3.1	6.3	2.5	r1.4
	IV	r2.3	r0.9	-1.4	4.5	0.7	r2.1
	ANNUAL	r4.9	r2.1	-2.6	5.8	2.3	r0.9
2006	I	r1.8	r1.5	-0.2	5.6	1.8	r3.7
	II	r0.7	r1.5	0.9	2.2	-1.7	r1.5
	III	r1.2	r3.3	2.0	r0.5	-2.7	r-0.7
	IV	2.3	2.3	0.0	1.7	-0.2	-0.6
	ANNUAL	1.5	2.2	0.7	2.5	-0.7	1.0

See footnotes following Table 6.
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February 7, 2007
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											
2004	I	r137.4	r159.5	116.1	151.8	116.5	r110.5	r109.2	r110.1	r131.3	r112.0
	II	r138.2	r160.6	116.2	153.2	116.4	r110.8	r109.7	r110.5	r139.7	r113.1
	III	r139.7	r163.2	116.8	155.0	117.1	r110.9	r109.8	r110.6	r143.1	r113.5
	IV	r139.9	r164.0	117.2	157.1	117.7	r112.3	r110.2	r111.7	r143.6	r114.6
	ANNUAL	r138.8	r161.8	116.6	154.3	116.9	r111.1	r109.7	r110.7	r139.5	r113.3
2005	I	r141.1	r165.6	117.4	158.6	118.2	r112.4	r111.5	r112.2	r150.2	r115.6
	II	r142.3	r168.0	118.1	159.3	117.6	r111.9	r111.9	r111.9	r161.4	r116.4
	III	r142.7	r168.9	118.3	162.4	118.3	r113.8	r114.9	r114.1	r152.9	r117.6
	IV	r143.0	r170.4	119.1	163.6	118.2	r114.4	r113.3	r114.1	r163.7	r118.5
	ANNUAL	r142.3	r168.2	118.2	161.0	118.1	r113.1	r112.9	r113.1	r157.1	r117.0
2006	I	r146.9	r175.6	119.6	168.5	121.1	r114.7	r111.1	r113.8	r177.3	r119.4
	II	r145.3	r174.4	120.1	168.2	119.4	r115.8	r113.7	r115.2	r172.1	r120.3
	III	r147.3	r177.5	r120.5	r169.6	r119.5	r115.1	r111.7	r114.2	r183.8	r120.4
Percent change from previous quarter at annual rate(5)											
2004	I	r2.3	r5.0	2.7	-0.5	-3.9	r-2.7	r-3.0	r-2.8	r54.5	r1.8
	II	r2.3	r2.8	0.5	3.7	-0.3	r1.4	r1.8	r1.5	r28.0	r4.1
	III	r4.5	r6.6	2.0	4.7	2.5	r0.2	r0.4	r0.2	r10.2	r1.3
	IV	r0.4	r2.0	1.5	5.6	2.0	r5.2	r1.5	r4.2	r1.3	r3.8
	ANNUAL	r3.1	r4.5	1.3	3.2	0.5	r0.1	r-1.2	r-0.3	r26.9	r2.1
2005	I	r3.6	r4.1	0.5	4.0	1.6	r0.4	r5.0	r1.6	r19.7	r3.5
	II	r3.3	r5.7	2.4	1.6	-2.1	r-1.6	r1.5	r-0.8	r33.6	r2.8
	III	r1.2	r2.2	1.0	8.2	2.6	r7.0	r11.1	r8.1	r-19.6	r4.3
	IV	r1.0	r3.6	2.6	3.0	-0.3	r2.0	r-5.4	r0.0	r31.2	r3.3
	ANNUAL	r2.5	r4.0	1.4	4.4	1.0	r1.8	r3.0	r2.1	r12.6	r3.3
2006	I	11.1	13.0	1.7	12.4	10.1	1.2	-7.7	-1.2	37.9	3.1
	II	-4.3	-2.7	1.6	-0.7	-5.4	3.7	9.6	5.3	-11.4	2.9
	III	r5.7	7.3	r1.5	r3.3	r0.4	r-2.3	r-6.6	-3.4	r30.2	r0.5
Percent change from corresponding quarter of previous year											
2004	I	r4.1	r4.7	0.6	3.8	2.0	r-0.2	r-3.1	r-1.0	r27.5	r1.4
	II	r3.3	r4.5	1.2	2.9	0.1	r-0.3	r-1.2	r-0.6	r32.1	r2.2
	III	r2.8	r4.7	1.8	2.8	0.0	r-0.1	r-0.8	r-0.3	r26.9	r2.2
	IV	r2.4	r4.1	1.7	3.4	0.0	r1.0	r0.2	r0.8	r21.9	r2.8
	ANNUAL	r3.1	r4.5	1.3	3.2	0.5	r0.1	r-1.2	r-0.3	r26.9	r2.1
2005	I	r2.7	r3.9	1.1	4.5	1.5	r1.7	r2.2	r1.9	r14.4	r3.2
	II	r3.0	r4.6	1.6	4.0	1.0	r1.0	r2.1	r1.3	r15.6	r2.9
	III	r2.1	r3.5	1.4	4.8	1.0	r2.7	r4.7	r3.2	r6.8	r3.6
	IV	r2.2	r3.9	1.6	4.2	0.4	r1.9	r2.9	r2.1	r14.0	r3.5
	ANNUAL	r2.5	r4.0	1.4	4.4	1.0	r1.8	r3.0	r2.1	r12.6	r3.3
2006	I	r4.0	r6.0	1.9	6.2	2.5	r2.1	r-0.4	r1.4	r18.1	r3.4
	II	r2.1	r3.8	1.7	5.6	1.6	r3.5	r1.5	r2.9	r6.6	r3.4
	III	r3.2	r5.1	r1.8	r4.4	r1.0	r1.1	r-2.8	r0.1	r20.2	r2.4

See footnotes following Table 6.
r=revised

February 7, 2007
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 -1.3 and $+1.3$ 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 2006.

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 1978-2005 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							
2001	I	r140.0	r140.4	100.3	138.1	112.4	r98.6
	II	r140.8	r138.0	98.0	137.4	111.0	r97.5
	III	r141.3	r135.4	95.8	137.0	110.4	r97.0
	IV	r144.3	r133.4	92.5	139.0	112.1	r96.3
	ANNUAL	r141.5	r136.8	96.6	137.9	111.5	r97.4
2002	I	r147.8	r134.2	90.8	144.6	116.2	r97.9
	II	r150.5	r136.1	90.4	147.6	117.8	r98.1
	III	r153.0	r137.0	89.5	149.1	118.3	r97.4
	IV	r154.8	r136.8	88.4	150.2	118.5	r97.1
	ANNUAL	r151.5	r136.0	89.8	147.8	117.7	r97.6
2003	I	r158.2	r137.5	86.9	154.6	120.8	r97.7
	II	r159.9	r136.7	85.5	157.2	122.8	r98.3
	III	r163.0	r137.2	84.2	159.4	123.7	r97.8
	IV	r162.4	r137.9	84.9	162.0	125.4	r99.7
	ANNUAL	r160.8	r137.3	85.4	158.2	123.2	r98.4

Percent change from previous quarter at annual rate(5)							
2001	I	r-0.3	r-6.9	-6.6	4.1	0.2	r4.4
	II	r2.4	r-6.6	-8.7	-2.1	-4.8	r-4.4
	III	r1.3	r-7.4	-8.6	-1.0	-2.0	r-2.3
	IV	r8.7	r-5.8	-13.3	5.9	6.3	r-2.6
	ANNUAL	1.5	-5.1	-6.5	2.3	-0.5	0.8
2002	I	r10.0	r2.4	-6.9	17.1	15.4	r6.4
	II	r7.6	r5.8	-1.7	8.6	5.4	r0.9
	III	r6.8	r2.7	-3.9	4.1	1.8	r-2.5
	IV	r4.7	r-0.7	-5.2	3.1	0.7	r-1.5
	ANNUAL	7.0	-0.6	-7.1	7.3	5.6	0.2
2003	I	r9.2	r2.2	-6.4	12.1	7.9	r2.7
	II	4.2	r-2.4	-6.3	7.0	6.8	2.7
	III	r8.1	r1.6	-6.0	5.6	3.0	r-2.4
	IV	r-1.4	r2.1	3.5	6.7	5.5	r8.2
	ANNUAL	6.2	1.0	-4.9	7.0	4.6	0.8

Percent change from corresponding quarter of previous year							
2001	I	r1.3	r-2.5	-3.7	3.7	0.2	r2.3
	II	r1.0	-5.0	-5.9	3.6	0.3	2.7
	III	r1.5	r-6.2	-7.7	0.8	-1.8	r-0.7
	IV	r3.0	r-6.7	-9.3	1.7	-0.2	r-1.3
	ANNUAL	1.5	-5.1	-6.5	2.3	-0.5	0.8
2002	I	r5.5	r-4.4	-9.4	4.7	3.4	r-0.8
	II	6.9	-1.4	-7.7	7.5	6.1	0.5
	III	r8.3	r1.2	-6.6	8.8	7.1	r0.5
	IV	r7.3	r2.5	-4.4	8.1	5.7	r0.7
	ANNUAL	7.0	-0.6	-7.1	7.3	5.6	0.2
2003	I	r7.1	r2.5	-4.3	6.9	3.9	r-0.2
	II	r6.2	0.4	-5.4	6.5	4.3	r0.3
	III	r6.5	r0.2	-6.0	6.9	4.6	r0.3
	IV	r4.9	r0.8	-3.9	7.8	5.8	r2.7
	ANNUAL	6.2	1.0	-4.9	7.0	4.6	0.8

See footnotes following Table 6.
r=revisedFebruary 7, 2007
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							
2001	I	r157.6	r168.0	106.6	136.3	110.9	r86.5
	II	r158.2	r164.3	103.9	135.8	109.8	r85.9
	III	r158.7	r159.9	100.7	135.5	109.2	r85.4
	IV	r161.3	r155.8	96.6	137.9	111.3	r85.5
	ANNUAL	r158.9	r162.0	101.9	136.4	110.3	r85.8
2002	I	r165.7	r156.9	94.7	141.9	114.1	r85.6
	II	r169.5	r160.0	94.4	145.0	115.7	r85.5
	III	r173.2	r161.8	93.4	146.0	115.9	r84.3
	IV	r176.7	r161.9	91.7	147.3	116.2	r83.4
	ANNUAL	r171.2	r160.1	93.5	145.0	115.5	r84.7
2003	I	r180.4	r162.6	90.1	153.1	119.6	r84.8
	II	r182.2	r161.4	88.6	155.7	121.6	r85.4
	III	r187.1	r163.0	87.1	157.9	122.6	r84.4
	IV	r186.0	r164.3	88.3	160.5	124.3	r86.3
	ANNUAL	r183.9	r162.8	88.5	156.8	122.0	r85.3

Percent change from previous quarter at annual rate(5)							
2001	I	r-1.1	r-8.5	-7.4	2.5	-1.3	r3.6
	II	r1.4	r-8.5	-9.8	-1.3	-4.1	r-2.7
	III	r1.4	r-10.4	-11.6	-0.8	-1.9	r-2.2
	IV	r6.6	r-9.7	-15.2	7.2	7.6	r0.6
	ANNUAL	r0.6	-6.7	-7.2	1.6	-1.2	1.0
2002	I	r11.5	r2.7	-7.9	12.1	10.5	r0.5
	II	r9.4	r8.2	-1.1	9.0	5.8	r-0.4
	III	r9.1	r4.5	-4.2	2.9	0.7	r-5.6
	IV	r8.2	r0.4	-7.2	3.7	1.3	r-4.2
	ANNUAL	7.8	-1.1	-8.3	6.4	4.7	-1.3
2003	I	r8.8	r1.6	-6.6	16.5	12.2	r7.1
	II	r4.0	-2.8	-6.5	6.9	6.7	2.9
	III	r11.2	r4.0	-6.5	5.8	3.3	r-4.8
	IV	r-2.2	r3.3	5.6	6.9	5.7	r9.3
	ANNUAL	7.4	1.7	-5.3	8.1	5.7	0.7

Percent change from corresponding quarter of previous year							
2001	I	r0.5	r-2.8	-3.3	2.2	-1.2	r1.7
	II	-0.1	-6.2	-6.1	3.0	-0.3	3.1
	III	r0.3	r-8.3	-8.6	-0.1	-2.7	r-0.5
	IV	r2.0	r-9.3	-11.1	1.8	0.0	r-0.2
	ANNUAL	r0.6	-6.7	-7.2	1.6	-1.2	1.0
2002	I	r5.1	r-6.6	-11.2	4.1	2.9	r-1.0
	II	r7.1	r-2.6	-9.1	6.7	5.4	r-0.4
	III	r9.1	r1.2	-7.3	7.7	6.1	r-1.3
	IV	r9.5	r3.9	-5.1	6.8	4.5	r-2.5
	ANNUAL	7.8	-1.1	-8.3	6.4	4.7	-1.3
2003	I	r8.9	r3.6	-4.8	7.9	4.9	r-0.9
	II	r7.5	r0.9	-6.1	7.4	5.1	r-0.1
	III	r8.0	r0.8	-6.7	8.1	5.8	r0.1
	IV	r5.3	r1.5	-3.6	9.0	6.9	r3.5
	ANNUAL	7.4	1.7	-5.3	8.1	5.7	0.7

See footnotes following Table 6.
r=revised

February 7, 2007
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							
2001	I	r123.0	r111.7	90.8	139.2	113.3	r113.2
	II	r123.8	r110.5	89.2	138.0	111.6	r111.5
	III	r123.7	r109.5	88.5	137.9	111.2	r111.5
	IV	r126.8	r109.3	86.2	139.3	112.4	r109.9
	ANNUAL	r124.3	r110.2	88.7	138.6	112.1	r111.5
2002	I	r129.3	r110.0	85.1	148.1	119.1	r114.5
	II	r131.2	r110.9	84.5	150.9	120.4	r115.0
	III	r132.5	r111.0	83.8	153.3	121.6	r115.6
	IV	r132.4	r110.4	83.4	154.2	121.7	r116.5
	ANNUAL	r131.4	r110.6	84.2	151.6	120.7	r115.4
2003	I	r135.4	r111.1	82.1	155.8	121.8	r115.1
	II	r136.8	r110.6	80.9	158.5	123.8	r115.9
	III	r138.2	r110.3	79.8	160.6	124.6	r116.1
	IV	r138.4	r110.4	79.8	162.8	126.1	r117.6
	ANNUAL	r137.2	r110.6	80.6	159.4	124.1	r116.2

Percent change from previous quarter at annual rate(5)							
2001	I	r-0.1	r-5.3	-5.2	7.9	3.9	r8.0
	II	2.8	-4.2	-6.8	-3.4	-6.0	-6.0
	III	r-0.3	r-3.5	-3.2	-0.3	-1.4	r0.0
	IV	r10.5	r-0.6	-10.0	4.1	4.5	r-5.7
	ANNUAL	2.2	-3.2	-5.4	4.0	1.2	1.8
2002	I	r8.2	r2.5	-5.3	27.6	25.9	r18.0
	II	r6.0	3.2	-2.7	7.7	4.5	r1.6
	III	r4.1	r0.5	-3.4	6.5	4.2	r2.4
	IV	r-0.5	r-2.2	-1.7	2.5	0.1	r3.0
	ANNUAL	r5.7	r0.3	-5.1	9.4	7.6	3.5
2003	I	r9.3	r2.7	-6.0	4.2	0.3	r-4.7
	II	r4.3	r-1.9	-6.0	7.2	7.0	r2.7
	III	r4.3	r-1.3	-5.3	5.2	2.7	r0.9
	IV	r0.5	r0.6	0.1	5.8	4.7	r5.3
	ANNUAL	r4.4	r0.0	-4.2	5.2	2.8	r0.7

Percent change from corresponding quarter of previous year							
2001	I	r2.3	r-2.2	-4.4	6.7	3.2	r4.3
	II	1.9	r-3.6	-5.4	5.1	1.7	r3.1
	III	2.4	-3.7	-5.9	3.1	0.5	r0.8
	IV	r3.1	r-3.4	-6.3	2.0	0.2	r-1.1
	ANNUAL	2.2	-3.2	-5.4	4.0	1.2	1.8
2002	I	5.2	-1.5	-6.3	6.4	5.1	r1.1
	II	6.0	0.4	-5.3	9.3	7.9	3.1
	III	r7.2	r1.4	-5.4	11.1	9.4	r3.7
	IV	r4.4	r1.0	-3.3	10.7	8.2	r6.0
	ANNUAL	r5.7	r0.3	-5.1	9.4	7.6	3.5
2003	I	4.6	1.0	-3.5	5.2	2.3	r0.5
	II	4.2	r-0.2	-4.3	5.1	2.8	r0.8
	III	4.3	r-0.7	-4.8	4.7	2.5	0.4
	IV	r4.6	r0.0	-4.3	5.6	3.6	r1.0
	ANNUAL	r4.4	r0.0	-4.2	5.2	2.8	r0.7

See footnotes following Table 6.
r=revised

February 7, 2007
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	Compensa- tion per hour (1)	Real compensa- tion per hour (2)	Unit labor costs
1987	r89.1	r92.5	103.8	81.3	98.0	r91.2
1988	r90.9	r97.2	107.0	84.1	97.8	r92.5
1989	r91.8	r98.8	107.6	86.6	96.6	r94.3
1990	r93.8	r98.5	105.0	90.5	96.1	r96.4
1991	r96.3	r96.8	100.5	95.6	98.0	r99.2
1992	100.0	100.0	100.0	100.0	100.0	100.0
1993	r102.4	r103.9	101.4	102.0	99.5	r99.6
1994	r106.1	r110.0	103.8	105.3	100.6	r99.3
1995	r110.7	r115.8	104.6	107.3	100.1	r96.9
1996	r115.0	r119.7	104.2	109.3	99.3	r95.1
1997	r121.2	r128.5	106.0	112.2	99.8	r92.6
1998	r127.9	r135.2	105.7	118.8	104.2	r92.9
1999	r133.5	r140.3	105.1	123.4	106.0	r92.4
2000	r139.4	r144.1	103.4	134.7	112.0	r96.7
2001	r141.5	r136.8	96.6	137.9	111.5	r97.4
2002	r151.5	r136.0	89.8	147.8	117.7	r97.6
2003	r160.8	r137.3	85.4	158.2	123.2	r98.4
2004	r163.8	r139.1	84.9	161.4	122.3	r98.5
2005	r171.6	r144.2	84.0	168.8	123.8	r98.4
2006	r178.3	r151.4	r84.9	r175.8	r124.9	r98.6

See footnotes following Table 6.
r=revised

February 7, 2007
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	Compensa- tion per hour (1)	Real compensa- tion per hour (2)	Unit labor costs
1987	r88.5	r94.2	106.5	81.3	97.9	r91.8
1988	r90.4	r100.0	110.6	83.6	97.2	r92.5
1989	r91.1	r101.1	111.0	85.9	95.8	r94.3
1990	r92.9	r99.8	107.4	89.5	95.0	r96.3
1991	r94.6	r96.0	101.4	94.9	97.3	r100.3
1992	100.0	100.0	100.0	100.0	100.0	100.0
1993	r103.9	r105.4	101.4	101.9	99.4	r98.1
1994	r109.1	r114.2	104.7	105.4	100.7	r96.7
1995	r115.6	r123.3	106.6	106.7	99.5	r92.3
1996	r122.1	r131.0	107.3	108.1	98.2	r88.5
1997	r130.4	r144.0	110.5	110.6	98.4	r84.8
1998	r140.6	r156.0	111.0	117.1	102.7	r83.3
1999	r150.5	r166.4	110.6	122.4	105.2	r81.3
2000	r158.0	r173.5	109.8	134.2	111.6	r84.9
2001	r158.9	r162.0	101.9	136.4	110.3	r85.8
2002	r171.2	r160.1	93.5	145.0	115.5	r84.7
2003	r183.9	r162.8	88.5	156.8	122.0	r85.3
2004	r186.1	r165.8	89.1	157.9	119.7	r84.9
2005	r195.5	r174.0	89.0	164.1	120.3	r83.9
2006	r207.7	r187.2	r90.1	r172.2	r122.3	r82.9

See footnotes following Table 6.
r=revised

February 7, 2007
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	Compensa- tion per hour (1)	Real compensa- tion per hour (2)	Unit labor costs
1987	r91.5	r91.2	99.7	80.8	97.4	r88.3
1988	r93.2	r94.5	101.5	84.2	98.0	r90.4
1989	r93.9	r96.5	102.7	87.1	97.2	r92.8
1990	r95.8	r97.1	101.4	91.7	97.4	r95.7
1991	98.2	97.4	99.2	96.5	98.9	r98.3
1992	100.0	100.0	100.0	100.0	100.0	100.0
1993	r100.9	r102.3	101.4	102.3	99.8	r101.3
1994	r103.3	r105.6	102.3	104.7	100.1	r101.4
1995	r105.9	r107.6	101.6	107.8	100.6	r101.8
1996	r108.2	r107.7	99.5	110.8	100.7	r102.4
1997	r112.8	r112.1	99.4	114.1	101.5	r101.2
1998	r115.7	r113.3	97.9	120.3	105.5	r104.0
1999	r116.8	r113.1	96.9	123.6	106.2	r105.8
2000	r121.6	r113.9	93.7	133.2	110.8	r109.6
2001	r124.3	r110.2	88.7	138.6	112.1	r111.5
2002	r131.4	r110.6	84.2	151.6	120.7	r115.4
2003	r137.2	r110.6	80.6	159.4	124.1	r116.2
2004	r141.6	r111.5	78.7	166.1	125.9	r117.3
2005	r148.5	r113.9	76.7	175.7	128.9	r118.3
2006	r150.7	r116.3	r77.2	r180.0	r127.9	r119.4

See footnotes following Table 6.

r=revised

February 7, 2007

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											
2003	I	r132.0	r152.3	115.3	146.2	114.2	r110.7	r112.6	r111.2	r102.9	r110.5
	II	r133.8	r153.6	114.8	148.8	116.2	r111.2	r111.0	r111.2	r105.7	r110.7
	III	r135.9	r155.9	114.7	150.8	117.1	r111.0	r110.7	r110.9	r112.8	r111.1
	IV	r136.6	r157.5	115.3	152.0	117.7	r111.2	r110.0	r110.9	r117.8	r111.5
	ANNUAL	r134.6	r154.8	115.0	149.4	116.3	r111.0	r111.1	r111.0	r109.9	r110.9

Percent change from previous quarter at annual rate(5)											
2003	I	r1.2	r-1.8	-3.0	3.5	-0.4	r2.3	r11.4	r4.7	r-26.5	r1.5
	II	r5.4	r3.6	-1.8	7.4	7.2	r1.9	r-5.6	r-0.2	r11.3	r0.7
	III	6.4	6.1	-0.3	5.5	2.9	r-0.8	-1.2	r-0.9	r29.4	1.4
	IV	r2.2	r4.3	2.0	3.1	2.0	r0.9	r-2.5	r-0.1	r18.9	r1.6
	ANNUAL	r3.7	r2.2	-1.5	4.0	1.7	r0.3	r0.2	r0.3	r12.1	r1.2

Percent change from corresponding quarter of previous year											
2003	I	r3.7	r2.0	-1.6	3.2	0.3	r-0.5	r-0.4	r-0.4	r20.0	r1.0
	II	r3.4	r1.5	-1.9	3.7	1.5	r0.2	r0.3	r0.2	r11.9	r1.1
	III	r4.1	r2.4	-1.6	4.4	2.1	r0.3	r0.6	r0.4	r12.4	r1.4
	IV	r3.8	r3.0	-0.8	4.9	2.9	r1.0	r0.3	r0.8	r5.9	r1.3
	ANNUAL	r3.7	r2.2	-1.5	4.0	1.7	r0.3	r0.2	r0.3	r12.1	r1.2

See footnotes following Table 6.
r=revised

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Source: Bureau of Labor Statistics