

News

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PRODUCTIVITY AND COSTS

Fourth Quarter and Annual Averages, 2004, Revised

The Bureau of Labor Statistics of the U.S. Department of Labor today reported revised fourth-quarter seasonally-adjusted annual rates of productivity change—as measured by output per hour of all persons—and revised annual changes for the full year 2004. Percent changes in business and nonfarm business productivity were:

	Fourth quarter	Annual averages 2003-2004
Business sector.....	3.7	4.0
Nonfarm business sector.....	2.1	4.0

In the fourth quarter, productivity increased 3.7 percent in the business sector, more than the 2.5 percent preliminary estimate published Feb. 3. In nonfarm businesses, productivity grew 2.1 percent, compared to the preliminary estimate of 0.8 percent (seasonally adjusted annual rates). On an annual average basis, productivity rose 4.0 percent in both sectors—the same as the preliminary estimate for the business sector, and 0.1 percentage point lower than previously reported for nonfarm businesses.

In the manufacturing sector, increases in productivity were:

	Fourth quarter	Annual averages 2003-2004
Manufacturing.....	5.8	5.2
Durable goods manufacturing.....	7.1	6.3
Nondurable goods manufacturing.....	3.9	4.3

Productivity in total manufacturing grew at a 5.8 percent annual rate in the fourth quarter of 2004, slightly more than the 5.6 percent preliminary estimate, as a downward revision to fourth-quarter productivity growth in durable goods manufacturing partially offset an upward revision to output per hour in the nondurable goods subsector. Productivity increases from 2003 to 2004 were revised upward in total manufacturing and both subsectors. Output and hours in

manufacturing, which includes about 13 percent of U.S. business-sector employment, tend to vary more from quarter to quarter than data for the aggregate business and nonfarm business sectors. Fourth-quarter productivity and related measures are summarized in table A and appear in detail in tables 1 through 5. Preliminary and revised fourth-quarter and annual data appear in table C.

Sector	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs
Percent change from preceding quarter						
Business	3.7	4.2	0.5	4.5	0.9	0.8
Nonfarm business	2.1	3.7	1.6	3.4	-0.2	1.3
Manufacturing	5.8	4.6	-1.1	6.2	2.5	0.4
Durable	7.1	6.0	-1.0	6.6	2.9	-0.5
Nondurable	3.9	2.5	-1.3	5.4	1.8	1.5
Percent change from same quarter a year ago						
Business	3.2	4.5	1.3	4.6	1.2	1.4
Nonfarm business	2.8	4.4	1.6	4.2	0.9	1.4
Manufacturing	5.2	5.0	-0.2	4.7	1.3	-0.5
Durable	5.7	6.5	0.8	4.3	0.9	-1.4
Nondurable	4.8	3.0	-1.7	5.2	1.8	0.4

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 prepared by the Board of Governors of the Federal Reserve System. See Technical Notes (page 9) for further information on data sources.

THIRD-TO-FOURTH QUARTER 2004 CHANGES

Business

Labor productivity in the business sector rose at a 3.7 percent annual rate in the fourth quarter of 2004, as output increased 4.2 percent and hours of all persons engaged in the sector increased 0.5 percent (table 1). Output was revised up and hours growth was revised down,

resulting in a larger productivity gain than originally reported. Revised estimates show that output per hour increased 2.0 percent in the third quarter, as output increased 4.5 percent and hours increased 2.5 percent.

Hourly compensation grew at a 4.5-percent annual rate in the fourth quarter, compared with a 5.8-percent rise in the third quarter. This measure includes wages and salaries, supplements, employer contributions to employee-benefit plans, and taxes. Real hourly compensation, which takes into account changes in consumer prices, rose 0.9 percent in the fourth quarter of 2004 after increasing 4.1 percent one quarter earlier.

Unit labor costs, which reflect changes in hourly compensation and productivity, increased 0.8 percent during the fourth quarter of 2004, after rising 3.7 percent in the third quarter. The implicit price deflator for business output, which reflects changes in unit labor costs and unit nonlabor payments, increased 2.1 percent in the fourth quarter and 1.1 percent in the third quarter.

Nonfarm business

In the nonfarm business sector, productivity rose at an annual rate of 2.1 percent in the fourth quarter of 2004, as output grew 3.7 percent and hours of all persons—employees, proprietors, and unpaid family workers—rose 1.6 percent (seasonally adjusted annual rates). Nonfarm business productivity increased 1.3 percent in the third quarter of 2004, as output and hours grew 4.2 percent and 2.8 percent, respectively (table 2).

Hourly compensation rose 3.4 percent in the fourth quarter, after increasing 5.4 percent in the third quarter. When the increase in consumer prices was taken into account, real hourly compensation fell 0.2 percent in the fourth quarter and rose 3.7 percent in the third quarter.

Unit labor costs rose 1.3 percent in the fourth quarter after increasing 4.0 percent one quarter earlier. The implicit price deflator for nonfarm business increased 2.2 percent in the fourth quarter, and 1.8 percent in the third quarter, of 2004.

Manufacturing

Manufacturing productivity increased 5.8 percent in the fourth quarter of 2004, as output grew 4.6 percent and hours fell 1.1 percent (seasonally adjusted annual rates). In durable goods industries, productivity increased 7.1 percent when output grew 6.0 percent and hours fell 1.0 percent. In nondurable goods industries, output per hour gained 3.9 percent, reflecting an increase of 2.5 percent in output and a 1.3 percent decline in hours. During the third quarter, productivity increased 4.4 percent in total manufacturing, 4.6 percent in durable goods manufacturing, and 4.8 percent in nondurable goods manufacturing (tables 3, 4, and 5).

Hourly compensation of all manufacturing workers increased 6.2 percent during the fourth quarter—6.6 percent in durable goods and 5.4 percent in nondurable goods. When the increase in consumer prices was taken into account, real hourly compensation for all manufacturing workers rose 2.5 percent in the fourth quarter and 7.4 percent in the third quarter (as revised).

Unit labor costs in manufacturing rose 0.4 percent in the fourth quarter of 2004, after increasing 4.6 percent in the third quarter. These costs declined 0.5 percent in durable goods industries and rose 1.5 percent in nondurable goods industries during the fourth quarter of 2004.

ANNUAL AVERAGE CHANGES, 2003-2004

Business

Business sector productivity increased 4.0 percent when the annual average for 2004 was compared with the annual average for 2003 (table B). Output increased 5.1 percent and hours of all persons engaged in the sector rose 1.1 percent. In 2003, business sector productivity increased 4.5 percent, as output grew 3.8 percent and hours declined 0.6 percent.

Table B. Productivity and costs: Revised 2004 annual averages (Seasonally adjusted annual rates)						
Sector	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs
Percent change from previous year						
Business	4.0	5.1	1.1	4.5	1.8	0.5
Nonfarm business	4.0	5.3	1.2	4.4	1.7	0.4
Manufacturing	5.2	4.8	-0.4	4.5	1.8	-0.7
Durable	6.3	7.0	0.7	3.9	1.2	-2.3
Nondurable	4.3	2.1	-2.1	5.3	2.6	1.0

Hourly compensation in the business sector increased 4.5 percent in 2004 and 4.1 percent in 2003. Real hourly compensation increased 1.8 percent in each of the last two years.

Business sector unit labor costs increased 0.5 percent in 2004. In 2003, these costs fell 0.4 percent. The implicit price deflator rose 1.7 percent in 2004 and 1.3 percent in 2003.

Nonfarm business

Productivity increased 4.0 percent in the nonfarm business sector during 2004. Output grew 5.3 percent and hours of all persons increased 1.2 percent. In 2003, productivity grew 4.4 percent when output grew 3.8 percent and hours declined 0.5 percent. During 2002, productivity increased 4.3 percent in the nonfarm business sector, as output rose 1.8 percent and hours of all persons fell 2.5 percent. Productivity for the 2001-2004 period rose at an average annual rate of 4.3 percent in nonfarm businesses. The last comparable three-year rise occurred over the 1948-1951 period, when productivity increased at a 4.2 percent annual rate, incorporating rises of 3.3 percent in 1949, 6.6 percent in 1950, and 2.7 percent in 1951.

Hourly compensation grew 4.4 percent in 2004, following a 4.0-percent increase in 2003. Real hourly compensation increased 1.7 percent in both 2003 and 2004.

Unit labor costs in the nonfarm business sector rose 0.4 percent in 2004, after falling 0.4 percent in 2003. The implicit price deflator, which reflects nonlabor payments as well as labor costs, rose 1.6 percent in 2004, following a 1.1-percent rise in 2003.

Manufacturing

Manufacturing productivity grew 5.2 percent in 2004, reflecting a 4.8-percent rise in output and a 0.4-percent decline in hours. In 2003, output per hour also increased 5.2 percent, but that productivity gain was due almost entirely to falling hours, as output was unchanged. Labor productivity increased 6.3 percent in durable goods manufacturing during 2004, as output grew 7.0 percent and hours rose 0.7 percent. In nondurable goods manufacturing, productivity rose 4.3 percent in 2004, as output rose 2.1 percent and hours fell 2.1 percent (tables B, 3, 4, and 5).

Hourly compensation of manufacturing workers increased 4.5 percent in 2004, compared to an 8.7-percent increase one year earlier. Hourly compensation increased 3.9 percent in durable goods industries and 5.3 percent in nondurable goods industries in 2004. Real hourly compensation in the manufacturing sector rose 1.8 percent in 2004, and 6.2 percent in 2003.

Unit labor costs declined 0.7 percent in manufacturing from 2003 to 2004. In durable manufacturing, unit labor costs fell 2.3 percent in 2004. By contrast, unit labor costs in nondurable manufacturing rose last year, by 1.0 percent.

REVISED MEASURES

Productivity and cost data for the fourth quarter and full year 2004 for business, nonfarm business, and manufacturing were revised to incorporate the most recent information. In addition, quarterly and annual measures for these sectors were revised back to 2000 to incorporate the annual benchmark adjustment and updated information on seasonal trends from the BLS nonfarm payroll series (appendix tables 1-5). Third-quarter 2004 measures of hourly compensation, real hourly compensation, and unit labor costs were revised to reflect new information on compensation from the National Income and Product Accounts. Quarterly measures of real hourly compensation during 2004 also reflect the recalculation of seasonal factors for the Consumer Price Index for All Urban Consumers (table C).

Table C. Previous and revised productivity and related measures: Fourth-quarter, third-quarter, and annual averages 2004 (Seasonally adjusted annual rates)						
Sector	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs
Percent change, third to fourth quarter 2004						
Business:						
Previous	2.5	3.3	0.8	4.2	0.8	1.7
Revised.....	3.7	4.2	0.5	4.5	0.9	0.8
Nonfarm business:						
Previous	0.8	2.8	1.9	3.1	-0.3	2.3
Revised.....	2.1	3.7	1.6	3.4	-0.2	1.3
Manufacturing:						
Previous	5.6	4.5	-1.0	6.0	2.5	0.4
Revised.....	5.8	4.6	-1.1	6.2	2.5	0.4
Percent change, second to third quarter 2004						
Business:						
Previous	2.4	4.5	2.0	3.8	1.9	1.3
Revised.....	2.0	4.5	2.5	5.8	4.1	3.7
Nonfarm business:						
Previous	1.8	4.2	2.4	3.5	1.6	1.6
Revised.....	1.3	4.2	2.8	5.4	3.7	4.0
Manufacturing:						
Previous	4.2	4.0	-0.1	4.5	2.6	0.3
Revised.....	4.4	4.0	-0.3	9.1	7.4	4.6
Percent change, 2003 - 2004						
Business:						
Previous	4.0	5.1	1.0	4.3	1.6	0.3
Revised.....	4.0	5.1	1.1	4.5	1.8	0.5
Nonfarm business:						
Previous	4.1	5.3	1.1	4.2	1.5	0.1
Revised.....	4.0	5.3	1.2	4.4	1.7	0.4
Manufacturing:						
Previous	4.9	4.8	-0.1	3.6	0.9	-1.3
Revised.....	5.2	4.8	-0.4	4.5	1.8	-0.7

In fourth-quarter 2004, business sector productivity increased 3.7 percent compared to a preliminary estimate of 2.5 percent (seasonally adjusted annual rates). In the nonfarm business sector, productivity grew 2.1 percent, more than the 0.8 percent preliminary estimate published Feb. 3. Because hourly compensation growth was revised up less than productivity in business and nonfarm business, unit labor costs did not increase as much as reported Feb. 3. In the manufacturing sector, a small upward revision in output combined with a small downward

revision in hours to produce an upward revision in output per hour from 5.6 percent to 5.8 percent. A similar upward revision in hourly compensation left unit labor costs unchanged.

Measures of hourly compensation, real hourly compensation, and unit labor costs in all sectors show substantially larger increases in the third quarter of 2004 after incorporation of revised compensation data.

When revised annual averages for 2004 are compared to those for 2003, productivity increased 4.0 percent in both the business and nonfarm business sectors—about the same as previously reported. Small upward revisions to hourly compensation in both of these sectors led to larger increases in unit labor costs than previously reported. Manufacturing productivity growth was revised up as hours declined faster than in the preliminary estimate. Because hourly compensation was revised up much more than productivity, unit labor costs decreased less than previously reported.

Revised measures: Nonfinancial corporations

Measures for the nonfinancial corporate sector also were revised back to 2000 due to updated information on hours worked by employees (appendix table 6). New information on output and compensation in the third quarter of 2004, and consumer prices in all quarters of 2004, also impacted measures for this sector (table 6).

Productivity in nonfinancial corporations in third-quarter 2004 increased more than in the preliminary estimates, as a large upward revision to output was partially offset by an upward revision to hours worked. Hourly compensation was revised up by more than productivity, and unit labor costs increased, rather than falling slightly, as reported Feb. 3. Unit profits were revised down, posting a small decline rather than the slight increase originally reported.

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 2004							
Previous	3.9	5.4	1.4	3.8	1.9	-0.1	0.6	0.2
Revised	4.9	6.9	1.9	5.6	3.9	0.6	-0.8	0.2

Upcoming changes to productivity and cost data

Effective with the release of Productivity and Costs on June 2, 2005, BLS will improve the way it uses data for farm workers, the nonfarm self employed, and nonfarm unpaid family workers in the productivity program by accounting for the effects of multiple jobholding. Current measures treat all hours worked by individuals whose primary job is in these groups as being on the primary job. This may overstate the hours of some workers while omitting the hours of others. The revised measures will be adjusted in two ways. First, hours worked by these workers in their primary jobs will be used in each measure. Secondly, the hours of all persons who hold more than one job will be examined. Hours worked in secondary jobs by the self-employed, unpaid family workers, and farm wage and salary workers will be included in the hours used for the productivity and cost measures. The aggregate effect of these changes is small.

Next release date

The next release of **Productivity and Costs** is scheduled for **8:30 A.M. EDT, Thursday, May 5, 2005**, and will present preliminary first-quarter measures for business, nonfarm business, and manufacturing. Fourth-quarter and annual data for nonfinancial corporations will be released at that time.

TECHNICAL NOTES

Labor Hours: Hours data for the labor productivity and cost measures include hours for all persons working in the sector—wage and salary workers, the self-employed, and unpaid family workers. The primary source of hours and employment data is the BLS Current Employment Statistics (CES) program, which provides monthly survey data on the number of jobs held by wage and salary workers in nonfarm establishments. The CES also provides average weekly paid hours of production and nonsupervisory workers in these establishments. 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 years prior to 2001. 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.

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; 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.

Information in this release will be made available to sensory-impaired individuals upon request. Voice phone: 202-691-5606; Federal Relay Service number: 1-800-877-8339.

Table 1. Business sector: Productivity, hourly compensation, unit labor costs, and prices, seasonally adjusted

Year and quarter	Output per hour of all persons	Output	Hours of all persons	Compensation per hour (1)	Real compensation per hour (2)	Unit labor costs	Unit non-labor payments (3)	Implicit price deflator (4)	
Indexes 1992=100									
2002	I	r122.6	142.2	115.9	143.2	115.2	116.7	113.4	115.5
	II	123.2	142.9	116.0	r144.5	115.2	117.2	113.6	115.9
	III	r124.6	144.3	r115.8	145.0	115.0	116.3	115.7	116.1
	IV	125.0	144.7	r115.8	r145.4	114.8	116.3	116.8	116.5
	ANNUAL	123.9	143.5	r115.9	144.5	115.0	116.6	114.9	116.0
2003	I	r126.3	145.5	r115.2	147.4	115.3	116.8	117.7	117.1
	II	128.6	147.5	114.7	149.6	116.8	116.4	119.0	117.3
	III	r131.1	150.8	r115.0	r151.5	r117.6	115.6	120.8	117.5
	IV	r131.8	152.3	r115.6	r152.9	r118.5	116.0	120.7	117.8
	ANNUAL	129.5	149.0	115.1	r150.4	r117.0	116.2	119.6	117.4
2004	I	r133.1	154.3	r115.9	r154.0	r118.3	115.7	122.9	118.4
	II	r134.1	155.8	r116.2	r156.0	r118.5	116.4	124.4	119.4
	III	r134.7	157.5	r116.9	r158.2	r119.7	r117.4	r123.5	119.7
	IV	r136.0	r159.1	r117.0	r160.0	r120.0	r117.7	r124.7	120.3
	ANNUAL	r134.6	r156.7	r116.4	r157.2	r119.2	r116.8	r123.9	r119.5
Percent change from previous quarter at annual rate(5)									
2002	I	5.9	3.5	-2.3	4.9	3.5	-1.0	1.0	-0.3
	II	r1.9	2.1	r0.2	r3.7	r0.2	1.7	1.0	1.4
	III	r4.6	3.8	r-0.8	r1.4	r-0.9	-3.1	7.3	0.7
	IV	1.2	1.2	0.0	r1.2	r-0.7	0.0	3.8	1.4
	ANNUAL	4.3	1.8	-2.4	r3.1	1.5	-1.1	4.5	0.9
2003	I	r4.1	2.2	r-1.8	r5.8	r1.9	1.6	3.1	2.1
	II	7.6	5.6	-1.9	6.1	5.4	-1.4	4.5	0.8
	III	r8.1	9.3	r1.1	r5.2	r2.7	r-2.7	r6.4	0.7
	IV	r2.1	4.2	r2.0	r3.7	r2.9	1.6	r-0.3	0.8
	ANNUAL	4.5	3.8	r-0.6	4.1	1.8	-0.4	4.1	1.3
2004	I	r4.0	5.3	r1.2	r2.9	r-0.7	-1.1	r7.3	2.1
	II	2.9	3.9	r0.9	r5.3	r0.8	2.3	5.0	3.3
	III	r2.0	4.5	r2.5	r5.8	r4.1	r3.7	r-2.9	1.1
	IV	r3.7	r4.2	r0.5	r4.5	r0.9	r0.8	r4.2	r2.1
	ANNUAL	4.0	5.1	r1.1	r4.5	r1.8	r0.5	r3.6	1.7
Percent change from corresponding quarter of previous year									
2002	I	4.9	0.8	r-4.0	3.2	1.9	-1.6	6.6	1.2
	II	4.0	1.1	-2.8	3.4	2.1	-0.6	3.5	0.9
	III	4.9	2.8	-2.0	r3.2	1.6	-1.6	5.0	0.8
	IV	3.4	2.7	-0.7	2.8	0.5	-0.6	r3.3	0.8
	ANNUAL	4.3	1.8	-2.4	r3.1	1.5	-1.1	4.5	0.9
2003	I	r3.0	2.3	-0.6	r3.0	0.1	0.0	3.8	1.4
	II	4.4	3.2	-1.1	3.6	1.4	-0.7	4.7	1.3
	III	r5.2	4.5	-0.7	r4.5	r2.3	-0.6	4.4	1.3
	IV	r5.5	5.3	r-0.2	r5.2	r3.2	-0.3	3.4	1.1
	ANNUAL	4.5	3.8	r-0.6	4.1	1.8	-0.4	4.1	1.3
2004	I	r5.4	6.1	r0.6	r4.5	r2.6	-0.9	4.4	1.1
	II	r4.3	5.6	r1.3	r4.3	r1.4	0.0	r4.6	1.7
	III	r2.8	4.4	r1.6	r4.4	r1.8	r1.6	r2.2	1.8
	IV	r3.2	r4.5	1.3	r4.6	r1.2	r1.4	r3.3	2.1
	ANNUAL	4.0	5.1	r1.1	r4.5	r1.8	r0.5	r3.6	1.7

See footnotes following Table 6.
r=revisedMarch 3, 2005
Source: Bureau of Labor Statistics

Table 2. Nonfarm business sector: Productivity, hourly compensation, unit labor costs, and prices, seasonally adjusted

Year and quarter	Output per hour of all persons	Output	Hours of all persons	Compensation per hour (1)	Real compensation per hour (2)	Unit labor costs	Unit non-labor payments (3)	Implicit price deflator (4)	

Indexes 1992=100									
2002	I	122.4	142.6	116.5	r142.5	114.7	116.4	115.1	116.0
	II	122.8	143.2	r116.6	143.8	114.7	117.1	115.4	116.5
	III	124.1	144.5	116.4	144.3	114.4	116.2	117.7	116.8
	IV	124.6	145.0	116.4	144.7	r114.2	116.1	118.9	117.2
	ANNUAL	123.5	143.9	116.5	143.8	114.5	116.5	116.8	116.6
2003	I	125.8	145.9	116.0	r146.7	114.7	116.6	119.6	117.7
	II	r127.9	147.8	115.6	148.7	116.1	116.3	120.4	117.8
	III	r130.5	151.1	115.7	r150.8	r117.0	115.5	122.3	118.0
	IV	r131.5	152.8	r116.2	r152.3	r118.0	115.9	121.9	118.1
	ANNUAL	r128.9	149.4	r115.9	r149.6	r116.4	116.1	121.1	117.9
2004	I	r132.7	155.0	r116.8	r153.1	r117.6	115.4	124.3	118.7
	II	r134.0	156.5	r116.8	r155.3	118.0	115.9	125.7	119.6
	III	r134.4	158.2	r117.7	r157.4	r119.1	r117.1	r125.2	120.1
	IV	r135.1	r159.6	r118.1	r158.7	r119.0	r117.5	r126.3	120.7
	ANNUAL	r134.1	r157.3	r117.3	r156.3	r118.5	r116.5	r125.4	119.8

Percent change from previous quarter at annual rate(5)									
2002	I	6.9	4.0	-2.7	r5.4	4.1	-1.4	1.6	-0.3
	II	r1.3	1.7	r0.4	r3.7	r0.2	2.3	1.0	1.8
	III	r4.3	3.6	r-0.6	r1.2	r-1.1	-2.9	r8.1	1.0
	IV	r1.5	1.4	r-0.1	1.2	r-0.7	-0.3	4.2	1.3
	ANNUAL	r4.3	1.8	-2.5	r3.2	1.6	-1.1	4.7	1.0
2003	I	r4.0	2.4	r-1.5	r5.6	r1.8	1.6	r2.3	1.9
	II	6.7	5.3	-1.4	5.7	5.0	-1.0	2.9	0.5
	III	r8.7	9.3	r0.6	r5.7	r3.2	-2.7	6.3	0.6
	IV	r2.8	4.6	r1.7	r4.1	r3.3	1.2	-1.2	0.3
	ANNUAL	4.4	3.8	r-0.5	r4.0	1.7	-0.4	3.7	1.1
2004	I	r3.8	5.7	r1.9	r2.1	r-1.5	-1.6	8.0	2.0
	II	3.9	4.2	r0.2	5.9	r1.4	1.9	4.6	2.9
	III	r1.3	4.2	r2.8	r5.4	r3.7	r4.0	r-1.6	1.8
	IV	r2.1	r3.7	r1.6	r3.4	r-0.2	r1.3	r3.6	r2.2
	ANNUAL	r4.0	5.3	r1.2	r4.4	r1.7	r0.4	r3.5	1.6

Percent change from corresponding quarter of previous year									
2002	I	5.1	0.9	r-4.1	3.2	2.0	-1.8	6.7	1.2
	II	4.0	1.0	-2.9	3.5	2.2	-0.5	3.4	0.9
	III	r4.7	2.6	r-2.0	r3.3	1.7	-1.3	5.2	1.0
	IV	3.5	2.7	-0.8	2.9	0.6	-0.6	3.7	1.0
	ANNUAL	r4.3	1.8	-2.5	r3.2	1.6	-1.1	4.7	1.0
2003	I	r2.8	2.3	-0.5	2.9	0.0	0.1	3.9	1.5
	II	4.1	3.2	-0.9	3.4	1.2	-0.7	4.4	1.2
	III	5.2	4.6	r-0.6	r4.5	r2.3	-0.6	3.9	1.1
	IV	r5.5	5.4	r-0.1	r5.3	r3.3	-0.2	r2.6	0.8
	ANNUAL	4.4	3.8	r-0.5	r4.0	1.7	-0.4	3.7	1.1
2004	I	r5.5	6.2	r0.7	r4.4	r2.5	-1.0	r4.0	0.8
	II	r4.8	6.0	r1.1	r4.5	r1.6	-0.3	4.4	1.5
	III	r3.0	4.7	r1.7	r4.4	r1.7	r1.4	r2.4	1.8
	IV	r2.8	r4.4	1.6	r4.2	r0.9	r1.4	r3.6	2.2
	ANNUAL	r4.0	5.3	r1.2	r4.4	r1.7	r0.4	r3.5	1.6

See footnotes following Table 6.
r=revisedMarch 3, 2005
Source: Bureau of Labor Statistics

Table 3. Manufacturing sector: Productivity, hourly compensation, and unit labor costs, seasonally adjusted

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

Indexes 1992=100							
2002	I	r144.4	131.1	r90.8	143.8	115.7	99.6
	II	r146.5	132.4	90.4	146.7	117.0	100.2
	III	148.7	133.2	r89.6	148.3	117.6	99.7
	IV	r149.5	132.1	r88.4	r149.4	r117.9	99.9
	ANNUAL	147.3	132.2	r89.8	r147.0	r117.0	99.8
2003	I	151.6	131.8	r86.9	r155.5	121.6	102.6
	II	r152.9	130.7	r85.5	r158.4	r123.7	103.6
	III	r156.9	132.1	r84.2	r161.6	r125.4	103.0
	IV	158.1	134.2	84.9	163.6	r126.8	103.5
	ANNUAL	r154.8	132.2	85.4	r159.7	r124.3	103.2
2004	I	r159.3	136.0	r85.4	r162.4	r124.7	101.9
	II	r162.2	138.0	r85.1	r165.1	r125.4	101.8
	III	r164.0	139.4	r85.0	r168.7	r127.6	r102.9
	IV	r166.3	r141.0	r84.8	r171.3	r128.4	r103.0
	ANNUAL	r163.0	138.6	r85.1	r166.9	r126.5	r102.4

Percent change from previous quarter at annual rate(5)							
2002	I	r11.2	3.2	r-7.2	r14.6	r13.1	3.0
	II	r5.8	4.1	r-1.6	r8.5	r4.8	r2.6
	III	r6.3	2.4	r-3.7	r4.3	r1.9	-1.9
	IV	r2.2	-3.2	r-5.3	r3.0	r1.1	0.8
	ANNUAL	r7.5	-0.1	-7.1	r6.6	5.0	-0.8
2003	I	r5.7	-0.9	r-6.3	r17.4	r13.1	11.0
	II	r3.3	-3.4	r-6.5	r7.6	r6.9	4.2
	III	r11.0	4.5	r-5.9	r8.3	r5.8	-2.4
	IV	r3.2	6.6	r3.3	r5.2	r4.4	r1.9
	ANNUAL	r5.2	0.0	r-4.9	r8.7	r6.2	3.3
2004	I	r3.0	5.4	r2.4	r-3.1	r-6.5	-5.9
	II	r7.6	5.9	r-1.6	r6.9	r2.4	-0.6
	III	r4.4	4.0	r-0.3	r9.1	r7.4	r4.6
	IV	r5.8	r4.6	r-1.1	r6.2	2.5	0.4
	ANNUAL	r5.2	4.8	r-0.4	r4.5	r1.8	r-0.7

Percent change from corresponding quarter of previous year							
2002	I	7.3	-2.8	-9.4	4.1	2.8	-3.0
	II	r7.8	-0.5	r-7.8	r6.9	r5.5	-0.9
	III	8.6	1.5	-6.6	8.2	6.5	-0.3
	IV	6.3	1.6	-4.5	7.5	5.1	1.1
	ANNUAL	r7.5	-0.1	-7.1	r6.6	5.0	-0.8
2003	I	r5.0	0.6	-4.2	8.1	5.1	3.0
	II	r4.4	-1.3	-5.4	7.9	r5.7	3.4
	III	r5.5	-0.8	r-6.0	r9.0	r6.6	3.3
	IV	r5.8	1.6	r-3.9	r9.5	r7.5	3.6
	ANNUAL	r5.2	0.0	r-4.9	r8.7	r6.2	3.3
2004	I	r5.1	3.2	r-1.8	r4.4	r2.5	-0.6
	II	r6.1	5.6	r-0.5	r4.3	r1.4	-1.8
	III	r4.5	5.5	r0.9	r4.4	r1.8	r-0.1
	IV	r5.2	5.0	r-0.2	r4.7	r1.3	r-0.5
	ANNUAL	r5.2	4.8	r-0.4	r4.5	r1.8	r-0.7

See footnotes following Table 6.
r=revisedMarch 3, 2005
Source: Bureau of Labor Statistics

Table 4. Durable manufacturing sector: Productivity, hourly compensation, and unit labor costs, seasonally adjusted

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

Indexes 1992=100							
2002	I	161.8	153.1	94.6	140.8	113.3	87.0
	II	r164.6	155.3	r94.3	r143.9	114.7	87.4
	III	167.7	156.6	93.4	145.0	115.0	86.5
	IV	r170.6	156.3	r91.6	r146.1	r115.3	85.7
	ANNUAL	r166.1	155.3	93.5	r143.9	114.6	86.6
2003	I	r172.7	155.7	r90.1	r153.5	r120.1	88.9
	II	r174.3	154.3	r88.6	r156.5	r122.2	89.8
	III	r180.9	157.6	r87.1	r159.8	r124.0	88.3
	IV	182.8	161.5	88.3	r161.7	125.3	88.5
	ANNUAL	r177.6	157.3	r88.5	r157.9	r122.9	88.9
2004	I	r184.4	164.6	r89.3	r159.1	r122.2	86.3
	II	r187.8	167.1	r88.9	r162.1	r123.1	86.3
	III	r190.0	169.5	r89.2	r166.0	r125.5	r87.4
	IV	r193.2	r172.0	r89.0	r168.6	r126.4	r87.3
	ANNUAL	r188.9	r168.3	r89.1	r164.0	r124.3	r86.8

Percent change from previous quarter at annual rate(5)							
2002	I	r13.3	4.1	r-8.1	r8.7	r7.3	-4.1
	II	r7.1	6.0	r-1.0	r9.0	r5.3	1.8
	III	r7.7	3.3	r-4.0	r3.2	r0.9	-4.2
	IV	r7.1	-0.7	r-7.2	r3.2	r1.3	-3.6
	ANNUAL	8.6	-0.4	-8.3	r5.5	3.9	-2.8
2003	I	r5.1	-1.6	r-6.4	r21.8	r17.4	15.9
	II	3.7	-3.4	r-6.9	r8.1	r7.4	4.2
	III	r16.0	8.7	-6.3	r8.6	r6.0	-6.4
	IV	r4.2	10.1	r5.7	r4.9	r4.1	0.6
	ANNUAL	r6.9	1.3	r-5.3	r9.7	r7.2	2.6
2004	I	r3.6	8.1	r4.3	r-6.2	r-9.5	-9.5
	II	r7.7	6.0	r-1.5	r7.7	r3.1	0.0
	III	4.6	6.0	1.3	r9.9	r8.1	r5.1
	IV	r7.1	r6.0	r-1.0	r6.6	r2.9	r-0.5
	ANNUAL	r6.3	r7.0	r0.7	r3.9	r1.2	r-2.3

Percent change from corresponding quarter of previous year							
2002	I	7.7	-4.4	-11.2	3.3	2.0	-4.1
	II	r8.5	-1.5	r-9.2	6.0	r4.6	-2.4
	III	9.3	1.4	r-7.2	r6.9	5.2	-2.2
	IV	8.8	3.2	r-5.1	6.0	r3.6	-2.6
	ANNUAL	8.6	-0.4	-8.3	r5.5	3.9	-2.8
2003	I	r6.7	1.7	r-4.7	r9.0	r6.0	2.2
	II	r5.9	-0.6	-6.1	r8.8	6.5	2.8
	III	r7.9	0.7	r-6.7	r10.2	r7.9	2.2
	IV	r7.2	3.3	r-3.6	r10.7	r8.6	3.3
	ANNUAL	r6.9	1.3	r-5.3	r9.7	r7.2	2.6
2004	I	r6.8	5.8	r-1.0	r3.7	r1.8	-2.9
	II	r7.8	8.3	r0.4	r3.6	r0.7	-3.9
	III	r5.0	7.6	r2.4	r3.9	r1.2	r-1.1
	IV	r5.7	r6.5	r0.8	r4.3	r0.9	r-1.4
	ANNUAL	r6.3	r7.0	r0.7	r3.9	r1.2	r-2.3

See footnotes following Table 6.
r=revised

March 3, 2005
Source: Bureau of Labor Statistics

Table 5. Nondurable manufacturing sector: Productivity, hourly compensation, and unit labor costs, seasonally adjusted

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

Indexes 1992=100							
2002	I	r126.9	107.9	85.0	147.9	119.0	116.5
	II	128.3	108.4	84.5	150.5	120.1	117.4
	III	129.7	108.7	83.8	152.9	121.3	117.9
	IV	r128.2	106.9	r83.4	r154.1	r121.6	120.2
	ANNUAL	r128.2	108.0	84.2	r151.3	120.5	118.0
2003	I	r130.2	106.9	82.1	157.7	r123.3	121.1
	II	r131.1	106.0	r80.9	r160.3	r125.2	122.3
	III	r132.6	105.9	r79.8	r163.4	r126.8	123.2
	IV	r133.6	106.5	r79.7	r165.5	r128.2	123.9
	ANNUAL	r131.8	106.3	r80.6	r161.7	r125.8	122.6
2004	I	r134.5	107.1	r79.6	r166.6	r127.9	123.8
	II	r137.0	108.6	r79.3	r168.8	r128.2	123.2
	III	r138.6	109.0	r78.7	r171.8	r129.9	r123.9
	IV	r139.9	r109.7	r78.4	r174.1	r130.5	r124.4
	ANNUAL	r137.5	108.6	r79.0	r170.3	r129.1	r123.8

Percent change from previous quarter at annual rate(5)							
2002	I	r8.2	2.2	r-5.5	r27.1	r25.5	r17.5
	II	r4.4	1.8	r-2.4	r7.4	r3.8	2.9
	III	r4.5	1.1	r-3.2	r6.4	r4.0	1.9
	IV	r-4.5	-6.4	r-2.0	r3.1	r1.2	8.0
	ANNUAL	5.6	0.2	r-5.1	r9.2	7.5	3.4
2003	I	r6.5	0.1	r-6.0	r9.7	r5.7	3.0
	II	r2.6	-3.5	r-5.9	r6.9	r6.2	4.2
	III	r4.9	-0.6	r-5.2	r8.0	r5.4	2.9
	IV	r2.8	2.4	r-0.4	r5.2	r4.4	r2.3
	ANNUAL	r2.8	-1.5	r-4.2	r6.8	r4.5	3.9
2004	I	r2.9	2.1	r-0.8	r2.6	r-1.0	r-0.3
	II	r7.5	5.7	-1.7	r5.5	r1.0	-1.9
	III	r4.8	1.7	r-3.0	r7.2	r5.5	r2.3
	IV	r3.9	r2.5	r-1.3	r5.4	r1.8	r1.5
	ANNUAL	r4.3	2.1	r-2.1	r5.3	r2.6	r1.0

Percent change from corresponding quarter of previous year							
2002	I	5.9	-0.9	-6.4	6.2	r4.9	0.3
	II	r6.2	0.6	r-5.3	r9.1	r7.7	2.7
	III	7.3	1.5	-5.4	10.9	9.2	3.4
	IV	3.0	-0.4	-3.3	10.6	8.2	7.4
	ANNUAL	5.6	0.2	r-5.1	r9.2	7.5	3.4
2003	I	2.6	-0.9	-3.4	6.6	3.6	3.9
	II	r2.2	-2.2	r-4.3	r6.5	4.2	4.2
	III	r2.3	-2.6	r-4.8	r6.9	r4.6	4.5
	IV	r4.2	-0.4	r-4.4	r7.4	r5.4	3.1
	ANNUAL	r2.8	-1.5	r-4.2	r6.8	r4.5	3.9
2004	I	r3.3	0.1	r-3.1	r5.7	r3.7	r2.3
	II	r4.5	2.4	r-2.0	r5.3	r2.4	0.7
	III	r4.5	3.0	r-1.5	r5.1	r2.4	r0.6
	IV	r4.8	r3.0	r-1.7	r5.2	r1.8	r0.4
	ANNUAL	r4.3	2.1	r-2.1	r5.3	r2.6	r1.0

See footnotes following Table 6.
r=revised

March 3, 2005
Source: Bureau of Labor Statistics

Table 6. Nonfinancial corporations: Productivity, hourly compensation, unit labor costs, unit profits, and prices, seasonally adjusted

Year and quarter	Output per all-employee hour	Output	Employee hours	Hourly compensation (1)	Real hourly compensation(2)	Unit labor costs	Unit non-labor costs(6)	Total unit costs (7)	Unit profits (8)	Implicit price deflator (4)	
Indexes 1992=100											
2002	I	r126.7	150.2	118.5	139.9	r112.5	110.4	113.6	111.3	88.8	109.3
	II	r128.2	151.7	118.4	141.3	r112.7	110.3	112.7	111.0	94.5	109.5
	III	129.0	152.2	r118.0	142.1	112.7	110.1	112.8	110.9	95.8	109.5
	IV	129.6	152.4	117.6	r142.8	r112.7	110.2	112.8	110.9	102.3	110.1
	ANNUAL	128.4	151.6	118.1	141.5	112.7	110.3	113.0	111.0	95.4	109.6
2003	I	r130.3	152.2	116.8	r144.2	112.7	110.7	114.0	111.6	100.0	110.5
	II	132.7	154.4	r116.4	r146.4	r114.3	110.3	112.6	110.9	112.2	111.0
	III	r135.2	157.3	r116.3	r148.4	r115.2	109.8	112.6	110.5	120.3	111.4
	IV	r136.6	159.6	r116.8	r149.8	r116.1	109.7	112.2	110.4	125.1	111.7
	ANNUAL	133.7	155.9	r116.6	r147.2	114.6	110.1	112.9	110.8	114.6	111.2
2004	I	r136.9	160.9	r117.6	r150.8	r115.7	110.2	111.1	110.4	129.9	112.2
	II	r138.0	162.6	r117.9	r152.8	r116.0	110.7	111.4	110.9	136.3	113.2
	III	r139.6	r165.3	r118.4	r154.9	r117.1	r110.9	r111.3	111.0	r136.0	113.2
Percent change from previous quarter at annual rate(5)											
2002	I	7.5	5.4	-2.0	1.7	0.4	-5.4	-7.0	-5.9	91.5	-1.3
	II	r4.6	4.2	r-0.3	r4.2	r0.7	-0.3	-3.1	-1.1	28.2	0.8
	III	r2.6	1.1	r-1.4	r2.0	r-0.3	-0.6	0.3	-0.3	5.8	0.1
	IV	1.9	0.7	-1.2	r2.1	r0.2	0.3	0.0	0.2	29.9	2.3
	ANNUAL	3.9	1.0	-2.8	r3.0	1.4	-0.8	0.3	-0.5	16.0	0.6
2003	I	r2.2	-0.7	r-2.8	r3.8	r0.1	1.6	4.4	2.4	-8.8	1.4
	II	7.7	6.0	-1.5	6.2	5.5	-1.4	-4.9	-2.4	58.5	1.8
	III	r7.9	7.6	r-0.3	r5.8	r3.3	-1.9	0.1	-1.4	32.3	1.4
	IV	r3.9	6.0	r2.0	r3.8	r3.0	-0.1	-1.5	-0.5	16.8	1.1
	ANNUAL	4.2	2.8	-1.3	4.0	1.7	-0.1	-0.1	-0.1	20.1	1.4
2004	I	r0.9	3.4	r2.5	r2.5	r-1.1	1.6	-4.0	0.1	16.3	1.6
	II	3.3	4.3	r1.0	5.5	r1.0	2.1	1.3	1.9	21.0	3.8
	III	r4.9	r6.9	r1.9	r5.6	r3.9	r0.6	r-0.5	r0.3	r-0.8	0.2
Percent change from corresponding quarter of previous year											
2002	I	3.4	-1.1	r-4.4	3.2	2.0	-0.1	4.0	1.0	1.6	1.0
	II	3.8	0.4	-3.2	r3.3	r2.0	-0.4	1.0	0.0	8.8	0.6
	III	4.3	1.9	r-2.3	r3.0	1.4	-1.2	-1.1	-1.2	21.4	0.3
	IV	4.1	2.8	r-1.2	2.5	0.3	-1.5	-2.5	-1.8	35.5	0.5
	ANNUAL	3.9	1.0	-2.8	r3.0	1.4	-0.8	0.3	-0.5	16.0	0.6
2003	I	r2.8	1.3	-1.4	r3.1	r0.2	0.3	0.4	0.3	12.6	1.2
	II	3.6	1.8	-1.7	r3.5	1.4	0.0	-0.1	0.0	18.7	1.4
	III	4.9	3.3	r-1.4	4.5	2.3	-0.4	-0.2	-0.3	25.5	1.7
	IV	r5.4	4.7	r-0.7	r4.9	r3.0	-0.5	-0.5	-0.5	22.3	1.4
	ANNUAL	4.2	2.8	-1.3	4.0	1.7	-0.1	-0.1	-0.1	20.1	1.4
2004	I	r5.0	5.7	r0.7	r4.6	r2.7	-0.5	-2.6	-1.0	29.9	1.5
	II	r4.0	5.3	r1.3	r4.4	r1.5	0.4	-1.0	0.0	21.5	2.0
	III	r3.2	r5.1	r1.8	r4.3	r1.7	r1.1	r-1.2	0.4	r13.0	1.7

See footnotes following Table 6.
r=revisedMarch 3, 2005
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 2004.

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 1978-2003 is based on the Consumer Price Index research series (CPI-U-RS).
- (3) Unit nonlabor payments include profits, consumption of fixed capital, taxes on production and imports less subsidies, net interest and miscellaneous payments, business current transfer payments, rental income of persons, and the current surplus of government enterprises.
- (4) Current dollar output divided by the output index.
- (5) Quarterly changes: Percent change compounded at annual rate from the original data rather than index numbers. Annual changes: Percent change between annual average levels.
- (6) Unit nonlabor costs include consumption of fixed capital, taxes on production and imports less subsidies, net interest and miscellaneous payments, and business current transfer payments.
- (7) Total unit costs are the sum of unit labor and nonlabor costs.
- (8) Unit profits include corporate profits before tax with inventory valuation and capital consumption adjustments.

Appendix table 1.

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

Year and quarter	Output per hour of all persons	Output	Hours of all persons	Compensation per hour (1)	Real compensation per hour (2)	Unit labor costs	Unit non-labor payments (3)	Implicit price deflator (4)	
Indexes 1992=100									
2000	I	114.0	138.6	121.6	132.4	111.5	116.2	105.2	112.1
	II	116.2	141.1	r121.4	133.0	r111.1	r114.5	109.4	112.6
	III	115.9	140.8	121.5	135.6	112.2	117.0	106.2	112.9
	IV	117.1	141.5	r120.9	136.5	r112.1	116.6	107.9	113.3
	ANNUAL	115.9	140.5	r121.2	134.5	111.8	116.1	107.2	112.7
2001	I	r116.9	141.1	120.7	138.8	113.0	118.7	106.4	114.1
	II	r118.5	141.4	119.4	139.7	r112.9	117.9	r109.8	114.9
	III	118.8	140.3	118.1	140.4	113.2	118.2	110.2	115.2
	IV	120.9	141.0	116.6	141.5	114.2	117.0	113.1	115.6
	ANNUAL	118.8	141.0	118.7	140.1	113.3	118.0	109.9	114.9
Percent change from previous quarter at annual rate(5)									
2000	I	r-1.3	0.3	r1.6	r14.6	r10.4	16.0	-15.7	3.4
	II	r8.1	7.5	-0.5	1.7	r-1.5	-5.9	17.1	1.8
	III	r-1.1	-0.8	r0.3	r7.9	r4.0	9.1	r-11.1	1.3
	IV	r4.1	2.0	r-2.0	r2.8	r-0.1	r-1.3	6.3	1.4
	ANNUAL	2.9	3.9	1.0	7.1	3.6	4.0	-1.8	1.8
2001	I	-0.5	-1.1	-0.6	6.8	3.1	7.4	-5.4	2.7
	II	r5.5	0.8	r-4.4	r2.9	r-0.4	-2.5	r13.7	3.0
	III	r1.2	-3.1	r-4.2	r2.0	r1.0	0.8	r1.4	1.0
	IV	r7.1	1.8	-5.0	3.1	r3.6	-3.8	10.9	1.3
	ANNUAL	2.5	0.3	-2.1	4.2	1.3	1.6	2.5	2.0
Percent change from corresponding quarter of previous year									
2000	I	2.2	4.5	2.2	r6.7	r3.4	4.4	-3.0	1.6
	II	r4.0	5.4	r1.3	r6.8	3.4	2.7	0.5	1.9
	III	3.0	3.8	0.8	7.9	4.3	4.8	-3.0	1.9
	IV	2.4	2.2	-0.2	r6.6	3.1	4.1	-1.7	2.0
	ANNUAL	2.9	3.9	1.0	7.1	3.6	4.0	-1.8	1.8
2001	I	2.6	1.8	r-0.7	4.8	r1.3	r2.1	1.1	1.8
	II	r2.0	0.2	-1.7	r5.1	1.6	3.0	0.4	2.1
	III	2.5	-0.4	-2.8	3.6	0.9	1.0	3.7	2.0
	IV	r3.3	-0.4	r-3.6	r3.7	1.8	0.4	4.8	2.0
	ANNUAL	2.5	0.3	-2.1	4.2	1.3	1.6	2.5	2.0

See footnotes following Table 6.
r=revisedMarch 3, 2005
Source: Bureau of Labor Statistics

Appendix table 2.

Nonfarm business sector: Revised productivity, hourly compensation, unit labor costs, and prices, seasonally adjusted

Year and quarter	Output per hour of all persons	Output	Hours of all persons	Compensation per hour (1)	Real compensation per hour (2)	Unit labor costs	Unit non-labor payments (3)	Implicit price deflator (4)	
Indexes 1992=100									
2000	I	113.7	138.8	122.1	132.1	111.2	116.2	106.6	112.6
	II	115.8	141.4	122.1	132.5	r110.7	114.4	111.0	113.1
	III	115.5	141.1	122.1	135.1	111.8	116.9	107.8	113.5
	IV	116.6	141.8	r121.7	r135.8	111.6	116.5	109.4	113.9
	ANNUAL	115.5	140.8	121.9	134.0	111.4	116.0	108.7	113.3
2001	I	r116.4	141.4	r121.5	138.1	r112.4	118.6	107.9	114.6
	II	118.1	141.9	r120.1	r139.0	r112.3	117.6	111.6	115.4
	III	118.5	140.8	118.9	139.6	112.5	117.8	111.9	115.6
	IV	120.4	141.2	117.3	140.7	113.5	116.8	114.7	116.0
	ANNUAL	118.3	141.3	119.4	139.3	112.7	117.7	111.5	115.4
Percent change from previous quarter at annual rate(5)									
2000	I	r-1.6	-0.1	r1.5	r14.8	r10.6	16.7	-16.8	3.3
	II	r7.5	7.5	r0.0	r1.1	r-2.1	-6.0	17.4	1.8
	III	r-1.0	-0.8	r0.1	r8.0	r4.1	9.1	-11.0	1.4
	IV	r3.6	2.2	r-1.4	r2.3	r-0.6	-1.3	6.3	1.3
	ANNUAL	2.8	3.8	1.0	7.1	3.6	4.2	-1.8	1.9
2001	I	-0.4	-1.1	-0.7	6.7	3.0	7.2	-5.4	2.6
	II	r5.9	1.2	r-4.4	r2.6	r-0.6	-3.1	r14.3	2.7
	III	r1.2	-2.9	r-4.1	r1.8	r0.9	0.6	0.9	0.7
	IV	6.6	1.2	-5.1	3.1	3.7	-3.3	10.5	1.5
	ANNUAL	2.5	0.4	-2.0	4.0	1.1	1.5	2.6	1.9
Percent change from corresponding quarter of previous year									
2000	I	2.2	4.4	2.1	6.9	3.6	4.6	-2.7	1.9
	II	r3.9	5.3	1.4	6.8	3.4	r2.9	0.4	2.0
	III	2.9	3.6	0.8	8.0	4.4	5.0	-3.1	2.0
	IV	2.1	2.1	r0.1	6.4	2.9	4.3	r-1.9	2.0
	ANNUAL	2.8	3.8	1.0	7.1	3.6	4.2	-1.8	1.9
2001	I	2.4	1.9	-0.5	4.5	1.1	2.1	1.2	1.8
	II	2.0	0.4	-1.6	4.9	1.4	2.8	0.6	2.0
	III	2.6	-0.2	-2.7	3.3	r0.7	0.8	3.8	1.8
	IV	3.3	-0.4	-3.6	r3.6	1.7	0.3	4.8	1.9
	ANNUAL	2.5	0.4	-2.0	4.0	1.1	1.5	2.6	1.9

See footnotes following Table 6.
r=revised

March 3, 2005
Source: Bureau of Labor Statistics

Appendix table 3.

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

Year and quarter	Output per hour of all persons	Output	Hours of all persons	Compensation per hour (1)	Real compensation per hour (2)	Unit labor costs	
----- Indexes 1992=100 -----							
2000	I	132.6	138.1	104.1	133.2	112.1	100.5
	II	r134.4	140.0	r104.1	r132.5	r110.7	98.6
	III	r134.0	139.0	103.8	r135.9	112.4	101.4
	IV	r134.9	137.5	r102.0	r136.7	r112.3	101.4
	ANNUAL	134.1	138.6	103.4	134.7	112.0	100.5
2001	I	134.6	134.9	100.2	r138.1	112.5	102.7
	II	r135.8	133.1	r98.0	r137.3	r110.9	101.1
	III	137.0	131.3	95.8	137.0	110.4	100.0
	IV	r140.6	130.0	r92.5	r139.0	r112.2	98.8
	ANNUAL	136.9	132.3	96.6	137.8	111.5	100.7
----- Percent change from previous quarter at annual rate(5) -----							
2000	I	r5.6	3.7	r-1.9	r21.8	r17.4	15.3
	II	r5.6	5.6	r0.0	r-2.1	r-5.2	-7.3
	III	r-1.4	-2.8	r-1.4	r10.6	r6.6	12.1
	IV	r2.8	-4.1	r-6.7	r2.4	r-0.4	-0.3
	ANNUAL	4.7	3.0	-1.6	r9.2	5.6	4.2
2001	I	r-0.9	-7.6	r-6.7	r4.3	r0.6	5.2
	II	r3.8	-5.0	r-8.5	r-2.4	r-5.5	-5.9
	III	r3.5	-5.5	r-8.6	r-0.9	r-1.8	-4.2
	IV	r11.1	-3.7	r-13.3	r5.9	r6.5	-4.6
	ANNUAL	2.1	-4.6	-6.5	2.3	r-0.5	0.2
----- Percent change from corresponding quarter of previous year -----							
2000	I	4.7	3.8	-0.8	9.8	6.4	4.9
	II	r5.6	4.6	r-0.9	r8.5	r5.1	2.8
	III	r5.1	3.3	-1.7	10.0	r6.4	4.7
	IV	r3.1	0.5	r-2.5	r7.8	r4.2	4.6
	ANNUAL	4.7	3.0	-1.6	r9.2	5.6	4.2
2001	I	1.5	-2.3	r-3.7	3.7	r0.3	2.2
	II	1.0	-4.9	r-5.9	3.6	0.2	2.5
	III	2.3	-5.5	r-7.6	r0.8	r-1.8	-1.4
	IV	4.3	-5.5	r-9.3	1.7	-0.1	-2.5
	ANNUAL	2.1	-4.6	-6.5	2.3	r-0.5	0.2

See footnotes following Table 6.
r=revised

March 3, 2005
Source: Bureau of Labor Statistics

Appendix table 4. Durable manufacturing sector: Revised productivity, hourly compensation, and unit labor costs seasonally adjusted

Year and quarter	Output per hour of all persons	Output	Hours of all persons	Compensation per hour (1)	Real compensation per hour (2)	Unit labor costs
----- Indexes 1992=100						
2000	I	149.6	164.9	110.2	133.4	112.3
	II	r151.4	167.5	110.7	r131.9	r110.1
	III	r151.0	166.4	r110.2	r135.7	r112.3
	IV	r151.0	164.1	108.6	r135.4	111.3
	ANNUAL	150.9	165.7	109.8	134.2	111.6
2001	I	150.3	160.1	106.5	136.4	r111.0
	II	r151.7	157.6	r103.9	r135.8	r109.7
	III	153.4	154.4	100.7	135.6	109.3
	IV	r156.8	151.5	r96.6	r137.9	r111.3
	ANNUAL	r153.0	155.9	101.9	136.4	110.3
----- Percent change from previous quarter at annual rate(5)						
2000	I	r9.8	7.9	r-1.7	r25.0	r20.5
	II	r4.9	6.6	r1.6	r-4.5	r-7.6
	III	r-1.1	-2.6	-1.6	r12.1	8.1
	IV	r0.2	-5.4	r-5.6	r-0.7	r-3.5
	ANNUAL	5.3	4.6	-0.7	r9.7	6.1
2001	I	-2.0	-9.5	-7.6	r2.7	r-0.9
	II	r3.7	-6.1	r-9.4	r-1.7	r-4.8
	III	r4.6	-7.7	r-11.8	r-0.6	r-1.5
	IV	r9.2	-7.3	r-15.2	r7.1	r7.7
	ANNUAL	1.4	-5.9	-7.2	1.6	r-1.2
----- Percent change from corresponding quarter of previous year						
2000	I	5.9	6.0	0.2	11.2	7.8
	II	5.9	6.5	0.6	8.9	r5.5
	III	5.6	4.4	r-1.2	r10.9	r7.2
	IV	3.4	1.5	r-1.8	7.4	r3.8
	ANNUAL	5.3	4.6	-0.7	r9.7	6.1
2001	I	0.5	-2.9	-3.4	r2.2	-1.1
	II	r0.2	-5.9	-6.1	r3.0	r-0.4
	III	r1.6	-7.2	-8.7	r-0.1	r-2.7
	IV	r3.8	-7.7	-11.1	r1.8	r0.0
	ANNUAL	1.4	-5.9	-7.2	1.6	r-1.2

See footnotes following Table 6.
r=revised

March 3, 2005
Source: Bureau of Labor Statistics

Appendix table 5. Nondurable manufacturing sector: Revised productivity, hourly compensation, and unit labor costs seasonally adjusted

Year and quarter	Output per hour of all persons	Output	Hours of all persons	Compensation per hour (1)	Real compensation per hour (2)	Unit labor costs	
----- Indexes 1992=100							
2000	I	116.7	110.9	r95.0	130.5	r109.9	111.8
	II	r118.7	112.0	r94.4	r131.4	r109.7	110.7
	III	118.0	111.1	r94.1	133.7	r110.7	113.3
	IV	r119.9	110.4	r92.0	r136.6	r112.2	113.9
	ANNUAL	118.5	111.1	r93.7	133.2	r110.8	112.4
2001	I	119.9	108.9	90.8	139.2	113.4	116.1
	II	r120.8	107.8	r89.2	r138.0	r111.5	114.3
	III	120.9	107.1	88.6	r137.8	111.1	114.0
	IV	r124.4	107.3	r86.3	r139.3	r112.4	111.9
	ANNUAL	121.5	107.8	88.7	138.6	112.1	114.1
----- Percent change from previous quarter at annual rate(5)							
2000	I	r-0.1	-2.3	r-2.2	r15.4	r11.2	r15.5
	II	r6.8	3.9	r-2.8	r2.7	r-0.5	-3.8
	III	r-2.3	-3.2	r-1.0	r7.4	r3.5	r9.8
	IV	r6.6	-2.5	r-8.5	r8.9	r5.9	2.2
	ANNUAL	4.0	0.7	-3.2	7.8	4.3	3.6
2001	I	r-0.2	-5.3	r-5.1	r7.8	r4.0	8.0
	II	r3.2	-3.8	r-6.8	r-3.4	r-6.4	r-6.3
	III	r0.3	-2.6	r-2.9	r-0.6	r-1.5	r-0.9
	IV	r12.2	0.8	r-10.1	r4.3	r4.9	-7.1
	ANNUAL	2.5	-3.0	r-5.3	4.0	1.2	1.5
----- Percent change from corresponding quarter of previous year							
2000	I	3.4	0.8	-2.5	6.7	r3.5	3.2
	II	r5.3	1.7	r-3.5	r7.3	r3.9	1.8
	III	r4.2	1.5	-2.6	r8.2	r4.6	3.8
	IV	r2.7	-1.1	r-3.7	r8.5	r4.9	5.7
	ANNUAL	4.0	0.7	-3.2	7.8	4.3	3.6
2001	I	2.7	-1.9	r-4.4	6.7	3.2	3.9
	II	r1.8	-3.7	-5.4	r5.1	1.6	3.2
	III	r2.4	-3.6	-5.9	3.1	0.4	0.6
	IV	3.8	-2.7	-6.3	r1.9	r0.1	-1.8
	ANNUAL	2.5	-3.0	r-5.3	4.0	1.2	1.5

See footnotes following Table 6.

r=revised

March 3, 2005

Source: Bureau of Labor Statistics

Appendix table 6. Nonfinancial corporations: Revised productivity, hourly compensation, unit labor costs, unit profits, and prices, seasonally adjusted

Year and quarter	Output per all-employee hour	Output	Employee hours	Hourly compensation (1)	Real hourly compensation(2)	Unit labor costs	Unit non-labor costs(6)	Total unit costs (7)	Unit profits (8)	Implicit price deflator (4)	
Indexes 1992=100											
2000	I	120.5	150.3	124.7	129.7	109.2	107.7	101.9	106.1	114.6	106.9
	II	121.1	151.1	124.8	r130.5	108.9	107.7	103.5	106.6	115.9	107.4
	III	121.9	152.4	125.0	132.9	110.0	109.0	104.8	107.9	107.4	107.8
	IV	122.2	152.3	r124.7	134.4	r110.4	110.0	106.5	109.1	97.0	108.0
	ANNUAL	121.5	151.5	124.7	132.0	109.7	108.6	104.2	107.4	108.7	107.5
2001	I	122.6	151.9	123.9	135.5	r110.3	110.5	109.2	110.2	87.4	108.1
	II	r123.5	151.1	r122.3	r136.8	r110.5	110.8	111.6	111.0	86.9	108.9
	III	123.7	149.4	120.8	137.9	111.1	111.5	114.1	112.2	79.0	109.2
	IV	124.5	148.2	119.1	139.3	r112.4	111.9	115.7	113.0	75.5	109.6
	ANNUAL	123.5	150.2	121.5	137.3	111.1	111.2	112.6	111.6	82.2	108.9
Percent change from previous quarter at annual rate(5)											
2000	I	r7.2	9.5	r2.1	r15.3	r11.1	7.6	1.4	5.9	-25.5	2.3
	II	2.1	2.3	0.2	r2.3	-1.0	0.1	6.6	1.8	4.7	2.1
	III	r2.7	3.4	r0.6	r7.7	r3.8	4.9	5.0	4.9	-26.2	1.5
	IV	r0.8	-0.2	r-0.9	r4.5	r1.6	3.7	6.7	4.5	-33.4	0.6
	ANNUAL	3.6	5.2	1.5	6.8	3.4	3.1	3.8	3.3	-15.8	1.2
2001	I	1.4	-1.1	-2.4	r3.4	-0.3	1.9	10.5	4.1	-34.1	0.6
	II	r2.9	-2.2	r-4.9	r3.8	r0.6	0.9	9.2	3.1	-2.5	2.7
	III	r0.6	-4.4	r-5.0	r3.3	r2.3	2.6	8.9	4.3	-31.8	1.3
	IV	2.6	-3.0	-5.5	r4.2	r4.8	1.6	5.9	2.8	-16.3	1.4
	ANNUAL	1.7	-0.9	-2.5	4.1	r1.2	2.4	8.1	3.9	-24.3	1.3
Percent change from corresponding quarter of previous year											
2000	I	3.4	6.1	r2.6	5.8	2.5	2.3	2.8	2.4	-14.1	0.6
	II	r3.5	5.5	2.0	6.2	r2.9	2.7	3.8	3.0	-13.2	1.1
	III	4.1	5.6	1.4	7.6	4.0	3.3	3.8	3.5	-14.9	1.5
	IV	3.2	3.7	0.5	r7.3	3.8	4.0	4.9	4.3	-21.3	1.6
	ANNUAL	3.6	5.2	1.5	6.8	3.4	3.1	3.8	3.3	-15.8	1.2
2001	I	r1.7	1.1	r-0.6	r4.4	r1.0	2.6	7.2	3.8	-23.7	1.2
	II	1.9	0.0	-1.9	4.8	1.4	2.8	7.8	4.1	-25.0	1.3
	III	1.4	-2.0	-3.3	3.7	1.0	2.3	8.8	4.0	-26.5	1.3
	IV	r1.9	-2.7	r-4.5	3.7	1.8	1.8	8.6	3.6	-22.2	1.5
	ANNUAL	1.7	-0.9	-2.5	4.1	r1.2	2.4	8.1	3.9	-24.3	1.3

See footnotes following Table 6.
r=revised

March 3, 2005
Source: Bureau of Labor Statistics