

News

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PRODUCTIVITY AND COSTS

Fourth Quarter and Annual Averages, 2006 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 changes for calendar year 2006. Percent changes in business and nonfarm business productivity were:

	Fourth quarter	Annual averages 2005-2006
Business sector.....	1.0	1.7
Nonfarm business sector.....	1.6	1.6

In both the business and nonfarm business sectors, productivity growth for the fourth quarter of 2006 was revised down by 1.4 percentage points from the estimates published February 7, due solely to downward revisions to output. Productivity growth during calendar year 2006 also was less than previously reported in both sectors, but the revisions to annual data were almost entirely explained by upward revisions to hours worked.

In the manufacturing sector, increases in productivity were:

	Fourth quarter	Annual averages 2005-2006
Manufacturing.....	2.2	4.0
Durable goods manufacturing.....	3.4	6.2
Nondurable goods manufacturing.....	0.8	1.7

Data in this release reflect the annual benchmark revision of BLS Current Employment Statistics program data on nonfarm employee hours, and revised seasonal adjustment of those data. Also, hours of other nonfarm and farm workers based on the BLS Current Population Survey and contributing to measures for the business and nonfarm business sectors incorporate new seasonal adjustment factors. Due to these hours revisions, measures for all major sectors were subject to revision beginning with data for the first quarter of 2002. Revised seasonally-adjusted values of the BLS Consumer Price Index for all urban consumers are reflected in measures of real hourly compensation beginning with data for the first quarter of 2006. See Revised Measures, page 7.

Productivity in total manufacturing grew at a 2.2 percent annual rate in the fourth quarter of 2006, the same as the preliminary estimate. In total manufacturing and in both subsectors, the reported increases in productivity resulted when hours fell faster than output. When revised annual averages for 2005 and 2006 were compared, productivity increased slightly more in total manufacturing and in nondurable manufacturing than reported Feb. 7 and the increase in durable manufacturing was not revised. 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 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	1.0	2.5	1.5	7.5	9.8	6.5
Nonfarm business	1.6	2.5	0.9	8.2	10.5	6.6
Manufacturing	2.2	-2.1	-4.2	7.1	9.3	4.7
Durable	3.4	-0.9	-4.2	7.4	9.7	3.9
Nondurable	0.8	-3.5	-4.2	6.4	8.7	5.6
Percent change from same quarter a year ago						
Business	1.4	3.4	2.1	4.8	2.8	3.4
Nonfarm business	1.4	3.4	2.0	4.9	3.0	3.4
Manufacturing	4.0	3.6	-0.4	3.5	1.5	-0.5
Durable	5.4	4.8	-0.5	4.3	2.3	-1.0
Nondurable	2.4	2.2	-0.2	2.0	0.1	-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 CHANGES, 2006

Business

Labor productivity in the business sector increased 1.0 percent in the fourth quarter of 2006, as output increased 2.5 percent and hours of all persons engaged in the sector increased 1.5 percent (seasonally adjusted annual rates). Revised estimates show that output per hour declined 0.3 percent in the third quarter when output increased 1.9 percent but hours increased more, 2.2 percent (table 1).

Hourly compensation grew at a 7.5-percent annual rate in the fourth quarter after rising 0.9 percent in the third quarter of 2006, as revised. 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 more than hourly compensation in the fourth quarter, 9.8 percent, because consumer prices fell 2.1 percent.

Unit labor costs, which reflect changes in hourly compensation and productivity, increased 6.5 percent during the fourth quarter of 2006, after rising 1.2 percent in the third quarter. The implicit price deflator for business output, which reflects changes in unit labor costs and unit nonlabor payments, increased 1.0 percent in the fourth quarter and 1.2 percent in the third quarter.

Nonfarm business

In the nonfarm business sector, productivity increased at an annual rate of 1.6 percent in the fourth quarter of 2006, as output increased 2.5 percent and hours of all persons—employees, proprietors, and unpaid family workers—rose 0.9 percent. Nonfarm business productivity declined 0.5 percent in the third quarter of 2006, as output and hours grew 1.9 percent and 2.4 percent, respectively (table 2).

Hourly compensation grew 8.2 percent in the fourth quarter, and when the decrease in consumer prices was taken into account, real hourly compensation grew even faster, 10.5 percent. Real hourly compensation had fallen in the second and third quarters of 2006, following an 11.0-percent gain in the first quarter.

Unit labor costs increased at a 6.6-percent annual rate in the fourth quarter after rising 1.1 percent in the third quarter, as revised. The implicit price deflator for nonfarm business increased 0.5 percent in the fourth quarter, and 0.8 percent in the third quarter, of 2006.

Manufacturing

Manufacturing productivity increased 2.2 percent in the fourth quarter of 2006, as output decreased 2.1 percent and hours fell 4.2 percent (seasonally adjusted annual rates). The productivity increase was the smallest since the first quarter of 2004, when output per hour declined 1.7 percent. In durable goods industries, productivity increased 3.4 percent as both output and hours decreased, 0.9 percent and 4.2 percent, respectively. In nondurable goods industries, output per hour rose 0.8 percent, reflecting decreases of 3.5 percent in output and 4.2 percent in hours. In the third quarter of 2006, productivity increased 5.9 percent in total manufacturing, 8.1 percent in durable goods industries, and 2.7 percent in nondurable goods industries (tables 3, 4, and 5).

Manufacturing hourly compensation grew at a 7.1 percent annual rate during the fourth quarter of 2006. Durable and nondurable goods manufacturing posted increases in hourly compensation of 7.4 percent and 6.4 percent, respectively. Consumer prices decreased slightly in the fourth quarter of 2006, contributing to real hourly compensation gains of 9.3 percent in total manufacturing, 9.7 percent in durable manufacturing, and 8.7 percent in nondurables.

Unit labor costs in manufacturing increased 4.7 percent in the fourth quarter of 2006 after falling 5.8 percent in the third quarter. These costs increased 3.9 percent in durable goods industries and 5.6 percent in nondurable goods industries during the fourth quarter of 2006.

ANNUAL AVERAGE CHANGES, 2005-2006

Business and Nonfarm business

Business sector productivity increased 1.7 percent when the revised annual average for 2006 was compared with the revised annual average for 2005 (table B). This was the smallest annual productivity gain since 1995, when business sector output per hour edged up 0.1 percent. Productivity increased 2.1 percent from 2004 to 2005 (as revised), and at an average annual rate of 3.4 percent per year from 2000 to 2004. Nonfarm business productivity increased less during 2006 than in any year since 1997, when it grew at the same 1.6-percent rate. In both sectors, the modest productivity improvement reflected output growth of 3.8 percent combined with significant increases in hours worked: business sector hours increased 2.1 percent, the most since 1997 (3.4 percent), and the 2.2-percent increase in nonfarm business hours was the largest since a similar increase in 1999.

Table B. Productivity and costs: Revised 2006 annual averages (Seasonally adjusted annual rates)						
Sector	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs
Percent change from previous year						
Business	1.7	3.8	2.1	4.8	1.5	3.1
Nonfarm business	1.6	3.8	2.2	4.8	1.5	3.2
Manufacturing	4.0	5.0	1.0	3.8	0.5	-0.2
Durable	6.2	7.6	1.3	4.3	1.0	-1.8
Nondurable	1.7	2.1	0.4	2.8	-0.4	1.0

Hourly compensation increased 4.8 percent and real hourly compensation increased 1.5 percent during 2006 in both the business and nonfarm business sectors. Unit labor costs increased 3.1 percent in the business sector and 3.2 percent in the nonfarm business sector in 2006, faster than in any year since 2000, when unit labor costs grew 4.1 percent and 4.2 percent in the business and nonfarm business sectors, respectively.

Manufacturing

Manufacturing productivity grew 4.0 percent in 2006, reflecting increases in output and hours of 5.0 percent and 1.0 percent, respectively. In 2005, output per hour had increased 4.8 percent, as output grew 3.6 percent and hours declined 1.1 percent. Labor productivity increased 6.2 percent in durable goods manufacturing during 2006, as output jumped 7.6 percent and hours rose 1.3 percent. Productivity in nondurable goods manufacturing rose 1.7 percent in 2006—the smallest annual increase in this sector since 1999 (1.0 percent)—as output increased 2.1 percent and hours edged up 0.4 percent (tables B, 3, 4, and 5).

Hourly compensation of manufacturing workers increased 3.8 percent in 2006, compared to a 4.7-percent increase one year earlier. Hourly compensation increased 4.3 percent in durable manufacturing and 2.8 percent in nondurable goods industries. Real hourly compensation in the manufacturing sector edged up 0.5 percent in 2006 and increased 1.3 percent in 2005.

From 2005 to 2006 unit labor costs fell 0.2 percent in manufacturing. During the same time period, unit labor costs fell 1.8 percent in durable manufacturing and increased 1.0 percent in nondurable manufacturing.

Table C. Previous and revised productivity and related measures: Fourth-quarter 2006, third-quarter 2006, and annual averages 2005 and 2006 (Seasonally adjusted annual rates)						
Sector	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs
Percent change, fourth quarter 2006						
Business:						
Previous	2.4	4.1	1.7	4.2	6.6	1.7
Revised.....	1.0	2.5	1.5	7.5	9.8	6.5
Nonfarm business:						
Previous	3.0	4.2	1.2	4.8	7.1	1.7
Revised.....	1.6	2.5	0.9	8.2	10.5	6.6
Manufacturing:						
Previous	2.2	-1.6	-3.7	7.3	9.8	5.0
Revised.....	2.2	-2.1	-4.2	7.1	9.3	4.7
Percent change, third quarter 2006						
Business:						
Previous	0.1	1.9	1.8	3.4	0.4	3.3
Revised.....	-0.3	1.9	2.2	0.9	-2.1	1.2
Nonfarm business:						
Previous	-0.1	1.9	2.0	3.1	0.1	3.2
Revised.....	-0.5	1.9	2.4	0.6	-2.4	1.1
Manufacturing:						
Previous	6.3	4.8	-1.5	3.3	0.3	-2.9
Revised.....	5.9	4.8	-1.1	-0.2	-3.2	-5.8
Percent change, 2005 – 2006						
Business:						
Previous	2.2	3.9	1.6	5.4	2.1	3.1
Revised.....	1.7	3.8	2.1	4.8	1.5	3.1
Nonfarm business:						
Previous	2.1	3.9	1.7	5.3	2.1	3.2
Revised.....	1.6	3.8	2.2	4.8	1.5	3.2
Manufacturing:						
Previous	3.9	5.0	1.1	4.1	0.9	0.2
Revised.....	4.0	5.0	1.0	3.8	0.5	-0.2
Percent change, 2004 – 2005						
Business:						
Previous	2.3	3.7	1.4	4.4	1.0	2.1
Revised.....	2.1	3.7	1.6	4.2	0.8	2.0
Nonfarm business:						
Previous	2.3	3.8	1.5	4.4	1.0	2.0
Revised.....	2.1	3.8	1.6	4.1	0.8	2.0
Manufacturing:						
Previous	4.7	3.6	-1.1	4.6	1.2	-0.1
Revised.....	4.8	3.6	-1.1	4.7	1.3	-0.1

REVISED MEASURES

Productivity and cost data for the third quarter, fourth quarter, and full year 2006 for business, nonfarm business, and manufacturing were revised to incorporate the most recent information. Quarterly measures of real hourly compensation during 2006 also reflect the recalculation of seasonal factors for the Consumer Price Index for All Urban Consumers.

Quarterly and annual measures for all sectors were revised back to 2002 to incorporate the annual benchmark adjustment and updated information on seasonal trends from the BLS nonfarm payroll series (appendix tables 1-5). Hours and related measures for the business and nonfarm business sectors were revised to incorporate updated information on seasonal trends in Current Population Survey data on hours by job. Full quarterly and annual historical series are available on the BLS website, <http://www.bls.gov/data/home.htm> or by contacting the BLS Division of Major Sector Productivity at (202) 691-5606.

In fourth-quarter 2006, productivity growth in the business and nonfarm business sectors was revised down to 1.0 percent and 1.6 percent, respectively, due to downward revisions to output, as hours increases also were revised down. These downward revisions to productivity combined with large upward revisions to hourly compensation to produce rates of growth in unit labor costs in excess of six percent in both sectors. In the manufacturing sector, fourth-quarter productivity growth was unchanged from the preliminary estimate, as both output and hours were revised down by 0.5 percentage point. A small downward revision in hourly compensation led to a revision in the change in unit labor costs from 5.0 percent to 4.7 percent.

Productivity growth was revised down in all major sectors for the third quarter, due solely to upward revisions to hours changes; output was not revised. Measures of output per hour for the business and nonfarm business sectors now show small absolute declines. Hourly compensation was revised down substantially in all sectors, resulting in significant downward revisions to changes in unit labor costs. In manufacturing, unit labor costs fell at a 5.8-percent annual rate in the third quarter, as revised.

After revisions to annual averages, productivity grew less in 2006 in the business and nonfarm business sectors than previously reported. Downward revisions to hourly compensation in the business and nonfarm business sectors offset those to productivity, and unit labor costs grew at the same rates reported Feb. 7. In manufacturing, the slight upward revision to productivity growth during 2006 reflected a corresponding downward revision to hours growth. The small upward revision to output per hour combined with a downward revision to hourly compensation to bring about a small decline in manufacturing unit labor costs during calendar year 2006, rather than the small increase reported previously.

Productivity growth in both the business and nonfarm business sectors was revised down from 2.3 percent to 2.1 percent for the year 2005, reflecting small upward revisions to hours. Downward revisions to hourly compensation prevented corresponding upward revisions to unit labor costs.

Revised measures: Nonfinancial corporations

Measures for the nonfinancial corporate sector also were revised due to updated information on hours worked by employees (table 6 and appendix table 6). New information on output and compensation in the third quarter of 2006 also impacted measures for this sector.

Productivity in nonfinancial corporations in third-quarter 2006 increased less than in the preliminary estimates, reflecting both a downward revision to output and an upward revision to hours worked. Hourly compensation was revised down by more than productivity, and unit labor costs decreased more than published Feb. 7. Unit profits posted a slightly larger increase than originally reported. For calendar year 2005, productivity was revised down as hours worked by employees were revised up. A downward revision to hourly compensation offset the productivity revision and unit labor costs increased at the same rate reported previously.

Table D. Nonfinancial corporations: Previous and revised productivity and cost measures Quarterly percent changes at seasonally adjusted annual rates and annual percent changes								
	Produc- tivity	Output	Hours	Hourly compen- sation	Real hourly compen- sation	Unit labor costs	Unit profits	Implicit price deflator
Third quarter 2006								
Previous	5.7	7.3	1.5	3.3	0.4	-2.3	30.2	0.5
Revised	4.1	6.1	1.9	1.1	-2.0	-2.9	31.8	0.5
Annual 2005								
Previous	2.5	4.0	1.4	4.4	1.0	1.8	12.6	3.3
Revised	2.3	4.0	1.6	4.1	0.8	1.8	12.6	3.3

Next release date

The next release of **Productivity and Costs** is scheduled for **8:30 A.M. EDT, Thursday, May 3, 2007**, and will present preliminary first-quarter 2007 measures for business, nonfarm business, and manufacturing. Fourth-quarter 2006 and annual average data for 2006 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 earlier years. The Office of Productivity and Technology estimates average weekly hours at work for nonproduction and supervisory workers using information from the Current Population Survey (CPS), the CES, and the NCS.

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

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

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

Annual indexes for manufacturing and its durable and nondurable goods components are constructed by deflating current-dollar industry value of production data from the U.S. Bureau of the Census with deflators from the BEA. These deflators are based on data from the BLS producer price program and other sources. The industry shipments are aggregated using annual weights, and intrasector transactions are removed. Quarterly manufacturing output measures are based on the index of industrial production prepared monthly by the Board of Governors of the Federal Reserve System, adjusted to be consistent with annual indexes of manufacturing sector output prepared by BLS. Durables include the following 3-digit NAICS industries: wood product manufacturing; 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	r131.4	151.7	r115.5	r154.4	r118.5	r117.5	r122.9	119.5
	II	r132.8	153.5	r115.7	r155.7	r118.3	r117.3	r126.1	120.6
	III	r133.0	154.8	r116.5	r157.5	r119.0	r118.5	r125.6	121.1
	IV	r133.5	155.8	r116.8	r160.0	r119.9	r119.9	r125.9	122.1
	ANNUAL	r132.6	154.0	r116.1	r156.9	r118.9	r118.3	r125.1	120.8
2005	I	r134.6	157.4	r117.0	r161.7	r120.5	r120.1	r127.9	123.0
	II	r134.8	159.0	r118.0	r161.8	r119.4	r120.0	r129.9	123.7
	III	r136.2	160.9	r118.2	r164.7	r119.9	r120.9	r131.2	124.7
	IV	r136.1	161.7	r118.8	r165.7	r119.7	r121.8	r132.4	125.7
	ANNUAL	r135.4	159.8	r118.0	r163.5	r119.9	r120.7	r130.4	124.3
2006	I	r137.4	164.3	r119.6	r170.8	r122.9	r124.4	r130.2	126.6
	II	r137.7	165.4	r120.1	r170.2	r120.9	r123.6	r134.2	127.5
	III	r137.6	166.2	r120.8	r170.5	r120.2	r123.9	r134.6	127.9
	IV	r138.0	r167.2	r121.2	r173.7	r123.1	r125.9	r132.1	r128.2
	ANNUAL	r137.7	r165.8	r120.4	r171.3	r121.7	r124.4	r132.8	r127.5
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	r4.3	4.8	r0.5	3.5	-0.5	r-0.8	r10.9	3.6
	III	r0.6	3.4	r2.8	r4.6	r2.4	r4.0	r-1.8	1.7
	IV	1.6	2.6	1.0	r6.6	3.0	5.0	0.9	3.4
	ANNUAL	3.1	4.4	1.3	3.8	r1.0	0.7	5.8	2.6
2005	I	r3.4	4.2	r0.8	r4.2	r1.8	r0.8	r6.6	3.0
	II	r0.5	4.1	r3.6	r0.2	r-3.5	r-0.3	r6.5	2.3
	III	r4.3	4.9	r0.6	r7.3	r1.8	r2.9	r4.1	3.3
	IV	r-0.2	1.8	r2.1	r2.7	r-0.6	2.9	r3.5	3.2
	ANNUAL	r2.1	3.7	r1.6	r4.2	r0.8	r2.0	4.2	2.9
2006	I	r3.8	6.7	r2.8	r12.9	r10.9	r8.8	r-6.3	2.7
	II	r1.0	2.7	1.7	r-1.6	r-6.3	r-2.6	r12.6	3.1
	III	r-0.3	1.9	r2.2	r0.9	r-2.1	r1.2	r1.2	1.2
	IV	r1.0	r2.5	r1.5	r7.5	r9.8	r6.5	r-7.2	r1.0
	ANNUAL	r1.7	r3.8	r2.1	r4.8	r1.5	3.1	1.8	2.6
Percent change from corresponding quarter of previous year									
2004	I	r4.4	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	r0.5	1.6	4.5	2.7
	IV	r2.4	3.8	r1.4	4.2	r0.8	1.7	5.3	3.1
	ANNUAL	3.1	4.4	1.3	3.8	r1.0	0.7	5.8	2.6
2005	I	r2.5	3.8	1.3	4.7	r1.7	2.2	r4.0	2.9
	II	r1.5	3.6	r2.0	r3.9	r0.9	2.3	3.0	2.6
	III	r2.4	3.9	r1.5	r4.5	r0.7	2.1	r4.5	3.0
	IV	r2.0	3.7	r1.7	r3.6	r-0.2	1.6	r5.2	3.0
	ANNUAL	r2.1	3.7	r1.6	r4.2	r0.8	r2.0	4.2	2.9
2006	I	r2.1	4.4	r2.3	r5.7	r2.0	r3.5	1.8	2.9
	II	r2.2	4.0	r1.8	r5.2	r1.2	r2.9	r3.3	3.1
	III	r1.1	3.3	r2.2	r3.6	r0.3	r2.5	r2.5	2.5
	IV	r1.4	r3.4	r2.1	4.8	2.8	r3.4	r-0.2	r2.0
	ANNUAL	r1.7	r3.8	r2.1	r4.8	r1.5	3.1	1.8	2.6

See footnotes following Table 6.
r=revised

March 6, 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	r130.6	151.9	r116.4	r153.5	r117.8	r117.5	r123.6	119.8
	II	r132.1	153.9	r116.5	r154.8	r117.6	r117.2	r126.7	120.7
	III	r132.2	155.1	r117.3	r156.5	r118.3	r118.4	r126.6	121.4
	IV	r132.3	156.0	r117.9	r158.6	r118.9	r119.9	r127.0	122.5
	ANNUAL	r131.8	154.2	r117.0	r155.9	r118.1	r118.3	r126.0	121.1
2005	I	r133.6	157.6	r118.0	r160.5	r119.5	r120.1	r129.4	123.5
	II	r134.1	159.4	r118.8	r160.8	r118.7	r119.9	r131.8	124.3
	III	r135.4	161.3	r119.1	r163.5	r119.1	r120.8	r133.2	125.3
	IV	r135.2	162.0	r119.8	r164.5	r118.8	r121.7	r134.4	126.4
	ANNUAL	r134.6	160.0	r118.9	r162.3	r119.0	r120.6	r132.2	124.9
2006	I	r136.3	164.6	r120.7	r169.6	r122.0	r124.4	r132.2	127.3
	II	r136.7	165.7	r121.2	r169.0	r120.0	r123.6	r136.5	128.3
	III	r136.6	166.5	r121.9	r169.2	r119.3	r123.9	r136.7	128.6
	IV	r137.1	r167.5	r122.2	r172.6	r122.3	r125.9	r133.7	r128.8
	ANNUAL	r136.7	r166.1	r121.5	r170.1	r120.8	r124.4	r134.8	r128.2
Percent change from previous quarter at annual rate(5)									
2004	I	1.9	3.6	1.7	r1.4	-2.2	-0.5	r10.9	3.6
	II	r4.9	5.2	r0.3	r3.6	-0.4	r-1.2	r10.4	3.1
	III	0.2	3.2	3.0	r4.4	r2.2	r4.2	r-0.4	2.4
	IV	0.4	2.4	2.0	5.6	2.0	r5.2	1.3	3.7
	ANNUAL	r2.9	4.3	r1.4	3.6	0.9	0.7	5.4	2.4
2005	I	r4.0	4.2	r0.3	r4.7	r2.3	0.7	7.7	3.3
	II	r1.5	4.4	r2.9	r0.9	r-2.8	r-0.6	r7.7	2.5
	III	r3.7	4.9	r1.1	r6.8	r1.3	r3.0	r4.2	3.5
	IV	r-0.6	1.8	r2.3	r2.4	r-0.9	3.0	3.7	3.3
	ANNUAL	r2.1	3.8	r1.6	r4.1	r0.8	2.0	4.9	3.1
2006	I	r3.5	6.7	r3.0	r12.9	r11.0	r9.1	r-6.3	2.9
	II	1.2	2.7	1.5	r-1.4	r-6.1	r-2.5	r13.5	3.4
	III	r-0.5	1.9	r2.4	r0.6	r-2.4	r1.1	r0.5	0.8
	IV	r1.6	r2.5	r0.9	r8.2	r10.5	r6.6	r-8.4	r0.5
	ANNUAL	r1.6	r3.8	r2.2	r4.8	r1.5	3.2	1.9	2.7
Percent change from corresponding quarter of previous year									
2004	I	4.3	5.1	r0.8	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	r1.8	r3.1	0.4	1.5	4.2	2.5
	IV	r1.8	3.6	1.7	r3.7	0.4	1.8	5.4	3.2
	ANNUAL	r2.9	4.3	r1.4	3.6	0.9	0.7	5.4	2.4
2005	I	r2.4	3.8	1.4	r4.6	1.5	2.2	4.7	3.1
	II	r1.5	3.6	r2.0	r3.9	r0.9	2.3	4.0	3.0
	III	r2.4	4.0	r1.6	r4.5	r0.7	r2.0	r5.2	3.3
	IV	r2.1	3.8	r1.6	r3.7	r0.0	r1.5	r5.8	3.2
	ANNUAL	r2.1	3.8	r1.6	r4.1	r0.8	2.0	4.9	3.1
2006	I	r2.0	4.4	r2.3	r5.7	r2.0	3.6	2.2	3.0
	II	r1.9	4.0	r2.0	r5.1	r1.1	3.1	r3.6	3.3
	III	r0.9	3.2	r2.3	r3.5	r0.2	r2.6	r2.6	2.6
	IV	r1.4	r3.4	r2.0	4.9	3.0	r3.4	r-0.5	1.9
	ANNUAL	r1.6	r3.8	r2.2	r4.8	r1.5	3.2	1.9	2.7

See footnotes following Table 6.
r=revised

March 6, 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	138.0	r85.4	r157.4	r120.8	97.4
	II	r163.0	138.6	r85.0	r159.7	r121.4	r98.0
	III	r164.1	139.4	r84.9	r163.0	r123.2	99.3
	IV	r166.3	140.5	r84.5	r165.3	r123.9	r99.4
	ANNUAL	r163.8	139.1	r85.0	r161.4	r122.3	r98.5
2005	I	r168.7	142.2	r84.3	r166.2	r123.8	r98.5
	II	r171.2	143.4	r83.8	r167.8	r123.8	r98.0
	III	r172.6	144.2	r83.5	r170.7	r124.3	r98.9
	IV	r173.9	147.0	r84.5	r170.9	r123.4	98.2
	ANNUAL	r171.6	144.2	r84.0	r168.9	r123.9	r98.4
2006	I	r175.7	149.1	r84.9	r176.4	r126.9	100.4
	II	r177.3	151.2	r85.3	r173.9	r123.6	r98.1
	III	r179.9	153.0	r85.1	r173.9	r122.6	r96.7
	IV	r180.9	r152.2	r84.2	r176.8	r125.4	r97.8
	ANNUAL	r178.4	r151.4	r84.8	r175.3	r124.5	r98.2
Percent change from previous quarter at annual rate(5)							
2004	I	-1.7	0.4	r2.1	r-10.5	-13.7	-9.0
	II	3.3	1.7	-1.6	5.9	1.8	2.5
	III	2.7	2.2	r-0.5	r8.4	r6.1	5.5
	IV	r5.4	3.4	r-1.9	r5.9	r2.3	0.5
	ANNUAL	1.8	1.3	-0.5	2.0	-0.7	0.2
2005	I	r6.0	4.9	r-1.1	r2.0	r-0.3	-3.8
	II	r5.9	3.3	r-2.4	r3.9	r0.2	-1.9
	III	r3.4	2.2	r-1.2	r7.2	r1.7	3.7
	IV	r3.1	7.9	r4.7	r0.4	r-2.9	-2.6
	ANNUAL	r4.8	3.6	-1.1	r4.7	r1.3	-0.1
2006	I	r4.1	6.0	r1.9	r13.5	r11.5	9.0
	II	r3.8	5.7	r1.9	r-5.4	r-9.9	-8.8
	III	r5.9	4.8	r-1.1	r-0.2	r-3.2	r-5.8
	IV	2.2	r-2.1	r-4.2	r7.1	r9.3	r4.7
	ANNUAL	r4.0	5.0	r1.0	r3.8	r0.5	r-0.2
Percent change from corresponding quarter of previous year							
2004	I	2.2	0.4	-1.8	1.9	0.0	-0.3
	II	r1.9	1.4	r-0.5	1.6	r-1.2	-0.4
	III	r0.6	1.6	0.9	r2.2	r-0.5	1.6
	IV	r2.4	1.9	r-0.5	r2.1	r-1.2	-0.3
	ANNUAL	1.8	1.3	-0.5	2.0	-0.7	0.2
2005	I	r4.4	3.0	r-1.3	5.5	r2.5	1.1
	II	5.0	3.4	-1.5	5.0	2.0	0.0
	III	r5.2	3.5	-1.6	r4.8	r1.0	-0.4
	IV	r4.6	4.6	r0.0	r3.4	r-0.4	-1.2
	ANNUAL	r4.8	3.6	-1.1	r4.7	r1.3	-0.1
2006	I	4.1	4.9	0.7	6.1	r2.5	2.0
	II	r3.6	5.5	r1.8	r3.7	r-0.2	0.1
	III	4.2	6.1	1.8	r1.8	r-1.4	r-2.3
	IV	r4.0	r3.6	r-0.4	r3.5	r1.5	r-0.5
	ANNUAL	r4.0	5.0	r1.0	r3.8	r0.5	r-0.2

See footnotes following Table 6.
r=revisedMarch 6, 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	r184.8	165.1	r89.3	r153.6	r117.8	r83.1
	II	r185.3	165.0	r89.0	r156.4	r118.8	r84.4
	III	r185.9	165.9	r89.3	r159.9	r120.8	r86.0
	IV	r187.9	167.2	r89.0	r161.6	r121.1	r86.0
	ANNUAL	r186.0	165.8	r89.1	r157.8	r119.6	r84.9
2005	I	r190.7	169.5	r88.9	r161.7	r120.5	84.8
	II	r193.6	171.5	r88.6	r162.8	r120.2	r84.1
	III	r196.8	174.4	r88.6	r165.9	r120.8	r84.3
	IV	r200.9	180.4	r89.8	r165.7	r119.7	r82.5
	ANNUAL	r195.5	174.0	r89.0	r164.0	r120.3	r83.9
2006	I	r203.0	182.9	r90.1	r171.9	r123.6	r84.7
	II	r205.9	187.0	r90.9	r169.7	r120.5	82.4
	III	r209.9	189.6	r90.3	r169.7	r119.7	r80.8
	IV	r211.7	r189.1	r89.3	r172.8	r122.5	r81.6
	ANNUAL	r207.6	r187.2	r90.1	r171.0	r121.5	r82.4
Percent change from previous quarter at annual rate(5)							
2004	I	-2.3	1.8	4.2	-16.1	-19.0	-14.1
	II	r1.1	-0.3	r-1.3	7.5	r3.4	6.4
	III	r1.1	2.3	r1.2	r9.2	r6.9	8.0
	IV	r4.5	3.0	r-1.4	r4.4	r0.8	-0.1
	ANNUAL	r1.1	1.8	r0.7	0.7	r-2.0	-0.5
2005	I	r6.0	5.8	r-0.2	r0.3	r-1.9	-5.4
	II	r6.2	4.8	-1.4	r2.7	-1.0	-3.3
	III	r6.8	6.9	r0.1	r7.9	r2.3	1.0
	IV	r8.7	14.6	r5.4	r-0.6	r-3.8	-8.5
	ANNUAL	5.1	4.9	r-0.2	3.9	r0.6	-1.1
2006	I	4.1	5.5	1.4	15.9	r13.9	11.3
	II	r5.9	9.4	r3.3	r-5.1	r-9.6	-10.4
	III	r8.1	5.5	r-2.4	r0.1	r-2.8	r-7.4
	IV	r3.4	r-0.9	r-4.2	r7.4	r9.7	r3.9
	ANNUAL	6.2	7.6	1.3	r4.3	r1.0	r-1.8
Percent change from corresponding quarter of previous year							
2004	I	2.5	1.5	r-0.9	r0.3	r-1.5	-2.1
	II	r1.7	2.2	r0.5	r0.4	-2.3	-1.3
	III	-0.7	1.8	2.5	1.2	-1.5	1.9
	IV	1.1	1.7	r0.7	r0.7	-2.5	-0.4
	ANNUAL	r1.1	1.8	r0.7	0.7	r-2.0	-0.5
2005	I	r3.2	2.7	-0.4	5.3	2.2	2.1
	II	4.4	4.0	-0.4	4.1	1.1	-0.3
	III	5.9	5.1	-0.7	3.8	0.0	-2.0
	IV	6.9	8.0	r0.9	2.5	r-1.1	-4.1
	ANNUAL	5.1	4.9	r-0.2	3.9	r0.6	-1.1
2006	I	r6.4	7.9	r1.4	r6.3	2.6	-0.1
	II	r6.4	9.1	r2.5	4.2	r0.3	-2.0
	III	r6.7	8.7	r1.9	r2.3	r-1.0	r-4.1
	IV	r5.4	r4.8	r-0.5	r4.3	r2.3	r-1.0
	ANNUAL	6.2	7.6	1.3	r4.3	r1.0	r-1.8

See footnotes following Table 6.
r=revised

March 6, 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	110.1	r79.5	r163.0	r125.1	r117.8
	II	r140.6	111.2	r79.1	r164.2	r124.8	r116.8
	III	r142.5	111.8	r78.4	r166.8	r126.1	r117.0
	IV	r144.9	112.8	r77.9	r170.4	r127.7	r117.6
	ANNUAL	r141.6	111.5	r78.7	r166.1	r125.9	r117.3
2005	I	r147.1	113.9	r77.4	r172.5	r128.5	r117.2
	II	r149.3	114.3	r76.6	r175.0	r129.2	r117.2
	III	r149.5	113.5	r75.9	r177.5	r129.3	118.7
	IV	r148.6	113.8	r76.6	r178.4	r128.9	r120.1
	ANNUAL	r148.6	113.9	r76.6	r175.9	r129.0	r118.3
2006	I	r150.0	115.6	r77.1	r182.4	r131.2	r121.6
	II	r150.8	116.1	r77.0	r179.4	r127.5	r119.0
	III	r151.8	117.3	r77.2	r179.2	r126.3	r118.0
	IV	r152.1	r116.2	r76.4	r182.0	r129.0	r119.6
	ANNUAL	r151.2	r116.3	r76.9	r180.7	r128.4	r119.6
Percent change from previous quarter at annual rate(5)							
2004	I	r0.2	-1.2	r-1.3	r0.6	r-2.9	0.4
	II	r6.4	4.1	r-2.1	r2.9	r-1.1	-3.3
	III	r5.6	2.0	r-3.3	r6.5	r4.2	0.9
	IV	r6.8	3.7	r-2.9	r8.9	r5.2	2.0
	ANNUAL	3.2	0.8	-2.4	4.2	1.5	1.0
2005	I	r6.4	3.8	r-2.5	r5.1	r2.7	-1.2
	II	r6.1	1.6	r-4.2	r6.1	r2.2	-0.1
	III	r0.6	-2.8	r-3.4	r5.8	r0.3	5.1
	IV	r-2.5	0.9	r3.5	r2.1	r-1.2	4.7
	ANNUAL	r5.0	2.1	r-2.7	r5.9	r2.5	0.9
2006	I	r3.8	6.6	r2.7	r9.2	r7.3	5.2
	II	r2.2	1.7	r-0.6	r-6.3	r-10.8	-8.4
	III	r2.7	4.1	r1.4	r-0.5	-3.5	r-3.1
	IV	r0.8	r-3.5	r-4.2	r6.4	r8.7	r5.6
	ANNUAL	r1.7	r2.1	r0.4	r2.8	r-0.4	1.0
Percent change from corresponding quarter of previous year							
2004	I	2.2	-0.9	-3.1	4.6	2.7	2.3
	II	2.8	0.5	-2.2	3.6	0.8	0.8
	III	r3.1	1.4	-1.7	r3.9	1.2	0.8
	IV	4.7	2.1	r-2.4	4.7	1.3	0.0
	ANNUAL	3.2	0.8	-2.4	4.2	1.5	1.0
2005	I	r6.3	3.4	r-2.7	r5.8	r2.7	r-0.4
	II	r6.2	2.8	-3.2	r6.6	r3.6	0.4
	III	r4.9	1.5	r-3.2	r6.4	r2.6	1.4
	IV	r2.6	0.9	r-1.7	r4.7	r1.0	2.1
	ANNUAL	r5.0	2.1	r-2.7	r5.9	r2.5	0.9
2006	I	r1.9	1.5	r-0.4	r5.7	r2.1	3.7
	II	r1.0	1.5	r0.5	r2.5	r-1.3	1.5
	III	r1.5	3.3	r1.8	r0.9	r-2.3	r-0.6
	IV	r2.4	r2.2	r-0.2	r2.0	r0.1	r-0.4
	ANNUAL	r1.7	r2.1	r0.4	r2.8	r-0.4	1.0

See footnotes following Table 6.
r=revised

March 6, 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	159.5	r116.0	r151.8	r116.5	110.5	109.2	110.1	131.3	112.0
	II	138.2	160.6	116.2	153.2	116.4	110.8	109.7	110.5	139.7	113.1
	III	r139.7	163.2	r116.8	r154.9	r117.1	110.9	109.8	110.6	143.1	113.5
	IV	r139.8	164.0	r117.3	r157.0	r117.6	112.3	110.2	111.7	143.6	114.6
	ANNUAL	r138.8	161.8	r116.6	r154.2	r116.9	111.1	109.7	110.7	139.5	113.3
2005	I	r141.2	165.6	r117.3	r158.7	r118.2	112.4	111.5	112.2	150.2	115.6
	II	r142.1	168.0	r118.2	r159.1	r117.4	111.9	111.9	111.9	161.4	116.4
	III	r142.2	168.9	r118.8	r161.8	r117.9	113.8	114.9	114.1	152.9	117.6
	IV	r142.3	170.4	r119.7	r162.8	r117.6	114.4	113.3	114.1	163.7	118.5
	ANNUAL	r142.0	168.2	r118.5	r160.6	r117.8	113.1	112.9	113.1	157.1	117.0
2006	I	r145.9	175.6	r120.4	r167.4	r120.4	114.7	111.1	113.8	177.3	119.4
	II	r144.3	174.4	r120.9	r167.1	r118.7	115.8	113.7	115.2	172.1	120.3
	III	r145.7	r177.0	r121.5	r167.5	r118.1	r114.9	r112.1	r114.2	r184.4	r120.4
Percent change from previous quarter at annual rate(5)											
2004	I	2.3	5.0	r2.6	r-0.4	-3.9	-2.7	-3.0	-2.8	54.5	1.8
	II	2.3	2.8	r0.6	3.7	-0.3	1.4	1.8	1.5	28.0	4.1
	III	r4.3	6.6	r2.2	r4.5	r2.3	0.2	0.4	0.2	10.2	1.3
	IV	0.4	2.0	1.5	5.6	2.0	5.2	1.5	4.2	1.3	3.8
	ANNUAL	3.1	4.5	r1.4	3.2	0.5	0.1	-1.2	-0.3	26.9	2.1
2005	I	r4.0	4.1	r0.1	r4.4	r2.0	0.4	5.0	1.6	19.7	3.5
	II	r2.6	5.7	r3.1	r0.9	r-2.8	-1.6	1.5	-0.8	33.6	2.8
	III	r0.1	2.2	r2.0	r7.1	r1.5	7.0	11.1	8.1	-19.6	4.3
	IV	r0.5	3.6	r3.1	r2.5	r-0.8	2.0	-5.4	0.0	31.2	3.3
	ANNUAL	r2.3	4.0	r1.6	r4.1	r0.8	1.8	3.0	2.1	12.6	3.3
2006	I	r10.4	13.0	r2.3	r11.8	r9.8	1.2	-7.7	-1.2	37.9	3.1
	II	r-4.4	-2.7	r1.7	r-0.8	r-5.6	3.7	9.6	5.3	-11.4	2.9
	III	r4.1	r6.1	r1.9	r1.1	r-2.0	r-2.9	r-5.4	r-3.6	r31.8	0.5
Percent change from corresponding quarter of previous year											
2004	I	r4.0	4.7	r0.7	3.8	r1.9	-0.2	-3.1	-1.0	27.5	1.4
	II	3.3	4.5	1.2	2.9	0.1	-0.3	-1.2	-0.6	32.1	2.2
	III	2.8	4.7	1.8	r2.7	0.0	-0.1	-0.8	-0.3	26.9	2.2
	IV	r2.3	4.1	1.7	r3.3	0.0	1.0	0.2	0.8	21.9	2.8
	ANNUAL	3.1	4.5	r1.4	3.2	0.5	0.1	-1.2	-0.3	26.9	2.1
2005	I	r2.8	3.9	1.1	4.5	1.5	1.7	2.2	1.9	14.4	3.2
	II	r2.8	4.6	r1.7	r3.8	r0.9	1.0	2.1	1.3	15.6	2.9
	III	r1.8	3.5	r1.7	r4.5	r0.7	2.7	4.7	3.2	6.8	3.6
	IV	r1.8	3.9	r2.1	r3.7	r0.0	1.9	2.9	2.1	14.0	3.5
	ANNUAL	r2.3	4.0	r1.6	r4.1	r0.8	1.8	3.0	2.1	12.6	3.3
2006	I	r3.3	6.0	r2.6	r5.5	r1.8	2.1	-0.4	1.4	18.1	3.4
	II	r1.5	3.8	r2.3	r5.0	r1.1	3.5	1.5	2.9	6.6	3.4
	III	r2.5	r4.8	r2.2	r3.5	r0.2	r1.0	r-2.5	r0.0	r20.6	2.4

See footnotes following Table 6.
r=revisedMarch 6, 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. 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									
2002	I	r122.8	141.9	r115.5	r143.7	r115.6	r117.0	r113.2	115.6
	II	r123.4	142.6	r115.6	r145.4	r116.0	r117.9	r112.6	115.9
	III	r124.8	143.8	r115.2	r146.1	r116.0	r117.1	r114.7	116.2
	IV	r124.8	144.0	r115.4	r146.1	r115.3	r117.1	r116.0	116.7
	ANNUAL	r123.9	143.1	r115.4	r145.3	r115.7	r117.3	r114.1	116.1
2003	I	r125.8	144.4	r114.8	r148.1	r115.7	r117.7	r116.5	117.3
	II	r127.9	146.0	r114.1	r150.8	r117.8	r117.9	r116.7	117.4
	III	r130.8	149.7	r114.5	r152.5	r118.4	r116.6	r120.2	118.0
	IV	r130.3	150.1	r115.2	r153.6	r118.9	r117.9	r119.5	118.5
	ANNUAL	r128.7	147.5	r114.6	r151.2	r117.7	r117.5	r118.3	117.8
Percent change from previous quarter at annual rate(5)									
2002	I	r5.6	2.6	-2.9	r5.7	r4.2	0.1	r0.4	0.2
	II	r1.8	2.1	r0.3	4.7	r1.6	r2.8	r-2.1	1.0
	III	r4.8	3.6	r-1.2	r2.0	r-0.2	r-2.7	r7.9	1.0
	IV	r-0.2	0.5	r0.6	r-0.1	r-2.4	0.1	r4.6	1.7
	ANNUAL	4.1	1.5	-2.5	r3.5	r1.9	-0.5	3.8	1.0
2003	I	r3.3	1.1	r-2.2	r5.5	r1.5	2.1	1.7	1.9
	II	r7.0	4.6	r-2.2	r7.6	r7.3	r0.6	r0.6	0.6
	III	r9.1	10.4	r1.2	r4.7	2.1	r-4.1	r12.5	1.8
	IV	r-1.3	1.1	2.5	2.9	1.8	4.3	-2.1	1.8
	ANNUAL	3.8	3.1	-0.7	r4.1	1.7	0.2	3.6	1.5
Percent change from corresponding quarter of previous year									
2002	I	4.8	0.5	-4.1	3.4	2.2	-1.3	6.3	1.3
	II	3.9	0.8	r-2.9	3.9	r2.5	0.0	2.4	0.9
	III	4.7	2.5	-2.1	3.8	2.2	-0.8	3.9	0.9
	IV	3.0	2.2	-0.8	3.1	0.8	0.1	2.6	1.0
	ANNUAL	4.1	1.5	-2.5	r3.5	r1.9	-0.5	3.8	1.0
2003	I	2.4	1.8	-0.6	3.0	0.1	0.6	r2.9	1.4
	II	3.7	2.4	r-1.3	3.7	1.5	0.0	r3.6	1.3
	III	4.7	4.0	-0.7	4.4	2.1	-0.4	4.7	1.5
	IV	4.4	4.2	-0.2	5.1	r3.2	0.7	3.0	1.5
	ANNUAL	3.8	3.1	-0.7	r4.1	1.7	0.2	3.6	1.5

See footnotes following Table 6.
r=revised

March 6, 2007
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									
2002	I	r122.7	142.5	r116.1	r143.1	r115.0	r116.6	r115.0	116.0
	II	r122.9	143.0	r116.3	r144.6	r115.4	r117.7	r114.8	116.6
	III	r124.2	144.1	r116.0	r145.3	r115.3	r117.0	r116.6	116.9
	IV	r124.1	144.1	r116.1	r145.4	r114.7	r117.1	r117.7	117.3
	ANNUAL	r123.5	143.4	r116.1	r144.6	r115.1	r117.1	r116.0	116.7
2003	I	r125.2	144.6	r115.5	r147.3	r115.1	r117.7	r118.3	117.9
	II	r126.9	146.1	r115.1	r149.7	r116.9	r118.0	r118.1	118.0
	III	r130.1	150.0	r115.3	r151.7	r117.8	r116.6	r121.5	118.4
	IV	r129.9	150.6	r115.9	r152.9	r118.4	r117.7	r120.5	118.7
	ANNUAL	r128.0	147.8	r115.4	r150.4	r117.1	r117.5	r119.6	118.3
Percent change from previous quarter at annual rate(5)									
2002	I	r6.9	3.5	-3.2	r6.2	r4.7	r-0.7	r1.2	0.0
	II	r0.7	1.4	r0.6	r4.4	r1.3	r3.6	r-0.9	2.0
	III	r4.2	3.1	r-1.0	r1.9	-0.4	-2.2	r6.6	0.9
	IV	r-0.1	0.1	r0.2	r0.1	r-2.2	r0.2	r3.9	1.6
	ANNUAL	4.1	1.5	-2.6	r3.6	2.0	-0.5	4.0	1.1
2003	I	r3.4	1.2	r-2.1	r5.5	r1.5	r2.0	1.8	2.0
	II	r5.7	4.3	r-1.3	r6.7	r6.5	r1.0	r-0.6	0.4
	III	r10.4	11.0	r0.5	5.4	2.9	r-4.5	r11.9	1.3
	IV	r-0.5	1.6	2.2	r3.3	r2.2	3.8	-3.2	1.1
	ANNUAL	3.7	3.1	-0.6	4.0	1.7	0.3	3.1	1.3
Percent change from corresponding quarter of previous year									
2002	I	5.1	0.7	-4.2	3.5	2.2	-1.6	6.5	1.2
	II	3.9	0.8	r-3.0	4.0	2.7	0.1	2.8	1.0
	III	4.5	2.3	-2.1	3.9	2.3	-0.6	4.1	1.1
	IV	2.9	2.0	r-0.8	r3.1	0.9	0.2	2.7	1.1
	ANNUAL	4.1	1.5	-2.6	r3.6	2.0	-0.5	4.0	1.1
2003	I	2.0	1.5	r-0.6	r3.0	r0.1	0.9	2.8	1.6
	II	3.3	2.2	-1.0	3.5	1.3	0.2	2.9	1.2
	III	4.8	4.1	r-0.7	4.4	2.1	-0.4	4.2	1.3
	IV	r4.7	4.5	r-0.2	5.2	3.2	0.5	2.3	1.2
	ANNUAL	3.7	3.1	-0.6	4.0	1.7	0.3	3.1	1.3

See footnotes following Table 6.
r=revised

March 6, 2007
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							
2002	I	147.8	134.2	90.8	144.6	116.2	97.9
	II	r150.5	136.1	r90.4	r147.6	r117.8	98.1
	III	r153.1	137.0	r89.5	r149.1	r118.4	r97.4
	IV	r154.7	136.8	r88.4	r150.2	r118.5	r97.1
	ANNUAL	r151.5	136.0	r89.8	r147.9	r117.7	97.6
2003	I	r158.2	137.5	r86.9	r154.6	r120.8	97.7
	II	r159.9	136.7	r85.5	r157.3	r122.8	r98.4
	III	r163.0	137.2	r84.2	r159.4	r123.7	r97.8
	IV	r162.4	137.9	r84.9	r161.9	r125.3	r99.7
	ANNUAL	r160.9	137.3	r85.4	r158.3	r123.2	98.4
Percent change from previous quarter at annual rate(5)							
2002	I	10.0	2.4	-6.9	17.1	15.4	6.4
	II	r7.8	5.8	r-1.8	r8.7	r5.5	0.9
	III	r6.9	2.7	-3.9	r4.2	r1.9	-2.5
	IV	r4.4	-0.7	r-4.9	r2.8	r0.4	-1.5
	ANNUAL	7.0	-0.6	-7.1	7.3	5.6	0.2
2003	I	r9.3	2.2	r-6.5	r12.2	r8.0	2.7
	II	r4.4	-2.4	r-6.5	r7.2	r7.0	2.7
	III	8.1	1.6	-6.0	r5.5	3.0	-2.4
	IV	r-1.7	2.1	r3.8	r6.4	r5.2	8.2
	ANNUAL	6.2	1.0	-4.9	7.0	4.6	0.8
Percent change from corresponding quarter of previous year							
2002	I	5.5	-4.4	-9.4	4.7	3.4	-0.8
	II	6.9	-1.4	r-7.8	7.5	6.1	0.5
	III	8.3	1.2	-6.6	8.8	r7.2	0.5
	IV	r7.2	2.5	-4.4	r8.0	5.7	0.7
	ANNUAL	7.0	-0.6	-7.1	7.3	5.6	0.2
2003	I	7.1	2.5	-4.3	6.9	3.9	-0.2
	II	6.2	0.4	-5.4	6.5	4.3	0.3
	III	6.5	0.2	-6.0	6.9	4.6	0.3
	IV	4.9	0.8	-3.9	7.8	5.8	2.7
	ANNUAL	6.2	1.0	-4.9	7.0	4.6	0.8

See footnotes following Table 6.
r=revised

March 6, 2007
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 -----							
2002	I	r165.7	156.9	r94.7	r141.9	r114.1	85.6
	II	r169.6	160.0	r94.3	r145.0	r115.7	r85.5
	III	r173.3	161.8	r93.3	r146.1	r115.9	r84.3
	IV	r176.6	161.9	r91.7	r147.3	r116.2	r83.4
	ANNUAL	r171.2	160.1	r93.5	r145.0	r115.5	84.7
2003	I	r180.4	162.6	r90.1	r153.0	r119.6	84.8
	II	r182.3	161.4	r88.6	r155.8	r121.7	r85.4
	III	r187.2	163.0	r87.1	r158.0	r122.7	r84.4
	IV	r185.9	164.3	r88.4	r160.5	r124.2	86.3
	ANNUAL	r183.9	162.8	r88.5	r156.8	r122.0	85.3
----- Percent change from previous quarter at annual rate(5) -----							
2002	I	r11.4	2.7	-7.9	r12.0	r10.4	0.5
	II	r9.6	8.2	r-1.4	r9.2	r6.0	-0.4
	III	9.1	4.5	-4.2	r3.0	0.7	-5.6
	IV	r7.8	0.4	r-6.8	r3.2	r0.9	-4.2
	ANNUAL	7.8	-1.1	-8.3	6.4	4.7	-1.3
2003	I	r8.9	1.6	r-6.7	r16.6	r12.3	7.1
	II	r4.4	-2.8	r-6.9	r7.4	r7.1	2.9
	III	11.2	4.0	-6.5	5.8	3.3	-4.8
	IV	r-2.7	3.3	r6.1	r6.3	r5.2	9.3
	ANNUAL	7.4	1.7	-5.3	8.1	5.7	0.7
----- Percent change from corresponding quarter of previous year -----							
2002	I	5.1	-6.6	-11.2	4.1	r2.8	-1.0
	II	r7.2	-2.6	r-9.2	r6.8	5.4	-0.4
	III	r9.2	1.2	-7.3	r7.8	6.1	-1.3
	IV	9.5	3.9	-5.1	6.8	r4.4	-2.5
	ANNUAL	7.8	-1.1	-8.3	6.4	4.7	-1.3
2003	I	r8.8	3.6	-4.8	7.9	4.9	-0.9
	II	7.5	0.9	-6.1	7.4	5.1	-0.1
	III	8.0	0.8	-6.7	r8.2	5.8	0.1
	IV	5.3	1.5	-3.6	9.0	6.9	3.5
	ANNUAL	7.4	1.7	-5.3	8.1	5.7	0.7

See footnotes following Table 6.
r=revised

March 6, 2007
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							
2002	I	r129.4	110.0	r85.0	r148.2	r119.1	114.5
	II	r131.2	110.9	r84.5	r150.9	r120.4	115.0
	III	132.5	111.0	83.8	153.3	121.6	115.6
	IV	r132.4	110.4	r83.4	r154.2	r121.7	r116.5
	ANNUAL	r131.4	110.6	r84.2	r151.6	r120.7	115.4
2003	I	r135.4	111.1	r82.1	r155.9	r121.8	r115.1
	II	136.8	110.6	80.9	158.5	123.8	115.9
	III	r138.2	110.3	r79.8	r160.5	r124.6	r116.1
	IV	r138.4	110.4	r79.8	r162.8	r126.0	117.6
	ANNUAL	r137.2	110.6	r80.6	r159.4	r124.1	116.2
Percent change from previous quarter at annual rate(5)							
2002	I	r8.3	2.5	r-5.4	r27.8	r26.0	18.0
	II	r5.9	3.2	r-2.6	r7.6	4.5	1.6
	III	r4.0	0.5	-3.4	6.5	r4.1	2.4
	IV	r-0.6	-2.2	r-1.6	r2.4	r0.0	3.0
	ANNUAL	5.7	0.3	-5.1	9.4	r7.7	3.5
2003	I	r9.5	2.7	r-6.2	r4.4	r0.5	-4.7
	II	r4.2	-1.9	r-5.9	r7.1	r6.9	2.7
	III	r4.2	-1.3	r-5.2	r5.1	r2.5	0.9
	IV	0.5	0.6	0.1	5.8	4.7	5.3
	ANNUAL	4.4	0.0	-4.2	r5.1	2.8	0.7
Percent change from corresponding quarter of previous year							
2002	I	5.2	-1.5	r-6.4	6.4	5.1	1.1
	II	6.0	0.4	-5.3	9.3	7.9	3.1
	III	7.2	1.4	-5.4	11.1	9.4	3.7
	IV	4.4	1.0	-3.3	10.7	8.2	6.0
	ANNUAL	5.7	0.3	-5.1	9.4	r7.7	3.5
2003	I	r4.7	1.0	-3.5	5.2	2.3	0.5
	II	4.2	-0.2	-4.3	5.1	2.8	0.8
	III	4.3	-0.7	r-4.7	4.7	r2.4	0.4
	IV	r4.5	0.0	-4.3	5.6	3.6	1.0
	ANNUAL	4.4	0.0	-4.2	r5.1	2.8	0.7

See footnotes following Table 6.
r=revised

March 6, 2007
Source: Bureau of Labor Statistics

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

Year and quarter	Output per all-employee hour	Output	Employee hours	Hourly compensation (1)	Real hourly compensation(2)	Unit labor costs	Unit non-labor costs(6)	Total unit costs (7)	Unit profits (8)	Implicit price deflator (4)	

Indexes 1992=100											
2002	I	r127.3	149.3	r117.3	r141.6	r113.8	111.2	113.0	111.7	85.8	109.4
	II	r129.3	151.3	r117.0	r143.5	r114.5	111.0	110.7	110.9	94.5	109.4
	III	r130.6	152.2	r116.6	r144.4	r114.6	110.6	110.0	110.5	100.3	109.5
	IV	r131.6	153.0	r116.3	r144.9	r114.3	110.1	109.6	110.0	111.2	110.1
	ANNUAL	r129.7	151.5	r116.8	r143.6	r114.3	110.7	110.8	110.7	98.0	109.6
2003	I	r132.1	152.3	r115.3	r146.2	r114.3	110.7	112.6	111.2	102.9	110.5
	II	r133.8	153.6	r114.8	r148.8	r116.2	111.2	111.0	111.2	105.7	110.7
	III	r135.9	155.9	r114.7	r150.8	r117.1	111.0	110.7	110.9	112.8	111.1
	IV	r136.6	157.5	r115.3	r152.0	r117.7	111.2	110.0	110.9	117.8	111.5
	ANNUAL	r134.6	154.8	r115.0	r149.5	r116.3	111.0	111.1	111.0	109.9	110.9

Percent change from previous quarter at annual rate(5)											
2002	I	r5.2	2.9	r-2.2	r2.5	r1.1	-2.6	-9.0	-4.4	66.8	-0.8
	II	r6.4	5.6	-0.8	5.4	r2.3	-0.9	-7.9	-2.9	46.9	0.1
	III	r4.0	2.3	-1.5	r2.7	r0.4	-1.2	-2.4	-1.6	27.0	0.5
	IV	r3.1	2.0	r-1.1	r1.2	r-1.1	-1.9	-1.6	-1.8	50.9	1.9
	ANNUAL	4.0	0.9	r-3.0	3.6	2.0	-0.4	-1.6	-0.7	19.2	0.6
2003	I	r1.6	-1.8	r-3.3	r3.9	r0.0	2.3	11.4	4.7	-26.5	1.5
	II	r5.3	3.6	r-1.6	r7.3	r7.0	1.9	-5.6	-0.2	11.3	0.7
	III	r6.3	6.1	r-0.2	r5.4	2.9	-0.8	-1.2	-0.9	29.4	1.4
	IV	r2.3	4.3	2.0	r3.2	2.0	0.9	-2.5	-0.1	18.9	1.6
	ANNUAL	r3.8	2.2	-1.5	r4.1	r1.8	0.3	0.2	0.3	12.1	1.2

Percent change from corresponding quarter of previous year											
2002	I	3.0	-1.7	r-4.5	3.6	r2.3	0.6	3.5	1.4	-1.9	1.2
	II	3.8	0.2	-3.5	4.0	2.7	0.2	-0.8	-0.1	8.7	0.5
	III	4.6	1.9	-2.6	r3.7	r2.1	-0.8	-3.5	-1.5	27.0	0.3
	IV	4.7	3.2	r-1.4	r2.9	0.7	-1.7	-5.3	-2.7	47.2	0.4
	ANNUAL	4.0	0.9	r-3.0	3.6	2.0	-0.4	-1.6	-0.7	19.2	0.6
2003	I	r3.8	2.0	r-1.7	r3.3	r0.4	-0.5	-0.4	-0.4	20.0	1.0
	II	r3.5	1.5	-1.9	3.7	1.5	0.2	0.3	0.2	11.9	1.1
	III	4.1	2.4	-1.6	4.4	2.1	0.3	0.6	0.4	12.4	1.4
	IV	3.8	3.0	-0.8	4.9	r3.0	1.0	0.3	0.8	5.9	1.3
	ANNUAL	r3.8	2.2	-1.5	r4.1	r1.8	0.3	0.2	0.3	12.1	1.2

See footnotes following Table 6.
r=revised

March 6, 2007
Source: Bureau of Labor Statistics