



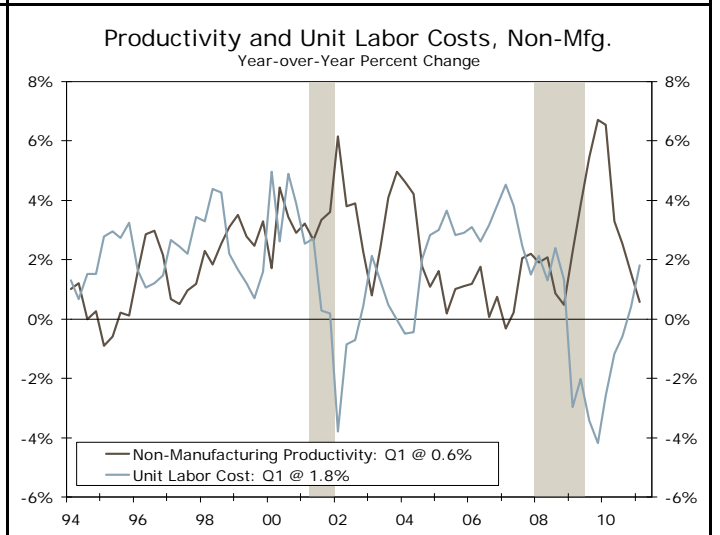
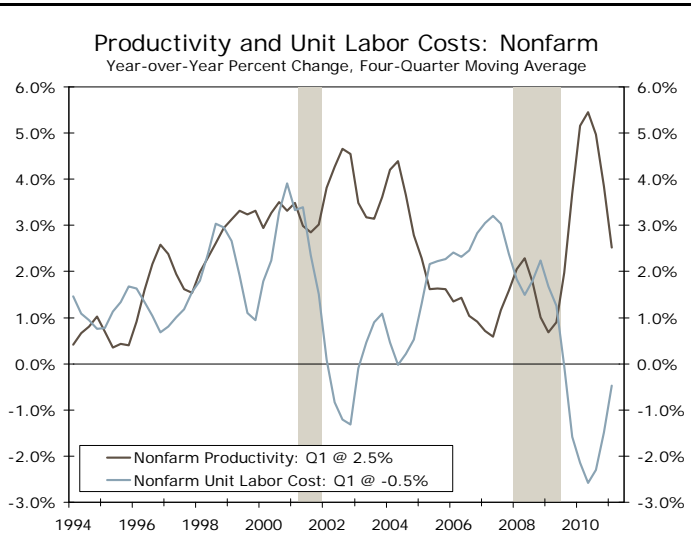
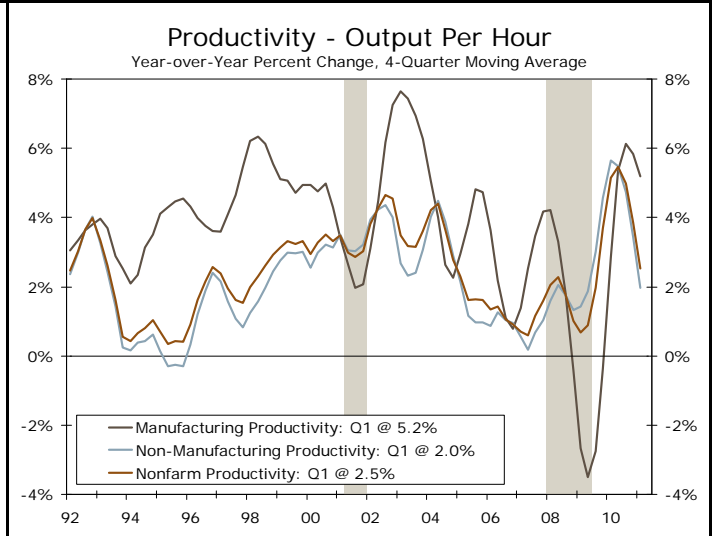
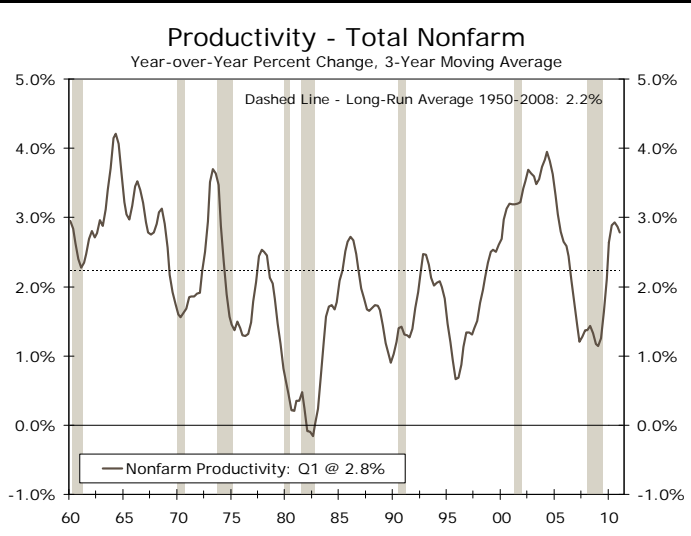
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Nonfarm Productivity Slows Down, Labor Costs Increase

Nonfarm productivity slowed down while unit labor costs increased a more-than-expected 1.0 percent during the first quarter of the year. Unit labor costs recovered from the previous quarter's revised 1.0 percent drop.

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| <p>Reversal of Fortunes</p> <ul style="list-style-type: none"> • Nonfarm productivity and unit labor costs in the first quarter reversed all the good news reported during the last quarter of 2010 when they posted a revised 2.9 percent increase and a 1.0 percent drop, respectively. • Nonfarm productivity was up by 1.6 percent during the first quarter, the product of an increase of 3.1 percent in output and a 1.4 percent gain in hours worked. | <p>Manufacturing Productivity Leading the Way</p> <ul style="list-style-type: none"> • If we needed any confirmation that the U.S. recovery is being driven by the manufacturing sector, first quarter productivity measures confirm this fact. Manufacturing productivity increased by 6.3 percent and durable manufacturing productivity increased by 9.8 percent. • Business productivity, however, remained very weak, rising by only 0.7 percent while bringing the overall measure down. |
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Source: U.S. Department of Labor and Wells Fargo Securities, LLC

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