

# News

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## PRODUCTIVITY AND COSTS

First Quarter 1990

Business, Nonfarm Business, Manufacturing, and  
Nonfinancial Corporations

The Bureau of Labor Statistics of the U.S. Department of Labor today reported productivity results--as measured by output per hour of all persons--for the first quarter of 1990. Based on revised information now available, the seasonally-adjusted annual rates of productivity change in the first quarter were:

- 2.1 percent in the business sector,
- 2.7 percent in the nonfarm business sector,
- +4.9 percent in manufacturing,
- +4.6 percent in durable goods manufacturing, and
- +5.5 percent in nondurable goods manufacturing.

First-quarter measures are summarized in table A and appear in detail in tables 1 through 5. In the business and nonfarm business sectors, productivity declines contributed to accelerated growth of unit labor costs. In manufacturing, unit labor costs declined, partly reflecting the rapid gains in productivity.

In nonfinancial corporations, productivity fell 2.1 percent in the first quarter, as output and hours rose 0.3 percent and 2.4 percent, respectively (tables B and 6).

For business and nonfarm business, the revised productivity and output measures show greater declines than had been reported on May 7, based on preliminary information then available (table D). On the other hand, productivity grew more rapidly in manufacturing than had previously been reported. The revisions mainly reflect changes in measures of output growth during the first 3 months of 1990.

### Business

Productivity decreased at a 2.1 percent annual rate during the first quarter of 1990 in the business sector, as output rose 1.1 percent and hours of all persons engaged in the sector increased 3.4 percent (seasonally adjusted annual rates). This was the first quarterly decline in productivity since an identical reduction occurred in the second quarter of 1988. In the fourth quarter of 1989, business productivity had increased 0.4 percent, as output grew and hours were unchanged (table 1).

Table A. Productivity and costs: First quarter 1990 measures  
(Seasonally adjusted annual rates)

Sector	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs
Percent change from preceding quarter						
Business	-2.1	1.1	3.4	4.7	-3.2	7.0
Nonfarm business	-2.7	1.0	3.9	4.1	-3.7	7.0
Manufacturing	4.9	1.7	-3.0	3.5	-4.2	-1.3
Durable	4.6	1.2	-3.2	2.2	-5.4	-2.2
Nondurable	5.5	2.5	-2.8	5.6	-2.2	0.2
Percent change from same quarter a year ago						
Business	0.3	1.8	1.5	5.4	0.2	5.1
Nonfarm business	0.3	1.9	1.7	5.3	0.0	5.0
Manufacturing	2.2	0.3	-1.9	4.7	-0.5	2.4
Durable	2.5	-0.5	-2.9	4.4	-0.8	1.8
Nondurable	2.1	1.7	-0.3	5.6	0.3	3.4

Hourly compensation increased at a 4.7 percent annual rate during the first quarter of 1990. During the fourth quarter of 1989, this series rose 5.6 percent. This measure includes wages and salaries, supplements, employer contributions to employee-benefit plans, and taxes. Unit labor costs, which reflect changes in hourly compensation and productivity, increased at a 7.0 percent annual rate during the first quarter, compared with a 5.2 percent increase one quarter earlier. The increase in the first quarter of 1990 was the greatest since unit labor costs rose 8.0 percent in the second quarter of 1988.

Real hourly compensation, which takes into account changes in the Consumer Price Index for All Urban Consumers (CPI-U), fell 3.2 percent in the first quarter, compared with a 1.5 percent increase in the fourth quarter of 1989. This was the first decline in a year and the largest since an 3.4 percent decline occurred in the first quarter of 1987.

The implicit price deflator for business output, which reflects changes in unit labor costs and unit nonlabor payments, increased 5.4 percent in the first quarter, the largest gain in these prices in 8 years.

### **Nonfarm business**

Productivity declined 2.7 percent in the nonfarm business sector during the first quarter of 1990, as output rose 1.0 percent and hours of all persons--employees, proprietors, and unpaid family workers--increased 3.9 percent. During the fourth quarter of 1989, nonfarm productivity had increased 0.5 percent (table 2). The first-quarter productivity decline was the first in a year, and the largest since a 5.5 percent decline occurred in the fourth quarter of 1981.

Hourly compensation rose 4.1 percent in the first quarter, but was down 3.7 percent when the increase in the CPI-U was taken into account. Unit labor costs increased 7.0 percent, compared with a 5.5 percent rise during the fourth quarter of 1989. The increase in hourly compensation was the smallest in 2 years, the decline in real hourly compensation was the steepest in 3 years and the increase in unit labor costs the greatest since the second quarter of 1988.

The implicit price deflator for nonfarm business output rose 4.6 percent in the first quarter, compared with a 3.4 percent increase one quarter earlier. This marked the largest quarterly price increase for this sector since the fourth quarter of 1988 when prices rose at a 5.9 percent annual rate.

### **Manufacturing**

Manufacturing productivity increased rapidly in the first quarter in spite of the declines in the more comprehensive business sectors reported above, growing at a 4.9 percent seasonally adjusted annual rate. Output rose 1.7 percent and hours of all persons declined 3.0 percent. During the fourth quarter of 1989, productivity rose 3.1 percent, but output and hours both declined--1.3 percent and 4.3 percent, respectively (table 3).

Hourly compensation of manufacturing workers increased 3.5 percent during the first quarter, but fell 4.2 percent when the increase in consumer prices was taken into account. The decline in real compensation was the largest since 1983 (when a 5.4 percent decline occurred in the second quarter). Unit labor costs fell at a 1.3 percent annual rate in the first quarter of 1990, compared with a 3.7 percent increase during the fourth quarter of 1989. This marked the first decline in unit labor costs since 1988 (when a 0.5 percent decline occurred in the second quarter).

Both durable and nondurable goods industries experienced productivity increases in the first quarter (tables 4 and 5). Productivity and output increased more rapidly in nondurable than in durable goods manufacturing.

Table B. Nonfinancial corporations: Preliminary first quarter productivity and cost measures  
Seasonally adjusted annual rates

Period	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs	Unit profits	Implicit price deflator
Percent change from preceding quarter								
1990 I	-2.1	0.3	2.4	3.8	-4.0	6.0	-1.5	4.5
Percent change from preceding year								
1990 I	0.1	1.7	1.6	5.1	-0.1	5.0	-11.6	3.7

#### Nonfinancial corporations

Preliminary first-quarter 1990 measures of productivity and costs also were announced today for nonfinancial corporations (tables B and 6). Output per all-employee hour declined 2.1 percent from the fourth quarter of 1989 to the first quarter of 1990, as output and hours increased 0.3 percent and 2.4 percent, respectively, at annual rates. This was the second quarter in succession in which productivity fell. The sector includes all corporations doing business in the United States, except banks, stock and commodity brokers, and finance and insurance agencies. Output and hours grew less rapidly than in the more comprehensive business and nonfarm business sectors reported above.

Hourly compensation increased 3.8 percent but declined 4.0 percent when the rise in the CPI-U was taken into account (table 6). The increase in hourly compensation of employees of the corporations was the smallest rise in 2 years, and the decline in real hourly compensation was the largest in 3 years. Unit labor costs rose 6.0 percent in the first quarter, compared with a 6.6 percent rise in the fourth quarter of 1989; unit nonlabor costs rose 2.5 percent, and unit profits fell 1.5 percent (their fifth consecutive decline). The implicit deflator for nonfinancial corporate output rose 4.5 percent in the first quarter.

Table C shows indexes of the implicit price deflator for nonfinancial corporate output and related series from 1977 forward. Changes in the prices of goods and services produced by nonfinancial corporations reflect changes in their costs and profits. Total unit costs consist of labor costs and nonlabor costs per unit of output. The table shows that price increases have reflected cost increases more than profit gains over the entire 12-year period. Nonlabor costs increased more rapidly than labor costs, partly reflecting increasing labor productivity. (Nonlabor costs include capital consumption allowances, net interest, and indirect business taxes.) However, since 1982 when the present recovery/expansion began, total unit costs increased about 20 percent, while unit profits rose nearly 35 percent.

Table C. Nonfinancial corporations: Prices, costs, and profits  
Index, 1977 = 100

Period	Implicit price deflator	Total unit costs	Unit labor costs	Unit nonlabor costs	Unit profits
1977	100.0	100.0	100.0	100.0	100.0
1978	106.6	107.3	107.8	105.7	102.0
1979	115.4	118.2	119.0	115.8	94.5
1980	127.6	133.4	132.3	136.7	85.2
1981	141.7	147.7	143.8	159.1	98.1
1982	149.8	159.5	153.8	176.4	78.5
1983	153.7	159.5	154.5	174.3	110.9
1984	157.9	160.8	156.5	173.6	136.5
1985	160.4	164.1	160.2	175.8	133.0
1986	163.1	168.5	164.1	181.7	123.1
1987	165.4	171.2	166.1	186.4	123.0
1988	169.1	174.6	169.3	190.3	128.8
1989	175.5	183.8	177.8	201.7	113.9
1989 I	173.1	180.4	174.9	196.9	119.6
II	175.0	182.9	177.1	200.1	116.6
III	176.1	184.6	178.1	203.9	113.5
IV	177.5	187.3	181.0	205.7	106.1
1990 I	179.5	189.6	183.7	207.0	105.7

#### Revised measures

Previous and revised productivity and cost measures for the first quarter are compared in table D for business, nonfarm business, and manufacturing. Productivity and cost revisions are larger than usual, reflecting a substantial revision in sector output measures--which are based on revised Gross National Product measures published by the Bureau of Economic Analysis of the U.S. Department of Commerce and, for manufacturing, the Indexes of Industrial Production prepared by the Federal Reserve Board--and smaller changes in measures of labor input.

Table D. Previous and revised productivity and related measures,  
 first quarter 1990  
 Quarterly percent change at seasonally adjusted annual rate

Sector	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs
<b>Business:</b>						
Previous	-0.5	2.7	3.1	4.5	-3.4	4.9
Revised	-2.1	1.1	3.4	4.7	-3.2	7.0
<b>Nonfarm business:</b>						
Previous	-1.0	2.7	3.6	3.9	-3.9	4.9
Revised	-2.7	1.0	3.9	4.1	-3.7	7.0
<b>Manufacturing:</b>						
Previous	4.1	0.8	-3.2	3.2	-4.5	-0.9
Revised	4.9	1.7	-3.0	3.5	-4.2	-1.3

**Next release date**

The next issue of Productivity and Costs is scheduled for release at 10:00 AM EDT, Monday, August 6, 1990, and will contain second-quarter measures for business, nonfarm business, and manufacturing.

**NOTE:** Beginning with the August 6 release of Productivity and Costs, the base year for index measures will be changed to 1982. The base year for these and other BLS indexes is periodically shifted for ease of reference. The current base year, 1977, was adopted in January 1981. Recomputing the indexes using 1982 as 100 will have no effect on the rates of change of any measures.

## TECHNICAL NOTES

**Labor Input:** The primary source of hours and employment data is the BLS Current Employment Statistics (CES) program, which provides monthly survey data on total employment and average weekly hours of production and nonsupervisory workers in nonagricultural establishments. Jobs rather than persons are counted. Weekly hours are adjusted to the hours at work definition using the BLS Hours at Work survey, conducted for this purpose.

Data from the BLS Current Population Survey (CPS) are used for farm labor; in the nonfarm sector, the National Income and Product Accounts (NIPA) prepared by the Bureau of Economic Analysis of the U.S. Department of Commerce and the CPS are used to measure labor input for government enterprises, proprietors, unpaid family workers, and paid employees of private households.

**Output:** Business sector output is equal to gross national product (GNP) in constant 1982 dollars, less the rest-of-the-world sector, general government, output of nonprofit institutions, output of paid employees of private households, rental value of owner-occupied dwellings, and the statistical discrepancy in computing the NIPA. Corresponding exclusions are also made in labor inputs. Business output was about 81 percent of GNP in 1988. Nonfarm business, which also excludes farming, was about 79 percent of GNP in 1988.

Total manufacturing measures are computed by summing series prepared for the durable and nondurable goods sectors. Durables include the following 2-digit SIC industries: Primary metals; fabricated metal products; nonelectrical machinery; electrical machinery; transportation equipment; instruments; lumber and lumber products; furniture and fixtures; stone, clay, and glass products; and miscellaneous manufactures. Nondurables include: Textile mill products, apparel products, leather and leather products, printing and publishing, chemicals and chemical products, petroleum products, rubber and plastic products, food, and tobacco products. Manufacturing accounted for about 22 percent of GNP in 1988.

Nonfinancial corporate output is equal to GNP in constant 1982 dollars, less the rest-of-the-world sector, general government, output of nonprofit institutions, output of paid employees of private households, rental value of owner-occupied dwellings, unincorporated business, the output of corporations engaged in banking, finance, stock and commodity trading, and credit and insurance agencies, and the statistical discrepancy in computing the NIPA. Nonfinancial corporations accounted for about 60 percent of GNP in 1988.

**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.

Table 1. Business sector: Productivity, hourly compensation, unit labor cost, 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 cost	Unit non-labor payments (3)	Implicit price deflator (4)	
Indexes 1977=100									
1989	I	113.8	143.6	126.2	206.9	102.8	181.9	179.4	
	II	114.2	144.4	126.4	210.4	103.0	184.1	181.4	
	III	114.7	145.6	127.0	212.8	103.5	185.6	182.4	
	IV	114.8	145.7	127.0	215.7	103.9	187.9	183.7	
	ANNUAL	114.2	144.8	126.8	211.2	103.2	184.9	181.7	
1990	I	r114.1	r146.1	128.0	r218.2	103.0	r191.1	r176.8	186.1
Percent change from previous quarter at annual rate(5)									
1989	I	1.1	4.8	3.7	4.8	-0.6	3.7	2.4	3.3
	II	1.6	2.3	0.6	6.8	0.8	5.1	3.5	4.6
	III	1.5	3.5	1.9	4.7	1.9	3.2	0.4	2.2
	IV	0.4	0.3	0.0	5.6	1.5	5.2	-1.5	2.9
	ANNUAL	1.1	3.4	2.3	5.5	0.7	4.4	2.9	3.9
1990	I	r-2.1	r1.1	r3.4	r4.7	r-3.2	r7.0	r2.4	5.4
Percent change from corresponding quarter of previous year									
1989	I	0.5	3.9	3.3	5.4	0.6	4.8	3.4	4.3
	II	1.5	3.6	2.1	5.6	0.4	4.1	4.4	4.2
	III	1.1	3.5	2.4	5.4	0.7	4.2	2.7	3.7
	IV	1.1	2.7	1.6	5.5	0.9	4.3	1.2	3.2
	ANNUAL	1.1	3.4	2.3	5.5	0.7	4.4	2.9	3.9
1990	I	r0.3	r1.8	r1.5	5.4	0.2	r5.1	r1.2	3.8

See footnotes following table 6.  
r=Revised

June 4, 1990  
Source: Bureau of Labor Statistics



Table 2. Nonfarm business sector: Productivity, hourly compensation, unit labor cost, 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 cost	Unit non-labor payments (3)	Implicit price deflator(4)	
Indexes 1977=100									
1989	I	111.6	143.6	128.6	205.5	102.1	184.1	174.6	180.8
	II	111.9	144.6	129.2	208.3	102.0	186.1	176.5	182.8
	III	112.6	145.9	129.6	211.0	102.6	187.4	177.6	184.0
	IV	112.7	146.0	129.5	214.1	103.1	189.9	177.3	185.6
	ANNUAL	112.1	145.0	129.4	209.5	102.4	186.9	176.5	183.3
1990	I	r112.0	r146.4	r130.8	r216.3	r102.2	r193.2	r177.3	187.7
Percent change from previous quarter at annual rate(5)									
1989	I	-1.3	2.4	3.7	4.9	-0.5	6.2	-3.7	2.8
	II	1.1	2.8	1.7	5.6	-0.4	4.5	4.2	4.4
	III	2.4	3.7	1.3	5.3	2.4	2.8	2.5	2.7
	IV	0.5	0.3	-0.2	6.0	1.9	5.5	-0.6	3.4
	ANNUAL	0.9	3.3	2.4	5.5	0.6	4.5	2.5	3.8
1990	I	r-2.7	r1.0	r3.9	r4.1	r-3.7	r7.0	r-0.1	4.6
Percent change from corresponding quarter of previous year									
1989	I	0.6	4.1	3.5	5.4	0.6	4.8	2.6	4.0
	II	1.3	3.7	2.4	5.5	0.3	4.1	3.9	4.1
	III	1.0	3.4	2.4	5.4	0.7	4.4	3.2	4.0
	IV	0.7	2.3	1.6	5.5	0.8	4.8	0.6	3.3
	ANNUAL	0.9	3.3	2.4	5.5	0.6	4.5	2.5	3.8
1990	I	r0.3	r1.9	r1.7	r5.3	0.0	r5.0	r1.5	3.8

See footnotes following table 6.  
r=revised

June 4, 1990  
Source: Bureau of Labor Statistics

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

Year and quarter	Output per hour of all persons	Output (6)	Hours of all persons	Compensation per hour(1)	Real compensation per hour(2)	Unit labor cost	
----- Indexes 1977=100							
1989	I	138.6	141.4	102.0	201.9	100.3	145.6
	II	139.5	142.2	101.9	203.2	99.5	145.6
	III	139.0	141.7	102.0	206.1	100.3	148.3
	IV	140.1	141.2	100.8	209.6	101.0	149.7
	ANNUAL	138.7	141.6	102.1	204.3	99.9	147.3
1990	I	r141.8	r141.8	r100.1	r211.4	r99.9	r149.2
----- Percent change from previous quarter at annual rate(5)							
1989	I	2.4	3.1	0.7	3.5	-1.9	1.1
	II	2.6	2.4	-0.2	2.7	-3.2	0.0
	III	-1.6	-1.4	0.1	5.9	3.0	7.6
	IV	3.1	-1.3	-4.3	7.0	2.8	3.7
	ANNUAL	2.0	2.9	0.9	4.2	-0.6	2.2
1990	I	r4.9	r1.7	r-3.0	r3.5	r-4.2	r-1.3
----- Percent change from corresponding quarter of previous year							
1989	I	2.6	4.9	2.3	3.9	-0.8	1.3
	II	2.6	4.1	1.4	4.0	-1.1	1.4
	III	1.2	2.1	0.9	4.4	-0.2	3.2
	IV	1.6	0.7	-0.9	4.7	0.1	3.1
	ANNUAL	2.0	2.9	0.9	4.2	-0.6	2.2
1990	I	r2.2	r0.3	-1.9	4.7	-0.5	r2.4

See footnotes following table 6.  
r=revised

June 4, 1990

Source: Bureau of Labor Statistics

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

Year and quarter	Output per hour of all persons	Output (6)	Hours of all persons	Compensation per hour(1)	Real compensation per hour(2)	Unit labor cost	
----- Indexes 1977=100 -----							
1989	I	146.4	150.0	102.4	198.8	98.8	135.7
	II	148.4	151.0	101.7	199.6	97.8	134.5
	III	148.3	150.4	101.4	202.7	98.6	136.7
	IV	148.4	148.8	100.2	206.3	99.4	139.0
	ANNUAL	146.9	150.0	102.1	200.4	97.9	136.5
1990	I	r150.1	r149.2	99.4	r207.5	r98.0	138.2
----- Percent change from previous quarter at annual rate(5) -----							
1989	I	1.9	2.2	0.3	3.8	-1.5	1.9
	II	5.4	2.8	-2.5	1.7	-4.1	-3.6
	III	-0.4	-1.7	-1.3	6.4	3.4	6.8
	IV	0.5	-4.1	-4.6	7.3	3.2	6.8
	ANNUAL	2.4	3.1	0.6	4.0	-0.7	1.5
1990	I	r4.6	r1.2	r-3.2	r2.2	r-5.4	r-2.2
----- Percent change from corresponding quarter of previous year -----							
1989	I	2.6	5.9	3.2	3.2	-1.5	0.6
	II	3.2	4.5	1.2	3.8	-1.4	0.5
	III	2.3	2.3	0.0	4.5	-0.1	2.2
	IV	1.8	-0.2	-2.0	4.8	0.2	2.9
	ANNUAL	2.4	3.1	0.6	4.0	-0.7	1.5
1990	I	2.5	r-0.5	r-2.9	r4.4	r-0.8	1.8

See footnotes following table 6.  
r=revised

June 4, 1990  
Source: Bureau of Labor Statistics

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

Year and quarter	Output per hour of all persons	Output (6)	Hours of all persons	Compensation per hour(1)	Real compensation per hour(2)	Unit labor cost	
Indexes 1977=100							
1989	I	126.9	128.6	101.3	207.2	103.0	163.3
	II	126.4	129.1	102.2	209.7	102.7	165.9
	III	125.4	128.8	102.8	212.4	103.3	169.4
	IV	127.8	130.0	101.7	215.7	103.9	168.8
	ANNUAL	126.6	129.1	102.0	211.2	103.2	166.8
1990	I	r129.5	r130.8	101.0	r218.7	103.3	r168.9
Percent change from previous quarter at annual rate(5)							
1989	I	3.3	4.7	1.4	2.9	-2.4	-0.3
	II	-1.5	1.8	3.3	4.9	-1.1	6.5
	III	-3.2	-1.0	2.3	5.4	2.5	8.9
	IV	8.0	3.7	-4.0	6.4	2.3	-1.5
	ANNUAL	1.2	2.7	1.4	4.7	-0.2	3.4
1990	I	r5.5	r2.5	r-2.8	r5.6	r-2.2	r0.2
Percent change from corresponding quarter of previous year							
1989	I	2.3	3.4	1.0	4.9	0.1	2.5
	II	1.6	3.4	1.8	4.6	-0.6	2.9
	III	-0.4	1.8	2.1	4.5	-0.2	4.8
	IV	1.5	2.3	0.7	4.9	0.3	3.3
	ANNUAL	1.2	2.7	1.4	4.7	-0.2	3.4
1990	I	r2.1	r1.7	r-0.3	r5.6	0.3	r3.4

See footnotes following table 6.  
r=revised

June 4, 1990

Source: Bureau of Labor Statistics

Table 6. Nonfinancial corporations: Productivity, hourly compensation, unit labor cost, 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 cost	Unit non-labor cost(7)	Total unit cost (8)	Unit profits (9)	Implicit price deflator (4)	
Indexes 1977=100											
1989	I	114.5	145.8	127.4	200.2	99.5	174.9	196.9	180.4	119.6	173.1
	II	114.5	146.5	128.0	202.8	99.3	177.1	200.1	182.9	116.6	175.0
	III	115.3	148.1	128.4	205.5	99.9	178.1	203.9	184.6	113.5	176.1
	IV	115.2	148.1	128.6	208.5	100.4	181.0	205.7	187.3	106.1	177.5
	ANNUAL	114.8	147.1	128.2	204.0	99.7	177.8	201.7	183.8	113.9	175.5
1990	I	114.6	148.2	129.4	210.4	99.4	183.7	207.0	189.6	105.7	179.5
Percent change from previous quarter at annual rate(5)											
1989	I	-1.7	1.0	2.7	4.9	-0.5	6.6	7.5	6.9	-31.7	2.8
	II	0.1	2.0	1.8	5.4	-0.6	5.3	6.7	5.7	-9.7	4.3
	III	3.0	4.3	1.2	5.4	2.5	2.3	7.7	3.8	-10.3	2.6
	IV	-0.6	0.2	0.9	6.0	1.9	6.6	3.7	5.8	-23.6	3.3
	ANNUAL	0.1	2.6	2.5	5.1	0.3	5.1	6.0	5.3	-11.5	3.8
1990	I	-2.1	0.3	2.4	3.8	-4.0	6.0	2.5	5.0	-1.5	4.5
Percent change from corresponding quarter of previous year											
1989	I	-0.1	3.2	3.4	4.9	0.1	5.0	4.9	5.0	-5.8	4.0
	II	-0.2	2.6	2.8	5.0	-0.2	5.2	5.9	5.4	-9.7	4.0
	III	0.2	2.6	2.3	5.1	0.4	4.9	6.7	5.4	-11.0	3.9
	IV	0.2	1.8	1.6	5.4	0.8	5.2	6.4	5.5	-19.4	3.2
	ANNUAL	0.1	2.6	2.5	5.1	0.3	5.1	6.0	5.3	-11.5	3.8
1990	I	0.1	1.7	1.6	5.1	-0.1	5.0	5.1	5.1	-11.6	3.7

See footnotes following table 6.  
r=revised

June 4, 1990  
Source: Bureau of Labor Statistics

SOURCE: Output data from the Bureau of Economic Analysis, U.S. Department of Commerce, and the Federal Reserve Board. Compensation and hours data from the Bureau of Labor Statistics, U.S. Department of Labor, 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 30 days after the close of the reference period; revisions appear 30 days later, and third revisions after an additional 60 days. In the business sector, the probability is 0.95 that the third publication (third revision) of a quarterly index of output per hour of all persons will differ from the initial value by between -1.8 and +2.1 index points. This interval is based on the performance of this measure between the second quarter of 1976 and the third quarter of 1988.

#### 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) Compensation per hour adjusted for changes in the Consumer Price Index for All Urban Consumers.
- (3) Unit nonlabor payments include profits, capital consumption allowances, interest, rental income of persons, and indirect taxes.
- (4) Current dollar gross product divided by constant dollar gross product.
- (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) Quarterly manufacturing output measures are based on the index of industrial production prepared monthly by the Board of Governors of the Federal Reserve adjusted by BLS to annual manufacturing output levels (gross product originating) from the National Income and Product Accounts prepared by the Bureau of Economic Analysis of the U.S. Department of Commerce.
- (7) Unit nonlabor cost includes capital consumption allowances, interest, rental income of persons, and indirect taxes. For nonfinancial corporations, rental income of persons is zero by definition.
- (8) Total unit cost is the sum of labor and nonlabor costs.
- (9) Unit profits include corporate profits with inventory valuation and capital consumption adjustments.