

News

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Historical, technical
information: (202) 523-9261
Current data : (202) 523-1221 or 1208
Media contact: (202) 523-1913

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PRODUCTIVITY AND COSTS

Revised Second-Quarter Measures for
Business, Nonfarm Business, and Manufacturing and
Preliminary Measures for Nonfinancial Corporations

The Bureau of Labor Statistics of the U.S. Department of Labor today reported revised productivity data--as measured by output per hour of all persons--for the second quarter of 1987. Based on information now available, the seasonally-adjusted annual rates of productivity change in the second quarter were:

- 1.3 percent in the business sector,
- 1.3 percent in the nonfarm business sector,
- 4.9 percent in manufacturing,
- 4.1 percent in durable goods manufacturing, and
- 6.8 percent in nondurable goods manufacturing.

Revised second-quarter measures are summarized in table A and appear in detail in tables 1 through 5. In nonfinancial corporations, productivity rose 1.2 percent in the second quarter, as output and hours rose 2.8 percent and 1.6 percent, respectively (tables B and 6).

For business and nonfarm business, the revised productivity measures showed virtually the same increases reported on August 3, based on preliminary information then available. Manufacturing productivity and output, however, increased more than was earlier reported (table D).

Business

Productivity increased at a 1.3 percent annual rate during the second quarter of 1987 in the business sector, as output rose 3.0 percent and hours of all persons engaged in the sector increased 1.6 percent (seasonally adjusted annual rates). During the first quarter of 1987, productivity increased 0.5 percent, as output grew more slowly than hours. The second-quarter increase was the largest in over a year (table 1).

Hourly compensation increased at a 3.3 percent annual rate during the second quarter of 1987, compared with a 1.4 percent rise during the first quarter. 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 1.9 percent annual rate during the second quarter, compared with a 0.9 percent gain in the January-March period.

**Table A. Productivity and costs: Revised second-quarter 1987 measures
(Seasonally adjusted annual rates)**

Sector	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs
Percent change from preceding quarter						
Business	1.3	3.0	1.6	3.3	-1.5	1.9
Nonfarm business	1.3	3.0	1.7	3.0	-1.8	1.7
Manufacturing	4.9	3.4	-1.5	2.0	-2.8	-2.9
Durable	4.1	1.7	-2.3	1.5	-3.2	-2.4
Nondurable	6.8	6.5	-0.2	2.9	-2.0	-3.7
Percent change from same quarter a year ago						
Business	0.4	2.8	2.5	2.8	-1.0	2.4
Nonfarm business	0.3	2.8	2.6	2.7	-1.0	2.5
Manufacturing	3.4	3.6	0.2	1.4	-2.3	-1.9
Durable	4.0	3.2	-0.7	1.2	-2.5	-2.7
Nondurable	2.5	4.2	1.6	2.1	-1.6	-0.4

Real hourly compensation, which takes into account changes in the Consumer Price Index for All Urban Consumers (CPI-U), declined at a 1.5 percent annual rate in the second quarter, compared with a 3.7 percent decline in the first quarter of 1987. This marked the first 6-month period during which real hourly compensation declined since 1983 (when declines occurred in the second and third quarters).

The implicit price deflator for business output, which reflects changes in unit labor costs and unit nonlabor payments, increased 4.0 percent in the second quarter, the largest quarterly gain since 1983.

Nonfarm business

Productivity increased 1.3 percent in the nonfarm business sector during the second quarter of 1987, as output rose 3.0 percent and hours of all persons--employees, proprietors, and unpaid family workers--increased 1.7 percent. During the first quarter of 1987, nonfarm productivity edged up 0.4 percent. As in the more comprehensive business sector, the second-quarter increase in nonfarm business productivity was the largest in more than a year (table 2).

Hourly compensation rose 3.0 percent in the second quarter, but fell 1.8 percent when the change in the CPI-U was taken into account. The decline in real hourly compensation was the second decline in succession. Unit labor costs increased 1.7 percent, compared with a 0.8 percent rise during the first quarter of 1987.

The implicit price deflator for nonfarm business output rose 2.8 percent in the second quarter, compared with a 3.4 percent increase one quarter earlier.

Manufacturing

Productivity increased at a 4.9 percent seasonally adjusted annual rate in manufacturing in the second quarter of 1987, as output rose 3.4 percent and hours of all persons declined 1.5 percent. During the first quarter of 1987, productivity rose 3.5 percent, as output and hours rose 4.3 percent and 0.8 percent, respectively (table 3).

Hourly compensation of manufacturing workers rose 2.0 percent during the second quarter, but fell 2.8 percent when the increase in consumer prices was taken into account. Real hourly compensation has declined for 2 quarters; the drop in the first quarter was 6.0 percent. Unit labor costs fell at a 2.9 percent annual rate, compared with a 4.4 percent decrease during the first quarter of 1987. Manufacturing unit labor costs have declined in 4 of the past 6 quarters.

Both durable and nondurable goods industries experienced productivity increases in the second quarter (tables 4 and 5). Output increased and hours declined in both subsectors. Productivity and output grew more rapidly in nondurable-goods manufacturing firms where the 6.8 percent productivity gain was the largest since a 7.6 percent increase which occurred during the third quarter of 1982.

Nonfinancial corporations

Preliminary second-quarter 1987 measures of productivity and costs also were announced today for nonfinancial corporations (tables B and 6). Output per all-employee hour increased 1.2 percent from the first to the second quarters of 1987, as output and hours increased 2.8 percent and 1.6 percent, respectively (table 6). During the first quarter, productivity declined 2.9 percent. The sector includes all corporations doing business in the

Table B. Nonfinancial corporations: Preliminary second-quarter productivity and cost measures
Quarterly percent change at seasonally adjusted annual rates

Period	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs	Unit profits	Implicit price deflator
1987 I to								
1987 II	1.2	2.8	1.6	2.7	-2.1	1.4	-1.2	2.0
1986 II to								
1987 II	0.3	2.4	2.0	2.0	-1.7	1.7	1.8	2.1

United States, except banks, stock and commodity brokers, and finance and insurance agencies.

Hourly compensation increased 2.7 percent, but dropped 2.1 percent when the rise in the CPI-U was taken into account. Real hourly compensation has declined in the past 2 quarters. Unit labor costs rose 1.4 percent, unit non-labor costs increased 4.9 percent, and unit profits fell 1.2 percent (table 6). The implicit deflator for nonfinancial corporate output increased 2.0 percent in the second quarter.

Revised measures

Preliminary and revised productivity and cost measures for the second quarter are compared in table D for business, nonfarm business, and manufacturing. There was little change in reported productivity measures for business and nonfarm business, but the upward revision in manufacturing productivity reflected the availability of more complete information on manufacturing output movements.

Table D. Preliminary and revised productivity and related measures, second-quarter 1987
Percent change from previous quarter
(Seasonally adjusted annual rates)

Sector	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs
Business:						
Preliminary	1.3	3.0	1.7	3.2	-1.7	1.9
Revised	1.3	3.0	1.6	3.3	-1.5	1.9
Nonfarm business:						
Preliminary	1.4	3.2	1.8	2.9	-1.9	1.5
Revised	1.3	3.0	1.7	3.0	-1.8	1.7
Manufacturing:						
Preliminary	3.3	1.7	-1.5	1.8	-2.9	-1.4
Revised	4.9	3.4	-1.5	2.0	-2.8	-2.9

Next release date

The next issue of Productivity and Costs is scheduled for release at 10:00 AM EST, Monday, November 2, 1987, and will contain preliminary third-quarter measures for business, nonfarm business, and manufacturing.

TECHNICAL NOTES

Business sector output is equal to gross national product 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 national income accounts. Corresponding exclusions are also made in labor inputs. Business output has accounted for about 77 percent of gross national product in recent years.

Total manufacturing measures are computed by summing series prepared for the durable and nondurables goods sectors.

The durable sector includes 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. The nondurable sector includes these 2-digit SIC industries: Textile mill products, apparel products, leather and leather products, printing and publishing, chemical and chemical products, petroleum products, rubber and plastic products, food, and tobacco products.

Manufacturing output has accounted for about 24 percent of gross national product in recent years.

Nonfinancial corporate output is equal to gross national product in constant 1982 dollars, less the rest-of-the-world sector, general government, unincorporated business, output of nonprofit institutions, output of paid employees of private households, rental value of owner-occupied dwellings, the output of corporations engaged in banking, finance, stock and commodity trading, and credit and insurance agencies, and the statistical discrepancy in computing the national income accounts. Nonfinancial corporate output has accounted for about 59 percent of gross national product in recent years.

The productivity and associated cost measures in this news release describe the relationship between output in real terms 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 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									
1986	I	109.5	127.3	116.3	180.7	100.1	165.0	163.1	164.3
	II	109.7	127.5	116.3	182.2	101.3	166.2	163.9	165.4
	III	109.6	128.1	116.9	183.6	101.4	167.5	165.7	166.9
	IV	109.6	129.0	117.8	185.2	101.6	169.0	162.4	166.7
	ANNUAL	109.5	128.0	116.9	182.8	101.0	166.9	163.8	165.8
1987	I	109.7	130.2	118.7	185.8	100.7	169.4	166.0	168.2
	II	110.0	131.1	r119.1	187.3	100.3	170.2	r169.1	r169.8
Percent change from previous quarter at annual rate(5)									
1986	I	5.8	6.4	0.5	3.2	1.6	-2.5	7.5	0.9
	II	0.6	0.7	0.1	3.5	4.8	2.8	2.1	2.6
	III	-0.3	1.8	2.1	3.0	0.5	3.3	4.5	3.7
	IV	-0.1	3.0	3.1	3.6	0.9	3.7	-7.7	-0.5
	ANNUAL	1.9	3.3	1.4	3.9	2.0	2.0	2.2	2.1
1987	I	0.5	3.5	3.0	1.4	-3.7	0.9	9.0	3.7
	II	1.3	3.0	r1.6	r3.3	r-1.5	1.9	r7.8	r4.0
Percent change from corresponding quarter of previous year									
1986	I	2.8	4.2	1.3	4.8	1.7	1.9	2.8	2.2
	II	2.3	3.4	1.1	4.4	2.7	2.1	2.2	2.1
	III	1.3	2.7	1.5	3.7	2.0	2.4	2.4	2.4
	IV	1.5	2.9	1.4	3.3	1.9	1.8	1.4	1.7
	ANNUAL	1.9	3.3	1.4	3.9	2.0	2.0	2.2	2.1
1987	I	0.2	2.3	2.1	2.8	0.6	2.7	1.8	2.3
	II	r0.4	2.8	2.5	2.8	-1.0	2.4	r3.2	r2.7

See footnotes following table 6.
r=revised

August 31, 1987
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									
1986	I	107.7	126.9	117.9	180.0	99.7	167.2	164.7	166.4
	II	107.7	127.1	118.0	181.3	100.8	168.4	165.2	167.3
	III	107.5	127.6	118.7	182.6	100.9	169.8	167.0	168.8
	IV	107.5	128.5	119.6	184.4	101.2	171.5	163.9	168.8
	ANNUAL	107.5	127.5	118.6	182.0	100.6	169.3	165.2	167.8
1987	I	107.6	129.7	120.6	184.9	100.2	171.8	167.4	170.3
	II	r107.9	r130.7	121.1	r186.3	99.7	r172.6	r169.3	r171.4

Percent change from previous quarter at annual rate(5)									
1986	I	6.6	6.4	-0.2	3.9	2.3	-2.6	10.0	1.6
	II	0.1	0.6	0.6	2.9	4.2	2.8	1.3	2.3
	III	-0.6	1.7	2.3	2.8	0.4	3.5	4.2	3.7
	IV	0.0	2.9	2.9	4.0	1.3	4.0	-7.2	0.0
	ANNUAL	1.6	3.2	1.6	3.9	1.9	2.2	2.4	2.3
1987	I	0.4	3.8	3.4	1.1	-3.9	0.8	8.8	3.4
	II	r1.3	r3.0	r1.7	r3.0	r-1.8	r1.7	r4.7	r2.8

Percent change from corresponding quarter of previous year									
1986	I	2.3	4.0	1.7	4.5	1.4	2.2	3.2	2.6
	II	1.9	3.3	1.4	4.1	2.5	2.2	2.3	2.3
	III	1.1	2.6	1.6	3.6	1.9	2.5	2.2	2.4
	IV	1.5	2.9	1.4	3.4	2.0	1.9	1.9	1.9
	ANNUAL	1.6	3.2	1.6	3.9	1.9	2.2	2.4	2.3
1987	I	-0.1	2.2	2.3	2.7	0.5	2.8	1.6	2.4
	II	0.3	r2.8	2.6	2.7	r-1.0	r2.5	r2.5	r2.5

See footnotes following table 6.
r=revised

August 31, 1987
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 -----							
1986	I	127.6	125.2	98.1	181.0	100.3	141.9
	II	128.3	125.1	97.5	182.1	101.2	142.0
	III	129.4	126.1	97.5	183.1	101.2	141.5
	IV	129.9	127.2	97.9	184.3	101.2	141.9
	ANNUAL	128.8	125.9	97.8	182.7	100.9	141.8
1987	I	r131.0	r128.5	98.1	183.9	99.6	r140.4
	II	r132.6	r129.6	r97.8	184.7	98.9	r139.3
----- Percent change from previous quarter at annual rate(5) -----							
1986	I	4.9	3.6	-1.3	1.8	0.2	-3.0
	II	2.3	-0.1	-2.3	2.5	3.8	0.2
	III	3.6	3.2	-0.4	2.2	-0.2	-1.3
	IV	1.4	3.4	2.0	2.7	0.0	1.3
	ANNUAL	3.7	2.8	-0.9	3.3	1.3	-0.4
1987	I	r3.5	r4.3	0.8	-1.0	-6.0	r-4.4
	II	r4.9	r3.4	-1.5	r2.0	r-2.8	r-2.9
----- Percent change from corresponding quarter of previous year -----							
1986	I	5.0	3.7	-1.3	4.4	1.3	-0.5
	II	3.4	2.5	-0.9	3.4	1.8	0.0
	III	3.3	2.4	-0.9	2.9	1.2	-0.4
	IV	3.0	2.5	-0.5	2.3	0.9	-0.7
	ANNUAL	3.7	2.8	-0.9	3.3	1.3	-0.4
1987	I	r2.7	r2.7	0.0	1.6	-0.7	r-1.1
	II	r3.4	r3.6	0.2	1.4	-2.3	r-1.9

See footnotes following table 6.

r=revised

August 31, 1987

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 -----							
1986	I	135.3	133.7	98.8	179.9	99.7	132.9
	II	135.9	133.1	98.0	180.8	100.5	133.1
	III	137.5	134.1	97.5	181.6	100.3	132.0
	IV	138.4	135.4	97.8	183.1	100.5	132.3
	ANNUAL	136.8	134.1	98.0	181.4	100.2	132.6
1987	I	r139.8	r136.8	97.8	182.2	98.7	r130.3
	II	r141.2	r137.4	r97.3	r182.9	97.9	r129.5
----- Percent change from previous quarter at annual rate(5) -----							
1986	I	7.0	4.4	-2.4	1.2	-0.4	-5.4
	II	1.5	-1.7	-3.2	1.9	3.3	0.4
	III	5.0	3.2	-1.7	1.7	-0.7	-3.1
	IV	2.6	3.8	1.1	3.4	0.7	0.8
	ANNUAL	5.2	3.2	-1.8	3.4	1.4	-1.7
1987	I	r4.2	r4.2	0.0	-1.9	-6.8	r-5.9
	II	r4.1	r1.7	r-2.3	r1.5	r-3.2	r-2.4
----- Percent change from corresponding quarter of previous year -----							
1986	I	7.1	5.0	-2.0	4.9	1.8	-2.0
	II	4.9	3.0	-1.8	3.6	2.0	-1.2
	III	4.6	2.6	-1.9	2.8	1.1	-1.7
	IV	4.0	2.4	-1.5	2.1	0.7	-1.9
	ANNUAL	5.2	3.2	-1.8	3.4	1.4	-1.7
1987	I	r3.3	r2.3	-0.9	1.3	-0.9	r-2.0
	II	r4.0	r3.2	-0.7	r1.2	r-2.5	r-2.7

See footnotes following table 6.

r=revised

August 31, 1987

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							
1986	I	115.8	112.5	97.2	182.7	101.2	157.8
	II	116.9	113.3	96.9	184.3	102.4	157.7
	III	117.3	114.2	97.3	185.8	102.7	158.4
	IV	117.1	114.9	98.1	186.5	102.4	159.3
	ANNUAL	116.8	113.7	97.4	184.8	102.1	158.3
1987	I	r117.9	r116.2	98.6	186.9	101.2	r158.5
	II	r119.8	r118.1	98.5	r188.2	100.7	r157.0

Percent change from previous quarter at annual rate(5)							
1986	I	1.7	2.3	0.5	3.2	1.6	1.4
	II	3.9	2.8	-1.0	3.6	5.0	-0.2
	III	1.5	3.1	1.6	3.4	0.9	1.9
	IV	-0.6	2.7	3.3	1.5	-1.1	2.1
	ANNUAL	1.5	1.9	0.5	3.3	1.3	1.8
1987	I	r2.6	r4.6	1.9	0.7	-4.4	r-1.9
	II	r6.8	r6.5	r-0.2	r2.9	-2.0	r-3.7

Percent change from corresponding quarter of previous year							
1986	I	1.5	1.3	-0.2	3.7	0.6	2.2
	II	1.2	1.6	0.4	3.2	1.6	1.9
	III	1.4	2.0	0.6	3.3	1.6	1.8
	IV	1.6	2.7	1.1	2.9	1.6	1.3
	ANNUAL	1.5	1.9	0.5	3.3	1.3	1.8
1987	I	r1.8	r3.3	1.4	2.3	0.1	r0.4
	II	r2.5	r4.2	1.6	2.1	-1.6	r-0.4

See footnotes following table 6.
r=revised

August 31, 1987
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											
1986	I	109.8	129.1	117.6	177.2	98.2	161.5	180.7	166.3	129.7	161.9
	II	109.7	128.8	117.4	178.4	99.1	162.6	180.6	167.2	129.5	162.7
	III	109.9	129.3	117.6	179.5	99.2	163.2	184.2	168.5	130.6	164.0
	IV	110.5	130.4	118.0	181.0	99.3	163.8	183.2	168.7	127.7	163.8
	ANNUAL	109.9	129.4	117.7	178.9	98.9	162.8	182.2	167.7	129.3	163.1
1987	I	109.7	130.9	119.3	180.8	98.0	164.8	184.1	169.7	132.2	165.2
	II	p110.0	p131.8	p119.8	p182.0	p97.4	p165.4	p186.4	p170.7	p131.8	p166.0

Percent change from previous quarter at annual rate(5)											
1986	I	3.3	4.4	1.0	3.5	1.8	0.1	3.0	0.9	3.0	1.1
	II	-0.2	-0.9	-0.6	2.6	4.0	2.9	-0.2	2.0	-0.5	1.8
	III	0.9	1.6	0.7	2.5	0.0	1.5	8.2	3.3	3.3	3.3
	IV	2.1	3.4	1.3	3.5	0.8	1.3	-2.3	0.3	-8.5	-0.5
	ANNUAL	1.6	2.6	1.0	3.5	1.6	1.9	2.2	2.0	-3.4	1.5
1987	I	-2.9	1.5	4.6	-0.5	-5.5	2.5	2.2	2.4	14.7	3.5
	II	p1.2	p2.8	p1.6	p2.7	p-2.1	p1.4	p4.9	p2.4	p-1.2	p2.0

Percent change from corresponding quarter of previous year											
1986	I	2.6	4.1	1.4	4.3	1.2	1.6	1.8	1.7	-1.7	1.3
	II	1.8	2.7	0.8	3.9	2.2	2.0	1.0	1.7	-2.1	1.4
	III	0.7	1.5	0.8	3.3	1.6	2.6	3.8	2.9	-8.4	1.7
	IV	1.5	2.1	0.6	3.0	1.6	1.5	2.1	1.6	-0.8	1.4
	ANNUAL	1.6	2.6	1.0	3.5	1.6	1.9	2.2	2.0	-3.4	1.5
1987	I	0.0	1.4	1.5	2.0	-0.2	2.1	1.9	2.0	1.9	2.0
	II	p0.3	p2.4	p2.0	p2.0	p-1.7	p1.7	p3.2	p2.1	p1.8	p2.1

See footnotes following table 6.
r=revised

August 31, 1987
Source: Bureau of Labor Statistics

SOURCE: Output data from Bureau of Economic Analysis, U.S. Department of Commerce, and the Federal Reserve Board. Hours and compensation 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. Preliminary results are published 30 days after the close of the reference period; revisions appear 30 days later, and second revisions after an additional 50 days. In the business sector, the probability is 0.95 that the third publication (second revision) of a quarterly index of output per hour of all persons will differ from the preliminary value by between -1.9 and +2.0 index points. This interval is based on the performance of this measure between the first quarter of 1976 and the second quarter of 1986.

Footnotes, Tables 1-6

- (1) Wages and salaries of the 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.
- (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.