

News

United States
Department
of Labor



Bureau of Labor Statistics

Washington, D.C. 20212

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

USDL 90-222
Wire Embargo until: 10:00 AM EDT
Monday, May 7, 1990

PRODUCTIVITY AND COSTS First Quarter 1990

The Bureau of Labor Statistics of the U.S. Department of Labor today reported preliminary productivity data--as measured by output per hour of all persons--for the first quarter of 1990. The seasonally-adjusted annual rates of productivity change in the first quarter were:

- 0.5 percent in the business sector,
- 1.0 percent in the nonfarm business sector,
- +4.1 percent in manufacturing,
- +4.4 percent in durable goods manufacturing, and
- +3.8 percent in nondurable goods manufacturing.

In spite of declines in business and nonfarm business, productivity grew in manufacturing. It is not uncommon for productivity to advance faster in manufacturing than in the broader business sectors. However, first-quarter manufacturing productivity gains reflected cutbacks in hours at work while hours increased in the broader business sector. Manufacturing output showed little growth. First-quarter measures are summarized in table A and appear in detail in tables 1 through 5.

Business

Productivity declined at a 0.5 percent annual rate during the first quarter of 1990 in the business sector, as output rose 2.7 percent and hours of all persons engaged in the sector increased 3.1 percent (seasonally adjusted annual rates). During the fourth quarter of 1989, productivity rose 0.4 percent, but growth was slow in output (0.3 percent) and hours were unchanged (table 1). The productivity decline in the first quarter of 1990 was the first since a 2.1 percent drop was recorded in the second quarter of 1988.

Table A. Productivity and costs: Preliminary 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	-0.5	2.7	3.1	4.5	-3.4	4.9
Nonfarm business	-1.0	2.7	3.6	3.9	-3.9	4.9
Manufacturing	4.1	0.8	-3.2	3.2	-4.5	-0.9
Durable	4.4	0.9	-3.4	2.0	-5.7	-2.3
Nondurable	3.8	0.7	-2.9	5.4	-2.4	1.6
Percent change from same quarter a year ago						
Business	0.8	2.2	1.4	5.4	0.2	4.6
Nonfarm business	0.7	2.3	1.6	5.2	0.0	4.4
Manufacturing	2.1	0.1	-1.9	4.7	-0.5	2.6
Durable	2.5	-0.6	-3.0	4.3	-0.9	1.8
Nondurable	1.7	1.3	-0.4	5.5	0.3	3.8

Hourly compensation increased 4.5 percent during the first quarter of 1990, compared with a 5.6 percent rise in the fourth quarter of 1989. 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 4.9 percent annual rate during the first quarter, down from the 5.2 percent increase in the fourth quarter of last year.

Real hourly compensation, which takes into account changes in the Consumer Price Index for All Urban Consumers (CPI-U), dropped at a 3.4 percent annual rate in the first quarter, compared with a 1.5 percent gain in the fourth quarter of 1989. Partly reflecting a large increase in the CPI-U, this decline was the largest quarterly drop in real hourly compensation since an identical change occurred in the first quarter of 1987.

The implicit price deflator for the business sector, which reflects changes in unit labor costs and unit nonlabor payments, increased 5.4 percent in the first quarter. This was the largest increase in business sector prices since the third quarter of 1982, when a 5.6 percent increase occurred.

Nonfarm business

Although productivity fell at a 1.0 percent annual rate in the nonfarm business sector during the first quarter of 1990, output rose 2.7 percent and hours of all persons increased 3.6 percent. The gains in output and hours, however, showed substantial increases over the fourth quarter of 1989 when output rose 0.3 percent and hours declined 0.2 percent. During the fourth quarter of 1989, productivity rose 0.5 percent in this sector (table 2).

Hourly compensation increased 3.9 percent in the first quarter, compared with a 6.0 percent increase one quarter earlier. When the rise in the CPI-U was taken into account, real hourly compensation fell 3.9 percent. Unit labor costs rose 4.9 percent, compared with a 5.5 percent rise during the fourth quarter of 1989.

The implicit price deflator for nonfarm business output rose 4.6 percent in the first quarter, compared with a 3.4 percent rise one quarter earlier.

Manufacturing

Productivity increased at a 4.1 percent seasonally adjusted annual rate in manufacturing in the first quarter of 1990, as output rose 0.8 percent and hours of all persons declined 3.2 percent (seasonally adjusted annual rates). This was the largest gain in manufacturing productivity since the second quarter of 1987, when a 7.2 percent increase occurred.

Hourly compensation of all manufacturing workers increased 3.2 percent during the first quarter, with faster gains recorded for producers of nondurable goods. Real hourly compensation for the whole sector fell 4.5 percent when the increase in consumer prices is taken into account, the largest drop in this measure since the 5.4 percent decline in the second quarter of 1983.

Unit labor costs declined at a 0.9 percent annual rate in the first quarter of 1990, the first drop in this series since 1988 (when it fell 0.5 percent in the second quarter). During the fourth quarter of 1989, these costs rose 3.7 percent. The first-quarter decline in unit labor costs was confined to durables goods producers (tables 4 and 5).

Fourth-quarter measures for nonfinancial corporations

Fourth-quarter 1989 measures of productivity and costs (also were announced today for the nonfinancial corporate sector, together with revised annual movements (tables B and C). Output per all-employee hour declined 0.6 percent from the third to the fourth quarter of 1989, as output increased 0.2 percent and all-employee hours increased 0.9 percent (seasonally-adjusted annual rates). Productivity thus decreased for the first and last quarters of 1989, but rose during the second and third quarters (table 6).

Table B. Nonfinancial corporations: Fourth quarter and 1989 annual measures (Seasonally adjusted annual rates)

Period	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs	Unit profits	Implicit price deflator
1989 III- 1989 IV	-0.6	0.2	0.9	6.0	1.9	6.6	-23.6	3.3
1988 IV - 1989 IV	0.2	1.8	1.6	5.4	0.8	5.2	-19.4	3.2
1989 Annual	0.1	2.6	2.5	5.1	0.3	5.1	-11.5	3.8

Hourly compensation increased 6.0 percent in the fourth quarter, the fastest rise since the 10.5 percent gain in the first quarter of 1982. Unit labor costs rose 6.6 percent, unit nonlabor costs increased 3.7 percent, and unit profits fell at a 23.6 percent annual rate. This was the fourth consecutive quarter in which profits per unit of output declined. The implicit deflator for nonfinancial corporate output rose 3.3 percent during the fourth quarter.

Table C. Nonfinancial corporations: Previous and current 1989 annual change in productivity and related measures (Percent change)

Measure	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs	Unit profits	Implicit price deflator
Previous	0.0	2.5	2.5	5.1	0.3	5.2	-12.7	3.8
Current	0.1	2.6	2.5	5.1	0.3	5.1	-11.5	3.8

Table D. Previous and current productivity and related measures, fourth quarter and annual averages, 1989 (Seasonally-adjusted annual rates)

Sector	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs
Percent change, third to fourth quarter 1989						
Business:						
Previous	0.2	0.1	0.0	5.5	1.5	5.43
Current	0.4	0.3	0.0	5.6	1.5	5.2
Nonfarm business:						
Previous	0.2	0.0	-0.2	6.0	1.9	5.8
Current	0.5	0.3	-0.2	6.0	1.9	5.5
Manufacturing:						
Previous	2.8	-1.6	-4.3	6.9	2.8	4.0
Current	3.1	-1.3	-4.3	7.0	2.8	3.7
Percent change, 1988 to 1989						
Business:						
Previous	1.1	3.4	2.3	5.5	0.6	4.4
Current	1.1	3.4	2.3	5.5	0.7	4.4
Nonfarm business:						
Previous	0.9	3.3	2.4	5.4	0.6	4.5
Current	0.9	3.3	2.4	5.5	0.6	4.5
Manufacturing:						
Previous	2.8	3.7	0.9	4.3	-0.5	1.5
Current	2.0	2.9	0.9	4.2	-0.6	2.2

REVISED MEASURES

Current and previous measures for the fourth quarter and full year 1989 for the business, nonfarm business, and manufacturing sectors are compared in table D. Fourth-quarter movements differ somewhat from those that had been reported on March 7, based on information then available. Annual movements were virtually the same as previously published.

For manufacturing, productivity and related measures are revised back to 1947 to take account of changes in the Indexes of Industrial Production for durable and nondurable manufactures, introduced by the Federal Reserve Board (FRB) on April 17. The BLS uses the rebased and reindexed data to compute quarterly manufacturing productivity measures. FRB introduced new information collected in the 1987 Census of Manufactures. While quarterly movements have changed, annual and multi-year trends prior to 1988 were not affected.

Next release date

The next release of **Productivity and Costs** is scheduled for **10:00 AM EDT, Monday, June 4, 1990**. First-quarter measures for nonfinancial corporations and measures for business, nonfarm business, and manufacturing will be released at that time.

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 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	r114.8	r145.7	127.0	215.7	103.9	r187.9	r175.8
	ANNUAL	114.2	144.8	126.8	211.2	103.2	184.9	175.8
1990	I	114.6	146.7	128.0	218.1	103.0	190.2	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	3.3
	II	1.6	2.3	0.6	6.8	0.8	5.1	4.6
	III	1.5	3.5	1.9	4.7	1.9	3.2	2.2
	IV	r0.4	r0.3	0.0	r5.6	1.5	r5.2	r-1.5
	ANNUAL	1.1	3.4	2.3	5.5	r0.7	4.4	3.9
1990	I	-0.5	2.7	3.1	4.5	-3.4	4.9	5.4
Percent change from corresponding quarter of previous year								
1989	I	0.5	3.9	3.3	5.4	0.6	4.8	4.3
	II	1.5	3.6	2.1	5.6	0.4	4.1	4.2
	III	1.1	3.5	2.4	5.4	0.7	4.2	3.7
	IV	1.1	2.7	1.6	5.5	0.9	4.3	r1.2
	ANNUAL	1.1	3.4	2.3	5.5	r0.7	4.4	3.9
1990	I	0.8	2.2	1.4	5.4	0.2	4.6	3.8

See footnotes following table 0.
r=revised

May 7, 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	180.8
	II	111.9	144.6	129.2	208.3	102.0	186.1	182.8
	III	112.6	145.9	129.6	211.0	102.6	187.4	184.0
	IV	112.7	r146.0	129.5	214.1	103.1	r189.9	185.6
	ANNUAL	112.1	145.0	129.4	209.5	102.4	186.9	183.3
1990	I	112.5	147.0	130.7	216.2	102.1	192.2	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
	II	1.1	2.8	1.7	5.6	-0.4	4.5	4.2
	III	2.4	3.7	1.3	5.3	2.4	2.8	2.7
	IV	r0.5	r0.3	-0.2	6.0	1.9	r5.5	r-0.6
	ANNUAL	0.9	3.3	2.4	r5.5	0.6	4.5	2.5
1990	I	-1.0	2.7	3.6	3.9	-3.9	4.9	4.0
Percent change from corresponding quarter of previous year								
1989	I	0.6	4.1	3.5	5.4	0.6	4.8	2.6
	II	1.3	3.7	2.4	5.5	0.3	4.1	3.9
	III	1.0	3.4	2.4	5.4	0.7	4.4	3.2
	IV	r0.7	r2.3	1.6	r5.5	0.8	4.8	r0.6
	ANNUAL	0.9	3.3	2.4	r5.5	0.6	4.5	2.5
1990	I	0.7	2.3	1.6	5.2	0.0	4.4	2.5

See footnotes following table 6.
r=revised

May 7, 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	r138.6	r141.4	102.0	201.9	100.3	r145.6
	II	r139.5	r142.2	101.9	203.2	99.5	r145.6
	III	r139.0	r141.7	102.0	206.1	100.3	r148.3
	IV	r140.1	r141.2	100.8	209.6	r101.0	r149.7
	ANNUAL	r138.7	r141.6	102.1	204.3	99.9	r147.3
1990	I	141.5	141.5	100.0	211.3	99.8	149.3
Percent change from previous quarter at annual rate(5)							
1989	I	2.4	3.1	0.7	3.5	-1.9	r1.1
	II	r2.6	r2.4	-0.2	2.7	-3.2	r0.0
	III	r-1.6	r-1.4	0.1	5.9	3.0	r7.6
	IV	r3.1	r-1.3	-4.3	r7.0	2.8	r3.7
	ANNUAL	r2.0	r2.9	0.9	r4.2	r-0.6	r2.2
1990	I	4.1	0.8	-3.2	3.2	-4.5	-0.9
Percent change from corresponding quarter of previous year							
1989	I	r2.6	r4.9	2.3	3.9	-0.8	r1.3
	II	r2.6	r4.1	1.4	4.0	-1.1	r1.4
	III	r1.2	r2.1	0.9	4.4	-0.2	r3.2
	IV	r1.6	r0.7	-0.9	4.7	0.1	r3.1
	ANNUAL	r2.0	r2.9	0.9	r4.2	r-0.6	r2.2
1990	I	2.1	0.1	-1.9	4.7	-0.5	2.6

See footnotes following table 6.
r=revised

May 7, 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	r146.4	r150.0	102.4	198.8	98.8	r135.7
	II	r148.4	r151.0	101.7	199.6	97.8	r134.5
	III	148.3	150.4	101.4	202.7	98.6	136.7
	IV	r148.4	r148.8	100.2	206.3	99.4	r139.0
	ANNUAL	r146.9	r150.0	102.1	200.4	97.9	r136.5
1990	I	150.0	149.1	99.4	207.3	97.9	138.2
Percent change from previous quarter at annual rate(5)							
1989	I	1.9	2.2	0.3	3.8	-1.5	r1.9
	II	r5.4	r2.8	-2.5	1.7	-4.1	r-3.6
	III	r-0.4	r-1.7	-1.3	6.4	3.4	r6.8
	IV	r0.5	r-4.1	r-4.6	7.3	r3.2	r6.8
	ANNUAL	r2.4	r3.1	0.6	4.0	-0.7	r1.5
1990	I	4.4	0.9	-3.4	2.0	-5.7	-2.3
Percent change from corresponding quarter of previous year							
1989	I	r2.6	r5.9	3.2	3.2	-1.5	r0.6
	II	r3.2	r4.5	1.2	3.8	-1.4	r0.5
	III	r2.3	r2.3	0.0	4.5	-0.1	r2.2
	IV	r1.8	r-0.2	-2.0	4.8	0.2	r2.9
	ANNUAL	r2.4	r3.1	0.6	4.0	-0.7	r1.5
1990	I	2.5	-0.6	-3.0	4.3	-0.9	1.8

See footnotes following table 6.
r=revised

May 7, 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	r126.9	r128.6	101.3	207.2	103.0	r163.3
	II	r126.4	r129.1	102.2	209.7	102.7	r165.9
	III	r125.4	r128.8	102.8	212.4	103.3	r169.4
	IV	r127.8	r130.0	101.7	215.7	103.9	r168.8
	ANNUAL	r126.6	r129.1	102.0	211.2	103.2	r166.8
1990	I	129.0	130.2	101.0	218.6	103.3	169.5
Percent change from previous quarter at annual rate(5)							
1989	I	3.3	4.7	1.4	2.9	-2.4	r-0.3
	II	r-1.5	r1.8	3.3	4.9	-1.1	r6.5
	III	r-3.2	r-1.0	2.3	5.4	2.5	r8.9
	IV	r8.0	r3.7	r-4.0	r6.4	r2.3	r-1.5
	ANNUAL	r1.2	r2.7	1.4	4.7	r-0.2	r3.4
1990	I	3.8	0.7	-2.9	5.4	-2.4	1.6
Percent change from corresponding quarter of previous year							
1989	I	r2.3	r3.4	1.0	4.9	0.1	r2.5
	II	r1.6	r3.4	1.8	4.6	-0.6	r2.9
	III	r-0.4	r1.8	2.1	4.5	-0.2	r4.8
	IV	r1.5	r2.3	0.7	4.9	0.3	r3.3
	ANNUAL	r1.2	r2.7	1.4	4.7	r-0.2	r3.4
1990	I	1.7	1.3	-0.4	5.5	0.3	3.8

See footnotes following table 6.
r=revised

May 7, 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											
1988	I	114.6	141.2	123.2	190.9	99.4	166.6	187.8	171.9	127.0	166.5
	II	114.7	142.8	124.5	193.1	99.5	168.4	188.9	173.6	129.1	168.2
	III	115.1	144.3	125.4	195.5	99.5	169.9	191.0	175.2	127.5	169.5
	IV	114.9	145.4	126.5	197.8	99.6	172.1	193.3	177.5	131.6	172.0
	ANNUAL	114.7	143.5	125.1	194.1	99.4	169.3	190.3	174.6	128.8	169.1
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	r114.8	r147.1	128.2	204.0	99.7	r177.8	r201.7	r183.8	r113.9	175.5
Percent change from previous quarter at annual rate(5)											
1988	I	3.9	6.8	2.7	2.9	-0.5	-1.0	1.1	-0.4	17.6	1.1
	II	0.4	4.6	4.2	4.9	0.4	4.5	2.5	3.9	6.8	4.2
	III	1.3	4.3	2.9	4.9	0.0	3.6	4.6	3.9	-4.7	3.1
	IV	-0.4	3.2	3.6	4.8	0.5	5.3	4.9	5.2	13.3	5.9
	ANNUAL	2.3	6.0	3.6	4.3	0.2	1.9	2.1	2.0	4.7	2.2
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	r0.1	r2.6	2.5	5.1	0.3	r5.1	r6.0	r5.3	r-11.5	3.8
Percent change from corresponding quarter of previous year											
1988	I	3.8	7.4	3.5	3.9	0.0	0.1	1.5	0.5	7.5	1.1
	II	2.8	6.6	3.8	4.5	0.6	1.7	1.4	1.6	5.4	2.0
	III	1.8	5.4	3.5	4.6	0.4	2.8	2.2	2.6	-1.3	2.2
	IV	1.3	4.7	3.4	4.4	0.1	3.1	3.3	3.1	7.9	3.5
	ANNUAL	2.3	6.0	3.6	4.3	0.2	1.9	2.1	2.0	4.7	2.2
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	r0.1	r2.6	2.5	5.1	0.3	r5.1	r6.0	r5.3	r-11.5	3.8

See footnotes following table 6.
r=revised

May 7, 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.