

# News

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## PRODUCTIVITY AND COSTS

Second Quarter 1990

Business, Nonfarm Business, Manufacturing, and  
Nonfinancial Corporations

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

- 1.7 percent in the business sector,
- 1.5 percent in the nonfarm business sector,
- 4.0 percent in manufacturing,
- 7.3 percent in durable goods manufacturing, and
- 1.4 percent in nondurable goods manufacturing.

For business and nonfarm business, the revised productivity and output measures show smaller increases than had been reported on August 6, based on preliminary information then available (table C). In manufacturing, productivity growth was revised upward. The revisions reflect the latest measures of output and hours growth during the second quarter of 1990.

Second-quarter measures are summarized in table A and appear in detail in tables 1 through 6. In business and nonfarm business, productivity rose, reversing the declines of the first quarter. Productivity grew more slowly in manufacturing than during the first quarter, and gains were confined to the durables-goods sector.

In nonfinancial corporations, productivity rose 1.7 percent in the second quarter, as output rose 1.6 percent and hours edged down 0.1 percent (tables B and 6).

### Business

Productivity increased at a 1.7 percent annual rate during the second quarter of 1990 in the business sector, as output rose 1.4 percent and hours of all persons engaged in the sector declined 0.3 percent (seasonally adjusted annual rates). Employment growth slowed to its lowest rate since 1982, and average weekly hours declined. During the first quarter of 1990, business productivity had declined 1.5 percent, as hours grew more rapidly than output (table 1).

Table A. Productivity and costs: Second-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	1.7	1.4	-0.3	6.1	2.4	4.4
Nonfarm business	1.5	1.5	0.0	5.8	2.0	4.3
Manufacturing	4.0	4.0	0.1	6.3	2.5	2.2
Durable	7.3	6.8	-0.5	6.9	3.1	-0.4
Nondurable	-1.4	-0.6	0.8	5.4	1.6	6.9
Percent change from same quarter a year ago						
Business	-0.8	0.4	1.2	3.4	-1.2	4.3
Nonfarm business	-0.9	0.4	1.2	3.4	-1.2	4.3
Manufacturing	2.6	0.7	-1.8	3.6	-1.0	1.0
Durable	3.0	0.6	-2.4	3.7	-0.9	0.7
Nondurable	2.0	1.1	-0.9	3.7	-0.9	1.6

Hourly compensation increased at a 6.1 percent annual rate during the second quarter of 1990, compared with a 3.8 percent increase during the first quarter. This was the largest gain in hourly compensation since a 7.0 percent increase in the fourth quarter of 1987. 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 4.4 percent annual rate during the second quarter, compared with a 5.3 percent increase one quarter earlier.

Real hourly compensation, which takes into account changes in the Consumer Price Index for All Urban Consumers (CPI-U), rose 2.4 percent in the second quarter, compared with a 4.0 percent decline in the first quarter. This was the first quarter in which real hourly compensation increased since the third quarter of 1988.

The implicit price deflator for business output, which reflects changes in unit labor costs and unit nonlabor payments, increased 4.5 percent in the second quarter.

### **Nonfarm business**

Productivity increased 1.5 percent in the nonfarm business sector during the second quarter of 1990, as output grew 1.5 percent and hours of all persons--employees, proprietors, and unpaid family workers--were unchanged from the first quarter. During the first quarter, nonfarm productivity had decreased 1.9 percent (table 2).

Hourly compensation rose 5.8 percent in the second quarter, and real compensation per hour rose 2.0 percent when the increase in the CPI-U was taken into account. (During the first quarter, these measures increased 3.2 percent and declined 4.5 percent, respectively.) Unit labor costs increased 4.3 percent, compared with a 5.2 percent rise during the first quarter.

The implicit price deflator for nonfarm business output rose 4.6 percent in the second quarter, compared with a 3.8 percent increase in the first quarter.

### **Manufacturing**

Manufacturing productivity increased more rapidly than in the more comprehensive business sectors reported above, growing at a 4.0 percent seasonally adjusted annual rate in the second quarter of 1990. Output rose 4.0 percent and hours of all persons increased 0.1 percent (table 3). All of the productivity gain occurred in durable goods industries, where output rose 6.8 percent, average weekly hours declined 0.5 percent, and employment rose 0.1 percent (table 4). During the first quarter, productivity in all of manufacturing had increased 5.1 percent, as output increased 1.8 percent and hours declined 3.1 percent (table 3).

Hourly compensation of manufacturing workers increased 6.3 percent during the second quarter, and real hourly compensation rose 2.5 percent when the increase in consumer prices was taken into account. This increase in real hourly compensation was the largest since the first quarter of 1988, when a 3.2 percent increase occurred. Unit labor costs rose at a 2.2 percent annual rate in the second quarter of 1990, compared with a 2.5 percent decrease during the first quarter.

### **Nonfinancial corporations**

Preliminary second-quarter 1990 measures of productivity and costs also were announced today for nonfinancial corporations (tables B and 6). Output per all-employee hour increased 1.7 percent from the first quarter to the second quarter of 1990, as output increased 1.6 percent and hours declined 0.1 percent, at annual rates. The sector includes all corporations doing business in the United States, except banks, stock and commodity brokers, and finance and insurance agencies.

Table B. Nonfinancial corporations: Preliminary second-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 II	1.7	1.6	-0.1	5.9	2.1	4.2	15.1	4.5
Percent change from preceding year								
1990 II	-1.0	0.1	1.1	3.0	-1.5	4.1	-6.1	3.6

Hourly compensation increased 5.9 percent, and real hourly compensation increased 2.1 percent when the rise in the CPI-U was taken into account (table 6). Unit labor costs rose 4.2 percent in the second quarter, unit nonlabor costs rose 2.2 percent, and unit profits rose 15.1 percent. The implicit deflator for nonfinancial corporate output rose 4.5 percent in the second quarter.

#### Revised measures

Previous and current productivity and cost measures for the second quarter are compared in table C for business, nonfarm business, and manufacturing. Measures of both output and hours were revised, and productivity gains in business and nonfarm business are smaller than previously reported, but the advance in manufacturing productivity is somewhat larger than had been reported on August 6.

Measures of hours of all persons which underlie productivity and cost series will be revised after BLS employment data, benchmarked to April 1988 through March 1989 Unemployment Insurance records, are announced on September 7. This new information will be incorporated in the November 6 edition of *Productivity and Costs*. At that time, new seasonal adjustment factors, conversion to the 1987 structure of the Standard Industrial Classification codes, and results of the 1989 Hours at Work Survey also will be introduced.

Table C. Previous and current productivity and related measures,  
second-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	1.9	1.5	-0.4	5.9	2.2	4.0
Current	1.7	1.4	-0.3	6.1	2.4	4.4
<b>Nonfarm business:</b>						
Previous	1.6	1.5	-0.1	5.6	1.8	3.9
Current	1.5	1.5	0.0	5.8	2.0	4.3
<b>Manufacturing:</b>						
Previous	3.7	3.7	0.0	6.4	2.6	2.6
Current	4.0	4.0	0.1	6.3	2.5	2.2

**Next release date**

The next issue of Productivity and Costs is scheduled for release at 10:00 AM EST, Tuesday, November 6, 1990, and will contain third-quarter measures for business, nonfarm business, and manufacturing.

# 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 also are 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; non-electrical 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 1982=100								
1989 I	113.3	135.6	119.7	132.2	104.6	116.7	130.8	121.2
II	113.3	135.9	120.0	133.0	103.7	117.4	133.2	122.5
III	112.8	136.1	120.6	133.4	103.3	118.2	133.8	123.3
IV	112.3	135.5	120.7	134.3	103.0	119.6	134.4	124.3
ANNUAL	112.8	135.8	120.4	133.1	103.5	118.0	133.1	122.8
1990 I	111.9	136.0	121.5	135.5	101.9	121.1	135.5	125.8
II	r112.3	136.4	121.4	137.5	102.5	r122.4	r137.0	127.1
Percent change from previous quarter at annual rate(5)								
1989 I	0.5	3.5	3.0	2.0	-3.3	1.5	6.3	3.1
II	0.0	0.9	0.9	2.4	-3.4	2.5	7.7	4.3
III	-1.5	0.6	2.1	1.3	-1.5	2.8	1.8	2.5
IV	-2.0	-1.8	0.1	2.6	-1.4	4.6	1.6	3.5
ANNUAL	-0.2	2.1	2.3	3.0	-1.7	3.2	5.2	3.9
1990 I	-1.5	1.4	2.9	3.8	-4.0	5.3	3.3	4.6
II	r1.7	r1.4	r-0.3	r6.1	r2.4	r4.4	r4.7	r4.5
Percent change from corresponding quarter of previous year								
1989 I	0.1	3.4	3.3	4.1	-0.6	4.0	5.1	4.4
II	0.4	2.5	2.0	3.4	-1.7	3.0	6.6	4.2
III	-0.6	1.7	2.3	2.4	-2.2	2.9	5.1	3.7
IV	-0.7	0.8	1.5	2.1	-2.4	2.8	4.3	3.4
ANNUAL	-0.2	2.1	2.3	3.0	-1.7	3.2	5.2	3.9
1990 I	-1.2	0.3	1.5	2.5	-2.6	3.8	3.6	3.7
II	-0.8	0.4	1.2	3.4	-1.2	r4.3	r2.8	3.8

See footnotes following table 6.  
r=revised

September 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 1982=100								
1989 I	112.4	136.4	121.4	131.4	104.0	116.9	130.9	121.4
II	112.2	136.8	121.9	131.9	102.9	117.5	133.9	122.7
III	112.0	137.1	122.4	132.5	102.6	118.3	134.7	123.5
IV	111.4	136.3	122.4	133.4	102.3	119.8	135.3	124.7
ANNUAL	111.9	136.7	122.2	132.1	102.8	118.1	133.7	123.0
1990 I	110.8	136.8	123.5	134.4	101.1	121.3	135.7	125.8
II	r111.2	137.3	r123.5	136.3	101.6	r122.6	r137.5	r127.3
Percent change from previous quarter at annual rate (5)								
1989 I	-1.7	1.2	3.0	2.0	-3.3	3.8	1.0	2.8
II	-0.5	1.3	1.7	1.5	-4.2	2.0	9.3	4.4
III	-0.8	0.6	1.5	1.8	-1.0	2.7	2.6	2.6
IV	-2.2	-2.1	0.1	2.7	-1.3	5.1	1.6	3.9
ANNUAL	-0.3	2.0	2.4	3.0	-1.8	3.3	5.0	3.9
1990 I	-1.9	1.4	3.4	3.2	-4.5	5.2	1.2	3.8
II	r1.5	1.5	r0.0	r5.8	r2.0	r4.3	r5.4	4.6
Percent change from corresponding quarter of previous year								
1989 I	0.2	3.6	3.4	4.1	-0.6	3.9	4.4	4.1
II	0.3	2.6	2.3	3.2	-1.8	3.0	6.4	4.1
III	-0.6	1.7	2.3	2.4	-2.2	3.0	5.8	3.9
IV	-1.3	0.3	1.6	2.0	-2.4	3.4	3.6	3.4
ANNUAL	-0.3	2.0	2.4	3.0	-1.8	3.3	5.0	3.9
1990 I	-1.4	0.3	1.7	2.3	-2.8	3.7	3.6	3.7
II	r-0.9	0.4	1.2	r3.4	r-1.2	r4.3	r2.7	3.7

See footnotes following table 6.  
r=revised

September 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 1982=100							
1989	I	r130.1	143.7	110.5	126.5	r100.2	97.3
	II	130.9	144.5	110.4	126.6	98.7	96.7
	III	130.5	144.0	110.4	127.6	98.8	97.8
	IV	131.3	143.5	109.3	128.4	98.5	97.8
	ANNUAL	130.1	144.0	110.6	126.7	98.6	97.4
1990	I	133.0	144.2	108.4	129.2	97.2	97.1
	II	r134.3	r145.6	108.4	131.2	97.8	97.7
Percent change from previous quarter at annual rate(5)							
1989	I	2.6	3.1	0.5	2.6	-2.7	0.0
	II	2.6	2.4	-0.2	0.1	-5.6	-2.5
	III	-1.4	-1.4	-0.1	3.2	0.3	4.6
	IV	2.8	-1.3	-4.0	2.7	-1.3	-0.1
	ANNUAL	2.0	2.9	0.9	2.7	-2.0	0.7
1990	I	5.1	1.8	-3.1	2.5	-5.2	-2.5
	II	r4.0	r4.0	r0.1	r6.3	r2.5	r2.2
Percent change from corresponding quarter of previous year							
1989	I	2.6	4.9	2.3	3.4	-1.3	0.8
	II	2.6	4.1	1.4	2.9	-2.2	0.2
	III	1.3	2.1	0.8	2.6	-1.9	1.3
	IV	1.6	0.7	-1.0	2.1	-2.4	0.5
	ANNUAL	2.0	2.9	0.9	2.7	-2.0	0.7
1990	I	2.3	0.4	-1.9	2.1	-3.0	-0.2
	II	r2.6	0.7	-1.8	r3.6	r-1.0	r1.0

See footnotes following table 6.  
r=revised

September 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 1982=100							
1989	I	142.9	159.7	111.8	125.6	99.4	87.9
	II	144.8	160.8	111.0	125.5	97.9	86.7
	III	144.7	160.2	110.7	126.8	98.2	87.6
	IV	144.8	158.5	109.4	127.5	97.8	88.0
	ANNUAL	143.3	159.8	111.5	125.4	97.6	87.5
1990	I	146.6	159.1	108.5	128.0	96.3	87.3
	II	r149.2	r161.7	108.4	130.2	97.0	r87.3
Percent change from previous quarter at annual rate(5)							
1989	I	2.0	2.2	0.2	3.6	-1.7	1.6
	II	5.5	2.8	-2.6	-0.1	-5.8	-5.3
	III	-0.4	-1.7	-1.2	r4.1	1.2	4.5
	IV	0.5	-4.1	-4.6	2.3	-1.7	1.8
	ANNUAL	2.5	3.1	0.6	2.9	-1.8	0.4
1990	I	r4.9	1.6	-3.2	1.7	-5.9	-3.1
	II	r7.3	r6.8	r-0.5	r6.9	r3.1	r-0.4
Percent change from corresponding quarter of previous year							
1989	I	2.6	5.9	3.2	3.0	-1.7	0.4
	II	3.3	4.5	1.2	3.1	-1.9	-0.1
	III	2.3	2.3	0.0	3.3	-1.3	1.0
	IV	1.9	-0.2	-2.1	2.5	-2.0	0.6
	ANNUAL	2.5	3.1	0.6	2.9	-1.8	0.4
1990	I	2.6	-0.4	-2.9	2.0	-3.1	-0.6
	II	r3.0	r0.6	-2.4	3.7	-0.9	r0.7

See footnotes following table 6.  
r=revised

September 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 1982=100							
1989	I	112.6	122.3	108.6	127.9	101.2	113.6
	II	112.2	122.8	109.5	128.2	100.0	114.3
	III	111.4	122.5	110.0	128.8	99.7	115.6
	IV	113.3	123.7	109.1	129.9	99.6	114.6
	ANNUAL	112.3	122.8	109.3	128.6	100.1	114.5
1990	I	114.9	124.3	108.3	131.1	98.6	114.2
	II	r114.4	124.2	r108.5	r132.8	r99.0	116.1
Percent change from previous quarter at annual rate(5)							
1989	I	3.7	4.7	0.9	0.9	-4.3	-2.7
	II	-1.5	1.8	r3.3	0.8	-4.9	2.4
	III	r-2.7	-1.0	1.7	2.0	r-0.9	4.7
	IV	7.1	3.7	-3.2	3.4	-0.6	-3.4
	ANNUAL	1.3	2.7	1.4	2.4	-2.3	1.1
1990	I	r5.4	2.3	-3.0	3.9	-3.9	-1.5
	II	r-1.4	-0.6	r0.8	r5.4	r1.6	6.9
Percent change from corresponding quarter of previous year							
1989	I	2.4	3.4	1.0	3.9	-0.8	1.5
	II	1.6	3.4	1.7	2.4	-2.6	0.8
	III	-0.3	1.8	2.0	1.7	-2.8	2.0
	IV	1.6	2.3	0.7	1.8	-2.7	0.2
	ANNUAL	1.3	2.7	1.4	2.4	-2.3	1.1
1990	I	2.0	1.7	-0.3	2.5	-2.6	0.5
	II	r2.0	1.1	r-0.9	3.7	-0.9	1.6

See footnotes following table 6.  
r=revised

September 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 1982=100										
1989 I	112.5	136.2	121.1	128.9	102.0	114.6	108.0	112.7	162.3	115.9
II	112.1	136.4	121.7	129.4	100.9	115.4	110.6	114.1	162.9	117.1
III	112.3	137.1	122.1	130.0	100.7	115.7	113.3	115.0	159.3	117.8
IV	111.1	135.9	122.3	130.7	100.2	117.6	115.2	117.0	147.2	118.9
ANNUAL	111.9	136.4	121.9	129.6	100.9	115.8	111.8	114.7	157.9	117.4
1990 I	110.5	136.0	123.0	131.4	98.8	118.9	116.2	118.1	147.6	120.0
II	111.0	136.5	123.0	133.3	99.3	120.1	116.8	119.2	152.9	121.3
Percent change from previous quarter at annual rate (5)										
1989 I	-2.5	-0.1	2.4	3.3	-2.0	5.9	9.5	6.8	-32.5	2.4
II	-1.4	0.6	2.0	1.4	-4.3	2.8	9.9	4.7	1.5	4.4
III	0.8	2.1	1.3	1.8	-1.0	1.0	10.2	3.5	-8.5	2.4
IV	-4.2	-3.6	0.7	2.4	-1.6	6.9	6.9	6.9	-27.1	3.6
ANNUAL	-1.3	1.1	2.5	3.0	-1.7	4.4	7.7	5.3	-10.4	3.7
1990 I	-2.2	0.2	2.5	2.1	-5.5	4.4	3.3	4.1	1.2	3.9
II	1.7	1.6	-0.1	5.9	2.1	4.2	2.2	3.6	15.1	4.5
Percent change from corresponding quarter of previous year										
1989 I	-1.1	2.3	3.4	4.1	-0.6	5.3	5.3	5.3	-8.1	4.0
II	-1.4	1.4	2.8	3.3	-1.8	4.7	7.4	5.4	-8.5	4.0
III	-1.0	1.3	2.3	2.5	-2.1	3.5	8.7	4.9	-7.0	3.8
IV	-1.8	-0.3	1.6	2.2	-2.2	4.1	9.2	5.5	-17.8	3.2
ANNUAL	-1.3	1.1	2.5	3.0	-1.7	4.4	7.7	5.3	-10.4	3.7
1990 I	-1.8	-0.2	1.6	1.9	-3.1	3.8	7.6	4.8	-9.0	3.6
II	-1.0	0.1	1.1	3.0	-1.5	4.1	5.6	4.5	-6.1	3.6

See footnotes following table 6.  
r=revised

September 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.