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

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PRODUCTIVITY AND COSTS

Third 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 third quarter of 1990. Based on revised information now available, the seasonally-adjusted annual rates of productivity change in the third quarter were:

0.4 percent in the business sector,
0.2 percent in the nonfarm business sector,
5.1 percent in manufacturing,
7.4 percent in durable goods manufacturing, and
1.6 percent in nondurable goods manufacturing.

In business and nonfarm business, productivity and unit labor costs rose more slowly than in the previous quarter. In manufacturing, unit labor costs fell, partly reflecting faster productivity growth in the third quarter than in the second. Third-quarter measures are summarized in table A and appear in detail in tables 1 through 6.

Among nonfinancial corporations, productivity declined at a 1.0 percent annual rate in the third quarter, as output fell 0.8 percent and hours at work increased 0.2 percent (tables B and 6). Unit labor costs increased 5.4 percent.

For business, nonfarm business, and manufacturing, the revised productivity and output measures show smaller increases than had been reported on November 6, based on preliminary information then available (table C). The revisions reflect significantly lower measures of output growth during the third quarter of 1990.

Business

Productivity increased at a 0.4 percent annual rate during the third quarter of 1990 in the business sector, as output edged up 0.1 percent and hours at work of all persons engaged in the sector slipped 0.4 percent (seasonally adjusted annual rates). This was the first quarterly decline in hours since 1986, partly reflecting the first drop in sector employment since 1982. During the second quarter of 1990, business productivity had increased 0.6 percent, with gains in output and hours of 1.2 percent and 0.5 percent, respectively (table 1).

Table A. Productivity and costs: Third-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	0.4	0.1	-0.4	4.5	-1.8	4.0
Nonfarm business	0.2	0.0	-0.2	4.6	-1.8	4.4
Manufacturing	5.1	3.3	-1.8	3.8	-2.4	-1.2
Durable	7.4	4.2	-3.0	4.3	-2.0	-2.9
Nondurable	1.6	1.6	0.0	3.3	-2.9	1.6
Percent change from same quarter a year ago						
Business	-0.5	0.2	0.7	4.1	-1.3	4.7
Nonfarm business	-0.9	0.1	1.0	3.9	-1.5	4.8
Manufacturing	3.9	2.0	-1.8	3.3	-2.1	-0.6
Durable	4.7	2.2	-2.4	3.0	-2.4	-1.6
Nondurable	2.8	1.7	-1.1	3.9	-1.5	1.1

Hourly compensation increased at a 4.5 percent annual rate during the third quarter of 1990, compared with a 5.4 percent increase during the second 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 4.0 percent annual rate during the third quarter, compared with a 4.7 percent increase one quarter earlier.

Real hourly compensation, which takes into account changes in the Consumer Price Index for All Urban Consumers (CPI-U), fell 1.8 percent in the third quarter, compared with a 1.6 percent increase in the second quarter. This measure has declined in 6 of the past 7 quarters.

The implicit price deflator for business output, which reflects changes in unit labor costs and unit nonlabor payments, increased 3.4 percent in the third quarter. During both the first and second quarters, prices rose 4.6 percent in the business sector.

Nonfarm business

Productivity increased 0.2 percent in the nonfarm business sector during the third quarter of 1990, as output was unchanged and hours at work of all persons--employees, proprietors, and unpaid family workers--fell 0.2 percent. The decline in hours was the first since 1986, but employment continued to grow. During the second quarter, nonfarm productivity had increased 0.3 percent (table 2).

Hourly compensation rose 4.6 percent in the third quarter (down from the 5.0 percent increase of the second quarter), and real compensation per hour fell 1.8 percent when the increase in the CPI-U was taken into account. The third-quarter decrease in real hourly compensation was the sixth in the past 7 quarters. Unit labor costs increased 4.4 percent, compared with a 4.7 percent rise during the second quarter.

The implicit price deflator for nonfarm business output rose 3.7 percent in the third quarter, compared with a 4.8 percent increase one quarter earlier.

Manufacturing

Productivity increased much more rapidly in manufacturing than in the more comprehensive business sectors reported above. Labor productivity increased at a 5.1 percent seasonally adjusted annual rate in the third quarter of 1990. This was the largest increase in manufacturing productivity since 1987 (when it rose 6.5 percent in the second quarter). Output rose 3.3 percent and hours fell 1.8 percent in the third quarter (tables 3 and 4). Hours at work of all persons engaged in the manufacturing sector have fallen in 5 of the last 7 quarters. Most of the productivity gain in the third quarter of 1990 occurred in durable goods industries, where output increased strongly and hours and employment declined.

Hourly compensation of manufacturing workers increased 3.8 percent during the third quarter, and real hourly compensation fell 2.4 percent when the increase in consumer prices was taken into account. Unit labor costs fell at a 1.2 percent annual rate in the third quarter of 1990, compared with a 1.6 percent increase during the second quarter.

Nonfinancial corporations

Preliminary third-quarter 1990 measures of productivity and costs also were announced today for nonfinancial corporations (tables B and 6). Output per all-employee hour declined 1.0 percent from the second quarter to the third quarter of 1990, as output declined 0.8 percent and hours at work increased 0.2 percent, at annual rates. The increase in hours was the smallest quarterly gain since 1986. The sector includes all corporations doing business in the United States, except banks, stock and commodity brokers, and finance and insurance agencies. The productivity of these businesses has declined in 5 of the past 7 quarters.

Hourly compensation increased 4.3 percent, and real hourly compensation fell 2.0 percent when the rise in the CPI-U was taken into account (table 6). Unit labor costs rose 5.4 percent in the third quarter, the largest increase in this measure this year. Unit nonlabor costs rose 8.7 percent (compared with a 0.2 percent rise in the second quarter), and unit profits fell 31.2 percent (their fourth decline in the last 7 quarters). The implicit deflator for nonfinancial corporate output rose 2.8 percent in the third quarter, compared with a 4.5 percent increase in the second quarter.

Table B. Nonfinancial corporations: Preliminary third-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 III	-1.0	-0.8	0.2	4.3	-2.0	5.4	-31.2	2.8
Percent change from preceding year								
1990 III	-1.3	-0.4	1.0	3.9	-1.6	5.3	-12.0	3.7

Revised measures

Previous and current productivity and cost measures for the third quarter are compared in table C for business, nonfarm business, and manufacturing. In all sectors, measures of output were revised downward. As a result productivity gains were smaller than reported on November 6, based on information then available.

Table C. Previous and current productivity and related measures, third-quarter 1990
(Quarterly percent change at seasonally adjusted annual rate)

Sector	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs
Business:						
Previous	1.9	1.5	-0.4	4.4	-1.9	2.5
Current	0.4	0.1	-0.4	4.5	-1.8	4.0
Nonfarm business:						
Previous	1.6	1.5	-0.1	4.5	-1.8	2.8
Current	0.2	0.0	-0.2	4.6	-1.8	4.4
Manufacturing:						
Previous	5.6	3.6	-1.9	3.7	-2.6	-1.7
Current	5.1	3.3	-1.8	3.8	-2.4	-1.2

Next release date

The next issue of *Productivity and Costs* is scheduled for release at 10:00 AM EST, Monday, February 4, 1991, and will contain fourth-quarter and annual 1990 measures for business, nonfarm business, and manufacturing.

Tentative release dates for productivity and cost measures for major sectors of the U.S. economy in 1991 are:

Reference period	Initial measures	Revised measures
1990:		
Fourth Qtr., Annual	February 4	March 6*
1991:		
First Qtr.	May 6	June 5
Second Qtr.	August 6	September 5
Third Qtr.	November 6	December 4

* For nonfinancial corporations, 1990 annuals only; fourth quarter results included in May 6 edition.

The dates in this tabulation are based on presently available schedules for the release of underlying source data in the coming year. Each edition of *Productivity and Costs* contains a "Next release date" paragraph which readers should use to confirm the tentative dates above.

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 1989. Nonfarm business, which also excludes farming, was about 79 percent of GNP in 1989.

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 1989.

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 1989.

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	113.0	135.6	120.0	131.8	104.3	116.7	130.9	121.2
	II	113.0	135.9	120.2	132.7	103.5	117.4	133.3	122.5
	III	112.6	136.1	120.9	133.1	103.1	118.2	133.9	123.3
	IV	111.9	135.5	121.0	133.8	102.6	119.5	134.5	124.3
	ANNUAL	112.6	135.8	120.5	132.9	103.4	117.9	133.1	122.8
1990	I	111.7	136.0	121.7	135.3	101.7	121.1	135.5	125.8
	II	111.9	136.4	121.9	137.0	102.1	122.5	137.0	127.2
	III	r112.0	r136.4	121.8	138.5	101.7	r123.7	r137.8	r128.3
Percent change from previous quarter at annual rate(5)									
1989	I	-0.5	3.5	4.0	3.3	-2.0	3.8	1.9	3.1
	II	0.1	0.9	0.8	2.6	-3.2	2.5	7.7	4.3
	III	-1.6	0.6	2.2	1.1	-1.7	2.8	1.8	2.5
	IV	-2.3	-1.8	0.4	2.2	-1.8	4.6	1.7	3.5
	ANNUAL	-0.5	2.1	2.6	3.3	-1.5	3.8	4.1	3.9
1990	I	-0.9	1.4	2.3	4.5	-3.3	5.4	3.1	4.6
	II	0.6	1.2	0.5	5.4	1.6	4.7	4.5	4.6
	III	r0.4	r0.1	-0.4	r4.5	r-1.8	r4.0	r2.3	r3.4
Percent change from corresponding quarter of previous year									
1989	I	-0.2	3.4	3.6	4.4	-0.4	4.6	4.0	4.4
	II	0.1	2.5	2.3	3.7	-1.4	3.6	5.5	4.2
	III	-0.9	1.7	2.7	2.6	-2.0	3.5	4.0	3.7
	IV	-1.1	0.8	1.9	2.3	-2.2	3.4	3.2	3.4
	ANNUAL	-0.5	2.1	2.6	3.3	-1.5	3.8	4.1	3.9
1990	I	-1.2	0.3	1.4	2.6	-2.5	3.8	3.6	3.7
	II	-1.0	0.3	1.4	3.3	-1.3	4.4	2.8	3.8
	III	r-0.5	r0.2	0.7	4.1	r-1.3	r4.7	r2.9	r4.0

See footnotes following table 6.
r=revised

December 5, 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	112.1	136.4	121.7	131.0	103.7	116.9	131.0
	II	112.0	136.8	122.2	131.6	102.6	117.5	134.0
	III	111.7	137.1	122.7	132.1	102.3	118.3	134.8
	IV	111.0	136.3	122.8	132.9	101.9	119.7	135.4
	ANNUAL	111.7	136.7	122.3	131.9	102.7	118.1	133.8
1990	I	110.7	136.8	123.7	134.2	100.9	121.3	135.7
	II	110.7	137.2	123.9	135.8	101.2	122.7	137.5
	III	r110.8	r137.2	123.9	137.3	100.8	r124.0	r138.3
Percent change from previous quarter at annual rate (5)								
1989	I	-2.7	1.2	4.0	3.3	-2.0	6.1	-3.3
	II	-0.3	1.3	1.6	1.7	-4.1	2.0	9.3
	III	-1.0	0.6	1.6	1.6	-1.2	2.6	2.6
	IV	-2.5	-2.1	0.5	2.3	-1.6	5.0	1.7
	ANNUAL	-0.7	2.0	2.7	3.2	-1.5	3.9	3.9
1990	I	-1.3	1.4	2.8	3.9	-3.8	5.3	1.0
	II	0.3	1.2	0.9	5.0	1.2	4.7	5.2
	III	r0.2	r0.0	r-0.2	r4.6	-1.8	r4.4	r2.4
Percent change from corresponding quarter of previous year								
1989	I	-0.1	3.6	3.7	4.4	-0.4	4.5	3.3
	II	0.0	2.6	2.6	3.5	-1.6	3.6	5.3
	III	-1.0	1.7	2.7	2.6	-2.0	3.6	4.7
	IV	-1.6	0.3	1.9	2.2	-2.2	3.9	2.5
	ANNUAL	-0.7	2.0	2.7	3.2	-1.5	3.9	3.9
1990	I	-1.3	0.3	1.6	2.4	-2.7	3.7	3.6
	II	-1.1	0.3	1.4	3.2	-1.4	4.4	2.6
	III	r-0.9	r0.1	1.0	3.9	-1.5	r4.8	r2.5

See footnotes following table 6.
r=revised

December 5, 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	130.2	143.7	110.4	126.7	100.2	97.3
	II	131.4	144.5	110.0	127.1	99.1	96.7
	III	131.1	144.0	109.9	128.2	99.3	97.8
	IV	131.9	143.5	108.8	128.9	98.9	97.8
	ANNUAL	131.1	144.0	109.8	127.7	99.4	97.4
1990	I	133.5	144.2	108.0	129.7	97.5	97.1
	II	134.5	145.7	108.3	131.2	97.8	97.5
	III	r136.2	r146.9	r107.9	132.4	r97.2	r97.2
Percent change from previous quarter at annual rate(5)							
1989	I	2.7	3.1	0.3	5.2	-0.2	2.4
	II	3.9	2.4	-1.4	1.3	-4.5	-2.5
	III	-1.0	-1.4	-0.4	3.6	0.7	4.6
	IV	2.5	-1.3	-3.7	2.4	-1.6	-0.1
	ANNUAL	2.6	2.9	0.3	3.9	-0.9	1.3
1990	I	4.9	1.8	-2.9	2.3	-5.4	-2.5
	II	3.1	4.3	1.2	4.7	1.0	1.6
	III	r5.1	r3.3	r-1.8	r3.8	r-2.4	r-1.2
Percent change from corresponding quarter of previous year							
1989	I	3.1	4.9	1.8	4.6	-0.2	1.4
	II	3.2	4.1	0.8	4.1	-1.1	0.8
	III	1.7	2.1	0.4	3.7	-0.9	2.0
	IV	2.0	0.7	-1.3	3.1	-1.4	1.1
	ANNUAL	2.6	2.9	0.3	3.9	-0.9	1.3
1990	I	2.5	0.4	-2.1	2.4	-2.7	-0.2
	II	2.4	0.8	-1.5	3.2	-1.3	0.9
	III	r3.9	r2.0	r-1.8	3.3	-2.1	r-0.6

See footnotes following table 6.
r=revised

December 5, 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	142.6	159.7	112.0	125.3	99.2	87.9
	II	145.0	160.8	110.9	125.7	98.0	86.7
	III	144.9	160.2	110.5	127.0	98.4	87.6
	IV	144.9	158.5	109.3	127.6	97.9	88.0
	ANNUAL	144.4	159.8	110.7	126.4	98.4	87.5
1990	I	146.7	159.1	108.5	128.1	96.3	87.3
	II	149.0	161.9	108.7	129.5	96.5	86.9
	III	151.7	163.6	107.9	130.9	96.0	86.3

Percent change from previous quarter at annual rate(5)							
1989	I	2.1	2.2	0.1	6.2	0.8	4.1
	II	6.9	2.8	-3.8	1.2	-4.5	-5.3
	III	-0.2	-1.7	-1.5	4.3	1.4	4.5
	IV	0.0	-4.1	-4.1	1.8	-2.1	1.8
	ANNUAL	3.0	3.1	0.0	4.1	-0.7	1.1
1990	I	4.8	1.6	-3.1	1.5	-6.1	-3.1
	II	6.6	7.3	0.7	4.4	0.7	-2.0
	III	r7.4	4.2	r-3.0	4.3	-2.0	r-2.9

Percent change from corresponding quarter of previous year							
1989	I	3.0	5.9	2.8	4.0	-0.7	1.0
	II	3.8	4.5	0.6	4.4	-0.8	0.5
	III	2.8	2.3	-0.4	4.4	-0.3	1.6
	IV	2.1	-0.2	-2.3	3.4	-1.1	1.2
	ANNUAL	3.0	3.1	0.0	4.1	-0.7	1.1
1990	I	2.8	-0.4	-3.1	2.2	-2.9	-0.6
	II	2.7	0.7	-2.0	3.0	-1.6	0.3
	III	r4.7	2.2	-2.4	3.0	-2.4	r-1.6

See footnotes following table 6.
r=revised

December 5, 1990
Source: Bureau of Labor Statistics

Table 3. 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	113.1	122.3	108.1	128.5	113.6
	II	113.0	122.8	108.7	129.1	114.3
	III	112.4	122.5	109.0	130.0	115.6
	IV	114.4	123.7	108.1	131.1	114.6
	ANNUAL	113.2	122.8	108.5	129.6	114.5
1990	I	115.8	124.3	107.4	132.2	114.2
	II	115.1	124.2	107.9	134.0	116.4
	III	r115.6	r124.7	r107.9	r135.1	r116.9
Percent change from previous quarter at annual rate (5)						
1989	I	3.9	4.7	0.7	3.6	-0.3
	II	-0.5	1.8	2.3	1.9	2.4
	III	-2.1	-1.0	1.1	2.6	4.8
	IV	7.1	3.7	-3.2	3.4	-3.4
	ANNUAL	1.9	2.7	0.8	3.7	1.7
1990	I	5.2	2.3	-2.7	3.6	-1.5
	II	-2.4	-0.6	1.8	5.4	8.0
	III	r1.6	r1.6	r0.0	r3.3	r1.6
Percent change from corresponding quarter of previous year						
1989	I	3.0	3.4	0.3	5.2	2.1
	II	2.2	3.4	1.2	3.6	1.4
	III	0.2	1.8	1.5	2.9	2.6
	IV	2.1	2.3	0.2	2.9	0.8
	ANNUAL	1.9	2.7	0.8	3.7	1.7
1990	I	2.3	1.7	-0.7	2.9	0.5
	II	1.9	1.1	-0.8	3.7	1.9
	III	r2.8	r1.7	-1.1	r3.9	r1.1

See footnotes following table 6.
r=revised

December 5, 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	111.9	136.2	121.7	128.3	101.5	114.6	108.0	112.7	162.3	115.9
	II	111.6	136.4	122.2	128.8	100.5	115.4	110.6	114.1	162.9	117.1
	III	111.8	137.1	122.7	129.3	100.2	115.7	113.3	115.0	159.3	117.8
	IV	110.5	135.9	123.0	130.0	99.7	117.6	115.2	117.0	147.2	118.9
	ANNUAL	111.6	136.4	122.2	129.3	100.6	115.8	111.8	114.7	157.9	117.4
1990	I	110.1	136.0	123.5	130.9	98.4	118.9	116.2	118.1	147.6	120.0
	II	110.6	136.9	123.8	133.0	99.1	120.2	116.2	119.1	153.9	121.3
	III	110.3	136.6	123.9	134.4	98.6	121.8	118.7	121.0	140.2	122.2
Percent change from previous quarter at annual rate(5)											
1989	I	-3.6	-0.1	3.6	4.6	-0.8	8.4	2.6	6.8	-32.5	2.4
	II	-1.1	0.6	1.7	1.8	-4.0	2.8	9.9	4.7	1.5	4.4
	III	0.6	2.1	1.5	1.6	-1.2	1.0	10.2	3.5	-8.5	2.4
	IV	-4.6	-3.6	1.1	1.9	-2.0	6.9	6.9	6.9	-27.1	3.6
	ANNUAL	-1.6	1.1	2.8	3.3	-1.5	5.0	5.9	5.3	-10.4	3.7
1990	I	-1.5	0.2	1.8	2.8	-4.9	4.4	3.3	4.1	1.2	3.9
	II	1.9	2.8	0.9	6.6	2.8	4.6	0.2	3.4	18.2	4.5
	III	-1.0	-0.8	0.2	4.3	-2.0	5.4	8.7	6.3	-31.2	2.8
Percent change from corresponding quarter of previous year											
1989	I	-1.5	2.3	3.8	4.4	-0.4	6.0	3.6	5.3	-8.1	4.0
	II	-1.7	1.4	3.1	3.5	-1.6	5.3	5.7	5.4	-8.5	4.0
	III	-1.4	1.3	2.7	2.7	-1.9	4.1	6.9	4.9	-7.0	3.8
	IV	-2.2	-0.3	2.0	2.5	-2.0	4.8	7.4	5.5	-17.8	3.2
	ANNUAL	-1.6	1.1	2.8	3.3	-1.5	5.0	5.9	5.3	-10.4	3.7
1990	I	-1.7	-0.2	1.5	2.0	-3.0	3.8	7.6	4.8	-9.0	3.6
	II	-1.0	0.4	1.3	3.2	-1.4	4.2	5.1	4.4	-5.5	3.6
	III	-1.3	-0.4	1.0	3.9	-1.6	5.3	4.7	5.2	-12.0	3.7

See footnotes following table 6.
r=revised

December 5, 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 1989.

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.