

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
Media contact: (202) 523-1913

USDL 91-257
Wire embargo until 10:00 AM EDT
Wednesday, June 5, 1991

PRODUCTIVITY AND COSTS

First Quarter 1991

Business, Nonfarm Business, Manufacturing, and
Nonfinancial Corporations

The Bureau of Labor Statistics of the U.S. Department of Labor today reported the latest productivity results--as measured by output per hour of all persons--for the first quarter of 1991. As is customary after the U.S. Department of Commerce issues revised information on the Gross National Product, BLS revised its productivity data. Based on information now available, the seasonally-adjusted annual rates of productivity change in the first quarter were:

- 0.1 percent in the business sector,
- 0.3 percent in the nonfarm business sector,
- 1.2 percent in manufacturing,
- 1.3 percent in durable goods manufacturing, and
- 0.2 percent in nondurable goods manufacturing.

First-quarter measures are summarized in table A and appear in detail in tables 1 through 5. In the business and nonfarm business sectors, both output and hours declined, but productivity increased modestly because hours declined more than output. In manufacturing, the declines in both output and hours were larger, but output fell more than hours so productivity declined.

In nonfinancial corporations, productivity fell 0.4 percent in the first quarter, as output and hours fell 6.0 percent and 5.6 percent, respectively (tables B and 6).

For business and nonfarm business, the revised productivity measures show smaller increases than had been reported on May 8, based on preliminary information then available (table D). Productivity also declined more sharply in manufacturing than had previously been reported. The revisions mainly reflect changes in measures of output growth during the first 3 months of 1991.

Business

Productivity increased at a 0.1 percent annual rate during the first quarter of 1991 in the business sector, as output declined 4.5 percent and hours of all persons engaged in the sector fell 4.6 percent (seasonally adjusted annual rates). This was the second quarterly decline in output in succession. In the fourth quarter of 1990, business productivity had decreased 1.2 percent, as output fell more rapidly than hours (table 1).

Table A. Productivity and costs: First quarter 1991 measures
(Seasonally adjusted annual rates)

Sector	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs
Percent change from preceding quarter						
Business	0.1	-4.5	-4.6	3.7	0.2	3.7
Nonfarm business	0.3	-4.6	-4.9	4.0	0.5	3.7
Manufacturing	-1.2	-10.9	-9.9	3.5	0.0	4.8
Durable	-1.3	-13.6	-12.4	3.7	0.2	5.1
Nondurable	-0.2	-6.4	-6.2	3.9	0.3	4.2
Percent change from same quarter a year ago						
Business	0.1	-1.6	-1.7	4.3	-1.0	4.2
Nonfarm business	0.1	-1.7	-1.8	4.4	-0.9	4.3
Manufacturing	1.5	-3.0	-4.4	4.3	-1.0	2.7
Durable	2.4	-4.0	-6.2	4.4	-0.8	2.0
Nondurable	0.4	-1.5	-1.9	4.4	-0.9	3.9

Hourly compensation increased at a 3.7 percent annual rate during the first quarter of 1991. During the fourth quarter of 1990, it rose 3.5 percent. This measure includes wages and salaries, supplements, employer contributions to employee-benefit plans, and taxes. Unit labor costs, which reflect changes in hourly compensation and productivity, increased at a 3.7 percent annual rate during the first quarter, compared with a 4.8 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 0.2 percent in the first quarter, compared with a 3.2 percent decrease in the fourth quarter of 1990.

The implicit price deflator for business output, which reflects changes in unit labor costs and unit nonlabor payments, increased 4.7 percent in the first quarter, compared with a 2.0 percent rise during the fourth quarter of 1990.

Nonfarm business

Productivity rose 0.3 percent in the nonfarm business sector during the first quarter of 1991, as output fell 4.6 percent and hours of all persons--employees, proprietors, and unpaid family workers--decreased 4.9 percent. During the fourth quarter of 1990, nonfarm productivity had decreased 0.7 percent (table 2).

Hourly compensation rose 4.0 percent in the first quarter, but increased only 0.5 percent when the increase in the CPI-U was taken into account. In the last half of 1990, real hourly compensation declined in this sector. Unit labor costs increased 3.7 percent, compared with a 4.7 percent rise during the fourth quarter of 1990.

The implicit price deflator for nonfarm business output rose 4.6 percent in the first quarter, compared with a 2.5 percent increase one quarter earlier.

Manufacturing

Manufacturing productivity decreased for the second quarter in a row, as declines in output and hours steepened. Productivity declined 1.2 percent in the first quarter of 1991, reflecting declines in output and hours of 10.9 percent and 9.9 percent, respectively. The drop in manufacturing output was the largest since 1981, when a 12.7 percent decline occurred in the fourth quarter. The drop in hours was the greatest since the first quarter of 1982. During the fourth quarter of last year, productivity fell 1.3 percent as output and hours moved down by 8.1 percent and 6.9 percent, respectively (table 3).

Hourly compensation of manufacturing workers increased 3.5 percent during the first quarter, but showed no gain when the increase in consumer prices was taken into account. Real hourly compensation has grown in only 2 of the past 8 quarters. Unit labor costs rose at a 4.8 percent annual rate in the first quarter of 1991, compared with a 6.1 percent increase during the fourth quarter of 1990.

Both durable and nondurable goods industries experienced productivity decreases in the first quarter, but the decline was sharper among durable goods producers.

Table B. Nonfinancial corporations: Preliminary first quarter 1991
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								
1991 I	-0.4	-6.0	-5.6	3.9	0.3	4.3	-0.5	5.9
Percent change from preceding year								
1991 I	0.2	-2.1	-2.3	4.7	-0.6	4.5	-10.9	4.1

Nonfinancial corporations

Preliminary first-quarter 1991 measures of productivity and costs also were announced today for nonfinancial corporations (tables B and 6). Output per all-employee hour declined 0.4 percent from the fourth quarter of 1990 to the first quarter of 1991, as output and hours decreased 6.0 percent and 5.6 percent, respectively, at annual rates. In the fourth quarter, productivity had increased 0.4 percent. The sector includes all corporations doing business in the United States, except banks, stock and commodity brokers, and finance and insurance agencies. Output and hours fell more rapidly than in the more comprehensive business and nonfarm business sectors reported above.

Hourly compensation increased 3.9 percent but rose only 0.3 percent when the rise in the CPI-U was taken into account (table 6). The increase in hourly compensation of employees of the corporations was the same as the gain in the previous quarter, but the increase in real hourly compensation followed 2 quarters of decline. Since the first quarter of 1988, real hourly compensation has increased only during 2 other quarters.

Unit labor costs rose 4.3 percent in the first quarter, compared with a 3.4 percent rise in the fourth quarter of 1990; unit nonlabor costs rose 12.0 percent, and unit profits fell 0.5 percent (their third consecutive decline). The increase in unit nonlabor costs, which include capital consumption allowances, interest, and indirect business taxes, was the largest quarterly increase since the first quarter of 1982, when a 12.4 percent rise occurred. The implicit deflator for nonfinancial corporate output rose 5.9 percent in the first quarter.

Table C. Nonfinancial corporations: Prices, costs, and profits
(Index, 1982 = 100)

Period	Implicit price deflator	Total unit costs	Unit labor costs	Unit nonlabor costs	Unit profits
1982	100.0	100.0	100.0	100.0	100.0
1983	102.3	99.7	100.1	98.5	140.9
1984	104.8	100.2	101.1	97.8	172.9
1985	106.3	102.2	103.4	98.9	168.3
1986	106.9	103.7	104.8	101.1	154.0
1987	109.3	105.2	106.6	101.7	169.6
1988	111.4	107.2	108.5	103.8	173.4
1989	114.0	111.4	112.5	108.6	153.4
1990	117.8	116.3	117.1	114.3	139.5
1990 I	116.6	114.3	115.1	112.4	142.9
II	117.5	115.4	116.5	112.6	149.1
III	118.5	117.1	118.0	114.8	138.6
IV	119.1	118.6	119.0	117.3	127.5
1991 I	120.8	120.4	120.3	120.7	127.3

Table C shows indexes of the implicit price deflator for nonfinancial corporate output and related series from 1982 forward. Changes in prices of the goods and services produced by nonfinancial corporations reflect changes in their costs and profits. Total unit costs consist of labor costs and nonlabor costs per unit of output. The table shows that price increases have reflected increases in both costs and profits. From 1982 to 1990, unit profits rose nearly 40 percent. However, the rise in sector prices (17.8 percent) was little greater than the 16.3 percent increase in total costs, reflecting the greater portion of corporate revenues disbursed as labor and nonlabor costs.

Revised measures

Previous and revised productivity and cost measures for the first quarter are compared in table D for business, nonfarm business, and manufacturing. Productivity gains were smaller, mainly reflecting greater declines in output than had been previously reported. Appendix table 1 contains annual indexes of productivity and costs for nonfinancial corporations from 1977 forward. This table shows the effect of the introduction of the new quarterly and annual constant-dollar output measures for these years released by the Bureau of Economic Analysis of the U.S. Department of Commerce on May 29. No other sectors were affected.

Table D. Previous and revised productivity and related measures,
first quarter 1991
(Quarterly percent change at seasonally adjusted annual rate)

Sector	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs
Business:						
Previous	0.7	-4.0	-4.6	3.7	0.2	3.0
Revised	0.1	-4.5	-4.6	3.7	0.2	3.7
Nonfarm business:						
Previous	1.0	-3.9	-4.9	4.0	0.5	3.0
Revised	0.3	-4.6	-4.9	4.0	0.5	3.7
Manufacturing:						
Previous	-0.9	-10.5	-9.7	3.4	-0.1	4.4
Revised	-1.2	-10.9	-9.9	3.5	0.0	4.8

Next release date

The next issue of Productivity and Costs is scheduled for release at 10:00 AM EDT, Tuesday, August 6, 1991, and will contain second-quarter measures for business, nonfarm business, and manufacturing.

LABOR NEWS at your fingertips

You can now get the text and text tables from this and other U.S. Department of Labor news releases quickly and easily through **LABOR NEWS**-- a free electronic bulletin board available to anyone with a computer, a modem, and communications software. To register directly, load the following communication parameters into your computer:

PHONE number: (202) 523-4784
 BAUD speed : 1200 or 2400
 PARITY : none
 DATA bits : 8
 STOP bit : 1

After you have made a connection to **LABOR NEWS**, follow the registration prompts. Users must pay any toll for long-distance calls. For more information, call (202) 523-7343 Mon.-Fri., 9:00 a.m.-4:00 p.m. (EST).

TECHNICAL NOTES

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

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

Output: Business sector output is equal to gross national product (GNP) in constant 1982 dollars, less the rest-of-the-world sector, general government, output of nonprofit institutions, output of paid employees of private households, rental value of owner-occupied dwellings, and the statistical discrepancy in computing the NIPA. Corresponding exclusions are also made in labor inputs. Business output was about 81 percent of GNP in 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								
1990 I	111.7	136.0	121.7	135.3	101.8	121.1	135.5	125.8
II	111.9	136.4	121.9	137.0	102.2	122.5	137.0	127.2
III	112.1	136.5	121.8	138.6	101.7	123.6	137.8	128.2
IV	111.8	135.4	121.1	139.8	100.8	125.0	136.7	128.8
ANNUAL	111.9	136.1	121.6	137.7	101.7	123.1	136.8	127.5
1991 I	r111.8	r133.8	119.7	141.1	100.9	r126.2	r139.0	r130.3
Percent change from previous quarter at annual rate(5)								
1990 I	-0.9	1.4	2.3	4.5	-2.7	5.4	3.1	4.6
II	0.6	1.2	0.5	5.4	1.4	4.7	4.5	4.6
III	0.9	0.5	-0.4	4.6	-2.1	3.7	2.4	3.2
IV	-1.2	-3.4	-2.2	3.5	-3.2	4.8	-3.2	2.0
ANNUAL	-0.7	0.2	0.9	3.6	-1.7	4.3	2.7	3.8
1991 I	r0.1	r-4.5	-4.6	3.7	0.2	r3.7	r6.8	r4.7
Percent change from corresponding quarter of previous year								
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	-0.4	0.3	0.7	4.2	-1.3	4.6	2.9	4.0
IV	-0.1	-0.1	0.1	4.5	-1.7	4.6	1.7	3.6
ANNUAL	-0.7	0.2	0.9	3.6	-1.7	4.3	2.7	3.8
1991 I	r0.1	r-1.6	-1.7	4.3	-1.0	r4.2	r2.6	r3.6

See footnotes following table 6.

r=revised

June 5, 1991

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								
1990 I	110.7	136.8	123.7	134.2	101.0	121.3	135.7	125.8
II	110.7	137.2	123.9	135.8	101.3	122.7	137.5	127.3
III	110.9	137.4	123.9	137.4	100.8	123.9	138.3	128.4
IV	110.7	136.1	123.0	138.7	100.0	125.3	137.7	129.2
ANNUAL	110.8	136.9	123.6	136.6	100.8	123.3	137.3	127.7
1991 I	r110.8	r134.5	121.5	140.1	100.2	r126.5	r139.9	r130.7
Percent change from previous quarter at annual rate (5)								
1990 I	-1.3	1.4	2.8	3.9	-3.2	5.3	1.0	3.8
II	0.3	1.2	0.9	5.0	1.0	4.7	5.2	4.8
III	0.6	0.4	-0.2	4.7	-2.0	4.1	2.6	3.6
IV	-0.7	-3.6	-2.8	3.9	-2.9	4.7	-1.7	2.5
ANNUAL	-0.9	0.2	1.0	3.5	-1.8	4.4	2.6	3.8
1991 I	r0.3	r-4.6	-4.9	4.0	0.5	r3.7	r6.3	r4.6
Percent change from corresponding quarter of previous year								
1990 I	-1.3	0.3	1.6	2.4	-2.6	3.7	3.6	3.7
II	-1.1	0.3	1.4	3.2	-1.3	4.4	2.6	3.8
III	-0.7	0.2	1.0	4.0	-1.5	4.8	2.6	4.0
IV	-0.3	-0.1	0.1	4.4	-1.8	4.7	1.7	3.7
ANNUAL	-0.9	0.2	1.0	3.5	-1.8	4.4	2.6	3.8
1991 I	r0.1	r-1.7	-1.8	4.4	-0.9	r4.3	r3.0	3.9

See footnotes following table 6.
r=revised

June 5, 1991
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							
1990	I	135.1	145.9	108.0	129.7	97.6	96.0
	II	136.1	147.5	108.3	131.2	97.8	96.4
	III	137.9	148.8	107.9	132.5	97.2	96.1
	IV	137.5	145.7	106.0	134.0	96.7	97.5
	ANNUAL	136.8	147.0	107.4	132.0	97.4	96.5
1991	I	r137.1	r144.5	r103.2	r135.2	r96.7	r98.6
Percent change from previous quarter at annual rate (5)							
1990	I	4.9	1.8	-2.9	2.3	-4.8	-2.5
	II	3.1	4.3	1.2	4.7	0.8	1.6
	III	5.4	3.5	-1.7	4.0	-2.7	-1.3
	IV	-1.3	-8.1	-6.9	4.7	-2.1	6.1
	ANNUAL	2.6	0.4	-2.2	3.4	-1.9	0.7
1991	I	r-1.2	r-10.9	r-9.9	r3.5	r0.0	r4.8
Percent change from corresponding quarter of previous year							
1990	I	1.4	-0.8	-2.1	2.4	-2.7	1.0
	II	1.8	0.2	-1.5	3.2	-1.3	1.4
	III	3.8	1.9	-1.8	3.3	-2.1	-0.4
	IV	3.0	0.3	-2.6	3.9	-2.2	0.9
	ANNUAL	2.6	0.4	-2.2	3.4	-1.9	0.7
1991	I	1.5	r-3.0	-4.4	r4.3	-1.0	2.7
See footnotes following table 6					June 5, 1991		
r=revised					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							
1990	I	147.2	159.7	108.5	128.1	96.4	87.0
	II	149.6	162.6	108.7	129.5	96.6	86.5
	III	152.3	164.3	107.9	131.0	96.1	86.0
	IV	151.2	159.1	105.2	132.6	95.6	87.7
	ANNUAL	150.3	161.4	107.4	130.4	96.3	86.8
1991	I	r150.7	r153.4	r101.8	r133.8	r95.7	r88.8
Percent change from previous quarter at annual rate (5)							
1990	I	4.8	1.6	-3.1	1.5	-5.5	-3.1
	II	6.6	7.3	0.7	4.4	0.5	-2.0
	III	7.5	4.3	-3.0	4.6	-2.1	-2.7
	IV	-2.9	-12.1	-9.5	5.0	-1.8	8.1
	ANNUAL	3.3	0.3	-2.9	3.2	-2.1	-0.1
1991	I	r-1.3	r-13.6	r-12.4	r3.7	r0.2	r5.1
Percent change from corresponding quarter of previous year							
1990	I	2.0	-1.2	-3.1	2.2	-2.8	0.2
	II	2.3	0.3	-2.0	3.0	-1.5	0.7
	III	4.5	2.0	-2.4	3.1	-2.3	-1.4
	IV	3.9	0.0	-3.8	3.9	-2.2	0.0
	ANNUAL	3.3	0.3	-2.9	3.2	-2.1	-0.1
1991	I	r2.4	r-4.0	r-6.2	4.4	r-0.8	r2.0

See footnotes following table 6.
r-revised

June 5, 1991
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							
1990	I	118.8	127.6	107.4	132.2	99.6	111.3
	II	118.1	127.4	107.9	134.0	99.9	113.5
	III	118.7	128.0	107.9	135.1	99.1	113.8
	IV	119.4	127.8	107.0	136.7	98.6	114.5
	ANNUAL	118.9	127.7	107.4	134.6	99.4	113.3
1991	I	119.3	r125.7	105.3	138.0	98.7	115.7
Percent change from previous quarter at annual rate(5)							
1990	I	5.2	2.3	-2.7	3.6	-3.5	-1.5
	II	-2.4	-0.6	1.8	5.4	1.4	8.0
	III	2.2	2.1	0.0	3.3	-3.3	1.1
	IV	2.3	-0.9	-3.1	4.9	-1.9	2.6
	ANNUAL	1.7	0.6	-1.0	3.9	-1.5	2.2
1991	I	r-0.2	r-6.4	-6.2	3.9	0.3	r4.2
Percent change from corresponding quarter of previous year							
1990	I	0.6	0.0	-0.7	2.9	-2.2	2.2
	II	1.0	0.2	-0.8	3.7	-0.8	2.7
	III	2.7	1.6	-1.1	3.9	-1.5	1.2
	IV	1.8	0.7	-1.0	4.3	-1.9	2.5
	ANNUAL	1.7	0.6	-1.0	3.9	-1.5	2.2
1991	I	0.4	-1.5	-1.9	4.4	-0.9	r3.9

See footnotes following table 6.
r-revised

June 5, 1991
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										
1990	I	r113.7	r140.5	123.5	130.9	98.5	r115.1	r112.4	r114.3	r142.9
	II	r114.2	r141.4	123.8	133.0	99.2	r116.5	r112.6	r115.4	r149.1
	III	r113.9	r141.1	123.9	134.4	98.6	r118.0	r114.8	r117.1	r138.6
	IV	r114.0	r139.6	122.5	135.7	97.9	r119.0	r117.3	r118.6	r127.5
	ANNUAL	r114.1	r140.6	123.3	133.6	98.6	r117.1	r114.3	r116.3	r139.5
1991	I	113.9	137.5	120.7	137.0	98.0	120.3	120.7	120.4	127.3
Percent change from previous quarter at annual rate(5)										
1990	I	-1.5	r0.3	1.8	2.8	-4.3	r4.3	3.3	r4.0	r1.1
	II	r1.6	r2.5	0.9	6.6	2.6	r4.9	r0.5	r3.7	r18.6
	III	-1.0	-0.8	0.2	4.4	-2.3	5.5	8.3	6.3	-25.3
	IV	0.4	-4.1	-4.5	3.9	-2.9	3.4	9.1	5.0	-28.4
	ANNUAL	r-0.7	r0.1	0.9	3.3	-2.0	r4.1	r5.3	r4.4	r-9.0
1991	I	-0.4	-6.0	-5.6	3.9	0.3	4.3	12.0	6.4	-0.5
Percent change from corresponding quarter of previous year										
1990	I	r-0.8	r0.7	1.5	2.0	-3.0	r2.9	r6.6	r3.9	r-9.8
	II	r-0.6	r0.8	1.3	3.2	-1.3	r3.8	r4.7	r4.0	r-5.9
	III	-1.3	r-0.3	1.0	3.9	-1.5	5.3	4.6	5.1	-10.2
	IV	-0.1	r-0.6	-0.4	4.4	-1.7	4.5	5.2	4.7	r-10.5
	ANNUAL	r-0.7	r0.1	0.9	3.3	-2.0	r4.1	r5.3	r4.4	r-9.0
1991	I	0.2	-2.1	-2.3	4.7	-0.6	4.5	7.4	5.3	-10.9

See footnotes following table 6.
r=revised

June 5, 1991
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.

Appendix table 1. Nonfinancial corporations: Productivity, hourly compensation, unit labor cost, unit profits, and prices

Year	Output per all- employee hour	Output	Employee hours	Hourly compensa- tion (1)	Real hourly compensa- tion (2)	Unit labor cost	Unit non- labor cost (7)	Total unit cost (8)	Unit pro- fits (9)	Implicit price deflator (4)
Indexes 1982=100										
1977	99.3	94.4	95.0	64.8	103.2	65.2	56.8	62.9	127.8	66.9
1978	99.8	100.0	100.1	70.3	104.1	70.4	60.2	67.6	130.5	71.5
1979	99.6	103.2	103.7	77.1	102.4	77.4	65.7	74.1	120.5	77.0
1980	98.8	101.2	102.4	85.2	99.8	86.3	77.7	83.9	108.8	85.4
1981	99.6	103.1	103.5	93.2	98.9	93.5	90.2	92.6	125.1	94.6
1982	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1983	103.0	105.0	101.9	103.2	100.0	100.1	98.5	99.7	140.9	102.3
1984	105.8	115.0	108.7	107.0	99.4	101.1	97.8	100.2	172.9	104.8
1985	107.6	119.6	111.2	111.3	99.8	103.4	98.9	102.2	168.3	106.3
1986	111.3	124.2	111.6	116.6	102.7	104.8	101.1	103.7	154.0	106.9
1987	112.9	129.7	114.8	120.4	102.2	106.6	101.7	105.2	169.6	109.3
1988	115.4	137.1	118.8	125.2	102.1	108.5	103.8	107.2	173.4	111.4
1989	114.9	140.4	122.2	129.3	100.6	112.5	108.6	111.4	153.4	114.0
1990	114.1	140.6	123.3	133.6	98.6	117.1	114.3	116.3	139.5	117.8

See footnotes following table 6.

June 5, 1991

Source: Bureau of Labor Statistics