

News

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PRODUCTIVITY AND COSTS Second Quarter 1992

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 second quarter of 1992. Based on preliminary information now available, the seasonally-adjusted annual rates of productivity change in the second quarter were:

- 1.5 percent in the business sector,
- 2.3 percent in the nonfarm business sector,
- 4.7 percent in manufacturing,
- 8.2 percent in durable goods manufacturing, and
- 0.1 percent in nondurable goods manufacturing.

Productivity increased in all of the major sectors regularly reported here. The relatively large increase in manufacturing was concentrated in the durable goods sector. Second-quarter measures are summarized in table A and appear in detail in tables 1 through 6.

Revised first-quarter-1992 productivity measures for business and nonfarm business show larger increases than had been reported on June 17 (table B). The revisions reflect more recent information on output growth during the first 3 months of 1992.

Business

Business productivity increased at a 1.5 percent annual rate during the second quarter of 1992, as output increased 1.6 percent and hours of all persons engaged in the sector rose 0.2 percent (seasonally adjusted annual rates). In the first quarter of 1992, business productivity had increased 4.0 percent, as output rose 2.3 percent while hours fell 1.6 percent (table 1). The increase in hours in the second quarter was the first upward movement since the first quarter of 1990.

NOTE: These productivity and cost measures reflect the regular 3-year revisions to the National Income and Product Accounts data announced by the Bureau of Economic Analysis of the U.S. Department of Commerce on July 30. See table C for a summary and appendix tables 1-6 for the revised historical measures.

Table A. Productivity and costs: Second-quarter-1992 measures (Seasonally adjusted annual rates)						
Sector	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs
Percent change from preceding quarter						
Business	1.5	1.6	0.2	2.1	-1.2	0.7
Nonfarm business	2.3	2.0	-0.3	2.7	-0.7	0.3
Manufacturing	4.7	4.7	0.1	3.3	-0.1	-1.3
Durable	8.2	6.3	-1.8	3.2	-0.2	-4.6
Nondurable	0.1	2.7	2.6	3.8	0.4	3.8
Percent change from same quarter a year ago						
Business	2.6	1.9	-0.7	3.3	0.2	0.7
Nonfarm business	2.6	1.8	-0.7	3.3	0.2	0.7
Manufacturing	2.6	2.4	-0.2	2.1	-1.0	-0.5
Durable	2.9	1.5	-1.4	1.7	-1.3	-1.1
Nondurable	2.2	3.7	1.4	2.8	-0.3	0.5

Hourly compensation increased at a 2.1 percent annual rate during the second quarter of 1992, following a 4.1 percent rise in the first quarter. This measure includes wages and salaries, supplements, employer contributions to employee-benefit plans, and taxes. Unit labor costs, which reflect changes in hourly compensation and productivity, increased at a 0.7 percent annual rate during the second quarter, compared with a 0.1 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 1.2 percent in the second quarter, compared with a 1.3 percent increase in the first quarter.

The implicit price deflator for business output, which reflects changes in unit labor costs and unit nonlabor payments, increased 2.0 percent in the second quarter, compared with a 2.6 percent rise during the first quarter.

Nonfarm business

Productivity rose 2.3 percent in the nonfarm business sector during the second quarter of 1992, as output rose 2.0 percent and hours of all persons--employees, proprietors, and unpaid family workers--decreased 0.3 percent. The decline in hours was the ninth in succession.

Hourly compensation rose 2.7 percent in the second quarter, but decreased 0.7 percent when the increase in the CPI-U was taken into account. Unit labor costs increased 0.3 percent, compared with a 0.1 percent rise during the first quarter.

The implicit price deflator for nonfarm business output rose 1.9 percent in the second quarter, compared with a 2.4 percent increase one quarter earlier.

Manufacturing

Productivity increased 4.7 percent in the second quarter of 1992, reflecting gains in output and hours of 4.7 percent and 0.1 percent, respectively. However, manufacturing employment posted its eighth consecutive quarterly decline. During the first quarter of 1992, productivity had fallen 0.8 percent as output declined 2.2 percent and hours moved down by 1.3 percent (table 3).

Hourly compensation of manufacturing workers increased 3.3 percent during the second quarter, but dropped 0.1 percent when the increase in consumer prices was taken into account. Unit labor costs fell at 1.3 percent annual rates in the first and second quarters of 1992.

Durable goods industries experienced a much stronger productivity advance in the second quarter, posting the largest quarterly gain in 2 years (a 10.0 percent productivity increase occurred in the third quarter of 1990). Productivity was virtually unchanged in nondurable goods industries, as output and hours posted increases of 2.7 and 2.6 percent, respectively. Nondurable goods account for about 43 percent of manufacturing output.

Revised measures

Previous and revised productivity and cost measures for the first quarter are compared in table B for business, nonfarm business, manufacturing, and nonfinancial corporations. First-quarter business and nonfarm business productivity gains were larger than previously reported, reflecting greater gains in output than had been reported on June 17. In manufacturing, the decline in productivity was smaller in the revised measures, and in nonfinancial corporations, productivity grew at a slower rate.

**Table B. Previous and current productivity and related measures
First quarter 1992
(Seasonally adjusted annual rates)**

Sector	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs
Percent change from preceding quarter						
Business:						
Previous	2.8	1.1	-1.6	2.4	-0.4	-0.4
Current	4.0	2.3	-1.6	4.1	1.3	0.1
Nonfarm business:						
Previous	2.7	1.2	-1.5	2.2	-0.6	-0.5
Current	3.8	2.3	-1.5	3.9	1.1	0.1
Manufacturing:						
Previous	-1.0	-2.3	-1.3	-1.9	-4.6	-1.0
Current	-0.8	-2.2	-1.3	-2.1	-4.8	-1.3
Nonfinancial corporations:						
Previous	2.8	2.7	-0.2	1.6	-1.2	-1.2
Current	2.5	2.3	-0.2	2.0	-0.8	-0.5
Percent change from same quarter a year ago						
Business:						
Previous	2.1	1.3	-0.8	3.3	0.4	1.2
Current	2.5	1.7	-0.8	4.1	1.2	1.5
Nonfarm business:						
Previous	1.9	1.2	-0.7	3.2	0.3	1.2
Current	2.3	1.6	-0.7	4.0	1.1	1.6
Manufacturing:						
Previous	2.4	1.7	-0.6	2.6	-0.3	0.2
Current	2.4	1.8	-0.6	2.3	-0.6	-0.1
Nonfinancial corporations:						
Previous	3.0	2.5	-0.5	3.1	0.2	0.1
Current	2.5	2.0	-0.5	3.4	0.5	0.9

Appendix tables 1-6 contain revised data which reflect the incorporation of output and compensation measures regularly revised at this time by the Bureau of Economic Analysis, U.S. Department of Commerce. Output and compensation measures for business, nonfarm business, and nonfinancial corporations were revised; for manufacturing, compensation alone was revised at this time. Table C summarizes the annual productivity movements for the regular 3-year period of the revision.

Table C. Published and revised annual changes in productivity

Year	Business		Nonfarm business		Nonfinancial corporations	
	Pub.	Rev.	Pub.	Rev.	Pub.	Rev.
1989	-0.7	-0.8	-0.9	-1.0	-1.8	-1.7
1990	0.4	0.3	0.1	0.0	0.2	0.9
1991	0.7	0.0	0.7	0.1	2.0	1.4

Next release date

The next issue of *Productivity and Costs* is scheduled for release at 10:00 AM EDT, Thursday, September 3, 1992, and will contain second-quarter measures for business, nonfarm business, manufacturing, and nonfinancial corporations.

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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 domestic product (GDP) in constant 1987 dollars, less 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 78 percent of GDP in 1991. Nonfarm business, which also excludes farming, was about 77 percent of GDP in 1991.

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; industrial machinery and equipment; electronic and other electric equipment; 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, paper and allied 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 19 percent of GDP in 1991.

Nonfinancial corporate output is equal to GDP in constant 1987 dollars, less 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 55 percent of GDP in 1991.

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 costs	Unit non-labor payments (3)	Implicit price deflator (4)
Indexes 1982=100								
1991	I	r109.1	r129.2	r118.4	r143.7	r102.8	r131.8	r141.3
	II	r109.4	r129.5	r118.3	r145.5	r103.5	r133.0	r141.9
	III	r109.9	r130.0	118.3	r146.8	r103.7	r133.7	r143.0
	IV	r110.7	r130.6	118.0	r148.1	r103.7	r133.7	r144.5
	ANNUAL	r109.7	r129.8	118.3	r146.0	r103.4	r133.1	r142.7
1992	I	r111.8	r131.4	117.5	r149.6	r104.0	r133.8	r147.1
	II	112.2	131.9	117.5	150.4	103.7	134.0	148.8
Percent change from previous quarter at annual rate (5)								
1991	I	r-1.7	r-6.4	-4.8	r2.9	r-0.3	r4.7	r5.1
	II	r1.2	r0.9	r-0.3	r5.1	r2.6	r3.9	r1.9
	III	r1.7	r1.6	-0.1	r3.6	r0.9	r1.9	r3.0
	IV	r3.3	r2.0	-1.2	r3.5	r-0.1	r0.2	r4.1
	ANNUAL	r0.0	r-2.2	-2.2	r4.5	r0.3	r4.5	2.4
1992	I	r4.0	r2.3	-1.6	r4.1	r1.3	r0.1	r7.6
	II	1.5	1.6	0.2	2.1	-1.2	0.7	4.5
Percent change from corresponding quarter of previous year								
1991	I	r-0.4	r-3.0	-2.6	r5.4	r0.1	r5.8	r2.0
	II	r-0.8	r-3.2	-2.5	r4.7	-0.1	r5.5	r1.4
	III	r0.1	r-1.9	-2.0	r4.1	r0.3	r4.1	r2.8
	IV	r1.1	r-0.5	-1.6	r3.8	r0.8	r2.7	3.5
	ANNUAL	r0.0	r-2.2	-2.2	r4.5	r0.3	r4.5	2.4
1992	I	r2.5	r1.7	-0.8	r4.1	r1.2	r1.5	r4.1
	II	2.6	1.9	-0.7	3.3	0.2	0.7	4.8

See footnotes following table 6.
r=revised

August 11, 1992
Source: Bureau of Labor Statistics

Table 2. Nonfarm business sectors: 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 costs	Unit non-labor payments (3)	Implicit price deflator (4)
Indexes 1982=100								
1991	I	r107.7	r129.4	120.2	r142.6	r102.0	r132.4	r142.6
	II	r108.0	r129.7	120.1	r144.4	102.7	r133.7	r142.7
	III	r108.5	r130.2	120.1	145.7	102.9	r134.3	r144.2
	IV	r109.1	r130.7	119.8	r146.8	r102.8	r134.5	r146.1
	ANNUAL	r108.3	r130.0	120.1	144.8	102.6	r133.7	r143.9
1992	I	r110.2	r131.5	r119.3	r148.2	r103.1	r134.6	r148.6
	II	110.8	132.1	119.3	149.2	102.9	134.7	150.4
Percent change from previous quarter at annual rate (5)								
1991	I	r-1.3	r-6.1	-4.9	r3.1	r-0.1	r4.5	r5.7
	II	r1.3	r0.9	-0.4	r5.3	r2.7	r3.9	r0.3
	III	1.7	r1.5	-0.1	r3.7	r1.0	r2.0	r4.2
	IV	r2.5	r1.6	-0.9	r3.1	r-0.5	r0.6	r5.4
	ANNUAL	r0.1	r-2.2	-2.3	r4.7	r0.4	r4.5	r2.9
1992	I	r3.8	r2.3	-1.5	r3.9	r1.1	r0.1	r7.1
	II	2.3	2.0	-0.3	2.7	-0.7	0.3	5.0
Percent change from corresponding quarter of previous year								
1991	I	r-0.3	r-3.0	-2.7	r5.6	r0.3	r5.9	r2.6
	II	r-0.6	r-3.2	-2.6	r5.0	r0.1	r5.6	r1.7
	III	r0.3	r-1.9	-2.2	r4.4	r0.6	r4.0	r3.3
	IV	r1.0	r-0.6	-1.6	r3.8	r0.8	r2.7	r3.8
	ANNUAL	r0.1	r-2.2	-2.3	r4.7	r0.4	r4.5	r2.9
1992	I	r2.3	r1.6	-0.7	r4.0	r1.1	r1.6	r4.2
	II	2.6	1.8	-0.7	3.3	0.2	0.7	5.4

See footnotes following table 6.
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August 11, 1992
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 costs
Indexes 1982=100						
1991 I	125.6	130.3	103.7	r138.0	r98.7	r109.9
II	126.8	131.0	103.3	r139.4	99.1	r110.0
III	128.6	133.2	103.6	r140.4	r99.1	r109.2
IV	128.9	133.3	103.4	r141.9	r99.4	r110.1
ANNUAL	127.4	131.9	103.6	139.9	99.1	109.8
1992 I	128.6	r132.6	103.1	r141.2	r98.1	r109.8
II	130.1	134.1	103.1	142.3	98.1	109.4
Percent change from previous quarter at annual rate (5)						
1991 I	-3.8	-10.5	-7.0	r4.3	r1.0	r8.4
II	3.9	2.2	-1.6	r4.2	r1.7	r0.3
III	r5.8	7.1	1.2	r2.7	r0.0	r-3.0
IV	0.9	0.2	-0.7	r4.4	r0.8	r3.5
ANNUAL	1.3	-2.3	-3.6	r4.5	r0.3	r3.1
1992 I	r-0.8	r-2.2	-1.3	r-2.1	r-4.8	r-1.3
II	4.7	4.7	0.1	3.3	-0.1	-1.3
Percent change from corresponding quarter of previous year						
1991 I	1.5	-2.9	-4.3	r5.6	r0.2	r4.0
II	1.5	-3.3	-4.7	r4.8	r-0.1	r3.2
III	1.1	-2.5	-3.5	r4.3	r0.5	r3.2
IV	1.7	-0.5	-2.1	r3.9	r0.9	r2.2
ANNUAL	1.3	-2.3	-3.6	r4.5	r0.3	r3.1
1992 I	2.4	r1.8	-0.6	r2.3	r-0.6	r-0.1
II	2.6	2.4	-0.2	2.1	-1.0	-0.5

See footnotes following table 6.
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August 11, 1992
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 costs
Indexes 1982=100							
1991	I	134.9	137.6	102.0	r136.0	r97.3	r100.8
	II	136.1	138.3	101.6	r137.3	r97.6	100.9
	III	138.1	140.2	101.5	r138.2	r97.6	r100.1
	IV	138.4	139.7	100.9	r140.1	r98.1	r101.2
	ANNUAL	136.8	138.9	101.5	r137.9	r97.7	r100.7
1992	I	r137.3	r138.2	100.7	r138.6	r96.3	r100.9
	II	140.1	140.3	100.2	139.7	96.3	99.7
Percent change from previous quarter at annual rate (5)							
1991	I	-4.9	-13.3	-8.9	r4.0	r0.7	r9.3
	II	3.7	2.2	r-1.4	r3.9	r1.3	r0.2
	III	5.9	5.5	-0.4	r2.8	r0.1	r-3.0
	IV	0.9	-1.5	-2.4	r5.6	r2.0	r4.7
	ANNUAL	1.1	-4.0	-5.0	r4.5	r0.3	r3.4
1992	I	r-3.2	r-4.0	-0.8	r-4.4	r-7.0	r-1.2
	II	8.2	6.3	-1.8	3.2	-0.2	-4.6
Percent change from corresponding quarter of previous year							
1991	I	2.2	-3.9	-5.9	r5.6	r0.3	r3.4
	II	1.1	-5.1	-6.1	r4.7	r-0.2	r3.5
	III	0.2	-4.8	-5.0	r4.3	r0.4	r4.1
	IV	1.3	-2.1	r-3.3	4.0	1.0	r2.7
	ANNUAL	1.1	-4.0	-5.0	r4.5	r0.3	r3.4
1992	I	1.8	0.5	-1.3	r1.9	r-1.0	r0.1
	II	2.9	1.5	-1.4	1.7	-1.3	-1.1

See footnotes following table 6.
r=revised

August 11, 1992
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 costs
Indexes 1982=100						
1991 I	114.3	121.4	106.2	142.0	101.6	124.2
II	115.5	122.1	105.7	r143.6	r102.1	r124.3
III	117.1	124.9	106.6	r144.7	r102.2	r123.5
IV	117.4	125.6	107.0	r145.7	r102.0	r124.1
ANNUAL	116.0	123.5	106.5	r143.9	r102.0	r124.0
1992 I	r118.1	r125.7	106.5	r146.2	r101.7	r123.9
II	118.1	126.6	107.2	147.6	101.8	125.0
Percent change from previous quarter at annual rate (5)						
1991 I	r-2.2	-6.4	r-4.3	r5.3	r2.0	r7.7
II	4.2	2.3	-1.9	r4.7	r2.1	r0.4
III	5.7	9.3	3.4	r3.0	r0.3	r-2.6
IV	0.9	2.5	1.6	r2.9	r-0.6	r2.1
ANNUAL	1.7	0.1	-1.5	r4.8	r0.6	r3.1
1992 I	r2.4	r0.4	-2.0	r1.4	r-1.4	r-0.9
II	0.1	2.7	2.6	3.8	0.4	3.8
Percent change from corresponding quarter of previous year						
1991 I	0.5	-1.5	-2.0	r5.8	r0.5	r5.2
II	2.0	-0.8	-2.7	r5.2	r0.3	r3.1
III	2.4	0.9	-1.4	r4.7	r0.9	r2.3
IV	2.1	1.8	-0.3	r4.0	r0.9	r1.8
ANNUAL	1.7	0.1	-1.5	r4.8	r0.6	r3.1
1992 I	r3.3	r3.6	0.3	r3.0	r0.1	r-0.3
II	2.2	3.7	1.4	2.8	-0.3	0.5

See footnotes following table 6.
r=revised

August 11, 1992
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 costs	Unit non-labor cost (7)	Total unit cost (8)	Unit profits (9)	Implicit price deflator (4)
Indexes 1982=100										
1991	I	r112.6	r134.1	119.0	140.4	r100.4	r124.6	r122.2	r123.9	r151.3
	II	r113.1	r134.3	118.7	142.1	r101.1	r125.7	r122.1	r124.7	r154.5
	III	113.6	r134.9	118.7	143.3	101.2	126.2	r123.1	r125.3	r150.7
	IV	r114.8	r136.0	118.5	r144.5	r101.2	125.9	r122.8	r125.0	r155.2
	ANNUAL	r113.4	r134.8	118.8	r142.5	100.9	r125.6	r122.6	r124.7	r152.9
1992	I	r115.5	r136.8	118.5	r145.2	r100.9	r125.7	r121.7	124.6	r167.7
Percent change from previous quarter at annual rate (5)										
1991	I	r0.8	r-4.9	-5.6	r2.8	r-0.4	r2.0	r9.4	4.0	r4.5
	II	r1.6	r0.6	-1.0	r5.1	r2.5	r3.4	r-0.3	r2.4	r8.7
	III	r1.8	r1.8	-0.1	r3.4	r0.7	r1.5	r3.3	r2.0	r-9.7
	IV	r4.1	r3.4	-0.7	r3.3	r-0.3	-0.8	r-1.0	r-0.9	r12.6
	ANNUAL	r1.4	r-1.5	-2.9	4.4	0.2	r3.0	r5.0	r3.6	r-6.0
1992	I	r2.5	r2.3	-0.2	r2.0	r-0.8	r-0.5	r-3.5	r-1.4	r36.3
Percent change from corresponding quarter of previous year										
1991	I	r1.4	r-2.1	-3.4	r5.5	r0.2	r4.1	r6.1	r4.6	r-9.3
	II	r0.7	r-2.7	-3.4	4.8	-0.1	r4.1	r6.3	r4.7	r-12.6
	III	r1.6	r-1.4	-2.9	r4.2	r0.3	r2.6	r4.9	r3.2	r-4.2
	IV	r2.1	r0.2	-1.9	r3.6	r0.6	r1.5	r2.8	r1.9	r3.7
	ANNUAL	r1.4	r-1.5	-2.9	4.4	0.2	r3.0	r5.0	r3.6	r-6.0
1992	I	r2.5	r2.0	-0.5	r3.4	r0.5	r0.9	r-0.4	r0.5	r10.8

See footnotes following table 6.
r=revised

August 11, 1992
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 1990.

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.

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 costs	Unit non-labor payments (3)	Implicit price deflator (4)
Indexes 1982=100								
1989	I	109.7	132.4	120.6	130.9	103.7	119.3	124.3
	II	109.7	132.5	120.8	131.6	102.7	120.0	125.7
	III	109.2	132.3	121.1	132.7	102.7	121.4	126.7
	IV	109.3	132.3	121.0	134.4	103.0	122.9	127.8
	ANNUAL	109.5	132.3	120.9	132.3	103.0	120.9	126.1
1990	I	109.5	133.1	121.6	136.3	102.7	124.5	129.1
	II	110.2	133.7	121.3	139.0	103.6	126.0	130.6
	III	109.8	132.5	120.7	141.0	103.4	128.4	131.9
	IV	109.5	131.3	119.9	142.7	102.9	130.3	133.3
	ANNUAL	109.7	132.7	120.9	139.7	103.1	127.3	131.2
Percent change from previous quarter at annual rate(5)								
1989	I	-2.6	1.9	-4.7	2.4	-2.3	5.1	4.9
	II	-0.3	0.3	0.7	2.1	-3.9	2.5	4.6
	III	-1.6	-0.6	1.0	3.2	0.1	4.9	3.2
	IV	0.3	0.1	-0.2	5.2	1.1	4.9	3.6
	ANNUAL	-0.8	1.7	2.6	3.4	-1.4	4.2	4.4
1990	I	0.5	2.6	2.0	5.9	-1.1	5.4	4.2
	II	2.9	1.8	-1.0	8.0	3.7	5.0	4.7
	III	-1.6	-3.6	-2.0	6.0	-1.0	7.8	4.2
	IV	-0.9	-3.5	-2.6	4.9	-1.8	5.8	4.2
	ANNUAL	0.3	0.2	0.0	5.6	0.2	5.3	4.1
Percent change from corresponding quarter of previous year								
1989	I	-0.7	3.0	3.8	4.2	-0.5	5.0	4.7
	II	-0.4	2.1	2.5	3.4	-1.7	3.8	4.7
	III	-1.1	1.4	2.6	2.7	-1.9	3.9	4.2
	IV	-1.0	0.4	1.5	3.2	-1.3	4.3	4.1
	ANNUAL	-0.8	1.7	2.6	3.4	-1.4	4.2	4.4
1990	I	-0.3	0.6	0.9	4.1	-1.0	4.4	3.9
	II	0.5	1.0	0.4	5.6	0.9	5.0	3.9
	III	0.5	0.2	-0.3	6.3	0.7	5.8	4.2
	IV	0.2	-0.7	-0.9	6.2	-0.1	6.0	4.3
	ANNUAL	0.3	0.2	0.0	5.6	0.2	5.3	4.1

See footnotes following table 6.

August 11, 1992

Source: Bureau of Labor Statistics

Appendix 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 costs	Unit non-labor payments (3)	Implicit price deflator (4)
Indexes 1982=100								
1989 I	108.5	132.8	122.3	130.0	103.0	119.8	134.6	124.6
II	108.1	132.8	122.8	130.4	101.7	120.6	137.7	126.1
III	108.0	132.7	122.9	131.6	101.9	121.9	138.2	127.1
IV	108.1	132.7	122.8	133.3	102.2	123.4	138.5	128.2
ANNUAL	108.2	132.7	122.7	131.3	102.2	121.4	137.3	126.5
1990 I	108.0	133.5	123.6	135.0	101.7	125.1	139.0	129.6
II	108.6	134.0	123.3	137.6	102.6	126.6	140.4	131.1
III	108.1	132.7	122.8	139.6	102.4	129.1	139.6	132.5
IV	108.0	131.5	121.7	141.5	102.0	130.9	140.7	134.1
ANNUAL	108.2	132.9	122.9	138.4	102.2	127.9	139.9	131.8
Percent change from previous quarter at annual rate (5)								
1989 I	-3.9	0.7	4.9	2.2	-2.5	6.4	-0.3	4.0
II	-1.4	0.0	1.4	1.2	-4.7	2.6	9.6	5.0
III	-0.6	-0.3	0.3	3.7	0.5	4.3	1.4	3.3
IV	0.4	0.2	-0.2	5.3	1.2	5.0	0.8	3.5
ANNUAL	-1.0	1.7	2.7	3.2	-1.5	4.3	4.1	4.2
1990 I	-0.4	2.2	2.6	5.2	-1.7	5.6	1.6	4.2
II	2.5	1.6	-0.9	7.7	3.5	5.1	4.0	4.7
III	-1.9	-3.7	-1.9	6.1	-0.9	8.2	-2.2	4.5
IV	-0.3	-3.6	-3.3	5.4	-1.4	5.7	3.1	4.8
ANNUAL	0.0	0.1	0.1	5.4	0.0	5.4	1.9	4.2
Percent change from corresponding quarter of previous year								
1989 I	-0.7	3.2	3.9	4.1	-0.6	4.8	3.4	4.3
II	-0.7	2.0	2.7	3.1	-2.0	3.8	5.5	4.4
III	-1.2	1.3	2.6	2.6	-2.0	3.9	4.7	4.2
IV	-1.4	0.1	1.6	3.1	-1.4	4.6	2.8	3.9
ANNUAL	-1.0	1.7	2.7	3.2	-1.5	4.3	4.1	4.2
1990 I	-0.5	0.5	1.0	3.8	-1.2	4.4	3.3	4.0
II	0.4	0.9	0.5	5.5	0.8	5.0	1.9	3.9
III	0.1	0.0	-0.1	6.1	0.5	6.0	1.0	4.2
IV	0.0	-0.9	-0.9	6.1	-0.2	6.2	1.6	4.6
ANNUAL	0.0	0.1	0.1	5.4	0.0	5.4	1.9	4.2

See footnotes following table 6.

August 11, 1992

Source: Bureau of Labor Statistics

Appendix 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 costs
Indexes 1982=100							
1989	I	122.3	135.3	110.6	126.1	99.8	103.0
	II	122.7	135.2	110.2	126.0	98.3	102.7
	III	122.3	134.1	109.7	127.6	98.8	104.3
	IV	123.0	133.5	108.6	129.8	99.4	105.5
	ANNUAL	122.5	134.6	109.8	127.3	99.1	103.9
1990	I	123.7	134.1	108.4	130.8	98.5	105.7
	II	124.9	135.4	108.4	133.1	99.3	106.6
	III	127.2	136.6	107.4	134.6	98.7	105.8
	IV	126.8	133.9	105.6	136.6	98.5	107.7
	ANNUAL	125.7	135.0	107.4	133.8	98.8	106.4
Percent change from previous quarter at annual rate (5)							
1989	I	-1.7	0.2	1.9	3.4	-1.3	5.2
	II	1.3	-0.4	-1.6	0.0	-5.9	-1.3
	III	-1.4	-3.1	-1.8	5.1	1.9	6.6
	IV	2.2	-1.9	-4.0	6.9	2.7	4.6
	ANNUAL	0.5	0.9	0.4	3.9	-0.9	3.4
1990	I	2.4	1.9	-0.5	3.0	-3.8	0.6
	II	3.9	4.0	0.0	7.4	3.1	3.3
	III	7.5	3.4	-3.8	4.5	-2.4	-2.8
	IV	-1.3	-7.6	-6.4	6.1	-0.7	7.5
	ANNUAL	2.6	0.3	-2.2	5.1	-0.3	2.5
Percent change from corresponding quarter of previous year							
1989	I	1.7	3.6	1.9	4.5	-0.2	2.8
	II	0.9	1.8	0.9	3.6	-1.5	2.7
	III	-0.7	-0.4	0.3	3.5	-1.1	4.3
	IV	0.1	-1.3	-1.4	3.8	-0.7	3.7
	ANNUAL	0.5	0.9	0.4	3.9	-0.9	3.4
1990	I	1.1	-0.9	-2.0	3.7	-1.3	2.6
	II	1.8	0.2	-1.6	5.6	1.0	3.8
	III	4.0	1.8	-2.1	5.4	-0.1	1.4
	IV	3.1	0.3	-2.7	5.2	-1.0	2.1
	ANNUAL	2.6	0.3	-2.2	5.1	-0.3	2.5

See footnotes following table 6.

August 11, 1992
Source: Bureau of Labor Statistics

Appendix 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 costs
Indexes 1982=100							
1989	I	129.3	145.2	112.3	123.9	98.2	95.8
	II	130.9	145.5	111.1	123.8	96.5	94.5
	III	131.2	144.4	110.1	125.6	97.2	95.8
	IV	131.2	142.6	108.7	128.2	98.3	97.7
	ANNUAL	130.6	144.4	110.6	125.3	97.5	95.9
1990	I	132.0	143.2	108.4	128.7	97.0	97.5
	II	134.6	145.7	108.2	131.1	97.8	97.4
	III	137.9	147.3	106.8	132.6	97.2	96.2
	IV	136.6	142.6	104.4	134.7	97.1	98.6
	ANNUAL	135.4	144.7	106.9	131.9	97.4	97.4
Percent change from previous quarter at annual rate(5)							
1989	I	-2.5	-0.6	2.0	4.1	-0.6	6.8
	II	5.1	0.7	-4.2	-0.5	-6.4	-5.3
	III	0.8	-3.0	-3.8	6.1	2.9	5.3
	IV	0.2	-4.8	-5.0	8.6	4.3	8.4
	ANNUAL	1.8	1.8	0.0	4.1	-0.7	2.3
1990	I	2.5	1.6	-0.9	1.6	-5.1	-0.8
	II	8.1	7.3	-0.7	7.6	3.3	-0.4
	III	10.0	4.3	-5.2	4.6	-2.3	-5.0
	IV	-3.6	-12.1	-8.8	6.4	-0.4	10.5
	ANNUAL	3.7	0.2	-3.4	5.2	-0.2	1.5
Percent change from corresponding quarter of previous year							
1989	I	2.7	5.7	3.0	4.2	-0.6	1.5
	II	2.5	3.1	0.6	3.8	-1.4	1.3
	III	1.2	0.5	-0.7	4.0	-0.6	2.8
	IV	0.8	-2.0	-2.8	4.5	0.0	3.6
	ANNUAL	1.8	1.8	0.0	4.1	-0.7	2.3
1990	I	2.1	-1.4	-3.5	3.9	-1.2	1.7
	II	2.8	0.2	-2.6	6.0	1.3	3.0
	III	5.1	2.0	-3.0	5.6	0.0	0.4
	IV	4.1	0.0	-3.9	5.0	-1.2	0.9
	ANNUAL	3.7	0.2	-3.4	5.2	-0.2	1.5

See footnotes following table 6.

August 11, 1992

Source: Bureau of Labor Statistics

Appendix 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 costs
Indexes 1982=100							
1989	I	114.1	123.4	108.2	129.3	102.4	113.3
	II	112.9	122.9	108.8	129.7	101.2	114.9
	III	111.7	121.8	109.1	131.0	101.4	117.3
	IV	113.1	122.6	108.4	132.4	101.5	117.1
	ANNUAL	112.9	122.7	108.7	130.5	101.6	115.6
1990	I	113.7	123.3	108.4	134.2	101.1	118.0
	II	113.2	123.1	108.7	136.6	101.8	120.6
	III	114.4	123.7	108.2	138.1	101.3	120.8
	IV	115.0	123.5	107.4	140.2	101.1	121.9
	ANNUAL	114.1	123.4	108.1	137.3	101.4	120.3
Percent change from previous quarter at annual rate (5)							
1989	I	-0.6	1.3	1.9	2.2	-2.4	2.8
	II	-4.0	-1.8	2.2	1.4	-4.6	5.6
	III	-4.4	-3.3	1.1	4.0	0.8	8.8
	IV	5.1	2.4	-2.6	4.3	0.2	-0.7
	ANNUAL	-1.4	-0.4	1.0	3.5	-1.2	5.0
1990	I	2.3	2.3	-0.1	5.5	-1.4	3.1
	II	-1.7	-0.6	1.1	7.2	3.0	9.1
	III	4.1	2.1	-1.9	4.7	-2.2	0.6
	IV	2.0	-0.9	-2.8	6.0	-0.8	3.9
	ANNUAL	1.1	0.6	-0.5	5.2	-0.2	4.1
Percent change from corresponding quarter of previous year							
1989	I	0.4	0.7	0.4	4.9	0.1	4.5
	II	-1.3	-0.1	1.2	3.4	-1.7	4.8
	III	-3.4	-1.7	1.7	2.9	-1.6	6.5
	IV	-1.0	-0.4	0.6	3.0	-1.5	4.0
	ANNUAL	-1.4	-0.4	1.0	3.5	-1.2	5.0
1990	I	-0.3	-0.1	0.2	3.8	-1.3	4.1
	II	0.3	0.2	-0.1	5.3	0.6	5.0
	III	2.4	1.5	-0.9	5.4	-0.1	2.9
	IV	1.7	0.7	-0.9	5.9	-0.4	4.1
	ANNUAL	1.1	0.6	-0.5	5.2	-0.2	4.1

See footnotes following table 6.

August 11, 1992
Source: Bureau of Labor Statistics

Appendix 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 compen- sation (1)	Real hourly compen- sation (2)	Unit labor costs	Unit non- labor cost (7)	Total unit cost (8)	Unit pro- fits (9)	Implicit price deflator (4)
Indexes 1982=100										
1989	I	111.3	135.9	122.1	128.3	101.6	115.3	109.0	113.5	173.1
	II	110.7	135.7	122.6	128.6	100.3	116.2	112.0	115.0	173.9
	III	110.8	135.8	122.6	129.7	100.4	117.1	114.9	116.5	168.3
	IV	110.8	136.0	122.8	131.5	100.8	118.7	115.5	117.8	158.7
	ANNUAL	110.9	135.9	122.5	129.6	100.8	116.8	112.9	115.7	168.5
1990	I	111.1	137.0	123.3	133.1	100.3	119.8	115.2	118.4	166.9
	II	112.3	138.1	122.9	135.7	101.2	120.8	114.9	119.1	176.7
	III	111.9	136.8	122.3	137.6	100.9	123.0	117.4	121.4	157.2
	IV	112.4	135.8	120.8	139.4	100.5	124.0	119.5	122.7	149.7
	ANNUAL	111.9	136.9	122.3	136.4	100.7	121.9	116.7	120.4	162.7
Percent change from previous quarter at annual rate(5)										
1989	I	-4.6	0.0	4.8	3.3	-1.3	8.3	3.3	6.9	-21.4
	II	-2.1	-0.5	1.6	1.0	-5.0	3.1	11.6	5.4	2.0
	III	0.2	0.3	0.1	3.4	0.3	3.3	10.8	5.3	-12.4
	IV	0.0	0.7	0.7	5.7	1.5	5.8	1.9	4.7	-21.0
	ANNUAL	-1.7	1.3	3.1	3.3	-1.4	5.1	6.1	5.4	-8.2
1990	I	1.4	2.9	1.5	4.9	-2.1	3.5	-1.1	2.2	22.3
	II	4.4	3.1	-1.2	8.0	3.7	3.4	-1.0	2.2	25.9
	III	-1.7	-3.7	-2.1	5.8	-1.2	7.6	9.0	8.0	-37.4
	IV	2.0	-2.9	-4.8	5.4	-1.4	3.3	7.5	4.4	-17.8
	ANNUAL	0.9	0.8	-0.1	5.3	-0.1	4.3	3.4	4.1	-3.5
Percent change from corresponding quarter of previous year										
1989	I	-1.5	2.6	4.1	4.2	-0.6	5.8	4.2	5.3	-6.5
	II	-2.0	1.3	3.4	3.2	-1.9	5.3	6.2	5.6	-5.8
	III	-1.7	1.1	2.8	2.7	-1.9	4.5	7.2	5.2	-6.6
	IV	-1.6	0.1	1.8	3.4	-1.2	5.1	6.8	5.6	-13.7
	ANNUAL	-1.7	1.3	3.1	3.3	-1.4	5.1	6.1	5.4	-8.2
1990	I	-0.1	0.8	1.0	3.7	-1.3	3.9	5.6	4.4	-3.6
	II	1.5	1.7	0.3	5.5	0.8	4.0	2.5	3.6	1.6
	III	1.0	0.7	-0.3	6.1	0.5	5.1	2.1	4.2	-6.6
	IV	1.5	-0.2	-1.7	6.0	-0.3	4.4	3.5	4.2	-5.7
	ANNUAL	0.9	0.8	-0.1	5.3	-0.1	4.3	3.4	4.1	-3.5

See footnotes following table 6.

August 11, 1992

Source: Bureau of Labor Statistics