

News

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PRODUCTIVITY AND COSTS
Third Quarter 1992

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The Bureau of Labor Statistics of the U.S. Department of Labor today reported preliminary productivity data--as measured by output per hour of all persons--for the third quarter of 1992. The preliminary seasonally adjusted annual rates of change in business and nonfarm business productivity in the third quarter were:

3.0 percent in the business sector,
2.6 percent in the nonfarm business sector.

Output grew strongly in both sectors and hours were unchanged for business and increased slightly for nonfarm businesses.

Preliminary manufacturing productivity gains in the third quarter were:

4.4 percent in manufacturing,
5.1 percent in durable goods manufacturing, and
3.5 percent in nondurable goods manufacturing.

The rapid growth of manufacturing productivity reflected slow output growth coupled with a decline in hours at work. Manufacturing currently accounts for about 20 percent of business employment. Third-quarter measures are summarized in table A and appear in detail in tables 1-5.

Output measures for business and nonfarm business are based on measures of gross domestic product prepared by the Bureau of Economic Analysis of the U.S. Department of Commerce. Quarterly output measures for manufacturing reflect independent indexes of industrial production prepared by the Board of Governors of the Federal Reserve System. See Technical Notes for further information on data sources (page 5).

Business

Business productivity grew at a 3.0 percent annual rate during the third quarter of 1992, as output rose 3.0 percent and hours of all persons engaged in the sector showed no growth over the previous quarter (seasonally adjusted annual rates). This was the largest gain in output in nearly 4 years. (Output grew 4.0 percent in the fourth quarter of 1988.) During the second quarter of 1992, productivity had increased 1.0 percent (table 1).

Table A. Productivity and costs: Third-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	3.0	3.0	0.0	4.0	1.4	1.0
Nonfarm business	2.6	3.0	0.4	3.7	1.1	1.0
Manufacturing	4.4	1.1	-3.2	3.7	1.0	-0.7
Durable	5.1	1.2	-3.7	3.4	0.7	-1.7
Nondurable	3.5	0.8	-2.6	4.2	1.6	0.7
Percent change from same quarter a year ago						
Business	2.8	2.2	-0.6	3.4	0.3	0.5
Nonfarm business	2.6	2.1	-0.5	3.3	0.2	0.6
Manufacturing	2.4	1.1	-1.2	2.2	-0.8	-0.1
Durable	2.7	0.6	-2.1	1.9	-1.2	-0.8
Nondurable	1.9	1.9	0.0	2.9	-0.1	1.0

Hourly compensation increased at a 4.0 percent annual rate during the third quarter of 1992, compared with a 1.9 percent gain during the previous 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 1.0 percent annual rate during the third quarter, compared with a 0.9 percent increase during the second quarter.

Real hourly compensation, which takes into account changes in the Consumer Price Index for All Urban Consumers (CPI-U), increased at a 1.4 percent annual rate during the third quarter, reversing the 1.4 percent decline of the second quarter.

The implicit price deflator for business output, which reflects changes in unit labor costs and unit nonlabor payments, declined 0.1 percent in the third quarter, compared with a 2.4 percent increase in the second quarter. This decline in prices partly reflects the impact on the National Income and Product Accounts of unusually large payments to insured property owners affected by hurricanes Andrew and Iniki.

Nonfarm business

Productivity increased at a 2.6 percent annual rate in the nonfarm business sector during the third quarter of 1992, as output rose 3.0 percent and hours of all persons--employees, proprietors, and unpaid family workers--increased 0.4 percent. During the second quarter of 1992, productivity had increased 1.7 percent in this sector. The third-quarter increase in output was the largest in nearly 4 years. (Output rose 4.9 percent in the fourth quarter of 1988.)

Hourly compensation increased 3.7 percent in the third quarter, or 1.1 percent when the increase in the CPI-U was taken into account. During the second quarter, the comparable changes were 2.4 percent and -0.9 percent, respectively. Unit labor costs increased 1.0 percent, compared with a 0.8 percent rise during the second quarter of 1992.

The implicit price deflator for nonfarm business output fell 0.2 percent in the third quarter, compared with a 2.5 percent increase one quarter earlier. As in the more comprehensive business sector, this unusual decline partly reflects the influence of compensation payments to insured property owners affected by hurricanes Andrew and Iniki.

Manufacturing

Output per hour of all persons--labor productivity--increased 4.4 percent in the third quarter of 1992 in manufacturing, compared with a 5.3 percent gain during the second quarter. Output increased 1.1 percent and hours of all persons decreased 3.2 percent in the third quarter, while output had risen 5.6 percent and hours had gained 0.3 percent during the previous period. Manufacturing hours have declined in 11 of the past 15 quarters. Productivity gains were larger among durable goods producers than for nondurables produces, reflecting a greater increase in output and a larger drop in hours (tables 4 and 5).

Hourly compensation of all manufacturing workers increased 3.7 percent during the third quarter, compared with a 3.2 percent rise during the second quarter. Real hourly compensation rose for the first time in 1992, showing a 1.0 percent increase in the third quarter when the change in consumer prices was taken into account. Unit labor costs declined at a 0.7 percent annual rate in the third quarter, compared with a 2.0 percent drop during the second quarter of 1992. Manufacturing unit labor costs have declined in 4 of the past 5 quarters.

Revised measures

Previous and revised productivity and cost measures for the second quarter are compared in table B for business, nonfarm business, manufacturing, and nonfinancial corporations. The revised movements are based on more complete information than was available on September 3 when the previous data were announced.

With this issue of *Productivity and Costs*, BLS incorporates 1991 hours at work adjustment factors for the first time. We have made this update every year since 1989 using results of the BLS annual Hours at Work Survey. These factors convert *paid hours* to *hours at work*, a more appropriate labor input series for productivity measurement.

Results of the 1991 survey show that hours at work fell compared with hours paid, so labor input for 1991 was lower than previously calculated. Consequently, productivity is revised upward. The new data mainly affect quarterly measures of productivity and related series in 1991 and 1992 (tables 1-6). See appendix tables 1-6 for the years 1989 and 1990.

Table B. Previous and revised productivity and related measures,
second-quarter 1992
Quarterly percent change at seasonally adjusted annual rate

Sector	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs
Business:						
Previous	1.2	1.6	0.5	2.0	-1.3	0.9
Current	1.0	1.6	0.6	1.9	-1.4	0.9
Nonfarm business:						
Previous	2.0	2.0	0.0	2.6	-0.8	0.6
Current	1.7	1.7	0.1	2.4	-0.9	0.8
Manufacturing:						
Previous	5.4	5.5	0.1	3.3	-0.1	-2.0
Current	5.3	5.6	0.3	3.2	-0.2	-2.0
Nonfinancial corporations:						
Previous	2.0	2.8	0.8	2.1	-1.2	0.2
Current	2.5	3.4	0.9	2.0	-1.3	-0.4

Next release date

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

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Information in this release will be made available to sensory-impaired individuals upon request. Voice phone: 202-606-7828; TDD phone: 202-606-5897; TDD message referral phone number: 1-800-326-2577.

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	r109.3	129.2	r118.1	r144.1	r103.1	131.8	r141.2	134.9
II	r109.8	129.5	r117.9	r146.1	r103.9	r133.1	r141.8	136.0
III	r110.3	130.0	r117.8	r147.5	r104.2	133.7	r142.8	136.7
IV	r111.2	130.6	r117.5	r148.8	r104.2	r133.8	r144.3	137.3
ANNUAL	r110.1	129.8	r117.9	r146.6	r103.9	133.1	r142.5	136.2
1992 I	r112.3	131.4	r117.0	r150.2	r104.5	133.8	r147.0	138.2
II	r112.5	131.9	r117.2	r151.0	r104.1	r134.1	148.9	r139.0
III	113.4	132.9	117.2	152.5	104.4	134.5	148.1	138.9
Percent change from previous quarter at annual rate(5)								
1991 I	r-1.1	-6.4	r-5.3	r3.6	r0.4	r4.8	r4.9	4.8
II	r1.6	0.9	r-0.7	r5.6	r3.0	3.9	r1.7	3.2
III	r1.9	1.6	r-0.3	r3.9	r1.1	1.9	3.0	2.3
IV	3.3	2.0	r-1.3	3.5	r0.0	0.2	4.1	1.6
ANNUAL	r0.3	-2.2	r-2.5	r4.9	r0.7	r4.6	r2.3	3.8
1992 I	r3.9	2.3	r-1.5	r4.0	r1.1	0.1	r7.7	2.6
II	r1.0	1.6	r0.6	r1.9	r-1.4	0.9	r5.3	r2.4
III	3.0	3.0	0.0	4.0	1.4	1.0	-2.3	-0.1
Percent change from corresponding quarter of previous year								
1991 I	r0.0	-3.0	r-2.9	r5.8	r0.5	r5.9	r1.9	4.5
II	r-0.4	-3.2	r-2.8	r5.2	r0.3	r5.6	r1.3	4.1
III	r0.5	-1.9	r-2.4	r4.6	r0.8	4.1	r2.7	3.6
IV	r1.4	-0.5	r-1.9	r4.1	r1.1	2.7	r3.4	3.0
ANNUAL	r0.3	-2.2	r-2.5	r4.9	r0.7	r4.6	r2.3	3.8
1992 I	r2.7	1.7	r-1.0	r4.2	r1.3	1.5	4.1	2.4
II	2.5	1.9	-0.6	3.3	0.2	0.8	r5.0	2.2
III	2.8	2.2	-0.6	3.4	0.3	0.5	3.7	1.6

See footnotes following table 6.
r=revised

November 5, 1992
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 costs	Unit non-labor payments (3)	Implicit price deflator (4)
Indexes 1982=100								
1991	I	r107.9	129.4	r119.9	r143.0	r102.3	r132.5	135.7
	II	r108.4	129.7	r119.7	r145.0	r103.1	r133.8	136.6
	III	r108.9	130.2	r119.6	r146.4	r103.4	r134.4	137.5
	IV	r109.6	130.7	r119.3	r147.5	r103.3	r134.6	138.3
	ANNUAL	r108.7	130.0	r119.6	r145.4	r103.0	r133.8	137.0
1992	I	r110.6	131.5	r118.9	r148.9	r103.5	134.6	139.1
	II	r111.1	r132.0	r118.9	r149.8	r103.3	r134.9	r139.9
	III	111.8	133.0	119.0	151.2	103.6	135.2	139.9
Percent change from previous quarter at annual rate (5)								
1991	I	r-0.7	-6.1	r-5.5	r3.8	r0.6	r4.6	4.9
	II	r1.7	0.9	r-0.8	r5.8	r3.2	r4.0	2.7
	III	r1.9	1.5	r-0.3	r3.9	r1.2	2.0	2.7
	IV	2.5	1.6	-0.9	3.1	r-0.4	0.6	2.2
	ANNUAL	r0.5	-2.2	r-2.6	r5.1	r0.8	r4.6	4.0
1992	I	r3.7	2.3	r-1.3	r3.8	r0.9	0.1	2.4
	II	r1.7	r1.7	r0.1	r2.4	r-0.9	r0.8	r2.5
	III	2.6	3.0	0.4	3.7	1.1	1.0	-0.2
Percent change from corresponding quarter of previous year								
1991	I	r0.0	-3.0	r-3.1	r6.0	r0.6	5.9	4.7
	II	r-0.2	-3.2	r-3.0	r5.5	r0.6	5.6	4.2
	III	r0.7	-1.9	r-2.6	r4.9	r1.0	r4.1	3.8
	IV	r1.3	-0.6	r-1.9	r4.2	r1.1	r2.8	3.1
	ANNUAL	r0.5	-2.2	r-2.6	r5.1	r0.8	r4.6	4.0
1992	I	r2.5	1.6	r-0.9	r4.1	r1.2	r1.7	2.5
	II	r2.4	1.8	-0.6	3.3	0.2	0.8	r2.5
	III	2.6	2.1	-0.5	3.3	0.2	0.6	1.7

See footnotes following table 6.
r=revised

November 5, 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	r126.1	130.3	r103.3	r138.5	r99.1	109.9
	II	r127.5	131.0	r102.8	r140.2	r99.7	110.0
	III	r129.4	133.2	r103.0	r141.3	r99.8	109.2
	IV	r129.7	133.3	r102.8	r142.8	r100.0	110.1
	ANNUAL	r128.1	131.9	r103.0	r140.6	r99.6	109.8
1992	I	r129.4	132.6	r102.5	r142.0	r98.7	109.8
	II	r131.0	r134.4	r102.6	r143.1	r98.7	109.2
	III	132.5	134.7	101.7	144.4	98.9	109.0
Percent change from previous quarter at annual rate(5)							
1991	I	r-2.9	-10.5	r-7.8	r5.2	r1.9	8.4
	II	r4.5	2.2	r-2.2	r4.8	r2.3	0.3
	III	r6.2	7.1	r0.8	r3.1	r0.4	-3.0
	IV	r1.0	0.2	r-0.8	r4.5	r0.9	3.5
	ANNUAL	r1.9	-2.3	r-4.1	r5.1	r0.8	r3.2
1992	I	r-1.0	-2.2	r-1.1	r-2.3	r-5.0	-1.3
	II	r5.3	r5.6	r0.3	r3.2	r-0.2	-2.0
	III	4.4	1.1	-3.2	3.7	1.0	-0.7
Percent change from corresponding quarter of previous year							
1991	I	r2.0	-2.9	r-4.8	r6.1	r0.7	4.0
	II	r2.1	-3.3	r-5.3	r5.4	r0.5	3.2
	III	r1.7	-2.5	r-4.1	r5.0	r1.1	3.2
	IV	r2.1	-0.5	r-2.5	r4.4	r1.4	2.2
	ANNUAL	r1.9	-2.3	r-4.1	r5.1	r0.8	r3.2
1992	I	r2.6	1.8	r-0.8	r2.5	r-0.4	-0.1
	II	2.8	2.6	-0.2	r2.1	-1.0	-0.7
	III	2.4	1.1	-1.2	2.2	-0.8	-0.1

See footnotes following table 6.
r=revised

November 5, 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	r135.4	137.6	r101.6	r136.5	r97.6	100.8
	II	r136.8	138.3	r101.1	r137.9	r98.1	100.9
	III	r138.8	140.2	r101.0	r139.0	r98.2	100.1
	IV	r139.2	139.7	r100.3	r140.9	r98.7	r101.3
	ANNUAL	r137.5	138.9	r101.1	r138.5	r98.1	r100.8
1992	I	r138.0	138.2	r100.2	r139.3	r96.8	100.9
	II	r140.9	140.6	r99.8	r140.4	r96.8	r99.7
	III	142.7	141.0	98.8	141.6	97.0	99.3
Percent change from previous quarter at annual rate (5)							
1991	I	r-4.2	-13.3	r-9.6	r4.7	r1.5	9.3
	II	r4.2	2.2	r-2.0	r4.5	r1.9	0.2
	III	r6.3	5.5	r-0.7	r3.1	r0.4	-3.0
	IV	r1.0	-1.5	-2.4	r5.7	r2.1	4.7
	ANNUAL	r1.5	-4.0	r-5.4	r5.0	r0.8	3.4
1992	I	r-3.4	-4.0	r-0.7	r-4.6	r-7.2	-1.2
	II	r8.7	6.9	r-1.6	r3.3	r-0.1	r-4.9
	III	5.1	1.2	-3.7	3.4	0.7	-1.7
Percent change from corresponding quarter of previous year							
1991	I	r2.6	-3.9	r-6.3	r6.1	r0.7	3.
	II	r1.6	-5.1	r-6.6	r5.3	r0.4	r3.
	III	r0.7	-4.8	r-5.5	r4.8	r1.0	4.
	IV	r1.7	-2.1	r-3.7	r4.5	r1.5	2.
	ANNUAL	r1.5	-4.0	r-5.4	r5.0	r0.8	3.
1992	I	r1.9	0.5	r-1.4	r2.1	r-0.8	0
	II	3.0	1.6	-1.4	1.8	-1.3	-1
	III	2.7	0.6	-2.1	1.9	-1.2	-0

See footnotes following table 6.
r=revised

November 5, 1992
Source: Bureau of Labor Statist

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	r114.8	121.4	r105.7	r142.6	r102.0	124.2
	II	r116.2	122.1	r105.1	r144.5	r102.7	124.3
	III	r118.0	124.9	r105.9	r145.7	r102.9	123.5
	IV	r118.2	125.6	r106.3	r146.8	r102.8	r124.2
	ANNUAL	r116.8	123.5	r105.8	r144.9	r102.6	r124.1
1992	I	r118.9	125.7	r105.8	r147.2	r102.4	123.9
	II	r119.2	126.9	r106.5	r148.5	r102.4	124.6
	III	120.2	127.2	105.8	150.0	102.8	124.8
Percent change from previous quarter at annual rate (5)							
1991	I	r-1.2	-6.4	r-5.2	r6.4	r3.1	7.7
	II	r5.0	2.3	r-2.6	r5.4	r2.9	0.4
	III	r6.1	9.3	r3.0	r3.4	r0.7	-2.6
	IV	0.9	2.5	r1.5	r3.0	-0.6	2.1
	ANNUAL	r2.3	0.1	r-2.1	r5.5	r1.2	3.1
1992	I	r2.2	0.4	r-1.8	r1.2	r-1.6	r-1.0
	II	0.9	r3.8	r2.8	r3.4	r0.0	r2.5
	III	3.5	0.8	-2.6	4.2	1.6	0.7
Percent change from corresponding quarter of previous year							
1991	I	r1.1	-1.5	r-2.5	r6.4	r1.0	r5.3
	II	r2.7	-0.8	r-3.4	r5.9	r1.0	3.1
	III	r3.1	0.9	r-2.1	r5.5	r1.6	2.3
	IV	r2.6	1.8	r-0.9	r4.5	r1.5	1.8
	ANNUAL	r2.3	0.1	r-2.1	r5.5	r1.2	3.1
1992	I	r3.5	3.6	r0.0	r3.2	r0.3	-0.3
	II	r2.5	3.9	1.4	2.7	-0.4	r0.2
	III	1.9	1.9	0.0	2.9	-0.1	1.0

See footnotes following table 6.
r=revised

November 5, 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	r113.0	134.1	r118.7	r140.8	r100.7	124.6	122.2	123.9	151.3
	II	r113.6	134.3	r118.2	r142.7	r101.5	125.7	122.1	124.7	154.5
	III	r114.2	134.9	r118.1	r144.0	r101.7	126.2	123.1	125.3	150.7
	IV	r115.3	136.0	r117.9	r145.2	r101.7	125.9	122.8	125.0	155.2
	ANNUAL	r113.9	134.8	r118.3	r143.1	r101.4	125.6	122.6	124.7	152.9
1992	I	r116.0	136.8	r117.9	r145.9	r101.4	125.7	121.7	124.6	167.7
	II	r116.7	r137.9	r118.2	r146.6	r101.1	r125.6	r121.4	r124.4	r179.6
Percent change from previous quarter at annual rate(5)										
1991	I	r1.5	-4.9	r-6.3	r3.5	r0.3	2.0	9.4	4.0	4.5
	II	r2.1	0.6	r-1.5	r5.6	r3.0	3.4	-0.3	2.4	8.7
	III	r2.1	1.8	r-0.3	r3.7	r1.0	1.5	3.3	2.0	-9.7
	IV	r4.2	3.4	-0.7	3.3	r-0.2	-0.8	-1.0	-0.9	12.6
	ANNUAL	r1.8	-1.5	r-3.3	r4.9	r0.7	3.0	5.0	3.6	-6.0
1992	I	r2.3	2.3	r0.0	r1.8	r-1.0	-0.5	-3.5	-1.4	36.3
	II	r2.5	r3.4	r0.9	r2.0	r-1.3	r-0.4	r-0.9	r-0.6	r31.5
Percent change from corresponding quarter of previous year										
1991	I	r1.7	-2.1	r-3.8	r5.9	r0.5	4.1	6.1	4.6	-9.3
	II	r1.2	-2.7	r-3.9	r5.3	r0.4	4.1	6.3	4.7	-12.6
	III	r2.0	-1.4	r-3.4	r4.7	r0.8	2.6	4.9	3.2	-4.2
	IV	r2.5	0.2	r-2.2	r4.0	r1.0	1.5	2.8	1.9	3.7
	ANNUAL	r1.8	-1.5	r-3.3	r4.9	r0.7	3.0	5.0	3.6	-6.0
1992	I	r2.7	2.0	r-0.6	r3.6	r0.7	0.9	-0.4	0.5	10.8
	II	r2.8	r2.7	0.0	2.7	-0.4	r-0.1	r-0.6	r-0.2	r16.2

See footnotes following table 6.
r=revised

November 5, 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 1991.

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	109.8	132.4	120.6	130.9	103.7	119.3	134.5	124.3
	II	109.7	132.5	120.8	131.6	102.7	120.0	137.3	125.7
	III	109.2	132.3	121.1	132.7	102.7	121.4	137.4	126.7
	IV	109.3	132.3	121.1	134.3	102.9	122.9	137.8	127.8
	ANNUAL	109.5	132.3	120.9	132.3	103.0	120.9	136.8	126.1
1990	I	109.4	133.1	121.7	136.2	102.6	124.5	138.6	129.1
	II	110.2	133.7	121.4	138.9	103.6	126.0	140.0	130.6
	III	109.8	132.5	120.7	141.0	103.4	128.4	139.1	131.9
	IV	109.7	131.3	119.8	142.9	103.0	130.3	139.5	133.3
	ANNUAL	109.7	132.7	120.9	139.7	103.2	127.3	139.3	131.2
Percent change from previous quarter at annual rate(5)									
1989	I	-2.6	1.9	4.7	2.4	-2.2	5.1	4.4	4.9
	II	-0.3	0.3	0.7	2.1	-3.9	2.5	8.4	4.6
	III	-1.6	-0.6	1.0	3.2	0.0	4.9	0.3	3.2
	IV	0.2	0.1	-0.1	5.1	1.0	4.9	1.2	3.6
	ANNUAL	-0.8	1.7	2.6	3.4	-1.4	4.2	4.6	4.4
1990	I	0.4	2.6	2.2	5.8	-1.2	5.3	2.2	4.2
	II	2.9	1.8	-1.1	8.0	3.8	5.0	4.1	4.7
	III	-1.4	-3.6	-2.3	6.3	-0.7	7.8	-2.4	4.2
	IV	-0.5	-3.5	-3.0	5.4	-1.4	5.9	1.1	4.2
	ANNUAL	0.3	0.2	0.0	5.6	0.2	5.3	1.8	4.1
Percent change from corresponding quarter of previous year									
1989	I	-0.7	3.0	3.7	4.3	-0.5	5.0	4.2	4.7
	II	-0.4	2.1	2.5	3.4	-1.7	3.8	6.2	4.7
	III	-1.1	1.4	2.6	2.7	-1.9	3.9	4.7	4.2
	IV	-1.1	0.4	1.5	3.2	-1.3	4.3	3.6	4.1
	ANNUAL	-0.8	1.7	2.6	3.4	-1.4	4.2	4.6	4.4
1990	I	-0.3	0.6	0.9	4.0	-1.1	4.4	3.0	3.9
	II	0.5	1.0	0.5	5.5	0.9	5.0	1.9	3.9
	III	0.5	0.2	-0.3	6.3	0.7	5.8	1.2	4.2
	IV	0.3	-0.7	-1.1	6.4	0.1	6.0	1.2	4.3
	ANNUAL	0.3	0.2	0.0	5.6	0.2	5.3	1.8	4.1

See footnotes following table 6.

November 5, 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	124.6
	II	108.2	132.8	122.8	130.4	101.7	120.6	126.1
	III	108.0	132.7	122.9	131.6	101.9	121.9	127.1
	IV	108.0	132.7	122.8	133.3	102.1	123.3	128.2
	ANNUAL	108.2	132.7	122.7	131.3	102.2	121.4	126.5
1990	I	107.9	133.5	123.7	134.9	101.6	125.0	129.6
	II	108.6	134.0	123.4	137.5	102.5	126.6	140.4
	III	108.1	132.7	122.8	139.6	102.4	129.1	139.6
	IV	108.1	131.5	121.6	141.6	102.1	131.0	140.6
	ANNUAL	108.2	132.9	122.9	138.4	102.2	127.9	139.9
Percent change from previous quarter at annual rate (5)								
1989	I	-3.9	0.7	4.8	2.2	-2.4	6.4	-0.3
	II	-1.4	0.0	1.4	1.2	-4.7	2.6	9.6
	III	-0.7	-0.3	0.4	3.6	0.4	4.3	1.4
	IV	0.3	0.2	-0.1	5.2	1.1	4.9	0.8
	ANNUAL	-1.0	1.7	2.7	3.2	-1.5	4.3	4.1
1990	I	-0.5	2.2	2.8	5.0	-1.9	5.6	1.6
	II	2.5	1.6	-0.9	7.8	3.5	5.1	3.9
	III	-1.7	-3.7	-2.1	6.4	-0.6	8.2	-2.2
	IV	0.1	-3.6	-3.7	5.9	-0.9	5.8	3.0
	ANNUAL	0.0	0.1	0.1	5.4	0.0	5.4	1.9
Percent change from corresponding quarter of previous year								
1989	I	-0.6	3.2	3.9	4.2	-0.6	4.8	3.4
	II	-0.7	2.0	2.7	3.2	-2.0	3.8	5.5
	III	-1.2	1.3	2.6	2.6	-2.0	3.9	4.7
	IV	-1.4	0.1	1.6	3.1	-1.4	4.6	2.8
	ANNUAL	-1.0	1.7	2.7	3.2	-1.5	4.3	4.1
1990	I	-0.6	0.5	1.1	3.8	-1.3	4.4	3.3
	II	0.4	0.9	0.5	5.4	0.8	5.0	1.9
	III	0.1	0.0	-0.1	6.1	0.5	6.0	1.0
	IV	0.1	-0.9	-1.0	6.3	0.0	6.2	1.5
	ANNUAL	0.0	0.1	0.1	5.4	0.0	5.4	1.9

See footnotes following table 6.

November 5, 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	122.4	135.3	110.6	126.1	99.9	103.0
	II	122.8	135.2	110.2	126.1	98.3	102.7
	III	122.3	134.1	109.7	127.6	98.8	104.3
	IV	122.9	133.5	108.6	129.7	99.4	105.5
	ANNUAL	122.5	134.6	109.8	127.3	99.1	103.9
1990	I	123.6	134.1	108.5	130.6	98.4	105.7
	II	124.8	135.4	108.5	133.0	99.2	106.6
	III	127.2	136.6	107.4	134.6	98.7	105.8
	IV	127.0	133.9	105.4	136.8	98.6	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	3.5	-1.2	5.2
	II	1.3	-0.4	-1.6	0.0	-5.9	-1.3
	III	-1.4	-3.1	-1.7	5.1	1.8	6.6
	IV	2.1	-1.9	-3.9	6.7	2.5	4.6
	ANNUAL	0.5	0.9	0.4	3.9	-0.9	3.4
1990	I	2.2	1.9	-0.3	2.8	-3.9	0.6
	II	4.0	4.0	0.0	7.5	3.2	3.3
	III	7.9	3.4	-4.2	4.9	-2.1	-2.8
	IV	-0.7	-7.6	-6.9	6.7	-0.1	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	4.6	-0.2	2.8
	II	0.9	1.8	0.8	3.7	-1.5	2.7
	III	-0.7	-0.4	0.3	3.5	-1.1	4.3
	IV	0.0	-1.3	-1.4	3.8	-0.8	3.7
	ANNUAL	0.5	0.9	0.4	3.9	-0.9	3.4
1990	I	1.0	-0.9	-1.9	3.6	-1.5	2.6
	II	1.7	0.2	-1.5	5.5	0.9	3.8
	III	4.0	1.8	-2.1	5.5	-0.1	1.4
	IV	3.3	0.3	-2.9	5.4	-0.8	2.1
	ANNUAL	2.6	0.3	-2.2	5.1	-0.3	2.5

See footnotes following table 6.

November 5, 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	124.0	98.2	95.8
	II	130.9	145.5	111.1	123.8	96.6	94.5
	III	131.2	144.4	110.1	125.6	97.2	95.8
	IV	131.2	142.6	108.7	128.2	98.2	97.7
	ANNUAL	130.6	144.4	110.6	125.3	97.5	95.9
1990	I	131.9	143.2	108.5	128.6	96.9	97.5
	II	134.5	145.7	108.3	131.0	97.7	97.4
	III	137.9	147.3	106.8	132.6	97.2	96.2
	IV	136.8	142.6	104.2	134.9	97.3	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	1.9	4.2	-0.5	6.8
	II	5.0	0.7	-4.1	-0.6	-6.4	-5.3
	III	0.7	-3.0	-3.7	6.0	2.8	5.3
	IV	0.1	-4.8	-4.9	8.5	4.2	8.4
	ANNUAL	1.8	1.8	0.0	4.1	-0.7	2.3
1990	I	2.3	1.6	-0.7	1.4	-5.3	-0.8
	II	8.1	7.3	-0.7	7.7	3.4	-0.4
	III	10.3	4.3	-5.4	4.9	-2.0	-4.9
	IV	-3.1	-12.1	-9.2	7.0	0.1	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	2.9	4.2	-0.5	1.5
	II	2.5	3.1	0.6	3.8	-1.3	1.3
	III	1.2	0.5	-0.7	4.0	-0.6	2.8
	IV	0.8	-2.0	-2.8	4.5	-0.1	3.6
	ANNUAL	1.8	1.8	0.0	4.1	-0.7	2.3
1990	I	2.0	-1.4	-3.4	3.8	-1.3	1.7
	II	2.8	0.2	-2.5	5.9	1.2	3.0
	III	5.1	2.0	-3.0	5.6	0.0	0.4
	IV	4.3	0.0	-4.1	5.2	-1.0	0.9
	ANNUAL	3.7	0.2	-3.4	5.2	-0.2	1.5

See footnotes following table 6.

November 5, 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	Compensa- tion per hour (1)	Real compensa- tion 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	129.8	101.2	114.9
	III	111.7	121.8	109.1	131.0	101.4	117.3
	IV	113.0	122.6	108.5	132.3	101.4	117.1
	ANNUAL	112.9	122.7	108.7	130.5	101.6	115.6
1990	I	113.6	123.3	108.5	134.1	101.0	118.0
	II	113.2	123.1	108.8	136.4	101.8	120.6
	III	114.4	123.7	108.2	138.1	101.3	120.8
	IV	115.2	123.5	107.2	140.4	101.3	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	-0.5	1.3	1.8	2.3	-2.4	2.8
	II	-4.0	-1.8	2.3	1.4	-4.6	5.6
	III	-4.5	-3.3	1.2	3.9	0.7	8.8
	IV	4.9	2.4	-2.4	4.1	0.0	-0.8
	ANNUAL	-1.4	-0.4	1.0	3.5	-1.2	5.0
1990	I	2.1	2.3	0.2	5.3	-1.7	3.1
	II	-1.6	-0.6	1.0	7.3	3.1	9.1
	III	4.5	2.1	-2.3	5.1	-1.9	0.6
	IV	2.8	-0.9	-3.5	6.8	-0.1	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	0.3	4.9	0.1	4.5
	II	-1.3	-0.1	1.2	3.5	-1.7	4.8
	III	-3.4	-1.7	1.7	2.9	-1.6	6.5
	IV	-1.1	-0.4	0.7	2.9	-1.6	4.0
	ANNUAL	-1.4	-0.4	1.0	3.5	-1.2	5.0
1990	I	-0.4	-0.1	0.3	3.7	-1.4	4.1
	II	0.2	0.2	0.0	5.2	0.5	5.0
	III	2.4	1.5	-0.9	5.4	-0.1	2.9
	IV	1.9	0.7	-1.2	6.1	-0.2	4.1
	ANNUAL	1.1	0.6	-0.5	5.2	-0.2	4.1

See footnotes following table 6.

November 5, 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 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										
1989	I	111.3	135.9	122.0	128.3	101.6	115.3	109.0	113.5	173.1
	II	110.7	135.7	122.5	128.6	100.4	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	110.7	136.0	122.9	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	123.4	133.0	100.2	119.8	115.2	118.4	166.9
	II	112.3	138.1	123.0	135.6	101.1	120.8	114.9	119.1	176.7
	III	111.9	136.8	122.2	137.6	100.9	123.0	117.4	121.4	157.2
	IV	112.6	135.8	120.6	139.6	100.7	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	-4.5	0.0	4.8	3.4	-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	0.1	0.3	0.2	3.4	0.2	3.3	10.8	5.3	-12.4
	IV	-0.1	0.7	0.8	5.6	1.4	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	1.2	2.9	1.7	4.7	-2.2	3.5	-1.1	2.2	22.3
	II	4.5	3.1	-1.3	8.0	3.7	3.4	-1.0	2.2	25.9
	III	-1.4	-3.7	-2.3	6.1	-0.9	7.6	9.0	8.0	-37.4
	IV	2.5	-2.9	-5.3	5.9	-0.9	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	-0.5	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	-1.7	0.1	1.8	3.3	-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	-0.2	0.8	1.1	3.6	-1.4	3.9	5.6	4.4	-3.6
	II	1.4	1.7	0.4	5.4	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	1.7	-0.2	-1.8	6.2	-0.1	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.

November 5, 1992
Source: Bureau of Labor Statistics