

# News

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## PRODUCTIVITY AND COSTS Fourth Quarter and Annual Averages, 1992

The Bureau of Labor Statistics of the U.S. Department of Labor today reported revised fourth-quarter seasonally-adjusted annual rates of productivity change--as measured by output per hour of all persons--and revised annual changes for the full year 1992. The revised changes are:

	Fourth quarter	Annual averages 1991-1992
Business sector.....	4.9	2.9
Nonfarm business sector.....	4.8	2.8
Manufacturing.....	4.2	3.0
Durable goods manufacturing.....	4.8	3.0
Nondurable goods manufacturing.....	3.5	2.9

On an annual basis, productivity in business and nonfarm business rose briskly in 1992, posting the greatest annual gains since the 1970s. Output grew in 1992, after falling in 1991, and hours of labor input declined for the second year in a row. Growth in manufacturing productivity also resulted from a turnaround in output and a slight decline in hours.

In the fourth quarter, productivity increased strongly in business, nonfarm business, and manufacturing, as output increased vigorously and hours edged up (table A). Fourth-quarter and annual 1992 measures are summarized in tables A and B and appear in detail in tables 1 through 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. 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 7).

Table A. Productivity and costs: Revised fourth-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	4.9	5.9	0.9	4.4	1.2	-0.5
Nonfarm business	4.8	5.7	0.9	4.3	1.1	-0.4
Manufacturing	4.2	4.3	0.1	5.4	2.2	1.2
Durable	4.8	4.9	0.1	8.7	5.4	3.8
Nondurable	3.5	3.5	0.0	0.6	-2.5	-2.8
Percent change from same quarter a year ago						
Business	3.3	3.3	0.0	3.7	0.6	0.4
Nonfarm business	3.2	3.3	0.0	3.7	0.6	0.4
Manufacturing	3.4	2.4	-1.0	2.6	-0.5	-0.8
Durable	3.8	2.2	-1.5	2.7	-0.3	-1.0
Nondurable	2.9	2.6	-0.3	2.4	-0.6	-0.5

### THIRD-TO-FOURTH QUARTER CHANGES, 1992

#### Business

Productivity increased at a 4.9 percent annual rate during the fourth quarter of 1992 in the business sector, as output growth accelerated to a 5.9 percent annual rate and hours of all persons engaged in the sector showed a 0.9 percent increase (seasonally adjusted). During the third quarter of 1992, business productivity had increased 3.3 percent; output grew 3.6 percent; and hours rose 0.2 percent (table 1). The increase in productivity in the fourth quarter was the largest gain since the first quarter of 1986, when a 6.0 percent increase occurred. The fourth-quarter increase in output was the largest since a 7.1 percent increase in the second quarter of 1987; and the 0.9 percent rise in hours was the third in a row and reflected a 0.3 percent rise in employment coupled with a 0.6 percent increase in the length of the average work week.

Hourly compensation increased at a 4.4 percent annual rate during the fourth quarter of 1992, compared with a 4.5 percent increase during the third 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, fell at a 0.5 percent annual rate during the fourth quarter, compared with a 1.2 percent increase one quarter earlier. This was the first decline in this important cost measure since the first quarter of 1988, when a 0.2 percent decline occurred. The reduction in unit labor costs partly reflects the faster gains in productivity in the October-December period.

Real hourly compensation, which takes into account changes in the Consumer Price Index for All Urban Consumers (CPI-U), rose 1.2 percent in the fourth quarter, compared with a 1.8 percent gain in the third quarter.

#### **Nonfarm business**

In the nonfarm business sector, productivity increased 4.8 percent in the fourth quarter. Output rose 5.7 percent (the largest gain since a 7.2 percent gain in the second quarter of 1987), and hours of all persons--employees, proprietors, and unpaid family workers--rose 0.9 percent. The change in hours resulted from a 0.3 percent increase in employment and a 0.6 percent increase in the average work week. As in the more comprehensive business sector, the rise in hours was the third in a row. During the third quarter of 1992, nonfarm productivity had increased 2.9 percent, as output grew 3.5 percent and hours increased 0.6 percent (table 2).

Hourly compensation rose 4.3 percent in the fourth quarter, or 1.1 percent when the increase in the CPI-U was taken into account. During the third quarter, hourly compensation had increased 4.2 percent, and real hourly compensation had shown a 1.5 percent increase. Unit labor costs decreased 0.4 percent in the fourth quarter, compared with a 1.3 percent rise during the third quarter. The decline in unit labor costs during the fourth quarter (while hourly compensation gains accelerated) reflects the cost-offsetting effect of stronger productivity gains. It marked the first decrease in this measure since a 2.2 percent drop in the second quarter of 1987.

#### **Manufacturing**

Manufacturing productivity rose at a 4.2 percent seasonally adjusted annual rate in the fourth quarter of 1992, compared with 5.3 percent increases in both the second and third quarters. Output rose a strong 4.3 percent in the fourth quarter, and hours of all persons edged up 0.1 percent. During the third quarter, output rose 2.0 percent, but hours declined 3.2 percent (table 3). Both durable and nondurable goods industries experienced productivity increases in the fourth quarter, but the increases in durable manufacturing productivity and output were greater (tables 4 and 5).

Hourly compensation of all manufacturing workers increased 5.4 percent during the fourth quarter, but rose 2.2 percent when the increase in consumer prices was taken into account. Unit labor costs rose at a 1.2 percent annual rate in the fourth quarter of 1992, after decreasing during the first 3 quarters of 1992.

### **ANNUAL AVERAGE CHANGES, 1991-1992**

#### **Business**

Business productivity increased 2.9 percent when the annual average for 1991 is compared with the average for 1992 (table B). In 1991, productivity grew only 0.3 percent. The gain in 1992 was the largest annual increase since 1976, when an identical 2.9 percent increase occurred. Output grew 2.3 percent in 1992, and hours of all persons engaged in the sector decreased 0.6 percent. During 1991, on the other hand, output and hours both declined.

Hourly compensation increased 3.7 percent in 1992, compared with a 4.9 percent increase during 1991. Real hourly compensation increased 0.7 percent in 1992, matching the rise in 1991. At 104.6 (1982=100), the index of real hourly compensation for 1992 was higher than in any other year. The previous high (104.4) was achieved first in 1986 and again in 1988.

Unit labor costs increased only 0.8 percent during 1992, compared with a 4.6 percent increase a year earlier. The slower growth in these costs during 1992 reflects much greater productivity growth, in addition to the slowing of the rate of gain of hourly compensation.

### **Nonfarm business**

Productivity increased 2.8 percent in the nonfarm business sector during 1992, as output rose 2.2 percent and hours of all persons decreased 0.5 percent. The gain in productivity was the largest since a 3.1 percent gain in 1972. In 1991, productivity edged ahead 0.5 percent, as output declined 2.2 percent and hours fell 2.6 percent. Hourly compensation rose 3.7 percent in 1992, compared with a 5.1 percent increase in 1991. Real hourly compensation increased 0.7 percent, about the same as the 0.8 percent rise in 1991.

Unit labor costs in the nonfarm business sector grew significantly less in 1992 than in 1991. This slow growth, down from 4.6 percent in 1991 to 0.9 percent in 1992, reflected both a strong 1992 increase in productivity and a smaller rise in hourly compensation.

### **Manufacturing**

Manufacturing productivity increased about the same as in the more comprehensive business sectors in 1992, growing 3.0 percent over the 1991 level. Output rose 2.0 percent in 1992, and hours of all persons declined 0.9 percent. During 1991, productivity rose 1.9 percent, but output fell 2.3 percent and hours decreased 4.1 percent.

Hourly compensation of manufacturing workers increased 2.5 percent during 1992, but was down 0.5 percent when the increase in consumer prices was taken into account. Unit labor costs fell 0.5 percent in 1992, the first such decline since 1988, reflecting both faster productivity growth and a smaller gain in compensation per hour compared with 1991.

Both durable and nondurable goods industries experienced productivity increases in 1992. The 3.0 percent gain among durable goods producers reflected modest output growth and a decline in hours. A 2.9 percent productivity increase in nondurable goods industries in 1992 resulted from stronger output growth and little change in hours (tables 4 and 5).

## **Nonfinancial Corporations**

As announced in the February 4 issue of *Productivity and Costs*, 1992 measures for nonfinancial corporations, originally slated for publication at this time, are not available. Needed fourth-quarter profits measures, presently incomplete, are scheduled for release by the Bureau of Economic Analysis of the U.S. Department of Commerce in time for the May 6 release of *Productivity and Costs*.

### **Revised measures**

Revised productivity and cost measures for the fourth quarter and full year 1992 show stronger productivity gains than had been reported previously. The revisions principally reflect higher output growth rates than indicated by the measures available on February 4 (table B). In the business sector, the growth in output for the fourth quarter was revised upward 1.3 percentage points (from 4.6 percent to 5.9 percent), and hours were revised to a 0.9 percent increase (from a previous estimate of 0.5 percent). As a result, productivity growth in the fourth quarter was revised upward by 0.8 percentage points.

In all sectors, quarterly real hourly compensation measures from 1988 forward reflect the incorporation of revised seasonal adjustment factors for the Consumer Price Index for All Urban Consumers. The new factors first appeared with the January CPI data, published by the BLS on February 18 (USD L 93-56). Annual changes were not affected.

### **Next release date**

The next issue of *Productivity and Costs* is scheduled for release at 10:00 A.M. EDT, Thursday, May 6, 1993, and will contain preliminary first quarter 1993 measures for business, nonfarm business, and manufacturing. Fourth-quarter and 1992 annual measures for nonfinancial corporations also will be included.

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

Sector	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs
Percent change, third to fourth quarter 1992						
Business:						
Previous	4.1	4.6	0.5	4.6	1.2	0.5
Current	4.9	5.9	0.9	4.4	1.2	-0.5
Nonfarm business:						
Previous	4.0	4.5	0.5	4.6	1.2	0.6
Current	4.8	5.7	0.9	4.3	1.1	-0.4
Manufacturing:						
Previous	3.8	4.1	0.3	5.3	1.9	1.5
Current	4.2	4.3	0.1	5.4	2.2	1.2
Percent change, 1991 - 1992						
Business:						
Previous	2.8	2.2	-0.6	3.8	0.7	0.9
Current	2.9	2.3	-0.6	3.7	0.7	0.8
Nonfarm business:						
Previous	2.7	2.2	-0.5	3.7	0.7	1.0
Current	2.8	2.2	-0.5	3.7	0.7	0.9
Manufacturing:						
Previous	3.0	2.0	-0.9	2.5	-0.5	-0.5
Current	3.0	2.0	-0.9	2.5	-0.5	-0.5

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Information in this release will be made available to sensory-impaired individuals upon request. Voice phone: 202-523-1221; TDD phone: 202-523-3936; 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 GNP in 1992.

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 GNP 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	109.3	129.2	118.1	144.1	r103.0	131.8	141.2	134.9
II	109.8	129.5	117.9	146.1	103.9	133.1	141.8	136.0
III	110.3	130.0	117.8	147.5	104.2	133.7	142.8	136.7
IV	111.2	130.6	117.5	148.8	r104.3	133.8	144.3	137.3
ANNUAL	110.1	129.8	117.9	146.6	103.9	133.1	142.5	136.2
1992 I	112.3	131.4	117.0	150.3	r104.4	133.8	147.0	138.2
II	112.6	131.9	117.2	151.0	104.1	134.1	148.9	139.0
III	113.5	133.0	117.2	152.7	104.6	134.5	147.9	138.9
IV	r114.8	r135.0	r117.5	r154.3	104.9	r134.4	r152.4	r140.3
ANNUAL	r113.3	r132.8	117.2	152.1	104.6	r134.2	r149.1	139.1
Percent change from previous quarter at annual rate (5)								
1991 I	-1.1	-6.4	-5.3	3.6	r-0.1	4.8	4.9	4.8
II	1.6	0.9	-0.7	5.6	r3.4	3.9	1.7	3.2
III	1.9	1.6	-0.3	3.9	1.1	1.9	3.0	2.3
IV	3.3	2.0	-1.3	3.5	r0.3	0.2	4.1	1.6
ANNUAL	0.3	-2.2	-2.5	4.9	0.7	4.6	2.3	3.8
1992 I	3.9	2.3	-1.5	4.0	r0.6	0.1	7.7	2.6
II	1.0	1.6	0.6	1.9	r-1.2	0.9	5.3	2.4
III	3.3	3.6	0.2	4.5	r1.8	1.2	-2.7	-0.2
IV	r4.9	r5.9	r0.9	r4.4	1.2	r-0.5	r12.8	r4.0
ANNUAL	r2.9	r2.3	-0.6	r3.7	0.7	r0.8	r4.6	2.1
Percent change from corresponding quarter of previous year								
1991 I	0.0	-3.0	-2.9	5.8	0.5	5.9	1.9	4.5
II	-0.4	-3.2	-2.8	5.2	0.3	5.6	1.3	4.1
III	0.5	-1.9	-2.4	4.6	r0.7	4.1	2.7	3.6
IV	1.4	-0.5	-1.9	4.1	r1.2	2.7	3.4	3.0
ANNUAL	0.3	-2.2	-2.5	4.9	0.7	4.6	2.3	3.8
1992 I	2.7	1.7	-1.0	4.2	1.3	1.5	4.1	2.4
II	2.5	1.9	-0.6	3.3	0.2	0.8	5.0	2.2
III	2.9	2.4	-0.5	3.5	0.4	0.6	3.5	1.6
IV	r3.3	r3.3	r0.0	r3.7	r0.6	r0.4	r5.6	r2.2
ANNUAL	r2.9	r2.3	-0.6	r3.7	0.7	r0.8	r4.6	2.1

See footnotes following table 6.  
r=revised

March 9, 1993  
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	107.9	129.4	119.9	143.0	r102.2	132.5	142.5
	II	108.4	129.7	119.7	145.0	103.1	133.8	142.6
	III	108.9	130.2	119.6	146.4	103.4	134.4	144.0
	IV	109.6	130.7	119.3	147.5	r103.4	134.6	145.9
	ANNUAL	108.7	130.0	119.6	145.4	103.0	133.8	143.7
1992	I	110.6	131.5	118.9	148.9	103.5	134.6	148.4
	II	111.1	132.0	118.9	149.8	103.3	134.9	150.6
	III	111.8	133.2	119.1	151.4	103.7	135.3	149.4
	IV	r113.1	r135.0	r119.3	r153.0	104.0	r135.2	r153.8
	ANNUAL	r111.7	r132.9	119.0	150.8	103.7	r135.0	r150.6
Percent change from previous quarter at annual rate (5)								
1991	I	-0.7	-6.1	-5.5	3.9	r0.1	4.6	5.5
	II	1.7	0.9	-0.8	5.8	r3.5	4.0	0.1
	III	1.9	1.5	-0.3	3.9	1.2	2.0	4.1
	IV	2.5	1.6	-0.9	3.1	r-0.1	0.6	5.4
	ANNUAL	0.5	-2.2	-2.6	5.1	0.8	4.6	2.8
1992	I	3.7	2.3	-1.3	3.8	r0.4	0.1	7.1
	II	1.7	1.7	0.1	2.4	r-0.6	0.8	5.8
	III	2.9	3.5	0.6	4.2	r1.5	1.3	-3.1
	IV	r4.8	r5.7	r0.9	r4.3	r1.1	r-0.4	r12.4
	ANNUAL	r2.8	2.2	-0.5	3.7	0.7	r0.9	r4.7
Percent change from corresponding quarter of previous year								
1991	I	0.0	-3.0	-3.1	6.0	0.6	5.9	2.5
	II	-0.2	-3.2	-3.0	5.5	0.6	5.6	1.6
	III	0.7	-1.9	-2.6	4.9	1.0	4.1	3.2
	IV	1.3	-0.6	-1.9	4.2	r1.2	2.8	3.7
	ANNUAL	0.5	-2.2	-2.6	5.1	0.8	4.6	2.8
1992	I	2.5	1.6	-0.9	4.1	1.2	1.7	4.2
	II	2.4	1.8	-0.6	3.3	0.2	0.8	5.6
	III	2.7	2.3	-0.4	3.4	0.3	0.7	3.7
	IV	r3.2	r3.3	r0.0	3.7	r0.6	r0.4	r5.4
	ANNUAL	r2.8	2.2	-0.5	3.7	0.7	r0.9	r4.7

See footnotes following table 6.  
r=revised

March 9, 1993  
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	126.1	130.3	103.3	138.5	r99.0	109.9
	II	127.5	131.0	102.8	140.2	99.7	110.0
	III	129.4	133.2	103.0	141.3	99.8	109.2
	IV	129.7	133.3	102.8	142.8	r100.1	110.1
	ANNUAL	128.1	131.9	103.0	140.6	99.6	109.8
1992	I	129.4	132.6	102.5	142.0	98.7	109.8
	II	131.0	134.4	102.6	143.1	98.7	109.2
	III	132.7	135.0	101.7	144.6	99.0	108.9
	IV	r134.1	r136.5	r101.7	r146.5	r99.6	r109.2
	ANNUAL	131.9	134.6	r102.0	144.1	99.1	109.3
Percent change from previous quarter at annual rate (5)							
1991	I	-2.9	-10.5	-7.8	5.2	r1.4	8.4
	II	4.5	2.2	-2.2	4.8	r2.6	0.3
	III	6.2	7.1	0.8	3.1	0.4	-3.0
	IV	1.0	0.2	-0.8	4.5	r1.2	3.5
	ANNUAL	1.9	-2.3	-4.1	5.1	0.8	3.2
1992	I	-1.0	-2.2	-1.1	-2.3	r-5.5	-1.3
	II	5.3	5.6	0.3	3.2	r0.1	-2.0
	III	5.3	2.0	-3.2	4.1	r1.3	-1.2
	IV	r4.2	r4.3	r0.1	r5.4	r2.2	r1.2
	ANNUAL	3.0	2.0	-0.9	2.5	-0.5	-0.5
Percent change from corresponding quarter of previous year							
1991	I	2.0	-2.9	-4.8	6.1	0.7	4.0
	II	2.1	-3.3	-5.3	5.4	0.5	3.2
	III	1.7	-2.5	-4.1	5.0	1.1	3.2
	IV	2.1	-0.5	-2.5	4.4	1.4	2.2
	ANNUAL	1.9	-2.3	-4.1	5.1	0.8	3.2
1992	I	2.6	1.8	-0.8	2.5	-0.4	-0.1
	II	2.8	2.6	-0.2	2.1	-1.0	-0.7
	III	2.6	1.4	-1.2	2.3	-0.7	-0.3
	IV	r3.4	r2.4	r-1.0	r2.6	-0.5	r-0.8
	ANNUAL	3.0	2.0	-0.9	2.5	-0.5	-0.5

See footnotes following table 6.  
r=revised

March 9, 1993  
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	135.4	137.6	101.6	136.5	r97.5	100.8
	II	136.8	138.3	101.1	137.9	98.1	100.9
	III	138.8	140.2	101.0	139.0	98.2	100.1
	IV	139.2	139.7	100.3	140.9	98.7	101.3
	ANNUAL	137.5	138.9	101.1	138.5	98.1	100.8
1992	I	138.0	138.2	100.2	139.3	96.8	100.9
	II	140.9	140.6	99.8	140.4	96.8	99.7
	III	142.8	141.1	98.8	141.8	97.1	99.3
	IV	r144.5	r142.8	r98.8	r144.8	r98.4	r100.2
	ANNUAL	r141.6	140.7	99.3	141.7	97.4	100.0
Percent change from previous quarter at annual rate (5)							
1991	I	-4.2	-13.3	-9.6	4.7	r1.0	9.3
	II	4.2	2.2	-2.0	4.5	r2.2	0.2
	III	6.3	5.5	-0.7	3.1	0.4	-3.0
	IV	1.0	-1.5	-2.4	5.7	r2.4	4.7
	ANNUAL	1.5	-4.0	-5.4	5.0	0.8	3.4
1992	I	-3.4	-4.0	-0.7	-4.6	r-7.6	-1.2
	II	8.7	6.9	-1.6	3.3	r0.2	-4.9
	III	5.5	1.5	-3.8	3.9	r1.2	-1.5
	IV	r4.8	r4.9	r0.1	r8.7	r5.4	r3.8
	ANNUAL	r3.0	r1.2	-1.7	2.3	-0.7	r-0.7
Percent change from corresponding quarter of previous year							
1991	I	2.6	-3.9	-6.3	6.1	0.7	3.4
	II	1.6	-5.1	-6.6	5.3	0.4	3.6
	III	0.7	-4.8	-5.5	4.8	r0.9	4.1
	IV	1.7	-2.1	-3.7	4.5	1.5	2.7
	ANNUAL	1.5	-4.0	-5.4	5.0	0.8	3.4
1992	I	1.9	0.5	-1.4	2.1	-0.8	0.1
	II	3.0	1.6	-1.4	1.8	-1.3	-1.2
	III	2.8	0.6	-2.1	2.0	-1.1	-0.8
	IV	r3.8	r2.2	-1.5	2.7	-0.3	r-1.0
	ANNUAL	r3.0	r1.2	-1.7	2.3	-0.7	r-0.7

See footnotes following table 6.  
r=revised

March 9, 1993  
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	114.8	121.4	105.7	142.6	102.0	124.2
II	116.2	122.1	105.1	144.5	102.7	124.3
III	118.0	124.9	105.9	145.7	102.9	123.5
IV	118.2	125.6	106.3	146.8	r102.9	124.2
ANNUAL	116.8	123.5	105.8	144.9	102.6	124.1
1992 I	118.9	125.7	105.8	147.2	r102.3	123.9
II	119.2	126.9	106.5	148.5	102.4	124.6
III	120.6	127.8	105.9	150.1	102.8	124.4
IV	r121.7	r128.9	r105.9	r150.3	102.2	r123.6
ANNUAL	r120.2	r127.3	r105.9	149.2	102.6	r124.1
Percent change from previous quarter at annual rate (5)						
1991 I	-1.2	-6.4	-5.2	6.4	r2.6	7.7
II	5.0	2.3	-2.6	5.4	r3.2	0.4
III	6.1	9.3	3.0	3.4	0.7	-2.6
IV	0.9	2.5	1.5	3.0	r-0.3	2.1
ANNUAL	2.3	0.1	-2.1	5.5	1.2	3.1
1992 I	2.2	0.4	-1.8	1.2	r-2.1	-1.0
II	0.9	3.8	2.8	3.4	r0.3	2.5
III	5.0	2.7	-2.3	4.5	r1.7	-0.5
IV	r3.5	r3.5	r0.0	0.6	r-2.5	r-2.8
ANNUAL	r2.9	r3.1	r0.1	3.0	0.0	r0.1
Percent change from corresponding quarter of previous year						
1991 I	1.1	-1.5	-2.5	6.4	1.0	5.3
II	2.7	-0.8	-3.4	5.9	1.0	3.1
III	3.1	0.9	-2.1	5.5	1.6	2.3
IV	2.6	1.8	-0.9	4.5	1.5	1.8
ANNUAL	2.3	0.1	-2.1	5.5	1.2	3.1
1992 I	3.5	3.6	0.0	3.2	r0.4	-0.3
II	2.5	3.9	1.4	2.7	r-0.3	0.2
III	2.3	2.3	0.1	3.0	-0.1	0.7
IV	r2.9	r2.6	r-0.3	2.4	-0.6	r-0.5
ANNUAL	r2.9	r3.1	r0.1	3.0	0.0	r0.1

See footnotes following table 6.  
r=revised

March 9, 1993  
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	113.0	134.1	118.7	140.8	100.7	124.6	122.2	123.9	151.3	125.6
	II	113.6	134.3	118.2	142.7	101.5	125.7	122.1	124.7	154.5	126.5
	III	114.2	134.9	118.1	144.0	101.7	126.2	123.1	125.3	150.7	126.9
	IV	115.3	136.0	117.9	145.2	101.7	125.9	122.8	125.0	155.2	126.9
	ANNUAL	113.9	134.8	118.3	143.1	101.4	125.6	122.6	124.7	152.9	126.5
1992	I	116.0	136.8	117.9	145.9	101.4	125.7	121.7	124.6	167.7	127.3
	II	116.7	137.9	118.2	146.6	101.1	125.6	121.4	124.4	179.6	127.8
	III	118.2	139.3	117.8	147.9	101.3	125.2	122.8	124.5	179.3	127.9
Percent change from previous quarter at annual rate(5)											
1991	I	1.5	-4.9	-6.3	3.5	r-0.2	2.0	9.4	4.0	4.5	4.1
	II	2.1	0.6	-1.5	5.6	r3.3	3.4	-0.3	2.4	8.7	2.8
	III	2.1	1.8	-0.3	3.7	1.0	1.5	3.3	2.0	-9.7	1.1
	IV	4.2	3.4	-0.7	3.3	r0.1	-0.8	-1.0	-0.9	12.6	0.1
	ANNUAL	1.8	-1.5	-3.3	4.9	0.7	3.0	5.0	3.6	-6.0	2.8
1992	I	2.3	2.3	0.0	1.8	r-1.5	-0.5	-3.5	-1.4	36.3	1.2
	II	2.5	3.4	0.9	2.0	r-1.0	-0.4	-0.9	-0.6	31.5	1.8
	III	5.1	3.9	-1.1	3.7	r1.0	-1.4	4.8	0.3	-0.6	0.2
Percent change from corresponding quarter of previous year											
1991	I	1.7	-2.1	-3.8	5.9	0.5	4.1	6.1	4.6	-9.3	3.5
	II	1.2	-2.7	-3.9	5.3	0.4	4.1	6.3	4.7	-12.6	3.1
	III	2.0	-1.4	-3.4	4.7	0.8	2.6	4.9	3.2	-4.2	2.6
	IV	2.5	0.2	-2.2	4.0	1.0	1.5	2.8	1.9	3.7	2.0
	ANNUAL	1.8	-1.5	-3.3	4.9	0.7	3.0	5.0	3.6	-6.0	2.8
1992	I	2.7	2.0	-0.6	3.6	0.7	0.9	-0.4	0.5	10.8	1.3
	II	2.8	2.7	0.0	2.7	-0.4	-0.1	-0.6	-0.2	16.2	1.0
	III	3.5	3.3	-0.2	2.7	-0.4	-0.8	-0.2	-0.6	19.0	0.8

See footnotes following table 6.  
r=revised

March 9, 1993  
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.