

News

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PRODUCTIVITY AND COSTS Second Quarter 1993

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 second quarter of 1993. The preliminary seasonally-adjusted annual rates of productivity change in the second quarter were:

- 2.1 percent in the business sector, and
- 2.5 percent in the nonfarm business sector.

In both sectors, productivity declined more than in the first quarter of 1993, while the underlying second-quarter output and hours gains were larger.

In manufacturing, productivity changes in the second quarter were:

- 5.0 percent in manufacturing,
- 7.1 percent in durable goods manufacturing, and
- 2.1 percent in nondurable goods manufacturing.

Manufacturing productivity grew at about the same rate in the second quarter as in the first quarter. Output gains, however, were smaller than in the first quarter of 1993, and hours declined. Output and hours in manufacturing, which includes about 20 percent of U.S. business-sector employment, tend to change more from quarter to quarter than in the more aggregate business and nonfarm business sector measures. Second-quarter results are summarized in table A 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. 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

From the first to the second quarter of 1993, business sector productivity decreased at a 2.1 percent annual rate, the second quarterly decline in a row. Output rose 1.5 percent and hours of all persons engaged in the sector increased 3.6 percent (seasonally adjusted annual rates). In the first quarter, output and hours growth was slower than in the second quarter, and productivity posted a smaller decline (table 1). The second-quarter increase in hours reflected the fifth consecutive quarter of rising employment in this sector.

Table A. Productivity and costs: Preliminary second-quarter 1993 measures
(Seasonally adjusted annual rates)

Sector	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs
Percent change from preceding quarter						
Business	-2.1	1.5	3.6	2.2	-0.7	4.4
Nonfarm business	-2.5	1.7	4.3	1.6	-1.3	4.2
Manufacturing	5.0	2.7	-2.2	4.7	1.7	-0.3
Durable	7.1	3.6	-3.3	4.5	1.5	-2.5
Nondurable	2.1	1.4	-0.7	5.3	2.3	3.1
Percent change from same quarter a year ago						
Business	0.7	2.7	1.9	3.4	0.2	2.6
Nonfarm business	0.4	2.8	2.3	3.0	-0.1	2.6
Manufacturing	5.2	4.3	-0.8	3.8	0.6	-1.3
Durable	7.8	6.4	-1.4	3.7	0.5	-3.9
Nondurable	1.5	1.4	-0.1	4.0	0.9	2.5

Hourly compensation increased 2.2 percent during the second quarter of 1993, compared with a 3.6 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 4.4 percent annual rate during the second quarter, compared with a 5.1 percent rise during the first quarter.

Real hourly compensation, which takes into account changes in the Consumer Price Index for All Urban Consumers (CPI-U), declined at a 0.7 percent annual rate in the second quarter; it had fallen 0.2 percent in the first quarter of 1993.

The implicit price deflator for the business sector, which reflects changes in unit labor costs and unit nonlabor payments, increased 2.7 percent in the second quarter, matching the rise in the first quarter.

Nonfarm business

Productivity fell 2.5 percent in the nonfarm business sector during the second quarter of 1993 as output rose 1.7 percent and hours of all persons increased 4.3 percent. As in the more comprehensive business sector, this was the second productivity decline in a row. The gain in hours was the largest since the first quarter of 1989. During the first quarter of 1993, productivity fell 1.6 percent in the nonfarm business sector, reflecting gains of 0.8 percent in output and 2.5 percent in hours (table 2).

Hourly compensation increased at a 1.6 percent annual rate in the second quarter, compared with a 3.2 percent increase one quarter earlier. When the rise in the CPI-U is taken into account, real hourly compensation fell 1.3 percent in the second quarter. Unit labor costs rose 4.2 percent, compared with a 4.8 percent rise during the first quarter.

The implicit price deflator for nonfarm business output rose 2.4 percent in the second quarter, compared with a 2.6 percent rise one quarter earlier.

Manufacturing

Productivity increased at a 5.0 percent seasonally adjusted annual rate in manufacturing in the second quarter of 1993, as output rose 2.7 percent and hours of all persons declined 2.2 percent (seasonally adjusted annual rates). Although productivity growth continued in the second quarter, the increase in output was much smaller than the first-quarter gain, and hours declined. Productivity grew more strongly in durable goods industries in both the first and second quarters, and output gains in durable goods manufacturing were greater than in nondurable goods producing industries (tables 4 and 5).

Hourly compensation of all manufacturing workers increased 4.7 percent during the second quarter, a substantial increase over the 0.8 percent gain in the first quarter. Real hourly compensation rose 1.7 percent when the increase in consumer prices is taken into account, compared with a 2.9 percent decline in the previous period.

Unit labor costs fell at a 0.3 percent annual rate in the second quarter of 1993, the seventh decline in the past 8 quarters. These costs had decreased 3.9 percent during the first quarter.

REVISED MEASURES

Current and previous measures for the first quarter of 1993 for the business, nonfarm business, and manufacturing sectors are compared in table B. The quarterly movements are similar to those reported on June 17. Indexes of output and productivity for durable and total manufacturing are revised, reflecting a change in durables output for 1990.

Table B. Previous and revised productivity and related measures Quarterly percent change at seasonally adjusted annual rate						
Sector	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs
First quarter 1993						
Business:						
Previous	-1.5	0.5	2.0	3.7	-0.1	5.3
Current	-1.5	0.5	2.0	3.6	-0.2	5.1
Nonfarm business:						
Previous	-1.6	0.8	2.5	3.3	-0.5	5.0
Current	-1.6	0.8	2.5	3.2	-0.6	4.8
Manufacturing:						
Previous	4.8	6.5	1.7	0.7	-3.0	-3.9
Current	4.9	6.6	1.7	0.8	-2.9	-3.9

Next release date

The next release of **Productivity and Costs** is scheduled for **10:00 a.m. EDT, Thursday, September 9, 1993**. Revised second-quarter measures for business, nonfarm business, and manufacturing will be released at that time, along with measures for nonfinancial corporations.

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Technical Notes

Labor Input: The primary source of hours and employment data is the BLS Current Employment Statistics 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 non-farm 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 and unpaid family workers.

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 80 percent of GDP in 1992. Nonfarm business, which also excludes farming, was about 79 percent of GDP 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 metal industries; fabricated metal products; non-electrical machinery; industrial and commercial machinery and computer equipment; electronic and other electrical equipment; transportation equipment; instruments; lumber and lumber products; furniture and fixtures; stone, clay, and glass and concrete products; and miscellaneous manufactures. Nondurables include: Food and kindred products, tobacco products, textile mill products, apparel products, paper and allied products, printing and publishing, chemicals and chemical products, petroleum refining and related indus-

tries, rubber and plastic products, leather and leather products. Manufacturing accounted for about 23 percent of GDP in 1992. Quarterly manufacturing output measures are based on the index of industrial production prepared monthly by the Board of Governors of the Federal Reserve System 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.

Nonfinancial corporate output is equal to GDP in constant 1987 dollars, less the 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 59 percent of GDP in 1992.

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.

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.

Table 1. Business sector: Productivity, hourly compensation, unit labor costs, 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								
1992 I	112.5	131.4	116.7	150.7	104.7	133.9	146.8	138.2
II	112.7	131.9	117.0	151.3	104.3	134.2	148.8	139.0
III	113.6	133.0	117.1	152.7	104.6	134.4	148.1	138.9
IV	114.6	134.7	117.6	154.2	104.8	134.6	151.9	140.3
ANNUAL	113.3	132.8	117.2	152.1	104.6	134.3	148.9	139.1
1993 I	114.1	134.9	118.2	155.6	104.8	136.3	r151.3	141.2
II	113.6	135.4	119.3	156.4	104.6	137.7	151.2	142.2
Percent change from previous quarter at annual rate(5)								
1992 I	4.3	2.3	-1.9	4.7	1.3	0.3	7.2	2.6
II	0.7	1.6	0.9	1.5	-1.6	0.8	5.6	2.4
III	3.2	3.6	0.3	3.9	1.2	0.7	-1.8	-0.2
IV	3.4	5.2	1.8	3.8	0.7	0.5	10.8	4.0
ANNUAL	2.8	2.3	-0.5	3.6	0.6	0.9	4.5	2.1
1993 I	-1.5	0.5	2.0	r3.6	r-0.2	r5.1	r-1.7	r2.7
II	-2.1	1.5	3.6	2.2	-0.7	4.4	-0.2	2.7
Percent change from corresponding quarter of previous year								
1992 I	2.9	1.7	-1.2	4.5	1.6	1.6	4.0	2.4
II	2.6	1.9	-0.7	3.4	0.3	0.8	5.0	2.2
III	2.8	2.4	-0.5	3.4	0.3	0.6	3.6	1.6
IV	2.9	3.2	0.3	3.5	0.4	0.5	5.3	2.2
ANNUAL	2.8	2.3	-0.5	3.6	0.6	0.9	4.5	2.1
1993 I	1.4	2.7	1.3	3.2	0.0	r1.7	r3.1	2.2
II	0.7	2.7	1.9	3.4	0.2	2.6	1.6	2.3

See footnotes following table 6.
r=revised

August 10, 1993
Source: Bureau of Labor Statistics

Table 2. Nonfarm business sector: Productivity, hourly compensation, unit labor costs, 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								
1992 I	110.9	131.5	118.6	149.4	103.8	134.8	148.2	139.1
II	111.2	132.0	118.7	150.1	103.5	135.0	150.4	139.9
III	112.0	133.2	118.9	151.4	103.7	135.2	149.6	139.9
IV	112.9	134.8	119.4	152.9	103.9	135.4	153.3	141.2
ANNUAL	111.7	132.9	119.0	150.9	103.8	135.1	150.4	140.0
1993 I	112.4	135.1	120.2	154.1	r103.7	r137.0	r152.7	142.1
II	111.7	135.7	121.4	154.7	103.4	138.4	152.3	142.9
Percent change from previous quarter at annual rate (5)								
1992 I	4.2	2.3	-1.8	4.5	1.1	0.3	6.7	2.4
II	1.4	1.7	0.4	2.0	-1.1	0.6	6.2	2.5
III	2.7	3.5	0.7	3.5	0.8	0.7	-2.1	-0.3
IV	3.2	5.1	1.8	3.9	0.7	0.6	10.2	3.9
ANNUAL	2.6	2.2	-0.4	3.6	0.6	0.9	4.7	2.2
1993 I	-1.6	0.8	2.5	r3.2	r-0.6	r4.8	r-1.5	r2.6
II	-2.5	1.7	4.3	1.6	-1.3	4.2	-1.0	2.4
Percent change from corresponding quarter of previous year								
1992 I	2.7	1.6	-1.1	4.4	1.5	1.7	4.1	2.5
II	2.5	1.8	-0.7	3.4	0.3	0.8	5.6	2.5
III	2.6	2.3	-0.4	3.3	0.2	0.6	3.8	1.7
IV	2.8	3.1	0.3	3.4	0.3	0.6	5.1	2.1
ANNUAL	2.6	2.2	-0.4	3.6	0.6	0.9	4.7	2.2
1993 I	1.4	2.8	1.3	3.1	-0.1	1.7	r3.1	r2.2
II	0.4	2.8	2.3	3.0	-0.1	2.6	1.3	2.1

See footnotes following table 6.
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August 10, 1993
Source: Bureau of Labor Statistics

Table 3. Manufacturing sector: Productivity, hourly compensation, and unit labor costs, 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
Indexes 1982=100						
1992 I	r126.6	r128.7	101.6	143.2	99.5	r113.1
II	r128.3	r130.3	101.6	144.5	99.6	r112.6
III	r129.5	r130.7	100.9	145.7	99.8	r112.5
IV	r131.7	r132.8	100.9	148.0	100.6	r112.4
ANNUAL	r129.1	r130.6	101.2	145.5	100.1	r112.7
1993 I	r133.2	r135.0	101.3	148.2	99.8	r111.3
II	134.9	135.9	100.7	149.9	100.3	111.2
Percent change from previous quarter at annual rate(5)						
1992 I	4.5	2.1	-2.3	-1.1	-4.3	-5.4
II	5.3	5.2	-0.1	3.6	0.4	-1.7
III	3.8	r1.1	-2.6	3.4	0.7	-0.4
IV	7.0	6.8	-0.2	6.3	3.1	-0.6
ANNUAL	4.6	3.1	-1.4	3.0	0.0	-1.5
1993 I	r4.9	r6.6	1.7	r0.8	r-2.9	-3.9
II	5.0	2.7	-2.2	4.7	1.7	-0.3
Percent change from corresponding quarter of previous year						
1992 I	4.1	2.6	-1.4	3.1	0.2	-1.0
II	4.5	3.7	-0.7	2.6	-0.4	-1.8
III	4.1	2.4	-1.6	2.7	-0.3	-1.3
IV	5.2	3.8	-1.3	3.0	0.0	-2.0
ANNUAL	4.6	3.1	-1.4	3.0	0.0	-1.5
1993 I	5.2	4.9	-0.3	3.5	0.3	r-1.7
II	5.2	4.3	-0.8	3.8	0.6	-1.3

See footnotes following table 6.
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August 10, 1993
Source: Bureau of Labor Statistics

Table 4. Durable manufacturing sector: Productivity, hourly compensation, and unit labor costs, 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
Indexes 1982=100							
1992	I	r135.4	r134.4	99.3	140.6	97.7	r103.8
	II	r138.5	r136.8	98.8	141.9	97.8	r102.4
	III	r140.3	r137.5	98.0	143.0	97.9	r101.9
	IV	r143.8	r140.8	97.9	145.9	99.2	r101.4
	ANNUAL	r139.6	r137.4	98.4	143.0	98.3	r102.4
1993	I	r146.8	r144.3	98.3	r145.5	r98.0	r99.1
	II	149.3	145.5	97.5	147.1	98.3	98.5
Percent change from previous quarter at annual rate (5)							
1992	I	4.6	2.4	-2.0	-3.2	-6.3	-7.4
	II	9.4	7.4	-1.8	3.7	0.5	-5.2
	III	5.3	2.0	-3.2	3.1	0.4	-2.1
	IV	10.3	9.8	-0.5	8.4	5.1	-1.8
	ANNUAL	6.6	4.1	-2.3	2.9	-0.2	-3.5
1993	I	8.6	10.4	1.6	r-1.0	r-4.7	r-8.9
	II	7.1	3.6	-3.3	4.5	1.5	-2.5
Percent change from corresponding quarter of previous year							
1992	I	5.2	2.9	-2.2	2.9	0.0	-2.2
	II	6.8	4.7	-2.0	2.5	-0.6	-4.0
	III	6.3	3.5	-2.6	2.5	-0.6	-3.5
	IV	7.4	5.4	-1.9	2.9	-0.2	-4.2
	ANNUAL	6.6	4.1	-2.3	2.9	-0.2	-3.5
1993	I	8.4	7.3	-1.0	r3.5	r0.3	r-4.5
	II	7.8	6.4	-1.4	3.7	0.5	-3.9

See footnotes following table 6.
r=revised

August 10, 1993
Source: Bureau of Labor Statistics

Table 5. Nondurable manufacturing sector: Productivity, hourly compensation, and unit labor costs, 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
Indexes 1982=100							
1992	I	115.8	121.6	105.0	148.4	103.1	128.1
	II	115.9	122.3	105.6	149.8	103.3	129.3
	III	116.4	122.3	105.1	151.3	103.6	130.0
	IV	117.1	123.1	105.2	152.5	103.7	130.2
	ANNUAL	116.4	122.4	105.1	150.6	103.6	129.4
1993	I	117.0	r123.6	105.6	r153.8	r103.6	r131.5
	II	117.6	124.0	105.4	155.8	104.2	132.5
Percent change from previous quarter at annual rate (5)							
1992	I	4.5	1.7	-2.7	2.3	-1.0	-2.1
	II	0.1	2.3	2.2	3.8	0.7	3.6
	III	1.7	0.0	-1.7	4.0	1.3	2.2
	IV	2.5	2.7	0.2	3.3	0.1	0.8
	ANNUAL	2.0	1.8	-0.1	3.5	0.5	1.5
1993	I	r-0.2	r1.5	1.7	r3.6	r-0.2	r3.8
	II	2.1	1.4	-0.7	5.3	2.3	3.1
Percent change from corresponding quarter of previous year							
1992	I	2.7	2.3	-0.3	3.6	0.7	0.9
	II	1.4	2.4	1.0	3.1	0.0	1.7
	III	1.2	1.0	-0.2	3.3	0.2	2.1
	IV	2.2	1.7	-0.5	3.3	0.3	1.1
	ANNUAL	2.0	1.8	-0.1	3.5	0.5	1.5
1993	I	1.0	1.6	0.6	r3.7	r0.5	r2.6
	II	1.5	1.4	-0.1	4.0	0.9	2.5

See footnotes following table 6.
r=revised

August 10, 1993
Source: Bureau of Labor Statistics

Table 6. Nonfinancial corporations: Productivity, hourly compensation, unit labor costs, 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 (6)	Total unit cost (7)	Unit profits (8)	Implicit price deflator (4)
Indexes 1982=100										
1992 I	116.3	136.8	117.6	146.3	101.6	125.7	121.7	124.6	167.7	127.3
II	116.9	137.9	118.0	146.8	101.3	125.6	121.4	124.4	179.6	127.8
III	118.2	139.3	117.9	147.9	101.3	125.2	122.8	124.5	179.3	127.9
IV	119.6	141.8	118.5	149.1	101.3	124.6	120.0	123.3	203.4	128.3
ANNUAL	117.7	139.0	118.1	147.4	101.4	125.3	121.5	124.2	182.7	127.8
1993 I	r118.7	r141.1	118.9	150.1	101.1	r126.5	r121.3	r125.0	r192.3	r129.2
Percent change from previous quarter at annual rate (5)										
1992 I	2.9	2.3	-0.6	2.4	-0.9	-0.5	-3.5	-1.4	36.3	1.2
II	2.0	3.4	1.4	1.6	-1.5	-0.4	-0.9	-0.6	31.5	1.8
III	4.4	3.9	-0.5	3.0	0.3	-1.4	4.8	0.3	-0.6	0.2
IV	5.0	7.4	2.2	3.1	0.0	-1.8	-8.8	-3.8	65.5	1.1
ANNUAL	3.1	3.1	-0.1	2.9	-0.1	-0.3	-0.9	-0.4	19.4	1.1
1993 I	r-3.2	r-1.8	1.4	r2.8	r-1.0	r6.1	r4.2	r5.6	r-20.1	r2.8
Percent change from corresponding quarter of previous year										
1992 I	2.9	2.0	-0.8	3.8	0.9	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	3.4	3.3	-0.1	2.6	-0.5	-0.8	-0.2	-0.6	19.0	0.8
IV	3.6	4.2	0.6	2.5	-0.5	-1.0	-2.2	-1.4	31.1	1.1
ANNUAL	3.1	3.1	-0.1	2.9	-0.1	-0.3	-0.9	-0.4	19.4	1.1
1993 I	r2.0	r3.2	1.1	2.6	r-0.6	r0.6	r-0.3	r0.3	r14.7	r1.5

See footnotes following table 6.
r=revised

August 10, 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 second published 30 days after the close of the reference period; revisions appear about 35 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 -2.0 and +2.0 index points. This interval is based on the performance of this measure between the second quarter of 1976 and the fourth quarter of 1992.

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.