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PRODUCTIVITY AND COSTS Third 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 third quarter of 1993. The preliminary seasonally-adjusted annual rates of productivity growth in the third quarter were:

3.3 percent in the business sector, and
3.9 percent in the nonfarm business sector.

In the business sector, output grew more slowly in the third quarter than in the second quarter, and hours at work declined. The slower growth in business sector output was largely attributable to flooding in the Midwest and drought in the Southeast. In nonfarm business, output growth was slightly faster the the third quarter than during the second quarter, and the growth in hours at work slowed.

In manufacturing, productivity increases in the third quarter were:

2.4 percent in manufacturing,
3.1 percent in durable goods manufacturing, and
1.3 percent in nondurable goods manufacturing.

The productivity increase in manufacturing was lower than the gains reported in the more comprehensive business sectors. In durables, third-quarter output growth slowed, and hours at work declined less than in the second quarter. Among nondurable goods producers, output was unchanged in the third quarter, and hours worked declined. Manufacturing includes about 20 percent of U.S. business-sector employment. Third-quarter measures 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 6).

Business

From the second quarter to the third quarter of 1993, business sector productivity increased at a 3.3 percent annual rate. Output rose 3.2 percent, and hours of all persons engaged in the sector decreased 0.1 percent (seasonally adjusted annual rates). The decline in hours followed 5 quarters of increases. After revisions, second-quarter productivity was unchanged, as output and hours both rose by 3.8 percent (tables C and 1).

Table A. Productivity and costs: Preliminary third-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	3.3	3.2	-0.1	3.7	2.5	0.4
Nonfarm business	3.9	4.1	0.2	3.5	2.3	-0.4
Manufacturing	2.4	1.5	-0.8	3.6	2.4	1.2
Durable	3.1	2.6	-0.5	3.2	2.0	0.1
Nondurable	1.3	0.0	-1.3	4.2	3.0	2.9
Percent change from same quarter a year ago						
Business	1.3	3.3	1.9	3.5	0.7	2.1
Nonfarm business	1.4	3.7	2.2	3.2	0.4	1.8
Manufacturing	5.0	4.6	-0.5	2.9	0.2	-2.0
Durable	7.5	6.7	-0.7	2.9	0.1	-4.3
Nondurable	1.6	1.6	-0.1	3.1	0.3	1.4

Hourly compensation increased 3.7 percent during the third quarter of 1993, compared with a 2.5 percent rise in the second 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 0.4 percent annual rate during the third quarter. During the previous quarter, these costs had increased 2.5 percent.

Real hourly compensation, which takes into account changes in the Consumer Price Index for All Urban Consumers (CPI-U), increased at a 2.5 percent annual rate in the third quarter; it had fallen 0.4 percent in the second quarter of 1993.

The implicit price deflator for the business sector, which reflects changes in unit labor costs and unit nonlabor payments, increased 1.2 percent in the third quarter, compared with a 2.6 percent increase during the second quarter of 1993.

Nonfarm business

Productivity rose 3.9 percent in the nonfarm business sector during the third quarter of 1993 as output rose 4.1 percent and hours of all persons increased 0.2 percent. During the second quarter of 1993, productivity had fallen 0.4 percent (as revised) in the nonfarm business sector, reflecting gains of 4.0 percent in output and 4.4 percent in hours (table 2).

Hourly compensation increased at a 3.5 percent annual rate in the third quarter, compared with a 1.9 percent increase one quarter earlier. When the rise in the CPI-U is taken into account, real hourly compensation rose 2.3 percent in the third quarter. Unit labor costs fell 0.4 percent, compared with a 2.3 percent rise during the second quarter of 1993. This marked the first quarterly decline in unit labor costs since 1987.

The implicit price deflator for nonfarm business output rose 1.1 percent in the third quarter, compared with a 2.4 percent rise one quarter earlier.

Manufacturing

Productivity increased 2.4 percent in manufacturing in the third quarter of 1993, as output rose 1.5 percent and hours of all persons decreased 0.8 percent (seasonally adjusted annual rates). Productivity grew more in durable goods industries than among nondurable goods producers. Output grew in durable goods manufacturing, but was unchanged in nondurable goods industries; hours worked declined in both (tables 3, 4, and 5).

Hourly compensation of all manufacturing workers increased 3.6 percent during the third quarter, compared with a 4.9 percent increase during the March-June period. Real hourly compensation rose 2.4 percent in the third quarter when the increase in the CPI-U is taken into account. During the second quarter, real hourly compensation had increased 1.9 percent (seasonally adjusted annual rates).

Unit labor costs rose at a 1.2 percent annual rate in the third quarter of 1993. These costs had decreased 1.0 percent during the second quarter of 1993.

Nonfinancial corporations

Second-quarter 1993 measures of productivity and costs also were announced today for nonfinancial corporations (tables B and 6). Output per all-employee hour rose at a 3.9 percent annual rate, compared with a 4.0 percent decline during the first quarter. Output increased 7.0 percent in the second quarter of 1993, while hours of all employees increased 3.0 percent, at annual rates. The sector includes all corporations doing business in the United States, except banks, stock and commodity brokers, and finance and insurance agencies.

Hourly compensation increased 2.4 percent, but fell 0.5 percent in real terms when the rise in the CPI-U is taken into account.

Table B. Nonfinancial corporations: Second quarter productivity and cost measures (Seasonally adjusted annual rates)

Period	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs	Unit profits	Implicit price deflator
Percent change from preceding quarter								
1993 II	3.9	7.0	3.0	2.4	-0.5	-1.5	26.4	0.8
Percent change from preceding year								
1993 II	2.5	4.1	1.5	3.5	0.4	1.0	10.5	1.4

Unit labor costs for nonfinancial corporations decreased 1.5 percent in the second quarter, compared with a 6.4 percent rise in the first quarter of 1993. Unit nonlabor costs fell 1.3 percent, and unit profits rose 26.4 percent. The implicit price deflator for nonfinancial corporate output rose 0.8 percent in the second quarter.

Revised Measures

Current and previous measures for the second quarter of 1993 for the business, nonfarm business, and manufacturing sectors are compared in table C. The quarterly movements differ from those reported on September 9 based on information then available. These productivity and cost measures also reflect the results of the 1992 Hours at Work Survey, which are now available. Measures from 1991 forward have been changed slightly as a result of this new information.

Historical output and compensation measures for nonfinancial corporations are based on revised Gross Domestic Product (GDP) component measures published by the Bureau of Economic Analysis of the U.S. Department of Commerce on September 28. (Revisions for the business and nonfarm business sectors were introduced in productivity and cost measures in the September 9 issue of this press release.) These estimates reflect revisions to the national income and product accounts beginning with the first quarter of 1990. See appendix table 1.

Table C. 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
Second quarter 1993						
Business:						
Previous	-1.0	2.8	3.8	2.0	-0.9	3.1
Current	0.0	3.8	3.8	2.5	-0.4	2.5
Nonfarm business:						
Previous	-1.3	3.1	4.5	1.4	-1.5	2.8
Current	-0.4	4.0	4.4	1.9	-1.0	2.3
Manufacturing:						
Previous	5.2	2.8	-2.3	3.3	0.4	-1.8
Current	5.9	3.4	-2.4	4.9	1.9	-1.0

Next release date

The next release of **Productivity and Costs** is scheduled for **10:00 AM EST, Wednesday, December 8, 1993**. Revised third-quarter measures will be released at that time.

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Technical Notes

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

Data from the BLS Current Population Survey (CPS) are used for farm labor; in the 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 78 percent of GDP in 1992. Nonfarm business, which also excludes farming, was about 77 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 industries, rubber and plastic products, leather and leather products. Manufacturing accounted for about 19 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 56 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	r114.1	r133.3	r116.8	r152.2	r105.8	r133.4	138.3
	II	r114.8	134.5	r117.1	r153.7	r106.0	r133.9	139.1
	III	r116.0	r136.0	r117.2	r156.1	r106.9	134.5	138.7
	IV	r117.1	137.9	r117.7	r157.8	r107.3	r134.8	140.6
	ANNUAL	r115.5	135.4	r117.3	r154.9	r106.5	r134.1	149.6
1993	I	r116.6	r138.0	r118.3	r159.1	r107.1	r136.4	141.6
	II	r116.6	r139.3	r119.5	160.1	107.0	r137.3	r153.1
	III	117.6	140.4	119.4	161.5	107.7	137.4	154.1
Percent change from previous quarter at annual rate(5)								
1992	I	r4.7	2.9	r-1.8	r5.7	r2.3	0.9	7.8
	II	2.5	3.4	r1.0	r4.1	r0.9	1.6	r3.9
	III	r4.2	4.6	r0.4	r6.2	r3.4	1.9	r-6.7
	IV	3.8	5.6	1.8	4.6	1.4	r0.7	15.2
	ANNUAL	r3.3	2.9	r-0.4	r5.0	r2.0	1.7	r3.4
1993	I	-1.6	0.5	2.1	r3.3	r-0.5	r5.0	r-1.4
	II	r0.0	r3.8	3.8	r2.5	r-0.4	r2.5	r2.6
	III	3.3	3.2	-0.1	3.7	2.5	0.4	2.8
Percent change from corresponding quarter of previous year								
1992	I	r2.9	1.8	r-1.1	r5.0	r2.1	2.1	3.6
	II	r2.9	2.3	r-0.6	r4.8	r1.7	1.9	3.4
	III	r3.8	3.4	r-0.4	r5.3	r2.1	r1.4	r1.7
	IV	r3.8	4.1	r0.3	r5.1	r2.0	1.3	4.7
	ANNUAL	r3.3	2.9	r-0.4	r5.0	r2.0	1.7	r3.4
1993	I	2.2	3.5	1.3	r4.5	1.3	2.3	2.4
	II	r1.6	r3.6	2.0	r4.1	r1.0	r2.5	r2.1
	III	1.3	3.3	1.9	3.5	0.7	2.1	4.6

See footnotes following table 6.
r=revised

November 4, 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	r112.4	r133.3	r118.7	r150.9	r104.8	r134.3	r149.8	139.3
	II	r113.1	r134.4	r118.8	r152.6	r105.2	r134.9	r151.5	140.2
	III	r114.1	135.9	r119.0	r154.8	r106.0	135.6	r148.7	139.8
	IV	r115.3	137.9	r119.6	r156.6	r106.4	135.8	154.4	141.8
	ANNUAL	r113.7	135.4	r119.1	r153.7	r105.7	r135.1	151.1	140.3
1993	I	r114.8	r138.1	r120.3	r157.7	r106.2	r137.4	r153.8	142.7
	II	r114.7	r139.5	r121.6	158.4	105.9	r138.2	r154.8	143.5
	III	115.8	140.9	121.7	159.8	106.5	138.0	156.3	143.9
Percent change from previous quarter at annual rate(5)									
1992	I	r3.8	2.1	r-1.6	r5.6	r2.2	1.7	6.0	3.2
	II	r2.8	3.3	r0.5	r4.7	r1.5	1.8	r4.5	2.7
	III	3.6	4.4	r0.8	r5.9	r3.1	2.2	-7.2	-1.1
	IV	r4.2	6.0	1.8	4.6	1.4	r0.4	r16.2	5.6
	ANNUAL	r3.1	2.7	r-0.4	r5.1	r2.0	2.0	3.3	2.4
1993	I	-1.8	r0.6	r2.5	r2.9	r-0.9	r4.8	r-1.6	2.5
	II	r-0.4	r4.0	r4.4	r1.9	r-1.0	r2.3	r2.8	2.4
	III	3.9	4.1	0.2	3.5	2.3	-0.4	4.0	1.1
Percent change from corresponding quarter of previous year									
1992	I	r2.7	r1.6	r-1.0	r5.0	r2.1	2.3	r3.4	2.7
	II	r2.7	2.1	r-0.6	r4.9	r1.8	2.2	3.7	2.7
	III	r3.4	3.1	r-0.3	r5.3	r2.1	1.8	1.6	1.7
	IV	r3.6	3.9	0.3	r5.2	r2.1	r1.5	4.5	2.6
	ANNUAL	r3.1	2.7	r-0.4	r5.1	r2.0	2.0	3.3	2.4
1993	I	r2.1	3.6	1.4	4.5	1.3	2.3	2.6	2.4
	II	r1.3	r3.8	2.4	r3.8	r0.6	r2.4	r2.2	2.3
	III	1.4	3.7	2.2	3.2	0.4	1.8	5.1	2.9

See footnotes following table 6.
r=revised

November 4, 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	r126.3	128.7	r101.8	r145.4	r101.0	115.1
	II	r127.9	130.3	r101.9	r147.1	r101.5	115.1
	III	r129.0	130.7	r101.3	r148.7	r101.9	115.2
	IV	r131.2	132.8	r101.2	r150.8	r102.5	114.9
	ANNUAL	r128.7	130.6	r101.5	r148.1	r101.9	115.1
1993	I	r132.8	135.0	r101.6	r149.9	r100.9	112.9
	II	r134.7	r136.1	r101.0	r151.7	101.4	r112.6
	III	135.5	136.6	100.8	153.1	102.0	112.9
Percent change from previous quarter at annual rate(5)							
1992	I	r4.0	2.1	r-1.8	r1.2	r-2.0	-2.7
	II	r5.0	5.2	r0.2	r4.9	r1.7	-0.1
	III	r3.6	1.1	r-2.4	r4.2	r1.5	0.6
	IV	7.0	6.8	-0.2	5.8	r2.5	-1.1
	ANNUAL	r4.3	3.1	r-1.1	r4.4	r1.3	0.1
1993	I	r5.0	6.6	r1.5	r-2.3	r-5.9	-7.0
	II	r5.9	r3.4	r-2.4	r4.9	r1.9	r-1.0
	III	2.4	1.5	-0.8	3.6	2.4	1.2
Percent change from corresponding quarter of previous year							
1992	I	r3.8	2.6	r-1.2	r4.4	r1.5	0.6
	II	r4.1	3.7	r-0.4	r4.3	r1.2	0.2
	III	r3.7	2.4	r-1.3	r4.2	r1.1	0.5
	IV	r4.9	3.8	r-1.1	r4.0	r0.9	-0.8
	ANNUAL	r4.3	3.1	r-1.1	r4.4	r1.3	0.1
1993	I	r5.1	4.9	r-0.2	r3.1	r-0.1	-1.9
	II	r5.4	r4.5	-0.9	r3.1	r0.0	r-2.2
	III	5.0	4.6	-0.5	2.9	0.2	-2.0

See footnotes following table 6.
r=revised

November 4, 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	r135.1	134.4	r99.5	r143.0	r99.4	105.8
	II	r138.1	136.8	r99.1	r144.9	r99.9	104.9
	III	r139.8	137.5	r98.3	r146.4	r100.3	104.7
	IV	r143.3	140.8	r98.2	r149.2	r101.4	104.1
	ANNUAL	r139.2	137.4	r98.7	r146.0	r100.4	104.9
1993	I	r146.3	144.3	r98.6	r147.8	r99.5	101.0
	II	r149.2	r145.8	r97.7	r149.5	r99.9	r100.1
	III	150.4	146.8	97.6	150.7	100.4	100.2
Percent change from previous quarter at annual rate(5)							
1992	I	r4.1	2.4	r-1.6	r-1.0 ^r	r-4.2	-4.8
	II	r9.1	7.4	r-1.5	r5.4	r2.3	-3.3
	III	r5.1	2.0	r-3.0	r4.2	r1.5	-0.8
	IV	r10.3	9.8	-0.5	7.9	4.6	-2.2
	ANNUAL	r6.3	4.1	r-2.0	r4.4	r1.4	-1.7
1993	I	r8.7	10.4	r1.5	r-3.8	r-7.3	-11.5
	II	r8.2	r4.4	r-3.5	r4.6	r1.6	r-3.4
	III	3.1	2.6	-0.5	3.2	2.0	0.1
Percent change from corresponding quarter of previous year							
1992	I	r4.9	2.9	r-2.0	r4.3	r1.4	-0.5
	II	r6.5	4.7	r-1.7	r4.5	r1.3	-1.9
	III	r5.9	3.5	r-2.3	r4.3	r1.1	r-1.6
	IV	r7.1	5.4	r-1.6	r4.1	r1.0	-2.8
	ANNUAL	r6.3	4.1	r-2.0	r4.4	r1.4	-1.7
1993	I	r8.3	7.3	r-0.9	r3.3	r0.1	-4.6
	II	r8.1	r6.6	-1.4	r3.1	r0.0	r-4.6
	III	7.5	6.7	-0.7	2.9	0.1	-4.3

See footnotes following table 6.
r=revised

November 4, 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	r115.6	121.6	r105.2	r150.2	r104.4	130.0
II	r115.5	122.3	r105.9	r151.9	r104.7	131.5
III	r116.0	122.3	r105.5	r153.5	r105.1	132.4
IV	r116.7	123.1	r105.5	r154.5	r105.0	r132.4
ANNUAL	r116.0	122.4	r105.4	r152.7	r105.0	131.6
1993 I	r116.7	123.6	r106.0	r154.5	r104.1	132.5
II	r117.5	r124.2	r105.7	r156.6	r104.7	r133.3
III	117.9	124.2	105.4	158.2	105.5	134.3
Percent change from previous quarter at annual rate (5)						
1992 I	r3.9	1.7	r-2.2	r4.7	r1.3	0.7
II	r-0.2	2.3	r2.5	r4.4	r1.2	4.6
III	r1.5	0.0	r-1.5	r4.4	r1.6	2.8
IV	2.5	2.7	0.2	r2.7	-0.4	0.2
ANNUAL	r1.7	1.8	r0.2	r4.5	r1.5	2.8
1993 I	r-0.1	1.5	r1.6	r0.0	r-3.7	r0.1
II	r2.9	r2.0	-0.8	r5.6	r2.6	r2.6
III	1.3	0.0	-1.3	4.2	3.0	2.9
Percent change from corresponding quarter of previous year						
1992 I	r2.4	2.3	r-0.1	r4.7	r1.8	2.2
II	r1.0	2.4	r1.4	r4.4	r1.3	3.3
III	r0.8	1.0	r0.1	r4.4	r1.3	3.6
IV	r1.9	1.7	r-0.3	r4.0	r0.9	2.1
ANNUAL	r1.7	1.8	r0.2	r4.5	r1.5	2.8
1993 I	r0.9	1.6	r0.7	r2.9	r-0.3	1.9
II	r1.7	r1.6	-0.2	r3.1	r0.0	r1.4
III	1.6	1.6	-0.1	3.1	0.3	1.4

See footnotes following table 6.
r=revised

November 4, 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	r117.3	r137.9	117.6	r147.9	r102.8	r126.1	r121.1	r124.7	r164.1	r127.1
	II	r118.6	r140.0	118.0	r149.5	r103.1	r126.0	r120.0	r124.3	r175.5	r127.5
	III	r120.3	r141.9	117.9	r151.6	r103.8	r126.0	r121.3	r124.7	r172.4	r127.6
	IV	r121.7	r144.3	r118.6	r153.0	r104.0	r125.8	r118.3	r123.7	r195.3	r128.1
	ANNUAL	r119.4	r141.0	118.1	r150.4	r103.4	r126.0	r120.2	r124.3	r177.0	r127.6
1993	I	r120.4	r143.3	r119.0	r153.9	r103.6	r127.8	r119.6	r125.4	r182.8	r129.0
	II	121.6	145.7	119.9	154.8	103.5	127.3	119.2	125.0	193.9	129.3
Percent change from previous quarter at annual rate (5)											
1992	I	r2.5	r2.1	r-0.3	r3.9	r0.6	r1.5	r-2.2	r0.4	r18.9	r1.8
	II	r4.8	r6.4	r1.6	r4.5	r1.4	r-0.2	r-3.6	r-1.2	r30.6	r1.1
	III	r5.8	r5.4	r-0.4	r5.6	r2.8	r-0.2	r4.6	r1.1	r-6.8	r0.4
	IV	r4.5	r6.9	2.2	r4.0	r0.8	r-0.5	r-9.7	r-3.1	r64.6	r1.5
	ANNUAL	r4.1	r4.1	r0.1	r4.6	r1.5	r0.5	r-1.4	r0.0	r14.2	r1.0
1993	I	r-4.0	r-2.7	r1.3	r2.2	r-1.6	r6.4	r4.3	r5.9	r-23.1	2.8
	II	3.9	7.0	3.0	2.4	-0.5	-1.5	-1.3	-1.4	26.4	0.8
Percent change from corresponding quarter of previous year											
1992	I	r3.2	r2.4	-0.8	r4.5	r1.6	r1.3	-0.4	r0.8	r5.8	r1.2
	II	r4.0	r4.1	r0.1	r4.5	r1.4	r0.6	r-1.4	r0.0	r11.8	r0.9
	III	r4.8	r4.8	r0.1	r4.8	r1.7	r0.1	r-1.0	r-0.2	r14.6	r0.9
	IV	r4.4	r5.2	r0.8	r4.5	r1.4	r0.1	r-2.8	r-0.7	r24.2	r1.2
	ANNUAL	r4.1	r4.1	r0.1	r4.6	r1.5	r0.5	r-1.4	r0.0	r14.2	r1.0
1993	I	r2.7	r3.9	r1.2	r4.1	r0.8	r1.3	r-1.3	r0.6	r11.4	1.5
	II	2.5	4.1	1.5	3.5	0.4	1.0	-0.7	0.6	10.5	1.4

See footnotes following table 6.
r=revised

November 4, 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 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 third 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.

Appendix table 1.

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											
1990	I	111.7	137.1	122.7	133.8	100.7	119.8	114.7	118.4	172.7	121.7
	II	113.1	138.5	122.4	136.4	101.7	120.5	114.3	118.7	183.3	122.7
	III	112.8	137.4	121.8	138.2	101.4	122.5	117.0	120.9	160.9	123.4
	IV	113.2	136.2	120.3	140.1	101.1	123.8	119.1	122.5	153.1	124.4
	ANNUAL	112.7	137.3	121.8	137.1	101.2	121.7	116.3	120.1	167.5	123.1
1991	I	113.6	134.6	118.5	141.5	101.1	124.5	121.5	123.7	155.1	125.6
	II	114.1	134.5	117.9	143.0	101.7	125.3	121.6	124.3	157.0	126.3
	III	114.8	135.3	117.9	144.6	102.1	125.9	122.5	124.9	150.4	126.5
	IV	116.5	137.2	117.7	146.4	102.6	125.7	121.8	124.5	157.2	126.6
	ANNUAL	114.7	135.4	118.0	143.8	101.9	125.4	121.9	124.4	154.9	126.3
Percent change from previous quarter at annual rate (5)											
1990	I	1.5	3.0	1.5	5.3	-2.1	3.8	-2.8	1.9	40.3	4.7
	II	5.4	4.2	-1.1	7.8	3.7	2.3	-1.3	1.3	26.8	3.4
	III	-1.2	-3.0	-1.8	5.6	-1.1	6.8	9.7	7.6	-40.6	2.2
	IV	1.4	-3.7	-5.0	5.6	-1.2	4.2	7.7	5.1	-18.0	3.1
	ANNUAL	1.1	1.1	-0.1	5.3	-0.1	4.1	3.0	3.8	-0.6	3.4
1991	I	1.4	-4.5	-5.8	3.9	0.2	2.4	8.2	4.0	5.5	4.1
	II	1.8	-0.3	-2.0	4.4	2.2	2.6	0.4	2.0	4.8	2.2
	III	2.6	2.4	-0.1	4.4	1.7	1.8	2.9	2.1	-15.7	0.7
	IV	6.1	5.5	-0.6	5.3	2.0	-0.8	-2.5	-1.3	19.2	0.1
	ANNUAL	1.8	-1.4	-3.1	4.9	0.6	3.0	4.8	3.5	-7.5	2.6
Percent change from corresponding quarter of previous year											
1990	I	-0.1	0.9	1.0	3.8	-1.3	4.0	5.2	4.3	-0.2	3.9
	II	1.6	2.0	0.4	5.4	0.8	3.8	2.0	3.3	5.4	3.5
	III	1.3	1.2	-0.1	6.0	0.5	4.6	1.8	3.8	-4.4	3.1
	IV	1.7	0.1	-1.6	6.1	-0.2	4.2	3.2	3.9	-3.5	3.3
	ANNUAL	1.1	1.1	-0.1	5.3	-0.1	4.1	3.0	3.8	-0.6	3.4
1991	I	1.7	-1.8	-3.5	5.7	0.4	3.9	6.0	4.5	-10.2	3.2
	II	0.9	-2.9	-3.7	4.9	0.0	4.0	6.4	4.7	-14.3	2.9
	III	1.8	-1.5	-3.3	4.6	0.7	2.8	4.8	3.3	-6.5	2.5
	IV	3.0	0.7	-2.2	4.5	1.5	1.5	2.2	1.7	2.7	1.8
	ANNUAL	1.8	-1.4	-3.1	4.9	0.6	3.0	4.8	3.5	-7.5	2.6

See footnotes following table 6.

November 4, 1993

Source: Bureau of Labor Statistics