

Historical, technical
information: (202) 606-5606
Current data: (202) 606-7828
Media contact: (202) 606-5902

USDL 94-234
TRANSMISSION OF THIS
MATERIAL IS EMBARGOED
UNTIL 10:00 A.M. EDT
THURSDAY, MAY 5, 1994

PRODUCTIVITY AND COSTS
First Quarter 1994

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 first quarter of 1994. The seasonally-adjusted annual rates of productivity change in the first quarter were:

0.5 percent in the business sector, and
0.5 percent in the nonfarm business sector.

In both sectors, output gains were much smaller than in the fourth quarter of 1993.

In manufacturing, productivity changes in the first quarter were:

6.6 percent in manufacturing,
7.9 percent in durable goods manufacturing, and
4.3 percent in nondurable goods manufacturing.

Productivity advances in manufacturing reflected strong output gains, particularly in durable goods industries. 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 business and nonfarm business sectors. First-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 (page 9) for further information on data sources.

In nonfinancial corporations, productivity rose 6.1 percent in the fourth quarter of 1993, as output rose 8.9 percent and hours rose 2.6 percent. For the year as a whole, productivity in nonfinancial corporations rose 2.4 percent in 1993 (tables B and 6).

NOTE: Productivity and cost measures for the first quarter of 1994 were affected by the introduction of the redesigned Current Population Survey (CPS) in January 1994. This survey is used to obtain several components of labor input-mainly the self employed, unpaid family workers, farm employees, employees of government enterprises, and private household workers-which comprise in total about 17 percent of hours worked in the business sector. See Adjustments to Hours Due to the CPS Redesign on page 7.

Table A. Productivity and costs: First-quarter 1994 measures
(Seasonally adjusted annual rates)

| Sector | Produc- tivity | Output | Hours | Hourly sation | Real | Unit | compen-labor sation costs |
|---|-------------------|--------|-------|------------------|-----------------------------|-------|------------------------------|
| | | | | | hourly compen- sation | costs | |
| Percent change from preceding quarter | | | | | | | |
| Business | 0.5 | 2.9 | 2.4 | 5.5 | 3.4 | 5.0 | |
| Nonfarm business | 0.5 | 2.6 | 2.0 | 5.6 | 3.4 | 5.0 | |
| Manufacturing | 6.6 | 8.0 | 1.4 | 4.7 | 2.5 | -1.7 | |
| Durable | 7.9 | 10.9 | 2.8 | 5.4 | 3.2 | -2.4 | |
| Nondurable | 4.3 | 3.8 | -0.4 | 3.4 | 1.3 | -0.8 | |
| Percent change from same quarter a year ago | | | | | | | |
| Business | 2.7 | 4.8 | 2.1 | 3.7 | 1.1 | 1.0 | |
| Nonfarm business | 2.6 | 4.9 | 2.2 | 3.5 | 0.9 | 0.8 | |
| Manufacturing | 5.7 | 5.6 | -0.1 | 4.0 | 1.5 | -1.6 | |
| Durable | 7.9 | 8.2 | 0.2 | 4.2 | 1.6 | -3.5 | |
| Nondurable | 2.5 | 2.0 | -0.5 | 3.7 | 1.1 | 1.1 | |

Business

From the fourth quarter of 1993 to the first quarter of 1994, business sector productivity increased at a 0.5 percent annual rate. Output and hours advanced 2.9 percent and 2.4 percent, respectively. During the fourth quarter of 1993, output had increased 9.6 percent and hours of all persons engaged in the sector increased 2.3 percent (seasonally adjusted annual rates), and productivity went up 7.1 percent (revised). See table 1.

Hourly compensation increased 5.5 percent during the first quarter of 1994, compared with a 2.8 percent rise in the fourth quarter of 1993. The first-quarter increase was the largest since 1992 (when a 6.2 percent gain occurred in 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, increased at a 5.0 percent annual rate during the first quarter.

Real hourly compensation, which takes into account changes in the Consumer Price Index for All Urban Consumers (CPI-U), rose at a 3.4 percent annual rate in the first quarter; it had edged downward 0.1 percent in the fourth quarter of 1993. The first-quarter increase was the largest since 1987 (when a 4.5 percent increase was recorded in the fourth quarter).

The implicit price deflator for the business sector, which reflects changes in unit labor costs and unit nonlabor payments, increased 1.3 percent in the first quarter, compared with a 1.1 percent increase during the fourth quarter of 1993.

Nonfarm business

Nonfarm productivity rose 0.5 percent in the first quarter, the same as in the business sector as a whole. Nonfarm output rose 2.6 percent, and hours of all persons increased 2.0 percent. During the fourth quarter of 1993, productivity had risen 6.4 percent in this sector, reflecting gains of 8.9 percent in output and 2.4 percent in hours (table 2).

Hourly compensation increased at a 5.6 percent annual rate in the first quarter, compared with a 2.8 percent increase one quarter earlier. When the rise in the CPI-U was taken into account, real hourly compensation rose 3.4 percent, the largest increase in this series since 1987 (when a 4.3 percent increase occurred in the fourth quarter). Unit labor costs rose 5.0 percent, compared with a 3.3 percent decline during the fourth quarter of 1993.

The implicit price deflator for nonfarm business output rose 1.1 percent in the first quarter, compared with a 0.6 percent rise one quarter earlier.

Manufacturing

Productivity increased at a 6.6 percent seasonally adjusted annual rate in manufacturing in the first quarter of 1994, as output rose 8.0 percent and hours of all persons increased 1.4 percent (seasonally adjusted annual rates). Productivity and output gains in durable goods manufacturing were much greater than those in nondurable goods industries (tables 4 and 5). Automotive products had the largest rate of increase in output of any durable goods industry (as reported by the Federal Reserve Board).

Hourly compensation of all manufacturing workers increased 4.7 percent during the first quarter. Real hourly compensation rose 2.5 percent when the increase in consumer prices was taken into account.

Unit labor costs fell at a 1.7 percent annual rate in the first quarter of 1994, the eighth decline in the past 11 quarters. These costs had decreased 4.0 percent during the fourth quarter of 1993.

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

| Period | Productivity | Output | Hours | Real | | | Implicit | |
|--|--------------|--------|-------|---------------------|-------------------|-------------|--------------|----------------|
| | | | | Hourly compensation | Unit compensation | labor costs | Unit profits | price deflator |
| Percent change from preceding quarter | | | | | | | | |
| 1993 IV | 6.1 | 8.9 | 2.6 | 2.5 | -0.5 | -3.4 | 45.1 | 0.4 |
| Percent change from same quarter of preceding year | | | | | | | | |
| 1993 IV | 2.4 | 4.3 | 1.9 | 2.6 | -0.2 | 0.2 | 8.9 | 1.0 |
| Annual percent change | | | | | | | | |
| 1992-93 | 2.4 | 4.0 | 1.6 | 3.3 | 0.3 | 0.9 | 10.7 | 1.3 |

Fourth-quarter and annual measures for nonfinancial corporations

Fourth-quarter and annual 1993 measures of productivity and costs also were announced today for the nonfinancial corporate sector (tables B, C, and 6). Output per all-employee hour rose 6.1 percent from the third to the fourth quarter of 1993 (the largest gain since an identical increase occurred in the fourth quarter of 1991). Output rose 8.9 percent, and all-employee hours rose 2.6 percent (seasonally adjusted annual rates). The fourth-quarter increase in output was the largest since the fourth quarter of 1983, when a 12.4 percent increase occurred.

Hourly compensation increased 2.5 percent in the fourth quarter, and unit labor costs fell 3.4 percent, the sixth decline in the last 7 quarters. Unit nonlabor costs decreased 3.7 percent, and unit profits rose at a 45.1 percent annual rate. The implicit price deflator for nonfinancial corporate output rose only 0.4 percent during the fourth quarter.

Table C. Nonfinancial corporations: Annual changes in productivity and related measures, 1984-1993

| Measure | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 | 1991 | 1992 | 1993 |
|-------------------|------|------|-------|------|------|------|------|------|------|------|
| Productivity... | 1.5 | 1.0 | 2.6 | 1.7 | 1.9 | -1.6 | 1.1 | 1.8 | 4.1 | 2.4 |
| Output..... | 8.1 | 3.5 | 3.2 | 4.4 | 5.4 | 1.3 | 1.1 | -1.4 | 4.1 | 4.0 |
| Hours..... | 6.5 | 2.5 | 0.5 | 2.7 | 3.4 | 2.9 | -0.1 | -3.1 | 0.1 | 1.6 |
| Hourly comp.... | 4.0 | 4.1 | 4.7 | 3.2 | 4.1 | 3.4 | 5.3 | 4.9 | 4.6 | 3.3 |
| Real hurly comp.- | 0.3 | 0.5 | 2.8 | -0.5 | 0.0 | -1.3 | -0.1 | 0.6 | 1.5 | 0.3 |
| Unit labor costs | 2.5 | 3.1 | 2.0 | 1.4 | 2.2 | 5.1 | 4.1 | 3.0 | 0.5 | 0.9 |
| Unit nonlabr cst- | 0.5 | 1.2 | 2.4 | 0.1 | 3.8 | 6.1 | 3.0 | 4.8 | -1.4 | -0.9 |
| Total unit cost | 1.6 | 2.5 | 2.1 | 1.0 | 2.6 | 5.4 | 3.8 | 3.5 | 0.0 | 0.4 |
| Unit profit.... | 24.0 | -0.2 | -10.8 | 14.7 | 6.6 | -8.2 | -0.6 | -7.5 | 14.2 | 10.7 |
| Imp price def.. | 3.5 | 2.3 | 0.8 | 2.2 | 3.0 | 4.1 | 3.4 | 2.6 | 1.0 | 1.3 |

Table D. Previous and revised productivity and related measures
Quarterly percent changes at seasonally adjusted annual rates

| Sector | Produc- tivity | Output | Hours | Real | | |
|---------------------|-------------------|--------|-------|--------------------------|--------------------------|---------------------|
| | | | | Hourly compen- sation | hourly compen- sation | Unit labor costs |
| Fourth quarter 1993 | | | | | | |
| Business: | | | | | | |
| Previous... | 6.9 | 9.3 | 2.2 | 2.9 | -0.1 | -3.8 |
| Current.... | 7.1 | 9.6 | 2.3 | 2.8 | -0.1 | -4.0 |
| Nonfarm business: | | | | | | |
| Previous... | 6.1 | 8.6 | 2.3 | 2.8 | -0.1 | -3.1 |
| Current.... | 6.4 | 8.9 | 2.4 | 2.8 | -0.2 | -3.3 |
| Manufacturing: | | | | | | |
| Previous... | 7.2 | 8.6 | 1.3 | 3.1 | 0.1 | -3.8 |
| Current.... | 7.4 | 8.7 | 1.3 | 3.1 | 0.1 | -4.0 |

Revised measures

Current and previous measures for the fourth quarter of 1993 for the business, nonfarm business, and manufacturing sectors are compared in table D. The quarterly movements differ slightly from the revised figures reported on March 8, based on information then available.

Adjustments to Hours Due to the CPS Redesign

The Current Establishment Survey (CES) is the main source of data for the measure of hours used in calculating productivity. This monthly survey of nonagricultural establishments provides information for about 83 percent of the employment and hours expended to produce business sector output.

The monthly Current Population Survey (CPS) is used to provide information on the employment and average weekly hours of the self employed, farm employees, private household workers, and unpaid family workers. Average weekly hours collected in the CPS also are used in estimating total hours worked in government enterprises. (The CPS is conducted each month from a sample of about 60,000 households nationwide.)

In January 1994, a major redesign of the CPS was implemented and new population controls were introduced. The redesign of the CPS, which improved the accuracy of the monthly labor force and employment information, is explained in several articles in the February 1994 issue of the Employment and Earnings. Due to the changes in the survey, the pre-1994 employment and hours series used in measuring productivity are not entirely comparable with the data beginning with January 1994.

The effects of the redesign on each series were assessed by comparing 1993 data from the old CPS with data collected through a special parallel survey for the same time period. The parallel data were collected from a sample of about 12,000 households using the new CPS questionnaire.

Because productivity measures require the calculation of changes in inputs and outputs, BLS needed to develop a method of bridging the break in the series for employment and hours.

For some series, it was possible to calculate a rate of change by linking the data from the parallel survey to the current data. In other cases, this approach proved unsatisfactory. Adjustments developed from the parallel survey for nonfarm proprietors' employment and hours did not bring the percentage changes in these series to within their normal ranges of quarterly variation. (Nonfarm proprietors' hours account for about 12 percent of business hours.) For these series, BLS estimated quarterly changes by applying quarterly growth rates of employment and average weekly hours in private nonagricultural establishments (as measured by the CES). Further research on the effects of the CPS redesign on trends in business and nonfarm business hours will be undertaken.

Next release date

The next release of Productivity and Costs is scheduled for 10:00 AM EDT, Wednesday, June 15, 1994. First-quarter measures for nonfinancial corporations and revised measures for business, nonfarm business, and manufacturing will be released at that time.

LABSTAT now on INTERNET!

BLS Data Now Available on the INTERNET

LABSTAT, the Bureau of Labor Statistics public database, provides current and historical data for many surveys as well as numerous press releases. LABSTAT on the Internet is composed of individual databases (in flat file format) corresponding to each of the surveys. Internet users should use Anonymous FTP to access BLS data: stats.bls.gov. Non-Internet users should use the limited dial-in service through a Bulletin Board Service to access BLS data; phone number (202) 606-7060.

The major sector labor and multifactor productivity database containing productivity and costs measures is identified by the two-character survey name MP.

For each news release published by the BLS, the two most current issues are stored in the */news.release directory.

If you have questions or comments regarding the LABSTAT system on the Internet, address e-mail to labstat.helpdesk@bls.gov.

LABOR NEWS

At Your Fingertips

You can now get this and other U.S. Department of Labor news releases quickly and easily through LABOR NEWS -- a free electronic bulletin board providing a variety of labor-related information and available to anyone with a computer, a modem, and communications software. To register directly, load the following parameters into your computer:

```
PHONE number: (202) 219-4784
BAUD speed: 300, 1200, 2400, 9600, 14,400
PARITY: none
DATA bits: 8
STOP bit: 1
```

After you have made a connection to LABOR NEWS, follow the registration prompts. Users must pay any toll for long-distance calls. For more information call (202) 219-8831, or FAX (202) 219-8699, Monday through Friday, 9 a.m. to 4 p.m. ET.

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 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 and unpaid family workers.

Output: Business 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; nonelectrical 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.

10

202-606-STAT; TDD phone: 202-606-5897;
TDD message referral phone number: 1-
800-326-2577.

Information in this release will be
made available to sensory-impaired
individuals upon request. Voice phone:

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 | | | | | | | | |
| 1993 | I | 116.6 | 138.0 | 118.3 | 159.1 | 107.3 | 136.4 | 152.1 |
| | II | 116.6 | 139.3 | 119.5 | 160.1 | 107.1 | 137.3 | 153.1 |
| | III | 117.6 | 140.4 | 119.4 | 161.6 | 107.6 | 137.4 | 153.9 |
| | IV | 119.6 | r143.7 | 120.1 | 162.7 | 107.6 | r136.0 | r157.9 |
| | ANNUAL | 117.6 | r140.4 | 119.4 | 160.8 | 107.4 | 136.8 | r154.3 |
| 1994 | I | 119.8 | 144.7 | 120.8 | 164.9 | 108.5 | 137.7 | 156.0 |
| Percent change from previous quarter at annual rate(5) | | | | | | | | |
| 1993 | I | -1.6 | 0.5 | 2.1 | 3.3 | 0.2 | 5.0 | -1.4 |
| | II | 0.0 | 3.8 | 3.8 | 2.5 | -0.6 | 2.5 | 2.6 |
| | III | 3.3 | 3.2 | -0.1 | 3.9 | 2.0 | 0.5 | 2.1 |
| | IV | r7.1 | r9.6 | r2.3 | r2.8 | -0.1 | r-4.0 | r11.0 |
| | ANNUAL | 1.8 | 3.6 | 1.8 | 3.8 | 0.8 | 2.0 | 3.1 |
| 1994 | I | 0.5 | 2.9 | 2.4 | 5.5 | 3.4 | 5.0 | -4.9 |
| Percent change from corresponding quarter of previous year | | | | | | | | |
| 1993 | I | 2.2 | 3.5 | 1.3 | 4.5 | 1.3 | 2.3 | 2.4 |
| | II | 1.6 | 3.6 | 2.0 | 4.1 | 1.0 | 2.5 | 2.1 |
| | III | 1.3 | 3.2 | 1.9 | 3.6 | 0.7 | 2.2 | 4.5 |
| | IV | r2.2 | r4.2 | 2.0 | 3.1 | 0.4 | r0.9 | r3.5 |
| | ANNUAL | 1.8 | 3.6 | 1.8 | 3.8 | 0.8 | 2.0 | 3.1 |
| 1994 | I | 2.7 | 4.8 | 2.1 | 3.7 | 1.1 | 1.0 | 2.6 |

See footnotes following table 6.
r=revised

May 5, 1994
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 | | | | | | | | | |
| 1993 | I | 114.8 | 138.1 | 120.3 | 157.7 | 106.3 | 137.4 | 153.8 | 142.7 |
| | II | 114.7 | 139.5 | 121.6 | 158.4 | 106.0 | 138.2 | 154.8 | 143.5 |
| | III | 115.8 | 140.9 | 121.7 | 159.8 | 106.4 | 138.0 | 156.3 | 143.9 |
| | IV | r117.6 | r143.9 | r122.4 | r160.9 | 106.4 | 136.9 | r159.4 | 144.1 |
| | ANNUAL | 115.7 | 140.6 | 121.5 | 159.2 | 106.3 | 137.6 | r156.1 | 143.6 |
| 1994 | I | 117.8 | 144.8 | 123.0 | 163.1 | 107.3 | 138.5 | 157.0 | 144.5 |
| Percent change from previous quarter at annual rate(5) | | | | | | | | | |
| 1993 | I | -1.8 | 0.6 | 2.5 | 2.9 | -0.2 | 4.8 | -1.6 | 2.5 |
| | II | -0.4 | 4.0 | 4.4 | 1.9 | -1.2 | 2.3 | 2.8 | 2.4 |
| | III | 4.0 | 4.1 | 0.1 | 3.7 | 1.8 | -0.4 | 3.8 | 1.1 |
| | IV | r6.4 | r8.9 | r2.4 | 2.8 | r-0.2 | r-3.3 | r8.3 | r0.6 |
| | ANNUAL | 1.7 | r3.9 | 2.1 | 3.6 | 0.6 | 1.8 | 3.3 | 2.3 |
| 1994 | I | 0.5 | 2.6 | 2.0 | 5.6 | 3.4 | 5.0 | -5.8 | 1.1 |
| Percent change from corresponding quarter of previous year | | | | | | | | | |
| 1993 | I | 2.1 | 3.6 | 1.4 | 4.5 | 1.3 | 2.3 | 2.6 | 2.4 |
| | II | 1.3 | 3.8 | 2.4 | 3.8 | 0.7 | 2.4 | 2.2 | 2.3 |
| | III | 1.5 | 3.7 | 2.2 | 3.3 | 0.4 | 1.8 | 5.1 | 2.9 |
| | IV | r2.0 | r4.4 | 2.3 | 2.8 | 0.1 | r0.8 | r3.3 | r1.7 |
| | ANNUAL | 1.7 | r3.9 | 2.1 | 3.6 | 0.6 | 1.8 | 3.3 | 2.3 |
| 1994 | I | 2.6 | 4.9 | 2.2 | 3.5 | 0.9 | 0.8 | 2.1 | 1.3 |

See footnotes following table 6.
r=revised

May 5, 1994
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 | | | | | | | |
| 1993 | I | 133.8 | 136.0 | 101.6 | 149.9 | 101.1 | 112.1 |
| | II | 135.7 | 137.1 | 101.0 | 151.7 | 101.5 | 111.8 |
| | III | 136.8 | 137.9 | 100.9 | 153.0 | 101.9 | 111.9 |
| | IV | 139.2 | r140.9 | 101.2 | 154.1 | 101.9 | r110.7 |
| | ANNUAL | 136.4 | 138.0 | 101.1 | 152.3 | 101.7 | 111.6 |
| 1994 | I | 141.4 | 143.6 | 101.5 | 155.9 | 102.5 | 110.2 |
| ----- Percent change from previous quarter at annual rate(5) | | | | | | | |
| 1993 | I | 4.5 | 6.1 | 1.5 | -2.3 | -5.2 | -6.5 |
| | II | 6.0 | 3.5 | -2.4 | 4.9 | 1.7 | -1.0 |
| | III | 3.0 | 2.4 | -0.6 | 3.4 | 1.5 | 0.3 |
| | IV | r7.4 | r8.7 | 1.3 | 3.1 | 0.1 | r-4.0 |
| | ANNUAL | 5.1 | r4.8 | -0.3 | 2.8 | -0.2 | -2.2 |
| 1994 | I | 6.6 | 8.0 | 1.4 | 4.7 | 2.5 | -1.7 |
| ----- Percent change from corresponding quarter of previous year | | | | | | | |
| 1993 | I | 5.2 | 4.9 | -0.2 | 3.1 | -0.1 | -2.0 |
| | II | 5.2 | 4.3 | -0.9 | 3.1 | 0.0 | -2.0 |
| | III | 5.1 | 4.6 | -0.4 | 2.9 | 0.1 | -2.1 |
| | IV | 5.2 | r5.2 | -0.1 | 2.2 | -0.5 | -2.8 |
| | ANNUAL | 5.1 | r4.8 | -0.3 | 2.8 | -0.2 | -2.2 |
| 1994 | I | 5.7 | 5.6 | -0.1 | 4.0 | 1.5 | -1.6 |

See footnotes following table 6.
r=revised

May 5, 1994
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 | | | | | | |
| 1993 | I | 147.3 | 145.2 | 98.6 | 147.8 | 99.6 |
| | II | 150.2 | 146.7 | 97.7 | 149.5 | 100.0 |
| | III | 151.5 | 148.0 | 97.7 | 150.6 | 100.3 |
| | IV | r155.9 | 153.1 | r98.2 | 152.0 | 100.5 |
| | ANNUAL | 151.3 | 148.3 | 98.0 | 150.1 | 100.2 |
| 1994 | I | 158.9 | 157.1 | 98.8 | 154.0 | 101.3 |
| ----- Percent change from previous quarter at annual rate(5) | | | | | | |
| 1993 | I | 7.4 | 9.0 | 1.5 | -3.8 | -6.6 |
| | II | 8.1 | 4.4 | -3.5 | 4.6 | 1.4 |
| | III | 3.5 | 3.5 | -0.1 | 3.0 | 1.1 |
| | IV | 12.3 | 14.4 | r1.9 | 3.8 | 0.8 |
| | ANNUAL | 7.5 | 6.7 | -0.7 | 2.8 | -0.2 |
| 1994 | I | 7.9 | 10.9 | 2.8 | 5.4 | 3.2 |
| ----- Percent change from corresponding quarter of previous year | | | | | | |
| 1993 | I | 7.6 | 6.7 | -0.9 | 3.3 | 0.2 |
| | II | 7.4 | 6.0 | -1.4 | 3.1 | 0.0 |
| | III | 7.3 | 6.6 | -0.6 | 2.8 | 0.0 |
| | IV | 7.8 | 7.7 | -0.1 | 1.8 | -0.9 |
| | ANNUAL | 7.5 | 6.7 | -0.7 | 2.8 | -0.2 |
| 1994 | I | 7.9 | 8.2 | 0.2 | 4.2 | 1.6 |

See footnotes following table 6.
r=revised

May 5, 1994
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 | | | | | | | |
| 1993 | I | 117.6 | 124.6 | 106.0 | 154.5 | 104.2 | 131.4 |
| | II | 118.5 | 125.3 | 105.7 | 156.6 | 104.8 | 132.1 |
| | III | 119.2 | 125.6 | 105.4 | 158.1 | 105.3 | 132.6 |
| | IV | r119.3 | r125.9 | 105.5 | r158.8 | 105.0 | r133.1 |
| | ANNUAL | 118.7 | r125.4 | 105.6 | r157.0 | 104.9 | r132.3 |
| 1994 | I | 120.6 | 127.1 | 105.4 | 160.2 | 105.4 | 132.8 |
| ----- Percent change from previous quarter at annual rate(5) | | | | | | | |
| 1993 | I | 0.5 | 2.1 | 1.6 | 0.0 | -2.9 | -0.5 |
| | II | 3.1 | 2.2 | -0.8 | 5.6 | 2.4 | 2.4 |
| | III | 2.3 | 0.9 | -1.4 | 3.8 | 1.9 | 1.5 |
| | IV | r0.5 | r1.0 | 0.5 | r1.9 | r-1.0 | r1.4 |
| | ANNUAL | 1.8 | 2.0 | 0.2 | r2.8 | -0.1 | 1.0 |
| 1994 | I | 4.3 | 3.8 | -0.4 | 3.4 | 1.3 | -0.8 |
| ----- Percent change from corresponding quarter of previous year | | | | | | | |
| 1993 | I | 1.9 | 2.6 | 0.7 | 2.9 | -0.3 | 1.0 |
| | II | 2.1 | 1.9 | -0.2 | 3.1 | 0.0 | 1.0 |
| | III | 2.1 | 1.9 | -0.1 | 3.0 | 0.2 | 0.9 |
| | IV | r1.6 | 1.5 | 0.0 | 2.8 | 0.1 | r1.2 |
| | ANNUAL | 1.8 | 2.0 | 0.2 | r2.8 | -0.1 | 1.0 |
| 1994 | I | 2.5 | 2.0 | -0.5 | 3.7 | 1.1 | 1.1 |

See footnotes following table 6.
r=revised

May 5, 1994
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 | 117.3 | 137.9 | 117.6 | 147.9 | 102.9 | 126.1 | 121.1 | 124.7 | 164.1 | 127.1 |
| | II | 118.6 | 140.0 | 118.0 | 149.5 | 103.2 | 126.0 | 120.0 | 124.3 | 175.5 | 127.5 |
| | III | 120.3 | 141.9 | 117.9 | 151.6 | 103.8 | 126.0 | 121.3 | 124.7 | 172.4 | 127.6 |
| | IV | 121.7 | 144.3 | 118.6 | 153.0 | 104.0 | 125.8 | 118.3 | 123.7 | 195.3 | 128.1 |
| | ANNUAL | 119.4 | 141.0 | 118.1 | 150.4 | 103.4 | 126.0 | 120.2 | 124.3 | 177.0 | 127.6 |
| 1993 | I | 120.4 | 143.3 | 119.0 | 153.9 | 103.7 | 127.8 | 119.6 | 125.4 | 182.8 | 129.0 |
| | II | 121.6 | 145.7 | 119.9 | 154.8 | 103.6 | 127.3 | 119.2 | 125.0 | 193.9 | 129.3 |
| | III | 122.7 | 147.3 | 120.1 | 156.0 | 103.9 | 127.2 | 119.4 | 125.0 | 193.7 | 129.2 |
| | IV | 124.5 | 150.5 | 120.9 | 157.0 | 103.8 | 126.1 | 118.3 | 123.9 | 212.6 | 129.3 |
| | ANNUAL | 122.2 | 146.7 | 120.0 | 155.3 | 103.7 | 127.1 | 119.1 | 124.8 | 195.9 | 129.2 |
| ----- | | | | | | | | | | | |
| Percent change from previous quarter at annual rate(5) | | | | | | | | | | | |
| 1992 | I | 2.5 | 2.1 | -0.3 | 3.9 | 1.3 | 1.5 | -2.2 | 0.4 | 18.9 | 1.8 |
| | II | 4.8 | 6.4 | 1.6 | 4.5 | 1.2 | -0.2 | -3.6 | -1.2 | 30.6 | 1.1 |
| | III | 5.8 | 5.4 | -0.4 | 5.6 | 2.5 | -0.2 | 4.6 | 1.1 | -6.8 | 0.4 |
| | IV | 4.5 | 6.9 | 2.2 | 4.0 | 0.7 | -0.5 | -9.7 | -3.1 | 64.6 | 1.5 |
| | ANNUAL | 4.1 | 4.1 | 0.1 | 4.6 | 1.5 | 0.5 | -1.4 | 0.0 | 14.2 | 1.0 |
| 1993 | I | -4.0 | -2.7 | 1.3 | 2.2 | -0.8 | 6.4 | 4.3 | 5.9 | -23.1 | 2.8 |
| | II | 3.9 | 7.0 | 3.0 | 2.4 | -0.7 | -1.5 | -1.3 | -1.4 | 26.4 | 0.8 |
| | III | 3.7 | 4.5 | 0.7 | 3.3 | 1.4 | -0.4 | 0.7 | -0.1 | -0.3 | -0.1 |
| | IV | 6.1 | 8.9 | 2.6 | 2.5 | -0.5 | -3.4 | -3.7 | -3.5 | 45.1 | 0.4 |
| | ANNUAL | 2.4 | 4.0 | 1.6 | 3.3 | 0.3 | 0.9 | -0.9 | 0.4 | 10.7 | 1.3 |
| ----- | | | | | | | | | | | |
| Percent change from corresponding quarter of previous year | | | | | | | | | | | |
| 1992 | I | 3.2 | 2.4 | -0.8 | 4.5 | 1.6 | 1.3 | -0.4 | 0.8 | 5.8 | 1.2 |
| | II | 4.0 | 4.1 | 0.1 | 4.5 | 1.4 | 0.6 | -1.4 | 0.0 | 11.8 | 0.9 |
| | III | 4.8 | 4.8 | 0.1 | 4.8 | 1.7 | 0.1 | -1.0 | -0.2 | 14.6 | 0.9 |
| | IV | 4.4 | 5.2 | 0.8 | 4.5 | 1.4 | 0.1 | -2.8 | -0.7 | 24.2 | 1.2 |
| | ANNUAL | 4.1 | 4.1 | 0.1 | 4.6 | 1.5 | 0.5 | -1.4 | 0.0 | 14.2 | 1.0 |
| 1993 | I | 2.7 | 3.9 | 1.2 | 4.1 | 0.9 | 1.3 | -1.3 | 0.6 | 11.4 | 1.5 |
| | II | 2.5 | 4.1 | 1.5 | 3.5 | 0.4 | 1.0 | -0.7 | 0.6 | 10.5 | 1.4 |
| | III | 2.0 | 3.8 | 1.8 | 3.0 | 0.1 | 1.0 | -1.6 | 0.2 | 12.4 | 1.3 |
| | IV | 2.4 | 4.3 | 1.9 | 2.6 | -0.2 | 0.2 | 0.0 | 0.2 | 8.9 | 1.0 |
| | ANNUAL | 2.4 | 4.0 | 1.6 | 3.3 | 0.3 | 0.9 | -0.9 | 0.4 | 10.7 | 1.3 |
| ----- | | | | | | | | | | | |

See footnotes following table 6.
r=revised

May 5, 1994
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 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.