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PRODUCTIVITY AND COSTS  
Second 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 second quarter of 1994. The preliminary seasonally-adjusted annual rates of productivity change in the second quarter were:

-1.4 percent in the business sector, and  
-1.2 percent in the nonfarm business sector.

In both sectors, the decline in productivity (the first since first-quarter 1993) reflected the largest gain in hours since 1988; increases in output were smaller in the second quarter than in the first.

In manufacturing, productivity changes in the second quarter were:

3.8 percent in manufacturing,  
3.0 percent in durable goods manufacturing, and  
5.0 percent in nondurable goods manufacturing.

Manufacturing productivity grew more slowly in the second quarter of 1994 than in the first quarter. Output gains were smaller than in the first quarter, but hours at work of all persons engaged in the sector increased more rapidly. Output and hours in manufacturing, which includes about 20 percent of U.S. business-sector employment, usually 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 9).

## Business

From the first to the second quarter of 1994, business sector productivity decreased at a 1.4 percent annual rate, the first quarterly decline since the first quarter of 1993 (table 1). Output rose 4.3 percent, and hours of all persons engaged in the sector increased 5.8 percent (seasonally adjusted annual rates). In the first quarter, output had increased 5.5 percent, and hours had increased 2.6 percent. The 5.8 percent second-quarter increase in hours reflected the largest rise in employment in this sector during the present expansion, and was the largest hours gain since 1988 (when an equal rise occurred in the second quarter).

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

Sector	Produc- tivity	Output	Hours	Real		
				Hourly compen- sation	hourly compen- sation	Unit labor costs
Percent change from preceding quarter						
Business	-1.4	4.3	5.8	0.3	-2.4	1.8
Nonfarm business	-1.2	4.1	5.4	0.8	-1.9	2.0
Manufacturing	3.8	5.3	1.5	-1.7	-4.3	-5.2
Durable	3.0	4.7	1.7	-2.7	-5.3	-5.5
Nondurable	5.0	6.2	1.1	-0.1	-2.8	-4.8
Percent change from same quarter a year ago						
Business	2.6	5.6	2.9	3.0	0.5	0.4
Nonfarm business	2.6	5.5	2.8	3.0	0.6	0.4
Manufacturing	5.2	6.1	0.8	2.5	0.1	-2.6
Durable	6.5	8.1	1.5	2.4	-0.1	-3.9
Nondurable	3.3	3.2	-0.2	2.7	0.2	-0.6

Hourly compensation increased 0.3 percent during the second quarter of 1994, compared with a 6.2 percent rise in the first quarter. This measure includes wages and salaries, supplements, employer contributions to employee benefit plans, and taxes. The second quarter increase was the smallest since 1960 (when declines occurred in the second and third quarters). Unit labor costs, which reflect changes in hourly compensation and productivity, increased at a 1.8 percent annual rate during the second quarter, compared with a 3.3 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 2.4 percent annual rate in the second quarter; it had risen 4.0 percent in the first quarter of 1994. The second-quarter decline was the largest since 1989 (when a 3.9 percent decline was recorded in the second quarter).

The implicit price deflator for the business sector, which reflects changes in unit labor costs and unit nonlabor payments, increased 3.5 percent in the second quarter, compared with a 1.5 percent rise in the first quarter.

### Nonfarm business

Productivity fell 1.2 percent in the nonfarm business sector during the second quarter of 1994 as output rose 4.1 percent and hours of all persons increased 5.4 percent. As in the more comprehensive business sector, this was the first productivity decline in more than a year (table 2). The gain in hours was the largest since the second quarter of 1988 (when a 6.1 percent increase occurred). During the first quarter of 1994, productivity rose 2.9 percent in the nonfarm business sector, reflecting gains of 5.2 percent in output and 2.3 percent in hours.

Hourly compensation increased at a 0.8 percent annual rate in the second quarter, compared with a 6.1 percent increase one quarter earlier. This was the smallest increase in hourly compensation since 1988 (when a 0.6 percent increase occurred in the first quarter). When the rise in the CPI-U is taken into account, real hourly compensation fell 1.9 percent in the second quarter of 1994. Unit labor costs rose 2.0 percent, compared with a 3.1 percent rise during the first quarter.

The implicit price deflator for nonfarm business output rose 4.3 percent in the second quarter, compared with a 1.2 percent rise one quarter earlier.

### Manufacturing

Productivity increased at a 3.8 percent seasonally adjusted annual rate in manufacturing in the second quarter of 1994, as output rose 5.3 percent and hours of all persons rose 1.5 percent (seasonally adjusted annual rates). The increase in output was smaller than the first-quarter gain, but hours growth accelerated. Productivity grew more strongly in nondurable goods industries in the second quarter, and the output gain in nondurable goods manufacturing was greater than in durable goods producing industries (tables 4 and 5).

Hourly compensation of all manufacturing workers decreased 1.7 percent during the second quarter, compared with a 3.8 percent gain in the first quarter. Real hourly compensation fell 4.3 percent when the increase in consumer prices is taken into account, compared with a 1.7 percent rise in the previous period.

Unit labor costs fell at a 5.2 percent annual rate in the second quarter of 1994, the third decline in a row. These costs had decreased 2.8 percent during the first quarter.

## Revised Measures

Current and previous measures for the first quarter of 1994 for the business, nonfarm business, and manufacturing sectors are compared in table B. Business and nonfarm business productivity gains are larger than reported on June 15, owing to upward revisions to the output measures. These revisions are part of the regular 3-year revision of the National Income and Product Accounts prepared by the Bureau of Economic Analysis of the U.S. Department of Commerce. Appendix tables 1-6 contain information for 1991, the earliest year affected. Productivity gains in manufacturing are similar to those reported previously.

In addition, revised seasonal adjustment factors for labor input measures are introduced at this time. The hours at work of proprietors engaged in the nonfarm business sector in the first quarter continue to be based on the movement of nonfarm employee hours between the fourth quarter of 1993 and the first quarter of 1994. This was done to adjust labor input measures because of the changeover to the redesigned BLS monthly Current Population Survey (CPS). For the second quarter of 1994, this series is based on the redesigned CPS.

Table B. Previous and revised productivity and related measures

Quarterly percent change at seasonally adjusted annual rate

Sector	Produc- tivity	Output	Hours	Real		
				Hourly compensation	hourly compensation	Unit labor costs
First quarter 1994						
Business:						
Previous....	1.1	3.8	2.6	5.3	3.1	4.1
Current.....	2.9	5.5	2.6	6.2	4.0	3.3
Nonfarm business:						
Previous....	1.3	3.6	2.3	5.3	3.1	3.9
Current.....	2.9	5.2	2.3	6.1	3.9	3.1
Manufacturing:						
Previous....	6.9	8.1	1.1	5.1	2.9	-1.7
Current.....	6.8	8.0	1.1	3.8	1.7	-2.8

## Next release date

The next release of Productivity and Costs is scheduled for 10:00 a.m. EDT, Wednesday, September 7, 1994. 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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The major sector labor and multifactor productivity database containing productivity and costs measures is identified by the two-character survey name MP.

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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

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,

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

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

Table 1. Business sector: Productivity, hourly compensation, unit labor costs, and prices, seasonally adjusted

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	r114.5	r133.7	116.8	152.2	105.9	r133.0	r148.4	r138.0
	II	114.8	r134.4	r117.1	r153.7	106.0	133.9	r148.8	r138.8
	III	r115.9	r136.1	117.4	r156.0	r106.8	r134.7	r145.8	r138.3
	IV	116.8	137.9	118.1	r157.8	r107.2	r135.1	r150.2	r140.1
	ANNUAL	r115.5	r135.5	117.4	r154.9	r106.6	r134.2	r148.3	r138.8
1993	I	r116.3	r138.1	118.8	r158.9	r107.1	r136.6	r149.5	r140.8
	II	r116.5	r139.6	r119.8	r160.1	r107.1	r137.5	r149.6	r141.4
	III	r117.4	r140.9	120.0	r161.3	r107.5	137.4	r150.3	r141.6
	IV	r119.1	r143.9	120.8	r162.3	r107.3	r136.3	r153.8	r142.1
	ANNUAL	r117.3	r140.6	119.9	r160.6	r107.3	r136.9	r150.8	r141.5
1994	I	r119.9	r145.8	121.6	r164.8	r108.4	r137.4	r153.1	r142.6
	II	119.5	147.4	123.3	164.9	107.7	138.0	155.7	143.8
Percent change from previous quarter at annual rate(5)									
1992	I	r5.4	r3.4	r-1.9	r5.8	r3.1	r0.3	r9.1	3.3
	II	r1.2	r2.2	1.1	r4.0	r0.7	r2.8	r1.0	r2.2
	III	r3.8	r4.9	r1.1	r6.2	r3.0	r2.4	r-7.7	r-1.3
	IV	r3.3	5.6	2.2	r4.6	r1.3	r1.2	r12.6	r5.1
	ANNUAL	r3.0	r2.7	-0.3	r5.1	r2.0	r2.1	r2.3	r2.2
1993	I	r-1.8	r0.6	r2.4	2.8	-0.2	r4.6	r-2.0	r2.3
	II	r0.7	r4.2	r3.5	r3.2	r0.1	r2.5	r0.3	r1.7
	III	r3.4	r4.0	r0.6	r3.1	r1.2	r-0.3	r2.1	r0.6
	IV	r5.7	r8.6	r2.8	r2.4	-0.5	r-3.1	r9.4	r1.2
	ANNUAL	r1.6	r3.8	2.1	r3.7	r0.7	r2.1	r1.7	r1.9
1994	I	r2.9	r5.5	2.6	r6.2	r4.0	r3.3	r-1.7	1.5
	II	-1.4	4.3	5.8	0.3	-2.4	1.8	6.8	3.5
Percent change from corresponding quarter of previous year									
1992	I	r2.7	r1.7	-1.0	r4.9	r2.0	2.1	r3.2	r2.5
	II	r2.5	r2.0	-0.5	r4.9	r1.7	r2.3	r2.5	2.4
	III	r3.1	r3.0	-0.2	r5.3	r2.2	r2.1	r0.3	1.5
	IV	r3.4	r4.0	0.6	r5.1	r2.0	r1.7	r3.5	r2.3
	ANNUAL	r3.0	r2.7	-0.3	r5.1	r2.0	r2.1	r2.3	r2.2
1993	I	r1.6	r3.3	1.7	r4.4	r1.2	r2.8	r0.7	r2.0
	II	r1.5	r3.8	2.3	r4.2	r1.0	r2.7	r0.5	r1.9
	III	r1.4	r3.6	2.2	r3.4	r0.6	r2.0	r3.1	r2.4
	IV	r2.0	r4.3	2.3	r2.9	0.1	0.9	r2.4	r1.4
	ANNUAL	r1.6	r3.8	2.1	r3.7	r0.7	r2.1	r1.7	r1.9
1994	I	r3.1	r5.6	r2.4	r3.7	r1.2	r0.6	r2.5	r1.2
	II	2.6	5.6	2.9	3.0	0.5	0.4	4.1	1.7

See footnotes following table 6.  
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August 9, 1994  
Source: Bureau of Labor Statistics

Table 2. Nonfarm business sector: Productivity, hourly compensation, unit labor costs, and prices, seasonally adjusted

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)
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Indexes 1982=100									
1992	I	r112.6	r133.6	118.7	150.9	104.9	r134.0	r149.5	r139.0
	II	113.1	134.4	r118.8	r152.6	r105.3	134.9	r150.4	r139.9
	III	113.9	135.9	119.3	r154.7	r106.0	r135.9	r147.0	r139.5
	IV	115.0	137.9	119.9	r156.5	r106.3	r136.1	r152.1	r141.2
	ANNUAL	r113.7	r135.5	119.2	r153.7	r105.7	r135.2	r149.7	r139.9
1993	I	r114.5	r138.3	120.8	r157.4	r106.1	r137.5	r151.5	r142.0
	II	r114.6	r139.9	r122.0	r158.3	r105.9	138.1	r151.8	r142.5
	III	r115.8	r141.5	122.3	r159.4	r106.2	r137.7	r153.4	r142.8
	IV	r117.2	r144.3	123.1	r160.4	r106.0	r136.9	r156.1	r143.1
	ANNUAL	r115.5	r141.0	122.1	r158.8	r106.1	137.5	r153.2	r142.6
1994	I	r118.0	r146.1	123.8	r162.8	r107.0	r137.9	r155.2	r143.5
	II	117.6	147.6	125.5	163.1	106.5	138.6	158.5	145.0
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Percent change from previous quarter at annual rate(5)									
1992	I	r4.2	r2.4	r-1.7	r5.7	r3.0	r1.4	r6.5	3.2
	II	r1.9	r2.5	0.6	r4.6	r1.2	r2.6	r2.3	r2.5
	III	r2.8	4.4	r1.5	r5.8	r2.7	r3.0	r-8.6	r-1.2
	IV	r3.9	r6.2	2.2	r4.6	r1.3	r0.6	r14.3	r5.1
	ANNUAL	r2.7	r2.4	r-0.3	r5.1	r2.0	r2.4	r2.2	r2.3
1993	I	r-1.8	r1.0	r2.9	r2.2	r-0.8	r4.2	r-1.5	r2.2
	II	r0.5	r4.7	r4.2	r2.5	r-0.6	r2.0	r0.7	r1.6
	III	r4.1	r4.9	r0.8	r2.8	r1.0	r-1.2	r4.4	r0.7
	IV	r4.9	r7.9	r2.9	r2.4	r-0.6	r-2.4	r7.1	r0.8
	ANNUAL	r1.6	r4.1	2.4	r3.4	r0.4	r1.7	r2.3	r1.9
1994	I	r2.9	r5.2	2.3	r6.1	r3.9	r3.1	r-2.1	1.2
	II	-1.2	4.1	5.4	0.8	-1.9	2.0	8.7	4.3
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Percent change from corresponding quarter of previous year									
1992	I	r2.4	r1.4	r-1.0	r4.8	2.0	r2.4	r2.8	r2.5
	II	r2.4	r1.8	-0.5	r5.0	r1.8	r2.5	r2.8	r2.6
	III	r2.7	r2.6	-0.1	r5.3	r2.1	r2.6	r0.0	1.7
	IV	r3.2	r3.8	0.6	r5.2	r2.0	r1.9	r3.3	r2.4
	ANNUAL	r2.7	r2.4	r-0.3	r5.1	r2.0	r2.4	r2.2	r2.3
1993	I	r1.7	r3.5	1.8	r4.3	r1.1	r2.6	r1.3	r2.1
	II	r1.3	r4.0	2.7	r3.8	r0.6	2.4	r0.9	r1.9
	III	r1.6	r4.2	2.5	r3.0	r0.2	r1.4	r4.3	r2.4
	IV	r1.9	r4.6	r2.7	2.5	r-0.2	r0.6	r2.6	r1.3
	ANNUAL	r1.6	r4.1	2.4	r3.4	r0.4	r1.7	r2.3	r1.9
1994	I	r3.1	r5.7	2.5	r3.4	r0.9	r0.4	r2.5	r1.1
	II	2.6	5.5	2.8	3.0	0.6	0.4	4.5	1.8

See footnotes following table 6.  
r=revised

August 9, 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							
1992	I	127.2	129.6	101.9	r145.1	r100.9	r114.1
	II	128.6	131.5	102.3	146.7	101.2	114.1
	III	129.1	131.8	102.1	r148.4	r101.6	r114.9
	IV	130.9	133.9	102.4	r150.9	r102.5	r115.3
	ANNUAL	129.1	131.7	102.0	r147.9	r101.7	r114.6
1993	I	132.2	136.0	102.9	r150.3	r101.3	r113.7
	II	133.8	137.1	102.5	r152.6	r102.1	r114.1
	III	134.6	137.9	102.5	r154.2	r102.7	r114.5
	IV	137.2	140.9	102.7	r155.7	r102.9	r113.5
	ANNUAL	134.5	138.0	102.6	r153.3	r102.4	r114.0
1994	I	139.5	143.6	102.9	r157.2	r103.4	r112.7
	II	140.8	145.4	103.3	156.5	102.2	111.2
Percent change from previous quarter at annual rate(5)							
1992	I	3.2	1.1	-2.0	r1.3	r-1.3	r-1.8
	II	4.4	6.1	1.7	r4.6	r1.2	r0.2
	III	1.7	1.0	-0.7	r4.5	r1.4	r2.8
	IV	5.5	6.6	1.1	r6.9	r3.5	r1.3
	ANNUAL	3.7	3.1	-0.6	r4.2	r1.2	r0.5
1993	I	4.0	6.1	2.0	r-1.5	r-4.4	r-5.3
	II	5.0	3.5	-1.4	r6.3	r3.1	r1.3
	III	2.6	2.4	-0.2	r4.1	r2.2	r1.5
	IV	7.9	8.7	0.8	r4.0	r1.0	r-3.6
	ANNUAL	4.2	4.8	0.5	r3.6	r0.6	r-0.6
1994	I	r6.8	r8.0	1.1	r3.8	r1.7	r-2.8
	II	3.8	5.3	1.5	-1.7	-4.3	-5.2

Percent change from corresponding quarter of previous year

1992	I	3.7	2.5	-1.2	r3.9	r1.0	r0.2
	II	3.9	3.8	-0.1	4.0	r0.8	r0.0
	III	3.0	2.3	-0.6	r4.2	r1.1	r1.2
	IV	3.7	3.7	0.0	r4.3	r1.2	r0.6
	ANNUAL	3.7	3.1	-0.6	r4.2	r1.2	r0.5
1993	I	3.9	4.9	1.0	r3.6	r0.4	r-0.3
	II	4.0	4.3	0.2	r4.0	r0.9	r0.0
	III	4.3	4.6	0.4	r3.9	r1.1	r-0.3
	IV	4.8	5.2	0.3	r3.2	r0.5	r-1.6
	ANNUAL	4.2	4.8	0.5	r3.6	r0.6	r-0.6
1994	I	r5.5	5.6	0.1	r4.6	r2.0	r-0.9
	II	5.2	6.1	0.8	2.5	0.1	-2.6

See footnotes following table 6.  
r=revised

August 9, 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							
1992	I	136.9	136.1	99.5	r142.9	r99.4	r104.4
	II	139.1	138.5	99.5	r144.8	r99.9	r104.1
	III	139.9	138.8	99.3	r146.4	r100.2	r104.6
	IV	142.8	142.1	99.5	r149.5	r101.5	r104.7
	ANNUAL	139.8	138.9	99.3	r146.1	r100.5	r104.5
1993	I	145.2	145.2	100.0	r148.0	r99.8	r101.9
	II	147.7	146.7	99.4	r150.2	r100.5	r101.7
	III	148.8	148.0	99.5	r151.6	r101.0	r101.9
	IV	153.2	153.1	99.9	r153.3	r101.3	r100.0
	ANNUAL	148.8	148.3	99.6	r150.9	r100.8	r101.4
1994	I	r156.1	r156.8	100.5	r154.9	r101.8	r99.2
	II	157.2	158.6	100.9	153.8	100.5	97.8
Percent change from previous quarter at annual rate(5)							
1992	I	1.8	-0.3	-2.0	r0.7	r-1.9	r-1.1
	II	6.8	7.2	0.4	r5.2	r1.9	r-1.5
	III	2.1	1.0	-1.1	r4.5	r1.4	r2.3
	IV	8.5	9.7	1.0	r8.7	r5.3	r0.2
	ANNUAL	5.0	3.4	-1.5	r4.5	r1.5	r-0.4
1993	I	7.0	9.0	1.9	r-4.0	r-6.8	r-10.3
	II	7.0	4.4	-2.5	r6.3	r3.1	r-0.6
	III	3.0	3.5	0.5	r3.7	r1.8	r0.8
	IV	12.5	14.4	1.6	r4.4	r1.4	r-7.2
	ANNUAL	6.5	6.7	0.3	r3.3	r0.3	r-2.9
1994	I	r7.7	r10.2	2.3	r4.2	r2.0	r-3.3
	II	3.0	4.7	1.7	-2.7	-5.3	-5.5
Percent change from corresponding quarter of previous year							
1992	I	5.0	2.9	-2.0	r3.9	r1.0	r-1.1
	II	5.6	4.2	-1.3	r4.3	r1.2	r-1.2
	III	4.0	2.4	-1.5	r4.6	r1.5	r0.6
	IV	4.8	4.3	-0.4	r4.8	r1.6	r0.0
	ANNUAL	5.0	3.4	-1.5	r4.5	r1.5	r-0.4
1993	I	6.1	6.7	0.5	r3.5	r0.3	r-2.4
	II	6.1	6.0	-0.2	r3.8	r0.6	r-2.2
	III	6.4	6.6	0.2	r3.6	r0.7	r-2.6
	IV	7.3	7.7	0.4	r2.5	r-0.2	r-4.4
	ANNUAL	6.5	6.7	0.3	r3.3	r0.3	r-2.9
1994	I	r7.5	r8.0	0.5	r4.7	r2.1	r-2.6
	II	6.5	8.1	1.5	2.4	-0.1	-3.9

See footnotes following table 6.  
r=revised

August 9, 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							
1992	I	115.4	121.5	105.3	r149.5	r104.0	r129.5
	II	115.8	122.9	106.2	r151.0	r104.2	r130.4
	III	116.1	123.2	106.1	r152.7	104.6	r131.5
	IV	116.5	124.0	106.4	r154.3	r104.8	r132.4
	ANNUAL	116.1	122.9	105.9	r152.0	r104.5	131.0
1993	I	116.5	124.6	107.0	r155.2	r104.7	r133.3
	II	117.2	125.3	107.0	r157.7	r105.5	r134.6
	III	117.7	125.6	106.7	r159.6	r106.3	r135.5
	IV	118.1	125.9	106.6	r160.8	r106.3	r136.1
	ANNUAL	117.4	125.4	106.8	r158.3	r105.7	r134.9
1994	I	r119.6	r127.4	106.5	r162.0	r106.5	r135.4
	II	121.1	129.3	106.8	162.0	105.8	133.8
-----							
Percent change from previous quarter at annual rate(5)							
1992	I	5.2	3.1	-2.0	r2.4	r-0.2	r-2.7
	II	1.3	4.8	3.5	r3.8	r0.5	r2.6
	III	1.1	0.9	-0.2	r4.7	r1.5	r3.6
	IV	1.4	2.5	1.1	r4.2	r0.9	r2.7
	ANNUAL	2.0	2.6	0.6	r4.0	r0.9	r1.9
1993	I	-0.1	2.1	2.2	r2.5	r-0.5	r2.6
	II	2.3	2.2	-0.1	r6.6	r3.4	r4.2
	III	2.0	0.9	-1.1	r4.7	r2.7	r2.6
	IV	1.3	1.0	-0.3	r3.1	r0.1	r1.8
	ANNUAL	1.2	2.0	0.8	r4.2	r1.1	r3.0
1994	I	r5.2	r4.7	-0.4	r3.1	r0.9	r-2.0
	II	5.0	6.2	1.1	-0.1	-2.8	-4.8
-----							

Percent change from corresponding quarter of previous year

1992	I	2.0	2.0	0.0	r4.1	r1.2	r2.0
	II	1.7	3.3	1.6	r3.7	r0.5	r1.9
	III	1.5	2.2	0.7	r3.8	r0.7	r2.2
	IV	2.2	2.8	0.6	r3.8	r0.7	r1.5
	ANNUAL	2.0	2.6	0.6	r4.0	r0.9	r1.9
1993	I	0.9	2.6	1.6	r3.8	r0.6	r2.9
	II	1.2	1.9	0.8	r4.5	r1.3	r3.3
	III	1.4	1.9	0.5	r4.5	r1.6	r3.0
	IV	1.4	1.5	0.2	r4.2	r1.4	r2.8
	ANNUAL	1.2	2.0	0.8	r4.2	r1.1	r3.0
1994	I	r2.7	r2.2	-0.5	r4.4	r1.8	r1.6
	II	3.3	3.2	-0.2	2.7	0.2	-0.6
-----							

See footnotes following table 6.  
r=revised

August 9, 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	r116.7	r137.3	117.6	r147.7	r102.7	r126.5	r119.3	r124.5	r170.4
	II	r117.6	r138.8	118.1	149.4	103.1	r127.1	r118.0	r124.5	r175.6
	III	r119.1	r140.7	r118.1	r151.5	r103.7	r127.2	r119.0	r124.9	r171.0
	IV	r120.6	r143.4	r118.9	r153.1	r104.0	r127.0	r115.7	r123.8	r191.2
	ANNUAL	r118.5	r140.0	118.2	r150.4	r103.5	r126.9	r118.0	r124.4	r177.2
1993	I	r120.0	143.3	r119.4	r154.0	r103.8	r128.3	r116.8	r125.0	r183.7
	II	r121.4	r145.9	r120.2	r154.5	r103.4	127.3	r115.8	r124.1	r199.4
	III	r122.7	r148.1	120.7	r155.4	r103.5	r126.7	r115.8	r123.6	r202.5
	IV	r124.1	r150.9	121.6	156.0	r103.1	r125.7	r114.8	r122.6	r220.9
	ANNUAL	r122.0	r147.0	r120.5	r154.9	r103.5	r127.0	r115.8	r123.8	r201.9
1994	I	r125.1	r153.0	r122.3	r157.9	r103.9	r126.2	r116.6	r123.5	r218.2
Percent change from previous quarter at annual rate(5)										
1992	I	r1.2	r0.9	r-0.4	3.9	r1.2	r2.6	r-2.6	r1.2	r14.8
	II	r2.9	r4.7	1.7	r4.7	r1.3	r1.7	r-4.4	r0.0	r12.8
	III	5.2	r5.5	0.2	r5.7	r2.5	r0.4	r3.5	r1.2	r-10.0
	IV	r5.1	r8.0	2.7	r4.3	r1.0	r-0.8	r-10.4	r-3.5	r56.4
	ANNUAL	r3.0	r3.2	r0.1	r4.6	r1.6	r1.6	r-2.1	r0.5	r7.6
1993	I	r-1.9	r-0.3	1.7	r2.4	r-0.7	r4.4	r3.6	r4.2	r-14.9
	II	r4.5	r7.5	2.8	r1.4	r-1.7	r-3.0	r-3.3	r-3.1	r38.9
	III	r4.5	r6.0	1.4	r2.2	r0.4	r-2.1	r0.0	r-1.6	r6.5
	IV	r4.7	r7.8	3.0	r1.4	r-1.5	r-3.1	r-3.4	r-3.2	r41.5
	ANNUAL	r3.0	r5.0	2.0	r3.0	r0.0	r0.0	r-1.9	r-0.5	r14.0
1994	I	r3.3	r5.8	r2.5	r5.1	r2.9	r1.8	r6.6	r3.1	r-4.9

Percent change from corresponding quarter of previous year

1992	I	r2.4	r1.7	-0.7	r4.3	r1.4	r1.8	r-1.2	r1.0	r5.2
	II	r2.6	r2.7	0.2	4.5	1.3	r1.9	r-2.1	r0.8	r5.0
	III	r3.3	r3.5	0.3	r4.9	r1.7	r1.6	r-1.5	r0.7	r3.7
	IV	r3.6	r4.7	1.1	r4.7	r1.5	r1.0	r-3.6	r-0.3	r16.2
	ANNUAL	r3.0	r3.2	r0.1	r4.6	r1.6	r1.6	r-2.1	r0.5	r7.6
1993	I	r2.8	r4.4	1.6	r4.3	r1.1	r1.4	r-2.1	r0.5	r7.8
	II	r3.2	r5.1	1.9	r3.4	r0.3	r0.2	r-1.8	r-0.3	r13.6
	III	r3.0	r5.2	2.2	2.6	-0.2	r-0.4	r-2.7	r-1.0	r18.5
	IV	r2.9	r5.2	2.2	r1.9	r-0.9	r-1.0	r-0.8	r-1.0	r15.5
	ANNUAL	r3.0	r5.0	2.0	r3.0	r0.0	r0.0	r-1.9	r-0.5	r14.0
1994	I	r4.2	r6.8	r2.4	r2.5	r0.0	r-1.6	r-0.1	r-1.2	r18.8

See footnotes following table 6.  
r=revised

August 9, 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 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 1993.

#### Footnotes, Tables 1-6

- (1) Wages and salaries of employees plus employers' contributions for social insurance and private benefit plans. Except for nonfinancial corporations, where there are no self-employed, data also include an estimate of wages, salaries, and supplemental payments for the self-employed.
- (2) Compensation per hour adjusted for changes in the Consumer Price Index for All Urban Consumers.
- (3) Unit nonlabor payments include profits, capital consumption allowances, interest, rental income of persons, and indirect taxes.
- (4) Current dollar gross product divided by constant dollar gross product.
- (5) Quarterly changes: Percent change compounded at annual rate from the original data rather than index numbers. Annual changes: Percent change between annual average levels.
- (6) Quarterly manufacturing output measures are based on the index of industrial production prepared monthly by the Board of Governors of the Federal Reserve adjusted by BLS to annual manufacturing output levels (gross product originating) from the National Income and Product Accounts prepared by the Bureau of Economic Analysis of the U.S. Department of Commerce.
- (7) Unit nonlabor cost includes capital consumption allowances, interest, rental income of persons, and indirect taxes. For nonfinancial corporations, rental income of persons is zero by definition.
- (8) Total unit cost is the sum of labor and nonlabor costs.
- (9) Unit profits include corporate profits with inventory valuation and capital consumption adjustments.

Appendix table 1.

Business sector: Productivity, hourly compensation, unit labor 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 cost	Unit non-labor payments (3)	Implicit price deflator (4)
Indexes 1982=100								
1991	I	111.4	131.5	118.1	145.1	103.8	130.3	143.8
	II	112.0	131.9	117.8	146.6	104.2	130.9	145.1
	III	112.4	132.2	117.6	148.1	104.6	131.9	145.4
	IV	113.0	132.6	117.4	150.1	105.1	132.9	145.2
	ANNUAL	112.1	132.0	117.7	147.4	104.4	131.5	144.9
Percent change from previous quarter at annual rate(5)								
1991	I	3.3	-1.8	-5.0	4.7	1.6	1.3	10.7
	II	2.1	1.1	-1.0	4.0	1.6	1.8	3.8
	III	1.3	0.9	-0.4	4.4	1.2	3.1	0.9
	IV	2.2	1.2	-0.9	5.3	2.0	3.1	-0.7
	ANNUAL	1.3	-1.0	-2.3	4.8	0.6	3.5	3.7
Percent change from corresponding quarter of previous year								
1991	I	1.1	-1.5	-2.6	5.7	0.3	4.5	3.5
	II	0.8	-1.9	-2.6	4.8	-0.1	4.0	3.4
	III	1.4	-0.9	-2.2	4.5	0.6	3.1	4.1
	IV	2.2	0.4	-1.8	4.6	1.6	2.3	3.6
	ANNUAL	1.3	-1.0	-2.3	4.8	0.6	3.5	3.7

See footnotes following table 6.

August 9, 1994

Source: Bureau of Labor Statistics

Appendix 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	Compensa- tion per hour (1)	Real compensa- tion per hour (2)	Unit labor costs	Unit non- labor pay- ments (3)	Implicit price deflator (4)
Indexes 1982=100									
1991	I	109.9	131.7	119.8	143.9	102.9	130.9	145.4	135.6
	II	110.5	132.0	119.5	145.3	103.4	131.5	146.3	136.3
	III	111.0	132.4	119.4	147.0	103.7	132.5	147.0	137.2
	IV	111.5	132.8	119.2	148.8	104.2	133.5	147.2	137.9
	ANNUAL	110.7	132.2	119.5	146.2	103.6	132.1	146.5	136.7
Percent change from previous quarter at annual rate (5)									
1991	I	3.7	-1.6	-5.1	5.0	1.8	1.2	11.5	4.6
	II	2.1	1.1	-1.0	4.1	1.8	1.9	2.4	2.1
	III	1.6	1.1	-0.5	4.6	1.4	2.9	2.0	2.6
	IV	1.8	1.2	-0.6	5.0	1.7	3.2	0.6	2.3
	ANNUAL	1.5	-1.0	-2.4	5.0	0.8	3.5	4.2	3.7
Percent change from corresponding quarter of previous year									
1991	I	1.1	-1.6	-2.7	5.8	0.4	4.6	4.3	4.5
	II	0.9	-1.9	-2.8	5.0	0.2	4.1	3.7	3.9
	III	1.7	-0.8	-2.5	4.8	0.9	3.0	4.6	3.6
	IV	2.3	0.5	-1.8	4.7	1.7	2.3	4.0	2.9
	ANNUAL	1.5	-1.0	-2.4	5.0	0.8	3.5	4.2	3.7

See footnotes following table 6.

August 9, 1994

Source: Bureau of Labor Statistics

Appendix 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							
1991	I	122.6	126.4	103.0	139.7	99.9	113.9
	II	123.7	126.7	102.4	141.1	100.4	114.1
	III	125.4	128.8	102.7	142.4	100.5	113.5
	IV	126.2	129.2	102.4	144.6	101.2	114.6
	ANNUAL	124.5	127.8	102.6	141.9	100.5	114.0
-----							
Percent change from previous quarter at annual rate(5)							
1991	I	-1.1	-9.1	-8.1	6.1	2.9	7.3
	II	3.6	0.9	-2.6	4.3	1.9	0.6
	III	5.5	7.0	1.3	3.5	0.3	-1.9
	IV	2.5	1.2	-1.3	6.5	3.1	3.8
	ANNUAL	2.0	-2.2	-4.1	5.3	1.1	3.3
-----							
Percent change from corresponding quarter of previous year							
1991	I	1.3	-3.4	-4.6	5.9	0.6	4.6
	II	2.1	-3.3	-5.3	5.5	0.6	3.3
	III	2.3	-1.9	-4.1	5.4	1.4	3.0
	IV	2.6	-0.2	-2.7	5.1	2.1	2.4
	ANNUAL	2.0	-2.2	-4.1	5.3	1.1	3.3
-----							

See footnotes following table 6.

August 9, 1994

Source: Bureau of Labor Statistics

Appendix table 4.

Durable manufacturing: Productivity, hourly compensation, and unit labor costs,  
seasonally adjusted

Year and quarter		Output per hour of all persons	Output	Hours of all persons	Compensa- tion per hour (1)	Real compensa- tion per hour (2)	Unit labor costs
-----							
Indexes 1982=100							
1991	I	130.4	132.3	101.5	137.6	98.5	105.6
	II	131.8	133.0	100.9	138.8	98.7	105.3
	III	134.5	135.6	100.8	139.9	98.8	104.0
	IV	136.3	136.2	100.0	142.7	99.9	104.7
	ANNUAL	133.2	134.3	100.8	139.7	99.0	104.9
-----							
Percent change from previous quarter at annual rate(5)							
1991	I	0.8	-9.6	-10.2	6.6	3.4	5.8
	II	4.4	1.9	-2.4	3.3	1.0	-1.0
	III	8.4	8.1	-0.3	3.4	0.2	-4.6
	IV	5.4	1.9	-3.3	8.2	4.7	2.6
	ANNUAL	3.6	-2.1	-5.6	5.5	1.2	1.8
-----							
Percent change from corresponding quarter of previous year							
1991	I	3.1	-3.3	-6.2	6.2	0.8	3.0
	II	3.5	-3.5	-6.8	5.5	0.7	1.9
	III	3.7	-2.1	-5.6	5.4	1.5	1.6
	IV	4.7	0.4	-4.1	5.3	2.3	0.6
	ANNUAL	3.6	-2.1	-5.6	5.5	1.2	1.8
-----							

See footnotes following table 6.

August 9, 1994

Source: Bureau of Labor Statistics

Appendix 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							
1991	I	113.1	119.1	105.3	143.6	102.8	127.0
	II	113.8	119.0	104.5	145.6	103.6	127.9
	III	114.3	120.5	105.4	147.1	103.8	128.6
	IV	114.0	120.6	105.8	148.7	104.1	130.4
	ANNUAL	113.8	119.8	105.3	146.2	103.6	128.5
-----							
Percent change from previous quarter at annual rate(5)							
1991	I	-3.7	-8.5	-5.1	5.9	2.7	10.0
	II	2.6	-0.5	-2.9	5.7	3.3	3.0
	III	1.7	5.4	3.6	4.1	0.8	2.3
	IV	-1.2	0.2	1.4	4.3	1.0	5.6
	ANNUAL	-0.3	-2.3	-2.0	5.5	1.2	5.8
-----							
Percent change from corresponding quarter of previous year							
1991	I	-1.2	-3.5	-2.3	6.0	0.6	7.3
	II	0.2	-3.0	-3.2	5.8	0.9	5.6
	III	0.4	-1.7	-2.1	5.6	1.7	5.2
	IV	-0.2	-1.0	-0.8	5.0	2.0	5.2
	ANNUAL	-0.3	-2.3	-2.0	5.5	1.2	5.8
-----							

See footnotes following table 6.

August 9, 1994

Source: Bureau of Labor Statistics

Appendix 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											
1991	I	114.0	135.0	118.4	141.7	101.4	124.3	120.7	123.3	162.0	125.7
	II	114.6	135.1	117.9	143.0	101.7	124.8	120.5	123.5	167.2	126.2
	III	115.3	135.9	117.8	144.5	102.0	125.3	120.8	124.0	165.0	126.5
	IV	116.4	137.0	117.7	146.3	102.4	125.7	120.1	124.1	164.6	126.6
	ANNUAL	115.0	135.7	118.0	143.8	101.9	125.0	120.5	123.7	164.7	126.3
Percent change from previous quarter at annual rate(5)											
1991	I	2.9	-3.3	-6.0	4.5	1.3	1.6	5.4	2.6	25.3	4.2
	II	2.2	0.3	-1.8	3.8	1.5	1.5	-0.8	0.9	13.5	1.9
	III	2.5	2.4	-0.1	4.2	0.9	1.6	1.1	1.5	-5.2	0.9
	IV	3.7	3.1	-0.5	5.2	1.9	1.4	-2.3	0.4	-0.9	0.3
	ANNUAL	2.0	-1.1	-3.1	4.8	0.6	2.7	3.7	3.0	-1.7	2.6
Percent change from corresponding quarter of previous year											
1991	I	2.1	-1.5	-3.5	5.8	0.5	3.7	5.3	4.1	-6.2	3.2
	II	1.3	-2.4	-3.7	4.9	0.0	3.5	5.4	4.0	-8.8	2.8
	III	2.3	-1.1	-3.3	4.5	0.6	2.2	3.3	2.5	2.5	2.5
	IV	2.8	0.6	-2.2	4.4	1.4	1.6	0.8	1.3	7.5	1.8
	ANNUAL	2.0	-1.1	-3.1	4.8	0.6	2.7	3.7	3.0	-1.7	2.6

See footnotes following table 6.

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Source: Bureau of Labor Statistics