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PRODUCTIVITY AND COSTS  
Second Quarter 1994  
Business, Nonfarm Business, Manufacturing, and  
Nonfinancial Corporations

The Bureau of Labor Statistics of the U.S. Department of Labor today reported revised productivity data-as measured by output per hour of all persons-for the second quarter of 1994. The revised seasonally-adjusted annual rates of productivity change in the second quarter were:

-2.7 percent in the business sector, and  
-2.5 percent in the nonfarm business sector.

In the second, quarter output growth slowed while hours rose more rapidly than in the first quarter in both sectors; because hours increased more rapidly than output, productivity declined.

In manufacturing, productivity changes in the second quarter were:

4.5 percent in manufacturing,  
3.4 percent in durable goods manufacturing, and  
6.1 percent in nondurable goods manufacturing.

The productivity advance in manufacturing reflects a strong output gain in the nondurable goods industries. Output and hours in manufacturing, which includes about 20 percent of U.S. business-sector employment, tend to fluctuate more from quarter to quarter than in the business and nonfarm business sectors. Second-quarter measures are summarized in table A and appear in detail in tables 1 through 5; the differences between these measures and the preliminary second-quarter figures issued on August 9 are shown in table C.

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 7).

In nonfinancial corporations, productivity fell 1.3 percent in the second quarter, as output rose 4.8 percent and hours increased 6.2 percent (tables B and 6).

Table A. Productivity and costs: Revised 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	-2.7	2.9	5.8	0.3	-2.4	3.2
Nonfarm business	-2.5	2.7	5.4	0.8	-1.9	3.4
Manufacturing	4.5	6.1	1.5	-1.6	-4.2	-5.8
Durable	3.4	5.2	1.7	-2.5	-5.1	-5.7
Nondurable	6.1	7.4	1.2	-0.2	-2.9	-5.9
Percent change from same quarter a year ago						
Business	2.2	5.2	2.9	3.0	0.5	0.7
Nonfarm business	2.3	5.2	2.8	3.0	0.6	0.7
Manufacturing	5.4	6.3	0.8	2.6	0.1	-2.7
Durable	6.6	8.2	1.5	2.4	0.0	-3.9
Nondurable	3.6	3.5	-0.1	2.6	0.2	-0.9

#### Business

From the first quarter to the second quarter of 1994, business sector productivity decreased at a 2.7 percent annual rate, the largest decline since 1981 (when a 7.0 percent decline occurred in the fourth quarter). In the second quarter of 1994, output rose 2.9 percent and hours of all persons engaged in the sector increased 5.8 percent (seasonally adjusted annual rates). During the first quarter of 1994, productivity had risen 2.9 percent, as output and hours rose 5.5 and 2.6 percent, respectively (table 1).

Hourly compensation increased 0.3 percent during the second quarter of 1994, compared with a 6.2 percent rise in the first quarter. The second-quarter increase was the smallest since 1960 (when a 0.9 percent decline 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 3.2 percent annual rate during the second quarter, nearly matching the 3.3 percent increase during the previous 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 greatest in 5 years.

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 increase during the first quarter of 1994.

#### Nonfarm business

Productivity fell 2.5 percent in the nonfarm business sector during the second quarter of 1994 as output rose 2.7 percent and hours of all persons increased 5.4 percent. This was the largest productivity decline since 1989 (when it declined 3.7 percent in the first quarter), and the gain in hours was the largest since the second quarter of 1988 (when they rose 6.1 percent). During the first quarter of 1994, productivity had increased 2.9 percent in the nonfarm business sector, reflecting gains of 5.2 percent in output and 2.3 percent in hours (table 2).

Hourly compensation increased at a 0.8 percent annual rate in the second quarter, compared with a 6.1 percent increase one quarter earlier. The second-quarter increase was the smallest since 1988 (when it rose 0.6 percent 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. Unit labor costs rose 3.4 percent, compared with a 3.1 percent rise during the first quarter of 1994.

The implicit price deflator for nonfarm business output rose 4.4 percent in the second quarter, compared with a 1.2 percent rise one quarter earlier.

#### Manufacturing

Productivity increased at a 4.5 percent seasonally adjusted annual rate in manufacturing in the second quarter of 1994, as output rose 6.1 percent and hours of all persons increased 1.5 percent (seasonally adjusted annual rates). Productivity grew strongly in nondurable goods industries while posting a smaller gain among durable goods producers (tables 4 and 5).

Hourly compensation of all manufacturing workers declined 1.6 percent during the second quarter, compared with a 3.8 percent gain during the January-March period. The second-quarter decline was the largest in this series (which begins with data for 1977). Real hourly compensation fell 4.2 percent in the second quarter when the increase in consumer prices is taken into account. During the first quarter, real hourly compensation had gone up 1.7 percent (seasonally adjusted annual rates).

Unit labor costs fell at a 5.8 percent annual rate in the second quarter of 1994, the third decline in succession. These costs had decreased 2.8 percent during the first quarter of 1994. The index of unit labor costs in the second quarter (at 111.0) was at its lowest point since 1990 (when it reached 110.2 in the third quarter).

#### Nonfinancial corporations

Preliminary second-quarter 1994 measures of productivity and costs also were announced today for nonfinancial corporations (tables B and 6). Productivity declined 1.3 percent in the second quarter, as output rose 4.8 percent and hours increased 6.2 percent (seasonally adjusted annual rates). The increase in hours was the largest since 1984 (when they rose 7.5 percent in the first quarter). In the first quarter of 1994, productivity had increased 3.3 percent. Nonfinancial corporations include all corporations doing business in the United States, except banks, stock and commodity brokers, and finance and insurance agencies.

Hourly compensation did not increase in the second quarter. In real terms, when the rise in the CPI-U is taken into account, real hourly compensation declined 2.7 percent (table 6). This was the largest decrease since 1989 (when it fell 5.0 percent in the second quarter).

Table B. Nonfinancial corporations: Preliminary 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								
1994 II	-1.3	4.8	6.2	0.0	-2.7	1.4	22.1	1.8
Percent change from preceding year								
1994 II	2.7	6.1	3.3	2.2	-0.2	-0.5	15.0	0.9

Unit labor costs for nonfinancial corporations increased 1.4 percent in the second quarter, compared with a 1.8 percent rise in the first quarter of 1994. Unit nonlabor costs fell 5.0 percent, and unit profits rose 22.1 percent. During the first quarter, unit nonlabor costs had increased 6.6 percent while unit profits fell 4.9 percent (annual rates). The implicit price

deflator for nonfinancial corporate output rose 1.8 percent in the second quarter.

#### Revised Measures

Current and previous measures for the second quarter of 1994 for the business, nonfarm business, and manufacturing sectors are compared in table C. The quarterly movements differ from those reported on August 9 based on information then available. In the business and nonfarm business sectors, the growth in output (which is based on information from the national income and product accounts prepared by the U.S. Department of Commerce) was revised downward. On the other hand, manufacturing output (which is based on information from the Federal Reserve Board), was revised upward.

Table C. Previous and revised productivity and related measures  
Quarterly percent change at seasonally adjusted annual rate

Sector	Produc- tivity	Output	Hours	Real		
				Hourly compen- sation	hourly compen- sation	Unit labor costs
Second quarter 1994						
Business:						
Previous.....	-1.4	4.3	5.8	0.3	-2.4	1.8
Current.....	-2.7	2.9	5.8	0.3	-2.4	3.2
Nonfarm business:						
Previous.....	-1.2	4.1	5.4	0.8	-1.9	2.0
Current.....	-2.5	2.7	5.4	0.8	-1.9	3.4
Manufacturing:						
Previous.....	3.8	5.3	1.5	-1.7	-4.3	-5.2
Current.....	4.5	6.1	1.5	-1.6	-4.2	-5.8

#### Next release date

The next release of Productivity and Costs is scheduled for 10:00 AM EDT, Wednesday, November 9, 1994. Second-quarter measures for nonfinancial corporations and preliminary third-quarter measures for business, nonfarm business, and manufacturing 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 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.

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

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	114.5	133.7	116.8	152.2	105.9	133.0	148.4
	II	114.8	134.4	117.1	153.7	106.0	133.9	148.8
	III	115.9	136.1	117.4	156.0	106.8	134.7	145.8
	IV	116.8	137.9	118.1	157.8	107.2	135.1	150.2
	ANNUAL	115.5	135.5	117.4	154.9	106.6	134.2	148.3
1993	I	116.3	138.1	118.8	158.9	107.1	136.6	149.5
	II	116.5	139.6	119.8	160.1	107.1	137.5	149.6
	III	117.4	140.9	120.0	161.3	107.5	137.4	150.3
	IV	119.1	143.9	120.8	162.3	107.3	136.3	153.8
	ANNUAL	117.3	140.6	119.9	160.6	107.3	136.9	150.8
1994	I	119.9	145.8	121.6	164.8	108.4	137.4	153.1
	II	r119.1	r146.9	123.3	164.9	107.7	r138.5	r154.7
Percent change from previous quarter at annual rate(5)								
1992	I	5.4	3.4	-1.9	5.8	3.1	0.3	9.1
	II	1.2	2.2	1.1	4.0	0.7	2.8	1.0
	III	3.8	4.9	1.1	6.2	3.0	2.4	-7.7
	IV	3.3	5.6	2.2	4.6	1.3	1.2	12.6
	ANNUAL	3.0	2.7	-0.3	5.1	2.0	2.1	2.3
1993	I	-1.8	0.6	2.4	2.8	-0.2	4.6	-2.0
	II	0.7	4.2	3.5	3.2	0.1	2.5	0.3
	III	3.4	4.0	0.6	3.1	1.2	-0.3	2.1
	IV	5.7	8.6	2.8	2.4	-0.5	-3.1	9.4
	ANNUAL	1.6	3.8	2.1	3.7	0.7	2.1	1.7
1994	I	2.9	5.5	2.6	6.2	4.0	3.3	-1.7
	II	r-2.7	r2.9	5.8	0.3	-2.4	r3.2	r4.1
Percent change from corresponding quarter of previous year								
1992	I	2.7	1.7	-1.0	4.9	2.0	2.1	3.2
	II	2.5	2.0	-0.5	4.9	1.7	2.3	2.5
	III	3.1	3.0	-0.2	5.3	2.2	2.1	0.3
	IV	3.4	4.0	0.6	5.1	2.0	1.7	3.5
	ANNUAL	3.0	2.7	-0.3	5.1	2.0	2.1	2.3
1993	I	1.6	3.3	1.7	4.4	1.2	2.8	0.7
	II	1.5	3.8	2.3	4.2	1.0	2.7	0.5
	III	1.4	3.6	2.2	3.4	0.6	2.0	3.1
	IV	2.0	4.3	2.3	2.9	0.1	0.9	2.4
	ANNUAL	1.6	3.8	2.1	3.7	0.7	2.1	1.7
1994	I	3.1	5.6	2.4	3.7	1.2	0.6	2.5
	II	r2.2	r5.2	2.9	3.0	0.5	r0.7	r3.4

See footnotes following table 6.  
r=revised

Sept. 7, 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								
1992	I	112.6	133.6	118.7	150.9	104.9	134.0	149.5
	II	113.1	134.4	118.8	152.6	105.3	134.9	150.4
	III	113.9	135.9	119.3	154.7	106.0	135.9	147.0
	IV	115.0	137.9	119.9	156.5	106.3	136.1	152.1
	ANNUAL	113.7	135.5	119.2	153.7	105.7	135.2	149.7
1993	I	114.5	138.3	120.8	157.4	106.1	137.5	151.5
	II	114.6	139.9	122.0	158.3	105.9	138.1	151.8
	III	115.8	141.5	122.3	159.4	106.2	137.7	153.4
	IV	117.2	144.3	123.1	160.4	106.0	136.9	156.1
	ANNUAL	115.5	141.0	122.1	158.8	106.1	137.5	153.2
1994	I	118.0	146.1	123.8	162.8	107.0	137.9	155.2
	II	r117.2	r147.1	125.5	163.1	106.5	r139.1	r157.6
Percent change from previous quarter at annual rate (5)								
1992	I	4.2	2.4	-1.7	5.7	3.0	1.4	6.5
	II	1.9	2.5	0.6	4.6	1.2	2.6	2.3
	III	2.8	4.4	1.5	5.8	2.7	3.0	-8.6
	IV	3.9	6.2	2.2	4.6	1.3	0.6	14.3
	ANNUAL	2.7	2.4	-0.3	5.1	2.0	2.4	2.2
1993	I	-1.8	1.0	2.9	2.2	-0.8	4.2	-1.5
	II	0.5	4.7	4.2	2.5	-0.6	2.0	0.7
	III	4.1	4.9	0.8	2.8	1.0	-1.2	4.4
	IV	4.9	7.9	2.9	2.4	-0.6	-2.4	7.1
	ANNUAL	1.6	4.1	2.4	3.4	0.4	1.7	2.3
1994	I	2.9	5.2	2.3	6.1	3.9	3.1	-2.1
	II	r-2.5	r2.7	5.4	0.8	-1.9	r3.4	r6.3
Percent change from corresponding quarter of previous year								
1992	I	2.4	1.4	-1.0	4.8	2.0	2.4	2.8
	II	2.4	1.8	-0.5	5.0	1.8	2.5	2.8
	III	2.7	2.6	-0.1	5.3	2.1	2.6	0.0
	IV	3.2	3.8	0.6	5.2	2.0	1.9	3.3
	ANNUAL	2.7	2.4	-0.3	5.1	2.0	2.4	2.2
1993	I	1.7	3.5	1.8	4.3	1.1	2.6	1.3
	II	1.3	4.0	2.7	3.8	0.6	2.4	0.9
	III	1.6	4.2	2.5	3.0	0.2	1.4	4.3
	IV	1.9	4.6	2.7	2.5	-0.2	0.6	2.6
	ANNUAL	1.6	4.1	2.4	3.4	0.4	1.7	2.3
1994	I	3.1	5.7	2.5	3.4	0.9	0.4	2.5
	II	r2.3	r5.2	2.8	3.0	0.6	r0.7	r3.9

See footnotes following table 6.  
r=revised

Sept. 7, 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	145.1	100.9	114.1
	II	128.6	131.5	102.3	146.7	101.2	114.1
	III	129.1	131.8	102.1	148.4	101.6	114.9
	IV	130.9	133.9	102.4	150.9	102.5	115.3
	ANNUAL	129.1	131.7	102.0	147.9	101.7	114.6
1993	I	132.2	136.0	102.9	150.3	101.3	113.7
	II	133.8	137.1	102.5	152.6	102.1	114.1
	III	134.6	137.9	102.5	154.2	102.7	114.5
	IV	137.2	140.9	102.7	155.7	102.9	113.5
	ANNUAL	134.5	138.0	102.6	153.3	102.4	114.0
1994	I	139.5	143.6	102.9	157.2	103.4	112.7
	II	r141.0	r145.7	103.3	r156.6	r102.3	r111.0
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Percent change from previous quarter at annual rate(5)							
1992	I	3.2	1.1	-2.0	1.3	-1.3	-1.8
	II	4.4	6.1	1.7	4.6	1.2	0.2
	III	1.7	1.0	-0.7	4.5	1.4	2.8
	IV	5.5	6.6	1.1	6.9	3.5	1.3
	ANNUAL	3.7	3.1	-0.6	4.2	1.2	0.5
1993	I	4.0	6.1	2.0	-1.5	-4.4	-5.3
	II	5.0	3.5	-1.4	6.3	3.1	1.3
	III	2.6	2.4	-0.2	4.1	2.2	1.5
	IV	7.9	8.7	0.8	4.0	1.0	-3.6
	ANNUAL	4.2	4.8	0.5	3.6	0.6	-0.6
1994	I	6.8	8.0	1.1	3.8	1.7	-2.8
	II	r4.5	r6.1	1.5	r-1.6	r-4.2	r-5.8
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Percent change from corresponding quarter of previous year							
1992	I	3.7	2.5	-1.2	3.9	1.0	0.2
	II	3.9	3.8	-0.1	4.0	0.8	0.0
	III	3.0	2.3	-0.6	4.2	1.1	1.2
	IV	3.7	3.7	0.0	4.3	1.2	0.6
	ANNUAL	3.7	3.1	-0.6	4.2	1.2	0.5
1993	I	3.9	4.9	1.0	3.6	0.4	-0.3
	II	4.0	4.3	0.2	4.0	0.9	0.0
	III	4.3	4.6	0.4	3.9	1.1	-0.3
	IV	4.8	5.2	0.3	3.2	0.5	-1.6
	ANNUAL	4.2	4.8	0.5	3.6	0.6	-0.6
1994	I	5.5	5.6	0.1	4.6	2.0	-0.9
	II	r5.4	r6.3	0.8	r2.6	0.1	r-2.7
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See footnotes following table 6.  
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Sept. 7, 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	142.9	99.4	104.4
	II	139.1	138.5	99.5	144.8	99.9	104.1
	III	139.9	138.8	99.3	146.4	100.2	104.6
	IV	142.8	142.1	99.5	149.5	101.5	104.7
	ANNUAL	139.8	138.9	99.3	146.1	100.5	104.5
1993	I	145.2	145.2	100.0	148.0	99.8	101.9
	II	147.7	146.7	99.4	150.2	100.5	101.7
	III	148.8	148.0	99.5	151.6	101.0	101.9
	IV	153.2	153.1	99.9	153.3	101.3	100.0
	ANNUAL	148.8	148.3	99.6	150.9	100.8	101.4
1994	I	156.1	156.8	100.5	154.9	101.8	99.2
	II	r157.4	r158.8	100.9	r153.9	100.5	97.8
-----							
Percent change from previous quarter at annual rate(5)							
1992	I	1.8	-0.3	-2.0	0.7	-1.9	-1.1
	II	6.8	7.2	0.4	5.2	1.9	-1.5
	III	2.1	1.0	-1.1	4.5	1.4	2.3
	IV	8.5	9.7	1.0	8.7	5.3	0.2
	ANNUAL	5.0	3.4	-1.5	4.5	1.5	-0.4
1993	I	7.0	9.0	1.9	-4.0	-6.8	-10.3
	II	7.0	4.4	-2.5	6.3	3.1	-0.6
	III	3.0	3.5	0.5	3.7	1.8	0.8
	IV	12.5	14.4	1.6	4.4	1.4	-7.2
	ANNUAL	6.5	6.7	0.3	3.3	0.3	-2.9
1994	I	7.7	10.2	2.3	4.2	2.0	-3.3
	II	r3.4	r5.2	1.7	r-2.5	r-5.1	r-5.7
-----							
Percent change from corresponding quarter of previous year							
1992	I	5.0	2.9	-2.0	3.9	1.0	-1.1
	II	5.6	4.2	-1.3	4.3	1.2	-1.2
	III	4.0	2.4	-1.5	4.6	1.5	0.6
	IV	4.8	4.3	-0.4	4.8	1.6	0.0
	ANNUAL	5.0	3.4	-1.5	4.5	1.5	-0.4
1993	I	6.1	6.7	0.5	3.5	0.3	-2.4
	II	6.1	6.0	-0.2	3.8	0.6	-2.2
	III	6.4	6.6	0.2	3.6	0.7	-2.6
	IV	7.3	7.7	0.4	2.5	-0.2	-4.4
	ANNUAL	6.5	6.7	0.3	3.3	0.3	-2.9
1994	I	7.5	8.0	0.5	4.7	2.1	-2.6
	II	r6.6	r8.2	1.5	2.4	r0.0	-3.9
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See footnotes following table 6.  
r=revised

Sept. 7, 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	149.5	104.0	129.5
	II	115.8	122.9	106.2	151.0	104.2	130.4
	III	116.1	123.2	106.1	152.7	104.6	131.5
	IV	116.5	124.0	106.4	154.3	104.8	132.4
	ANNUAL	116.1	122.9	105.9	152.0	104.5	131.0
1993	I	116.5	124.6	107.0	155.2	104.7	133.3
	II	117.2	125.3	107.0	157.7	105.5	134.6
	III	117.7	125.6	106.7	159.6	106.3	135.5
	IV	118.1	125.9	106.6	160.8	106.3	136.1
	ANNUAL	117.4	125.4	106.8	158.3	105.7	134.9
1994	I	119.6	127.4	106.5	162.0	106.5	135.4
	II	r121.4	r129.7	106.8	r161.9	105.8	r133.4
-----							
Percent change from previous quarter at annual rate(5)							
1992	I	5.2	3.1	-2.0	2.4	-0.2	-2.7
	II	1.3	4.8	3.5	3.8	0.5	2.6
	III	1.1	0.9	-0.2	4.7	1.5	3.6
	IV	1.4	2.5	1.1	4.2	0.9	2.7
	ANNUAL	2.0	2.6	0.6	4.0	0.9	1.9
1993	I	-0.1	2.1	2.2	2.5	-0.5	2.6
	II	2.3	2.2	-0.1	6.6	3.4	4.2
	III	2.0	0.9	-1.1	4.7	2.7	2.6
	IV	1.3	1.0	-0.3	3.1	0.1	1.8
	ANNUAL	1.2	2.0	0.8	4.2	1.1	3.0
1994	I	5.2	4.7	-0.4	3.1	0.9	-2.0
	II	r6.1	r7.4	r1.2	r-0.2	r-2.9	r-5.9
-----							
Percent change from corresponding quarter of previous year							
1992	I	2.0	2.0	0.0	4.1	1.2	2.0
	II	1.7	3.3	1.6	3.7	0.5	1.9
	III	1.5	2.2	0.7	3.8	0.7	2.2
	IV	2.2	2.8	0.6	3.8	0.7	1.5
	ANNUAL	2.0	2.6	0.6	4.0	0.9	1.9
1993	I	0.9	2.6	1.6	3.8	0.6	2.9
	II	1.2	1.9	0.8	4.5	1.3	3.3
	III	1.4	1.9	0.5	4.5	1.6	3.0
	IV	1.4	1.5	0.2	4.2	1.4	2.8
	ANNUAL	1.2	2.0	0.8	4.2	1.1	3.0
1994	I	2.7	2.2	-0.5	4.4	1.8	1.6
	II	r3.6	r3.5	r-0.1	r2.6	0.2	r-0.9
-----							

See footnotes following table 6.  
r=revised

Sept. 7, 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	116.7	137.3	117.6	147.7	102.7	126.5	119.3	124.5	170.4
	II	117.6	138.8	118.1	149.4	103.1	127.1	118.0	124.5	175.6
	III	119.1	140.7	118.1	151.5	103.7	127.2	119.0	124.9	171.0
	IV	120.6	143.4	118.9	153.1	104.0	127.0	115.7	123.8	191.2
	ANNUAL	118.5	140.0	118.2	150.4	103.5	126.9	118.0	124.4	177.2
1993	I	120.0	143.3	119.4	154.0	103.8	128.3	116.8	125.0	183.7
	II	121.4	145.9	120.2	154.5	103.4	127.3	115.8	124.1	199.4
	III	122.7	148.1	120.7	155.4	103.5	126.7	115.8	123.6	202.5
	IV	124.1	150.9	121.6	156.0	103.1	125.7	114.8	122.6	220.9
	ANNUAL	122.0	147.0	120.5	154.9	103.5	127.0	115.8	123.8	201.9
1994	I	125.1	153.0	122.3	157.9	103.9	126.2	116.6	123.5	218.2
	II	124.7	154.8	124.2	157.9	103.2	126.7	115.2	123.4	229.3
Percent change from previous quarter at annual rate(5)										
1992	I	1.2	0.9	-0.4	3.9	1.2	2.6	-2.6	1.2	14.8
	II	2.9	4.7	1.7	4.7	1.3	1.7	-4.4	0.0	12.8
	III	5.2	5.5	0.2	5.7	2.5	0.4	3.5	1.2	-10.0
	IV	5.1	8.0	2.7	4.3	1.0	-0.8	-10.4	-3.5	56.4
	ANNUAL	3.0	3.2	0.1	4.6	1.6	1.6	-2.1	0.5	7.6
1993	I	-1.9	-0.3	1.7	2.4	-0.7	4.4	3.6	4.2	-14.9
	II	4.5	7.5	2.8	1.4	-1.7	-3.0	-3.3	-3.1	38.9
	III	4.5	6.0	1.4	2.2	0.4	-2.1	0.0	-1.6	6.5
	IV	4.7	7.8	3.0	1.4	-1.5	-3.1	-3.4	-3.2	41.5
	ANNUAL	3.0	5.0	2.0	3.0	0.0	0.0	-1.9	-0.5	14.0
1994	I	3.3	5.8	2.5	5.1	2.9	1.8	6.6	3.1	-4.9
	II	-1.3	4.8	6.2	0.0	-2.7	1.4	-5.0	-0.4	22.1
Percent change from corresponding quarter of previous year										
1992	I	2.4	1.7	-0.7	4.3	1.4	1.8	-1.2	1.0	5.2
	II	2.6	2.7	0.2	4.5	1.3	1.9	-2.1	0.8	5.0
	III	3.3	3.5	0.3	4.9	1.7	1.6	-1.5	0.7	3.7
	IV	3.6	4.7	1.1	4.7	1.5	1.0	-3.6	-0.3	16.2
	ANNUAL	3.0	3.2	0.1	4.6	1.6	1.6	-2.1	0.5	7.6
1993	I	2.8	4.4	1.6	4.3	1.1	1.4	-2.1	0.5	7.8
	II	3.2	5.1	1.9	3.4	0.3	0.2	-1.8	-0.3	13.6
	III	3.0	5.2	2.2	2.6	-0.2	-0.4	-2.7	-1.0	18.5
	IV	2.9	5.2	2.2	1.9	-0.9	-1.0	-0.8	-1.0	15.5
	ANNUAL	3.0	5.0	2.0	3.0	0.0	0.0	-1.9	-0.5	14.0
1994	I	4.2	6.8	2.4	2.5	0.0	-1.6	-0.1	-1.2	18.8
	II	2.7	6.1	3.3	2.2	-0.2	-0.5	-0.5	-0.5	15.0

See footnotes following table 6.  
r=revised

Sept. 7, 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 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.