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PRODUCTIVITY AND COSTS  
Third 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 third quarter of 1994. The preliminary seasonally-adjusted annual rates of productivity growth in the third quarter were:

3.1 percent in the business sector, and  
2.7 percent in the nonfarm business sector.

In both the business and the nonfarm business sectors, productivity increased in the third quarter after having fallen in the second quarter.

In manufacturing, productivity increases in the third quarter were:

5.3 percent in manufacturing,  
6.4 percent in durable goods manufacturing, and  
3.3 percent in nondurable goods manufacturing.

The third-quarter increase in productivity in the manufacturing sector was slightly lower than that recorded in the second quarter. In the nondurable goods sector, third-quarter growth was less than half what it had been in the previous quarter. In the larger durable goods sector, however, productivity growth accelerated in the third quarter. Manufacturing includes nearly 20 percent of U.S. business sector employment. Third-quarter measures are summarized in table A and appear in detail in tables 1 through 5.

Output measures for business and nonfarm business are based on measures of gross domestic product prepared by the Bureau of Economic Analysis of the U.S. Department of Commerce. Quarterly output measures for manufacturing reflect independent indexes of industrial production prepared by the Board of Governors of the Federal Reserve System. See Technical Notes for further information on data sources (page 7).

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

Sector	Produc- tivity	Output	Hours	Hourly	Real	Unit
				compen- sation	hourly compen- sation	labor costs
Percent change from preceding quarter						
Business	3.1	4.0	0.8	3.3	-0.3	0.2
Nonfarm business	2.7	3.9	1.2	2.9	-0.7	0.1
Manufacturing	5.3	7.1	1.7	3.1	-0.5	-2.1
Durable	6.4	9.1	2.5	2.9	-0.7	-3.3
Nondurable	3.3	4.1	0.7	3.2	-0.3	-0.1
Percent change from same quarter a year ago						
Business	2.4	5.4	3.0	3.0	0.2	0.6
Nonfarm business	2.1	5.1	2.9	3.0	0.1	0.9
Manufacturing	6.4	7.8	1.3	2.4	-0.5	-3.8
Durable	7.9	10.0	2.0	2.3	-0.5	-5.2
Nondurable	4.2	4.5	0.3	2.3	-0.5	-1.8

#### Business

From the second quarter to the third quarter of 1994, business sector productivity increased at a 3.1 percent annual rate. Output rose 4.0 percent, and hours of all persons engaged in the sector increased 0.8 percent (seasonally adjusted annual rates). The hours increase reflected an employment gain of 2.7 percent and a decline in average weekly hours worked of 1.8 percent. After revisions, second-quarter productivity declined 2.0 percent, as output and hours rose by 3.7 and 5.9 percent, respectively (tables B and 1).

Hourly compensation increased 3.3 percent during the third quarter of 1994, compared with a 0.2 percent rise in the second quarter. This measure includes wages and salaries, supplements, employer contributions to employee benefit plans, and taxes. Unit labor costs, which reflect changes in hourly compensation and productivity, increased at a 0.2 percent annual rate during the third quarter. During the previous quarter, these costs had increased 2.3 percent.

Real hourly compensation, which takes into account changes in the Consumer Price Index for All Urban Consumers (CPI-U), decreased 0.3 percent in the third quarter; it had fallen 2.5 percent in the second quarter of 1994.

The implicit price deflator for the business sector, which reflects changes in unit labor costs and unit nonlabor payments, increased at a 1.6 percent annual rate in the third quarter, compared with a 3.5 percent increase during the second quarter of 1994.

#### Nonfarm business

Productivity rose 2.7 percent in the nonfarm business sector during the third quarter of 1994 as output rose 3.9 percent and hours of all persons increased 1.2 percent. During the second quarter of 1994, productivity had fallen 2.1 percent (as revised) in the nonfarm business sector, reflecting gains of 3.2 percent in output and 5.5 percent in hours (table 2).

Hourly compensation increased at a 2.9 percent annual rate in the third quarter, compared with a 0.7 percent increase one quarter earlier. When the rise in the CPI-U is taken into account, real hourly compensation fell at a 0.7 percent annual rate in the third quarter. This marks the fifth such decline in the last seven quarters and the second consecutive quarter in which real hourly compensation fell. Unit labor costs increased 0.1 percent, compared with a 2.9 percent rise during the second quarter of 1994.

The implicit price deflator for nonfarm business output rose 1.9 percent in the third quarter, compared with a 4.5 percent rise one quarter earlier.

#### Manufacturing

Productivity increased 5.3 percent in manufacturing in the third quarter of 1994, as output rose 7.1 percent and hours of all persons rose 1.7 percent (seasonally adjusted annual rates). The hours increase reflected an increase in employment of 1.9 percent (the largest increase since 4.3 percent in the fourth quarter of 1987) and a decline in average weekly hours of 0.1 percent (the first decrease since the first quarter of 1991 when average weekly hours fell 2.5 percent). Productivity grew more in the durable goods industries than among nondurable goods producers. Output and hours rose in both the durable and the nondurable goods sectors, but the increases in the durable goods sector were higher (tables 3, 4, and 5). Employment increased by 2.8 percent in the durable goods sector and 0.7 percent in the nondurable goods sector. Average weekly hours were unchanged in the nondurable goods sector, but declined by 0.3 percent in the durable goods sector.

Hourly compensation of all manufacturing workers increased 3.1 percent during the third quarter, compared with a 1.4 percent decline during the second quarter (seasonally adjusted annual rates). Real hourly compensation fell 0.5 percent in the third quarter when the increase in the CPI-U is taken into account. During the second quarter, real hourly compensation also had declined.

Unit labor costs fell at a 2.1 percent annual rate in the third quarter of 1994. These costs had decreased 6.8 percent during the second quarter of 1994 and have now declined for four consecutive quarters.

## Revised Measures

Current and previous measures for the second quarter of 1994 for the business, nonfarm business, and manufacturing sectors are compared in table B. The quarterly movements differ from those reported on September 7 based on information then available.

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

Sector	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs
Second quarter 1994						
Business:						
Previous . . . . .	-2.7	2.9	5.8	0.3	-2.4	3.2
Current . . . . .	-2.0	3.7	5.9	0.2	-2.5	2.3
Nonfarm business:						
Previous . . . . .	-2.5	2.7	5.4	0.8	-1.9	3.4
Current . . . . .	-2.1	3.2	5.5	0.7	-2.0	2.9
Manufacturing:						
Previous . . . . .	4.5	6.1	1.5	-1.6	-4.2	-5.8
Current . . . . .	5.7	7.3	1.5	-1.4	-4.1	-6.8

The productivity and cost measures also were revised to reflect the results of the 1993 Hours at Work Survey (HWS), which are now available. This survey is used to adjust the number of hours for which private nonfarm employees are paid, as reported in the BLS Current Establishment Survey, to hours at the workplace. For 1993, these new results show that hours of all persons increased slightly more than had originally been reported. In the business and nonfarm business sectors, hours were revised up by 0.1 percentage point-to increases of 2.2 percent in business and 2.5 percent in nonfarm business. In the manufacturing sector, hours of all persons were revised up by 0.3 percentage points, to a 0.8 percent rate of increase.

## Revised measures: Nonfinancial Corporations

Productivity and cost measures for the second quarter for nonfinancial corporations, which were revised to incorporate the most recent information, were somewhat different from the preliminary results announced on September 7. Productivity fell at an annual rate of 1.4 percent compared with the previously announced decline of 1.3 percent (table C).

Table C. Nonfinancial corporations: Previous and revised productivity and related measures  
Quarterly percent changes at seasonally adjusted annual rates

Period	Produc- tivity	Output	Hours	Real		Unit labor costs	Unit profits	Implicit price deflator
				Hourly compen- sation	hourly compen- sation			
Second quarter 1994								
Previous	-1.3	4.8	6.2	0.0	-2.7	1.4	22.1	1.8
Current	-1.4	4.8	6.4	-0.1	-2.7	1.4	20.7	1.8

## Next release date

The next release of Productivity and Costs is scheduled for 10:00 AM EST, Wednesday, December 7, 1994. Revised third-quarter measures will be released at that time. This release also will include revised productivity and output measures for the manufacturing sectors, incorporating both new gross product originating data for 1990-92, recently made available by the Bureau of Economic Analysis, U.S. Department of Commerce, and revised Indexes of Production from the Federal Reserve Board beginning in January 1991.

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The major sector labor and multifactor productivity database containing productivity and costs measures is identified by the two-character survey names PR and 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 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 sector output is equal to gross domestic product (GDP) in constant 1987 dollars, less general government, output of nonprofit institutions, output of paid employees of private households, rental value of owner-occupied dwellings, and the statistical discrepancy in computing the NIPA. Corresponding exclusions are also made in labor inputs. Business output was about 78 percent of GDP in 1992. Nonfarm business, which also excludes farming, was about 77 percent of GDP in 1992.

Total manufacturing measures are computed by summing series prepared for the durable and nondurable goods sectors.

Durables include the following 2-digit SIC industries: Primary metal industries; fabricated metal products; 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	138.0
	II	114.8	134.4	117.1	153.7	r106.1	133.9	148.8	138.8
	III	115.9	136.1	117.4	156.0	106.8	134.7	145.8	138.3
	IV	116.8	137.9	118.1	r157.7	r107.1	135.1	150.2	140.1
	ANNUAL	115.5	135.5	117.4	154.9	106.6	134.2	148.3	138.8
1993	I	r116.2	138.1	r118.9	r158.8	r107.0	136.6	149.5	140.8
	II	r116.4	139.6	r119.9	r160.0	r107.0	137.5	149.6	141.4
	III	r117.3	140.9	r120.1	r161.2	r107.3	137.4	r150.4	141.6
	IV	r119.0	143.9	r121.0	r162.1	r107.2	136.3	153.8	142.1
	ANNUAL	r117.2	140.6	r120.0	r160.5	r107.2	136.9	r150.9	141.5
1994	I	r119.8	145.8	r121.7	r164.6	r108.3	137.4	r153.2	142.6
	II	r119.2	r147.2	r123.5	r164.7	r107.6	r138.2	r155.3	143.8
	III	120.1	148.6	123.7	166.0	107.5	138.2	156.9	144.4
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Percent change from previous quarter at annual rate(5)									
1992	I	r5.5	3.4	-1.9	5.8	3.1	0.3	9.1	3.3
	II	r1.1	2.2	1.1	4.0	0.7	2.8	1.0	2.2
	III	r3.7	4.9	r1.2	r6.1	3.0	2.4	-7.7	-1.3
	IV	r3.2	5.6	r2.3	r4.4	r1.2	1.2	r12.7	5.1
	ANNUAL	3.0	2.7	-0.3	5.1	2.0	2.1	2.3	2.2
1993	I	r-1.9	0.6	r2.5	r2.6	r-0.4	4.6	-2.0	2.3
	II	r0.6	4.2	r3.6	r3.1	r0.0	2.5	0.3	1.7
	III	r3.3	4.0	r0.7	r3.0	r1.1	-0.3	2.1	0.6
	IV	5.7	8.6	2.8	2.4	r-0.6	-3.1	9.4	1.2
	ANNUAL	r1.5	3.8	r2.2	r3.6	r0.6	r2.0	1.7	1.9
1994	I	2.9	5.5	r2.5	r6.3	r4.1	3.3	-1.7	1.5
	II	r-2.0	r3.7	r5.9	r0.2	r-2.5	r2.3	r5.8	3.5
	III	3.1	4.0	0.8	3.3	-0.3	0.2	4.1	1.6
-----									
Percent change from corresponding quarter of previous year									
1992	I	r2.8	1.7	r-1.1	4.9	2.0	2.1	3.2	2.5
	II	2.5	2.0	r-0.6	4.9	1.7	2.3	2.5	2.4
	III	3.1	3.0	-0.2	5.3	2.2	2.1	0.3	1.5
	IV	3.4	4.0	0.6	5.1	2.0	1.7	3.5	2.3
	ANNUAL	3.0	2.7	-0.3	5.1	2.0	2.1	2.3	2.2
1993	I	r1.5	3.3	r1.8	r4.3	r1.1	2.8	0.7	2.0
	II	r1.4	3.8	r2.4	r4.1	r0.9	2.7	r0.6	1.9
	III	r1.3	3.6	r2.3	r3.3	r0.5	2.0	3.1	2.4
	IV	r1.9	4.3	r2.4	r2.8	r0.0	0.9	2.4	1.4
	ANNUAL	r1.5	3.8	r2.2	r3.6	r0.6	r2.0	1.7	1.9
1994	I	3.1	5.6	2.4	3.7	r1.1	0.6	2.5	1.2
	II	r2.4	r5.4	r3.0	3.0	0.5	r0.5	r3.8	1.7
	III	2.4	5.4	3.0	3.0	0.2	0.6	4.3	1.9

See footnotes following table 6.  
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Nov. 9, 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	r118.6	150.9	r105.0	134.0	149.5	139.0
	II	113.1	134.4	118.8	152.6	105.3	134.9	150.4	139.9
	III	113.9	135.9	119.3	154.7	106.0	135.9	147.0	139.5
	IV	115.0	137.9	r120.0	r156.4	106.3	136.1	152.1	141.2
	ANNUAL	113.7	135.5	119.2	153.7	105.7	135.2	149.7	139.9
1993	I	r114.4	138.3	r120.9	r157.2	r106.0	137.5	151.5	142.0
	II	r114.5	139.9	r122.1	r158.2	r105.8	138.1	151.8	142.5
	III	r115.6	141.5	r122.4	r159.3	r106.1	137.7	r153.5	142.8
	IV	r117.0	144.3	r123.3	r160.2	r105.9	136.9	156.1	143.1
	ANNUAL	r115.4	141.0	r122.2	r158.7	r106.0	137.5	r153.3	142.6
1994	I	r117.9	146.1	r124.0	r162.6	r106.9	137.9	r155.3	143.5
	II	117.2	r147.3	r125.6	r162.9	r106.4	r138.9	r158.1	145.1
	III	118.0	148.7	126.0	164.0	106.2	139.0	160.1	145.8
Percent change from previous quarter at annual rate(5)									
1992	I	4.2	2.4	r-1.8	5.7	3.0	1.4	6.5	3.2
	II	1.9	2.5	0.6	4.6	1.2	2.6	2.3	2.5
	III	2.8	4.4	r1.6	5.8	r2.6	r2.9	-8.6	-1.2
	IV	r3.8	6.2	r2.3	r4.5	r1.2	0.6	r14.4	5.1
	ANNUAL	2.7	2.4	-0.3	5.1	2.0	2.4	2.2	2.3
1993	I	r-2.0	1.0	r3.0	r2.1	r-0.9	r4.1	r-1.4	2.2
	II	r0.4	4.7	r4.3	r2.4	r-0.7	2.0	r0.8	1.6
	III	r4.0	4.9	r0.9	2.8	r0.9	-1.2	4.4	0.7
	IV	4.9	7.9	2.9	2.4	-0.6	-2.4	7.1	0.8
	ANNUAL	r1.5	4.1	r2.5	r3.3	r0.2	1.7	r2.4	1.9
1994	I	2.9	5.2	2.3	6.1	3.9	3.1	-2.1	1.2
	II	r-2.1	r3.2	r5.5	r0.7	r-2.0	r2.9	r7.5	r4.5
	III	2.7	3.9	1.2	2.9	-0.7	0.1	5.2	1.9
Percent change from corresponding quarter of previous year									
1992	I	2.4	1.4	-1.0	r4.9	2.0	2.4	2.8	2.5
	II	2.4	1.8	r-0.6	5.0	1.8	2.5	2.8	2.6
	III	2.7	2.6	-0.1	5.3	2.1	2.6	0.0	1.7
	IV	3.2	3.8	r0.7	r5.1	2.0	1.9	3.3	2.4
	ANNUAL	2.7	2.4	-0.3	5.1	2.0	2.4	2.2	2.3
1993	I	r1.6	3.5	r1.9	r4.2	r1.0	2.6	1.3	2.1
	II	r1.2	4.0	r2.8	r3.7	r0.5	2.4	0.9	1.9
	III	r1.5	4.2	r2.6	r2.9	r0.1	1.4	r4.4	2.4
	IV	r1.8	4.6	2.7	r2.4	r-0.3	0.6	r2.7	1.3
	ANNUAL	r1.5	4.1	r2.5	r3.3	r0.2	1.7	r2.4	1.9
1994	I	r3.0	5.7	r2.6	3.4	0.9	r0.3	2.5	1.1
	II	r2.4	r5.3	2.8	3.0	r0.5	r0.6	r4.2	1.8
	III	2.1	5.1	2.9	3.0	0.1	0.9	4.3	2.1

See footnotes following table 6.  
r=revised

Nov. 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	r127.3	129.6	r101.8	r145.2	r101.0	114.1
	II	128.6	131.5	r102.2	r146.8	r101.3	114.1
	III	129.1	131.8	102.1	148.4	101.6	114.9
	IV	r130.7	133.9	r102.5	r150.7	r102.4	115.3
	ANNUAL	129.1	131.7	102.0	147.9	101.7	114.6
1993	I	r131.9	136.0	r103.1	r150.0	r101.1	113.7
	II	r133.3	137.1	r102.8	r152.1	r101.8	114.1
	III	r134.1	137.9	r102.8	r153.6	r102.3	114.5
	IV	r136.7	140.9	r103.0	r155.1	r102.5	113.5
	ANNUAL	r134.1	138.0	r102.9	r152.8	r102.0	114.0
1994	I	r139.0	143.6	r103.3	r156.6	r103.0	112.7
	II	r140.9	r146.1	r103.7	r156.1	r101.9	r110.7
	III	142.8	148.6	104.1	157.2	101.8	110.2
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Percent change from previous quarter at annual rate(5)							
1992	I	r3.3	1.1	r-2.1	r1.5	r-1.1	-1.8
	II	4.4	6.1	1.7	r4.5	1.2	0.2
	III	r1.5	1.0	r-0.5	r4.3	r1.2	2.8
	IV	r5.1	6.6	r1.4	r6.5	r3.2	1.3
	ANNUAL	3.7	3.1	-0.6	4.2	1.2	0.5
1993	I	r3.5	6.1	r2.6	r-2.0	r-4.9	-5.3
	II	r4.6	3.5	r-1.1	r6.0	r2.8	1.3
	III	r2.4	2.4	r0.0	r3.9	r2.0	1.5
	IV	r7.8	8.7	r0.9	r3.9	r0.9	-3.6
	ANNUAL	r3.9	4.8	r0.8	r3.3	r0.3	-0.6
1994	I	r6.9	8.0	r1.0	r4.0	r1.8	-2.8
	II	r5.7	r7.3	1.5	r-1.4	r-4.1	r-6.8
	III	5.3	7.1	1.7	3.1	-0.5	-2.1
-----							
Percent change from corresponding quarter of previous year							
1992	I	r3.8	2.5	-1.2	r4.0	r1.1	0.2
	II	r4.0	3.8	-0.1	4.0	r0.9	0.0
	III	r2.9	2.3	-0.6	4.2	1.1	1.2
	IV	r3.6	3.7	r0.1	r4.2	r1.1	0.6
	ANNUAL	3.7	3.1	-0.6	4.2	1.2	0.5
1993	I	r3.6	4.9	r1.3	r3.3	r0.1	-0.3
	II	r3.7	4.3	r0.6	r3.6	r0.5	0.0
	III	r3.9	4.6	r0.7	r3.5	r0.7	-0.3
	IV	r4.6	5.2	r0.6	r2.9	r0.2	-1.6
	ANNUAL	r3.9	4.8	r0.8	r3.3	r0.3	-0.6
1994	I	r5.4	5.6	r0.2	r4.4	r1.9	-0.9
	II	r5.7	r6.6	0.8	2.6	0.1	r-2.9
	III	6.4	7.8	1.3	2.4	-0.5	-3.8
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See footnotes following table 6.  
r=revised

Nov. 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	r137.0	136.1	r99.4	r143.1	r99.5	104.4
	II	r139.2	138.5	99.5	r144.9	r100.0	104.1
	III	139.9	138.8	99.3	146.4	100.2	104.6
	IV	r142.5	142.1	r99.7	r149.2	r101.4	104.7
	ANNUAL	139.8	138.9	99.3	146.1	100.5	104.5
1993	I	r144.7	145.2	r100.4	r147.4	r99.4	101.9
	II	r146.9	146.7	r99.9	r149.4	r100.0	101.7
	III	r147.9	148.0	r100.1	r150.7	r100.3	101.9
	IV	r152.3	153.1	r100.5	r152.3	r100.7	100.0
	ANNUAL	r148.0	148.3	r100.1	r150.1	r100.2	101.4
1994	I	r155.2	156.8	r101.0	r154.0	r101.2	99.2
	II	r157.0	r159.3	r101.4	r153.1	r100.0	r97.5
	III	159.5	162.8	102.1	154.2	99.8	96.6
----- Percent change from previous quarter at annual rate(5) -----							
1992	I	r2.0	-0.3	r-2.2	r0.9	r-1.7	-1.1
	II	r6.7	7.2	0.4	5.2	r1.8	-1.5
	III	r1.8	1.0	r-0.8	r4.1	r1.0	2.3
	IV	r7.9	9.7	r1.6	r8.1	r4.7	0.2
	ANNUAL	5.0	3.4	-1.5	4.5	1.5	-0.4
1993	I	r6.1	9.0	r2.8	r-4.8	r-7.6	-10.3
	II	r6.3	4.4	r-1.9	r5.6	r2.5	r-0.7
	III	r2.6	3.5	r0.8	r3.4	r1.5	r0.7
	IV	12.5	14.4	r1.7	4.4	r1.3	-7.2
	ANNUAL	r5.9	6.7	r0.8	r2.8	r-0.2	r-3.0
1994	I	r8.0	10.2	r2.0	r4.4	r2.3	-3.3
	II	r4.8	r6.5	1.7	r-2.3	r-4.9	r-6.7
	III	6.4	9.1	2.5	2.9	-0.7	-3.3
----- Percent change from corresponding quarter of previous year -----							
1992	I	r5.1	2.9	r-2.1	r4.0	r1.1	-1.1
	II	r5.7	4.2	r-1.4	r4.4	r1.3	-1.2
	III	4.0	2.4	-1.5	4.6	1.5	0.6
	IV	r4.6	4.3	r-0.2	r4.5	r1.4	0.0
	ANNUAL	5.0	3.4	-1.5	4.5	1.5	-0.4
1993	I	r5.6	6.7	r1.0	r3.0	r-0.1	-2.4
	II	r5.5	6.0	r0.4	r3.1	r0.0	-2.2
	III	r5.7	6.6	r0.8	r2.9	r0.1	-2.6
	IV	r6.8	7.7	r0.8	r2.1	r-0.7	r-4.5
	ANNUAL	r5.9	6.7	r0.8	r2.8	r-0.2	r-3.0
1994	I	r7.3	8.0	r0.7	r4.4	r1.9	r-2.7
	II	r6.9	r8.6	r1.6	2.4	0.0	r-4.2
	III	7.9	10.0	2.0	2.3	-0.5	-5.2

See footnotes following table 6.  
r=revised

Nov. 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	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	r154.2	104.8	132.4
	ANNUAL	r116.0	122.9	105.9	152.0	104.5	131.0
1993	I	116.5	124.6	107.0	155.2	r104.6	133.3
	II	r117.1	125.3	107.0	157.7	105.5	134.6
	III	117.7	125.6	106.7	r159.5	r106.2	135.5
	IV	118.1	125.9	106.6	r160.7	r106.2	136.1
	ANNUAL	r117.3	125.4	106.8	158.3	105.7	134.9
1994	I	r119.5	127.4	106.5	r161.9	106.5	135.4
	II	r121.6	r130.0	r106.9	161.9	r105.7	r133.1
	III	122.6	131.3	107.1	163.2	105.6	133.1
-----							
Percent change from previous quarter at annual rate(5)							
1992	I	5.2	3.1	-2.0	2.4	r-0.3	-2.7
	II	1.3	4.8	r3.4	r3.9	0.5	2.6
	III	r1.0	0.9	-0.2	r4.6	1.5	3.6
	IV	1.4	2.5	1.1	r4.1	r0.8	2.7
	ANNUAL	2.0	2.6	0.6	4.0	0.9	1.9
1993	I	r-0.2	2.1	r2.3	r2.4	r-0.6	2.6
	II	2.3	2.2	-0.1	6.6	3.4	4.2
	III	2.0	0.9	-1.1	r4.6	2.7	2.6
	IV	r1.2	1.0	-0.3	3.1	0.1	1.8
	ANNUAL	r1.1	2.0	r0.9	r4.1	1.1	3.0
1994	I	5.2	4.7	-0.4	3.1	0.9	-2.0
	II	r7.1	r8.5	r1.3	r-0.1	r-2.8	r-6.7
	III	3.3	4.1	0.7	3.2	-0.3	-0.1
-----							
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	r0.6	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	r1.7	3.8	0.6	2.9
	II	r1.1	1.9	0.8	r4.4	1.3	3.3
	III	1.4	1.9	r0.6	r4.4	1.6	3.0
	IV	r1.3	1.5	0.2	4.2	1.4	2.8
	ANNUAL	r1.1	2.0	r0.9	r4.1	1.1	3.0
1994	I	2.7	2.2	r-0.4	r4.3	1.8	1.6
	II	r3.8	r3.7	-0.1	r2.7	0.2	r-1.1
	III	4.2	4.5	0.3	2.3	-0.5	-1.8
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See footnotes following table 6.  
r=revised

Nov. 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	r116.8	137.3	117.6	147.7	102.7	126.5	119.3	124.5	170.4	127.3
	II	117.6	138.8	118.1	149.4	103.1	127.1	118.0	124.5	175.6	127.6
	III	119.1	140.7	118.1	151.5	103.7	127.2	119.0	124.9	171.0	127.7
	IV	120.6	143.4	118.9	153.1	104.0	127.0	115.7	123.8	191.2	127.9
	ANNUAL	118.5	140.0	118.2	150.4	103.5	126.9	118.0	124.4	177.2	127.7
1993	I	120.0	143.3	119.4	154.0	103.8	128.3	116.8	125.0	183.7	128.7
	II	r121.3	145.9	r120.3	154.5	103.4	127.3	115.8	124.1	199.4	128.7
	III	122.7	148.1	120.7	155.4	103.5	126.7	115.8	123.6	202.5	128.5
	IV	124.1	150.9	121.6	r155.9	103.1	125.7	114.8	122.6	220.9	128.7
	ANNUAL	122.0	147.0	120.5	154.9	103.5	127.0	115.8	123.8	201.9	128.6
1994	I	125.1	153.0	122.3	157.9	r103.8	126.2	116.6	123.5	218.2	129.4
	II	r124.6	154.8	124.2	157.9	r103.1	126.7	115.2	123.4	r228.7	129.9
-----											
Percent change from previous quarter at annual rate(5)											
1992	I	r1.3	0.9	-0.4	3.9	1.2	2.6	-2.6	1.2	14.8	2.2
	II	2.9	4.7	1.7	4.7	1.3	1.7	-4.4	0.0	12.8	1.0
	III	5.2	5.5	r0.3	5.7	2.5	0.4	3.5	1.2	-10.0	0.2
	IV	5.1	8.0	2.7	4.3	1.0	-0.8	-10.4	-3.5	56.4	0.7
	ANNUAL	3.0	3.2	0.1	4.6	1.6	1.6	-2.1	0.5	7.6	1.1
1993	I	-1.9	-0.3	1.7	r2.3	-0.7	4.4	3.6	4.2	-14.9	2.3
	II	4.5	7.5	2.8	1.4	-1.7	-3.0	-3.3	-3.1	38.9	0.2
	III	4.5	6.0	r1.5	2.2	0.4	-2.1	0.0	-1.6	6.5	-0.8
	IV	4.7	7.8	3.0	1.4	-1.5	-3.1	-3.4	-3.2	41.5	0.6
	ANNUAL	3.0	5.0	2.0	3.0	0.0	0.0	-1.9	-0.5	14.0	0.8
1994	I	3.3	5.8	2.5	5.1	r3.0	1.8	6.6	3.1	-4.9	2.2
	II	r-1.4	4.8	r6.4	r-0.1	-2.7	1.4	r-4.8	r-0.3	r20.7	1.8
-----											
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	1.3
	II	2.6	2.7	0.2	4.5	1.3	1.9	-2.1	0.8	5.0	1.1
	III	3.3	3.5	0.3	4.9	1.7	1.6	-1.5	0.7	3.7	0.9
	IV	3.6	4.7	1.1	r4.6	1.5	1.0	-3.6	-0.3	16.2	1.1
	ANNUAL	3.0	3.2	0.1	4.6	1.6	1.6	-2.1	0.5	7.6	1.1
1993	I	2.8	4.4	1.6	r4.2	r1.0	1.4	-2.1	0.5	7.8	1.1
	II	3.2	5.1	1.9	3.4	0.3	0.2	-1.8	-0.3	13.6	0.8
	III	3.0	5.2	2.2	2.6	r-0.3	-0.4	-2.7	-1.0	18.5	0.6
	IV	2.9	5.2	2.2	r1.8	-0.9	-1.0	-0.8	-1.0	15.5	0.6
	ANNUAL	3.0	5.0	2.0	3.0	0.0	0.0	-1.9	-0.5	14.0	0.8
1994	I	4.2	6.8	2.4	2.5	0.0	-1.6	-0.1	-1.2	18.8	0.5
	II	2.7	6.1	3.3	2.2	r-0.3	-0.5	-0.5	-0.5	r14.7	0.9
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See footnotes following table 6.  
r=revised

Nov. 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 first published 30 days after the close of the reference period; revisions appear about 35 days later, and second revisions after an additional 60 days. In the business sector, the probability is 0.95 that the third publication (second revision) of a quarterly index of output per hour of all persons will differ from the initial value by between -2.0 and +2.0 index points. This interval is based on the performance of this measure between the third quarter of 1976 and the fourth quarter of 1992.

#### Footnotes, Tables 1-6

- (1) Wages and salaries of employees plus employers' contributions for social insurance and private benefit plans. Except for nonfinancial corporations, where there are no self-employed, data also include an estimate of wages, salaries, and supplemental payments for the self-employed.
- (2) Compensation per hour adjusted for changes in the Consumer Price Index for All Urban Consumers.
- (3) Unit nonlabor payments include profits, capital consumption allowances, interest, rental income of persons, and indirect taxes.
- (4) Current dollar gross product divided by constant dollar gross product.
- (5) Quarterly changes: Percent change compounded at annual rate from the original data rather than index numbers. Annual changes: Percent change between annual average levels.
- (6) 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.
- (7) Total unit cost is the sum of labor and nonlabor costs.
- (8) Unit profits include corporate profits with inventory valuation and capital consumption adjustments.