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PRODUCTIVITY AND COSTS

Preliminary Fourth-Quarter Measures and Annual Averages, 1994

The Bureau of Labor Statistics of the U.S. Department of Labor today reported preliminary fourth-quarter seasonally-adjusted annual rates of change in productivity-as measured by output per hour of all persons- and changes for the full year 1994. In the fourth quarter, moderate productivity increases in business and nonfarm business resulted from strong growth in both output and hours worked. Percent changes in business and nonfarm business productivity were:

	Fourth quarter	Annual averages 1993-1994
Business sector.....	1.7	2.3
Nonfarm business sector....	1.8	2.2

For the year 1994, productivity improved from 1993 as output in both sectors grew at the highest rates in 10 years. Unit labor costs increased 0.9 percent in 1994 in both sectors, the smallest annual increase since 1964. Fourth-quarter productivity and related measures are summarized in table A and appear in detail in tables 1 through 5. Annual data are summarized in table B.

In the manufacturing sector, increases in productivity were:

	Fourth quarter	Annual averages 1993-1994
Manufacturing sector.....	2.8	4.9
Durable goods	3.8	5.9
Nondurable goods	1.2	3.3

Manufacturing productivity grew at a 2.8 percent annual rate in the fourth quarter as both output and hours increased at the fastest rates since the fourth quarter of 1987. The growth rates in productivity, output, and hours in durable goods manufacturing were more rapid than in nondurables (table A). On an annual basis, manufacturing productivity increased 4.9 percent, the largest yearly gain since 1987.

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. Output measures for manufacturing reflect independent indexes of industrial production prepared by the Board of Governors of the Federal Reserve System. See Technical Notes (page 7) for further information on data sources.

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

Sector	Productivity	Output	Hours	Real		
				Hourly compensation	hourly compensation	Unit labor costs
Percent change from preceding quarter						
Business	1.7	5.4	3.7	3.4	1.1	1.7
Nonfarm business	1.8	5.4	3.6	3.7	1.4	1.9
Manufacturing	2.8	7.7	4.8	3.7	1.4	0.8
Durable	3.8	10.4	6.3	4.4	2.1	0.5
Nondurable	1.2	3.9	2.7	2.3	0.0	1.0
Percent change from same quarter a year ago						
Business	1.5	4.8	3.2	3.3	0.6	1.8
Nonfarm business	1.4	4.5	3.1	3.4	0.7	2.0
Manufacturing	4.6	7.0	2.3	2.3	-0.4	-2.2
Durable	5.3	8.7	3.2	2.3	-0.4	-2.9
Nondurable	3.4	4.6	1.1	2.1	-0.5	-1.3

THIRD-TO-FOURTH QUARTER CHANGES, 1994

Business

Productivity increased at a 1.7 percent annual rate during the fourth quarter of 1994 in the business sector, as output growth accelerated to a 5.4 percent annual rate and hours of all persons engaged in the sector increased 3.7 percent. In the third quarter, productivity had risen 3.7 percent, as output grew 4.5 percent and hours edged up 0.8 percent (seasonally adjusted annual rates).

Hourly compensation increased at a 3.4 percent annual rate in the fourth quarter of 1994, following 3.6 percent growth during 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 1.7 percent annual rate during the fourth quarter, compared with a 0.2 percent decrease one quarter earlier.

Real hourly compensation, which takes into account changes in the Consumer Price Index for All Urban Consumers (CPI-U), rose at a 1.1 percent annual rate for persons in the business sector. This measure had been unchanged during the third quarter.

The implicit price deflator for business output, which reflects changes in unit labor costs and unit nonlabor payments, increased at an annual rate of 1.0 percent in the fourth quarter. In the third quarter, prices of the goods and services which comprise business output had increased at a 2.0 percent annual rate.

Nonfarm business

In the nonfarm business sector, productivity gained 1.8 percent in the fourth quarter, as output rose 5.4 percent and hours of all persons-employees, proprietors, and unpaid family workers-rose 3.6 percent (seasonally adjusted annual rates). The change in hours resulted from a 2.8 percent increase in employment and a 0.8 percent increase in the average work week. During the third quarter, nonfarm productivity had increased at a 3.2 percent annual rate, as output grew 4.3 percent and hours increased 1.1 percent (table 2).

Hourly compensation rose 3.7 percent in the fourth quarter, and real hourly compensation increased 1.4 percent when the increase in the CPI-U was taken into account. During the third quarter, hourly compensation had increased by 3.1 percent, and real hourly compensation had declined 0.4 percent. Unit labor costs increased 1.9 percent in the fourth quarter, compared with a 0.1 percent decrease during the third quarter.

The implicit price deflator for nonfarm business output rose 0.7 percent in the fourth quarter, compared with a 2.3 percent increase one quarter earlier.

Manufacturing

Manufacturing productivity grew at a 2.8 percent seasonally adjusted annual rate in the fourth quarter of 1994, compared with a 3.5 percent increase in the third quarter (table 3). Output rose 7.7 percent in the fourth quarter, and hours of all persons jumped 4.8 percent. The increases in output and hours were the largest since the fourth quarter of 1987, when output rose 7.9 percent and hours increased 5.1 percent. Both durable and nondurable goods industries experienced productivity increases in the fourth quarter, but the increases in durable manufacturing productivity and output were substantially greater (tables 4 and 5).

Hourly compensation of all manufacturing workers increased 3.7 percent during the fourth quarter, resulting in a gain of 1.4 percent when the increase in consumer prices was taken into account. Unit labor costs increased at a 0.8 percent annual rate in the fourth quarter of 1994, following four consecutive quarters in which they had declined.

ANNUAL AVERAGE CHANGES, 1993-1994

Business

Business productivity increased 2.3 percent when the annual average for 1994 is compared with the annual average for 1993 (table B). In 1993, productivity had grown 1.5 percent. Output grew 5.3 percent in 1994, the largest gain since 1984 when output jumped 8.2 percent. Hours of all persons engaged in the business sector increased 2.9 percent, the most since 1988.

Hourly compensation increased 3.2 percent in 1994, less than in any year since 1955. Compensation per hour had increased 3.6 percent in 1993. Real hourly compensation increased 0.6 percent in both 1993 and 1994. The slow growth of hourly compensation combined with moderate productivity growth to produce an increase of only 0.9 percent in unit labor costs during 1994. This was the smallest annual rise since 1964, when unit labor costs increased by the same amount.

Table B. Annual changes in productivity and related measures, 1985-1994

Measure	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
Business:										
Productivity....	1.4	2.1	1.0	1.0	-0.7	0.7	1.3	3.0	1.5	2.3
Output.....	3.6	2.8	4.1	4.3	1.7	0.7	-1.0	2.7	3.8	5.3
Hours.....	2.1	0.6	3.0	3.3	2.5	0.1	-2.3	-0.3	2.2	2.9
Hourly comp....	4.5	5.0	3.6	4.4	3.5	5.7	4.8	5.1	3.6	3.2
Real hourly comp	0.9	3.1	-0.1	0.2	-1.3	0.3	0.6	2.0	0.6	0.6
Unit labor costs	3.0	2.8	2.5	3.4	4.3	5.0	3.5	2.1	2.0	0.9
Nonfarm Business:										
Productivity....	0.8	2.0	0.8	1.0	-0.9	0.4	1.5	2.7	1.5	2.2
Output.....	3.4	2.8	4.1	4.4	1.7	0.6	-1.0	2.4	4.1	5.2
Hours.....	2.5	0.8	3.2	3.4	2.6	0.2	-2.4	-0.3	2.5	2.9
Hourly comp....	4.1	5.0	3.5	4.2	3.3	5.5	5.0	5.1	3.3	3.1
Real hourly comp.	0.6	3.1	-0.2	0.1	-1.4	0.1	0.8	2.0	0.2	0.6
Unit labor costs	3.3	2.9	2.6	3.3	4.3	5.1	3.5	2.4	1.7	0.9
Manufacturing:										
Productivity....	3.2	2.6	6.5	2.3	0.6	1.8	2.3	2.1	3.2	4.9
Output.....	2.4	1.1	7.2	5.2	0.9	-0.4	-1.9	1.5	4.1	6.2
Hours.....	-0.7	-1.5	0.7	2.9	0.4	-2.2	-4.1	-0.6	0.8	1.2
Hourly comp....	5.0	4.1	2.3	3.9	3.9	5.3	5.3	4.2	3.3	2.8
Real hourly comp.	1.4	2.2	-1.3	-0.2	-0.9	-0.1	1.1	1.2	0.3	0.3
Unit labor costs	1.8	1.5	-3.9	1.6	3.3	3.5	3.0	2.1	0.1	-1.9

Nonfarm business

Productivity increased 2.2 percent in the nonfarm business sector during 1994, as output rose 5.2 percent and hours of all persons increased 2.9 percent. The increase in output in 1994 was the largest annual gain in the series since 1984 (8.2 percent). In 1993, productivity had risen 1.5 percent, as output and hours rose 4.1 percent and 2.5 percent, respectively. Hourly compensation rose 3.1 percent in 1994; this was the smallest gain since 1949 (3.0 percent) and followed a 3.3 percent increase in 1993. Real hourly compensation increased 0.6 percent in 1994, compared with 0.2 percent in 1993.

Unit labor costs in the nonfarm business sector grew only 0.9 percent in 1994, reflecting 3.1 percent growth in hourly compensation and 2.2 percent growth in productivity. In 1993, unit labor costs had increased 1.7 percent, as similar hourly compensation gains were accompanied by slower productivity growth.

Manufacturing

Manufacturing productivity grew 4.9 percent in 1994, as output rose 6.2 percent and hours of all persons increased 1.2 percent. The increases in both productivity and output in 1994 were the largest since 1987, when productivity increased 6.5 percent and output increased 7.2 percent (table B). During 1993, productivity had risen 3.2 percent, output grew 4.1 percent, and hours increased 0.8 percent.

Hourly compensation of manufacturing workers increased 2.8 percent during 1994, or a gain of 0.3 percent when the increase in consumer prices is taken into account. Unit labor costs fell 1.9 percent in 1994, the first such decline since 1987, reflecting both faster productivity growth and a smaller gain in compensation per hour than in 1993.

Both durable and nondurable goods industries experienced productivity increases in 1994. The 5.9 percent gain among durable goods producers was based on output growth of 8.0 percent, the biggest yearly gain since 1984. In nondurable goods industries, the productivity growth rate of 3.3 percent reflected 3.5 percent output growth and a 0.2 percent increase in hours (tables 4 and 5).

Revised measures: Nonfinancial Corporations

Productivity and cost measures for the third quarter for nonfinancial corporations, which were revised to incorporate the most recent information, were much the same as the preliminary results announced on Dec. 7, 1994. Productivity grew at an annual rate of 2.0 percent compared with the preliminary estimate of 1.9 percent (table C).

Table C. Nonfinancial corporations: Previous and revised productivity and related measures

Quarterly percent change at seasonally adjusted annual rate

Period	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs	Unit profits	Implicit price deflator
Third quarter 1994:								
Previous	1.9	4.2	2.3	3.1	-0.4	1.2	1.3	1.6
Current	2.0	4.2	2.2	3.3	-0.3	1.2	0.3	1.7

Next release date

The next issue of Productivity and Costs is scheduled for release at 10:00 AM EST, Wednesday, March 8, 1995, and will contain revised fourth-quarter and annual measures for business, nonfarm business, and manufacturing.

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BLS Data Now Available on the INTERNET

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

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

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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 man-

ufactures. Nondurables include: Food and kindred products, tobacco products, textile mill products, apparel products, paper and allied products, printing and publishing, chemicals and chemical products, petroleum refining and related industries, rubber and plastic products, leather and leather products. Manufacturing accounted for about 19 percent of GDP in 1992. Quarterly manufacturing output measures are based on the index of industrial production prepared monthly by the Board of Governors of the Federal Reserve System adjusted by BLS to annual manufacturing output levels (gross product originating) from the National Income and Product Accounts prepared by the Bureau of Economic Analysis of the U.S. Department of Commerce.

Nonfinancial corporate output is equal to GDP in constant 1987 dollars, less the output of nonprofit institutions, output of paid employees of private households, rental value of owner-occupied dwellings, unincorporated business, the output of corporations engaged in banking, finance, stock and commodity trading, and credit and insurance agencies, and the statistical discrepancy in computing the NIPA. Nonfinancial corporations accounted for about 56 percent of GDP in 1992.

Productivity: These productivity measures describe the relationship between real output and the labor time involved in its production. They show the changes from period to period in the amount of goods and services produced per hour. Although these measures relate output to hours at work of all persons engaged in a sector, they do not measure the specific contribution of labor, capital, or any other factor of production. Rather, they reflect the joint effects of many influences, including changes in technology; capital investment; level of output; utilization of capacity, energy, and materials; the organization of

production; managerial skill; and the characteristics and effort of the work force.

Information in this release will be made available to sensory-impaired individuals upon request. Voice phone: 202-523-1221; TDD phone: 202-523-3936; TDD message referral phone number: 1-800-326-2577.

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

Year and quarter	Output per hour of all persons	Output	Hours of all persons	Compensation per hour (1)	Real compensation per hour (2)	Unit labor costs	Unit non-labor payments (3)	Implicit price deflator (4)
Indexes 1982=100								
1992	I	114.5	133.7	116.8	152.2	105.9	133.0	148.4
	II	114.8	134.4	117.1	153.7	106.1	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	157.7	107.1	135.1	150.2
	ANNUAL	115.5	135.5	117.4	154.9	106.6	134.2	148.3
1993	I	116.2	138.1	118.9	158.8	107.0	136.6	149.5
	II	116.4	139.6	119.9	160.0	107.0	137.5	149.6
	III	117.3	140.9	120.1	161.2	107.3	137.4	150.4
	IV	119.0	143.9	121.0	162.1	107.2	136.3	153.8
	ANNUAL	117.2	140.6	120.0	160.5	107.2	136.9	150.9
1994	I	119.8	145.8	121.7	164.6	108.3	137.4	153.2
	II	119.2	147.2	123.5	164.7	107.6	138.2	155.3
	III	r120.3	r148.8	123.7	r166.2	r107.6	r138.1	r157.6
	IV	120.8	150.8	124.8	167.5	107.9	138.7	157.5
	ANNUAL	119.9	148.1	123.5	165.6	107.8	138.1	155.9
Percent change from previous quarter at annual rate(5)								
1992	I	5.5	3.4	-1.9	5.8	3.1	0.3	9.1
	II	1.1	2.2	1.1	4.0	0.7	2.8	1.0
	III	3.7	4.9	1.2	6.1	3.0	2.4	-7.7
	IV	3.2	5.6	2.3	4.4	1.2	1.2	12.7
	ANNUAL	3.0	2.7	-0.3	5.1	2.0	2.1	2.3
1993	I	-1.9	0.6	2.5	2.6	-0.4	4.6	-2.0
	II	0.6	4.2	3.6	3.1	0.0	2.5	0.3
	III	3.3	4.0	0.7	3.0	1.1	-0.3	2.1
	IV	5.7	8.6	2.8	2.4	-0.6	-3.1	9.4
	ANNUAL	1.5	3.8	2.2	3.6	0.6	2.0	1.7
1994	I	2.9	5.5	2.5	6.3	4.1	3.3	-1.7
	II	-2.0	3.7	5.9	0.2	-2.5	2.3	5.8
	III	r3.7	r4.5	r0.8	r3.6	r0.0	r-0.2	r5.9
	IV	1.7	5.4	3.7	3.4	1.1	1.7	-0.3
	ANNUAL	2.3	5.3	2.9	3.2	0.6	0.9	3.3
Percent change from corresponding quarter of previous year								
1992	I	2.8	1.7	-1.1	4.9	2.0	2.1	3.2
	II	2.5	2.0	-0.6	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	1.5	3.3	1.8	4.3	1.1	2.8	0.7
	II	1.4	3.8	2.4	4.1	0.9	2.7	0.6
	III	1.3	3.6	2.3	3.3	0.5	2.0	3.1
	IV	1.9	4.3	2.4	2.8	0.0	0.9	2.4
	ANNUAL	1.5	3.8	2.2	3.6	0.6	2.0	1.7
1994	I	3.1	5.6	2.4	3.7	1.1	0.6	2.5
	II	2.4	5.4	3.0	3.0	0.5	0.5	3.8
	III	2.5	r5.6	3.0	3.1	0.2	0.6	r4.8
	IV	1.5	4.8	3.2	3.3	0.6	1.8	2.4
	ANNUAL	2.3	5.3	2.9	3.2	0.6	0.9	3.3

See footnotes following table 6.
r=revised

February 7, 1995
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	118.6	150.9	105.0	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	120.0	156.4	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	114.4	138.3	120.9	157.2	106.0	137.5	151.5	142.0
	II	114.5	139.9	122.1	158.2	105.8	138.1	151.8	142.5
	III	115.6	141.5	122.4	159.3	106.1	137.7	153.5	142.8
	IV	117.0	144.3	123.3	160.2	105.9	136.9	156.1	143.1
	ANNUAL	115.4	141.0	122.2	158.7	106.0	137.5	153.3	142.6
1994	I	117.9	146.1	124.0	162.6	106.9	137.9	155.3	143.5
	II	117.2	147.3	125.6	162.9	106.4	138.9	158.1	145.1
	III	r118.2	148.8	126.0	164.1	r106.3	138.9	r160.8	145.9
	IV	118.7	150.8	127.1	165.6	106.6	139.5	160.2	146.2
	ANNUAL	117.9	148.3	125.8	163.7	106.6	138.8	158.6	145.2
Percent change from previous quarter at annual rate(5)									
1992	I	4.2	2.4	-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	1.6	5.8	2.6	2.9	-8.6	-1.2
	IV	3.8	6.2	2.3	4.5	1.2	0.6	14.4	5.1
	ANNUAL	2.7	2.4	-0.3	5.1	2.0	2.4	2.2	2.3
1993	I	-2.0	1.0	3.0	2.1	-0.9	4.1	-1.4	2.2
	II	0.4	4.7	4.3	2.4	-0.7	2.0	0.8	1.6
	III	4.0	4.9	0.9	2.8	0.9	-1.2	4.4	0.7
	IV	4.9	7.9	2.9	2.4	-0.6	-2.4	7.1	0.8
	ANNUAL	1.5	4.1	2.5	3.3	0.2	1.7	2.4	1.9
1994	I	2.9	5.2	2.3	6.1	3.9	3.1	-2.1	1.2
	II	-2.1	3.2	5.5	0.7	-2.0	2.9	7.5	4.5
	III	r3.2	r4.3	r1.1	r3.1	r-0.4	r-0.1	r6.9	r2.3
	IV	1.8	5.4	3.6	3.7	1.4	1.9	-1.3	0.7
	ANNUAL	2.2	5.2	2.9	3.1	0.6	0.9	3.5	1.8
Percent change from corresponding quarter of previous year									
1992	I	2.4	1.4	-1.0	4.9	2.0	2.4	2.8	2.5
	II	2.4	1.8	-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	0.7	5.1	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	1.6	3.5	1.9	4.2	1.0	2.6	1.3	2.1
	II	1.2	4.0	2.8	3.7	0.5	2.4	0.9	1.9
	III	1.5	4.2	2.6	2.9	0.1	1.4	4.4	2.4
	IV	1.8	4.6	2.7	2.4	-0.3	0.6	2.7	1.3
	ANNUAL	1.5	4.1	2.5	3.3	0.2	1.7	2.4	1.9
1994	I	3.0	5.7	2.6	3.4	0.9	0.3	2.5	1.1
	II	2.4	5.3	2.8	3.0	0.5	0.6	4.2	1.8
	III	r2.2	r5.2	2.9	r3.1	0.2	0.9	r4.8	2.2
	IV	1.4	4.5	3.1	3.4	0.7	2.0	2.6	2.2
	ANNUAL	2.2	5.2	2.9	3.1	0.6	0.9	3.5	1.8

See footnotes following table 6.
r=revised

February 7, 1995
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	126.4	128.6	101.8	145.2	101.0	114.9
	II	126.8	129.6	102.2	146.8	101.3	115.8
	III	127.6	130.3	102.1	148.4	101.6	116.3
	IV	128.8	132.0	102.5	150.7	102.4	117.0
	ANNUAL	127.5	130.1	102.0	147.9	101.7	116.0
1993	I	130.0	134.0	103.1	150.0	101.1	115.4
	II	130.7	134.4	102.8	152.1	101.8	116.4
	III	131.7	135.4	102.8	153.6	102.3	116.6
	IV	133.6	137.7	103.0	155.1	102.5	116.1
	ANNUAL	131.6	135.4	102.9	152.8	102.0	116.1
1994	I	135.7	140.2	103.3	156.6	103.0	115.4
	II	137.6	142.7	103.7	156.1	101.9	113.4
	III	138.8	r144.6	104.2	157.2	101.8	113.3
	IV	139.8	147.4	105.4	158.6	102.2	113.5
	ANNUAL	138.0	143.7	104.2	157.1	102.3	113.9
Percent change from previous quarter at annual rate(5)							
1992	I	0.6	-1.6	-2.1	1.5	-1.1	0.9
	II	1.3	3.0	1.7	4.5	1.2	3.2
	III	2.6	2.1	-0.5	4.3	1.2	1.6
	IV	3.8	5.3	1.4	6.5	3.2	2.6
	ANNUAL	2.1	1.5	-0.6	4.2	1.2	2.1
1993	I	3.7	6.3	2.6	-2.0	-4.9	-5.5
	II	2.4	1.3	-1.1	6.0	2.8	3.5
	III	3.0	3.0	0.0	3.9	2.0	0.9
	IV	6.0	6.9	0.9	3.9	0.9	-2.0
	ANNUAL	3.2	4.1	0.8	3.3	0.3	0.1
1994	I	6.4	7.4	1.0	4.0	1.8	-2.3
	II	5.6	7.2	1.5	-1.4	-4.1	-6.7
	III	r3.5	r5.6	2.0	3.0	-0.5	r-0.5
	IV	2.8	7.7	4.8	3.7	1.4	0.8
	ANNUAL	4.9	6.2	1.2	2.8	0.3	-1.9

Percent change from corresponding quarter of previous year

1992	I	2.6	1.3	-1.2	4.0	1.1	1.4
	II	1.9	1.7	-0.1	4.0	0.9	2.1
	III	1.4	0.8	-0.6	4.2	1.1	2.8
	IV	2.1	2.2	0.1	4.2	1.1	2.1
	ANNUAL	2.1	1.5	-0.6	4.2	1.2	2.1
1993	I	2.9	4.2	1.3	3.3	0.1	0.4
	II	3.1	3.7	0.6	3.6	0.5	0.5
	III	3.2	4.0	0.7	3.5	0.7	0.3
	IV	3.8	4.4	0.6	2.9	0.2	-0.8
	ANNUAL	3.2	4.1	0.8	3.3	0.3	0.1
1994	I	4.4	4.6	0.2	4.4	1.9	0.0
	II	5.3	6.1	0.8	2.6	0.1	-2.5
	III	5.4	6.8	1.3	r2.4	-0.5	-2.9
	IV	4.6	7.0	2.3	2.3	-0.4	-2.2
	ANNUAL	4.9	6.2	1.2	2.8	0.3	-1.9

See footnotes following table 6.
r=revised

February 7, 1995
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	135.3	134.5	99.4	143.1	99.5	105.7
	II	136.4	135.7	99.5	144.9	100.0	106.2
	III	137.5	136.5	99.3	146.4	100.2	106.5
	IV	139.2	138.7	99.7	149.2	101.4	107.2
	ANNUAL	137.3	136.3	99.3	146.1	100.5	106.4
1993	I	141.0	141.6	100.4	147.4	99.4	104.5
	II	142.3	142.2	99.9	149.4	100.0	105.0
	III	143.4	143.5	100.1	150.7	100.3	105.1
	IV	146.6	147.4	100.5	152.3	100.7	103.9
	ANNUAL	143.5	143.7	100.1	150.1	100.2	104.6
1994	I	149.3	150.8	101.0	154.0	101.2	103.1
	II	151.2	153.4	101.4	153.1	100.0	101.2
	III	r153.0	r156.3	102.2	154.1	99.8	100.7
	IV	154.4	160.2	103.8	155.8	100.3	100.9
	ANNUAL	151.9	155.2	102.1	154.2	100.4	101.5

Percent change from previous quarter at annual rate(5)							
1992	I	-1.0	-3.2	-2.2	0.9	-1.7	1.9
	II	3.3	3.7	0.4	5.2	1.8	1.8
	III	3.1	2.2	-0.8	4.1	1.0	1.1
	IV	5.1	6.8	1.6	8.1	4.7	2.8
	ANNUAL	3.0	1.5	-1.5	4.5	1.5	1.4
1993	I	5.5	8.5	2.8	-4.8	-7.6	-9.8
	II	3.7	1.8	-1.9	5.6	2.5	1.9
	III	3.0	3.9	0.8	3.4	1.5	0.3
	IV	9.4	11.2	1.7	4.4	1.3	-4.6
	ANNUAL	4.5	5.4	0.8	2.8	-0.2	-1.7
1994	I	7.3	9.5	2.0	4.4	2.3	-2.7
	II	5.3	7.1	1.7	-2.3	-4.9	-7.2
	III	r4.8	r7.8	2.9	r2.7	-0.8	r-1.9
	IV	3.8	10.4	6.3	4.4	2.1	0.5
	ANNUAL	5.9	8.0	2.0	2.7	0.2	-3.0

Percent change from corresponding quarter of previous year

1992	I	3.5	1.3	-2.1	4.0	1.1	0.5
	II	3.3	1.8	-1.4	4.4	1.3	1.1
	III	2.2	0.7	-1.5	4.6	1.5	2.3
	IV	2.6	2.3	-0.2	4.5	1.4	1.9
	ANNUAL	3.0	1.5	-1.5	4.5	1.5	1.4
1993	I	4.2	5.3	1.0	3.0	-0.1	-1.2
	II	4.3	4.8	0.4	3.1	0.0	-1.1
	III	4.3	5.2	0.8	2.9	0.1	-1.3
	IV	5.4	6.3	0.8	2.1	-0.7	-3.2
	ANNUAL	4.5	5.4	0.8	2.8	-0.2	-1.7
1994	I	5.8	6.5	0.7	4.4	1.9	-1.3
	II	6.2	7.9	1.6	2.4	0.0	-3.6
	III	6.7	r8.9	2.1	2.3	-0.6	r-4.1
	IV	5.3	8.7	3.2	2.3	-0.4	-2.9
	ANNUAL	5.9	8.0	2.0	2.7	0.2	-3.0

See footnotes following table 6.
r=revised

February 7, 1995
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	129.6
	II	115.0	122.1	106.2	151.0	104.2	131.3
	III	115.6	122.7	106.1	152.7	104.6	132.1
	IV	116.2	123.7	106.4	154.2	104.8	132.7
	ANNUAL	115.6	122.5	105.9	152.0	104.5	131.4
1993	I	116.5	124.7	107.0	155.2	104.6	133.1
	II	116.7	124.9	107.0	157.7	105.5	135.1
	III	117.6	125.5	106.7	159.5	106.2	135.6
	IV	118.0	125.8	106.6	160.7	106.2	136.2
	ANNUAL	117.2	125.2	106.8	158.3	105.7	135.0
1994	I	119.4	127.2	106.5	161.9	106.5	135.6
	II	121.2	129.5	106.9	161.9	105.7	133.5
	III	r121.7	130.3	107.1	163.2	105.7	134.1
	IV	122.1	131.6	107.8	164.1	105.7	134.5
	ANNUAL	121.1	129.7	107.1	162.8	106.0	134.4

Percent change from previous quarter at annual rate(5)							
1992	I	2.7	0.6	-2.0	2.4	-0.3	-0.3
	II	-1.4	2.0	3.4	3.9	0.5	5.3
	III	2.1	1.9	-0.2	4.6	1.5	2.5
	IV	2.2	3.3	1.1	4.1	0.8	1.9
	ANNUAL	0.9	1.5	0.6	4.0	0.9	3.1
1993	I	1.2	3.5	2.3	2.4	-0.6	1.2
	II	0.7	0.6	-0.1	6.6	3.4	5.9
	III	3.0	1.8	-1.1	4.6	2.7	1.6
	IV	1.4	1.1	-0.3	3.1	0.1	1.7
	ANNUAL	1.4	2.3	0.9	4.1	1.1	2.7
1994	I	5.0	4.6	-0.4	3.1	0.9	-1.9
	II	6.1	7.4	1.3	-0.1	-2.8	-5.8
	III	r1.6	r2.5	r0.9	3.3	-0.3	r1.7
	IV	1.2	3.9	2.7	2.3	0.0	1.0
	ANNUAL	3.3	3.5	0.2	2.8	0.3	-0.5

Percent change from corresponding quarter of previous year

1992	I	1.3	1.3	0.0	4.1	1.2	2.8
	II	0.0	1.6	1.6	3.7	0.6	3.7
	III	0.3	1.0	0.7	3.8	0.7	3.5
	IV	1.4	2.0	0.6	3.8	0.7	2.3
	ANNUAL	0.9	1.5	0.6	4.0	0.9	3.1
1993	I	1.0	2.7	1.7	3.8	0.6	2.7
	II	1.5	2.3	0.8	4.4	1.3	2.9
	III	1.7	2.3	0.6	4.4	1.6	2.7
	IV	1.5	1.8	0.2	4.2	1.4	2.6
	ANNUAL	1.4	2.3	0.9	4.1	1.1	2.7
1994	I	2.5	2.0	-0.4	4.3	1.8	1.8
	II	3.8	3.7	-0.1	2.7	0.2	-1.1
	III	r3.5	r3.9	0.4	2.3	-0.5	-1.1
	IV	3.4	4.6	1.1	2.1	-0.5	-1.3
	ANNUAL	3.3	3.5	0.2	2.8	0.3	-0.5

See footnotes following table 6.
r=revised

February 7, 1995
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	116.8	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	121.3	145.9	120.3	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	155.9	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	103.8	126.2	116.6	123.5	218.2
	II	124.6	154.8	124.2	157.9	103.1	126.7	115.2	123.4	228.7
	III	125.2	156.5	124.9	159.1	103.0	r127.1	r116.2	r124.0	r228.8
Percent change from previous quarter at annual rate(5)										
1992	I	1.3	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	0.3	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	2.3	-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	1.5	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	3.0	1.8	6.6	3.1	-4.9
	II	-1.4	4.8	6.4	-0.1	-2.7	1.4	-4.8	-0.3	20.7
	III	r2.0	4.2	r2.2	r3.3	r-0.3	1.2	r3.5	r1.8	r0.3
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	4.6	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	4.2	1.0	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	-0.3	-0.4	-2.7	-1.0	18.5
	IV	2.9	5.2	2.2	1.8	-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	-0.3	-0.5	-0.5	-0.5	14.7
	III	2.1	5.7	3.5	2.4	r-0.4	0.3	r0.4	0.3	r13.0

See footnotes following table 6.
r=revised

February 7, 1995
Source: Bureau of Labor Statistics

SOURCE: Output data from the Bureau of Economic Analysis, U.S. Department of Commerce, and the Federal Reserve Board. Compensation and hours data from the Bureau of Labor Statistics, U.S. Department of Labor, and the Bureau of Economic Analysis.

RELIABILITY: Productivity and cost measures are regularly revised as more complete information becomes available. The measures are first published 30 days after the close of the reference period; revisions appear 30 days later, and third revisions after an additional 60 days. In the business sector, the probability is 0.95 that the third publication (third revision) of a quarterly index of output per hour of all persons will differ from the initial value by between -1.8 and +2.1 index points. This interval is based on the performance of this measure between the second quarter of 1976 and the third quarter of 1992.

Footnotes, Tables 1-6

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