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PRODUCTIVITY AND COSTS
Fourth-Quarter and Annual Averages, 1994

The Bureau of Labor Statistics of the U.S. Department of Labor today reported revised fourth-quarter seasonally-adjusted annual rates of productivity change--as measured by output per hour of all persons--and revised annual changes for the full year 1994. In the fourth quarter, productivity increased moderately in both the business and nonfarm business sectors. Percent changes in business and nonfarm business productivity were:

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

For the year 1994, productivity increases in both sectors were somewhat greater than in 1993. These productivity improvements, combined with modest increases in hourly compensation, led to the smallest increases in unit labor costs in three decades. Fourth-quarter productivity and related measures are summarized in table A and appear in detail in tables 1 through 5.

In the manufacturing sector, increases in productivity were:

	Fourth quarter	Annual averages 1993-1994
Manufacturing.....	3.1	4.9
Durable goods manufacturing	3.5	5.9
Nondurable goods manufacturing	2.4	3.4

Manufacturing productivity grew at a 3.1 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: Revised fourth-quarter 1994 measures (Seasonally adjusted annual rates)

Sector	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs
	Percent change from preceding quarter					
Business	1.7	5.4	3.6	3.1	0.8	1.3
Nonfarm business	1.7	5.3	3.5	3.4	1.2	1.7
Manufacturing	3.1	7.7	4.5	3.4	1.1	0.3
Durable	3.5	9.6	5.9	4.1	1.8	0.6
Nondurable	2.4	4.9	2.5	2.0	-0.2	-0.3
	Percent change from same quarter a year ago					
Business	1.6	4.8	3.2	3.3	0.6	1.7
Nonfarm business	1.4	4.5	3.1	3.3	0.7	1.9
Manufacturing	4.6	7.0	2.2	2.2	-0.4	-2.3
Durable	5.2	8.5	3.1	2.2	-0.4	-2.9
Nondurable	3.7	4.8	1.1	2.1	-0.6	-1.6

THIRD-TO-FOURTH QUARTER CHANGES, 1994

Business

Business sector productivity increased 1.7 percent in the fourth quarter of 1994. This gain reflected output growth of 5.4 percent and growth in the hours of all persons engaged in the sector of 3.6 percent (seasonally adjusted annual rates). During the third quarter of 1994, business productivity had increased 3.7 percent, output 4.5 percent, and hours 0.8 percent (table 1).

Hourly compensation increased at a 3.1 percent rate during the fourth quarter of 1994, compared with a 3.6 percent increase 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 1.3 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 0.8 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 a 0.6 percent annual rate in the fourth quarter. During the third quarter, prices of the goods and services which comprise business output had increased at a 2.0 percent rate.

Nonfarm business

In the nonfarm business sector, productivity rose 1.7 percent in the fourth quarter. Output rose 5.3 percent, and hours of all persons--employees, proprietors, and unpaid family workers--rose 3.5 percent. During the third quarter, nonfarm productivity had increased 3.2 percent as output grew 4.3 percent and hours 1.1 percent (table 2).

Hourly compensation rose 3.4 percent in the fourth quarter, and real hourly compensation increased 1.2 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 dropped 0.4 percent. Unit labor costs rose 1.7 percent in the fourth quarter, compared with a 0.1 percent decrease during the third quarter.

The implicit price deflator for nonfarm business, reflecting the modest increase in unit labor costs and a 1.7 percent fall in unit nonlabor payments, rose only 0.5 percent in the fourth quarter, compared with a 2.3 percent increase one quarter earlier.

Manufacturing

Manufacturing productivity rose at a 3.1 percent seasonally adjusted annual rate in the fourth quarter of 1994, following an increase of 3.5 percent in the third quarter. Output rose 7.7 percent in the fourth quarter, the fifth consecutive quarter of increases exceeding 5 percent, and hours of all persons increased 4.5 percent. Both durable and nondurable goods industries experienced productivity increases in the fourth quarter, but the increases in durable manufacturing productivity and output were greater (tables 4 and 5).

Hourly compensation of all manufacturing workers increased 3.4 percent during the fourth quarter, 1.1 percent when the increase in consumer prices was taken into account. Unit labor costs rose at a 0.3 percent annual rate in the fourth quarter of 1994, after falling in the four previous quarters.

ANNUAL AVERAGE CHANGES, 1993-1994

Business

In the calendar year 1994, business productivity increased 2.3 percent, up from a 1.5 percent increase in 1993. Output grew 5.3 percent in 1994, and hours of all persons engaged in the sector increased 2.9 percent (table 1).

Hourly compensation increased 3.2 percent in 1994 (the smallest annual increase since 2.6 percent in 1955) and 3.6 percent in 1993. Real hourly compensation increased 0.6 percent in both 1994 and 1993.

Unit labor costs increased 0.8 percent during 1994, compared with a 2.0 percent increase a year earlier. These costs grew less in 1994 than in 1993 because of the smaller increase in hourly compensation and higher productivity growth.

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. In 1993, productivity had risen 1.5 percent, reflecting output and hours increases of 4.1 and 2.5 percent, respectively. Hourly compensation rose 3.1 percent in 1994. Although this was the smallest increase in hourly compensation since 1949 (when it rose 3.0 percent), it was just slightly less than the 3.3 percent rise in 1993. Real hourly compensation increased 0.5 percent, up from a 0.2 percent rise in 1993.

Unit labor costs in the nonfarm business sector grew only 0.9 percent in 1994 and 1.7 percent in 1993.

Manufacturing

Manufacturing productivity grew 4.9 percent in 1994, as output rose 6.1 percent and hours of all persons 1.2 percent. During 1993, productivity rose 3.2 percent, output rose 4.1 percent, and hours increased 0.8 percent. The increases in manufacturing productivity and output in 1994 were the largest since 1987. The increase in hours occurred because of increases in both employment and average weekly hours. Although employment growth was modest, it was the first annual increase since 1989. Manufacturing workers' average weekly hours in 1994 were at historically high levels.

Hourly compensation of manufacturing workers increased 2.8 percent during 1994, but only 0.2 percent after the increase in consumer prices is taken into account. Unit labor costs fell 2.0 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 large gain among durable goods producers, 5.9 percent, reflected strong output growth and a slight increase in hours. In nondurable goods industries, productivity, output, and hours all grew modestly in 1994 (tables 4 and 5).

Revised measures

Productivity and cost measures for the fourth quarter and full year 1994 for business, nonfarm business, and manufacturing were revised to incorporate the most recent information, and were somewhat different from the preliminary results announced on February 7. Hourly compensation and the related real hourly compensation and unit labor cost measures were revised down in the business, nonfarm business and manufacturing sectors (table B).

Measures of real hourly compensation were revised for all sectors to reflect revisions to the Consumer Price Index for All Urban Consumers. These revisions to the CPI, which reflect updated seasonal adjustment factors, were released February 15 (USDL 95-52). Measures for 1990 forward were affected.

Table B. Previous and revised productivity and related measures:
Fourth-quarter and annual averages, 1994
(Seasonally adjusted annual rates)

Sector	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs
Percent change, third to fourth quarter 1994						
Business:						
Previous	1.7	5.4	3.7	3.4	1.1	1.7
Current	1.7	5.4	3.6	3.1	0.8	1.3
Nonfarm business:						
Previous	1.8	5.4	3.6	3.7	1.4	1.9
Current	1.7	5.3	3.5	3.4	1.2	1.7
Manufacturing:						
Previous	2.8	7.7	4.8	3.7	1.4	0.8
Current	3.1	7.7	4.5	3.4	1.1	0.3
Percent change, 1993 - 1994						
Business:						
Previous	2.3	5.3	2.9	3.2	0.6	0.9
Current	2.3	5.3	2.9	3.2	0.6	0.8
Nonfarm business:						
Previous	2.2	5.2	2.9	3.1	0.6	0.9
Current	2.2	5.2	2.9	3.1	0.5	0.9
Manufacturing:						
Previous	4.9	6.2	1.2	2.8	0.3	-1.9
Current	4.9	6.1	1.2	2.8	0.2	-2.0

Next release date

The next release of Productivity and Costs is scheduled for 10:00 AM EDT, Tuesday, May 9, 1995, and will contain preliminary first-quarter measures for business, nonfarm business, and manufacturing. Fourth-quarter and 1994 annual measures for nonfinancial corporations will be included 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 non-supervisory 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 sta-

tistical 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, glass, and concrete products; and miscellaneous manufactures. Non-

durables 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, and 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, the output of unincorporated business, 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	138.0
	II	114.8	134.4	117.1	153.7	106.1	133.9	138.8
	III	115.9	136.1	117.4	156.0	r106.9	134.7	138.3
	IV	116.8	137.9	118.1	157.7	107.1	135.1	140.1
	ANNUAL	115.5	135.5	117.4	154.9	106.6	134.2	138.8
1993	I	116.2	138.1	118.9	158.8	107.0	136.6	140.8
	II	116.4	139.6	119.9	160.0	107.0	137.5	141.4
	III	117.3	140.9	120.1	161.2	r107.4	137.4	141.6
	IV	119.0	143.9	121.0	162.1	107.2	136.3	142.1
	ANNUAL	117.2	140.6	120.0	160.5	107.2	136.9	141.5
1994	I	119.8	145.8	121.7	164.6	r108.2	137.4	142.6
	II	119.2	147.2	123.5	164.7	107.6	138.2	143.8
	III	120.3	148.8	123.7	166.2	107.6	138.1	144.5
	IV	120.8	150.8	124.8	r167.4	r107.8	r138.6	r144.8
	ANNUAL	119.9	148.1	123.5	165.6	107.8	138.1	r143.9
Percent change from previous quarter at annual rate(5)								
1992	I	5.5	3.4	-1.9	5.8	r3.0	0.3	3.3
	II	1.1	2.2	1.1	4.0	r0.9	2.8	2.2
	III	3.7	4.9	1.2	6.1	3.0	2.4	-1.3
	IV	3.2	5.6	2.3	4.4	r1.0	1.2	5.1
	ANNUAL	3.0	2.7	-0.3	5.1	2.0	2.1	2.2
1993	I	-1.9	0.6	2.5	2.6	-0.4	4.6	2.3
	II	0.6	4.2	3.6	3.1	r0.1	2.5	1.7
	III	3.3	4.0	0.7	3.0	r1.3	-0.3	0.6
	IV	5.7	8.6	2.8	2.4	r-0.8	-3.1	1.2
	ANNUAL	1.5	3.8	2.2	3.6	0.6	2.0	1.9
1994	I	2.9	5.5	2.5	6.3	4.1	3.3	1.5
	II	-2.0	3.7	5.9	0.2	r-2.3	2.3	3.5
	III	3.7	4.5	0.8	3.6	0.0	-0.2	2.0
	IV	1.7	5.4	r3.6	r3.1	r0.8	r1.3	r-0.6
	ANNUAL	2.3	5.3	2.9	3.2	0.6	r0.8	1.7
Percent change from corresponding quarter of previous year								
1992	I	2.8	1.7	-1.1	4.9	r1.9	2.1	2.5
	II	2.5	2.0	-0.6	4.9	r1.8	2.3	2.4
	III	3.1	3.0	-0.2	5.3	2.2	2.1	1.5
	IV	3.4	4.0	0.6	5.1	r1.9	1.7	2.3
	ANNUAL	3.0	2.7	-0.3	5.1	2.0	2.1	2.2
1993	I	1.5	3.3	1.8	4.3	1.1	2.8	2.0
	II	1.4	3.8	2.4	4.1	0.9	2.7	1.9
	III	1.3	3.6	2.3	3.3	0.5	2.0	2.4
	IV	1.9	4.3	2.4	2.8	0.0	0.9	1.4
	ANNUAL	1.5	3.8	2.2	3.6	0.6	2.0	1.9
1994	I	3.1	5.6	2.4	3.7	1.1	0.6	1.2
	II	2.4	5.4	3.0	3.0	0.5	0.5	1.7
	III	2.5	5.6	3.0	3.1	0.2	0.6	2.0
	IV	r1.6	4.8	3.2	3.3	0.6	r1.7	r1.9
	ANNUAL	2.3	5.3	2.9	3.2	0.6	r0.8	1.7

See footnotes following table 6.
r=revised

March 8, 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	r104.9	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	120.0	156.4	r106.2	136.1	152.1
	ANNUAL	113.7	135.5	119.2	153.7	105.7	135.2	149.7
1993	I	114.4	138.3	120.9	157.2	106.0	137.5	151.5
	II	114.5	139.9	122.1	158.2	105.8	138.1	151.8
	III	115.6	141.5	122.4	159.3	106.1	137.7	153.5
	IV	117.0	144.3	123.3	160.2	105.9	136.9	156.1
	ANNUAL	115.4	141.0	122.2	158.7	106.0	137.5	153.3
1994	I	117.9	146.1	124.0	162.6	106.9	137.9	155.3
	II	117.2	147.3	125.6	162.9	106.4	138.9	158.1
	III	118.2	148.8	126.0	164.1	106.3	138.9	160.8
	IV	118.7	150.8	127.1	r165.5	106.6	r160.1	r160.1
	ANNUAL	117.9	148.3	r125.7	r163.6	106.6	138.8	158.6
Percent change from previous quarter at annual rate(5)								
1992	I	4.2	2.4	-1.8	5.7	r2.9	1.4	6.5
	II	1.9	2.5	0.6	4.6	r1.4	2.6	2.3
	III	2.8	4.4	1.6	5.8	2.6	2.9	-8.6
	IV	3.8	6.2	2.3	4.5	r1.0	0.6	14.4
	ANNUAL	2.7	2.4	-0.3	5.1	2.0	2.4	2.2
1993	I	-2.0	1.0	3.0	2.1	-0.9	4.1	-1.4
	II	0.4	4.7	4.3	2.4	r-0.6	2.0	0.8
	III	4.0	4.9	0.9	2.8	r1.1	-1.2	4.4
	IV	4.9	7.9	2.9	2.4	r-0.9	-2.4	7.1
	ANNUAL	1.5	4.1	2.5	3.3	0.2	1.7	2.4
1994	I	2.9	5.2	2.3	6.1	3.9	3.1	-2.1
	II	-2.1	3.2	5.5	0.7	r-1.8	2.9	7.5
	III	3.2	4.3	1.1	3.1	-0.4	-0.1	6.9
	IV	r1.7	r5.3	r3.5	r3.4	r1.2	r1.7	r-1.7
	ANNUAL	2.2	5.2	2.9	3.1	r0.5	0.9	3.5
Percent change from corresponding quarter of previous year								
1992	I	2.4	1.4	-1.0	4.9	r1.9	2.4	2.8
	II	2.4	1.8	-0.6	5.0	r1.9	2.5	2.8
	III	2.7	2.6	-0.1	5.3	2.1	2.6	0.0
	IV	3.2	3.8	0.7	5.1	2.0	1.9	3.3
	ANNUAL	2.7	2.4	-0.3	5.1	2.0	2.4	2.2
1993	I	1.6	3.5	1.9	4.2	1.0	2.6	1.3
	II	1.2	4.0	2.8	3.7	0.5	2.4	0.9
	III	1.5	4.2	2.6	2.9	0.1	1.4	4.4
	IV	1.8	4.6	2.7	2.4	-0.3	0.6	2.7
	ANNUAL	1.5	4.1	2.5	3.3	0.2	1.7	2.4
1994	I	3.0	5.7	2.6	3.4	0.9	0.3	2.5
	II	2.4	5.3	2.8	3.0	r0.6	0.6	4.2
	III	2.2	5.2	2.9	3.1	0.2	0.9	4.8
	IV	1.4	4.5	3.1	r3.3	0.7	r1.9	r2.5
	ANNUAL	2.2	5.2	2.9	3.1	r0.5	0.9	3.5

See footnotes following table 6.
r=revised

March 8, 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	r102.4	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	r102.0	113.4
	III	138.8	144.6	104.2	157.2	101.8	113.3
	IV	r139.9	r147.3	105.4	r158.5	r102.1	r113.4
	ANNUAL	138.0	143.7	104.2	157.1	102.3	r113.8

Percent change from previous quarter at annual rate(5)							
1992	I	0.6	-1.6	-2.1	1.5	r-1.2	0.9
	II	1.3	3.0	1.7	4.5	r1.4	3.2
	III	2.6	2.1	-0.5	4.3	1.2	1.6
	IV	3.8	5.3	1.4	6.5	r3.0	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	r2.9	3.5
	III	3.0	3.0	0.0	3.9	r2.2	0.9
	IV	6.0	6.9	0.9	3.9	r0.6	-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	r-3.9	-6.7
	III	3.5	5.6	2.0	3.0	-0.5	-0.5
	IV	r3.1	7.7	r4.5	r3.4	r1.1	r0.3
	ANNUAL	4.9	r6.1	1.2	2.8	r0.2	r-2.0

Percent change from corresponding quarter of previous year							
1992	I	2.6	1.3	-1.2	4.0	r1.0	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	r0.2	-2.5
	III	5.4	6.8	1.3	2.4	-0.5	-2.9
	IV	4.6	7.0	r2.2	r2.2	-0.4	r-2.3
	ANNUAL	4.9	r6.1	1.2	2.8	r0.2	r-2.0

See footnotes following table 6.
r=revised

March 8, 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	r101.3	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	r99.3	104.5
	II	142.3	142.2	99.9	149.4	100.0	105.0
	III	143.4	143.5	100.1	150.7	r100.4	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	153.0	156.3	102.2	154.1	99.8	100.7
	IV	r154.3	r159.9	r103.7	r155.7	100.3	100.9
	ANNUAL	151.9	r155.1	102.1	r154.1	100.4	101.5
Percent change from previous quarter at annual rate(5)							
1992	I	-1.0	-3.2	-2.2	0.9	r-1.8	1.9
	II	3.3	3.7	0.4	5.2	r2.0	1.8
	III	3.1	2.2	-0.8	4.1	1.0	1.1
	IV	5.1	6.8	1.6	8.1	r4.5	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	r-7.7	-9.8
	II	3.7	1.8	-1.9	5.6	r2.6	1.9
	III	3.0	3.9	0.8	3.4	r1.7	0.3
	IV	9.4	11.2	1.7	4.4	r1.1	-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	r-4.7	-7.2
	III	4.8	7.8	2.9	2.7	-0.8	-1.9
	IV	r3.5	r9.6	r5.9	r4.1	r1.8	r0.6
	ANNUAL	5.9	8.0	2.0	2.7	r0.1	-3.0
Percent change from corresponding quarter of previous year							
1992	I	3.5	1.3	-2.1	4.0	r1.0	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	8.9	2.1	2.3	-0.6	-4.1
	IV	r5.2	r8.5	r3.1	r2.2	-0.4	-2.9
	ANNUAL	5.9	8.0	2.0	2.7	r0.1	-3.0

See footnotes following table 6.
r=revised

March 8, 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	r104.7	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	r106.3	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	r105.8	133.5
	III	121.7	130.3	107.1	163.2	105.7	134.1
	IV	r122.4	r131.9	107.8	r164.0	r105.6	r134.0
	ANNUAL	r121.2	r129.8	107.1	162.8	106.0	r134.3
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	r0.7	5.3
	III	2.1	1.9	-0.2	4.6	1.5	2.5
	IV	2.2	3.3	1.1	4.1	r0.7	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	r3.5	5.9
	III	3.0	1.8	-1.1	4.6	r2.9	1.6
	IV	1.4	1.1	-0.3	3.1	r-0.2	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	r-2.6	-5.8
	III	1.6	2.5	0.9	3.3	-0.3	1.7
	IV	r2.4	r4.9	r2.5	r2.0	r-0.2	r-0.3
	ANNUAL	r3.4	r3.6	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	r0.6	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	3.5	3.9	0.4	2.3	-0.5	-1.1
	IV	r3.7	r4.8	1.1	2.1	r-0.6	r-1.6
	ANNUAL	r3.4	r3.6	0.2	2.8	0.3	-0.5

See footnotes following table 6.
r=revised

March 8, 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	r103.8	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	r103.1	127.1	116.2	124.0	228.8
Percent change from previous quarter at annual rate(5)										
1992	I	1.3	0.9	-0.4	3.9	r1.1	2.6	-2.6	1.2	14.8
	II	2.9	4.7	1.7	4.7	r1.5	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	r0.8	-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	r-1.6	-3.0	-3.3	-3.1	38.9
	III	4.5	6.0	1.5	2.2	r0.5	-2.1	0.0	-1.6	6.5
	IV	4.7	7.8	3.0	1.4	r-1.8	-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	r-2.6	1.4	-4.8	-0.3	20.7
	III	2.0	4.2	2.2	3.3	-0.3	1.2	3.5	1.8	0.3
Percent change from corresponding quarter of previous year										
1992	I	2.4	1.7	-0.7	4.3	r1.3	1.8	-1.2	1.0	5.2
	II	2.6	2.7	0.2	4.5	r1.4	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	r-0.2	-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	r-0.2	-0.5	-0.5	-0.5	14.7
	III	2.1	5.7	3.5	2.4	-0.4	0.3	0.4	0.3	13.0

See footnotes following table 6.
r=revised

March 8, 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.