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USDL 95-158  
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TUESDAY, MAY 9, 1995

PRODUCTIVITY AND COSTS  
First Quarter 1995

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 first quarter of 1995. The seasonally-adjusted annual rates of productivity change in the first quarter were:

0.4 percent in the business sector, and  
0.7 percent in the nonfarm business sector.

In both sectors, first-quarter productivity gains were much smaller than gains recorded in the fourth quarter of 1994 (as revised).

In manufacturing, productivity changes in the first quarter were:

3.6 percent in manufacturing,  
3.8 percent in durable goods manufacturing, and  
3.2 percent in nondurable goods manufacturing.

The productivity increase in manufacturing in the first quarter was slightly higher than that recorded in the fourth quarter of 1994, and both the output and hours increases were smaller. Output and hours in manufacturing, which includes about 20 percent of U.S. business-sector employment, tend to change more from quarter to quarter than in the business and nonfarm business sectors. First-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 (BEA) 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 (page 7) for further information on data sources.

In nonfinancial corporations, productivity rose 3.0 percent in the fourth quarter of 1994, as output rose 8.4 percent and hours rose 5.2 percent. For 1994 as a whole, productivity in nonfinancial corporations increased 2.6 percent (tables B and 6).

Table A. Productivity and costs: First-quarter 1995 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	0.4	3.2	2.8	3.9	0.8	3.5
Nonfarm business	0.7	3.3	2.6	4.1	1.0	3.4
Manufacturing	3.6	6.1	2.4	4.9	1.7	1.2
Durable	3.8	7.2	3.3	5.1	1.9	1.2
Nondurable	3.2	4.5	1.2	4.4	1.3	1.1
Percent change from same quarter a year ago						
Business	1.5	4.8	3.3	2.7	-0.2	1.2
Nonfarm business	1.4	4.6	3.2	2.9	0.0	1.4
Manufacturing	4.0	6.7	2.6	2.4	-0.4	-1.5
Durable	4.4	8.0	3.4	2.4	-0.5	-1.9
Nondurable	3.4	5.0	1.5	2.4	-0.5	-1.0

#### Business

From the fourth quarter of 1994 to the first quarter of 1995, business sector productivity increased at a 0.4 percent annual rate. Output and hours advanced 3.2 percent and 2.8 percent, respectively. During the fourth quarter of 1994, output had increased 7.8 percent and hours of all persons engaged in the sector increased 3.6 percent (seasonally adjusted annual rates), and productivity went up 4.1 percent (revised). See table 1.

Hourly compensation increased 3.9 percent during the first quarter of 1995, compared with a 3.1 percent rise in the fourth quarter of 1994. 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 3.5 percent rate during the first quarter. Unit labor costs had declined 0.9 percent in the fourth quarter of 1994.

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 in the first quarter, about the same as the 0.9 percent rise in the fourth quarter of 1994.

The implicit price deflator for the business sector, which reflects changes in unit labor costs and unit nonlabor payments, increased 1.8 percent in the first quarter, compared with a 0.7 percent increase during the fourth quarter of 1994.

## Nonfarm business

Productivity rose 0.7 percent in the nonfarm business sector in the first quarter, slightly more than in the business sector as a whole. Nonfarm output rose 3.3 percent, and hours of all persons increased 2.6 percent. During the fourth quarter of 1994, productivity had risen 4.0 percent in this sector, reflecting gains of 7.7 percent in output and 3.5 percent in hours (table 2).

Hourly compensation increased at a 4.1 percent annual rate in the first quarter, compared with a 3.5 percent increase one quarter earlier. When the rise in the CPI-U was taken into account, real hourly compensation rose 1.0 percent; it had increased 1.2 percent in the fourth quarter. Unit labor costs rose 3.4 percent, compared with a 0.6 percent decline during the fourth quarter of 1994.

The implicit price deflator for nonfarm business output rose 1.7 percent in the first quarter, compared with a 0.5 percent rise one quarter earlier.

## Manufacturing

Productivity increased at a 3.6 percent seasonally adjusted annual rate in manufacturing in the first quarter of 1995, as output rose 6.1 percent and hours of all persons increased 2.4 percent (seasonally adjusted annual rates). In the fourth quarter of 1994, productivity rose 3.4 percent as output and hours increased 8.0 and 4.5 percent, respectively.

Hourly compensation of all manufacturing workers increased 4.9 percent during the first quarter. An adjustment to source data received from BEA reflecting a large pension plan contribution in the motor vehicles industry contributed to this increase. (See Gross Domestic Product: First Quarter 1995 (Advance) release, BEA 95-18, April 28, 1995.) Real hourly compensation rose 1.7 percent when the increase in consumer prices was taken into account.

Unit labor costs rose at a 1.2 percent annual rate in the first quarter of 1995, the first increase since the third quarter of 1993.

Table B. Nonfinancial corporations: Fourth-quarter productivity and cost measures  
(Seasonally adjusted annual rates)

Period	Productivity	Output	Hours	Hourly	Real	Unit	Unit	Implicit
				compen-	hourly	labor		
				sation	compen-	costs	profits	price
					sation			deflator
Percent change from preceding quarter								
1994 IV	3.0	8.4	5.2	2.7	0.5	-0.3	2.5	-0.2
Percent change from same quarter of preceding year								
1994 IV	1.7	5.8	4.0	2.8	0.1	1.0	4.2	1.4

#### Fourth-quarter and annual measures for nonfinancial corporations

Fourth-quarter and annual 1994 measures of productivity and costs also were announced today for the nonfinancial corporate sector (tables B, C, and 6). Output per all-employee hour rose 3.0 percent from the third to the fourth quarter of 1994. Output rose 8.4 percent, and all-employee hours rose 5.2 percent (seasonally adjusted annual rates).

Hourly compensation increased 2.7 percent in the fourth quarter, and unit labor costs fell 0.3 percent. The implicit price deflator for nonfinancial corporate output fell 0.2 percent during the fourth quarter.

Table C. Nonfinancial corporations: Annual changes in productivity and related measures, 1985-1994

Measure	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
Productivity....	1.0	2.6	1.7	1.9	-1.6	1.1	2.0	3.0	3.0	2.6
Output.....	3.5	3.2	4.4	5.4	1.3	1.1	-1.1	3.2	5.0	6.1
Hours.....	2.5	0.5	2.7	3.4	2.9	-0.1	-3.1	0.1	2.0	3.4
Hourly comp....	4.1	4.7	3.2	4.1	3.4	5.3	4.8	4.6	3.0	2.4
Real hourly comp.	0.5	2.8	-0.5	0.0	-1.3	-0.1	0.6	1.6	0.0	-0.1
Unit labor costs	3.1	2.0	1.4	2.2	5.1	4.1	2.7	1.6	0.0	-0.2
Unit nonlabor cost	1.2	2.4	0.1	3.8	6.1	3.0	3.7	-2.1	-1.9	0.2
Total unit cost.	2.5	2.1	1.0	2.6	5.4	3.8	3.0	0.5	-0.5	-0.1
Unit profits....	-0.2	-10.8	14.7	6.6	-8.2	-0.6	-1.7	7.6	14.0	12.2
Impl. price defl.	2.3	0.8	2.2	3.0	4.1	3.4	2.6	1.1	0.8	1.1

Productivity was 2.6 percent higher in 1994 than in 1993 in nonfinancial corporations. This reflects an output increase of 6.1 percent, the largest since 1984 (when it rose 8.1 percent), and an increase in employee hours of 3.4 percent.

The 1994 increase in hourly compensation (2.4 percent) was the smallest increase in the history of the series, which goes back to 1958. Total unit costs in 1994 fell 0.1 percent, reflecting decreases in unit labor costs of 0.2 percent and increases in unit nonlabor costs of 0.2 percent. Unit profits rose at a 12.2 percent annual rate.

Table D. 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
Fourth quarter 1994						
Business:						
Previous....	1.7	5.4	3.6	3.1	0.8	1.3
Current.....	4.1	7.8	3.6	3.1	0.9	-0.9
Nonfarm business:						
Previous....	1.7	5.3	3.5	3.4	1.2	1.7
Current.....	4.0	7.7	3.5	3.5	1.2	-0.6
Manufacturing:						
Previous....	3.1	7.7	4.5	3.4	1.1	0.3
Current.....	3.4	8.0	4.5	3.4	1.1	0.0

#### Revised measures

Current and previous measures for the fourth quarter of 1994 for the business, nonfarm business, and manufacturing sectors are compared in table D. The quarterly movements in productivity and output differ from the figures reported on March 8, based on information then available. There were significant upward revisions to output data for the business and nonfarm business sectors.

#### Next release date

The next release of Productivity and Costs is scheduled for 10:00 AM EDT, Wednesday, June 14, 1995. First-quarter measures for nonfinancial corporations and revised measures for business, nonfarm business, and manufacturing will be released at that time.

## 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 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. 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, 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								
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	107.4	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	108.2	137.4	153.2
	II	119.2	147.2	123.5	164.7	107.6	138.2	155.3
	III	120.3	148.8	123.7	166.2	107.6	138.1	157.6
	IV	r121.5	r151.6	124.8	167.4	107.8	r137.8	r158.9
	ANNUAL	r120.1	r148.4	123.5	165.6	107.8	r137.9	r156.3
1995	I	121.6	152.8	125.7	169.0	108.1	139.0	158.4
Percent change from previous quarter at annual rate(5)								
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	0.1	2.5	0.3
	III	3.3	4.0	0.7	3.0	1.3	-0.3	2.1
	IV	5.7	8.6	2.8	2.4	-0.8	-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	-2.3	2.3	5.8
	III	3.7	4.5	0.8	3.6	0.0	-0.2	5.9
	IV	r4.1	r7.8	3.6	3.1	r0.9	r-0.9	r3.4
	ANNUAL	r2.5	r5.5	2.9	3.2	0.6	r0.7	r3.6
1995	I	0.4	3.2	2.8	3.9	0.8	3.5	-1.2

Percent change from corresponding quarter of previous year								
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	5.6	3.0	3.1	0.2	0.6	4.8
	IV	r2.1	r5.4	3.2	3.3	0.6	r1.1	r3.3
	ANNUAL	r2.5	r5.5	2.9	3.2	0.6	r0.7	r3.6
1995	I	1.5	4.8	3.3	2.7	-0.2	1.2	3.4

See footnotes following table 6.  
r=revised

May 9, 1995  
Source: Bureau of Labor Statistics

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

and prices, seasonally adjusted									
Year and quarter		Output per hour of all persons	Output	Hours of all persons	Compensation per hour (1)	Real compensation per hour (2)	Unit labor costs	Unit non-labor payments (3)	Implicit price deflator (4)
-----									
Indexes 1982=100									
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	118.2	148.8	126.0	164.1	106.3	138.9	160.8	145.9
	IV	r119.3	r151.6	127.1	165.5	106.6	r138.7	r161.7	146.1
	ANNUAL	r118.1	r148.5	125.7	163.6	106.6	r138.6	r159.0	145.2
1995	I	119.5	152.9	127.9	167.2	106.9	139.9	161.2	146.7
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Percent change from previous quarter at annual rate(5)									
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	-0.6	2.0	0.8	1.6
	III	4.0	4.9	0.9	2.8	1.1	-1.2	4.4	0.7
	IV	4.9	7.9	2.9	2.4	-0.9	-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	-1.8	2.9	7.5	4.5
	III	3.2	4.3	1.1	3.1	-0.4	-0.1	6.9	2.3
	IV	r4.0	r7.7	3.5	r3.5	1.2	r-0.6	r2.5	0.5
	ANNUAL	r2.3	r5.3	2.9	3.1	r0.6	r0.8	r3.7	1.8
1995	I	0.7	3.3	2.6	4.1	1.0	3.4	-1.4	1.7

Percent change from corresponding quarter of previous year									
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	0.6	0.6	4.2	1.8
	III	2.2	5.2	2.9	3.1	0.2	0.9	4.8	2.2
	IV	r2.0	r5.1	3.1	3.3	0.7	r1.3	r3.6	2.1
	ANNUAL	r2.3	r5.3	2.9	3.1	r0.6	r0.8	r3.7	1.8
1995	I	1.4	4.6	3.2	2.9	0.0	1.4	3.8	2.2

See footnotes following table 6.  
r=revised

May 9, 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							
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	102.4	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	102.0	113.4
	III	138.8	144.6	104.2	157.2	101.8	113.3
	IV	r140.0	r147.5	105.4	r158.6	102.1	r113.3
	ANNUAL	138.0	143.7	104.2	157.1	102.3	113.8
1995	I	141.2	149.7	106.0	160.4	102.6	113.6
-----							
Percent change from previous quarter at annual rate(5)							
1993	I	3.7	6.3	2.6	-2.0	-4.9	-5.5
	II	2.4	1.3	-1.1	6.0	2.9	3.5
	III	3.0	3.0	0.0	3.9	2.2	0.9
	IV	6.0	6.9	0.9	3.9	0.6	-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	-3.9	-6.7
	III	3.5	5.6	2.0	3.0	-0.5	-0.5
	IV	r3.4	r8.0	4.5	3.4	1.1	r0.0
	ANNUAL	4.9	r6.2	1.2	2.8	0.2	-2.0
1995	I	3.6	6.1	2.4	4.9	1.7	1.2
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Percent change from corresponding quarter of previous year							
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	0.2	-2.5
	III	5.4	6.8	1.3	2.4	-0.5	-2.9
	IV	r4.7	r7.1	2.2	2.2	-0.4	r-2.4
	ANNUAL	4.9	r6.2	1.2	2.8	0.2	-2.0
1995	I	4.0	6.7	2.6	2.4	-0.4	-1.5
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See footnotes following table 6.  
r=revised

May 9, 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							
1993	I	141.0	141.6	100.4	147.4	99.3	104.5
	II	142.3	142.2	99.9	149.4	100.0	105.0
	III	143.4	143.5	100.1	150.7	100.4	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	154.3	r160.0	103.7	155.7	100.3	100.9
	ANNUAL	151.9	155.1	102.1	154.1	100.4	101.5
1995	I	155.8	162.8	104.5	157.6	100.7	101.2
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Percent change from previous quarter at annual rate(5)							
1993	I	5.5	8.5	2.8	-4.8	-7.7	-9.8
	II	3.7	1.8	-1.9	5.6	2.6	1.9
	III	3.0	3.9	0.8	3.4	1.7	0.3
	IV	9.4	11.2	1.7	4.4	1.1	-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	-4.7	-7.2
	III	4.8	7.8	2.9	2.7	-0.8	-1.9
	IV	r3.6	r9.7	5.9	4.1	1.8	r0.5
	ANNUAL	5.9	8.0	2.0	2.7	0.1	-3.0
1995	I	3.8	7.2	3.3	5.1	1.9	1.2
-----							

Percent change from corresponding quarter of previous year							
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	5.2	8.5	3.1	2.2	-0.4	-2.9
	ANNUAL	5.9	8.0	2.0	2.7	0.1	-3.0
1995	I	4.4	8.0	3.4	2.4	-0.5	-1.9
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See footnotes following table 6.  
r=revised

May 9, 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
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Indexes 1982=100							
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	106.3	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	105.8	133.5
	III	121.7	130.3	107.1	163.2	105.7	134.1
	IV	r122.6	r132.1	107.8	164.0	105.6	r133.8
	ANNUAL	121.2	129.8	107.1	162.8	106.0	r134.2
1995	I	123.6	133.6	108.1	165.8	106.0	134.2
-----							
Percent change from previous quarter at annual rate(5)							
1993	I	1.2	3.5	2.3	2.4	-0.6	1.2
	II	0.7	0.6	-0.1	6.6	3.5	5.9
	III	3.0	1.8	-1.1	4.6	2.9	1.6
	IV	1.4	1.1	-0.3	3.1	-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	-2.6	-5.8
	III	1.6	2.5	0.9	3.3	-0.3	1.7
	IV	r3.0	r5.6	r2.6	r2.1	-0.2	r-0.9
	ANNUAL	3.4	r3.7	0.2	2.8	0.3	r-0.6
1995	I	3.2	4.5	1.2	4.4	1.3	1.1
-----							

Percent change from corresponding quarter of previous year							
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	r3.9	r5.0	1.1	2.1	r-0.5	r-1.7
	ANNUAL	3.4	r3.7	0.2	2.8	0.3	r-0.6
1995	I	3.4	5.0	1.5	2.4	-0.5	-1.0
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See footnotes following table 6.  
r=revised

May 9, 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	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	103.8	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	121.3	145.9	120.3	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	155.9	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	103.8	126.2	116.6	123.5	218.2	129.4
	II	124.6	154.8	124.2	157.9	103.1	126.7	115.2	123.4	228.7	129.9
	III	125.2	156.5	124.9	159.1	103.1	127.1	116.2	124.0	228.8	130.5
	IV	126.2	159.6	126.5	160.2	103.2	127.0	115.9	123.8	230.3	130.4
	ANNUAL	125.2	156.0	124.6	158.7	103.3	126.7	116.0	123.7	226.5	130.0
Percent change from previous quarter at annual rate(5)											
1992	I	1.3	0.9	-0.4	3.9	1.1	2.6	-2.6	1.2	14.8	2.2
	II	2.9	4.7	1.7	4.7	1.5	1.7	-4.4	0.0	12.8	1.0
	III	5.2	5.5	0.3	5.7	2.5	0.4	3.5	1.2	-10.0	0.2
	IV	5.1	8.0	2.7	4.3	0.8	-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	2.3	-0.7	4.4	3.6	4.2	-14.9	2.3
	II	4.5	7.5	2.8	1.4	-1.6	-3.0	-3.3	-3.1	38.9	0.2
	III	4.5	6.0	1.5	2.2	0.5	-2.1	0.0	-1.6	6.5	-0.8
	IV	4.7	7.8	3.0	1.4	-1.8	-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	3.0	1.8	6.6	3.1	-4.9	2.2
	II	-1.4	4.8	6.4	-0.1	-2.6	1.4	-4.8	-0.3	20.7	1.8
	III	2.0	4.2	2.2	3.3	-0.3	1.2	3.5	1.8	0.3	1.7
	IV	3.0	8.4	5.2	2.7	0.5	-0.3	-1.1	-0.5	2.5	-0.2
	ANNUAL	2.6	6.1	3.4	2.4	-0.1	-0.2	0.2	-0.1	12.2	1.1
Percent change from corresponding quarter of previous year											
1992	I	2.4	1.7	-0.7	4.3	1.3	1.8	-1.2	1.0	5.2	1.3
	II	2.6	2.7	0.2	4.5	1.4	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	4.6	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	4.2	1.0	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	-0.2	-0.4	-2.7	-1.0	18.5	0.6
	IV	2.9	5.2	2.2	1.8	-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	-0.2	-0.5	-0.5	-0.5	14.7	0.9
	III	2.1	5.7	3.5	2.4	-0.4	0.3	0.4	0.3	13.0	1.6
	IV	1.7	5.8	4.0	2.8	0.1	1.0	1.0	1.0	4.2	1.4
	ANNUAL	2.6	6.1	3.4	2.4	-0.1	-0.2	0.2	-0.1	12.2	1.1

See footnotes following table 6.  
r=revised

May 9, 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 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.