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PRODUCTIVITY AND COSTS
Second 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 second quarter of 1995. The preliminary seasonally-adjusted annual rates of productivity change in the second quarter were:

3.0 percent in the business sector, and
3.0 percent in the nonfarm business sector.

In both sectors, productivity and output increased while hours worked fell--reflecting underlying increases in employment combined with large declines in average weekly hours.

In manufacturing, productivity changes in the second quarter were:

2.1 percent in manufacturing,
0.5 percent in durable goods manufacturing, and
4.5 percent in nondurable goods manufacturing.

Manufacturing productivity increased in the second quarter of 1995 as both output and hours decreased, with the drop in hours being larger than the drop in output. This pattern also was true for both the durable and nondurable goods subsectors. Output and hours in manufacturing, which includes about 20 percent of U.S. business-sector employment, tend to vary more from quarter to quarter than in the more aggregate business and nonfarm business sector measures.

Second-quarter results 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 5).

Table A. Productivity and costs: Preliminary second-quarter 1995 measures
(Seasonally adjusted annual rates)

Sector	Productivity	Output	Hours	Real	Unit	
				Hourly compen-	hourly compen-	labor
				sation	sation	costs
Percent change from preceding quarter						
Business	3.0	0.4	-2.5	3.8	0.4	0.8
Nonfarm business	3.0	0.6	-2.4	3.6	0.2	0.6
Manufacturing	2.1	-3.8	-5.8	0.3	-2.9	-1.8
Durable	0.5	-3.9	-4.4	-2.6	-5.8	-3.1
Nondurable	4.5	-3.7	-7.8	4.8	1.4	0.3
Percent change from same quarter a year ago						
Business	3.1	4.2	1.1	3.6	0.5	0.4
Nonfarm business	3.1	4.2	1.1	3.6	0.5	0.4
Manufacturing	3.2	3.7	0.5	2.8	-0.3	-0.4
Durable	3.3	5.0	1.6	2.2	-0.8	-1.1
Nondurable	2.8	1.7	-1.0	3.5	0.4	0.6

Business

From the first to the second quarter of 1995, business sector productivity increased at a 3.0 percent annual rate, as output rose 0.4 percent and hours of all persons engaged in the sector fell 2.5 percent (table 1). The 2.5 percent second-quarter decrease in hours reflected an employment gain of 0.2 percent and a 2.6 percent decline in average weekly hours--the biggest decline since a 3.3 percent decrease in the second quarter of 1980. In the first quarter, productivity had increased 2.1 percent as output increased 4.3 percent and hours rose 2.2 percent.

Hourly compensation increased 3.8 percent in both the first and second quarters of 1995. 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 0.8 percent annual rate during the second quarter, compared with a 1.7 percent rise during the first quarter.

Real hourly compensation, which takes into account changes in the Consumer Price Index for All Urban Consumers (CPI-U), increased at a 0.4 percent annual rate in the second quarter, not much different from the 0.7 percent increase in the first quarter of 1995.

The implicit price deflator for the business sector, which reflects changes in unit labor costs and unit nonlabor payments, increased 0.9 percent in the second quarter, compared with a 1.4 percent rise in the first quarter.

Nonfarm business

Productivity rose 3.0 percent in the nonfarm business sector during the second quarter of 1995, compared with a 2.5 percent increase in the first quarter (table 2). As in the more comprehensive business sector, the productivity increase occurred because a small increase in output (0.6 percent) was combined with a decline in the hours of all persons (2.4 percent). In the nonfarm business sector, employment increased 0.2 percent and average weekly hours fell 2.6 percent. This was the largest drop in average weekly hours since the second quarter of 1980, when a 3.4 percent decline was recorded. During the first quarter of 1995, output in the nonfarm business sector increased 4.5 percent and hours increased 2.0 percent.

Hourly compensation increased at a 3.6 percent annual rate in the second quarter, compared with a 4.1 percent increase one quarter earlier. When the rise in the CPI-U is taken into account, real hourly compensation rose 0.2 percent in the second quarter of 1995 and 1.0 percent in the first quarter. Unit labor costs grew 0.6 percent in the second quarter, a smaller increase than the 1.6 percent of the previous quarter.

The implicit price deflator for nonfarm business output rose 0.9 percent in the second quarter and 1.3 percent in the first quarter of 1995.

Manufacturing

Productivity increased 2.1 percent in manufacturing in the second quarter of 1995 and has now increased in 20 straight quarters. Manufacturing output and hours, however, both fell in the second quarter--3.8 and 5.8 percent, respectively (seasonally adjusted annual rates). The decrease in manufacturing output was the first since the first quarter of 1992. Both the durable goods and the nondurable goods sectors had second-quarter productivity gains. The gain recorded in the nondurable goods sector, 4.5 percent, was much higher than that in the durable goods sector, 0.5 percent (tables 4 and 5).

Hourly compensation of all manufacturing workers increased 0.3 percent during the second quarter, a smaller gain than the 4.7 percent posted in the first quarter. Real hourly compensation fell 2.9 percent when the increase in consumer prices is taken into account, compared with a 1.6 percent rise in the previous period.

Unit labor costs fell at a 1.8 percent annual rate in the second quarter of 1995, the seventh decline in the last 10 quarters. These costs had increased 1.1 percent during the first quarter.

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

Sector	Produc- tivity	Output	Hours	Real		Unit labor costs
				Hourly compensation	hourly compensation	
First quarter 1995						
Business:						
Previous....	2.2	4.4	2.2	4.0	0.9	1.8
Current.....	2.1	4.3	2.2	3.8	0.7	1.7
Nonfarm business:						
Previous....	2.7	4.7	2.0	4.3	1.2	1.6
Current.....	2.5	4.5	2.0	4.1	1.0	1.6
Manufacturing:						
Previous....	3.4	5.1	1.6	4.7	1.6	1.3
Current.....	3.5	5.2	1.6	4.7	1.6	1.1
Nonfinancial corporations:						
Previous....	1.8	4.5	2.7	3.8	0.8	2.0
Current.....	1.7	4.4	2.7	3.4	0.4	1.8

Revised Measures

Current and previous measures for the first quarter of 1995 for the business, nonfarm business, manufacturing, and nonfinancial corporate sectors are compared in table B. Hourly compensation and real hourly compensation show smaller increases in the business, nonfarm business, and nonfinancial corporate sectors than were reported on June 14.

Next release date

The next release of Productivity and Costs is scheduled for 10:00 a.m. EDT, Thursday, September 7, 1995. Revised second-quarter measures for business, nonfarm business, and manufacturing will be released at that time, along with measures for nonfinancial corporations.

NOTE: The BLS plans to switch to annually-weighted output indexes for computations underlying its regular Productivity and Costs news releases, beginning in late 1995 or early 1996. These output indexes are designed to eliminate a source of bias in aggregate measures and to reduce the size of future historical revisions to these measures. A statement containing information about these changes can be obtained from the Division of Productivity Research (202-606-5606).

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	158.7	107.0	136.6	140.8
	II	116.3	139.6	120.0	159.9	107.0	137.5	141.4
	III	117.0	140.9	120.5	160.6	107.0	137.3	141.6
	IV	118.4	143.9	121.5	161.3	106.6	136.2	142.1
	ANNUAL	117.0	140.6	120.2	160.1	106.9	136.9	141.5
1994	I	118.9	145.8	122.6	163.3	107.4	137.3	142.6
	II	118.5	147.2	124.2	163.6	106.9	138.1	143.8
	III	119.5	148.8	124.6	164.9	106.8	138.0	144.5
	IV	120.7	151.6	125.6	166.4	107.2	137.8	144.8
	ANNUAL	r119.4	148.4	r124.2	r164.5	r107.1	r137.8	143.9
1995	I	r121.3	r153.2	126.3	r167.9	r107.3	138.4	145.3
	II	122.2	153.4	125.5	169.5	107.4	138.7	145.6
Percent change from previous quarter at annual rate(5)								
1993	I	-2.1	0.6	2.7	2.5	-0.6	4.6	2.3
	II	0.6	4.2	3.6	3.1	0.1	2.5	1.7
	III	2.2	4.0	1.7	1.8	0.1	-0.4	0.6
	IV	5.0	8.6	3.5	1.7	-1.5	-3.2	1.2
	ANNUAL	1.3	3.8	2.4	3.4	0.4	2.0	1.9
1994	I	1.8	5.5	3.6	5.1	2.9	3.2	-1.6
	II	-1.4	3.7	5.2	0.9	-1.7	2.3	5.9
	III	3.2	4.5	1.3	3.1	-0.4	-0.1	5.8
	IV	4.3	7.8	3.3	3.6	1.3	-0.7	3.1
	ANNUAL	r2.1	5.5	r3.4	r2.8	r0.2	0.7	3.6
1995	I	r2.1	r4.3	2.2	r3.8	r0.7	r1.7	r0.9
	II	3.0	0.4	-2.5	3.8	0.4	0.8	1.2
Percent change from corresponding quarter of previous year								
1993	I	1.5	3.3	1.8	4.3	1.1	2.7	0.7
	II	1.3	3.8	2.5	3.9	0.8	2.6	0.6
	III	1.0	3.6	2.6	3.0	0.2	2.0	3.2
	IV	1.4	4.3	2.9	2.3	-0.5	0.8	2.5
	ANNUAL	1.3	3.8	2.4	3.4	0.4	2.0	1.8
1994	I	2.4	5.6	3.1	2.9	0.4	0.5	2.6
	II	1.9	5.4	3.5	2.3	-0.1	0.4	4.0
	III	2.1	5.6	3.4	2.7	-0.2	0.5	4.8
	IV	2.0	5.4	3.4	3.2	0.5	1.2	3.2
	ANNUAL	r2.1	5.5	r3.4	r2.8	r0.2	0.7	3.6
1995	I	r2.0	5.1	3.0	r2.8	0.0	0.8	r3.9
	II	3.1	4.2	1.1	3.6	0.5	0.4	2.7

See footnotes following table 6.

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August 8, 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	114.3	138.3	120.9	157.2	105.9	137.4	151.5	142.0
	II	114.5	139.9	122.2	158.1	105.8	138.1	151.8	142.5
	III	115.3	141.5	122.8	158.7	105.7	137.7	153.6	142.8
	IV	116.5	144.3	123.8	159.3	105.3	136.8	156.3	143.1
	ANNUAL	115.2	141.0	122.4	158.3	105.7	137.5	153.4	142.6
1994	I	117.0	146.1	124.9	161.2	106.0	137.8	155.5	143.5
	II	116.6	147.3	126.3	161.8	105.7	138.8	158.3	145.1
	III	117.3	148.8	126.8	162.9	105.5	138.8	160.9	145.9
	IV	118.6	151.6	127.9	164.4	105.9	138.7	161.8	146.1
	ANNUAL	r117.4	148.5	r126.5	r162.6	r105.9	r138.5	r159.2	145.2
1995	I	r119.3	r153.3	128.5	r166.1	106.2	139.2	r162.1	r146.6
	II	120.2	153.5	127.7	167.6	106.2	139.4	162.6	146.9

Percent change from previous quarter at annual rate(5)									
1993	I	-2.2	1.0	3.2	1.9	-1.1	4.1	-1.4	2.2
	II	0.4	4.7	4.2	2.4	-0.6	2.0	0.8	1.6
	III	2.9	4.9	1.9	1.5	-0.2	-1.3	4.7	0.7
	IV	4.2	7.9	3.5	1.6	-1.6	-2.5	7.3	0.8
	ANNUAL	1.3	4.1	2.7	3.0	0.0	1.7	2.4	1.9
1994	I	1.7	5.2	3.4	4.9	2.7	3.1	-2.1	1.2
	II	-1.4	3.2	4.7	1.4	-1.2	2.8	7.6	4.5
	III	2.7	4.3	1.6	2.7	-0.8	0.0	6.7	2.3
	IV	4.3	7.7	3.3	3.8	1.5	-0.4	2.2	0.5
	ANNUAL	r1.9	5.3	r3.3	r2.7	r0.1	0.8	r3.8	1.8
1995	I	r2.5	r4.5	2.0	r4.1	r1.0	1.6	r0.7	r1.3
	II	3.0	0.6	-2.4	3.6	0.2	0.6	1.3	0.9

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	1.1	4.0	2.9	3.5	0.4	2.4	1.0	1.9
	III	1.2	4.2	2.9	2.6	-0.2	1.3	4.4	2.4
	IV	1.3	4.6	3.2	1.9	-0.9	0.5	2.8	1.3
	ANNUAL	1.3	4.1	2.7	3.0	0.0	1.7	2.4	1.9
1994	I	2.3	5.7	3.3	2.6	0.1	0.3	2.6	1.1
	II	1.8	5.3	3.4	2.3	-0.1	0.5	4.3	1.8
	III	1.8	5.2	3.3	2.6	-0.2	0.8	4.8	2.2
	IV	1.8	5.1	3.3	3.2	0.6	1.4	3.5	2.1
	ANNUAL	r1.9	5.3	r3.3	r2.7	r0.1	0.8	r3.8	1.8
1995	I	2.0	r4.9	2.9	3.0	r0.1	1.0	r4.3	r2.1
	II	3.1	4.2	1.1	3.6	0.5	0.4	2.7	1.2

See footnotes following table 6.

r=revised

August 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							
1993	I	130.8	134.8	103.0	149.9	101.0	114.6
	II	131.3	135.6	103.2	151.7	101.5	115.5
	III	132.1	136.8	103.6	152.5	101.6	115.4
	IV	133.6	139.3	104.2	153.3	101.4	114.7
	ANNUAL	132.0	136.6	103.5	152.0	101.5	115.1
1994	I	135.4	141.8	104.7	154.3	101.4	113.9
	II	136.8	144.3	105.4	153.6	100.3	112.2
	III	138.0	146.3	106.0	154.5	100.0	111.9
	IV	139.3	149.2	107.1	155.9	100.4	112.0
	ANNUAL	137.4	145.4	105.8	154.5	100.6	112.5
1995	I	r140.5	r151.1	107.5	157.7	100.8	112.3
	II	141.2	149.6	105.9	157.9	100.1	111.8

Percent change from previous quarter at annual rate(5)							
1993	I	5.4	7.8	2.2	-2.1	-5.0	-7.1
	II	1.5	2.3	0.8	4.9	1.8	3.3
	III	2.5	3.8	1.2	2.0	0.4	-0.4
	IV	4.7	7.4	2.6	2.3	-0.9	-2.3
	ANNUAL	3.6	5.0	1.4	2.7	-0.3	-0.8
1994	I	5.4	7.5	2.0	2.4	0.3	-2.8
	II	4.3	7.2	2.8	-1.8	-4.2	-5.8
	III	3.4	5.7	2.2	2.4	-1.2	-1.0
	IV	3.7	8.1	4.2	3.8	1.5	0.1
	ANNUAL	4.0	6.4	2.3	1.7	-0.9	-2.3
1995	I	r3.5	r5.2	1.6	4.7	1.6	r1.1
	II	2.1	-3.8	-5.8	0.3	-2.9	-1.8

Percent change from corresponding quarter of previous year							
1993	I	3.6	4.9	1.3	3.3	0.1	-0.3
	II	3.8	4.7	0.9	3.3	0.2	-0.5
	III	3.5	5.0	1.4	2.8	0.0	-0.7
	IV	3.5	5.3	1.7	1.7	-1.0	-1.7
	ANNUAL	3.6	5.0	1.4	2.7	-0.3	-0.8
1994	I	3.5	5.2	1.6	2.9	0.4	-0.6
	II	4.2	6.4	2.1	1.2	-1.1	-2.9
	III	4.5	6.9	2.4	1.3	-1.5	-3.0
	IV	4.2	7.1	2.8	1.7	-0.9	-2.4
	ANNUAL	4.0	6.4	2.3	1.7	-0.9	-2.3
1995	I	3.7	6.5	2.7	r2.2	-0.6	-1.4
	II	3.2	3.7	0.5	2.8	-0.3	-0.4

See footnotes following table 6.

r=revised

August 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							
1993	I	143.0	143.4	100.3	147.4	99.3	103.1
	II	144.2	144.8	100.4	148.8	99.6	103.2
	III	145.2	146.7	101.1	149.2	99.4	102.8
	IV	148.2	151.0	101.9	150.2	99.3	101.3
	ANNUAL	145.3	146.5	100.8	149.0	99.5	102.6
1994	I	150.3	154.4	102.7	151.2	99.4	100.6
	II	151.7	157.1	103.6	150.0	98.0	98.9
	III	153.3	160.1	104.4	150.7	97.6	98.3
	IV	154.9	163.9	105.8	152.4	98.2	98.4
	ANNUAL	152.6	158.9	104.1	151.0	98.3	99.0
1995	I	156.5	r166.6	106.4	r154.3	r98.6	r98.6
	II	156.7	164.9	105.2	153.3	97.2	97.8

Percent change from previous quarter at annual rate(5)							
1993	I	9.0	11.7	2.5	-4.9	-7.7	-12.7
	II	3.6	4.1	0.4	4.0	0.9	0.3
	III	2.7	5.4	2.7	1.1	-0.6	-1.5
	IV	8.5	12.1	3.3	2.6	-0.7	-5.4
	ANNUAL	5.9	7.4	1.5	2.0	-0.9	-3.6
1994	I	5.9	9.5	3.4	2.7	0.5	-3.1
	II	3.6	7.1	3.4	-3.1	-5.6	-6.5
	III	4.4	7.8	3.3	2.1	-1.5	-2.3
	IV	4.1	9.7	5.4	4.5	2.2	0.4
	ANNUAL	5.0	8.5	3.3	1.3	-1.2	-3.5
1995	I	r4.4	r6.8	2.3	r5.1	r2.0	r0.7
	II	0.5	-3.9	-4.4	-2.6	-5.8	-3.1

Percent change from corresponding quarter of previous year							
1993	I	5.9	7.0	1.0	3.0	-0.2	-2.7
	II	6.1	7.0	0.9	2.7	-0.4	-3.2
	III	5.7	7.5	1.8	2.0	-0.8	-3.5
	IV	5.9	8.3	2.2	0.6	-2.0	-5.0
	ANNUAL	5.9	7.4	1.5	2.0	-0.9	-3.6
1994	I	5.2	7.7	2.4	2.6	0.1	-2.5
	II	5.1	8.5	3.2	0.8	-1.6	-4.2
	III	5.6	9.1	3.3	1.0	-1.8	-4.3
	IV	4.5	8.5	3.8	1.5	-1.1	-2.9
	ANNUAL	5.0	8.5	3.3	1.3	-1.2	-3.5
1995	I	4.1	7.8	3.6	2.1	r-0.8	r-2.0
	II	3.3	5.0	1.6	2.2	-0.8	-1.1

See footnotes following table 6.

r=revised

August 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							
1993	I	116.2	124.2	106.9	155.1	104.5	133.5
	II	115.8	124.2	107.3	157.5	105.4	136.0
	III	116.4	124.6	107.1	158.7	105.8	136.4
	IV	116.2	124.9	107.5	159.4	105.4	137.2
	ANNUAL	116.1	124.5	107.2	157.7	105.3	135.8
1994	I	117.4	126.3	107.5	160.1	105.3	136.4
	II	119.0	128.6	108.1	160.2	104.7	134.7
	III	119.5	129.4	108.3	161.3	104.5	135.0
	IV	120.4	131.2	109.0	162.3	104.5	134.8
	ANNUAL	119.0	128.9	108.2	161.0	104.8	135.2
1995	I	121.0	132.1	109.1	r163.9	104.7	135.4
	II	122.3	130.8	106.9	165.8	105.1	135.5

Percent change from previous quarter at annual rate(5)							
1993	I	0.7	2.6	1.9	2.3	-0.7	1.6
	II	-1.3	-0.1	1.2	6.3	3.2	7.7
	III	2.1	1.4	-0.7	3.2	1.5	1.1
	IV	-0.7	0.9	1.5	1.8	-1.5	2.5
	ANNUAL	0.4	1.7	1.2	3.8	0.8	3.3
1994	I	4.4	4.6	0.1	1.8	-0.4	-2.6
	II	5.4	7.4	1.9	0.3	-2.2	-4.8
	III	1.8	2.5	0.7	2.6	-0.9	0.8
	IV	2.9	5.6	2.6	2.5	0.3	-0.4
	ANNUAL	2.5	3.5	1.0	2.0	-0.5	-0.4
1995	I	2.1	2.8	0.7	r3.9	r0.8	r1.8
	II	4.5	-3.7	-7.8	4.8	1.4	0.3

Percent change from corresponding quarter of previous year							
1993	I	0.5	2.2	1.6	3.8	0.6	3.2
	II	0.7	1.7	1.0	4.3	1.1	3.6
	III	0.6	1.6	1.0	4.0	1.1	3.3
	IV	0.2	1.2	1.0	3.4	0.6	3.2
	ANNUAL	0.4	1.7	1.2	3.8	0.8	3.3
1994	I	1.1	1.7	0.6	3.2	0.7	2.1
	II	2.8	3.5	0.7	1.7	-0.6	-1.0
	III	2.7	3.8	1.1	1.6	-1.2	-1.1
	IV	3.6	5.0	1.3	1.8	-0.8	-1.8
	ANNUAL	2.5	3.5	1.0	2.0	-0.5	-0.4
1995	I	3.0	4.6	1.5	2.3	r-0.5	-0.7
	II	2.8	1.7	-1.0	3.5	0.4	0.6

See footnotes following table 6.
r=revised

August 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										
1993	I	119.9	143.3	119.5	153.9	103.7	128.3	116.8	125.0	183.7
	II	121.2	145.9	120.4	154.4	103.3	127.3	115.8	124.1	199.4
	III	122.2	148.1	121.2	154.8	103.1	126.7	115.8	123.6	202.5
	IV	123.4	150.9	122.3	155.0	102.5	125.7	114.8	122.6	220.9
	ANNUAL	121.8	147.0	120.8	154.6	103.3	127.0	115.8	123.8	201.9
1994	I	124.0	153.0	123.4	156.5	102.9	126.2	116.6	123.5	218.2
	II	123.8	154.8	125.1	156.8	102.4	126.7	115.2	123.4	228.7
	III	124.3	156.5	125.9	157.9	102.3	127.1	116.2	124.0	228.8
	IV	125.3	159.6	127.4	159.1	102.5	127.0	115.9	123.8	230.3
	ANNUAL	r124.4	156.0	r125.4	r157.7	r102.7	126.7	116.0	123.7	226.5
1995	I	r125.8	161.4	128.2	r160.5	r102.6	r127.5	r116.0	r124.2	r224.0
Percent change from previous quarter at annual rate(5)										
1993	I	-2.2	-0.3	2.0	2.0	-1.0	4.4	3.6	4.2	-14.9
	II	4.6	7.5	2.8	1.4	-1.5	-3.0	-3.3	-3.1	38.9
	III	3.2	6.0	2.7	1.0	-0.7	-2.1	0.0	-1.6	6.5
	IV	3.9	7.8	3.8	0.6	-2.6	-3.1	-3.4	-3.2	41.5
	ANNUAL	2.8	5.0	2.2	2.8	-0.2	0.0	-1.9	-0.5	14.0
1994	I	2.0	5.8	3.7	3.9	1.7	1.8	6.6	3.1	-4.9
	II	-0.8	4.8	5.6	0.6	-1.9	1.4	-4.8	-0.3	20.7
	III	1.6	4.2	2.5	2.9	-0.7	1.2	3.5	1.8	0.3
	IV	3.4	8.4	4.8	3.2	0.9	-0.3	-1.1	-0.5	2.5
	ANNUAL	r2.2	6.1	r3.8	r2.0	r-0.6	-0.2	0.2	-0.1	12.2
1995	I	r1.7	r4.4	2.7	r3.4	r0.4	r1.8	r0.5	r1.4	r-10.4
Percent change from corresponding quarter of previous year										
1993	I	2.7	4.4	1.6	4.2	1.0	1.4	-2.1	0.5	7.8
	II	3.0	5.1	2.0	3.3	0.1	0.2	-1.8	-0.3	13.6
	III	2.6	5.2	2.5	2.2	-0.6	-0.4	-2.7	-1.0	18.5
	IV	2.3	5.2	2.8	1.3	-1.4	-1.0	-0.8	-1.0	15.5
	ANNUAL	2.8	5.0	2.2	2.8	-0.2	0.0	-1.9	-0.5	14.0
1994	I	3.4	6.8	3.3	1.7	-0.8	-1.6	-0.1	-1.2	18.8
	II	2.1	6.1	4.0	1.5	-0.9	-0.5	-0.5	-0.5	14.7
	III	1.7	5.7	3.9	2.0	-0.9	0.3	0.4	0.3	13.0
	IV	1.6	5.8	4.2	2.6	0.0	1.0	1.0	1.0	4.2
	ANNUAL	r2.2	6.1	r3.8	r2.0	r-0.6	-0.2	0.2	-0.1	12.2
1995	I	1.5	r5.4	3.9	r2.5	r-0.3	r1.0	-0.5	r0.6	r2.7

See footnotes following table 6.
r=revised

August 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 second published 30 days after the close of the reference period; revisions appear about 35 days later, and third revisions after an additional 60 days. In the business sector, the probability is 0.95 that the third publication (third revision) of a quarterly index of output per hour of all persons will differ from the initial value by between -2.0 and +2.0 index points. This interval is based on the performance of this measure between the second quarter of 1976 and the fourth quarter of 1993.

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.