

Historical, technical
information:(202) 606-5606
Current data: (202) 606-7828
Media contact:(202) 606-5902

USDL 95-341
Transmission of this
material is embargoed
until 10:00 A.M. EDT
Thursday, September 7, 1995.

PRODUCTIVITY AND COSTS
Second Quarter 1995

The Bureau of Labor Statistics of the U.S. Department of Labor today reported revised productivity data-as measured by output per hour of all persons-for the second quarter of 1995. The revised seasonally-adjusted annual rates of productivity change in the second quarter were:

4.7 percent in the business sector, and
4.8 percent in the nonfarm business sector.

In both sectors, productivity rose from the first to the second quarter as output grew while hours of all persons employed fell.

In manufacturing, the revised productivity changes in the second quarter were:

2.6 percent in manufacturing,
0.7 percent in durable goods manufacturing, and
5.3 percent in nondurable goods manufacturing.

The productivity advance in manufacturing reflected a decrease in output combined with a larger decrease in the hours of all persons. 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 sectors. Second-quarter measures are summarized in table A and appear in detail in tables 1 through 5; the differences between these measures and the preliminary second-quarter figures issued on August 8 are shown in table C.

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 6).

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

Sector	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs
Percent change from preceding quarter						
Business	4.7	2.1	-2.4	3.7	0.3	-1.0
Nonfarm business	4.8	2.3	-2.3	3.5	0.1	-1.2
Manufacturing	2.6	-3.4	-5.9	0.4	-2.9	-2.1
Durable	0.7	-3.7	-4.3	-2.6	-5.8	-3.3
Nondurable	5.3	-3.1	-8.0	5.2	1.7	-0.2
Percent change from same quarter a year ago						
Business	3.6	4.7	1.1	3.6	0.5	0.0
Nonfarm business	3.6	4.7	1.1	3.6	0.5	0.0
Manufacturing	3.3	3.8	0.5	2.8	-0.3	-0.5
Durable	3.4	5.0	1.6	2.2	-0.8	-1.1
Nondurable	3.0	1.9	-1.1	3.6	0.5	0.5

Business

From the first quarter to the second quarter of 1995, business sector productivity increased at a 4.7 percent annual rate. Business sector output rose 2.1 percent, and hours of all persons engaged in the sector fell 2.4 percent, reflecting a 0.2 percent increase in employment and a 2.7 percent drop in average weekly hours at work. During the first quarter of 1995, productivity had risen 2.1 percent, as output and hours of all persons employed rose 4.3 and 2.2 percent, respectively (table 1).

Hourly compensation increased 3.7 percent during the second quarter of 1995, about the same as the 3.8 percent rise in the first quarter. This measure includes wages and salaries, supplements, employer contributions to employee benefit plans, and taxes. Real hourly compensation, which takes into account changes in the Consumer Price Index for All Urban Consumers (CPI-U), increased at a 0.3 percent annual rate in the second quarter; it had risen 0.7 percent in the first quarter of 1995.

Unit labor costs, which reflect changes in hourly compensation and productivity, fell at a 1.0 percent annual rate during the second quarter and have fallen in three of the last four quarters. The implicit price deflator for the business sector, which incorporates changes in both unit labor costs and unit nonlabor payments, increased 1.2 percent in the second quarter and 1.4 percent during the first quarter of 1995.

Nonfarm business

Productivity rose 4.8 percent in the nonfarm business sector during the second quarter of 1995, the largest increase since a 7.0 percent increase was posted in the first quarter of 1986. Output increased at a 2.3 percent rate in the second quarter, and hours of all persons fell 2.3 percent. This drop in hours of all persons reflected a 0.3 percent increase in employment and a 2.6 percent decline in average weekly hours. During the first quarter of 1995, productivity had increased 2.5 percent in the nonfarm business sector, reflecting gains of 4.5 percent in output and 2.0 percent in hours (table 2).

Hourly compensation increased at a 3.5 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 0.1 percent in the second quarter.

Unit labor costs fell 1.2 percent, compared with a 1.6 percent rise during the first quarter of 1995. The implicit price deflator for nonfarm business output rose 1.1 percent in the second quarter and 1.3 percent one quarter earlier.

Manufacturing

Productivity increased at a 2.6 percent seasonally adjusted annual rate in manufacturing in the second quarter of 1995, as output fell 3.4 percent and hours of all persons decreased 5.9 percent (seasonally adjusted annual rates). Productivity grew strongly in the nondurable goods industries, 5.3 percent, while posting a smaller gain among durable goods producers, 0.7 percent. In both the durable and nondurable goods subsectors, productivity increases occurred because the hours of persons engaged in the sector fell more than output (tables 4 and 5).

Hourly compensation of all manufacturing workers increased 0.4 percent during the second quarter, compared with a 4.7 percent gain during the January-March period. In durable goods industries, hourly compensation fell 2.6 percent; a 5.2 percent increase occurred in nondurable goods industries. Real hourly compensation in the manufacturing sector fell 2.9 percent in the second quarter when the increase in consumer prices is taken into account. During the first quarter, real hourly compensation had gone up 1.6 percent (seasonally adjusted annual rates).

Unit labor costs fell at a 2.1 percent annual rate in the second quarter of 1995, the seventh decline in the last 10 quarters. Unit labor costs fell 3.3 percent in durable goods industries but only 0.2 percent in nondurable goods industries.

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

Period	Produc- tivity	Output	Hours	Hourly compen- sation	Real	Unit labor costs	Unit profits	Implicit price deflator
					hourly compen- sation			
Percent change from preceding quarter								
1995 II	5.4	3.5	-1.8	3.3	-0.1	-2.0	6.6	-0.1
Percent change from same quarter a year ago								
1995 II	3.0	5.1	2.0	3.2	0.1	0.2	-0.4	0.4

Nonfinancial corporations

Preliminary second-quarter 1995 measures of productivity and costs also were announced today for nonfinancial corporations (tables B and 6). Productivity increased 5.4 percent in the second quarter, as output rose 3.5 percent and hours decreased 1.8 percent (seasonally adjusted annual rates). The productivity increase was the largest since a 5.4 percent increase also was posted in the first quarter of 1986. A 0.9 percent employment increase, combined with a 2.6 percent decline in average weekly hours, caused nonfinancial corporate hours to drop for the first time since the first quarter of 1992 (when they declined 0.2 percent). In the first quarter of 1995, productivity had increased 1.7 percent in nonfinancial corporations, as output increased 4.4 percent and employee hours rose 2.7 percent. Nonfinancial corporations include all corporations doing business in the United States, except banks, stock and commodity brokers, and finance and insurance agencies.

Hourly compensation rose 3.3 percent in the second quarter; it had risen 3.4 percent in the first quarter of 1995. When the rise in the CPI-U is taken into account, real hourly compensation in the second quarter declined 0.1 percent after increasing 0.4 percent in the previous quarter (table 6).

Unit labor costs for nonfinancial corporations fell 2.0 percent in the second quarter, compared with a 1.8 percent rise in the first quarter of 1995. Unit nonlabor costs rose 2.1 percent, and unit profits rose 6.6 percent. During the first quarter, unit nonlabor costs had increased 0.5 percent while unit profits fell 10.4 percent (annual rates). The implicit price deflator for nonfinancial corporate output fell 0.1 percent in the second quarter and rose 0.1 percent in the first quarter.

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

Sector	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs
Second quarter 1995						
Business:						
Previous...	3.0	0.4	-2.5	3.8	0.4	0.8
Current....	4.7	2.1	-2.4	3.7	0.3	-1.0
Nonfarm business:						
Previous...	3.0	0.6	-2.4	3.6	0.2	0.6
Current....	4.8	2.3	-2.3	3.5	0.1	-1.2
Manufacturing:						
Previous...	2.1	-3.8	-5.8	0.3	-2.9	-1.8
Current....	2.6	-3.4	-5.9	0.4	-2.9	-2.1

Revised Measures

Current and previous measures for the second quarter of 1995 for the business, nonfarm business, and manufacturing sectors are compared in table C. The quarterly movements differ from those reported on August 8 based on information then available. In the business and nonfarm business sectors, the growth in output (which is based on information from the national income and product accounts prepared by the U.S. Department of Commerce) and productivity were revised upward. Manufacturing output (which is based on information from the Federal Reserve Board) and productivity also were revised up.

Next release date

The next release of Productivity and Costs is scheduled for 10:00 AM EST, Tuesday, November 7, 1995. Revised second-quarter measures for nonfinancial corporations and preliminary third-quarter measures for business, nonfarm business, and manufacturing will be released at that time.

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	119.4	148.4	124.2	164.5	107.1	137.8	143.9
1995	I	121.3	153.2	126.3	167.9	107.3	138.4	145.3
	II	r122.7	r154.0	125.5	169.5	107.4	r138.1	r145.7
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	1.5
	II	-1.4	3.7	5.2	0.9	-1.7	2.3	3.5
	III	3.2	4.5	1.3	3.1	-0.4	-0.1	2.0
	IV	4.3	7.8	3.3	3.6	1.3	-0.7	0.7
	ANNUAL	2.1	5.5	3.4	2.8	0.2	0.7	1.7
1995	I	2.1	4.3	2.2	3.8	0.7	1.7	1.4
	II	r4.7	r2.1	r-2.4	r3.7	r0.3	r-1.0	r1.2
Percent change from corresponding quarter of previous year								
1993	I	1.5	3.3	1.8	4.3	1.1	2.7	2.0
	II	1.3	3.8	2.5	3.9	0.8	2.6	1.9
	III	1.0	3.6	2.6	3.0	0.2	2.0	2.4
	IV	1.4	4.3	2.9	2.3	-0.5	0.8	1.4
	ANNUAL	1.3	3.8	2.4	3.4	0.4	2.0	1.9
1994	I	2.4	5.6	3.1	2.9	0.4	0.5	1.2
	II	1.9	5.4	3.5	2.3	-0.1	0.4	1.7
	III	2.1	5.6	3.4	2.7	-0.2	0.5	2.0
	IV	2.0	5.4	3.4	3.2	0.5	1.2	1.9
	ANNUAL	2.1	5.5	3.4	2.8	0.2	0.7	1.7
1995	I	2.0	5.1	3.0	2.8	0.0	0.8	1.9
	II	r3.6	r4.7	1.1	3.6	0.5	r0.0	r1.3

See footnotes following table 6.
r=revised

September 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								
1993	I	114.3	138.3	120.9	157.2	105.9	137.4	142.0
	II	114.5	139.9	122.2	158.1	105.8	138.1	142.5
	III	115.3	141.5	122.8	158.7	105.7	137.7	142.8
	IV	116.5	144.3	123.8	159.3	105.3	136.8	143.1
	ANNUAL	115.2	141.0	122.4	158.3	105.7	137.5	142.6
1994	I	117.0	146.1	124.9	161.2	106.0	137.8	143.5
	II	116.6	147.3	126.3	161.8	105.7	138.8	145.1
	III	117.3	148.8	126.8	162.9	105.5	138.8	145.9
	IV	118.6	151.6	127.9	164.4	105.9	138.7	146.1
	ANNUAL	117.4	148.5	126.5	162.6	105.9	138.5	145.2
1995	I	119.3	153.3	128.5	166.1	106.2	139.2	146.6
	II	r120.7	r154.2	127.7	r167.5	106.2	r138.8	r147.0
Percent change from previous quarter at annual rate (5)								
1993	I	-2.2	1.0	3.2	1.9	-1.1	4.1	2.2
	II	0.4	4.7	4.2	2.4	-0.6	2.0	1.6
	III	2.9	4.9	1.9	1.5	-0.2	-1.3	0.7
	IV	4.2	7.9	3.5	1.6	-1.6	-2.5	0.8
	ANNUAL	1.3	4.1	2.7	3.0	0.0	1.7	1.9
1994	I	1.7	5.2	3.4	4.9	2.7	3.1	1.2
	II	-1.4	3.2	4.7	1.4	-1.2	2.8	4.5
	III	2.7	4.3	1.6	2.7	-0.8	0.0	2.3
	IV	4.3	7.7	3.3	3.8	1.5	-0.4	0.5
	ANNUAL	1.9	5.3	3.3	2.7	0.1	0.8	1.8
1995	I	2.5	4.5	2.0	4.1	1.0	1.6	1.3
	II	r4.8	r2.3	r-2.3	r3.5	r0.1	r-1.2	r1.1
Percent change from corresponding quarter of previous year								
1993	I	1.6	3.5	1.9	4.2	1.0	2.6	2.1
	II	1.1	4.0	2.9	3.5	0.4	2.4	1.9
	III	1.2	4.2	2.9	2.6	-0.2	1.3	2.4
	IV	1.3	4.6	3.2	1.9	-0.9	0.5	1.3
	ANNUAL	1.3	4.1	2.7	3.0	0.0	1.7	1.9
1994	I	2.3	5.7	3.3	2.6	0.1	0.3	1.1
	II	1.8	5.3	3.4	2.3	-0.1	0.5	1.8
	III	1.8	5.2	3.3	2.6	-0.2	0.8	2.2
	IV	1.8	5.1	3.3	3.2	0.6	1.4	2.1
	ANNUAL	1.9	5.3	3.3	2.7	0.1	0.8	1.8
1995	I	2.0	4.9	2.9	3.0	0.1	1.0	2.1
	II	r3.6	r4.7	1.1	3.6	0.5	r0.0	r1.3

See footnotes following table 6.
r=revised

September 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							
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	140.5	151.1	107.5	157.7	100.8	112.3
	II	r141.4	r149.7	105.9	157.9	100.1	r111.7

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	3.5	5.2	1.6	4.7	1.6	1.1
	II	r2.6	r-3.4	r-5.9	r0.4	-2.9	r-2.1

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	2.2	-0.6	-1.4
	II	r3.3	r3.8	0.5	2.8	-0.3	r-0.5

See footnotes following table 6.
r=revised

September 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							
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	166.6	106.4	154.3	98.6	98.6
	II	r156.8	r165.0	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	4.4	6.8	2.3	5.1	2.0	0.7
	II	r0.7	r-3.7	r-4.3	-2.6	-5.8	r-3.3

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	-0.8	-2.0
	II	r3.4	5.0	1.6	2.2	-0.8	-1.1

See footnotes following table 6.
r=revised

September 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							
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	163.9	104.7	135.4
	II	r122.6	r131.0	106.9	r165.9	r105.2	r135.4
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	3.9	0.8	1.8
	II	r5.3	r-3.1	r-8.0	r5.2	r1.7	r-0.2
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	-0.5	-0.7
	II	r3.0	r1.9	r-1.1	r3.6	r0.5	r0.5

See footnotes following table 6.
r=revised

September 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										
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	124.4	156.0	125.4	157.7	102.7	126.7	116.0	123.7	226.5
1995	I	125.8	161.4	128.2	160.5	102.6	127.5	116.0	124.2	224.0
	II	127.5	162.8	127.7	161.8	102.6	126.9	116.6	124.0	227.6
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	2.2	6.1	3.8	2.0	-0.6	-0.2	0.2	-0.1	12.2
1995	I	1.7	4.4	2.7	3.4	0.4	1.8	0.5	1.4	-10.4
	II	5.4	3.5	-1.8	3.3	-0.1	-2.0	2.1	-0.9	6.6
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	2.2	6.1	3.8	2.0	-0.6	-0.2	0.2	-0.1	12.2
1995	I	1.5	5.4	3.9	2.5	-0.3	1.0	-0.5	0.6	2.7
	II	3.0	5.1	2.0	3.2	0.1	0.2	1.2	0.5	-0.4

See footnotes following table 6.
r=revised

September 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 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 -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.