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PRODUCTIVITY AND COSTS
Third 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 third quarter of 1995. The preliminary seasonally-adjusted annual rates of productivity growth in the third quarter were:

2.1 percent in the business sector, and
2.0 percent in the nonfarm business sector.

In both the business and the nonfarm business sectors, productivity increases in the third quarter were smaller than those recorded in the second quarter (as revised).

In manufacturing, productivity increases in the third quarter were:

6.2 percent in manufacturing,
8.1 percent in durable goods manufacturing, and
3.0 percent in nondurable goods manufacturing.

The 6.2 percent rise in manufacturing productivity came primarily from the durable goods sector, where productivity rose 8.1 percent. In the slightly-smaller nondurable goods sector, productivity rose 3.0 percent in the third quarter. Output and hours in manufacturing, which includes nearly 20 percent of U.S. business sector employment, tend to vary more from quarter to quarter than data for the more aggregate business and nonfarm business sectors. Third-quarter measures are summarized in table A and appear in detail in tables 1 through 5.

NOTE: BLS plans to switch to annually-weighted output indexes for computations underlying its regular Productivity and Costs news releases. 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. As part of this comprehensive revision program, the December 14, 1995, release of Productivity and Costs (with revised third-quarter figures) has been postponed to allow time to incorporate revised data from the National Income and Product Accounts; a new release date has not yet been scheduled. See Upcoming Changes to BLS Productivity and Costs Measures (page 5).

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

Sector	Productivity	Output	Hours	Real		
				Hourly compensation	hourly compensation	Unit labor costs
Percent change from preceding quarter						
Business	2.1	4.9	2.8	3.2	1.1	1.1
Nonfarm business	2.0	4.9	2.9	3.1	1.0	1.1
Manufacturing	6.2	3.0	-3.0	3.7	1.7	-2.3
Durable	8.1	6.4	-1.6	3.7	1.6	-4.1
Nondurable	3.0	-2.1	-4.9	3.5	1.5	0.6
Percent change from same quarter a year ago						
Business	3.3	4.7	1.4	3.6	0.9	0.3
Nonfarm business	3.4	4.8	1.4	3.7	1.0	0.3
Manufacturing	4.0	3.1	-0.8	3.2	0.5	-0.8
Durable	4.3	4.7	0.3	2.6	-0.1	-1.6
Nondurable	3.4	0.8	-2.5	3.8	1.1	0.4

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 8).

Business

From the second quarter to the third quarter of 1995, business sector productivity increased at a 2.1 percent annual rate. Output rose 4.9 percent, and hours of all persons engaged in the sector increased 2.8 percent (seasonally adjusted annual rates). The increase in hours reflected 1.4 percent increases in both employment and average weekly hours. This was the first increase in average weekly hours in 1995; they had fallen 2.8 percent in the second quarter and 0.5 percent in the first quarter. After revisions, second-quarter productivity in the business sector rose 4.6 percent, as output increased 2.0 percent, and hours of all persons fell 2.5 percent (tables B and 1).

Hourly compensation increased 3.2 percent during the third quarter of 1995, compared with a 3.8 percent rise in the second 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 1.1 percent annual rate during the third quarter. During the previous quarter, these costs had fallen 0.8 percent.

Real hourly compensation, which takes into account changes in the Consumer Price Index for All Urban Consumers (CPI-U), increased 1.1 percent in the third quarter, and 0.4 percent in the second quarter of 1995.

The implicit price deflator for the business sector, which reflects changes in unit labor costs and unit nonlabor payments, increased at a 0.2 percent annual rate in the third quarter, down from a 1.3 percent increase during the second quarter of 1995.

Nonfarm business

Productivity rose 2.0 percent in the nonfarm business sector during the third quarter of 1995 as output rose 4.9 percent and hours of all persons increased 2.9 percent. During the second quarter of 1995, productivity had risen 4.9 percent (as revised) in the nonfarm business sector, reflecting a gain of 2.4 percent in output and a decline of 2.4 percent in hours (table 2).

Hourly compensation increased at a 3.1 percent annual rate in the third quarter, compared with a 3.7 percent increase one quarter earlier. When the rise in the CPI-U is taken into account, real hourly compensation rose at a 1.0 percent annual rate in the third quarter. Unit labor costs increased 1.1 percent during the July-September period, after falling 1.2 percent during the second quarter of 1995.

The implicit price deflator for nonfarm business output fell 0.1 percent in the third quarter, compared with a 1.2 percent increase one quarter earlier.

Manufacturing

Productivity increased 6.2 percent in manufacturing in the third quarter of 1995, as output rose 3.0 percent and hours of all persons fell 3.0 percent (seasonally adjusted annual rates). This increase in manufacturing productivity was the largest since a 10.6 percent increase was recorded in the second quarter of 1987. In the durable goods sector, third-quarter productivity rose 8.1 percent as output increased 6.4 percent and hours fell 1.6 percent. Although productivity increased 3.0 percent in the nondurable goods sector, output and hours both fell, at annual rates of 2.1 and 4.9 percent, respectively. In the second quarter of 1995, manufacturing productivity had risen 2.7 percent as both output and hours declined, 3.4 and 5.9 percent, respectively (tables 3, 4, and 5).

Hourly compensation of all manufacturing workers increased 3.7 percent during the third quarter, up from the 0.5 percent increase recorded in the second quarter (seasonally adjusted annual rates). Real hourly compensation rose 1.7 percent in the third quarter when the increase in the CPI-U is taken into account. In the second quarter of 1995, real hourly compensation of manufacturing workers had fallen 2.8 percent.

Unit labor costs fell at a 2.3 percent annual rate in the third quarter of 1995. These costs had decreased 2.2 percent during the second quarter of 1995 and have now declined in eight of the last 11 quarters.

Revised Measures

Current and previous measures for the second quarter of 1995 for the business, nonfarm business, and manufacturing sectors are compared in table B. The quarterly movements differ somewhat from those reported on September 7 based on information then available.

Table B. 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...	4.7	2.1	-2.4	3.7	0.3	-1.0
Current....	4.6	2.0	-2.5	3.8	0.4	-0.8
Nonfarm business:						
Previous...	4.8	2.3	-2.3	3.5	0.1	-1.2
Current....	4.9	2.4	-2.4	3.7	0.3	-1.2
Manufacturing:						
Previous...	2.6	-3.4	-5.9	0.4	-2.9	-2.1
Current....	2.7	-3.4	-5.9	0.5	-2.8	-2.2

Revised measures: Nonfinancial Corporations

Productivity and cost measures for the second quarter for nonfinancial corporations, which were revised to incorporate the most recent information, were somewhat different from the preliminary results announced on September 7 (table C).

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

Quarterly percent changes at seasonally adjusted annual rates

	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs	Unit profits	Implicit price deflator
	Second quarter 1995							
Previous	5.4	3.5	-1.8	3.3	-0.1	-2.0	6.6	-0.1
Current	5.2	3.2	-1.9	3.5	0.1	-1.6	4.9	0.1

Upcoming Changes in Productivity and Costs Measures

The Bureau of Labor Statistics plans to switch to annually-weighted output indexes for computations underlying its Productivity and Costs news releases early in 1996. This change will parallel the changes being made by the Bureau of Economic Analysis, U.S. Department of Commerce, to replace its fixed-weighted index as the featured measure of real gross domestic product (GDP) with a chain-type, annual-weighted index. BEA will compute quarterly data for business and nonfarm business output for BLS using the same conventions it uses to compute quarterly GDP. Starting with its chain-type, annual-weighted measure of real GDP, BEA will remove those GDP components that BLS excludes from its definitions of the business and nonfarm business sectors.

In addition, future BLS business and nonfarm business output measures will no longer exclude the statistical discrepancy—the measure of the difference between GDP as measured on the product side and on the income side. The product side adds up the values of goods and services produced while the income side adds up the disposition of the income generated by production in the form of wages, salaries, supplements, profits, net interest, and business taxes. Although conceptually equal, the two sides differ because they are measured using different data sources. It has been determined that the income side definition which BLS has been using has led to larger revisions of BLS productivity data between the preliminary and revised press releases than would a product side definition. This is because BEA's data on the income side are incomplete at the time that the GDP statistics are first issued each quarter. BLS has, in effect, used a product side measure of output growth in its first press release of each quarter, and then an income side definition at the time of the second release.

For its historical annual data on manufacturing output, BLS will use the annually-weighted measure of "sectoral output" it developed some years ago as part of its manufacturing multifactor productivity data set. This output series will replace the series on constant dollar gross product originating currently used. Quarterly data on manufacturing output, and annual data for the most recent one or two years, will continue to be based on movements in the index of industrial production prepared monthly by the Board of Governors of the Federal Reserve System.

The output and productivity data under the new concepts are currently being updated and revised to incorporate new source data. However, BLS has produced indexes for some sectors based on currently-available source data. The following table shows results for the nonfarm business sector.

Table D. The effects of improved measurement techniques on output and productivity: Nonfarm business sector
(Seasonally adjusted annual rates)

	Output		Productivity		
	(a)	(b)	(c)	(d)	(e)
Year and quarter	Published base-year weighted income side	Improved annually-weighted product side	Published base-year weighted income side	Improved annually-weighted product side	Difference (d) - (c)
Compound annual rates of change					
1960 - 1994	3.1	3.4	1.5	1.8	0.3
1960 - 1973	4.2	4.7	2.5	3.0	0.5
1973 - 1979	2.5	2.9	0.6	1.0	0.4
1979 - 1990	2.4	2.6	0.8	0.9	0.1
1990 - 1994	2.7	2.1	1.8	1.2	-0.6
Percent change from preceding quarter					
1995 I	4.5	2.2	2.5	0.2	-2.3
1995 II	2.4	0.9	4.9	3.4	-1.5
1995 III	4.9	3.6	2.0	0.7	-1.3

A statement containing information about these measures may be obtained from the Division of Productivity Research (202-606-5606). For a discussion of the manufacturing "sectoral output" measure mentioned above, see William

Gullickson, "Measurement of productivity growth in U.S. manufacturing," Monthly Labor Review, July 1995, pp. 13-28.

BEA has announced a schedule of release dates for the comprehensive revision of the National Income and Product Accounts. Revised estimates for 1959-92 are scheduled for release on November 21, 1995. Revised third-quarter 1995 data, combined with the release of revised estimates for 1993 through the second quarter of 1995, are scheduled for release on December 15. As soon as possible after that date, BLS will issue revised quarterly productivity and costs measures, back to 1959, based on the new concepts and data. The revised productivity and cost measures also will incorporate information from the 1994 Hours at Work Survey and will feature a 1992 base year for the indexes.

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 sector output is equal to gross domestic product (GDP) in constant 1987 dollars, less general government, output of nonprofit institutions, output of paid employees of private households, rental value of owner-occupied dwellings, and the statistical discrepancy in computing the NIPA. Corresponding exclusions are also made in labor inputs. Business output was about 78 percent of GDP in 1992. Nonfarm business, which also excludes farming, was about 77 percent of GDP in 1992.

Total manufacturing measures are computed by summing series prepared for the durable and nondurable goods sectors. Durables include the following 2-digit SIC industries: Primary metal industries; fabricated metal products; nonelectrical machinery; industrial and commercial machinery and computer equipment; electronic and other electrical equipment; transportation equipment; instruments; lumber and lumber products; furniture and fixtures; stone,

clay, and glass and concrete products; and miscellaneous 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	122.7	154.0	125.5	169.5	r107.5	138.1	145.7	
	III	123.3	155.8	126.3	170.8	107.8	138.5	145.8	
Percent change from previous quarter at annual rate(5)									
1993	I	-2.1	0.6	2.7	2.5	-0.6	4.6	-1.9	2.3
	II	0.6	4.2	3.6	3.1	0.1	2.5	0.3	1.7
	III	2.2	4.0	1.7	1.8	0.1	-0.4	2.4	0.6
	IV	5.0	8.6	3.5	1.7	-1.5	-3.2	9.6	1.2
	ANNUAL	1.3	3.8	2.4	3.4	0.4	2.0	1.8	1.9
1994	I	1.8	5.5	3.6	5.1	2.9	3.2	-1.6	1.5
	II	-1.4	3.7	5.2	0.9	-1.7	2.3	5.9	3.5
	III	3.2	4.5	1.3	3.1	-0.4	-0.1	5.8	2.0
	IV	4.3	7.8	3.3	3.6	1.3	-0.7	3.1	0.7
	ANNUAL	2.1	5.5	3.4	2.8	0.2	0.7	3.6	1.7
1995	I	2.1	4.3	2.2	3.8	0.7	1.7	0.9	1.4
	II	r4.6	r2.0	r-2.5	r3.8	r0.4	r-0.8	5.0	r1.3
	III	2.1	4.9	2.8	3.2	1.1	1.1	-1.5	0.2
Percent change from corresponding quarter of previous year									
1993	I	1.5	3.3	1.8	4.3	1.1	2.7	0.7	2.0
	II	1.3	3.8	2.5	3.9	0.8	2.6	0.6	1.9
	III	1.0	3.6	2.6	3.0	0.2	2.0	3.2	2.4
	IV	1.4	4.3	2.9	2.3	-0.5	0.8	2.5	1.4
	ANNUAL	1.3	3.8	2.4	3.4	0.4	2.0	1.8	1.9
1994	I	2.4	5.6	3.1	2.9	0.4	0.5	2.6	1.2
	II	1.9	5.4	3.5	2.3	-0.1	0.4	4.0	1.7
	III	2.1	5.6	3.4	2.7	-0.2	0.5	4.8	2.0
	IV	2.0	5.4	3.4	3.2	0.5	1.2	3.2	1.9
	ANNUAL	2.1	5.5	3.4	2.8	0.2	0.7	3.6	1.7
1995	I	2.0	5.1	3.0	2.8	0.0	0.8	3.9	1.9
	II	r3.5	r4.6	r1.0	3.6	0.5	0.0	3.7	1.3
	III	3.3	4.7	1.4	3.6	0.9	0.3	1.9	0.9

See footnotes following table 6.
r=revised

November 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	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	117.4	148.5	126.5	162.6	105.9	138.5	159.2	145.2
1995	I	119.3	153.3	128.5	166.1	106.2	139.2	162.1	146.6
	II	120.7	154.2	127.7	r167.6	106.2	138.8	r164.3	147.0
	III	121.3	156.1	128.6	168.9	106.5	139.2	163.3	147.0
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	1.9	5.3	3.3	2.7	0.1	0.8	3.8	1.8
1995	I	2.5	4.5	2.0	4.1	1.0	1.6	0.7	1.3
	II	r4.9	r2.4	r-2.4	r3.7	r0.3	-1.2	r5.6	r1.2
	III	2.0	4.9	2.9	3.1	1.0	1.1	-2.3	-0.1
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	1.9	5.3	3.3	2.7	0.1	0.8	3.8	1.8
1995	I	2.0	4.9	2.9	3.0	0.1	1.0	4.3	2.1
	II	3.6	4.7	1.1	3.6	0.5	0.0	r3.8	1.3
	III	3.4	4.8	1.4	3.7	1.0	0.3	1.5	0.7

See footnotes following table 6.
r=revised

November 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	141.4	r149.8	105.9	157.9	100.1	111.7
	III	143.6	150.9	105.1	159.4	100.5	111.0
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	r2.7	-3.4	-5.9	r0.5	r-2.8	r-2.2
	III	6.2	3.0	-3.0	3.7	1.7	-2.3
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	3.3	3.8	r0.4	2.8	r-0.2	-0.5
	III	4.0	3.1	-0.8	3.2	0.5	-0.8

See footnotes following table 6.
r=revised

November 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	156.8	165.0	105.2	153.3	97.2	r97.7
	III	159.9	167.6	104.8	154.7	97.6	96.7
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	r0.8	-3.7	r-4.5	-2.6	-5.8	r-3.4
	III	8.1	6.4	-1.6	3.7	1.6	-4.1
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	-0.8	-2.0
	II	3.4	5.0	r1.5	2.2	-0.8	r-1.2
	III	4.3	4.7	0.3	2.6	-0.1	-1.6

See footnotes following table 6.
r=revised

November 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	122.6	r131.1	106.9	r166.0	105.2	r135.3
	III	123.5	130.4	105.6	167.4	105.6	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	3.9	0.8	1.8
	II	r5.5	r-2.8	r-7.9	5.2	r1.8	r-0.3
	III	3.0	-2.1	-4.9	3.5	1.5	0.6
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	r3.1	r2.0	-1.1	3.6	0.5	0.5
	III	3.4	0.8	-2.5	3.8	1.1	0.4

See footnotes following table 6.
r=revised

November 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	128.7
	II	121.2	145.9	120.4	154.4	103.3	127.3	115.8	124.1	199.4	128.7
	III	122.2	148.1	121.2	154.8	103.1	126.7	115.8	123.6	202.5	128.5
	IV	123.4	150.9	122.3	155.0	102.5	125.7	114.8	122.6	220.9	128.7
	ANNUAL	121.8	147.0	120.8	154.6	103.3	127.0	115.8	123.8	201.9	128.6
1994	I	124.0	153.0	123.4	156.5	102.9	126.2	116.6	123.5	218.2	129.4
	II	123.8	154.8	125.1	156.8	102.4	126.7	115.2	123.4	228.7	129.9
	III	124.3	156.5	125.9	157.9	102.3	127.1	116.2	124.0	228.8	130.5
	IV	125.3	159.6	127.4	159.1	102.5	127.0	115.9	123.8	230.3	130.4
	ANNUAL	124.4	156.0	125.4	157.7	102.7	126.7	116.0	123.7	226.5	130.0
1995	I	125.8	161.4	128.2	160.5	102.6	127.5	116.0	124.2	224.0	130.4
	II	r127.4	r162.6	r127.6	161.8	102.6	r127.0	r116.8	r124.1	r226.7	r130.5

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	2.3
	II	4.6	7.5	2.8	1.4	-1.5	-3.0	-3.3	-3.1	38.9	0.2
	III	3.2	6.0	2.7	1.0	-0.7	-2.1	0.0	-1.6	6.5	-0.8
	IV	3.9	7.8	3.8	0.6	-2.6	-3.1	-3.4	-3.2	41.5	0.6
	ANNUAL	2.8	5.0	2.2	2.8	-0.2	0.0	-1.9	-0.5	14.0	0.8
1994	I	2.0	5.8	3.7	3.9	1.7	1.8	6.6	3.1	-4.9	2.2
	II	-0.8	4.8	5.6	0.6	-1.9	1.4	-4.8	-0.3	20.7	1.8
	III	1.6	4.2	2.5	2.9	-0.7	1.2	3.5	1.8	0.3	1.7
	IV	3.4	8.4	4.8	3.2	0.9	-0.3	-1.1	-0.5	2.5	-0.2
	ANNUAL	2.2	6.1	3.8	2.0	-0.6	-0.2	0.2	-0.1	12.2	1.1
1995	I	1.7	4.4	2.7	3.4	0.4	1.8	0.5	1.4	-10.4	0.1
	II	r5.2	r3.2	r-1.9	r3.5	r0.1	r-1.6	r2.8	r-0.5	r4.9	r0.1

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	1.1
	II	3.0	5.1	2.0	3.3	0.1	0.2	-1.8	-0.3	13.6	0.8
	III	2.6	5.2	2.5	2.2	-0.6	-0.4	-2.7	-1.0	18.5	0.6
	IV	2.3	5.2	2.8	1.3	-1.4	-1.0	-0.8	-1.0	15.5	0.6
	ANNUAL	2.8	5.0	2.2	2.8	-0.2	0.0	-1.9	-0.5	14.0	0.8
1994	I	3.4	6.8	3.3	1.7	-0.8	-1.6	-0.1	-1.2	18.8	0.5
	II	2.1	6.1	4.0	1.5	-0.9	-0.5	-0.5	-0.5	14.7	0.9
	III	1.7	5.7	3.9	2.0	-0.9	0.3	0.4	0.3	13.0	1.6
	IV	1.6	5.8	4.2	2.6	0.0	1.0	1.0	1.0	4.2	1.4
	ANNUAL	2.2	6.1	3.8	2.0	-0.6	-0.2	0.2	-0.1	12.2	1.1
1995	I	1.5	5.4	3.9	2.5	-0.3	1.0	-0.5	0.6	2.7	0.8
	II	3.0	r5.0	2.0	3.2	r0.2	r0.3	r1.4	r0.6	r-0.9	0.4

See footnotes following table 6.
r=revised

November 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.