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PRODUCTIVITY AND COSTS
Preliminary Fourth-Quarter Measures
and Annual Averages, 1995

The Bureau of Labor Statistics of the U.S. Department of Labor today reported preliminary fourth-quarter seasonally adjusted annual rates of change in productivity--as measured by output per hour of all persons--and changes for the full year 1995. In the fourth quarter, productivity was unchanged in the business sector as output and hours worked both rose a moderate 1.2 percent. In the nonfarm business sector, productivity dropped as hours rose 1.6 percent, somewhat more than the 1.1 percent increase in output. Percent changes in business and nonfarm business productivity were:

	Fourth quarter	Annual averages 1994-1995
Business sector	0.0	0.9
Nonfarm business sector ...	-0.5	1.1

For the year 1995, productivity showed modest improvements over 1994 levels in both the business and nonfarm business sectors. Fourth-quarter productivity and related measures are summarized in table A and appear in detail in tables 1 through 5. Annual data are summarized in table B.

NOTE: On February 8, 1996, BLS switched to annual-weighted output indexes for computations underlying its regular Productivity and Costs news releases. In addition, the base year for the indexes was changed to 1992=100. Information on these changes can be obtained by calling the Division of Productivity Research, Office of Productivity and Technology, at 202--606-5606.

Table A. Productivity and costs: Preliminary fourth-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	0.0	1.2	1.2	3.3	0.9	3.3
Nonfarm business	-0.5	1.1	1.6	3.0	0.6	3.5
Manufacturing	2.7	1.3	-1.4	2.3	-0.1	-0.4
Durable	3.8	3.6	-0.2	1.2	-1.2	-2.5
Nondurable	1.4	-1.6	-3.0	3.9	1.5	2.5
Percent change from same quarter a year ago						
Business	0.7	1.6	0.9	4.1	1.4	3.4
Nonfarm business	0.8	1.8	1.0	4.1	1.4	3.3
Manufacturing	3.6	1.4	-2.2	3.0	0.3	-0.7
Durable	4.4	3.4	-1.0	2.2	-0.4	-2.1
Nondurable	3.0	-1.0	-3.8	3.9	1.2	0.9

In the manufacturing sector, increases in productivity were:

	Fourth quarter	Annual averages 1994-1995
Manufacturing sector	2.7	3.7
Durable goods manufacturing	3.8	4.5
Nondurable goods manufacturing	1.4	2.9

Manufacturing productivity grew at a 2.7 percent annual rate in the fourth quarter as output increased 1.3 percent and hours of all persons fell 1.4 percent. Productivity grew faster in durable goods manufacturing than in nondurable goods manufacturing (table A). On an annual basis, manufacturing productivity increased 3.7 percent, slightly less than the 4.2 percent gain registered in 1994. (Output and hours in manufacturing, which includes about 19 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.)

The data sources and methods used in the preparation of the manufacturing series differ from those used in preparing the business and nonfarm business series, and these measures are not directly comparable. 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).

THIRD-TO-FOURTH QUARTER CHANGES, 1995

Business

Productivity was unchanged in the fourth quarter of 1995 as both output and hours of all persons engaged in the sector rose 1.2 percent. In the third quarter, productivity had risen 1.6 percent (as revised), as output grew 4.4 percent and hours 2.8 percent (seasonally adjusted annual rates).

Hourly compensation increased at a 3.3 percent annual rate in the fourth quarter of 1995, following 4.3 percent growth during the third quarter. This measure includes wages and salaries, supplements, employer contributions to employee-benefit plans, and taxes. Unit labor costs, which reflect changes in hourly compensation and productivity, increased at a 3.3 percent annual rate during the fourth quarter, up from the 2.7 percent increase one quarter earlier.

Real hourly compensation, which takes into account changes in the Consumer Price Index for All Urban Consumers (CPI-U), rose at a 0.9 percent annual rate for persons in the business sector. This measure had risen 2.3 percent during the third quarter.

The implicit price deflator for business output, which reflects changes in unit labor costs and unit nonlabor payments, increased at an annual rate of 0.9 percent in the fourth quarter, the smallest increase since a 0.6 percent rise in the first quarter of 1967. In the third quarter, prices of the goods and services which comprise business output had increased at a 2.1 percent annual rate.

Nonfarm business

In the nonfarm business sector, productivity fell 0.5 percent in the fourth quarter, as output rose 1.1 percent and hours of all persons--employees, proprietors, and unpaid family workers--rose 1.6 percent (seasonally adjusted annual rates). During the third quarter, nonfarm productivity had increased at a 1.7 percent annual rate, as output grew 4.7 percent and hours increased 2.9 percent (table 2).

Hourly compensation rose 3.0 percent in the fourth quarter, and real hourly compensation increased 0.6 percent when the increase in the CPI-U was taken into account. During the third quarter, hourly compensation had increased by 4.3 percent, and real hourly compensation had risen 2.2 percent. Unit labor costs increased 3.5 percent in the fourth quarter, compared with 2.5 percent in the previous quarter.

The implicit price deflator for nonfarm business output rose 0.9 percent in the fourth quarter, down from the 1.8 percent increase posted in the third quarter. The 0.9 percent increase recorded in the fourth quarter of 1995 was the smallest increase since a similar one in the first quarter of 1966.

Manufacturing

Manufacturing productivity grew at a 2.7 percent seasonally adjusted annual rate in the fourth quarter of 1995, compared with a 5.7 percent increase in the third quarter (table 3). Output rose 1.3 percent in the fourth quarter, and hours of all persons fell 1.4 percent. In the third quarter, output had risen 2.6 percent, and hours fell 2.9 percent. Both durable and nondurable goods industries experienced productivity increases in the fourth quarter, 3.8 and 1.4 percent, respectively. The increase in durable manufacturing productivity was the result of a 3.6 percent increase in output combined with a 0.2 percent drop in hours. In nondurable manufacturing, output fell 1.6 percent, and hours dropped 3.0 percent (tables 4 and 5).

Hourly compensation of all manufacturing workers increased 2.3 percent in the fourth quarter, resulting in a drop of 0.1 percent when the increase in consumer prices was taken into account. Unit labor costs fell 0.4 percent in the fourth quarter. These costs have now fallen in every quarter since the third quarter of 1994 (when they rose 0.6 percent) and have decreased in eight of the last nine quarters.

ANNUAL AVERAGE CHANGES, 1994-1995

Business

Business productivity increased 0.9 percent when the annual average for 1995 is compared with the annual average for 1994 (table B). This increase was the largest since a 3.4 percent increase was posted in 1992. Output grew 2.5 percent in 1995, and hours of all persons engaged in the business sector increased 1.6 percent. In 1994, business sector productivity had grown 0.7 percent as output increased 4.2 percent and hours increased 3.4 percent.

Hourly compensation increased 3.5 percent in 1995, compared with an increase of 2.2 percent in 1994. Real hourly compensation increased 0.6 percent in 1995 after falling 0.4 percent in both 1993 and 1994.

Unit labor costs rose 2.5 percent in 1995, compared with a 1.4 percent increase in the previous year. The implicit price deflator rose 2.2 percent in both 1994 and 1995.

Nonfarm business

Productivity increased 1.1 percent in the nonfarm business sector during 1995, as output rose 2.7 percent and hours of all persons increased 1.6 percent. As in the larger business sector, the 1995 productivity increase was the largest since 1992 (when it increased 3.2 percent). In 1994, productivity had risen 0.5 percent, as output and hours rose 4.0 and 3.4 percent, respectively.

Table B. Annual changes in productivity and related measures, 1986-1995

Measure	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
Business:										
Productivity ...	2.6	-0.1	0.5	0.8	0.8	0.5	3.4	0.2	0.7	0.9
Output	3.2	2.9	3.8	3.4	0.9	-1.8	3.2	2.6	4.2	2.5
Hours	0.6	3.0	3.3	2.5	0.1	-2.3	-0.3	2.4	3.4	1.6
Hourly comp.	5.2	3.9	4.5	2.8	5.8	4.8	5.2	2.6	2.2	3.5
Real hourly comp.	3.3	0.2	0.4	-1.9	0.4	0.5	2.1	-0.4	-0.4	0.6
Unit labor costs	2.6	4.0	4.0	1.9	4.9	4.2	1.7	2.4	1.4	2.5
Nonfarm Business:										
Productivity ...	2.7	-0.2	0.6	0.5	0.5	0.7	3.2	0.2	0.5	1.1
Output	3.4	3.0	4.1	3.2	0.7	-1.8	3.0	2.9	4.0	2.7
Hours	0.7	3.2	3.5	2.6	0.2	-2.4	-0.2	2.7	3.4	1.6
Hourly comp.	5.2	3.7	4.3	2.7	5.5	4.9	5.2	2.3	2.2	3.6
Real hourly comp.	3.3	0.1	0.1	-2.1	0.1	0.7	2.1	-0.7	-0.4	0.7
Unit labor costs	2.5	4.0	3.7	2.1	5.0	4.3	1.9	2.1	1.6	2.5
Manufacturing:										
Productivity ...	4.5	2.7	1.3	1.8	1.8	2.5	3.6	2.1	4.2	3.7
Output	3.0	3.4	4.2	2.1	-0.4	-1.7	3.0	3.5	6.5	3.5
Hours	-1.5	0.7	2.9	0.4	-2.2	-4.1	-0.6	1.4	2.2	-0.1
Hourly comp.	4.5	2.8	3.9	3.3	4.8	5.2	4.5	2.4	2.8	3.1
Real hourly comp.	2.6	-0.8	-0.3	-1.5	-0.5	1.0	1.5	-0.6	0.3	0.2
Unit labor costs	0.0	0.1	2.6	1.5	3.0	2.7	0.9	0.3	-1.3	-0.6

Hourly compensation rose 3.6 percent in 1995 following a 2.2 percent increase in 1994. Real hourly compensation increased 0.7 percent in 1995, compared with a 0.4 percent drop in 1994. Unit labor costs in the nonfarm business sector grew 2.5 percent in 1995. In 1994, unit labor costs had increased 1.6 percent.

Manufacturing

Manufacturing productivity grew 3.7 percent in 1995, as output rose 3.5 percent and hours of all persons dropped 0.1 percent. Output per hour of all persons in manufacturing has now posted an increase in every year since 1979 (when it fell 0.6 percent). In durable goods manufacturing, productivity increased 4.5 percent in 1995 as output rose 5.5 percent and hours of all persons rose 0.9 percent. Productivity growth in nondurable goods manufacturing in 1995 was 2.9 percent, reflecting a modest increase in output of 1.2 percent and a decline in hours worked of 1.6 percent (table B). During 1994, total manufacturing productivity had risen 4.2 percent as output grew 6.5 percent and hours increased 2.2 percent.

Hourly compensation of manufacturing workers increased 3.1 percent during 1995, or a gain of 0.2 percent when the increase in consumer prices is taken into account. Gains in hourly compensation in nondurable goods manufacturing, 3.8 percent, were higher than those posted in durable goods manufacturing, 2.5 percent. As a result, real hourly compensation in durable goods industries fell off slightly, 0.3 percent, while rising 0.9 percent in nondurable goods industries.

Unit labor costs in manufacturing fell 0.6 percent in 1995. In 1994, unit labor costs had fallen 1.3 percent, reflecting both faster productivity growth and a smaller gain in compensation per hour than in 1995.

Revised Measures

Current and previous measures for the third quarter of 1995 for the business, nonfarm business, and manufacturing sectors are compared in table C. Productivity, output, and hourly compensation measures in the business and nonfarm business sectors are higher than those published on February 8, based on the information then available.

Measures of real hourly compensation were revised for all sectors to reflect revisions to the Consumer Price Index for All Urban Consumers. These revisions to the CPI, which reflect updated seasonal adjustment factors, were released February 26. Measures for 1991 forward were affected.

Table C. Previous and revised productivity and related measures

Quarterly percent changes at seasonally adjusted annual rates

Sector	Produc- tivity	Output	Hours	Real		
				Hourly compen- sation	hourly compen- sation	Unit labor costs
----- Third quarter 1995						
Business:						
Previous	1.2	4.1	2.8	3.9	1.9	2.7
Current	1.6	4.4	2.8	4.3	2.3	2.7
Nonfarm business:						
Previous	1.4	4.4	2.9	3.9	1.8	2.4
Current	1.7	4.7	2.9	4.3	2.2	2.5
Manufacturing:						
Previous	5.7	2.6	-2.9	4.0	1.9	-1.6
Current	5.7	2.6	-2.9	4.0	1.9	-1.6

Revised measures: Nonfinancial Corporations

Productivity and cost measures for the third quarter for nonfinancial corporations, which were revised to incorporate the most recent information, were generally the same as the preliminary results announced on February 8, 1996. Unit profits grew at an annual rate of 41.4 percent compared with the preliminary estimate of 40.9 percent (table C).

 Table D. Nonfinancial corporations: Previous and revised productivity and related measures

Quarterly percent change at seasonally adjusted annual rates

Period	Produc- tivity	Output	Hours	Real		Unit labor costs	Unit profits	Implicit price deflator
				Hourly compen- sation	hourly compen- sation			

Third quarter 1995:								
Previous	5.7	7.8	2.0	4.1	2.0	-1.5	40.9	1.1
Current	5.7	7.8	2.0	4.1	2.0	-1.5	41.4	1.1

Next release date

The next release of Productivity and Costs is scheduled for 10:00 A.M. EDT, Wednesday, April 10, 1996. Revised fourth-quarter measures for business, nonfarm business, and manufacturing will be released at that time. First quarter measures for business, nonfarm business and manufacturing are scheduled to be released on Thursday, May 16, 1996.

TECHNICAL NOTES

Labor Hours: 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 paid hours of production and non-supervisory workers in nonagricultural establishments. Jobs rather than persons are counted. Weekly paid hours are adjusted to hours at work 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 (BEA) 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 an annual-weighted index constructed after excluding from gross domestic product (GDP) the following outputs: General government, nonprofit institutions, paid employees of private households, and the rental value of owner-occupied dwellings. Corresponding exclusions also are made in labor inputs. Business output accounted for about 76 percent of the value of GDP in 1992. Nonfarm business, which also excludes farming, accounted for about 75 percent of GDP in 1992.

Annual manufacturing indexes are constructed by deflating current-dollar industry value of production data from the U.S. Bureau of the Census with deflators from the BEA. These deflators are based on data from the BLS producer price program and other sources. The industry shipments are aggregated using annual weights, and intrasector transactions are removed. 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 to be consistent with annual indexes of manufacturing sector output prepared by BLS. 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. Nondurables include: Food and kindred products, tobacco products, textile mill products, apparel products, paper and allied products, printing and publishing, chemicals and chemical products, petroleum refining and related industries, rubber and plastic products, and leather and leather products.

Nonfinancial corporate output is an annual-weighted index constructed by excluding from GDP the following outputs: General government; nonprofit institutions; employees of private households; the rental value of owner-occupied dwellings; unincorporated business; and those corporations which are depository institutions, nondepository institutions, security and commodity brokers, insurance carriers, regulated investment offices, small business investment offices, and real estate investment trusts. Nonfinancial corporations accounted for about 52 percent of the value 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 1992=100									
1993	I	100.2	101.4	101.3	101.6	99.6	101.4	102.2	101.7
	II	99.8	102.0	102.2	102.5	99.7	102.6	101.8	102.3
	III	100.1	102.8	102.6	103.0	99.8	102.9	102.4	102.7
	IV	100.8	104.3	103.5	103.3	99.2	102.5	104.9	103.3
	ANNUAL	100.2	102.6	102.4	102.6	99.6	102.4	102.8	102.5
1994	I	100.3	104.8	104.5	104.2	99.6	103.8	104.1	103.9
	II	100.7	106.5	105.8	104.5	99.3	103.9	105.4	104.4
	III	101.4	107.6	106.2	104.9	98.8	103.5	107.9	105.1
	IV	101.5	108.7	107.1	105.7	r98.9	104.1	108.3	105.6
	ANNUAL	101.0	106.9	105.9	104.8	99.2	103.8	106.5	104.8
1995	I	101.1	108.8	107.6	106.6	r99.1	105.4	108.0	106.3
	II	101.9	108.9	106.9	108.0	99.6	106.0	108.4	106.9
	III	r102.3	r110.1	107.7	r109.2	r100.1	106.8	r108.7	r107.4
	IV	102.3	110.5	108.0	110.1	100.4	107.6	r107.8	107.7
	ANNUAL	101.9	109.6	107.6	108.5	99.9	106.5	108.2	107.1
Percent change from previous quarter at annual rate(5)									
1993	I	-3.7	-1.1	2.6	1.6	r-1.3	5.4	-0.1	3.4
	II	-1.3	2.2	3.6	3.4	r0.4	4.8	-1.5	2.5
	III	1.3	3.0	1.7	2.2	r0.3	0.9	2.2	1.4
	IV	2.7	6.3	3.5	1.1	r-2.0	-1.6	10.1	2.4
	ANNUAL	0.2	2.6	2.4	2.6	-0.4	2.4	2.8	2.5
1994	I	-1.9	1.8	3.7	3.4	r1.4	5.4	-2.8	2.4
	II	1.4	6.7	5.3	1.5	-1.0	0.1	4.9	1.8
	III	2.8	4.1	1.3	1.5	r-2.2	-1.3	10.0	2.6
	IV	0.7	4.0	3.3	2.9	0.7	2.3	1.5	2.0
	ANNUAL	0.7	4.2	3.4	2.2	-0.4	1.4	3.5	2.2
1995	I	-1.6	0.6	2.2	3.4	r0.5	5.0	-1.0	2.8
	II	3.0	0.3	-2.5	5.6	2.1	2.5	1.2	2.1
	III	r1.6	r4.4	2.8	r4.3	r2.3	2.7	r1.1	r2.1
	IV	0.0	1.2	1.2	3.3	0.9	3.3	-3.3	0.9
	ANNUAL	0.9	2.5	1.6	3.5	0.6	2.5	1.6	2.2
Percent change from corresponding quarter of previous year									
1993	I	0.9	2.6	1.8	3.0	r-0.2	2.2	3.0	2.5
	II	-0.1	2.4	2.5	3.0	r-0.1	3.1	1.8	2.6
	III	0.4	3.0	2.5	2.3	-0.5	1.9	3.8	2.6
	IV	-0.3	2.6	2.9	2.0	-0.7	2.3	2.6	2.4
	ANNUAL	0.2	2.6	2.4	2.6	-0.4	2.4	2.8	2.5
1994	I	0.2	3.3	3.1	2.5	0.0	2.3	1.9	2.2
	II	0.8	4.4	3.6	2.0	-0.4	1.2	3.5	2.0
	III	1.2	4.7	3.5	1.9	-1.0	0.6	5.4	2.3
	IV	0.7	4.2	3.4	2.3	-0.3	1.6	3.3	2.2
	ANNUAL	0.7	4.2	3.4	2.2	-0.4	1.4	3.5	2.2
1995	I	0.8	3.8	3.0	2.3	-0.5	1.5	3.8	2.3
	II	1.2	2.3	1.1	3.3	0.3	2.1	2.9	2.4
	III	r0.9	r2.3	1.4	r4.1	r1.4	3.1	r0.7	r2.3
	IV	0.7	1.6	0.9	4.1	1.4	3.4	-0.5	2.0
	ANNUAL	0.9	2.5	1.6	3.5	0.6	2.5	1.6	2.2

See footnotes following table 6.
r=revised

March 6, 1996
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 1992=100								
1993	I	100.1	101.6	101.5	101.4	99.4	101.3	102.8
	II	99.7	102.2	102.5	102.1	99.3	102.4	102.2
	III	100.2	103.2	103.0	102.6	99.4	102.4	103.1
	IV	100.6	104.6	103.9	102.9	98.9	102.3	105.3
	ANNUAL	100.2	102.9	102.7	102.3	99.3	102.1	103.4
1994	I	100.0	104.8	104.8	103.7	r99.2	103.7	104.3
	II	100.4	106.6	106.1	104.3	r99.1	103.8	105.8
	III	101.1	107.7	106.5	104.6	r98.4	103.4	108.6
	IV	101.3	108.8	107.4	105.4	98.7	104.1	108.9
	ANNUAL	100.7	106.9	106.2	104.5	98.9	103.8	106.9
1995	I	101.0	109.0	107.9	106.4	98.9	105.3	108.7
	II	101.8	109.1	107.2	107.8	r99.4	105.9	109.0
	III	r102.2	r110.4	108.0	r108.9	r99.9	r106.6	r109.2
	IV	102.1	110.7	108.4	109.7	100.1	107.5	108.1
	ANNUAL	101.8	109.8	107.9	108.2	99.6	106.3	108.8
Percent change from previous quarter at annual rate(5)								
1993	I	-3.9	-0.9	3.1	1.0	r-1.9	5.1	1.5
	II	-1.7	2.4	4.2	2.7	r-0.2	4.5	-2.3
	III	2.1	4.1	2.0	2.0	r0.1	-0.1	3.7
	IV	1.6	5.3	3.6	1.1	r-2.0	-0.5	8.6
	ANNUAL	0.2	2.9	2.7	2.3	-0.7	2.1	3.4
1994	I	-2.5	0.9	3.5	3.3	r1.2	5.9	-3.6
	II	1.9	6.8	4.8	2.1	-0.4	0.2	6.0
	III	2.6	4.2	1.6	1.2	r-2.5	-1.4	11.0
	IV	0.9	4.2	3.3	3.3	1.0	2.4	0.9
	ANNUAL	0.5	4.0	3.4	2.2	-0.4	1.6	3.5
1995	I	-1.1	0.8	1.9	3.7	r0.8	4.9	-0.5
	II	3.0	0.5	-2.4	5.4	2.0	2.3	1.1
	III	r1.7	r4.7	2.9	r4.3	r2.2	r2.5	r0.7
	IV	-0.5	1.1	1.6	3.0	0.6	3.5	-3.9
	ANNUAL	1.1	2.7	1.6	3.6	0.7	2.5	1.7
Percent change from corresponding quarter of previous year								
1993	I	0.9	2.8	1.9	2.9	r-0.3	2.0	3.6
	II	-0.3	2.6	2.9	2.6	r-0.5	2.8	2.2
	III	0.6	3.5	2.9	1.9	-0.8	1.4	4.8
	IV	-0.5	2.7	3.2	1.7	-1.0	2.2	2.8
	ANNUAL	0.2	2.9	2.7	2.3	-0.7	2.1	3.4
1994	I	-0.2	3.2	3.3	2.3	r-0.2	2.4	1.5
	II	0.8	4.3	3.5	2.1	-0.3	1.3	3.6
	III	0.9	4.3	3.4	1.9	-0.9	1.0	5.4
	IV	0.7	4.0	3.3	2.5	-0.2	1.8	3.4
	ANNUAL	0.5	4.0	3.4	2.2	-0.4	1.6	3.5
1995	I	1.1	4.0	2.9	2.6	-0.3	1.5	4.2
	II	1.3	2.4	1.1	3.4	0.3	2.0	3.0
	III	1.1	r2.6	1.4	r4.2	r1.5	3.0	r0.5
	IV	0.8	1.8	1.0	4.1	1.4	3.3	-0.7
	ANNUAL	1.1	2.7	1.6	3.6	0.7	2.5	1.7

See footnotes following table 6.
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March 6, 1996
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 1992=100							
1993	I	101.5	102.5	101.0	101.1	99.1	99.6
	II	101.6	102.8	101.2	102.0	99.2	100.4
	III	102.1	103.6	101.5	102.7	r99.4	100.6
	IV	102.9	105.1	102.1	103.5	99.4	100.5
	ANNUAL	102.1	103.5	101.4	102.4	99.4	100.3
1994	I	104.7	107.3	102.5	104.3	r99.8	99.7
	II	106.1	109.5	103.2	104.7	99.5	98.7
	III	106.9	110.9	103.8	105.6	r99.4	98.8
	IV	107.8	113.0	104.8	106.4	99.7	98.7
	ANNUAL	106.3	110.2	103.6	105.3	99.7	99.0
1995	I	108.4	114.1	105.3	107.0	r99.5	98.7
	II	109.5	113.5	103.7	107.9	99.5	98.6
	III	111.0	114.2	102.9	109.0	r100.0	98.2
	IV	111.7	114.6	102.5	109.6	99.9	98.1
	ANNUAL	110.3	114.1	103.5	108.5	99.9	98.4
----- Percent change from previous quarter at annual rate(5)							
1993	I	2.2	4.6	2.3	0.8	r-2.1	-1.4
	II	0.4	1.1	0.8	3.4	r0.5	3.1
	III	1.8	3.0	1.2	2.7	r0.8	0.9
	IV	3.4	5.9	2.4	3.2	r0.0	-0.2
	ANNUAL	2.1	3.5	1.4	2.4	-0.6	0.3
1994	I	6.9	8.8	1.8	3.4	r1.4	-3.2
	II	5.7	8.5	2.6	1.4	-1.1	-4.0
	III	3.0	5.1	2.1	3.6	r-0.2	0.6
	IV	3.5	7.9	4.2	3.1	0.8	-0.4
	ANNUAL	4.2	6.5	2.2	2.8	0.3	-1.3
1995	I	2.2	3.9	1.6	2.1	r-0.8	-0.1
	II	4.0	-2.1	-5.9	3.5	0.1	-0.5
	III	5.7	2.6	-2.9	4.0	1.9	-1.6
	IV	2.7	1.3	-1.4	2.3	-0.1	-0.4
	ANNUAL	3.7	3.5	-0.1	3.1	0.2	-0.6
----- Percent change from corresponding quarter of previous year							
1993	I	2.9	4.3	1.3	2.7	-0.5	-0.3
	II	2.1	3.0	0.9	2.4	r-0.7	0.3
	III	1.7	3.1	1.4	2.2	-0.6	0.5
	IV	1.9	3.6	1.7	2.5	-0.2	0.6
	ANNUAL	2.1	3.5	1.4	2.4	-0.6	0.3
1994	I	3.1	4.7	1.5	3.2	0.7	0.1
	II	4.4	6.5	2.0	2.7	0.3	-1.7
	III	4.7	7.1	2.2	2.9	0.0	-1.7
	IV	4.7	7.6	2.7	2.9	0.2	-1.8
	ANNUAL	4.2	6.5	2.2	2.8	0.3	-1.3
1995	I	3.6	6.3	2.6	2.5	-0.3	-1.0
	II	3.2	3.6	0.4	3.1	0.0	-0.1
	III	3.8	3.0	-0.8	3.2	0.5	-0.7
	IV	3.6	1.4	-2.2	3.0	0.3	-0.7
	ANNUAL	3.7	3.5	-0.1	3.1	0.2	-0.6

See footnotes following table 6.
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March 6, 1996
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 1992=100						
1993	I	102.3	103.3	101.0	101.0	99.0
	II	102.8	104.0	101.1	101.8	99.0
	III	103.0	104.8	101.7	102.4	99.2
	IV	104.9	107.5	102.5	103.3	99.3
	ANNUAL	103.4	104.9	101.5	102.2	99.3
1994	I	106.8	110.4	103.3	104.2	99.6
	II	108.2	112.6	104.1	104.5	99.3
	III	109.4	114.8	104.9	105.4	99.2
	IV	110.6	117.5	106.3	106.0	r99.2
	ANNUAL	108.7	113.8	104.7	105.0	99.4
1995	I	111.8	119.5	106.9	106.4	98.9
	II	112.5	119.0	105.7	107.0	r98.7
	III	114.3	120.4	105.3	108.1	99.1
	IV	115.4	121.5	105.3	108.4	98.8
	ANNUAL	113.7	120.1	105.7	107.6	99.1
----- Percent change from previous quarter at annual rate(5)						
1993	I	3.6	6.3	2.6	0.8	r-2.1
	II	2.0	2.4	0.4	3.2	r0.3
	III	0.7	3.4	2.6	2.5	r0.6
	IV	7.3	10.7	3.1	3.6	r0.5
	ANNUAL	3.4	4.9	1.5	2.2	-0.7
1994	I	7.6	11.0	3.1	3.4	r1.3
	II	5.2	8.6	3.2	1.2	-1.4
	III	4.5	7.8	3.2	3.4	r-0.4
	IV	4.3	9.9	5.4	2.4	0.2
	ANNUAL	5.2	8.5	3.2	2.7	0.1
1995	I	4.5	7.0	2.3	1.4	r-1.5
	II	2.7	-1.9	-4.4	2.5	-0.9
	III	6.6	5.1	-1.5	4.0	1.9
	IV	3.8	3.6	-0.2	1.2	-1.2
	ANNUAL	4.5	5.5	0.9	2.5	-0.3
----- Percent change from corresponding quarter of previous year						
1993	I	4.6	5.7	1.0	2.5	-0.6
	II	3.1	4.1	0.9	2.1	-1.0
	III	2.5	4.3	1.8	1.9	-0.9
	IV	3.4	5.6	2.2	2.5	-0.2
	ANNUAL	3.4	4.9	1.5	2.2	-0.7
1994	I	4.4	6.8	2.3	3.2	r0.7
	II	5.2	8.4	3.0	2.7	0.2
	III	6.2	9.5	3.2	2.9	0.0
	IV	5.4	9.3	3.7	2.6	r-0.1
	ANNUAL	5.2	8.5	3.2	2.7	0.1
1995	I	4.6	8.3	3.5	2.1	-0.8
	II	4.0	5.6	1.5	2.4	-0.6
	III	4.5	4.9	0.4	2.6	-0.1
	IV	4.4	3.4	-1.0	2.2	-0.4
	ANNUAL	4.5	5.5	0.9	2.5	-0.3

See footnotes following table 6.
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March 6, 1996
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 1992=100							
1993	I	100.8	101.8	101.0	101.3	99.3	100.5
	II	100.5	101.8	101.3	102.3	99.5	101.8
	III	101.4	102.5	101.1	103.0	99.8	101.6
	IV	101.2	102.7	101.5	103.6	99.6	102.4
	ANNUAL	101.0	102.2	101.2	102.6	99.6	101.6
1994	I	102.7	104.3	101.5	104.4	99.8	101.6
	II	104.3	106.3	102.0	104.9	99.6	100.6
	III	104.6	106.9	102.2	105.8	99.6	101.2
	IV	105.3	108.3	102.8	106.8	100.0	101.5
	ANNUAL	104.2	106.5	102.2	105.5	99.8	101.2
1995	I	105.3	108.4	103.0	107.6	r100.1	102.3
	II	106.8	107.8	100.9	108.9	100.4	102.0
	III	108.0	107.7	99.6	109.9	100.8	101.7
	IV	108.4	107.2	98.9	111.0	101.2	102.3
	ANNUAL	107.2	107.8	100.5	109.4	100.7	102.1
----- Percent change from previous quarter at annual rate(5)							
1993	I	1.0	2.9	1.9	0.8	r-2.1	-0.3
	II	-1.3	-0.1	1.2	3.9	0.9	5.3
	III	3.5	2.8	-0.7	2.8	r0.9	-0.6
	IV	-0.7	0.7	1.5	2.3	r-0.8	3.1
	ANNUAL	1.0	2.2	1.2	2.6	-0.4	1.6
1994	I	6.3	6.4	0.1	3.2	r1.1	-3.0
	II	6.0	8.1	1.9	1.7	-0.9	-4.1
	III	1.3	2.0	0.7	3.7	r-0.1	2.3
	IV	2.7	5.4	2.6	3.9	1.6	1.2
	ANNUAL	3.2	4.1	0.9	2.8	0.2	-0.4
1995	I	-0.1	0.6	0.7	3.1	r0.2	3.2
	II	5.9	-2.5	-7.9	4.8	1.3	-1.1
	III	4.8	-0.3	-4.9	3.7	1.6	-1.1
	IV	1.4	-1.6	-3.0	3.9	1.5	2.5
	ANNUAL	2.9	1.2	-1.6	3.8	0.9	0.9
----- Percent change from corresponding quarter of previous year							
1993	I	1.4	3.0	1.7	2.9	r-0.3	1.6
	II	1.2	2.2	1.0	2.8	r-0.3	1.5
	III	1.1	2.1	1.0	2.5	-0.3	1.5
	IV	0.6	1.6	1.0	2.4	-0.3	1.8
	ANNUAL	1.0	2.2	1.2	2.6	-0.4	1.6
1994	I	1.9	2.4	0.5	3.0	0.5	1.1
	II	3.7	4.4	0.7	2.5	0.1	-1.2
	III	3.2	4.3	1.0	2.7	-0.2	-0.5
	IV	4.1	5.4	1.3	3.1	r0.4	-0.9
	ANNUAL	3.2	4.1	0.9	2.8	0.2	-0.4
1995	I	2.5	4.0	1.5	3.1	0.2	0.6
	II	2.4	1.3	-1.1	3.9	0.8	1.4
	III	3.3	0.7	-2.5	3.9	r1.2	0.6
	IV	3.0	-1.0	-3.8	3.9	1.2	0.9
	ANNUAL	2.9	1.2	-1.6	3.8	0.9	0.9

See footnotes following table 6.
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March 6, 1996
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 1992=100											
1993	I	100.1	101.3	101.1	101.4	99.4	101.3	100.7	101.1	102.9	101.2
	II	101.0	102.9	101.9	101.9	99.2	100.9	100.0	100.7	111.5	101.5
	III	101.5	104.2	102.6	102.5	99.3	100.9	99.8	100.6	115.6	101.8
	IV	102.4	106.1	103.6	102.8	98.7	100.4	99.2	100.1	128.5	102.3
	ANNUAL	101.3	103.6	102.2	102.2	99.2	100.9	99.9	100.6	114.8	101.7
1994	I	102.4	107.2	104.7	103.3	98.8	100.9	102.3	101.3	120.8	102.8
	II	102.6	108.9	106.2	103.8	98.6	101.2	98.7	100.5	134.5	103.1
	III	102.6	109.6	106.9	104.2	r98.0	101.6	99.3	100.9	136.5	103.7
	IV	103.2	111.6	108.1	105.2	98.5	101.9	98.2	100.9	141.3	104.0
	ANNUAL	102.7	109.3	106.4	104.2	98.6	101.4	99.6	100.9	133.4	103.4
1995	I	102.3	111.3	108.8	105.6	98.1	103.2	100.0	102.3	131.0	104.5
	II	103.2	111.8	108.3	107.0	98.6	103.7	101.2	103.0	130.5	105.1
	III	104.7	113.9	108.8	108.1	99.1	103.3	99.9	r102.3	r142.3	105.4
Percent change from previous quarter at annual rate(5)											
1993	I	-4.8	-2.9	2.0	0.8	r-2.1	5.8	7.8	6.4	-24.5	3.4
	II	3.6	6.6	2.9	2.2	r-0.7	-1.4	-2.7	-1.7	38.0	1.0
	III	2.1	5.0	2.8	2.2	r0.3	0.1	-1.0	-0.2	15.4	1.1
	IV	3.2	7.5	4.1	1.0	r-2.1	-2.1	-2.2	-2.2	52.4	1.9
	ANNUAL	1.3	3.6	2.2	2.2	-0.8	0.9	-0.1	0.6	14.8	1.7
1994	I	0.1	4.2	4.1	2.2	r0.2	2.2	13.2	5.0	-21.8	2.2
	II	0.9	6.8	5.9	1.8	-0.7	0.9	-13.4	-3.2	53.6	1.2
	III	-0.2	2.5	2.7	1.4	r-2.3	1.5	2.3	1.7	6.3	2.2
	IV	2.6	7.5	4.8	4.0	1.7	1.4	-4.4	-0.2	14.8	1.3
	ANNUAL	1.4	5.5	4.1	1.9	-0.6	0.5	-0.3	0.3	16.2	1.7
1995	I	-3.5	-1.1	2.5	1.4	r-1.4	5.1	7.9	5.9	-26.1	2.1
	II	3.7	1.6	-2.0	5.6	2.1	1.9	4.7	2.6	-1.6	2.2
	III	5.7	7.8	2.0	4.1	2.0	-1.5	r-5.2	-2.5	r41.4	1.1
Percent change from corresponding quarter of previous year											
1993	I	1.0	2.7	1.7	2.9	-0.3	1.8	0.3	1.4	5.6	1.7
	II	1.6	3.7	2.0	2.3	r-0.7	0.7	0.2	0.6	13.8	1.6
	III	1.4	4.0	2.6	1.8	-0.9	0.5	-1.2	0.0	23.2	1.7
	IV	1.0	4.0	2.9	1.5	r-1.1	0.6	0.4	0.5	16.3	1.8
	ANNUAL	1.3	3.6	2.2	2.2	-0.8	0.9	-0.1	0.6	14.8	1.7
1994	I	2.2	5.8	3.5	1.9	-0.6	-0.3	1.6	0.2	17.4	1.5
	II	1.6	5.9	4.2	1.8	-0.6	0.3	-1.3	-0.2	20.6	1.6
	III	1.0	5.2	4.2	1.6	-1.2	0.6	-0.5	0.3	18.1	1.9
	IV	0.8	5.2	4.4	2.4	-0.3	1.5	-1.0	0.8	10.0	1.7
	ANNUAL	1.4	5.5	4.1	1.9	-0.6	0.5	-0.3	0.3	16.2	1.7
1995	I	-0.1	3.9	4.0	2.2	-0.7	2.2	-2.2	1.0	8.4	1.7
	II	0.6	2.6	2.0	3.1	0.0	2.5	2.5	2.5	-3.0	1.9
	III	r2.0	3.9	1.8	3.8	1.1	1.7	0.6	1.4	r4.2	1.7

See footnotes following table 6.
r=revised

March 6, 1996
Source: Bureau of Labor Statistics

SOURCES: Output data are from the Bureau of Economic Analysis and the Census Bureau of the U.S. Department of Commerce; the Bureau of Labor Statistics, U.S. Department of Labor; and the Federal Reserve Board. Compensation and hours data are from the Bureau of Labor Statistics 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.

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 output divided by the output index.
- (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 unit labor and nonlabor costs.
- (8) Unit profits include corporate profits with inventory valuation and capital consumption adjustments.