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## PRODUCTIVITY AND COSTS

### Fourth Quarter and Annual Averages, 1995

The Bureau of Labor Statistics of the U.S. Department of Labor today reported revised fourth-quarter seasonally-adjusted annual rates of productivity change--as measured by output per hour of all persons--and revised annual changes for the full year 1995. In the fourth quarter, productivity fell in both the business and nonfarm business sectors. Percent changes in business and nonfarm business productivity were:

	Fourth quarter	Annual averages 1994-1995
Business sector .....	-0.5	0.9
Nonfarm business sector ...	-1.0	1.1

For the year 1995, productivity increases in both sectors were somewhat greater than in 1994. Fourth-quarter productivity and related measures are summarized in table A and appear in detail in tables 1 through 5.

In the manufacturing sector, increases in productivity were:

	Fourth quarter	Annual averages 1994-1995
Manufacturing .....	2.9	3.7
Durable goods manufacturing	3.9	4.6
Nondurable goods manufacturing	1.5	2.9

Manufacturing productivity grew at a 2.9 percent annual rate in the fourth quarter as output increased 1.3 percent but hours of all persons declined 1.5 percent (table A). On an annual basis, manufacturing productivity increased 3.7 percent, somewhat less than the 4.2 percent increase recorded 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 indexes of industrial production independently prepared by the Board of Governors of the Federal Reserve System. See Technical Notes for further information on data

sources (page 8).

2

Table A. Productivity and costs: Revised 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	-0.5	0.7	1.3	3.1	0.7	3.7
Nonfarm business	-1.0	0.6	1.6	2.8	0.4	3.8
Manufacturing	2.9	1.3	-1.5	2.5	0.1	-0.4
Durable	3.9	3.6	-0.4	1.3	-1.0	-2.5
Nondurable	1.5	-1.7	-3.2	4.1	1.7	2.6
Percent change from same quarter a year ago						
Business	0.6	1.5	0.9	4.1	1.4	3.5
Nonfarm business	0.7	1.7	1.0	4.1	1.3	3.4
Manufacturing	3.7	1.4	-2.2	3.0	0.3	-0.7
Durable	4.4	3.4	-1.0	2.3	-0.4	-2.0
Nondurable	3.0	-1.0	-3.9	3.9	1.2	0.9

THIRD-TO-FOURTH QUARTER CHANGES, 1995

Business

Business sector productivity fell at a 0.5 percent annual rate in the fourth quarter of 1995 as hours of all persons engaged in the sector, which increased 1.3 percent, grew faster than output, which increased 0.7 percent. During the third quarter of 1995, business productivity had increased 1.6 percent as output rose 4.4 percent and hours increased 2.8 percent (table 1).

Hourly compensation increased at a 3.1 percent rate during the fourth quarter of 1995, compared with a 4.3 percent increase 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 3.7 percent annual rate during the fourth quarter, compared with a 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 0.7 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, rose at a 0.8 percent annual rate in the fourth quarter. This was the smallest increase since the first quarter of 1967 and reflected a sharp 4.1 percent decline in unit nonlabor payments. During the third quarter, the implicit price deflator had increased 2.1 percent.

#### Nonfarm business

In the nonfarm business sector, productivity fell 1.0 percent at an annual rate in the fourth quarter as output rose 0.6 percent, and hours of all persons--employees, proprietors, and unpaid family workers--rose 1.6 percent. During the third quarter, nonfarm productivity had increased 1.7 percent as output grew 4.7 percent and hours 2.9 percent (table 2).

Hourly compensation rose 2.8 percent in the fourth quarter, and real hourly compensation increased 0.4 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 by 2.2 percent.

Unit labor costs rose 3.8 percent in the fourth quarter, up from a 2.5 percent increase during the third quarter. The implicit price deflator for nonfarm business rose only 0.7 percent in the fourth quarter, compared with a 1.8 percent increase one quarter earlier.

#### Manufacturing

Manufacturing productivity rose at a 2.9 percent seasonally adjusted annual rate in the fourth quarter of 1995, following an increase of 5.7 percent in the third quarter. Output in the fourth quarter rose 1.3 percent, and hours of all persons fell 1.5 percent. Both durable and nondurable goods industries experienced productivity increases in the fourth quarter, 3.9 and 1.5 percent, respectively. In durable goods manufacturing, output increased 3.6 percent in the fourth quarter while hours fell 0.4 percent. Both output and hours fell in nondurable goods manufacturing, 1.7 and 3.2 percent, respectively. Declines in hours have exceeded declines in output for three consecutive quarters in the nondurable sector (tables 4 and 5).

Hourly compensation of all manufacturing workers increased 2.5 percent during the fourth quarter, 0.1 percent when the increase in consumer prices was taken into account. Unit labor costs dropped 0.4 percent in the fourth quarter of 1995, the fifth consecutive decline in these costs and the eighth in the last nine quarters.

Table B. Productivity and costs: Revised 1995 annual averages  
(Seasonally adjusted annual rates)

Sector	Produc- tivity	Output	Hours	Hourly compen- sation	Real	Unit labor costs
					hourly compen- sation	
Percent change from previous year						
Business	0.9	2.5	1.6	3.5	0.6	2.6
Nonfarm business	1.1	2.7	1.6	3.6	0.7	2.5
Manufacturing	3.7	3.5	-0.2	3.1	0.2	-0.6
Durable	4.6	5.5	0.9	2.5	-0.3	-2.0
Nondurable	2.9	1.2	-1.6	3.8	0.9	0.9

ANNUAL AVERAGE CHANGES, 1994-1995

Business

In the calendar year 1995, business productivity increased 0.9 percent, somewhat more than the 0.7 percent increase which occurred in 1994 (table 1). Output grew 2.5 percent in 1995, and hours of all persons engaged in the sector increased 1.6 percent. The hours increase in the business sector reflects an employment increase of 2.1 percent and a decline in average weekly hours worked of 0.5 percent. This decline in average weekly hours was the first annual decline since 1991.

Hourly compensation increased 3.5 percent in 1995, more than the 2.2 percent increase in 1994. Real hourly compensation increased 0.6 percent in 1995 after registering declines of 0.4 percent in both 1993 and 1994.

Unit labor costs increased 2.6 percent during 1995, compared with a 1.4 percent increase a year earlier. The implicit price deflator grew 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. In 1994, productivity had risen only 0.5 percent, reflecting output and hours increases of 4.0 and 3.4 percent, respectively.

Hourly compensation rose 3.6 percent in 1995, compared with a 2.2 percent increase in 1994. Real hourly compensation increased 0.7 percent, after falling 0.4 percent in 1994 and 0.7 percent in 1993. Unit labor costs in the nonfarm business sector grew 2.5 percent in 1995, more than the 1.6 percent advance recorded in 1994. The implicit price deflator for the nonfarm business sector rose 2.2 percent in 1995, about the same as the 2.3 percent increase registered in 1994.

## Manufacturing

Manufacturing productivity grew 3.7 percent in 1995, continuing a trend of annual increases that began in 1980. Output in the manufacturing sector increased 3.5 percent in 1995, and hours of all persons declined 0.2 percent. During 1994, productivity rose 4.2 percent, output 6.5 percent, and hours 2.2 percent. Durable goods manufacturing productivity increased 4.6 percent in 1995 as output rose 5.5 percent and hours rose 0.9 percent. Nondurable goods productivity increased 2.9 percent last year as output rose 1.2 percent and hours of all persons fell 1.6 percent.

Hourly compensation of manufacturing workers increased 3.1 percent in 1995, but only 0.2 percent after the increase in consumer prices was taken into account. In 1994, hourly compensation had increased 2.8 percent, and real hourly compensation rose 0.3 percent. Unit labor costs fell 0.6 percent in 1995, compared with a 1.3 percent decline in 1994 (tables B, 3, 4, and 5).

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 Table C. Nonfinancial corporations: Fourth-quarter productivity and cost measures  
 (Seasonally adjusted annual rates)  
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Period	Productivity	Output	Hours	Real			Unit profits	Implicit price deflator
				Hourly compensation	Hourly compensation	Unit labor costs		
-----								
Percent change from preceding quarter								
1995 IV	2.3	3.8	1.5	3.2	0.8	0.9	-4.4	0.5
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Percent change from same quarter a year ago								
1995 IV	2.0	3.0	1.0	3.6	0.9	1.6	-0.4	1.5
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## Fourth-quarter and annual measures for nonfinancial corporations

Fourth-quarter and annual 1995 measures of productivity and costs also were announced today for the nonfinancial corporate sector (tables C, D, and 6). Output per all-employee hour rose 2.3 percent from the third to the fourth quarter of 1995 as output increased 3.8 percent and employee hours rose 1.5 percent. In the third quarter, productivity had risen 5.7 percent as output rose 7.8 percent and all-employee hours rose 2.0 percent (seasonally adjusted annual rates). The sector includes all corporations doing business in the United States, except those classified as depository institutions, nondepository institutions, security and commodity brokers, insurance carriers, regulated investment offices, small business investment offices, and real estate investment trusts.

Hourly compensation increased 3.2 percent in the fourth quarter, and real hourly compensation rose 0.8 percent. Unit labor costs rose 0.9 percent in the fourth quarter after falling 1.5 percent one quarter earlier. The implicit price deflator for nonfinancial corporate output edged up 0.5 percent during the fourth quarter, less than the 1.1 percent increase in the third quarter of 1995.

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 Table D. Nonfinancial corporations: Annual changes in productivity and related measures, 1986-1995  
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Measure	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
Productivity	2.7	1.6	1.6	-1.1	1.0	1.5	2.7	1.3	1.4	1.2
Output	3.1	4.8	5.2	1.7	1.2	-1.4	3.0	3.6	5.5	3.3
Hours	0.3	3.1	3.5	2.9	0.1	-2.9	0.3	2.2	4.1	2.1
Hourly comp	5.0	3.8	4.0	2.6	5.3	4.7	4.7	2.2	1.9	3.2
Real hourly comp.	3.1	0.1	-0.2	-2.1	-0.1	0.4	1.7	-0.8	-0.6	0.3
Unit labor costs	2.2	2.1	2.3	3.8	4.2	3.1	2.0	0.9	0.5	2.0
Unit nonlabor cost	3.0	0.3	2.7	6.9	3.4	4.1	-3.0	-0.1	-0.3	0.7
Total unit cost	2.4	1.6	2.4	4.7	4.0	3.4	0.6	0.6	0.3	1.7
Unit profits	-12.1	10.0	8.7	-8.9	-4.3	-2.1	8.8	14.8	16.2	2.1
Implicit price deflator	1.1	2.3	2.9	3.4	3.3	3.0	1.2	1.7	1.7	1.7

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Productivity was 1.2 percent higher in 1995 than in 1994 in nonfinancial corporations, somewhat less than the 1.4 percent increase posted one year earlier. The 1995 increase reflects increases in output and employee hours of 3.3 percent and 2.1 percent, respectively. In 1994, output increased 5.5 percent and labor hours 4.1 percent.

The 1995 increase in hourly compensation was 3.2 percent, up from the 1.9 percent increase of 1994. Total unit costs in 1995 rose 1.7 percent, reflecting an increase of 2.0 percent in unit labor costs and a 0.7 percent rise in unit nonlabor costs. Unit profits rose at a 2.1 percent annual rate in 1995, less than the 16.2 percent increase registered in 1994.

Table E. Previous and revised productivity and related measures:  
Fourth-quarter and annual averages, 1995  
(Seasonally adjusted annual rates)

Sector	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs
Percent change, third to fourth quarter 1995						
Business:						
Previous	0.0	1.2	1.2	3.3	0.9	3.3
Current	-0.5	0.7	1.3	3.1	0.7	3.7
Nonfarm business:						
Previous	-0.5	1.1	1.6	3.0	0.6	3.5
Current	-1.0	0.6	1.6	2.8	0.4	3.8
Manufacturing:						
Previous	2.7	1.3	-1.4	2.3	-0.1	-0.4
Current	2.9	1.3	-1.5	2.5	0.1	-0.4
Percent change, 1994 - 1995						
Business:						
Previous	0.9	2.5	1.6	3.5	0.6	2.5
Current	0.9	2.5	1.6	3.5	0.6	2.6
Nonfarm business:						
Previous	1.1	2.7	1.6	3.6	0.7	2.5
Current	1.1	2.7	1.6	3.6	0.7	2.5
Manufacturing:						
Previous	3.7	3.5	-0.1	3.1	0.2	-0.6
Current	3.7	3.5	-0.2	3.1	0.2	-0.6

#### Revised Measures

Productivity and cost measures for the fourth quarter and full year 1995 for business, nonfarm business, and manufacturing were revised to incorporate the most recent information and were somewhat different from the preliminary results announced on March 6. Fourth-quarter productivity and output were revised downward in the business and nonfarm business sectors (table E).

#### Next release date

The next release of Productivity and Costs is scheduled for 10:00 AM EDT, Thursday, May 16, 1996, and will contain preliminary first-quarter measures for business, nonfarm business, and manufacturing. Revised first-quarter measures for business, nonfarm business, and manufacturing, as well as preliminary first-quarter measures for nonfinancial corporations, will be released on Tuesday, June 18, 1996. The June release also will incorporate revised employment and hours data from the Current Establishment Survey and the Current Population Survey.

## 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	98.9	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	99.1	105.4	108.0	106.3
	II	101.9	108.9	106.9	108.0	99.6	106.0	108.4	106.9
	III	102.3	110.1	107.7	109.2	100.1	106.8	108.7	107.4
	IV	r102.1	r110.3	108.0	r110.0	r100.3	r107.7	r107.5	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	-1.3	5.4	-0.1	3.4
	II	-1.3	2.2	3.6	3.4	0.4	4.8	-1.5	2.5
	III	1.3	3.0	1.7	2.2	0.3	0.9	2.2	1.4
	IV	2.7	6.3	3.5	1.1	-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	1.4	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	-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	0.5	5.0	-1.0	2.8
	II	3.0	0.3	-2.5	5.6	2.1	2.5	1.2	2.1
	III	1.6	4.4	2.8	4.3	2.3	2.7	1.1	2.1
	IV	r-0.5	r0.7	r1.3	r3.1	r0.7	r3.7	r-4.1	r0.8
	ANNUAL	0.9	2.5	1.6	3.5	0.6	r2.6	1.6	2.2
Percent change from corresponding quarter of previous year									
1993	I	0.9	2.6	1.8	3.0	-0.2	2.2	3.0	2.5
	II	-0.1	2.4	2.5	3.0	-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	0.9	2.3	1.4	4.1	1.4	3.1	0.7	2.3
	IV	r0.6	r1.5	0.9	4.1	1.4	r3.5	r-0.7	2.0
	ANNUAL	0.9	2.5	1.6	3.5	0.6	r2.6	1.6	2.2

See footnotes following table 6.  
r=revised

April 10, 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	99.2	103.7	104.3
	II	100.4	106.6	106.1	104.3	99.1	103.8	105.8
	III	101.1	107.7	106.5	104.6	98.4	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	99.4	105.9	109.0
	III	102.2	110.4	108.0	108.9	99.9	106.6	109.2
	IV	r102.0	r110.6	108.4	109.7	r100.0	r107.6	r107.9
	ANNUAL	101.8	109.8	107.9	108.2	99.6	106.3	r108.7
Percent change from previous quarter at annual rate(5)								
1993	I	-3.9	-0.9	3.1	1.0	-1.9	5.1	1.5
	II	-1.7	2.4	4.2	2.7	-0.2	4.5	-2.3
	III	2.1	4.1	2.0	2.0	0.1	-0.1	3.7
	IV	1.6	5.3	3.6	1.1	-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	1.2	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	-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	0.8	4.9	-0.5
	II	3.0	0.5	-2.4	5.4	2.0	2.3	1.1
	III	1.7	4.7	2.9	4.3	2.2	2.5	0.7
	IV	r-1.0	r0.6	1.6	r2.8	r0.4	r3.8	r-4.9
	ANNUAL	1.1	2.7	1.6	3.6	0.7	2.5	r1.6
Percent change from corresponding quarter of previous year								
1993	I	0.9	2.8	1.9	2.9	-0.3	2.0	3.6
	II	-0.3	2.6	2.9	2.6	-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	-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	2.6	1.4	4.2	1.5	3.0	0.5
	IV	r0.7	r1.7	1.0	4.1	r1.3	r3.4	r-0.9
	ANNUAL	1.1	2.7	1.6	3.6	0.7	2.5	r1.6

See footnotes following table 6.  
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April 10, 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	99.4	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	99.8	99.7
	II	106.1	109.5	103.2	104.7	99.5	98.7
	III	106.9	110.9	103.8	105.6	99.4	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	99.5	98.7
	II	109.5	113.5	103.7	107.9	99.5	98.6
	III	111.0	114.2	102.9	109.0	100.0	98.2
	IV	r111.8	114.6	102.5	r109.7	r100.0	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	-2.1	-1.4
	II	0.4	1.1	0.8	3.4	0.5	3.1
	III	1.8	3.0	1.2	2.7	0.8	0.9
	IV	3.4	5.9	2.4	3.2	0.0	-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	1.4	-3.2
	II	5.7	8.5	2.6	1.4	-1.1	-4.0
	III	3.0	5.1	2.1	3.6	-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	-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	r2.9	1.3	r-1.5	r2.5	r0.1	-0.4
	ANNUAL	3.7	3.5	r-0.2	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	-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	r3.7	1.4	-2.2	3.0	0.3	-0.7
	ANNUAL	3.7	3.5	r-0.2	3.1	0.2	-0.6

See footnotes following table 6.  
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April 10, 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	99.2
	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	98.7
	III	114.3	120.4	105.3	108.1	99.1
	IV	115.4	121.5	r105.2	108.4	r98.9
	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	-2.1
	II	2.0	2.4	0.4	3.2	0.3
	III	0.7	3.4	2.6	2.5	0.6
	IV	7.3	10.7	3.1	3.6	0.5
	ANNUAL	3.4	4.9	1.5	2.2	-0.7
1994	I	7.6	11.0	3.1	3.4	1.3
	II	5.2	8.6	3.2	1.2	-1.4
	III	4.5	7.8	3.2	3.4	-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	-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	r3.9	3.6	r-0.4	r1.3	r-1.0
	ANNUAL	r4.6	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	0.7
	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	-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	r2.3	-0.4
	ANNUAL	r4.6	5.5	0.9	2.5	-0.3

See footnotes following table 6.  
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April 10, 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	100.1	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	r98.8	111.0	101.2	r102.4
	ANNUAL	107.2	107.8	100.5	109.4	r100.8	102.1
----- Percent change from previous quarter at annual rate(5) -----							
1993	I	1.0	2.9	1.9	0.8	-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	0.9	-0.6
	IV	-0.7	0.7	1.5	2.3	-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	1.1	-3.0
	II	6.0	8.1	1.9	1.7	-0.9	-4.1
	III	1.3	2.0	0.7	3.7	-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	0.2	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	r1.5	r-1.7	r-3.2	r4.1	r1.7	r2.6
	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	-0.3	1.6
	II	1.2	2.2	1.0	2.8	-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	0.4	-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	1.2	0.6
	IV	3.0	-1.0	r-3.9	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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April 10, 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	98.0	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	102.3	142.3	105.4
	IV	105.2	114.9	109.2	108.9	99.3	103.5	100.2	102.6	140.7	105.5
	ANNUAL	103.9	113.0	108.7	107.5	99.0	103.4	100.3	102.6	136.2	105.2
-----											
Percent change from previous quarter at annual rate(5)											
1993	I	-4.8	-2.9	2.0	0.8	-2.1	5.8	7.8	6.4	-24.5	3.4
	II	3.6	6.6	2.9	2.2	-0.7	-1.4	-2.7	-1.7	38.0	1.0
	III	2.1	5.0	2.8	2.2	0.3	0.1	-1.0	-0.2	15.4	1.1
	IV	3.2	7.5	4.1	1.0	-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	0.2	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	-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	-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	-5.2	-2.5	41.4	1.1
	IV	2.3	3.8	1.5	3.2	0.8	0.9	1.5	1.1	-4.4	0.5
	ANNUAL	1.2	3.3	2.1	3.2	0.3	2.0	0.7	1.7	2.1	1.7
-----											
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	-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	-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	2.0	3.9	1.8	3.8	1.1	1.7	0.6	1.4	4.2	1.7
	IV	2.0	3.0	1.0	3.6	0.9	1.6	2.1	1.7	-0.4	1.5
	ANNUAL	1.2	3.3	2.1	3.2	0.3	2.0	0.7	1.7	2.1	1.7
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See footnotes following table 6.  
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April 10, 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.