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PRODUCTIVITY AND COSTS
First Quarter 1996

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 first quarter of 1996. The seasonally-adjusted annual rates of productivity change in the first quarter were:

2.8 percent in the business sector, and
2.6 percent in the nonfarm business sector.

In both sectors, first-quarter productivity gains were larger than gains recorded in the third and fourth quarters of 1995.

In manufacturing, productivity changes in the first quarter were:

6.3 percent in manufacturing,
8.2 percent in durable goods manufacturing, and
3.8 percent in nondurable goods manufacturing.

The productivity increase in manufacturing in the first quarter was the largest since the first quarter of 1994. Output and hours in manufacturing, which includes about 18 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. First-quarter measures are summarized in table A and appear in detail in tables 1 through 5.

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 5).

Table A. Productivity and costs: First-quarter 1996 measures
(Seasonally adjusted annual rates)

Sector	Produc- tivity	Output	Hours	Real		
				Hourly compen- sation	hourly compen- sation	Unit labor costs
Percent change from preceding quarter						
Business	2.8	4.0	1.1	3.0	-0.2	0.2
Nonfarm business	2.6	3.7	1.0	3.3	0.0	0.6
Manufacturing	6.3	2.8	-3.2	-0.8	-3.9	-6.6
Durable	8.2	5.7	-2.3	-3.2	-6.3	-10.6
Nondurable	3.8	-0.9	-4.6	3.1	-0.1	-0.6
Percent change from same quarter a year ago						
Business	1.7	2.4	0.6	4.0	1.2	2.3
Nonfarm business	1.6	2.4	0.8	4.0	1.2	2.3
Manufacturing	4.7	1.2	-3.4	2.3	-0.5	-2.4
Durable	5.3	3.1	-2.2	1.1	-1.6	-4.0
Nondurable	4.1	-1.3	-5.2	3.9	1.1	-0.1

Business

From the fourth quarter of 1995 to the first quarter of 1996, business sector productivity increased at a 2.8 percent annual rate. Output and hours advanced 4.0 percent and 1.1 percent, respectively. During the fourth quarter of 1995, output had increased 0.7 percent, and hours of all persons engaged in the sector increased 1.3 percent (seasonally adjusted annual rates); productivity fell 0.5 percent (table 1).

Hourly compensation increased 3.0 percent during the first quarter of 1996 and 3.1 percent in the fourth quarter of 1995. This measure includes wages and salaries, supplements, employer contributions to employee benefit plans, and taxes. Unit labor costs, which reflect changes in hourly compensation and productivity, increased at a 0.2 percent rate during the first quarter. Unit labor costs in the business sector had risen 3.7 percent in the fourth quarter of 1995. The 0.2 percent increase in the first quarter of 1996 was the smallest since a 1.3 percent decline in the third quarter of 1994.

Real hourly compensation, which takes into account changes in the Consumer Price Index for All Urban Consumers (CPI-U), fell at a 0.2 percent annual rate in the first quarter. In the fourth quarter of 1995, real hourly compensation had increased 0.7 percent.

The implicit price deflator for the business sector, which reflects changes in unit labor costs and unit nonlabor payments, increased 1.6 percent in the first quarter, compared with a 0.8 percent increase during the fourth quarter of 1995.

Nonfarm business

Productivity rose 2.6 percent in the nonfarm business sector in the first quarter, slightly less than in the business sector as a whole. Nonfarm business output rose 3.7 percent, and hours of all persons increased 1.0 percent. During the fourth quarter of 1995, productivity had fallen 1.0 percent in this sector, reflecting gains of 0.6 percent in output and 1.6 percent in hours (table 2).

Hourly compensation increased at a 3.3 percent annual rate in the first quarter, compared with a 2.8 percent increase one quarter earlier. When the rise in the CPI-U was taken into account, real hourly compensation was unchanged; it had increased 0.4 percent in the fourth quarter. Unit labor costs rose 0.6 percent, considerably less than the 3.8 percent increase which occurred in the fourth quarter of 1995.

The implicit price deflator for nonfarm business output rose 1.4 percent in the first quarter, compared with a 0.7 percent rise one quarter earlier.

Manufacturing

Productivity increased at a 6.3 percent seasonally adjusted annual rate in manufacturing in the first quarter of 1996, as output rose 2.8 percent and hours of all persons dropped 3.2 percent (seasonally adjusted annual rates). In the fourth quarter of 1995, productivity rose 3.0 percent as output rose 1.4 percent and hours decreased 1.5 percent (table 3).

Hourly compensation of all manufacturing workers fell 0.8 percent during the first quarter, the first decrease since a 0.6 percent decrease in the second quarter of 1989. Hourly compensation had risen 2.5 percent in the fourth quarter of 1995. The 0.8 percent decrease in the first quarter of 1996 reflects very different trends in the durable and nondurable manufacturing sectors--in durable goods, hourly compensation dropped 3.2 percent in the first quarter, and in nondurable goods hourly compensation rose 3.1 percent (tables 4 and 5). The first quarter 1996 movements in hourly compensation for durable and total manufacturing were affected by a pension contribution made in 1995 by a large manufacturer.

Real hourly compensation in the manufacturing sector fell 3.9 percent when the increase in consumer prices was taken into account. Unit labor costs dropped at a 6.6 percent annual rate in the first quarter of 1996, marking the sixth consecutive quarter of decreases in the manufacturing sector. These costs had fallen 0.5 percent in the fourth quarter of 1995.

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

Sector	Produc- tivity	Output	Hours	Real		
				Hourly compen- sation	hourly compen- sation	Unit labor costs
----- Fourth quarter 1995 -----						
Manufacturing:						
Previous	2.9	1.3	-1.5	2.5	0.1	-0.4
Current	3.0	1.4	-1.5	2.5	0.1	-0.5

REVISED MEASURES

Current and previous measures for the fourth quarter of 1995 for manufacturing are compared in table B. The quarterly movements differ from those reported on April 10, based on information then available. There were no revisions to data for other sectors.

Next release date

The next release of Productivity and Costs is scheduled for 10:00 AM EDT, Tuesday, June 18, 1996. First-quarter measures for nonfinancial corporations and revised measures for business, nonfarm business, and manufacturing will be released at that time. This release will incorporate the annual benchmark revision to the BLS establishment survey data and revised seasonal factors. It also will incorporate revised historical household survey data.

Planned release dates for productivity and costs measures for major sectors of the U.S. economy for the remainder of 1996 are:

Reference period	Release date
First quarter (revised)	June 18
Second quarter	August 14
Second quarter (revised)	September 10
Third quarter	November 7
Third quarter (revised)	December 5

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									
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	102.1	110.3	108.0	110.0	100.3	107.7	107.5	107.7
	ANNUAL	101.9	109.6	107.6	108.5	99.9	106.5	108.2	107.1
1996	I	102.8	111.4	108.3	110.8	100.3	107.8	108.7	108.1
Percent change from previous quarter at annual rate(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	-0.5	0.7	1.3	3.1	0.7	3.7	-4.1	0.8
	ANNUAL	0.9	2.5	1.6	3.5	0.6	2.6	1.6	2.2
1996	I	2.8	4.0	1.1	3.0	-0.2	0.2	4.3	1.6
Percent change from corresponding quarter of previous year									
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	0.6	1.5	0.9	4.1	1.4	3.5	-0.7	2.0
	ANNUAL	0.9	2.5	1.6	3.5	0.6	2.6	1.6	2.2
1996	I	1.7	2.4	0.6	4.0	1.2	2.3	0.6	1.7

See footnotes following table 6.
r=revised

May 16, 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									
1994	I	100.0	104.8	104.8	103.7	99.2	103.7	104.3	103.9
	II	100.4	106.6	106.1	104.3	99.1	103.8	105.8	104.5
	III	101.1	107.7	106.5	104.6	98.4	103.4	108.6	105.3
	IV	101.3	108.8	107.4	105.4	98.7	104.1	108.9	105.7
	ANNUAL	100.7	106.9	106.2	104.5	98.9	103.8	106.9	104.9
1995	I	101.0	109.0	107.9	106.4	98.9	105.3	108.7	106.5
	II	101.8	109.1	107.2	107.8	99.4	105.9	109.0	107.0
	III	102.2	110.4	108.0	108.9	99.9	106.6	109.2	107.5
	IV	102.0	110.6	108.4	109.7	100.0	107.6	107.9	107.7
	ANNUAL	101.8	109.8	107.9	108.2	99.6	106.3	108.7	107.2
1996	I	102.6	111.6	108.7	110.6	100.0	107.7	108.6	108.1
Percent change from previous quarter at annual rate(5)									
1994	I	-2.5	0.9	3.5	3.3	1.2	5.9	-3.6	2.5
	II	1.9	6.8	4.8	2.1	-0.4	0.2	6.0	2.2
	III	2.6	4.2	1.6	1.2	-2.5	-1.4	11.0	2.9
	IV	0.9	4.2	3.3	3.3	1.0	2.4	0.9	1.8
	ANNUAL	0.5	4.0	3.4	2.2	-0.4	1.6	3.5	2.3
1995	I	-1.1	0.8	1.9	3.7	0.8	4.9	-0.5	2.9
	II	3.0	0.5	-2.4	5.4	2.0	2.3	1.1	1.9
	III	1.7	4.7	2.9	4.3	2.2	2.5	0.7	1.8
	IV	-1.0	0.6	1.6	2.8	0.4	3.8	-4.9	0.7
	ANNUAL	1.1	2.7	1.6	3.6	0.7	2.5	1.6	2.2
1996	I	2.6	3.7	1.0	3.3	0.0	0.6	2.9	1.4
Percent change from corresponding quarter of previous year									
1994	I	-0.2	3.2	3.3	2.3	-0.2	2.4	1.5	2.1
	II	0.8	4.3	3.5	2.1	-0.3	1.3	3.6	2.1
	III	0.9	4.3	3.4	1.9	-0.9	1.0	5.4	2.5
	IV	0.7	4.0	3.3	2.5	-0.2	1.8	3.4	2.3
	ANNUAL	0.5	4.0	3.4	2.2	-0.4	1.6	3.5	2.3
1995	I	1.1	4.0	2.9	2.6	-0.3	1.5	4.2	2.4
	II	1.3	2.4	1.1	3.4	0.3	2.0	3.0	2.4
	III	1.1	2.6	1.4	4.2	1.5	3.0	0.5	2.1
	IV	0.7	1.7	1.0	4.1	1.3	3.4	-0.9	1.8
	ANNUAL	1.1	2.7	1.6	3.6	0.7	2.5	1.6	2.2
1996	I	1.6	2.4	0.8	4.0	1.2	2.3	-0.1	1.5

See footnotes following table 6.

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May 16, 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							
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	111.8	114.6	102.5	109.7	100.0	98.1
	ANNUAL	110.3	114.1	103.5	108.5	99.9	98.4
1996	I	113.5	115.4	101.7	109.4	99.0	96.4

Percent change from previous quarter at annual rate(5)							
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	r3.0	r1.4	-1.5	2.5	0.1	r-0.5
	ANNUAL	3.7	3.5	-0.2	3.1	0.2	-0.6
1996	I	6.3	2.8	-3.2	-0.8	-3.9	-6.6

Percent change from corresponding quarter of previous year							
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	3.7	1.4	-2.2	3.0	0.3	-0.7
	ANNUAL	3.7	3.5	-0.2	3.1	0.2	-0.6
1996	I	4.7	1.2	-3.4	2.3	-0.5	-2.4

See footnotes following table 6.
r=revised

May 16, 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							
1994	I	106.8	110.4	103.3	104.2	99.6	97.5
	II	108.2	112.6	104.1	104.5	99.3	96.6
	III	109.4	114.8	104.9	105.4	99.2	96.3
	IV	110.6	117.5	106.3	106.0	99.2	95.9
	ANNUAL	108.7	113.8	104.7	105.0	99.4	96.6
1995	I	111.8	119.5	106.9	106.4	98.9	95.2
	II	112.5	119.0	105.7	107.0	98.7	95.1
	III	114.3	120.4	105.3	108.1	99.1	94.5
	IV	115.4	121.5	105.2	108.4	98.9	93.9
	ANNUAL	113.7	120.1	105.7	107.6	99.1	94.7
1996	I	117.7	123.2	104.6	107.5	97.3	91.3

Percent change from previous quarter at annual rate(5)							
1994	I	7.6	11.0	3.1	3.4	1.3	-4.0
	II	5.2	8.6	3.2	1.2	-1.4	-3.8
	III	4.5	7.8	3.2	3.4	-0.4	-1.0
	IV	4.3	9.9	5.4	2.4	0.2	-1.8
	ANNUAL	5.2	8.5	3.2	2.7	0.1	-2.3
1995	I	4.5	7.0	2.3	1.4	-1.5	-3.0
	II	2.7	-1.9	-4.4	2.5	-0.9	-0.2
	III	6.6	5.1	-1.5	4.0	1.9	-2.5
	IV	3.9	3.6	-0.4	1.3	-1.0	-2.5
	ANNUAL	4.6	5.5	0.9	2.5	-0.3	-2.0
1996	I	8.2	5.7	-2.3	-3.2	-6.3	-10.6

Percent change from corresponding quarter of previous year							
1994	I	4.4	6.8	2.3	3.2	0.7	-1.2
	II	5.2	8.4	3.0	2.7	0.2	-2.4
	III	6.2	9.5	3.2	2.9	0.0	-3.1
	IV	5.4	9.3	3.7	2.6	-0.1	-2.7
	ANNUAL	5.2	8.5	3.2	2.7	0.1	-2.3
1995	I	4.6	8.3	3.5	2.1	-0.8	-2.4
	II	4.0	5.6	1.5	2.4	-0.6	-1.5
	III	4.5	4.9	0.4	2.6	-0.1	-1.9
	IV	4.4	3.4	-1.0	2.3	-0.4	-2.0
	ANNUAL	4.6	5.5	0.9	2.5	-0.3	-2.0
1996	I	5.3	3.1	-2.2	1.1	-1.6	-4.0

See footnotes following table 6.

r=revised

May 16, 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							
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	r108.5	r107.3	98.8	111.0	101.2	r102.3
	ANNUAL	107.2	107.8	100.5	109.4	100.8	102.1
1996	I	109.6	107.0	97.7	111.9	101.2	102.1

Percent change from previous quarter at annual rate(5)							
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	r1.9	r-1.4	-3.2	4.1	1.7	r2.2
	ANNUAL	2.9	r1.3	-1.6	3.8	0.9	r0.8
1996	I	3.8	-0.9	-4.6	3.1	-0.1	-0.6

Percent change from corresponding quarter of previous year							
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	r3.1	r-0.9	-3.9	3.9	1.2	r0.8
	ANNUAL	2.9	r1.3	-1.6	3.8	0.9	r0.8
1996	I	4.1	-1.3	-5.2	3.9	1.1	-0.1

See footnotes following table 6.

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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

See footnotes following table 6.
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May 16, 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.