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PRODUCTIVITY AND COSTS
Second Quarter 1996

The Bureau of Labor Statistics of the U.S. Department of Labor reported preliminary productivity data--as measured by output per hour of all persons--for the second quarter of 1996. The preliminary seasonally adjusted annual rates of productivity change in the second quarter were:

0.5 percent in the business sector, and
-0.1 percent in the nonfarm business sector.

In the business sector, productivity growth in the second quarter was slower than in the first quarter, when it rose 2.0 percent (as revised). In the nonfarm business sector, productivity fell in the second quarter after posting an increase of 1.8 percent one quarter earlier.

In manufacturing, productivity changes in the second quarter were:

1.5 percent in manufacturing,
3.1 percent in durable goods manufacturing, and
-0.1 percent in nondurable goods manufacturing.

The second-quarter increase in manufacturing productivity was the smallest since the second quarter of 1993. 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. Second-quarter results 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: Preliminary second-quarter 1996 measures
(Seasonally adjusted annual rates)

Sector	Produc- tivity	Output	Hours	Hourly	Real	Unit labor costs
				compen- sation	hourly compen- sation	

	Percent change from preceding quarter					
Business	0.5	4.4	3.9	4.1	0.2	3.6
Nonfarm business	-0.1	4.2	4.3	3.7	-0.1	3.8
Manufacturing	1.5	5.5	3.9	5.8	1.9	4.2
Durable	3.1	10.0	6.6	6.8	2.8	3.5
Nondurable	-0.1	0.1	0.2	3.8	0.0	3.9

	Percent change from same quarter a year ago					
Business	0.9	3.1	2.2	3.8	1.0	2.9
Nonfarm business	0.7	3.1	2.4	3.8	0.9	3.1
Manufacturing	4.0	3.0	-1.0	3.8	0.9	-0.2
Durable	5.4	6.0	0.6	3.3	0.4	-2.0
Nondurable	2.5	-0.8	-3.2	4.4	1.5	1.8

Business

From the first to the second quarter of 1996, business sector productivity increased at a 0.5 percent annual rate, as output rose 4.4 percent and hours of all persons engaged in the sector rose 3.9 percent. In the first quarter, productivity had increased 2.0 percent as output increased 3.0 percent and hours rose 1.0 percent (table 1).

Hourly compensation increased 4.1 percent in the second quarter and 3.0 percent in the first quarter of 1996. 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 3.6 percent annual rate during the second quarter, compared with a 1.0 percent rise during the first quarter.

Real hourly compensation, which takes into account changes in the Consumer Price Index for All Urban Consumers (CPI-U), increased at a 0.2 percent annual rate in the second quarter, after falling 0.2 percent one quarter earlier.

The implicit price deflator for the business sector, which reflects changes in unit labor costs and unit nonlabor payments, increased 2.5 percent in the second quarter, compared with a 1.5 percent rise in the first quarter.

Nonfarm business

Productivity fell 0.1 percent in the nonfarm business sector during the second quarter of 1996, compared with a 1.8 percent increase in the first quarter (table 2). Hours of all persons in the nonfarm business sector increased 4.3 percent in the second quarter, slightly more than the 4.2 percent increase in output. In the previous quarter, hours increased 1.0 percent and output rose 2.7 percent. In both the first and second quarters of 1996, employment in nonfarm business rose 2.5 percent. Average weekly hours, on the other hand, fell 1.5 percent in the first quarter but rose 1.7 percent in the second quarter.

Hourly compensation increased at a 3.7 percent annual rate in the second quarter, slightly more than the 3.3 percent increase one quarter earlier. When the rise in the CPI-U is taken into account, real hourly compensation dropped 0.1 percent in the second quarter of 1996 after remaining unchanged in the first quarter. Unit labor costs grew 3.8 percent in the second quarter, compared with the 1.5 percent increase posted in the previous quarter.

The implicit price deflator for nonfarm business output rose 2.2 percent in the second quarter and 1.4 percent in the first quarter of 1996.

Manufacturing

Productivity increased 1.5 percent in manufacturing, as output rose 5.5 percent and hours of all persons rose 3.9 percent (seasonally adjusted annual rates). In the first quarter, productivity increased 5.6 percent, as output rose 2.4 percent and hours declined 3.0 percent (table 3). The hours increase in the second quarter followed four consecutive quarters of decline and was the largest increase since the fourth quarter of 1987, when it increased 5.0 percent. In durable goods, productivity increased 3.1 in the second quarter of 1996, less than the 7.8 percent increase posted in the first quarter. Both output and hours in durable goods manufacturing showed strong gains in the second quarter of 10.0 and 6.6 percent, respectively. Productivity declined 0.1 percent in nondurable goods manufacturing in the second quarter, as output increased 0.1 percent and hours rose 0.2 percent (tables 4 and 5).

Hourly compensation of all manufacturing workers increased 5.8 percent during the second quarter. In the first quarter, hourly compensation in manufacturing had risen 0.4 percent. The first-quarter movement in hourly compensation was affected by a pension contribution made in 1995 by a large durable goods manufacturer. In the second quarter, hourly compensation rose 6.8 percent in durables and 3.8 percent in nondurables. Manufacturing real hourly compensation rose 1.9 percent when the increase in consumer prices is taken into account, compared with a 2.8 percent drop in the previous period.

Next release date

The next release of Productivity and Costs is scheduled for 10:00 a.m. EDT, Tuesday, September 10, 1996. Revised second-quarter measures for business, nonfarm business, and manufacturing will be released at that time, along with measures for nonfinancial corporations.

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; non-electrical 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

prices/ seasonally adjusted					Real	Unit	Unit non-	Implicit	
Year and quarter	Output per hour of all persons	Output	Hours of all persons	Compensation per hour (1)	compensation per hour (2)	labor costs	labor pay-ments (3)	price deflator (4)	
Indexes 1992=100									
1994	I	r100.4	r104.9	104.5	104.0	99.4	r103.6	r104.5	103.9
	II	r100.5	r106.7	106.1	r104.2	r99.0	r103.6	r105.7	104.4
	III	r101.1	r107.7	106.6	r104.7	r98.6	103.6	r107.6	105.1
	IV	101.2	108.7	107.4	r105.6	r98.9	r104.4	r107.8	105.6
	ANNUAL	r100.7	r107.0	106.2	104.5	r99.0	103.8	r106.5	r104.7
1995	I	100.7	108.8	108.1	r106.6	r99.1	r105.8	r107.4	r106.4
	II	r101.2	r109.0	107.7	r107.8	r99.4	r106.5	r107.7	106.9
	III	r101.6	r110.3	108.5	r108.8	r99.8	r107.1	r108.2	r107.5
	IV	r101.5	r110.4	108.8	r110.0	r100.3	r108.4	r106.6	r107.8
	ANNUAL	r101.2	109.6	108.3	r108.2	r99.7	r107.0	r107.5	107.1
1996	I	102.0	111.2	109.1	r110.8	r100.2	r108.7	r107.3	r108.2
	II	102.1	112.4	110.1	111.9	100.3	109.6	107.4	108.8
Percent change from previous quarter at annual rate(5)									
1994	I	r-1.9	r1.7	3.6	r2.6	r0.6	4.6	-1.3	2.4
	II	r0.6	r6.9	6.3	r0.8	r-1.8	r0.2	r4.6	1.8
	III	2.2	4.1	1.9	r2.3	r-1.4	r0.2	r7.3	r2.7
	IV	r0.6	r3.8	3.2	r3.4	r1.2	r2.8	r0.7	2.0
	ANNUAL	0.5	4.2	3.7	1.9	-0.6	1.4	3.5	2.2
1995	I	r-1.9	r0.3	2.3	r3.6	r0.7	r5.6	r-1.5	r3.0
	II	r1.9	r0.7	-1.1	r4.6	r1.2	r2.7	r1.2	r2.2
	III	r1.7	r4.8	3.0	r3.9	r1.8	r2.2	r1.8	r2.0
	IV	r-0.6	r0.5	1.1	r4.4	r1.9	r5.0	r-5.6	r1.0
	ANNUAL	0.5	2.5	2.0	r3.6	r0.7	r3.1	r1.0	r2.3
1996	I	r2.0	r3.0	1.0	r3.0	r-0.2	r1.0	r2.4	r1.5
	II	0.5	4.4	3.9	4.1	0.2	3.6	0.5	2.5
Percent change from corresponding quarter of previous year									
1994	I	r0.2	r3.4	3.2	r2.2	-0.2	r2.0	r2.4	2.2
	II	r0.8	r4.5	3.7	r1.8	r-0.6	r1.0	r3.7	2.0
	III	1.1	r4.8	3.6	r1.9	r-1.0	r0.8	r5.1	2.3
	IV	r0.3	r4.1	3.7	r2.3	r-0.4	r1.9	r2.8	2.2
	ANNUAL	0.5	4.2	3.7	1.9	-0.6	1.4	3.5	2.2
1995	I	r0.3	3.8	3.4	r2.5	r-0.3	r2.2	r2.7	r2.4
	II	0.7	r2.2	1.5	r3.5	r0.4	r2.8	r1.9	r2.5
	III	r0.6	r2.4	1.8	r3.9	r1.2	r3.3	r0.5	2.3
	IV	r0.3	r1.6	1.3	r4.1	r1.4	r3.9	r-1.1	2.0
	ANNUAL	0.5	2.5	2.0	r3.6	r0.7	r3.1	r1.0	r2.3
1996	I	1.2	2.2	1.0	r4.0	r1.2	r2.7	r-0.1	1.7
	II	0.9	3.1	2.2	3.8	1.0	2.9	-0.3	1.8

See footnotes following table 6.
r=revised

August 14, 1996
Source: Bureau of Labor Statistics

Table 2. Nonfarm business sector: Productivity, hourly compensation, unit labor costs, and prices, seasonally adjusted

prices/ seasonally adjusted					Real	Unit	Unit non-	Implicit	
Year and quarter	Output per hour of all persons	Output	Hours of all persons	Compensation per hour (1)	compensation per hour (2)	labor costs	labor pay-ments (3)	price deflator(4)	
Indexes 1992=100									
1994	I	100.2	r104.9	104.6	103.7	r99.1	r103.4	r104.9	103.9
	II	r100.5	r106.7	106.1	r104.0	r98.8	r103.5	r106.3	104.5
	III	r101.0	r107.8	106.7	r104.6	r98.4	103.5	r108.4	105.3
	IV	101.2	108.8	107.5	r105.5	r98.8	r104.3	r108.4	105.7
	ANNUAL	r100.7	r107.0	106.3	104.3	r98.8	103.7	107.0	104.9
1995	I	100.8	109.0	108.1	r106.5	r99.0	r105.6	r108.1	106.5
	II	r101.3	r109.2	107.8	r107.7	r99.3	r106.3	r108.4	r107.1
	III	r101.8	r110.6	108.6	r108.8	r99.8	r106.8	r108.8	107.5
	IV	r101.5	r110.7	109.0	r109.9	r100.2	r108.2	r107.0	r107.8
	ANNUAL	r101.3	r109.9	108.4	r108.2	r99.6	r106.7	r108.1	107.2
1996	I	102.0	111.4	109.3	r110.7	r100.2	r108.6	r107.3	r108.1
	II	102.0	112.6	110.4	111.8	100.1	109.6	107.1	108.7
Percent change from previous quarter at annual rate(5)									
1994	I	r-2.0	r0.8	2.9	r2.8	r0.7	r4.8	-1.6	2.5
	II	r1.0	r7.0	5.9	r1.4	r-1.2	r0.3	r5.6	2.2
	III	2.0	4.2	2.1	r2.1	r-1.6	r0.1	r8.1	2.9
	IV	r0.9	r4.0	3.1	r3.9	r1.6	r2.9	r0.0	r1.9
	ANNUAL	0.5	4.0	3.5	r2.1	-0.5	1.5	r3.5	2.3
1995	I	r-1.6	r0.6	2.2	r3.7	r0.8	r5.4	r-1.0	r3.0
	II	r2.0	r0.9	-1.0	r4.6	r1.1	r2.6	r1.0	r2.0
	III	r2.0	r5.0	2.9	r4.0	r1.9	r1.9	r1.3	r1.7
	IV	r-1.1	r0.3	1.5	r4.1	r1.6	r5.2	r-6.4	r0.9
	ANNUAL	0.7	2.7	2.0	r3.7	r0.8	r3.0	r1.0	2.2
1996	I	r1.8	r2.7	1.0	3.3	r0.0	r1.5	r1.1	1.4
	II	-0.1	4.2	4.3	3.7	-0.1	3.8	-0.8	2.2
Percent change from corresponding quarter of previous year									
1994	I	r0.1	r3.3	3.2	r2.1	r-0.4	r2.0	r2.1	2.1
	II	0.8	4.3	3.5	r1.9	r-0.5	r1.1	r3.9	2.1
	III	0.9	4.3	3.4	r2.0	r-0.8	r1.1	r5.1	2.5
	IV	0.5	4.0	3.5	r2.5	r-0.1	r2.0	r3.0	r2.4
	ANNUAL	0.5	4.0	3.5	r2.1	-0.5	1.5	r3.5	2.3
1995	I	r0.6	r3.9	3.3	r2.7	r-0.1	r2.2	r3.1	r2.5
	II	0.8	2.4	1.6	r3.5	r0.5	r2.7	r2.0	r2.5
	III	r0.8	2.6	1.8	r4.0	r1.4	r3.2	r0.3	2.1
	IV	0.3	1.7	1.4	r4.1	r1.4	r3.8	r-1.3	r1.9
	ANNUAL	0.7	2.7	2.0	r3.7	r0.8	r3.0	r1.0	2.2
1996	I	r1.2	2.2	1.1	r4.0	r1.2	r2.8	r-0.8	1.5
	II	0.7	3.1	2.4	3.8	0.9	3.1	-1.2	1.5

See footnotes following table 6.
r=revised

August 14, 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	104.8	107.3	102.4	r104.4	99.9	r99.7
	II	106.2	109.5	103.2	r104.7	99.5	r98.6
	III	106.6	110.9	104.0	r105.5	r99.4	r99.0
	IV	107.7	113.0	105.0	r106.4	r99.6	r98.8
	ANNUAL	106.1	110.2	103.8	105.1	99.5	99.0
1995	I	108.3	114.1	105.3	r107.2	r99.7	r99.0
	II	109.0	113.5	104.1	r108.3	r99.9	r99.4
	III	110.4	114.2	103.4	r109.7	r100.6	r99.3
	IV	111.5	114.6	102.8	r110.8	r101.0	r99.4
	ANNUAL	109.8	114.1	103.9	r109.0	r100.3	r99.3
1996	I	r113.0	115.3	102.1	r110.9	r100.3	r98.2
	II	113.4	116.9	103.0	112.5	100.8	99.2

Percent change from previous quarter at annual rate(5)							
1994	I	6.7	8.8	2.0	r3.3	r1.3	r-3.1
	II	5.5	8.5	2.9	r1.1	r-1.4	r-4.1
	III	1.7	5.1	3.4	r3.1	r-0.6	r1.5
	IV	4.1	7.9	3.6	r3.1	0.9	r-0.9
	ANNUAL	4.0	6.5	2.4	2.7	0.1	r-1.2
1995	I	2.4	3.9	1.4	r3.2	r0.4	r0.8
	II	2.7	-2.1	-4.7	r4.3	r0.8	r1.5
	III	5.3	2.6	-2.5	r5.1	r3.0	r-0.2
	IV	3.7	1.4	-2.2	r4.1	r1.7	r0.4
	ANNUAL	3.4	3.5	0.1	r3.7	r0.8	r0.2
1996	I	r5.6	r2.4	-3.0	r0.4	r-2.8	r-4.9
	II	1.5	5.5	3.9	5.8	1.9	4.2

Percent change from corresponding quarter of previous year							
1994	I	3.1	4.7	1.5	r3.1	r0.6	r0.0
	II	4.5	6.5	1.9	r2.8	0.4	r-1.7
	III	4.5	7.1	2.4	r2.9	r0.0	r-1.6
	IV	4.5	7.6	3.0	r2.7	r0.0	r-1.7
	ANNUAL	4.0	6.5	2.4	2.7	0.1	r-1.2
1995	I	3.4	6.3	2.8	r2.7	r-0.2	r-0.7
	II	2.7	3.6	0.9	r3.5	r0.4	r0.7
	III	3.6	3.0	-0.6	r3.9	r1.3	r0.3
	IV	3.5	1.4	-2.0	r4.2	r1.5	r0.7
	ANNUAL	3.4	3.5	0.1	r3.7	r0.8	r0.2
1996	I	4.3	1.0	-3.1	r3.4	r0.7	r-0.8
	II	4.0	3.0	-1.0	3.8	0.9	-0.2

See footnotes following table 6.
r=revised

August 14, 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	107.0	110.4	103.2	r104.3	r99.7	r97.5
	II	108.2	112.6	104.1	r104.5	99.3	96.6
	III	109.0	114.8	105.3	r105.3	r99.1	r96.6
	IV	110.3	117.5	106.6	r106.0	r99.3	r96.1
	ANNUAL	108.4	113.8	105.0	r104.8	r99.2	r96.7
1995	I	111.5	119.5	107.2	r106.8	r99.2	r95.7
	II	111.8	119.0	106.4	r107.7	r99.3	r96.3
	III	113.6	120.4	106.0	r109.1	r100.1	r96.1
	IV	114.8	121.5	105.9	r110.1	r100.4	r95.9
	ANNUAL	112.9	120.1	106.4	r108.4	r99.8	r96.0
1996	I	r116.9	r123.1	105.3	r109.5	r99.0	r93.6
	II	117.8	126.1	107.0	111.3	99.7	94.4

Percent change from previous quarter at annual rate(5)							
1994	I	7.4	11.0	3.3	r3.1	r1.0	r-4.1
	II	4.8	8.6	3.6	r1.0	r-1.5	r-3.7
	III	3.0	7.8	4.7	r2.9	r-0.8	r-0.1
	IV	4.7	9.9	5.0	r2.8	r0.6	r-1.8
	ANNUAL	4.9	8.5	3.5	r2.5	r0.0	r-2.2
1995	I	4.4	7.0	2.4	r2.7	r-0.1	r-1.6
	II	1.2	-1.9	-3.1	r3.6	r0.2	r2.4
	III	6.4	5.1	-1.2	r5.3	r3.2	r-1.0
	IV	4.3	3.6	-0.7	r3.6	r1.2	r-0.7
	ANNUAL	4.1	5.5	1.3	r3.4	r0.5	r-0.7
1996	I	r7.8	r5.5	-2.1	r-2.2	r-5.3	r-9.3
	II	3.1	10.0	6.6	6.8	2.8	3.5

Percent change from corresponding quarter of previous year							
1994	I	4.4	6.8	2.3	r3.1	r0.6	r-1.2
	II	5.3	8.4	2.9	2.8	0.4	-2.4
	III	5.8	9.5	3.5	r2.9	r0.0	r-2.8
	IV	5.0	9.3	4.1	r2.4	r-0.2	r-2.4
	ANNUAL	4.9	8.5	3.5	r2.5	r0.0	r-2.2
1995	I	4.2	8.3	3.9	r2.4	r-0.5	r-1.8
	II	3.3	5.6	2.2	r3.0	r0.0	r-0.3
	III	4.2	4.9	0.7	r3.6	r1.0	r-0.5
	IV	4.1	3.4	-0.7	r3.8	r1.1	r-0.2
	ANNUAL	4.1	5.5	1.3	r3.4	r0.5	r-0.7
1996	I	r4.9	r3.0	-1.8	r2.5	r-0.2	r-2.2
	II	5.4	6.0	0.6	3.3	0.4	-2.0

See footnotes following table 6.
r=revised

August 14, 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	102.8	104.3	101.4	r104.5	r99.9	101.7
	II	104.3	106.3	101.9	r104.8	r99.6	r100.4
	III	104.4	106.9	102.4	r105.7	r99.5	r101.2
	IV	105.3	108.3	102.8	r106.5	r99.7	r101.1
	ANNUAL	104.2	106.5	102.2	r105.3	r99.7	r101.1
1995	I	105.4	108.4	102.8	r107.5	r100.0	r102.0
	II	106.7	107.8	101.0	r108.8	r100.3	r102.0
	III	107.8	107.7	99.9	r110.0	r100.9	r102.1
	IV	108.6	107.3	98.8	r111.3	r101.5	r102.5
	ANNUAL	107.1	107.8	100.6	109.4	r100.8	102.1
1996	I	r109.3	r106.9	97.7	r112.5	r101.8	r102.9
	II	109.3	106.9	97.8	113.6	101.8	103.9

Percent change from previous quarter at annual rate(5)							
1994	I	6.2	6.4	0.1	r3.5	r1.5	r-2.6
	II	6.0	8.1	1.9	r1.1	r-1.4	r-4.7
	III	0.3	2.0	1.7	3.3	-0.5	3.0
	IV	3.5	5.4	1.8	r3.4	r1.1	r-0.2
	ANNUAL	3.1	4.1	1.0	r2.6	r0.1	r-0.5
1995	I	0.5	0.6	0.1	r3.8	r0.9	r3.3
	II	4.8	-2.5	-7.0	r4.9	r1.5	r0.2
	III	4.1	-0.3	-4.3	r4.4	r2.3	r0.3
	IV	3.0	-1.4	-4.3	r4.7	r2.3	r1.6
	ANNUAL	2.9	1.3	-1.6	r3.9	r1.1	r1.0
1996	I	r2.9	r-1.5	-4.3	r4.6	r1.3	r1.6
	II	-0.1	0.1	0.2	3.8	0.0	3.9

Percent change from corresponding quarter of previous year							
1994	I	1.9	2.4	0.5	3.0	0.5	1.1
	II	3.9	4.4	0.5	r2.6	r0.2	-1.2
	III	3.2	4.3	1.0	r2.6	-0.2	r-0.6
	IV	4.0	5.4	1.4	r2.8	r0.2	r-1.1
	ANNUAL	3.1	4.1	1.0	r2.6	r0.1	r-0.5
1995	I	2.5	4.0	1.4	r2.9	r0.0	r0.3
	II	2.2	1.3	-0.9	r3.8	r0.7	r1.6
	III	3.2	0.7	-2.4	r4.1	r1.4	r0.9
	IV	3.1	-0.9	-3.9	r4.5	r1.7	r1.3
	ANNUAL	2.9	1.3	-1.6	r3.9	r1.1	r1.0
1996	I	r3.7	r-1.4	-5.0	r4.7	r1.8	r0.9
	II	2.5	-0.8	-3.2	4.4	1.5	1.8

See footnotes following table 6.

r=revised

August 14, 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											
1994	I	r102.7	r107.4	104.6	r103.7	r99.2	r101.0	r102.1	101.3	r120.5	102.8
	II	r102.5	108.9	106.2	r103.7	98.6	101.2	98.7	100.5	134.5	103.1
	III	102.4	r109.7	107.0	r104.1	r98.0	101.6	99.3	r101.0	136.5	103.7
	IV	r102.9	r111.5	108.3	r104.8	r98.1	101.9	r98.3	100.9	r141.5	104.0
	ANNUAL	102.6	r109.3	106.6	r104.1	98.5	101.4	99.6	100.9	133.4	103.4
1995	I	r102.2	r111.4	109.0	r105.6	r98.2	r103.4	100.0	r102.5	r130.9	r104.7
	II	r102.9	r112.1	108.9	r106.8	r98.4	r103.8	r100.9	103.0	r130.1	105.1
	III	r104.2	r114.0	109.4	r107.8	r98.9	r103.5	r99.7	r102.5	r142.1	r105.5
	IV	r104.8	r115.2	109.9	r108.9	r99.3	r103.9	r100.0	r102.8	r140.4	r105.7
	ANNUAL	r103.6	r113.2	109.3	r107.3	r98.8	r103.6	r100.1	r102.7	r136.0	105.2
1996	I	r105.1	r115.8	110.2	r109.6	r99.1	r104.3	r99.3	r102.9	r145.1	r106.1
Percent change from previous quarter at annual rate(5)											
1994	I	r0.8	r5.0	4.2	r3.5	r1.4	r2.6	r12.0	r5.1	r-22.4	2.2
	II	r-0.5	r5.7	6.2	r0.0	r-2.5	r0.5	r-12.8	r-3.3	r55.2	1.2
	III	r-0.3	r2.8	3.2	r1.4	r-2.3	r1.7	r2.4	r1.9	r5.9	r2.3
	IV	r1.7	r6.7	5.0	r2.9	r0.6	r1.2	r-3.7	r-0.1	r15.6	r1.4
	ANNUAL	r1.3	r5.6	4.2	1.8	r-0.7	0.5	-0.3	0.3	16.2	1.7
1995	I	r-2.7	r-0.2	2.5	r3.2	r0.3	r6.0	r7.0	r6.3	r-26.8	r2.4
	II	r2.8	r2.4	-0.3	r4.3	r0.9	r1.5	r3.7	r2.1	r-2.4	r1.6
	III	r5.2	r7.2	1.9	r4.1	r2.0	r-1.1	r-4.7	r-2.1	r42.2	r1.6
	IV	r2.5	r4.3	1.8	r4.0	r1.6	r1.5	r1.0	r1.4	r-4.8	r0.7
	ANNUAL	r0.9	r3.5	2.5	r3.1	r0.3	r2.2	r0.6	r1.8	r1.9	r1.8
1996	I	r1.1	r2.2	1.0	2.6	r-0.6	r1.5	r-2.6	r0.4	r14.3	r1.7
Percent change from corresponding quarter of previous year											
1994	I	r2.5	r6.1	3.5	r2.2	r-0.3	-0.3	r1.5	0.2	r17.1	1.5
	II	1.6	r5.8	4.2	r1.8	r-0.6	r0.2	-1.3	-0.2	20.6	1.6
	III	1.0	5.2	4.2	1.6	r-1.2	r0.7	r-0.6	0.3	18.1	1.9
	IV	r0.4	r5.1	4.6	r1.9	r-0.7	1.5	r-0.9	r0.9	r10.2	r1.8
	ANNUAL	r1.3	r5.6	4.2	1.8	r-0.7	0.5	-0.3	0.3	16.2	1.7
1995	I	r-0.5	r3.7	4.2	1.9	r-1.0	r2.4	r-2.1	r1.1	r8.6	r1.8
	II	r0.3	r2.9	2.6	r2.9	r-0.1	r2.6	r2.3	2.5	r-3.3	1.9
	III	r1.7	r4.0	2.2	r3.6	r0.9	r1.9	r0.5	r1.5	r4.1	r1.8
	IV	r1.9	r3.4	1.4	r3.9	r1.2	r1.9	r1.7	r1.9	r-0.8	r1.6
	ANNUAL	r0.9	r3.5	2.5	r3.1	r0.3	r2.2	r0.6	r1.8	r1.9	r1.8
1996	I	r2.9	r4.0	1.1	r3.7	r0.9	r0.8	r-0.7	0.4	10.9	1.4

See footnotes following table 6.
r=revised

August 14, 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.

Appendix 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	101.7	99.6	101.5	102.1	101.7
II	99.8	102.1	102.3	102.3	99.6	102.6	102.0	102.3
III	100.0	102.8	102.9	102.8	99.6	102.9	102.4	102.7
IV	100.9	104.5	103.6	103.3	99.3	102.4	104.9	103.3
ANNUAL	100.2	102.7	102.5	102.5	99.5	102.3	102.8	102.5
Percent change from previous quarter at annual rate(5)								
1993 I	-3.5	-1.2	2.4	1.9	-1.0	5.6	-0.2	3.5
II	-1.6	2.5	4.2	2.6	-0.3	4.3	-0.6	2.5
III	0.7	3.0	2.3	1.9	0.1	1.2	1.7	1.3
IV	3.7	6.5	2.7	1.8	-1.3	-1.8	10.2	2.4
ANNUAL	0.2	2.7	2.5	2.5	-0.5	2.3	2.8	2.5
Percent change from corresponding quarter of previous year								
1993 I	0.8	2.6	1.8	3.1	-0.1	2.2	2.9	2.5
II	-0.1	2.5	2.5	2.9	-0.2	3.0	2.0	2.6
III	0.2	3.0	2.8	2.1	-0.7	1.9	3.8	2.6
IV	-0.2	2.7	2.9	2.1	-0.6	2.3	2.7	2.4
ANNUAL	0.2	2.7	2.5	2.5	-0.5	2.3	2.8	2.5

See footnotes following table 6.

August 14, 1996

Source: Bureau of Labor Statistics

Appendix 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	Compensa- tion per hour (1)	Real compensa- tion per hour (2)	Unit labor costs	Unit non- labor pay- ments (3)	Implicit price deflator(4)	
Indexes 1992=100									
1993	I	100.1	101.6	101.4	101.5	99.5	101.4	102.7	101.8
	II	99.7	102.2	102.6	102.0	99.3	102.4	102.3	102.4
	III	100.1	103.3	103.2	102.5	99.3	102.4	103.1	102.7
	IV	100.8	104.7	103.9	103.0	98.9	102.2	105.3	103.3
	ANNUAL	100.2	102.9	102.8	102.3	99.3	102.1	103.4	102.5
Percent change from previous quarter at annual rate(5)									
1993	I	-3.7	-0.9	2.9	1.3	-1.6	5.2	1.4	3.8
	II	-1.8	2.7	4.6	2.1	-0.8	4.0	-1.4	2.1
	III	1.6	4.1	2.5	1.7	-0.1	0.1	3.1	1.2
	IV	2.7	5.5	2.7	1.9	-1.2	-0.8	8.7	2.5
	ANNUAL	0.2	2.9	2.8	2.3	-0.7	2.1	3.4	2.5
Percent change from corresponding quarter of previous year									
1993	I	0.8	2.8	1.9	3.0	-0.2	2.1	3.5	2.6
	II	-0.2	2.7	2.9	2.5	-0.6	2.7	2.4	2.6
	III	0.4	3.5	3.1	1.8	-1.0	1.4	4.8	2.6
	IV	-0.3	2.8	3.2	1.8	-0.9	2.1	2.9	2.4
	ANNUAL	0.2	2.9	2.8	2.3	-0.7	2.1	3.4	2.5

See footnotes following table 6.

August 14, 1996

Source: Bureau of Labor Statistics

Appendix 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	Compensa- tion per hour (1)	Real compensa- tion per hour (2)	Unit labor costs

Indexes 1992=100							
1993	I	101.6	102.5	100.9	101.3	99.3	99.7
	II	101.6	102.8	101.2	101.9	99.1	100.3
	III	102.0	103.6	101.6	102.6	99.4	100.6
	IV	103.1	105.1	101.9	103.6	99.5	100.5
	ANNUAL	102.1	103.5	101.4	102.4	99.4	100.3

Percent change from previous quarter at annual rate(5)							
1993	I	2.3	4.6	2.3	1.2	-1.7	-1.1
	II	-0.3	1.1	1.4	2.4	-0.5	2.6
	III	1.7	3.0	1.3	2.9	1.0	1.2
	IV	4.4	5.9	1.4	3.9	0.7	-0.5
	ANNUAL	2.1	3.5	1.4	2.4	-0.6	0.3

Percent change from corresponding quarter of previous year							
1993	I	3.0	4.3	1.3	2.7	-0.5	-0.2
	II	1.9	3.0	1.1	2.2	-0.9	0.3
	III	1.5	3.1	1.5	2.0	-0.8	0.5
	IV	2.0	3.6	1.6	2.6	-0.1	0.6
	ANNUAL	2.1	3.5	1.4	2.4	-0.6	0.3

See footnotes following table 6.

August 14, 1996

Source: Bureau of Labor Statistics

Appendix 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	102.4	103.3	100.9	101.1	99.1	98.7
	II	102.8	104.0	101.1	101.7	99.0	98.9
	III	103.0	104.8	101.8	102.4	99.1	99.4
	IV	105.1	107.5	102.3	103.5	99.5	98.5
	ANNUAL	103.4	104.9	101.5	102.2	99.2	98.9

Percent change from previous quarter at annual rate (5)							
1993	I	3.7	6.3	2.5	1.1	-1.8	-2.6
	II	1.3	2.4	1.0	2.2	-0.7	0.9
	III	0.9	3.4	2.5	2.6	0.7	1.7
	IV	8.2	10.7	2.3	4.5	1.3	-3.4
	ANNUAL	3.4	4.9	1.5	2.2	-0.8	-1.1

Percent change from corresponding quarter of previous year							
1993	I	4.6	5.7	1.0	2.6	-0.6	-2.0
	II	3.1	4.1	0.9	2.0	-1.0	-1.0
	III	2.4	4.3	1.8	1.7	-1.0	-0.6
	IV	3.5	5.6	2.1	2.6	-0.1	-0.9
	ANNUAL	3.4	4.9	1.5	2.2	-0.8	-1.1

See footnotes following table 6.

August 14, 1996

Source: Bureau of Labor Statistics

Appendix 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	100.9	101.8	100.9	101.5	99.5	100.6
	II	100.4	101.8	101.4	102.2	99.4	101.7
	III	101.2	102.5	101.3	103.0	99.7	101.8
	IV	101.3	102.7	101.4	103.6	99.6	102.3
	ANNUAL	101.0	102.2	101.2	102.6	99.6	101.6

Percent change from previous quarter at annual rate(5)							
1993	I	0.9	2.9	2.0	1.3	-1.6	0.4
	II	-1.9	-0.1	1.9	2.6	-0.3	4.7
	III	3.0	2.8	-0.3	3.2	1.3	0.1
	IV	0.4	0.7	0.3	2.6	-0.5	2.2
	ANNUAL	1.0	2.2	1.2	2.6	-0.4	1.6

Percent change from corresponding quarter of previous year							
1993	I	1.4	3.0	1.6	3.0	-0.2	1.5
	II	1.0	2.2	1.2	2.5	-0.6	1.5
	III	0.9	2.1	1.2	2.4	-0.4	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

See footnotes following table 6.

August 14, 1996

Source: Bureau of Labor Statistics

Appendix 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 compen- sation (1)	Real hourly compen- sation(2)	Unit labor costs	Unit non- labor cost (6)	Total unit cost (7)	Unit pro- fits (8)	Implicit price deflator (4)	
Indexes 1992=100											
1993	I	100.2	101.2	101.1	101.5	99.4	101.3	100.6	101.1	103.0	101.2
	II	100.9	102.9	101.9	101.9	99.1	100.9	100.0	100.7	111.6	101.5
	III	101.5	104.2	102.7	102.4	99.2	100.9	99.8	100.6	115.6	101.8
	IV	102.5	106.1	103.5	102.8	98.8	100.4	99.2	100.1	128.4	102.2
	ANNUAL	101.3	103.6	102.2	102.2	99.2	100.9	99.9	100.6	114.8	101.7
Percent change from previous quarter at annual rate(5)											
1993	I	-4.6	-3.0	1.6	1.1	-1.8	6.0	7.3	6.3	-24.4	3.4
	II	3.1	6.7	3.4	1.6	-1.2	-1.4	-2.4	-1.7	37.9	1.0
	III	2.1	5.2	3.1	2.0	0.1	-0.1	-0.4	-0.2	15.2	1.1
	IV	4.0	7.5	3.4	1.7	-1.4	-2.2	-2.4	-2.2	52.4	1.8
	ANNUAL	1.3	3.6	2.2	2.2	-0.8	0.9	-0.1	0.6	14.8	1.7
Percent change from corresponding quarter of previous year											
1993	I	1.0	2.7	1.6	2.9	-0.3	1.8	0.2	1.4	5.6	1.7
	II	1.6	3.7	2.1	2.3	-0.8	0.7	0.2	0.6	13.8	1.6
	III	1.3	4.0	2.7	1.7	-1.1	0.4	-1.1	0.0	23.2	1.7
	IV	1.1	4.0	2.9	1.6	-1.1	0.5	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

See footnotes following table 6.

August 14, 1996

Source: Bureau of Labor Statistics