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PRODUCTIVITY AND COSTS
Second Quarter 1996

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

1.1 percent in the business sector, and
0.5 percent in the nonfarm business sector.

In both sectors, productivity growth was slower than in the first quarter of 1996, when output per hour increased at annual rates of 2.0 percent in the business sector and 1.8 percent in the nonfarm business sector. The modest second-quarter increases in productivity resulted from strong growth in both output and hours.

In manufacturing, the revised productivity changes in the second quarter were:

2.2 percent in manufacturing,
3.9 percent in durable goods manufacturing, and
0.5 percent in nondurable goods manufacturing.

The second-quarter increase in manufacturing productivity was concentrated in durable goods industries, where a 3.9 percent productivity gain reflected a 10.9 percent increase in output and a 6.8 percent rise in hours worked in that subsector (seasonally adjusted annual rates). 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 measures are summarized in table A and appear in detail in tables 1 through 5; the differences between these measures and the preliminary second-quarter figures issued on August 14 are shown in table C.

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 6).

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

Sector	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs
Percent change from preceding quarter						
Business	1.1	5.2	4.0	4.0	0.2	2.9
Nonfarm business	0.5	4.9	4.4	3.7	-0.1	3.2
Manufacturing	2.2	6.4	4.1	5.8	1.9	3.6
Durable	3.9	10.9	6.8	6.8	2.8	2.8
Nondurable	0.5	0.9	0.4	3.9	0.0	3.4
Percent change from same quarter a year ago						
Business	1.1	3.3	2.3	3.8	0.9	2.8
Nonfarm business	0.8	3.2	2.4	3.8	0.9	2.9
Manufacturing	4.2	3.2	-0.9	3.8	0.9	-0.3
Durable	5.6	6.2	0.6	3.3	0.4	-2.1
Nondurable	2.6	-0.6	-3.1	4.4	1.5	1.7

Business

From the first quarter to the second quarter of 1996, business sector productivity increased at a 1.1 percent annual rate. Business sector output rose 5.2 percent and hours of all persons rose 4.0 percent. These were the largest increases in both series since the second quarter of 1994, when output and hours grew 6.9 percent and 6.3 percent, respectively. The hours increase reflected a 2.4 percent increase in employment and a 1.6 percent rise in average weekly hours. During the first quarter of 1996, productivity had increased 2.0 percent, as output grew 3.0 percent and hours of all persons engaged in the sector rose 1.0 percent (table 1).

Hourly compensation increased 4.0 percent in the second quarter of 1996, following a 3.0 percent rise in the first quarter. This measure includes wages and salaries, supplements, employer contributions to employee benefit plans, and taxes. 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 of 1996 after falling 0.2 percent in the first quarter.

Unit labor costs, which reflect changes in hourly compensation and productivity, grew at a 2.9 percent annual rate during the second quarter, compared with a 1.0 percent rise in the first quarter. The implicit price deflator for the business sector, which incorporates changes in both unit labor costs and unit nonlabor payments, increased 2.4 percent in the second quarter and 1.5 percent during the first quarter of 1996 (seasonally adjusted annual rates).

Nonfarm business

Productivity edged up 0.5 percent in the nonfarm business sector during the second quarter of 1996, as output increased 4.9 percent and hours of all persons increased 4.4 percent (seasonally adjusted annual rates). The rise in hours reflected increases of 2.6 percent in employment and 1.7 percent in average weekly hours at work. During the first quarter of 1996, productivity had increased 1.8 percent in the nonfarm business sector, reflecting gains of 2.7 percent in output and 1.0 percent in hours (table 2).

Hourly compensation increased at a 3.7 percent annual rate in the second quarter, compared with a 3.3 percent increase one quarter earlier. When the rise in the CPI-U is taken into account, real hourly compensation fell 0.1 percent in the second quarter, after remaining unchanged in the first quarter.

Unit labor costs rose 3.2 percent during the second quarter of 1996, compared with a 1.5 percent rise in the first quarter. The implicit price deflator for nonfarm business output rose 2.1 percent in the second quarter and 1.4 percent one quarter earlier.

Manufacturing

Productivity increased 2.2 percent in manufacturing in the second quarter of 1996, as output grew 6.4 percent and hours of all persons increased 4.1 percent (seasonally adjusted annual rates). The increase in hours was due entirely to a 5.0 percent increase in average weekly hours. Productivity increased at a

3.9 percent annual rate in durable goods industries, compared with a 0.5 percent rise in output per hour worked among nondurable goods producers (tables 4 and 5). In the durable goods subsector, output increased at a 10.9 percent annual rate and hours of all persons rose 6.8 percent.

Hourly compensation of all manufacturing workers increased 5.8 percent during the second quarter, the largest gain since the second quarter of 1990. Hourly compensation grew 6.8 percent in the durable goods industries and 3.9 percent in nondurable goods industries. Real hourly compensation in the manufacturing sector rose 1.9 percent in the second quarter when the increase in consumer prices is taken into account. During the first quarter, real hourly compensation fell 2.8 percent (seasonally adjusted annual rates).

Manufacturing unit labor costs rose at a 3.6 percent annual rate in the second quarter of 1996, the largest increase since a 6.0 percent rise in the first quarter of 1991. Unit labor costs increased 2.8 percent in durable goods industries in the second quarter of 1996, after falling 9.3 percent in the first quarter. In nondurable manufacturing, unit labor costs increased 3.4 percent in the second quarter and 1.6 percent in the first quarter of 1996.

Table B. Nonfinancial corporations: Preliminary second-quarter productivity and cost measures (Seasonally adjusted annual rates)

Qtr.	Produc- tivity	Output	Hours	Real		Unit labor costs	Unit profits	Imp. price def.
				Hourly compen- sation	compen- sation			

Percent change from preceding quarter								
96 II	1.7	6.1	4.4	3.6	-0.2	1.9	6.9	1.6

Percent change from same quarter a year ago								
96 II	2.6	4.9	2.3	3.6	0.7	0.9	13.4	1.4

Nonfinancial corporations

Preliminary second-quarter 1996 measures of productivity and costs also were announced today for nonfinancial corporations (tables B and 6). Productivity increased 1.7 percent during the second quarter, as output rose 6.1 percent and hours increased

4.4 percent (seasonally adjusted annual rates). In the first quarter of 1996, productivity had increased 1.1 percent in nonfinancial corporations, as output increased 2.2 percent and employee hours rose 1.0 percent. Nonfinancial corporations include all corporations doing business in the United States, except for financial corporations, which include depository institutions, nondepository institutions, security and commodity brokers, insurance carriers, regulated investment offices, small business investment offices, and real estate investment trusts.

Hourly compensation rose 3.6 percent in the second quarter; it had increased 2.6 percent one quarter earlier. When the rise in the CPI-U is taken into account, real hourly compensation declined 0.2 percent in the second quarter of 1996, after decreasing 0.6 percent in the first quarter (table 6).

Unit labor costs for nonfinancial corporations rose 1.9 percent in the second quarter, following a 1.5 percent rise in the first quarter of 1996. Unit nonlabor costs fell 1.6 percent, and unit profits rose 6.9 percent. During the first quarter, unit nonlabor costs had dropped 2.6 percent, while unit profits rose 14.3 percent (seasonally adjusted annual rates). The implicit price deflator for nonfinancial corporate output rose 1.6 percent in the second quarter and 1.7 percent in the first quarter.

Table C. Previous and revised productivity and related measures

Quarterly percent change at seasonally adjusted annual rate

Sector	Productivity	Output	Hours	Real		
				Hourly compensation	hourly compensation	Unit labor costs

Second quarter 1996						
Business:						
Previous	0.5	4.4	3.9	4.1	0.2	3.6
Current	1.1	5.2	4.0	4.0	0.2	2.9
Nonfarm business:						
Previous	-0.1	4.2	4.3	3.7	-0.1	3.8
Current	0.5	4.9	4.4	3.7	-0.1	3.2
Manufacturing:						
Previous	1.5	5.5	3.9	5.8	1.9	4.2
Current	2.2	6.4	4.1	5.8	1.9	3.6

Revised Measures

Current and previous measures for the second quarter of 1996 for the business, nonfarm business, and manufacturing sectors are compared in table C. The quarterly movements differ from those reported on August 14 based on information then available. In the business and nonfarm business sectors, changes in output (which is based on information from the national income and product accounts prepared by the U.S. Department of Commerce) and productivity were revised upward. A productivity gain of 0.5 percent is now reported for the nonfarm business sector, rather than a decline of 0.1 percent. Manufacturing output (which is based on information from the Federal Reserve Board) and productivity also were revised up.

Next release date

The next release of Productivity and Costs is scheduled for 10:00 AM EST, Thursday, November 7, 1996. Revised second-quarter measures for nonfinancial corporations and preliminary third-quarter measures for business, nonfarm business, and manufacturing will be released at that time.

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 nonsupervisory 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 intra-sector 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	100.4	104.9	104.5	104.0	99.4	103.6	104.5	103.9
	II	100.5	106.7	106.1	104.2	99.0	103.6	105.7	104.4
	III	101.1	107.7	106.6	104.7	98.6	103.6	107.6	105.1
	IV	101.2	108.7	107.4	105.6	98.9	104.4	107.8	105.6
	ANNUAL	100.7	107.0	106.2	104.5	99.0	103.8	106.5	104.7
1995	I	100.7	108.8	108.1	106.6	99.1	105.8	107.4	106.4
	II	101.2	109.0	107.7	107.8	99.4	106.5	107.7	106.9
	III	101.6	110.3	108.5	108.8	99.8	107.1	108.2	107.5
	IV	101.5	110.4	108.8	110.0	100.3	108.4	106.6	107.8
	ANNUAL	101.2	109.6	108.3	108.2	99.7	107.0	107.5	107.1
1996	I	102.0	111.2	109.1	110.8	100.2	108.7	107.3	108.2
	II	r102.3	r112.7	r110.2	111.9	100.3	r109.5	r107.7	108.8
Percent change from previous quarter at annual rate(5)									
1994	I	-1.9	1.7	3.6	2.6	0.6	4.6	-1.3	2.4
	II	0.6	6.9	6.3	0.8	-1.8	0.2	4.6	1.8
	III	2.2	4.1	1.9	2.3	-1.4	0.2	7.3	2.7
	IV	0.6	3.8	3.2	3.4	1.2	2.8	0.7	2.0
	ANNUAL	0.5	4.2	3.7	1.9	-0.6	1.4	3.5	2.2
1995	I	-1.9	0.3	2.3	3.6	0.7	5.6	-1.5	3.0
	II	1.9	0.7	-1.1	4.6	1.2	2.7	1.2	2.2
	III	1.7	4.8	3.0	3.9	1.8	2.2	1.8	2.0
	IV	-0.6	0.5	1.1	4.4	1.9	5.0	-5.6	1.0
	ANNUAL	0.5	2.5	2.0	3.6	0.7	3.1	1.0	2.3
1996	I	2.0	3.0	1.0	3.0	-0.2	1.0	2.4	1.5
	II	r1.1	r5.2	r4.0	r4.0	0.2	r2.9	r1.5	r2.4
Percent change from corresponding quarter of previous year									
1994	I	0.2	3.4	3.2	2.2	-0.2	2.0	2.4	2.2
	II	0.8	4.5	3.7	1.8	-0.6	1.0	3.7	2.0
	III	1.1	4.8	3.6	1.9	-1.0	0.8	5.1	2.3
	IV	0.3	4.1	3.7	2.3	-0.4	1.9	2.8	2.2
	ANNUAL	0.5	4.2	3.7	1.9	-0.6	1.4	3.5	2.2
1995	I	0.3	3.8	3.4	2.5	-0.3	2.2	2.7	2.4
	II	0.7	2.2	1.5	3.5	0.4	2.8	1.9	2.5
	III	0.6	2.4	1.8	3.9	1.2	3.3	0.5	2.3
	IV	0.3	1.6	1.3	4.1	1.4	3.9	-1.1	2.0
	ANNUAL	0.5	2.5	2.0	3.6	0.7	3.1	1.0	2.3
1996	I	1.2	2.2	1.0	4.0	1.2	2.7	-0.1	1.7
	II	r1.1	r3.3	r2.3	3.8	r0.9	r2.8	r0.0	r1.7

See footnotes following Table 6.
r=revised

September 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									
1994	I	100.2	104.9	104.6	103.7	99.1	103.4	104.9	103.9
	II	100.5	106.7	106.1	104.0	98.8	103.5	106.3	104.5
	III	101.0	107.8	106.7	104.6	98.4	103.5	108.4	105.3
	IV	101.2	108.8	107.5	105.5	98.8	104.3	108.4	105.7
	ANNUAL	100.7	107.0	106.3	104.3	98.8	103.7	107.0	104.9
1995	I	100.8	109.0	108.1	106.5	99.0	105.6	108.1	106.5
	II	101.3	109.2	107.8	107.7	99.3	106.3	108.4	107.1
	III	101.8	110.6	108.6	108.8	99.8	106.8	108.8	107.5
	IV	101.5	110.7	109.0	109.9	100.2	108.2	107.0	107.8
	ANNUAL	101.3	109.9	108.4	108.2	99.6	106.7	108.1	107.2
1996	I	102.0	111.4	109.3	110.7	100.2	108.6	107.3	108.1
	II	r102.1	r112.8	110.4	r111.7	100.1	r109.4	r107.3	108.7
Percent change from previous quarter at annual rate(5)									
1994	I	-2.0	0.8	2.9	2.8	0.7	4.8	-1.6	2.5
	II	1.0	7.0	5.9	1.4	-1.2	0.3	5.6	2.2
	III	2.0	4.2	2.1	2.1	-1.6	0.1	8.1	2.9
	IV	0.9	4.0	3.1	3.9	1.6	2.9	0.0	1.9
	ANNUAL	0.5	4.0	3.5	2.1	-0.5	1.5	3.5	2.3
1995	I	-1.6	0.6	2.2	3.7	0.8	5.4	-1.0	3.0
	II	2.0	0.9	-1.0	4.6	1.1	2.6	1.0	2.0
	III	2.0	5.0	2.9	4.0	1.9	1.9	1.3	1.7
	IV	-1.1	0.3	1.5	4.1	1.6	5.2	-6.4	0.9
	ANNUAL	0.7	2.7	2.0	3.7	0.8	3.0	1.0	2.2
1996	I	1.8	2.7	1.0	3.3	0.0	1.5	1.1	1.4
	II	r0.5	r4.9	r4.4	3.7	-0.1	r3.2	r0.2	r2.1
Percent change from corresponding quarter of previous year									
1994	I	0.1	3.3	3.2	2.1	-0.4	2.0	2.1	2.1
	II	0.8	4.3	3.5	1.9	-0.5	1.1	3.9	2.1
	III	0.9	4.3	3.4	2.0	-0.8	1.1	5.1	2.5
	IV	0.5	4.0	3.5	2.5	-0.1	2.0	3.0	2.4
	ANNUAL	0.5	4.0	3.5	2.1	-0.5	1.5	3.5	2.3
1995	I	0.6	3.9	3.3	2.7	-0.1	2.2	3.1	2.5
	II	0.8	2.4	1.6	3.5	0.5	2.7	2.0	2.5
	III	0.8	2.6	1.8	4.0	1.4	3.2	0.3	2.1
	IV	0.3	1.7	1.4	4.1	1.4	3.8	-1.3	1.9
	ANNUAL	0.7	2.7	2.0	3.7	0.8	3.0	1.0	2.2
1996	I	1.2	2.2	1.1	4.0	1.2	2.8	-0.8	1.5
	II	r0.8	r3.2	2.4	3.8	0.9	r2.9	r-1.0	1.5

See footnotes following Table 6.
r=revised

September 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							
1994	I	104.8	107.3	102.4	104.4	99.9	99.7
	II	106.2	109.5	103.2	104.7	99.5	98.6
	III	106.6	110.9	104.0	105.5	99.4	99.0
	IV	107.7	113.0	105.0	106.4	99.6	98.8
	ANNUAL	106.1	110.2	103.8	105.1	99.5	99.0
1995	I	108.3	114.1	105.3	107.2	99.7	99.0
	II	109.0	113.5	104.1	108.3	99.9	99.4
	III	110.4	114.2	103.4	109.7	100.6	99.3
	IV	111.5	114.6	102.8	110.8	101.0	99.4
	ANNUAL	109.8	114.1	103.9	109.0	100.3	99.3
1996	I	113.0	115.3	102.1	110.9	100.3	98.2
	II	r113.6	r117.1	r103.1	112.5	100.8	r99.0

Percent change from previous quarter at annual rate(5)							
1994	I	6.7	8.8	2.0	3.3	1.3	-3.1
	II	5.5	8.5	2.9	1.1	-1.4	-4.1
	III	1.7	5.1	3.4	3.1	-0.6	1.5
	IV	4.1	7.9	3.6	3.1	0.9	-0.9
	ANNUAL	4.0	6.5	2.4	2.7	0.1	-1.2
1995	I	2.4	3.9	1.4	3.2	0.4	0.8
	II	2.7	-2.1	-4.7	4.3	0.8	1.5
	III	5.3	2.6	-2.5	5.1	3.0	-0.2
	IV	3.7	1.4	-2.2	4.1	1.7	0.4
	ANNUAL	3.4	3.5	0.1	3.7	0.8	0.2
1996	I	5.6	2.4	-3.0	0.4	-2.8	-4.9
	II	r2.2	r6.4	r4.1	5.8	1.9	r3.6

Percent change from corresponding quarter of previous year							
1994	I	3.1	4.7	1.5	3.1	0.6	0.0
	II	4.5	6.5	1.9	2.8	0.4	-1.7
	III	4.5	7.1	2.4	2.9	0.0	-1.6
	IV	4.5	7.6	3.0	2.7	0.0	-1.7
	ANNUAL	4.0	6.5	2.4	2.7	0.1	-1.2
1995	I	3.4	6.3	2.8	2.7	-0.2	-0.7
	II	2.7	3.6	0.9	3.5	0.4	0.7
	III	3.6	3.0	-0.6	3.9	1.3	0.3
	IV	3.5	1.4	-2.0	4.2	1.5	0.7
	ANNUAL	3.4	3.5	0.1	3.7	0.8	0.2
1996	I	4.3	1.0	-3.1	3.4	0.7	-0.8
	II	r4.2	r3.2	r-0.9	3.8	0.9	r-0.3

See footnotes following Table 6.
r=revised

September 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						
1994	I	107.0	110.4	103.2	104.3	99.7
	II	108.2	112.6	104.1	104.5	99.3
	III	109.0	114.8	105.3	105.3	99.1
	IV	110.3	117.5	106.6	106.0	99.3
	ANNUAL	108.4	113.8	105.0	104.8	99.2
1995	I	111.5	119.5	107.2	106.8	99.2
	II	111.8	119.0	106.4	107.7	99.3
	III	113.6	120.4	106.0	109.1	100.1
	IV	114.8	121.5	105.9	110.1	100.4
	ANNUAL	112.9	120.1	106.4	108.4	99.8
1996	I	116.9	123.1	105.3	109.5	99.0
	II	r118.0	r126.3	107.0	111.3	99.7

Percent change from previous quarter at annual rate(5)						
1994	I	7.4	11.0	3.3	3.1	1.0
	II	4.8	8.6	3.6	1.0	-1.5
	III	3.0	7.8	4.7	2.9	-0.8
	IV	4.7	9.9	5.0	2.8	0.6
	ANNUAL	4.9	8.5	3.5	2.5	0.0
1995	I	4.4	7.0	2.4	2.7	-0.1
	II	1.2	-1.9	-3.1	3.6	0.2
	III	6.4	5.1	-1.2	5.3	3.2
	IV	4.3	3.6	-0.7	3.6	1.2
	ANNUAL	4.1	5.5	1.3	3.4	0.5
1996	I	7.8	5.5	-2.1	-2.2	-5.3
	II	r3.9	r10.9	r6.8	6.8	2.8

Percent change from corresponding quarter of previous year						
1994	I	4.4	6.8	2.3	3.1	0.6
	II	5.3	8.4	2.9	2.8	0.4
	III	5.8	9.5	3.5	2.9	0.0
	IV	5.0	9.3	4.1	2.4	-0.2
	ANNUAL	4.9	8.5	3.5	2.5	0.0
1995	I	4.2	8.3	3.9	2.4	-0.5
	II	3.3	5.6	2.2	3.0	0.0
	III	4.2	4.9	0.7	3.6	1.0
	IV	4.1	3.4	-0.7	3.8	1.1
	ANNUAL	4.1	5.5	1.3	3.4	0.5
1996	I	4.9	3.0	-1.8	2.5	-0.2
	II	r5.6	r6.2	0.6	3.3	0.4

See footnotes following Table 6.
r=revised

September 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							
1994	I	102.8	104.3	101.4	104.5	99.9	101.7
	II	104.3	106.3	101.9	104.8	99.6	100.4
	III	104.4	106.9	102.4	105.7	99.5	101.2
	IV	105.3	108.3	102.8	106.5	99.7	101.1
	ANNUAL	104.2	106.5	102.2	105.3	99.7	101.1
1995	I	105.4	108.4	102.8	107.5	100.0	102.0
	II	106.7	107.8	101.0	108.8	100.3	102.0
	III	107.8	107.7	99.9	110.0	100.9	102.1
	IV	108.6	107.3	98.8	111.3	101.5	102.5
	ANNUAL	107.1	107.8	100.6	109.4	100.8	102.1
1996	I	109.3	106.9	97.7	112.5	101.8	102.9
	II	r109.5	r107.1	97.8	113.6	101.8	r103.8

Percent change from previous quarter at annual rate(5)							
1994	I	6.2	6.4	0.1	3.5	1.5	-2.6
	II	6.0	8.1	1.9	1.1	-1.4	-4.7
	III	0.3	2.0	1.7	3.3	-0.5	3.0
	IV	3.5	5.4	1.8	3.4	1.1	-0.2
	ANNUAL	3.1	4.1	1.0	2.6	0.1	-0.5
1995	I	0.5	0.6	0.1	3.8	0.9	3.3
	II	4.8	-2.5	-7.0	4.9	1.5	0.2
	III	4.1	-0.3	-4.3	4.4	2.3	0.3
	IV	3.0	-1.4	-4.3	4.7	2.3	1.6
	ANNUAL	2.9	1.3	-1.6	3.9	1.1	1.0
1996	I	2.9	-1.5	-4.3	4.6	1.3	1.6
	II	r0.5	r0.9	r0.4	r3.9	0.0	r3.4

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	2.6	0.2	-1.2
	III	3.2	4.3	1.0	2.6	-0.2	-0.6
	IV	4.0	5.4	1.4	2.8	0.2	-1.1
	ANNUAL	3.1	4.1	1.0	2.6	0.1	-0.5
1995	I	2.5	4.0	1.4	2.9	0.0	0.3
	II	2.2	1.3	-0.9	3.8	0.7	1.6
	III	3.2	0.7	-2.4	4.1	1.4	0.9
	IV	3.1	-0.9	-3.9	4.5	1.7	1.3
	ANNUAL	2.9	1.3	-1.6	3.9	1.1	1.0
1996	I	3.7	-1.4	-5.0	4.7	1.8	0.9
	II	r2.6	r-0.6	r-3.1	4.4	1.5	r1.7

See footnotes following Table 6.
r=revised

September 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											
1994	I	102.7	107.4	104.6	103.7	99.2	101.0	102.1	101.3	120.5	102.8
	II	102.5	108.9	106.2	103.7	98.6	101.2	98.7	100.5	134.5	103.1
	III	102.4	109.7	107.0	104.1	98.0	101.6	99.3	101.0	136.5	103.7
	IV	102.9	111.5	108.3	104.8	98.1	101.9	98.3	100.9	141.5	104.0
	ANNUAL	102.6	109.3	106.6	104.1	98.5	101.4	99.6	100.9	133.4	103.4
1995	I	102.2	111.4	109.0	105.6	98.2	103.4	100.0	102.5	130.9	104.7
	II	102.9	112.1	108.9	106.8	98.4	103.8	100.9	103.0	130.1	105.1
	III	104.2	114.0	109.4	107.8	98.9	103.5	99.7	102.5	142.1	105.5
	IV	104.8	115.2	109.9	108.9	99.3	103.9	100.0	102.8	140.4	105.7
	ANNUAL	103.6	113.2	109.3	107.3	98.8	103.6	100.1	102.7	136.0	105.2
1996	I	105.1	115.8	110.2	109.6	99.1	104.3	99.3	102.9	145.1	106.1
	II	105.6	117.6	111.4	110.6	99.1	104.7	98.9	103.2	147.6	106.6
Percent change from previous quarter at annual rate(5)											
1994	I	0.8	5.0	4.2	3.5	1.4	2.6	12.0	5.1	-22.4	2.2
	II	-0.5	5.7	6.2	0.0	-2.5	0.5	-12.8	-3.3	55.2	1.2
	III	-0.3	2.8	3.2	1.4	-2.3	1.7	2.4	1.9	5.9	2.3
	IV	1.7	6.7	5.0	2.9	0.6	1.2	-3.7	-0.1	15.6	1.4
	ANNUAL	1.3	5.6	4.2	1.8	-0.7	0.5	-0.3	0.3	16.2	1.7
1995	I	-2.7	-0.2	2.5	3.2	0.3	6.0	7.0	6.3	-26.8	2.4
	II	2.8	2.4	-0.3	4.3	0.9	1.5	3.7	2.1	-2.4	1.6
	III	5.2	7.2	1.9	4.1	2.0	-1.1	-4.7	-2.1	42.2	1.6
	IV	2.5	4.3	1.8	4.0	1.6	1.5	1.0	1.4	-4.8	0.7
	ANNUAL	0.9	3.5	2.5	3.1	0.3	2.2	0.6	1.8	1.9	1.8
1996	I	1.1	2.2	1.0	2.6	-0.6	1.5	-2.6	0.4	14.3	1.7
	II	1.7	6.1	4.4	3.6	-0.2	1.9	-1.6	0.9	6.9	1.6
Percent change from corresponding quarter of previous year											
1994	I	2.5	6.1	3.5	2.2	-0.3	-0.3	1.5	0.2	17.1	1.5
	II	1.6	5.8	4.2	1.8	-0.6	0.2	-1.3	-0.2	20.6	1.6
	III	1.0	5.2	4.2	1.6	-1.2	0.7	-0.6	0.3	18.1	1.9
	IV	0.4	5.1	4.6	1.9	-0.7	1.5	-0.9	0.9	10.2	1.8
	ANNUAL	1.3	5.6	4.2	1.8	-0.7	0.5	-0.3	0.3	16.2	1.7
1995	I	-0.5	3.7	4.2	1.9	-1.0	2.4	-2.1	1.1	8.6	1.8
	II	0.3	2.9	2.6	2.9	-0.1	2.6	2.3	2.5	-3.3	1.9
	III	1.7	4.0	2.2	3.6	0.9	1.9	0.5	1.5	4.1	1.8
	IV	1.9	3.4	1.4	3.9	1.2	1.9	1.7	1.9	-0.8	1.6
	ANNUAL	0.9	3.5	2.5	3.1	0.3	2.2	0.6	1.8	1.9	1.8
1996	I	2.9	4.0	1.1	3.7	0.9	0.8	-0.7	0.4	10.9	1.4
	II	2.6	4.9	2.3	3.6	0.7	0.9	-2.0	0.1	13.4	1.4

See footnotes following Table 6.
r=revised

September 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.