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PRODUCTIVITY AND COSTS
 Third 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 third quarter of 1996. The preliminary seasonally-adjusted annual rates of productivity growth in the third quarter were:

0.3 percent in the business sector, and
 0.2 percent in the nonfarm business sector.

In both the business and the nonfarm business sectors, productivity increases in the third quarter were smaller than those recorded in the second quarter (as revised).

In manufacturing, productivity increases in the third quarter were:

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

The 6.3 percent rise in manufacturing productivity was the largest recorded 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. Third-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.

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

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

Percent change from preceding quarter						
Business	0.3	2.4	2.0	4.3	2.0	4.0
Nonfarm business	0.2	2.3	2.1	3.9	1.6	3.7
Manufacturing	6.3	5.4	-0.8	4.6	2.2	-1.6
Durable	8.2	7.5	-0.7	4.6	2.2	-3.3
Nondurable	3.7	2.7	-1.0	4.7	2.3	0.9

Percent change from same quarter a year ago						
Business	0.7	2.7	2.0	4.0	1.0	3.3
Nonfarm business	0.3	2.5	2.2	3.8	0.8	3.4
Manufacturing	4.6	4.1	-0.5	3.7	0.8	-0.8
Durable	6.0	6.8	0.7	3.1	0.2	-2.7
Nondurable	2.9	0.5	-2.3	4.4	1.4	1.4

Business

From the second quarter to the third quarter of 1996, business sector productivity increased at a 0.3 percent annual rate. Output rose 2.4 percent, and hours of all persons engaged in the sector increased 2.0 percent (seasonally adjusted annual rates). After revisions, second-quarter productivity in the business sector rose 1.1 percent, as output increased 5.0 percent, and hours of all persons rose 3.9 percent (tables B and 1).

Hourly compensation increased 4.3 percent during the third quarter of 1996, similar to the 4.1 percent rise in the second quarter. This measure includes wages and salaries, supplements, employer contributions to employee benefit plans, and taxes. Unit labor costs, which reflect changes in both hourly compensation and productivity, increased at a 4.0 percent annual rate during the third quarter. During the previous quarter, these costs had risen 3.0 percent.

Real hourly compensation, which takes into account changes in the Consumer Price Index for All Urban Consumers (CPI-U), increased 2.0 percent in the third quarter and 0.3 percent in the second quarter of 1996. The third-quarter increase in real hourly compensation was the largest since a 5.2 percent increase was recorded in the first quarter of 1992.

The implicit price deflator for the business sector, which reflects changes in unit labor costs and unit nonlabor payments, increased at a 1.2 percent annual rate in the third quarter, down from a 2.4 percent increase during the second quarter of 1996.

Nonfarm business

Productivity rose 0.2 percent in the nonfarm business sector during the third quarter of 1996, slightly less than the 0.5 percent increase recorded in the second quarter of the year. Output grew at a 2.3 percent annual rate in the third quarter, down from the 4.8 percent increase posted in the second quarter. Hours of all persons in the nonfarm business sector rose 2.1 percent in the third quarter of 1996 and 4.3 percent in the previous quarter (table 2).

Hourly compensation increased at a 3.9 percent annual rate in the third quarter, nearly the same as the 3.8 percent increase one quarter earlier. When the rise in the CPI-U is taken into account, real hourly compensation

rose at a 1.6 percent annual rate during the July-September period. In the previous quarter, growth in real hourly compensation had been unchanged. Unit labor costs increased 3.7 percent during the third quarter of 1996, somewhat more rapidly than the 3.3 percent annual rate recorded during the second quarter of 1996.

The implicit price deflator for nonfarm business output rose 1.1 percent in the third quarter, compared with a 2.1 percent increase one quarter earlier.

Manufacturing

Productivity increased 6.3 percent in manufacturing in the third quarter of 1996, as output rose 5.4 percent and hours of all persons fell 0.8 percent (seasonally adjusted annual rates). This increase in manufacturing productivity was the largest since a 6.7 percent increase was recorded in the first quarter of 1994. In the durable goods sector, third-quarter productivity rose 8.2 percent as output increased 7.5 percent and hours fell 0.7 percent. Productivity increased 3.7 percent in the nondurable goods sector as output increased 2.7 percent and hours of all persons fell 1.0 percent. In the second quarter of 1996, manufacturing productivity posted a revised 2.9 percent increase as output rose 7.1 percent and hours rose 4.1 percent (tables 3, 4, and 5).

Hourly compensation of manufacturing workers increased an average 4.6 percent during the third quarter, down from the 5.8 percent increase recorded in the second quarter (seasonally adjusted annual rates). The growth in hourly compensation was nearly the same in the durable (4.6 percent) and nondurable (4.7 percent) sectors. Real hourly compensation in total

manufacturing rose 2.2 percent in the third quarter when the increase in the CPI-U is taken into account. In the second quarter of 1996, real hourly compensation of manufacturing workers had risen 1.9 percent.

Unit labor costs fell at a 1.6 percent annual rate in the third quarter of 1996. These costs had increased 2.8 percent during the second quarter of 1996. The third-quarter movements in the two subsectors of manufacturing were quite different, reflecting the similar increases in hourly compensation and different productivity movements. Unit labor costs for durable goods manufacturers fell 3.3 percent in the third quarter while those for nondurable goods manufacturers rose 0.9 percent.

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

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

Second quarter 1996						
Business:						
Previous	1.1	5.2	4.0	4.0	0.2	2.9
Current	1.1	5.0	3.9	4.1	0.3	3.0
Nonfarm business:						
Previous	0.5	4.9	4.4	3.7	-0.1	3.2
Current	0.5	4.8	4.3	3.8	0.0	3.3
Manufacturing:						
Previous	2.2	6.4	4.1	5.8	1.9	3.6
Current	2.9	7.1	4.1	5.8	1.9	2.8

Revised Measures

Current and previous measures for the second quarter of 1996 for the business, nonfarm business, and manufacturing sectors are compared in table B. For the business and nonfarm business sectors, the quarterly movements in output per hour and hourly compensation are similar to those reported on September 10 based on information then available. Productivity and output movements in the manufacturing sector were revised upward and unit labor costs revised downward, based on newer information from the Federal Reserve Board's Indexes of Industrial Production.

In all sectors, hours of all persons in the first and second quarters were revised due to a correction of the seasonal adjustment factors used with the establishment-based employment data. See USDL 96-414.

 Table C. Nonfinancial corporations: Previous and revised productivity and cost measures
 Quarterly percent changes at seasonally adjusted annual rates

	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs	Unit profits	Implicit price deflator

Second quarter 1996								
Previous	1.7	6.1	4.4	3.6	-0.2	1.9	6.9	1.6
Current	1.3	5.6	4.2	3.7	-0.1	2.4	7.5	1.5

Revised measures: Nonfinancial Corporations

Productivity and cost measures for the second quarter for nonfinancial corporations also were revised to incorporate more recent information than was available on September 10. Productivity and output were revised downward, while unit labor costs and unit profits were revised upward

(tables C and 6).

Next release date

The next release of Productivity and Costs is scheduled for 10:00 AM EST, Thursday, December 5, 1996. Third-quarter measures for nonfinancial corporations and revised 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 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

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	r102.2	r112.6	r110.1	r112.0	100.3	109.5	r107.6	108.8
	III	102.3	113.3	110.7	113.1	100.8	110.6	106.6	109.1

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	1.1	r5.0	r3.9	r4.1	r0.3	r3.0	r1.2	2.4
	III	0.3	2.4	2.0	4.3	2.0	4.0	-3.7	1.2

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	r1.0	3.3	r2.2	r3.9	r1.0	2.8	r-0.1	1.7
	III	0.7	2.7	2.0	4.0	1.0	3.3	-1.5	1.5

See footnotes following Table 6.
r=revised

November 7, 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	102.1	112.8	110.4	r111.8	r100.2	r109.5	r107.2	108.7
	III	102.2	113.4	111.0	112.9	100.5	110.5	106.3	109.0

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	r1.7	2.7	1.0	3.3	0.0	1.5	1.1	1.4
	II	0.5	r4.8	r4.3	r3.8	r0.0	r3.3	r-0.1	2.1
	III	0.2	2.3	2.1	3.9	1.6	3.7	-3.5	1.1

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	r1.1	2.2	1.1	4.0	1.2	2.8	-0.8	1.5
	II	0.8	3.2	2.4	3.8	0.9	r3.0	r-1.1	1.5
	III	0.3	2.5	2.2	3.8	0.8	3.4	-2.3	1.4

See footnotes following Table 6.
r=revised

November 7, 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
	II	106.2	109.5	103.2	104.7	99.5
	III	106.6	110.9	104.0	105.5	99.4
	IV	107.7	113.0	105.0	106.4	99.6
	ANNUAL	106.1	110.2	103.8	105.1	99.5
1995	I	108.3	114.1	105.3	107.2	99.7
	II	109.0	113.5	104.1	108.3	99.9
	III	110.4	114.2	103.4	109.7	100.6
	IV	111.5	114.6	102.8	110.8	101.0
	ANNUAL	109.8	114.1	103.9	109.0	100.3
1996	I	113.0	115.3	r102.0	110.9	100.3
	II	r113.8	r117.3	103.1	112.5	100.8
	III	115.5	118.8	102.9	113.8	101.4

Percent change from previous quarter at annual rate(5)						
1994	I	6.7	8.8	2.0	3.3	1.3
	II	5.5	8.5	2.9	1.1	-1.4
	III	1.7	5.1	3.4	3.1	-0.6
	IV	4.1	7.9	3.6	3.1	0.9
	ANNUAL	4.0	6.5	2.4	2.7	0.1
1995	I	2.4	3.9	1.4	3.2	0.4
	II	2.7	-2.1	-4.7	4.3	0.8
	III	5.3	2.6	-2.5	5.1	3.0
	IV	3.7	1.4	-2.2	4.1	1.7
	ANNUAL	3.4	3.5	0.1	3.7	0.8
1996	I	5.6	2.4	r-3.1	0.4	-2.8
	II	r2.9	r7.1	4.1	5.8	1.9
	III	6.3	5.4	-0.8	4.6	2.2

Percent change from corresponding quarter of previous year						
1994	I	3.1	4.7	1.5	3.1	0.6
	II	4.5	6.5	1.9	2.8	0.4
	III	4.5	7.1	2.4	2.9	0.0
	IV	4.5	7.6	3.0	2.7	0.0
	ANNUAL	4.0	6.5	2.4	2.7	0.1
1995	I	3.4	6.3	2.8	2.7	-0.2
	II	2.7	3.6	0.9	3.5	0.4
	III	3.6	3.0	-0.6	3.9	1.3
	IV	3.5	1.4	-2.0	4.2	1.5
	ANNUAL	3.4	3.5	0.1	3.7	0.8
1996	I	4.3	1.0	-3.1	r3.5	0.7
	II	r4.4	r3.4	r-1.0	3.8	0.9
	III	4.6	4.1	-0.5	3.7	0.8

See footnotes following Table 6.
r=revised

November 7, 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	97.5
	II	108.2	112.6	104.1	104.5	96.6
	III	109.0	114.8	105.3	105.3	96.6
	IV	110.3	117.5	106.6	106.0	96.1
	ANNUAL	108.4	113.8	105.0	104.8	96.7
1995	I	111.5	119.5	107.2	106.8	95.7
	II	111.8	119.0	106.4	107.7	96.3
	III	113.6	120.4	106.0	109.1	96.1
	IV	114.8	121.5	105.9	110.1	95.9
	ANNUAL	112.9	120.1	106.4	108.4	96.0
1996	I	116.9	123.1	105.3	109.5	93.6
	II	118.0	126.3	107.0	111.3	94.3
	III	120.4	128.6	106.8	112.5	93.5
----- Percent change from previous quarter at annual rate(5) -----						
1994	I	7.4	11.0	3.3	3.1	-4.1
	II	4.8	8.6	3.6	1.0	-3.7
	III	3.0	7.8	4.7	2.9	-0.1
	IV	4.7	9.9	5.0	2.8	-1.8
	ANNUAL	4.9	8.5	3.5	2.5	-2.2
1995	I	4.4	7.0	2.4	2.7	-1.6
	II	1.2	-1.9	-3.1	3.6	2.4
	III	6.4	5.1	-1.2	5.3	-1.0
	IV	4.3	3.6	-0.7	3.6	-0.7
	ANNUAL	4.1	5.5	1.3	3.4	-0.7
1996	I	7.8	5.5	-2.1	-2.2	-9.3
	II	r3.7	r10.7	r6.7	6.8	r3.0
	III	8.2	7.5	-0.7	4.6	-3.3
----- Percent change from corresponding quarter of previous year -----						
1994	I	4.4	6.8	2.3	3.1	-1.2
	II	5.3	8.4	2.9	2.8	-2.4
	III	5.8	9.5	3.5	2.9	-2.8
	IV	5.0	9.3	4.1	2.4	-2.4
	ANNUAL	4.9	8.5	3.5	2.5	-2.2
1995	I	4.2	8.3	3.9	2.4	-1.8
	II	3.3	5.6	2.2	3.0	-0.3
	III	4.2	4.9	0.7	3.6	-0.5
	IV	4.1	3.4	-0.7	3.8	-0.2
	ANNUAL	4.1	5.5	1.3	3.4	-0.7
1996	I	4.9	3.0	-1.8	2.5	-2.2
	II	r5.5	6.2	0.6	3.3	-2.1
	III	6.0	6.8	0.7	3.1	-2.7

See footnotes following Table 6.
r=revised

November 7, 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	r109.4	106.9	97.7	112.5	101.8	102.9
	II	r109.9	r107.5	97.8	r113.5	r101.7	r103.3
	III	110.9	108.2	97.6	114.9	102.3	103.6

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	r3.0	-1.5	r-4.4	4.6	1.3	1.6
	II	r2.0	r2.4	0.4	r3.6	r-0.2	r1.6
	III	3.7	2.7	-1.0	4.7	2.3	0.9

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	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	r1.9	0.9
	II	r3.0	r-0.2	-3.1	r4.3	r1.4	r1.3
	III	2.9	0.5	-2.3	4.4	1.4	1.4

See footnotes following Table 6.
r=revised

November 7, 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	r105.5	r117.4	r111.3	110.6	99.1	r104.9	r98.4	r103.1	r147.8	r106.5

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	r1.1	2.6	-0.6	1.5	-2.6	0.4	14.3	1.7
	II	r1.3	r5.6	r4.2	r3.7	r-0.1	r2.4	r-3.6	r0.8	r7.5	r1.5

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	r2.5	r4.8	r2.2	3.6	0.7	r1.1	r-2.5	0.1	r13.6	1.4

See footnotes following Table 6.
r=revised

November 7, 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.