

Internet address: <http://stats.bls.gov> USDL 96-497
 Historical, technical information: (202) 606-5606 TRANSMISSION OF THIS MATERIAL IS EMBARGOED
 Current data: (202) 606-7828 UNTIL 10:00 A.M. EST
 Media contact: (202) 606-5902 THURSDAY, DECEMBER 5, 1996.

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

0.0 percent in the business sector, and
 -0.3 percent in the nonfarm business sector.

In the business sector, productivity was unchanged as a 2.1 percent output increase in the third quarter was accompanied by a nearly-equal increase (2.0 percent) in the hours of all persons engaged in the sector. Similarly, labor productivity in the nonfarm business sector fell as hours of all persons rose 2.1 percent, but output grew only 1.8 percent.

In manufacturing, revised productivity increases in the third quarter were:

6.3 percent in manufacturing,
 8.3 percent in durable goods manufacturing, and
 3.9 percent in nondurable goods manufacturing.

The third-quarter productivity increase in manufacturing occurred as output rose at a 5.6 percent rate and hours fell 0.7 percent. 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.

 Table A. Productivity and costs: Revised third-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	0.0	2.1	2.0	3.8	1.5	3.8
Nonfarm business	-0.3	1.8	2.1	3.4	1.1	3.7
Manufacturing	6.3	5.6	-0.7	4.6	2.3	-1.6
Durable	8.3	7.7	-0.6	4.6	2.3	-3.4
Nondurable	3.9	3.0	-0.9	4.7	2.3	0.7

Percent change from same quarter a year ago						
Business	0.7	2.6	1.9	3.9	0.9	3.2
Nonfarm business	0.3	2.4	2.1	3.7	0.7	3.4
Manufacturing	4.6	4.1	-0.5	3.7	0.8	-0.9
Durable	6.0	6.8	0.8	3.1	0.2	-2.7
Nondurable	3.0	0.6	-2.3	4.4	1.4	1.4

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.

Business

From the second quarter to the third quarter of 1996, business sector productivity was unchanged. As revised, output rose 2.1 percent, and hours of all persons engaged in the sector increased 2.0 percent (seasonally adjusted annual rates). During the second quarter of 1996, productivity had increased 1.2 percent (as revised), as output rose 5.0 percent and hours rose 3.8 percent (table 1).

Hourly compensation increased 3.8 percent during the third quarter of 1996, down from a 4.3 percent rise in the second quarter. This measure includes wages and salaries, supplements, employer contributions to employee benefit plans, and taxes. Unit labor costs rose 3.8 percent in the third quarter and 3.1 percent in the previous quarter.

Real hourly compensation, which takes into account changes in the Consumer Price Index for All Urban Consumers (CPI-U), rose 1.5 percent in the third quarter after increasing 0.4 percent in the second quarter of 1996.

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

Nonfarm business

Productivity decreased 0.3 percent in the nonfarm business sector during the third quarter of 1996 as output rose 1.8 percent and hours of all persons increased 2.1 percent. This was the first decline in productivity since a 1.2 percent drop during the fourth quarter of 1995. During the second quarter of 1996, productivity had increased 0.6 percent in the nonfarm business sector, reflecting a gain of 4.8 percent in output coupled with a 4.1 percent rise in hours (table 2).

Hourly compensation increased at a 3.4 percent annual rate in the third quarter, compared with a 3.9 percent increase one quarter earlier. When the rise in the CPI-U is taken into account, real hourly compensation rose at a 1.1 percent annual rate in the third quarter. Real hourly compensation has now risen in eight consecutive quarters.

Unit labor costs increased 3.7 percent in the third quarter of 1996 and 3.3 percent in the second quarter. The implicit price deflator rose 1.1 percent in the third quarter of 1996, reflecting both the increase in unit labor costs and a 3.5 percent drop in unit nonlabor payments. In the second quarter, the implicit price deflator for the nonfarm business sector had increased 2.1 percent.

Manufacturing

Productivity increased 6.3 percent in manufacturing in the third quarter of 1996, as output rose 5.6 percent and hours of all persons fell 0.7 percent (seasonally adjusted annual rates). This increase in labor productivity was more than double the 2.9 percent increase posted in the second quarter, when output rose 7.1 percent and hours increased 4.1 percent. Manufacturing productivity has increased in every quarter since the second quarter of 1993 (when it declined 0.3 percent). In the durable goods industries, productivity grew 8.3 percent in the third quarter as output rose 7.7 percent and hours fell 0.6 percent. In the nondurable goods industries, third-quarter productivity grew 3.9 percent as output rose 3.0 percent and hours dropped 0.9 percent (tables 3, 4, and 5).

Hourly compensation of all manufacturing workers rose 4.6 percent during the third quarter and 5.8 percent during the second quarter (seasonally adjusted annual rates). Real hourly compensation increased 2.3 percent when the increase in the CPI-U is taken into account. During the second quarter, real hourly compensation rose 1.9 percent.

Unit labor costs fell at a 1.6 percent annual rate in the third quarter of 1996 as the 6.3 percent productivity increase in the manufacturing sector exceeded the 4.6 percent increase in hourly compensation. Unit labor costs rose 2.8 percent in the second quarter of 1996. In durable goods industries, these costs fell 3.4 percent in the third quarter of 1996 and have fallen in 10 of the last 12 quarters. A 0.7 percent increase in unit labor costs was recorded in nondurable goods in the third quarter, down from the 1.6 percent increase posted in the second quarter of 1996.

 Table B. Nonfinancial corporations: Third-quarter 1996 productivity and cost measures
 (Seasonally adjusted annual rates)

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

Percent change from preceding quarter								
1996 III	3.6	5.8	2.2	4.1	1.7	0.5	-1.3	0.0

Percent change from same quarter a year ago								
1996 III	2.2	4.5	2.2	3.7	0.7	1.5	3.6	1.0

Nonfinancial Corporations

Third-quarter 1996 measures of productivity and costs also were announced today for nonfinancial corporations (tables B and 6). Output per all-employee hour rose at a 3.6 percent annual rate, compared with a 1.5 percent increase during the second quarter (as revised). Output increased 5.8 percent in the third quarter of 1996, while hours of all employees increased 2.2 percent. The sector includes all corporations doing business in the United States, except those classified as depository institutions, nondepository institutions, security and commodity brokers, insurance carriers, regulated investment offices, small business investment offices, and real estate investment trusts.

Hourly compensation increased 4.1 percent in the third quarter; it had risen 3.9 percent in the second quarter. When the rise in the CPI-U is taken into account, real hourly compensation increased 1.7 percent in the third quarter--the first increase reported in 1996. Real hourly compensation was unchanged in the second quarter and had fallen 0.5 percent in the first quarter of the year.

Unit labor costs for nonfinancial corporations rose 0.5 percent in the third quarter, after increasing 2.4 percent during the previous quarter. Unit nonlabor costs fell 1.1 percent in the third quarter, and unit profits dropped at a 1.3 percent annual rate. This was the first decrease in unit profits in calendar year 1996. The implicit price deflator for the output of nonfinancial corporations was unchanged in the third quarter of 1996, after demonstrating an increase in every quarter since a 0.2 percent decline was posted in the first quarter of 1986.

Table C. 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
----- Third quarter 1996 -----						
Business:						
Previous	0.3	2.4	2.0	4.3	2.0	4.0
Current	0.0	2.1	2.0	3.8	1.5	3.8
Nonfarm business:						
Previous	0.2	2.3	2.1	3.9	1.6	3.7
Current	-0.3	1.8	2.1	3.4	1.1	3.7
Manufacturing:						
Previous	6.3	5.4	-0.8	4.6	2.2	-1.6
Current	6.3	5.6	-0.7	4.6	2.3	-1.6

Revised Measures

Current and previous measures for the third quarter of 1996 for the business, nonfarm business, and manufacturing sectors are compared in table C. The quarterly movements differ from those reported on November 7, based on the information available at that time.

The productivity and cost measures also were revised to reflect the results of the 1995 Hours at Work Survey (HWS), which are now available. This survey is used to adjust the number of hours for which private nonfarm employees are paid, as reported in the BLS Current Establishment Survey, to hours at the workplace. For 1995, these new results show that hours of all persons increased more than had originally been reported. In the nonfarm business sector, hours of all persons grew 2.4 percent in 1995 rather than 2.0 percent, as previously reported. All of the increase in the ratio of hours at work to hours paid occurred outside of the manufacturing sector, where the increase in the hours of all persons remained 0.1 percent for the calendar year.

Next release date

The next release of Productivity and Costs is scheduled for 10:00 AM EST, Tuesday, February 11, 1997. Preliminary fourth-quarter and annual 1996 measures will be released at that time.

Scheduled release dates for productivity and costs measures for major sectors of the U.S. economy in 1997 are:

Reference period	1997 release date
1996:	
Fourth quarter, Annual	February 11
Fourth quarter, Annual (revised)	March 11
1997:	
First quarter	May 7
First quarter (revised)	June 18
Second quarter	August 12
Second quarter (revised)	September 9
Third quarter	November 13
Third quarter (revised)	December 4

These dates are based on presently available schedules for the release of underlying source data in 1997. Each issue of Productivity and Costs contains a "Next release date" paragraph which readers should use to confirm the dates above.

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	r100.5	104.9	r104.4	104.0	r99.5	103.6	104.5	103.9
	II	r100.6	106.7	r106.0	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	r101.1	108.7	r107.6	r105.5	r98.8	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	r100.4	108.8	r108.4	r106.2	r98.8	105.8	107.4	106.4
	II	r100.8	109.0	r108.2	r107.3	r98.9	106.5	r107.8	106.9
	III	r101.2	110.3	r109.0	r108.3	r99.3	r107.0	r108.3	107.5
	IV	r101.0	110.4	r109.3	r109.4	r99.8	r108.3	r106.7	107.8
	ANNUAL	r100.8	109.6	r108.8	r107.8	r99.2	r106.9	r107.6	107.1
1996	I	r101.5	111.2	r109.6	r110.3	r99.8	r108.6	r107.4	108.2
	II	r101.8	112.6	r110.6	r111.4	r99.9	r109.4	r107.7	108.8
	III	r101.8	r113.2	r111.1	r112.5	r100.2	r110.5	r106.8	109.1

Percent change from previous quarter at annual rate(5)									
1994	I	r-1.7	1.7	r3.5	r2.8	r0.8	4.6	-1.3	2.4
	II	r0.5	6.9	r6.4	r0.7	-1.8	0.2	4.6	1.8
	III	r1.9	4.1	r2.1	r2.0	r-1.7	r0.1	7.3	2.7
	IV	r0.2	3.8	r3.6	r2.9	r0.7	2.8	r0.8	2.0
	ANNUAL	0.5	4.2	3.7	1.9	-0.6	1.4	3.5	2.2
1995	I	r-2.6	0.3	r3.0	r2.8	r0.0	5.6	r-1.4	3.0
	II	r1.4	0.7	r-0.7	r4.1	r0.7	r2.6	r1.3	2.2
	III	r1.4	4.8	r3.3	r3.6	r1.5	r2.1	1.8	2.0
	IV	-0.6	0.5	1.1	r4.3	1.9	5.0	-5.6	1.0
	ANNUAL	r0.1	2.5	r2.4	r3.1	r0.3	r3.0	1.0	2.3
1996	I	r2.1	3.0	r0.8	r3.2	r0.0	r1.1	2.4	1.5
	II	r1.2	5.0	r3.8	r4.3	r0.4	r3.1	r1.1	2.4
	III	r0.0	r2.1	2.0	r3.8	r1.5	r3.8	r-3.3	1.2

Percent change from corresponding quarter of previous year									
1994	I	r0.3	3.4	r3.1	r2.3	-0.2	2.0	2.4	2.2
	II	0.8	4.5	r3.6	r1.9	r-0.5	1.0	3.7	2.0
	III	1.1	4.8	3.6	1.9	-1.0	0.8	5.1	2.3
	IV	r0.2	4.1	r3.9	r2.1	r-0.5	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	r0.0	3.8	r3.8	r2.1	r-0.7	r2.1	r2.8	2.4
	II	r0.2	2.2	r2.0	r3.0	r-0.1	2.8	r2.0	2.5
	III	r0.1	2.4	r2.3	r3.4	r0.7	3.3	r0.6	2.3
	IV	r-0.1	1.6	r1.7	r3.7	r1.0	r3.8	r-1.0	2.0
	ANNUAL	r0.1	2.5	r2.4	r3.1	r0.3	r3.0	1.0	2.3
1996	I	r1.1	2.2	r1.1	r3.8	r1.0	2.7	-0.1	1.7
	II	1.0	3.3	2.2	r3.8	1.0	2.8	-0.1	1.7
	III	0.7	r2.6	r1.9	r3.9	r0.9	r3.2	r-1.4	1.5

See footnotes following Table 6.
r=revised

December 5, 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	r100.3	104.9	104.6	r103.8	r99.2	103.4	r104.8	103.9
	II	r100.6	106.7	106.1	r104.1	r98.9	103.5	106.3	104.5
	III	101.0	107.8	106.7	r104.5	98.4	103.5	108.4	105.3
	IV	r101.1	108.8	r107.6	r105.4	r98.7	r104.2	108.4	105.7
	ANNUAL	100.7	107.0	106.3	104.3	98.8	103.7	107.0	104.9
1995	I	r100.5	109.0	r108.4	r106.2	r98.7	105.6	r108.2	106.5
	II	r100.9	109.2	r108.3	r107.2	r98.8	106.3	r108.5	107.1
	III	r101.3	110.6	r109.1	r108.2	r99.2	106.8	r108.9	107.5
	IV	r101.1	110.7	r109.5	r109.3	r99.6	r108.1	r107.1	107.8
	ANNUAL	r100.9	109.9	r108.9	r107.7	r99.1	106.7	r108.2	107.2
1996	I	r101.5	111.4	r109.8	r110.2	r99.7	r108.5	r107.4	108.1
	II	r101.7	112.8	r110.9	r111.3	r99.7	r109.4	r107.3	108.7
	III	r101.6	r113.3	r111.5	r112.2	r100.0	r110.4	r106.4	109.0
Percent change from previous quarter at annual rate(5)									
1994	I	r-1.8	0.8	r2.7	r2.9	r0.9	r4.9	r-1.7	2.5
	II	1.0	7.0	r6.0	r1.3	-1.2	0.3	5.6	2.2
	III	r1.7	4.2	r2.4	r1.8	r-1.9	0.1	r8.2	2.9
	IV	r0.4	4.0	r3.6	r3.3	r1.0	2.9	r0.1	1.9
	ANNUAL	0.5	4.0	3.5	2.1	-0.5	1.5	3.5	2.3
1995	I	r-2.3	0.6	r2.9	r2.9	r0.1	r5.3	r-0.9	3.0
	II	r1.5	0.9	r-0.6	r4.0	r0.6	r2.5	r1.1	2.0
	III	r1.8	5.0	r3.2	r3.7	r1.6	1.9	r1.4	1.7
	IV	r-1.2	0.3	1.5	r4.0	1.6	5.2	-6.4	0.9
	ANNUAL	r0.3	2.7	r2.4	r3.2	r0.3	r2.9	r1.1	2.2
1996	I	r1.9	2.7	r0.8	r3.4	r0.2	1.5	1.1	1.4
	II	r0.6	4.8	r4.1	r3.9	r0.1	3.3	-0.1	2.1
	III	r-0.3	r1.8	2.1	r3.4	r1.1	3.7	-3.5	1.1
Percent change from corresponding quarter of previous year									
1994	I	r0.2	3.3	r3.1	r2.2	r-0.3	2.0	2.1	2.1
	II	r0.9	4.3	r3.4	r2.0	r-0.4	1.1	3.9	2.1
	III	0.9	4.3	3.4	2.0	-0.8	1.1	5.1	2.5
	IV	r0.3	4.0	r3.7	r2.3	r-0.3	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	r0.2	3.9	r3.7	r2.3	r-0.5	r2.1	r3.2	2.5
	II	r0.3	2.4	r2.1	r3.0	r-0.1	2.7	r2.1	2.5
	III	r0.3	2.6	r2.3	r3.5	r0.8	r3.1	r0.4	2.1
	IV	r-0.1	1.7	r1.8	r3.7	r1.0	r3.7	r-1.2	1.9
	ANNUAL	r0.3	2.7	r2.4	r3.2	r0.3	r2.9	r1.1	2.2
1996	I	r1.0	2.2	r1.2	r3.8	r1.0	2.8	-0.8	1.5
	II	0.8	3.2	2.4	3.8	0.9	3.0	-1.1	1.5
	III	0.3	r2.4	r2.1	r3.7	r0.7	3.4	-2.3	1.4

See footnotes following Table 6.
r=revised

December 5, 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	99.7
	II	106.2	109.5	103.2	104.7	98.6
	III	106.6	110.9	104.0	105.5	99.0
	IV	107.7	113.0	r104.9	106.4	98.8
	ANNUAL	106.1	110.2	103.8	105.1	99.0
1995	I	108.3	114.1	105.3	107.2	99.0
	II	r109.1	113.5	r104.0	r108.4	99.4
	III	r110.5	114.2	103.4	109.7	99.3
	IV	111.5	114.6	102.8	r110.9	99.4
	ANNUAL	109.8	114.1	103.9	109.0	99.3
1996	I	113.0	115.3	102.0	r111.0	98.2
	II	113.8	117.3	r103.0	112.5	98.9
	III	r115.6	r118.9	r102.8	113.8	98.5

Percent change from previous quarter at annual rate(5)						
1994	I	6.7	8.8	2.0	3.3	-3.1
	II	5.5	8.5	2.9	1.1	-4.1
	III	1.7	5.1	3.4	r3.2	1.5
	IV	4.1	7.9	3.6	r3.2	-0.9
	ANNUAL	4.0	6.5	2.4	2.7	-1.2
1995	I	r2.5	3.9	1.4	r3.3	0.8
	II	2.7	-2.1	-4.7	4.3	1.5
	III	5.3	2.6	-2.5	5.1	-0.2
	IV	3.7	1.4	-2.2	r4.2	0.4
	ANNUAL	r3.5	3.5	0.1	3.7	0.2
1996	I	5.6	2.4	r-3.0	0.4	-4.9
	II	2.9	7.1	4.1	5.8	2.8
	III	6.3	r5.6	r-0.7	4.6	-1.6

Percent change from corresponding quarter of previous year						
1994	I	3.1	4.7	1.5	3.1	0.0
	II	4.5	6.5	1.9	2.8	-1.7
	III	4.5	7.1	2.4	2.9	-1.6
	IV	4.5	7.6	3.0	2.7	-1.7
	ANNUAL	4.0	6.5	2.4	2.7	-1.2
1995	I	3.4	6.3	2.8	2.7	-0.7
	II	2.7	3.6	r0.8	3.5	0.7
	III	3.6	3.0	-0.6	r4.0	0.3
	IV	3.5	1.4	-2.0	4.2	0.7
	ANNUAL	r3.5	3.5	0.1	3.7	0.2
1996	I	4.3	1.0	-3.1	3.5	-0.8
	II	4.4	3.4	-1.0	3.8	-0.5
	III	4.6	4.1	-0.5	3.7	r-0.9

See footnotes following Table 6.
r=revised

December 5, 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	r106.9	110.4	103.2	r104.2	99.7	97.5
	II	108.2	112.6	104.1	104.5	99.3	96.6
	III	109.0	114.8	105.3	105.3	99.1	96.6
	IV	r110.4	117.5	r106.5	r106.1	99.3	96.1
	ANNUAL	108.4	113.8	105.0	104.8	99.2	96.7
1995	I	r111.7	119.5	r107.0	r106.9	r99.4	r95.8
	II	r112.1	119.0	r106.1	r108.0	r99.5	96.3
	III	r113.9	120.4	r105.8	r109.4	r100.3	96.1
	IV	r115.1	121.5	r105.6	r110.4	r100.7	95.9
	ANNUAL	r113.1	120.1	r106.1	r108.6	r100.0	96.0
1996	I	r117.2	123.1	r105.0	r109.7	r99.3	93.6
	II	r118.3	126.3	r106.8	r111.6	r100.0	94.3
	III	r120.7	128.6	r106.6	r112.8	r100.5	93.5

Percent change from previous quarter at annual rate(5)							
1994	I	r7.3	11.0	r3.4	r3.0	r0.9	-4.1
	II	4.8	8.6	3.6	1.0	-1.5	-3.7
	III	r3.2	7.8	r4.5	r3.1	r-0.7	-0.1
	IV	r5.0	9.9	r4.7	r3.1	r0.8	-1.8
	ANNUAL	4.9	8.5	3.5	2.5	0.0	-2.2
1995	I	r4.9	7.0	r2.0	r3.2	r0.3	-1.6
	II	r1.5	-1.9	r-3.3	r3.9	r0.5	2.4
	III	r6.5	5.1	r-1.4	r5.4	r3.3	-1.0
	IV	4.3	3.6	-0.7	3.6	1.2	-0.7
	ANNUAL	r4.4	5.5	r1.1	r3.6	r0.8	-0.7
1996	I	r7.7	5.5	r-2.0	r-2.3	r-5.4	-9.3
	II	3.7	10.7	r6.8	6.8	r2.8	3.0
	III	r8.3	r7.7	r-0.6	4.6	r2.3	r-3.4

Percent change from corresponding quarter of previous year							
1994	I	4.4	6.8	2.3	3.1	0.6	-1.2
	II	r5.2	8.4	r3.0	2.8	r0.3	-2.4
	III	r5.9	9.5	3.5	2.9	0.0	-2.8
	IV	r5.1	9.3	r4.0	r2.5	r-0.1	-2.4
	ANNUAL	4.9	8.5	3.5	2.5	0.0	-2.2
1995	I	r4.5	8.3	r3.7	r2.6	r-0.3	-1.8
	II	r3.6	5.6	r1.9	r3.3	r0.2	-0.3
	III	r4.4	4.9	r0.5	r3.9	r1.2	-0.5
	IV	r4.3	3.4	r-0.9	r4.0	r1.3	-0.2
	ANNUAL	r4.4	5.5	r1.1	r3.6	r0.8	-0.7
1996	I	r5.0	3.0	r-1.9	r2.6	r-0.1	-2.2
	II	5.5	6.2	0.6	3.3	0.4	-2.1
	III	6.0	6.8	r0.8	3.1	0.2	-2.7

See footnotes following Table 6.
r=revised

December 5, 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	r102.9	104.3	101.4	r104.6	r100.0	101.7
	II	r104.4	106.3	101.9	r104.9	99.6	100.4
	III	104.4	106.9	102.4	r105.6	99.5	101.2
	IV	r105.2	108.3	r102.9	r106.4	99.7	101.1
	ANNUAL	104.2	106.5	102.2	105.3	99.7	101.1
1995	I	r105.3	108.4	r103.0	r107.3	r99.8	102.0
	II	r106.4	107.8	r101.3	r108.6	r100.1	102.0
	III	r107.4	107.7	r100.2	r109.7	r100.6	102.1
	IV	r108.2	107.3	r99.1	r110.9	r101.2	102.5
	ANNUAL	r106.9	107.8	r100.9	r109.2	r100.5	102.1
1996	I	r109.1	106.9	r98.0	r112.2	r101.5	102.9
	II	r109.6	107.5	r98.1	r113.2	r101.5	103.3
	III	r110.7	r108.3	r97.9	r114.5	r102.0	r103.5

Percent change from previous quarter at annual rate(5)							
1994	I	r6.3	6.4	0.1	r3.6	r1.6	r-2.5
	II	6.0	8.1	1.9	1.1	-1.4	-4.7
	III	r0.1	2.0	r1.9	r3.1	r-0.7	3.0
	IV	r3.2	5.4	r2.1	r3.1	r0.8	-0.2
	ANNUAL	3.1	4.1	1.0	2.6	0.1	-0.5
1995	I	r0.1	0.6	r0.5	r3.4	r0.5	3.3
	II	r4.4	-2.5	r-6.7	r4.6	r1.2	0.2
	III	r3.9	-0.3	r-4.1	r4.2	r2.1	0.3
	IV	3.0	-1.4	-4.3	4.7	r2.2	1.6
	ANNUAL	r2.6	1.3	r-1.3	r3.7	r0.8	1.0
1996	I	r3.1	-1.5	-4.4	r4.7	r1.4	1.6
	II	2.0	2.4	r0.3	r3.7	-0.2	1.6
	III	r3.9	r3.0	r-0.9	4.7	2.3	r0.7

Percent change from corresponding quarter of previous year							
1994	I	1.9	2.4	0.5	3.0	0.5	1.1
	II	r4.0	4.4	0.5	r2.7	0.2	-1.2
	III	3.2	4.3	1.0	2.6	-0.2	-0.6
	IV	r3.9	5.4	r1.5	r2.7	r0.1	-1.1
	ANNUAL	3.1	4.1	1.0	2.6	0.1	-0.5
1995	I	r2.3	4.0	r1.6	r2.7	r-0.2	0.3
	II	r1.9	1.3	r-0.6	r3.5	r0.4	1.6
	III	r2.9	0.7	r-2.1	r3.8	r1.1	0.9
	IV	r2.8	-0.9	r-3.7	r4.2	r1.5	1.3
	ANNUAL	r2.6	1.3	r-1.3	r3.7	r0.8	1.0
1996	I	r3.6	-1.4	r-4.9	r4.5	r1.7	0.9
	II	3.0	-0.2	-3.1	4.3	1.4	1.3
	III	r3.0	r0.6	-2.3	4.4	1.4	1.4

See footnotes following Table 6.
r=revised

December 5, 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 costs (6)	Total unit costs (7)	Unit profits (8)	Implicit price deflator (4)	

Indexes 1992=100											
1994	I	102.7	107.4	r104.5	r103.8	99.2	101.0	102.1	101.3	120.5	102.8
	II	r102.6	108.9	r106.1	r103.8	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	r102.7	111.5	r108.5	r104.7	r98.0	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	r101.8	111.4	r109.4	r105.3	r97.9	103.4	100.0	102.5	130.9	104.7
	II	r102.4	112.1	r109.4	r106.3	r98.0	103.8	100.9	103.0	130.1	105.1
	III	r103.7	114.0	r110.0	r107.3	r98.4	103.5	99.7	102.5	142.1	105.5
	IV	r104.3	115.2	r110.5	r108.3	r98.8	103.9	100.0	102.8	140.4	105.7
	ANNUAL	r103.1	113.2	r109.8	r106.8	r98.3	103.6	100.1	102.7	136.0	105.2
1996	I	r104.6	115.8	r110.7	r109.0	r98.6	104.3	99.3	102.9	145.1	106.1
	II	r105.0	117.4	r111.9	r110.1	r98.7	104.9	98.4	103.1	147.8	106.5
	III	105.9	119.1	112.5	111.2	99.1	105.0	98.1	103.1	147.3	106.5

Percent change from previous quarter at annual rate(5)											
1994	I	r1.0	5.0	r4.0	r3.6	r1.6	2.6	12.0	5.1	-22.4	2.2
	II	-0.5	5.7	r6.3	0.0	-2.5	0.5	-12.8	-3.3	55.2	1.2
	III	r-0.6	2.8	r3.5	r1.1	r-2.6	1.7	2.4	1.9	5.9	2.3
	IV	r1.1	6.7	r5.5	r2.4	r0.1	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	r-3.4	-0.2	r3.3	r2.4	r-0.5	6.0	7.0	6.3	-26.8	2.4
	II	r2.3	2.4	r0.2	r3.8	r0.4	1.5	3.7	2.1	-2.4	1.6
	III	r4.9	7.2	r2.2	r3.7	r1.7	-1.1	-4.7	-2.1	42.2	1.6
	IV	r2.4	4.3	1.8	r3.9	r1.5	1.5	1.0	1.4	-4.8	0.7
	ANNUAL	r0.4	3.5	r3.0	r2.6	r-0.2	2.2	0.6	1.8	1.9	1.8
1996	I	r1.3	2.2	r0.9	r2.7	r-0.5	1.5	-2.6	0.4	14.3	1.7
	II	r1.5	5.6	r4.1	r3.9	r0.0	2.4	-3.6	0.8	7.5	1.5
	III	3.6	5.8	2.2	4.1	1.7	0.5	-1.1	0.1	-1.3	0.0

Percent change from corresponding quarter of previous year											
1994	I	r2.6	6.1	r3.4	r2.3	r-0.2	-0.3	1.5	0.2	17.1	1.5
	II	r1.7	5.8	r4.1	r1.9	r-0.5	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	r0.2	5.1	r4.8	r1.8	r-0.9	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	r-0.9	3.7	r4.6	r1.5	r-1.4	2.4	-2.1	1.1	8.6	1.8
	II	r-0.2	2.9	r3.1	r2.4	r-0.6	2.6	2.3	2.5	-3.3	1.9
	III	r1.2	4.0	r2.8	r3.1	r0.4	1.9	0.5	1.5	4.1	1.8
	IV	r1.5	3.4	r1.9	r3.5	r0.8	1.9	1.7	1.9	-0.8	1.6
	ANNUAL	r0.4	3.5	r3.0	r2.6	r-0.2	2.2	0.6	1.8	1.9	1.8
1996	I	r2.7	4.0	r1.3	r3.5	r0.8	0.8	-0.7	0.4	10.9	1.4
	II	2.5	4.8	2.2	3.6	0.7	1.1	-2.5	0.1	13.6	1.4
	III	2.2	4.5	2.2	3.7	0.7	1.5	-1.6	0.7	3.6	1.0

See footnotes following Table 6.
r=revised

December 5, 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 costs include 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 costs are the sum of unit labor and nonlabor costs.
- (8) Unit profits include corporate profits with inventory valuation and capital consumption adjustments.