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MATERIAL IS EMBARGOED
UNTIL 10:00 A.M. EDT
WEDNESDAY, MAY 7, 1997.PRODUCTIVITY AND COSTS
First Quarter 1997

The Bureau of Labor Statistics of the U.S. Department of Labor today reported preliminary productivity data--as measured by output per hour of all persons--for the first quarter of 1997. The seasonally-adjusted annual rates of productivity change in the first quarter were:

2.1 percent in the business sector and
2.0 percent in the nonfarm business sector.

In both sectors, first-quarter productivity gains were larger than those posted in the previous three quarters.

In manufacturing, productivity changes in the first quarter were:

3.1 percent in manufacturing,
3.4 percent in durable goods manufacturing, and
3.5 percent in nondurable goods manufacturing.

Output and hours in manufacturing, which includes about 18 percent of U.S. business-sector employment, tend to vary more from quarter to quarter than data for the more aggregate business and nonfarm business sectors. First-quarter measures are summarized in table A and appear in detail in tables 1 through 5.

The data sources and methods used in the preparation of the manufacturing series differ from those used in preparing the business and nonfarm business series, and these measures are not directly comparable. Output measures for business and nonfarm business are based on measures of gross domestic product prepared by the Bureau of Economic Analysis of the U.S. Department of Commerce. Quarterly output measures for manufacturing reflect independent indexes of industrial production prepared by the Board of Governors of the Federal Reserve System. See Technical Notes for further information on data sources.

Table A. Productivity and costs: Preliminary first-quarter 1997
measures
(Seasonally adjusted annual rates)

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

Percent change from preceding quarter						
Business	2.1	6.8	4.5	4.5	2.0	2.3
Nonfarm business	2.0	6.8	4.7	4.7	2.3	2.7
Manufacturing	3.1	6.7	3.5	4.5	2.0	1.4
Durable	3.4	10.3	6.6	4.4	2.0	0.9
Nondurable	3.5	2.6	-0.8	4.0	1.6	0.5

Percent change from same quarter a year ago						
Business	1.2	4.7	3.4	4.0	1.1	2.8
Nonfarm business	0.9	4.6	3.6	3.9	0.9	2.9
Manufacturing	3.8	5.6	1.7	4.4	1.4	0.5
Durable	4.2	7.3	3.0	4.4	1.4	0.2
Nondurable	3.7	3.4	-0.3	4.1	1.2	0.4

Business

From the fourth quarter of 1996 to the first quarter of 1997, business sector productivity increased at a 2.1 percent annual rate. Output and hours advanced 6.8 percent and 4.5 percent, respectively. During the fourth quarter of 1996, output had increased 4.8 percent, and hours of all persons engaged in the sector increased 3.5 percent (seasonally adjusted annual rates); productivity rose 1.2 percent (table 1).

Hourly compensation increased 4.5 percent during the first quarter of 1997 and 3.7 percent in the fourth 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 2.3 percent rate during the first quarter. This increase in unit labor costs was about the same as the 2.4 percent rise in the previous quarter.

Real hourly compensation, which takes into account changes in the Consumer Price Index for All Urban Consumers (CPI-U), rose at a 2.0 percent annual rate in the first quarter, after rising only 0.3 percent in the fourth quarter of 1996. The first-quarter increase in real hourly compensation was the largest recorded since a 5.1 percent increase was posted 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 1.8 percent in the first quarter, somewhat more than the 1.1 percent increase during the fourth quarter of 1996.

Nonfarm business

Productivity rose 2.0 percent in the nonfarm business sector in the first quarter, as output increased 6.8 percent and hours of all persons went up 4.7 percent. During the fourth quarter of 1996, productivity had risen 1.1 percent in this sector, reflecting gains of 4.9 percent in output and 3.8 percent in hours (table 2). The first-quarter increase in productivity was the largest since the 2.8 percent gain in the fourth quarter of 1993.

Hourly compensation increased at a 4.7 percent annual rate in the first quarter, compared with a 3.6 percent increase one quarter earlier. When the rise in the CPI-U was taken into account, real hourly compensation rose 2.3 percent; it had increased 0.2 percent in the fourth quarter.

Unit labor costs rose 2.7 percent in the first quarter. The implicit price deflator for nonfarm business output rose 2.0 percent in the first quarter, compared with a 1.2 percent rise one quarter earlier.

Manufacturing

Productivity increased at a 3.1 percent seasonally-adjusted annual rate in manufacturing in the first quarter of 1997, as output rose 6.7 percent and hours of all persons increased 3.5 percent. In the fourth quarter of 1996, productivity and output rose 4.3 percent, and hours were unchanged (table 3). Although the durable and nondurable subsectors of manufacturing had similar growth in productivity in the first quarter, 3.4 and 3.5 percent, respectively, the underlying trends in output and hours were quite different. In durable goods manufacturing, output growth surged at a 10.3 percent annual rate in the first quarter, and hours of all persons rose 6.6 percent. Nondurable goods manufacturing output grew 2.6 percent in the first quarter, and hours of all persons dropped at a 0.8 percent annual rate (tables 4 and 5).

Hourly compensation of all manufacturing workers rose 4.5 percent during the first quarter after having risen 2.7 percent in the fourth quarter of 1996. Real hourly compensation in the manufacturing sector rose 2.0 percent in the first quarter of 1997; it had dropped 0.6 percent during the previous quarter.

Unit labor costs in manufacturing rose 1.4 percent in the first quarter of 1997 after having fallen 1.5 percent in the fourth quarter of 1996 and 1.2 percent in the third quarter. In the first quarter of 1997, unit labor costs of durable goods producers rose 0.9 percent, and those of nondurable goods producers rose 0.5 percent.

 Table B. Nonfinancial corporations: Fourth-quarter 1996 productivity and cost measures

(Seasonally adjusted annual rates)

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

Percent change from preceding quarter								
1996 IV	1.7	5.0	3.3	3.2	-0.1	1.5	-9.4	0.1

Percent change from same quarter a year ago								
1996 IV	2.1	4.7	2.6	3.5	0.3	1.3	2.8	0.8

Fourth-quarter and annual measures for nonfinancial corporations

Fourth-quarter and annual 1996 measures of productivity and costs also were announced today for the nonfinancial corporate sector (tables B, C, and 6). Output per all-employee hour rose 1.7 percent from the third to the fourth quarter of 1996 as output increased 5.0 percent and employee hours rose 3.3 percent. In the third quarter, productivity had risen 4.0 percent as output rose 6.1 percent and all-employee hours rose 2.0 percent (seasonally adjusted annual rates). 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 3.2 percent in the fourth quarter, and real hourly compensation fell 0.1 percent. Unit labor costs rose 1.5 percent in the fourth quarter compared with a 0.1 percent rise one quarter earlier. Total unit costs rose 1.4 during the fourth quarter after having dropped 0.2 percent during the third quarter. In the fourth quarter, unit profits fell 9.4 percent. Unit profits had risen 2.0 percent during the third quarter of 1996. The implicit price deflator for nonfinancial corporate output edged up 0.1 percent during both the third and fourth quarters.

 Table C. Nonfinancial corporations: Annual changes in productivity and related measures, 1987-1996

Measure	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Productivity	1.7	1.7	-1.3	0.8	1.6	2.7	1.3	1.3	0.4	2.4
Output	4.9	5.3	1.6	1.0	-1.3	3.0	3.6	5.6	3.5	4.5
Hours	3.1	3.5	2.9	0.1	-2.9	0.3	2.2	4.2	3.0	2.1
Hourly compensation	3.7	4.0	2.6	5.3	4.7	4.7	2.2	1.8	2.6	3.5
Real hourly compensation	0.1	-0.1	-2.1	-0.1	0.5	1.7	-0.8	-0.7	-0.2	0.5
Unit labor costs	2.0	2.3	3.9	4.4	3.0	2.0	0.9	0.5	2.2	1.1
Unit nonlabor costs	0.0	2.5	7.3	3.0	3.9	-2.9	-0.3	0.0	1.2	-1.6
Total unit cost	1.5	2.3	4.8	4.0	3.2	0.7	0.6	0.4	1.9	0.4
Unit profits	9.1	8.1	-7.4	-1.5	-0.8	6.5	13.2	13.2	0.5	6.8
Implicit price deflator	2.2	2.9	3.5	3.5	2.9	1.2	1.7	1.7	1.8	1.1

Productivity grew 2.4 percent in nonfinancial corporations in calendar year 1996, the largest increase since a gain of 2.7 percent was posted in 1992. In 1995, productivity had grown 0.4 percent. Output grew faster in 1996, 4.5 percent, than it had one year earlier, when it grew 3.5 percent. Hours of employees in nonfinancial corporations grew 2.1 percent during 1996.

The 1996 increase in hourly compensation was 3.5 percent. Real hourly compensation rose 0.5 percent in 1996, the first annual increase posted since 1992, when it rose 1.7 percent.

Total unit costs rose 0.4 percent in 1996, reflecting an increase of 1.1 percent in unit labor costs and a 1.6 percent drop in unit nonlabor costs. Unit profits for the year rose 6.8 percent; in 1995, they had risen only 0.5 percent.

 Table D. 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

Fourth quarter 1996						
Business:						
Previous	1.2	4.8	3.6	3.7	0.4	2.5
Current	1.2	4.8	3.5	3.7	0.3	2.4
Nonfarm business:						
Previous	1.1	5.0	3.9	3.6	0.2	2.5
Current	1.1	4.9	3.8	3.6	0.2	2.5
Manufacturing:						
Previous	4.4	4.5	0.1	2.8	-0.6	-1.6
Current	4.3	4.3	0.0	2.7	-0.6	-1.5

 REVISED MEASURES

Current and previous measures for the fourth quarter of 1996 for the business, nonfarm business, and manufacturing sectors are compared in table D. Some of the quarterly movements differ slightly from those reported on March 11, based on information then available.

Measures of productivity, output, and unit labor costs for the business and nonfarm business sectors and nonfinancial corporations have been revised back to 1959 to reflect the historical revisions of the National Income and Product Accounts (NIPA) announced by the Bureau of Economic Analysis, U.S. Department of Commerce, on April 30. These revisions were small. There were much larger revisions to data on corporate profits for nonfinancial corporations. However, these were largely offset by revisions to nonlabor costs. Appendix table 1 shows the annual indexes of productivity and costs for nonfinancial corporations for the years 1959-1994.

Next release date

The next release of Productivity and Costs is scheduled for 10:00 AM EDT, Wednesday, June 18, 1997. First-quarter measures for nonfinancial corporations and revised measures for business, nonfarm business, and manufacturing will be released at that time. This release will incorporate the annual benchmark revision to the BLS establishment survey data and revised seasonal factors. If available at that time, revised historical output data for the business and nonfarm business sectors for the years 1947-58 will be included.

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									
1995	I	100.4	108.8	108.4	106.2	98.7	105.8	107.4	106.4
	II	100.8	109.0	108.2	107.3	99.0	106.5	107.8	r107.0
	III	r101.1	110.3	109.0	108.3	99.3	r107.1	108.3	107.5
	IV	101.0	110.4	109.3	109.4	99.8	r108.4	106.7	107.8
	ANNUAL	100.8	109.6	108.8	107.8	99.2	106.9	107.6	r107.2
1996	I	101.5	111.2	109.6	110.3	99.7	r108.7	r107.3	108.2
	II	101.8	112.6	110.6	111.4	99.9	r109.5	r107.6	108.8
	III	101.9	113.2	111.1	112.5	100.2	110.4	107.0	109.2
	IV	102.2	r114.5	112.1	113.5	100.3	r111.1	106.7	109.5
	ANNUAL	101.8	112.9	110.9	111.8	100.0	109.9	107.2	108.9
1997	I	102.7	116.4	113.3	114.7	100.8	111.7	107.0	110.0
Percent change from previous quarter at annual rate(5)									
1995	I	-2.6	r0.4	3.0	2.8	0.1	r5.5	-1.4	3.0
	II	1.4	0.7	-0.7	4.1	0.9	2.6	1.3	r2.1
	III	1.4	r4.7	3.3	3.6	1.5	r2.2	1.8	2.0
	IV	-0.6	0.5	1.1	4.3	1.8	5.0	-5.6	1.0
	ANNUAL	0.1	2.5	2.4	3.1	0.3	3.0	r1.1	2.3
1996	I	2.1	3.0	0.8	3.2	-0.1	r1.0	2.4	1.5
	II	1.2	5.0	3.8	4.3	0.9	3.1	1.1	2.4
	III	0.3	2.2	1.9	3.8	1.1	3.4	-2.3	1.3
	IV	1.2	4.8	r3.5	3.7	r0.3	r2.4	r-1.2	1.1
	ANNUAL	1.0	3.0	2.0	3.8	0.8	2.8	-0.3	1.6
1997	I	2.1	6.8	4.5	4.5	2.0	2.3	1.0	1.8
Percent change from corresponding quarter of previous year									
1995	I	0.0	r3.7	3.8	2.1	-0.7	r2.2	2.8	2.4
	II	0.2	2.2	2.0	3.0	-0.1	2.8	2.0	2.5
	III	0.1	2.4	2.3	3.4	0.7	3.3	0.6	2.3
	IV	-0.1	1.6	1.7	3.7	1.1	3.8	-1.0	2.0
	ANNUAL	0.1	2.5	2.4	3.1	0.3	3.0	r1.1	2.3
1996	I	1.1	2.2	1.1	3.8	1.0	2.7	-0.1	1.7
	II	1.0	3.3	2.2	3.8	1.0	2.8	-0.1	1.7
	III	r0.8	2.7	1.9	3.9	0.9	3.1	r-1.2	1.6
	IV	1.2	3.7	2.5	3.7	0.5	2.5	0.0	1.6
	ANNUAL	1.0	3.0	2.0	3.8	0.8	2.8	-0.3	1.6
1997	I	1.2	4.7	3.4	4.0	1.1	2.8	-0.4	1.7

See footnotes following Table 6.
r=revised

May 7, 1997
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									
1995	I	100.5	109.0	108.4	106.2	98.7	105.6	108.2	106.5
	II	100.9	109.2	108.3	107.2	98.9	106.3	108.5	107.1
	III	101.3	110.6	109.1	108.2	99.3	106.8	108.9	107.5
	IV	r101.0	110.7	109.5	109.3	99.6	108.1	107.1	107.8
	ANNUAL	100.9	109.9	108.9	107.7	99.1	106.7	108.2	107.2
1996	I	101.5	111.4	109.8	110.2	99.6	108.5	107.4	108.1
	II	101.7	r112.7	110.9	111.3	99.8	109.4	107.3	108.7
	III	101.7	113.3	111.4	112.2	99.9	110.3	r106.6	109.0
	IV	r101.9	r114.6	112.5	113.2	100.0	111.0	106.3	109.3
	ANNUAL	101.6	113.0	111.2	111.6	99.8	109.8	106.9	108.8
1997	I	102.5	116.5	113.8	114.5	100.6	111.7	106.6	109.9
Percent change from previous quarter at annual rate(5)									
1995	I	r-2.2	0.6	2.9	2.9	0.2	5.3	r-0.8	3.0
	II	1.5	0.9	-0.6	4.0	0.9	2.5	1.1	2.0
	III	r1.7	5.0	3.2	3.7	1.5	1.9	1.4	1.7
	IV	-1.2	r0.4	1.5	4.0	1.5	5.2	-6.4	0.9
	ANNUAL	0.3	2.7	2.4	3.2	0.3	2.9	1.1	2.2
1996	I	1.9	2.7	0.8	3.4	0.1	1.5	1.1	1.4
	II	0.6	4.8	4.1	3.9	0.5	3.3	-0.1	2.1
	III	0.0	1.9	1.9	3.3	0.7	3.3	-2.5	1.2
	IV	1.1	r4.9	r3.8	3.6	0.2	2.5	r-1.1	1.2
	ANNUAL	0.7	2.9	2.2	3.6	0.7	2.9	-1.1	1.5
1997	I	2.0	6.8	4.7	4.7	2.3	2.7	0.9	2.0
Percent change from corresponding quarter of previous year									
1995	I	0.2	3.9	3.7	2.3	-0.5	2.1	3.2	2.5
	II	0.3	2.4	2.1	3.0	0.0	2.7	2.1	2.5
	III	0.3	2.6	2.3	3.5	0.8	3.1	0.4	r2.2
	IV	-0.1	1.7	1.8	3.7	1.0	3.7	-1.2	1.9
	ANNUAL	0.3	2.7	2.4	3.2	0.3	2.9	1.1	2.2
1996	I	1.0	2.2	1.2	3.8	1.0	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	2.4	2.1	3.7	0.7	3.3	-2.0	1.4
	IV	0.9	3.6	2.7	3.6	0.4	r2.6	-0.7	1.5
	ANNUAL	0.7	2.9	2.2	3.6	0.7	2.9	-1.1	1.5
1997	I	0.9	4.6	3.6	3.9	0.9	2.9	-0.7	1.6

See footnotes following Table 6.
r=revised

May 7, 1997
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						
1995	I	107.2	112.9	105.3	107.2	99.7
	II	108.2	112.6	104.0	108.4	100.0
	III	109.6	113.3	103.4	109.7	100.7
	IV	110.5	113.6	102.8	110.9	101.1
	ANNUAL	108.9	113.1	103.9	109.0	100.4
1996	I	111.6	113.9	102.0	111.0	100.3
	II	112.2	115.6	103.0	112.5	100.9
	III	113.8	117.0	102.8	113.8	101.4
	IV	r115.0	118.3	102.8	114.6	101.3
	ANNUAL	113.1	116.2	102.8	112.8	100.9
1997	I	115.9	120.2	103.7	115.8	101.8

Percent change from previous quarter at annual rate(5)						
1995	I	2.8	4.2	1.4	3.3	0.5
	II	3.6	-1.4	-4.7	4.3	1.2
	III	5.3	2.6	-2.5	5.1	2.9
	IV	3.2	1.0	-2.2	4.2	1.7
	ANNUAL	3.4	3.5	0.1	3.7	0.9
1996	I	4.3	1.1	-3.0	0.4	-2.9
	II	2.1	6.3	4.1	5.8	2.3
	III	5.9	5.0	-0.9	4.6	1.9
	IV	r4.3	r4.3	r0.0	r2.7	-0.6
	ANNUAL	r3.8	r2.7	r-1.1	3.5	0.5
1997	I	3.1	6.7	3.5	4.5	2.0

Percent change from corresponding quarter of previous year						
1995	I	3.1	6.0	2.8	2.7	-0.2
	II	2.7	3.6	0.8	3.5	0.4
	III	3.6	3.0	-0.6	4.0	1.3
	IV	3.7	1.6	-2.0	4.2	1.5
	ANNUAL	3.4	3.5	0.1	3.7	0.9
1996	I	4.1	0.8	-3.1	3.5	0.7
	II	3.7	2.7	-1.0	3.8	1.0
	III	3.9	3.3	-0.5	3.7	0.7
	IV	r4.1	r4.1	0.0	3.4	0.2
	ANNUAL	r3.8	r2.7	r-1.1	3.5	0.5
1997	I	3.8	5.6	1.7	4.4	1.4

See footnotes following Table 6.
r=revised

May 7, 1997
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							
1995	I	110.4	118.1	107.0	106.9	99.4	96.9
	II	111.0	117.8	106.1	108.0	99.6	97.3
	III	112.9	119.4	105.8	109.4	100.4	96.9
	IV	114.1	120.4	105.6	110.4	100.7	96.8
	ANNUAL	112.1	118.9	106.1	108.6	100.0	96.9
1996	I	115.7	121.5	105.0	109.7	99.3	94.8
	II	116.7	124.6	106.8	111.6	100.1	95.6
	III	118.6	126.4	106.5	112.8	100.5	95.1
	IV	r119.5	r127.3	106.5	113.4	100.2	94.8
	ANNUAL	117.5	r124.9	106.3	111.7	99.9	95.1
1997	I	120.6	130.4	108.2	114.6	100.7	95.0

Percent change from previous quarter at annual rate(5)							
1995	I	5.0	7.1	2.0	3.2	0.4	-1.7
	II	2.3	-1.1	-3.3	3.9	0.8	1.6
	III	7.0	5.5	-1.4	5.4	3.2	-1.5
	IV	4.2	3.5	-0.7	3.6	1.1	-0.6
	ANNUAL	4.4	5.5	1.1	3.6	0.8	-0.7
1996	I	5.8	3.7	-2.0	-2.3	-5.5	-7.7
	II	3.3	10.3	6.8	6.8	3.3	3.3
	III	7.0	6.0	-0.9	4.6	1.9	-2.2
	IV	r3.0	r2.8	r-0.2	r1.9	r-1.4	r-1.1
	ANNUAL	4.9	r5.0	0.2	2.8	-0.1	-1.9
1997	I	3.4	10.3	6.6	4.4	2.0	0.9

Percent change from corresponding quarter of previous year							
1995	I	4.2	8.0	3.7	2.6	-0.3	-1.5
	II	3.6	5.6	1.9	3.3	0.3	-0.3
	III	4.5	5.0	0.5	3.9	1.2	-0.6
	IV	4.6	3.7	-0.9	4.0	1.4	-0.6
	ANNUAL	4.4	5.5	1.1	3.6	0.8	-0.7
1996	I	4.8	2.9	-1.9	2.6	-0.1	-2.1
	II	5.1	5.7	0.6	3.3	0.5	-1.7
	III	5.1	5.8	0.7	3.1	0.1	-1.9
	IV	r4.8	r5.7	0.9	2.7	-0.5	r-2.0
	ANNUAL	4.9	r5.0	0.2	2.8	-0.1	-1.9
1997	I	4.2	7.3	3.0	4.4	1.4	0.2

See footnotes following Table 6.
r=revised

May 7, 1997
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							
1995	I	104.4	107.6	103.0	107.3	99.8	102.8
	II	105.8	107.1	101.3	108.6	100.1	102.6
	III	106.7	106.9	100.2	109.7	100.6	102.8
	IV	107.4	106.4	99.1	110.9	101.2	103.3
	ANNUAL	106.1	107.0	100.9	109.2	100.5	102.9
1996	I	108.1	105.9	98.0	112.2	101.5	103.8
	II	108.4	106.3	98.1	113.2	101.6	104.5
	III	109.6	107.3	97.9	114.6	102.1	104.5
	IV	r111.1	r108.8	r97.9	115.7	102.3	104.1
	ANNUAL	109.2	107.1	98.1	113.8	101.8	104.2
1997	I	112.1	109.5	97.7	116.9	102.7	104.3
----- Percent change from previous quarter at annual rate(5)							
1995	I	0.3	0.8	0.5	3.4	0.6	3.1
	II	5.3	-1.7	-6.7	4.6	1.4	-0.7
	III	3.6	-0.7	-4.1	4.2	2.0	0.6
	IV	2.5	-1.9	-4.3	4.7	2.2	2.2
	ANNUAL	2.5	1.2	-1.3	3.7	0.8	1.1
1996	I	2.7	-1.9	-4.4	4.7	1.3	2.0
	II	1.3	1.6	0.3	3.7	0.3	2.4
	III	4.6	3.7	-0.9	4.7	2.0	0.1
	IV	r5.6	r5.9	r0.3	r4.1	0.8	r-1.4
	ANNUAL	3.0	0.1	-2.8	4.3	1.3	1.3
1997	I	3.5	2.6	-0.8	4.0	1.6	0.5
----- Percent change from corresponding quarter of previous year							
1995	I	2.0	3.6	1.6	2.7	-0.2	0.6
	II	1.8	1.2	-0.6	3.5	0.5	1.7
	III	2.9	0.7	-2.1	3.8	1.1	0.9
	IV	2.9	-0.9	-3.7	4.2	1.6	1.3
	ANNUAL	2.5	1.2	-1.3	3.7	0.8	1.1
1996	I	3.5	-1.5	-4.9	4.5	1.7	1.0
	II	2.5	-0.7	-3.1	4.3	1.4	1.8
	III	2.7	0.3	-2.3	4.4	1.4	1.7
	IV	r3.5	2.3	-1.2	4.3	1.1	r0.8
	ANNUAL	3.0	0.1	-2.8	4.3	1.3	1.3
1997	I	3.7	3.4	-0.3	4.1	1.2	0.4

See footnotes following Table 6.
r=revised

May 7, 1997
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	104.5	103.8	99.2	101.0	r102.0	101.3	r118.0	102.8
	II	102.6	108.9	106.1	103.8	98.6	101.2	r98.5	100.5	r129.4	103.1
	III	102.4	109.7	107.0	104.1	98.0	101.6	99.3	101.0	r130.7	103.7
	IV	102.7	r111.4	108.5	104.7	98.0	101.9	r98.7	r101.1	r134.0	r104.1
	ANNUAL	102.6	109.3	106.6	104.1	98.5	101.4	99.6	r101.0	r128.1	103.4
1995	I	101.8	r111.3	109.4	105.3	97.9	103.4	r100.5	r102.7	r124.9	104.7
	II	102.4	r112.0	109.4	106.3	98.0	103.8	r101.6	r103.2	r124.0	105.1
	III	r103.6	114.0	110.0	107.3	98.4	103.5	r100.4	r102.7	r133.8	105.5
	IV	104.3	115.2	110.5	108.3	98.8	103.9	r100.7	r103.1	r132.1	105.7
	ANNUAL	r103.0	r113.1	109.8	106.8	98.3	r103.7	r100.8	r102.9	r128.8	r105.3
1996	I	104.6	115.8	110.7	109.0	98.6	104.3	r100.0	r103.2	r136.2	106.1
	II	105.0	117.4	111.9	110.1	98.7	104.9	r99.0	r103.3	r138.5	106.5
	III	106.0	119.2	112.4	111.2	99.1	104.9	r98.8	r103.3	r139.2	r106.6
	IV	106.5	120.6	113.3	112.1	99.0	105.3	99.0	103.7	135.9	106.6
	ANNUAL	105.5	118.3	112.1	110.6	98.9	104.8	99.2	103.4	137.5	106.5

Percent change from previous quarter at annual rate(5)											
1994	I	1.0	5.0	4.0	3.6	1.6	2.6	r12.4	5.1	r-19.1	2.2
	II	-0.5	5.7	6.3	0.0	-2.3	0.5	r-12.9	r-3.1	r44.6	1.2
	III	-0.6	2.8	3.5	1.1	-2.6	1.7	r3.1	r2.1	r4.0	2.3
	IV	1.1	r6.6	5.5	2.4	-0.1	r1.3	r-2.3	r0.4	r10.4	r1.5
	ANNUAL	1.3	5.6	4.2	1.8	-0.7	0.5	r0.0	r0.4	r13.2	1.7
1995	I	-3.4	r-0.3	3.3	2.4	-0.4	6.0	r7.5	r6.4	r-24.4	2.4
	II	2.3	2.4	0.2	3.8	0.6	1.5	r4.4	r2.2	r-2.9	r1.7
	III	4.9	7.2	2.2	3.7	1.6	-1.1	r-4.5	r-2.0	r35.7	1.6
	IV	r2.5	r4.4	1.8	3.9	1.4	r1.4	r1.3	1.4	r-4.9	r0.6
	ANNUAL	0.4	3.5	3.0	2.6	-0.2	2.2	r1.2	r1.9	r0.5	1.8
1996	I	1.3	2.2	0.9	2.7	-0.6	r1.4	r-2.9	r0.3	r12.9	1.7
	II	1.5	5.6	4.1	3.9	0.5	r2.3	r-3.9	r0.7	r7.1	r1.4
	III	r4.0	r6.1	2.0	4.1	1.4	r0.1	r-1.0	r-0.2	r2.0	r0.1
	IV	1.7	5.0	3.3	3.2	-0.1	1.5	1.2	1.4	-9.4	0.1
	ANNUAL	2.4	4.5	2.1	3.5	0.5	1.1	-1.6	0.4	6.8	1.1

Percent change from corresponding quarter of previous year											
1994	I	2.6	6.1	3.4	2.3	-0.2	-0.3	1.5	0.2	r14.7	1.5
	II	1.7	r5.9	4.1	1.9	-0.5	0.2	r-1.1	r-0.1	r16.9	1.6
	III	1.0	r5.3	4.2	1.6	-1.2	0.7	r-0.2	r0.4	r14.6	1.9
	IV	0.2	r5.0	4.8	1.8	-0.9	1.5	r-0.4	r1.1	r7.6	1.8
	ANNUAL	1.3	5.6	4.2	1.8	-0.7	0.5	r0.0	r0.4	r13.2	1.7
1995	I	-0.9	3.7	4.6	1.5	-1.4	2.4	r-1.5	r1.4	r5.8	1.8
	II	-0.2	2.9	3.1	2.4	-0.6	2.6	r3.1	r2.8	r-4.2	r2.0
	III	1.2	r3.9	2.8	3.1	0.4	1.9	r1.2	r1.7	r2.4	1.8
	IV	1.5	3.4	1.9	3.5	0.8	1.9	r2.1	r2.0	r-1.4	1.6
	ANNUAL	0.4	3.5	3.0	2.6	-0.2	2.2	r1.2	r1.9	r0.5	1.8
1996	I	2.7	4.0	1.3	3.5	0.8	0.8	r-0.5	r0.5	r9.0	1.4
	II	2.5	4.8	2.2	3.6	0.7	r1.0	-2.5	0.1	r11.7	r1.3
	III	2.3	r4.6	2.2	3.7	0.7	1.3	r-1.7	0.6	r4.1	1.0
	IV	2.1	4.7	2.6	3.5	0.3	1.3	-1.7	0.6	2.8	0.8
	ANNUAL	2.4	4.5	2.1	3.5	0.5	1.1	-1.6	0.4	6.8	1.1

See footnotes following Table 6.
r=revised

May 7, 1997
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.

Appendix table 1. Nonfinancial corporations: Productivity, hourly compensation, unit labor costs, unit profits, and prices
Indexes 1992=100

Year	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)
1959	53.1	27.9	52.5	14.9	71.7	28.0	24.5	27.1	52.4	29.4
1960	54.1	28.8	53.3	15.5	73.4	28.6	25.3	27.8	47.7	29.6
1961	55.8	29.4	52.8	16.0	75.1	28.7	25.8	27.9	47.9	29.7
1962	58.2	31.9	54.8	16.6	77.2	28.6	25.4	27.7	52.0	29.9
1963	60.2	33.7	56.1	17.1	78.6	28.5	25.3	27.7	55.0	30.1
1964	62.6	36.1	57.7	17.9	81.0	28.6	25.2	27.7	57.3	30.4
1965	64.1	39.1	61.0	18.4	82.0	28.7	25.1	27.8	61.8	30.9
1966	65.0	41.8	64.3	19.4	84.0	29.8	25.1	28.6	61.5	31.6
1967	65.9	42.9	65.0	20.5	86.0	31.0	26.6	29.9	57.6	32.4
1968	68.2	45.6	66.9	22.0	88.7	32.3	28.4	31.3	57.5	33.6
1969	68.2	47.4	69.5	23.5	89.9	34.5	30.6	33.5	51.7	35.1
1970	68.5	47.0	68.5	25.2	91.0	36.7	34.3	36.1	42.0	36.6
1971	71.4	48.9	68.4	26.8	92.8	37.5	36.0	37.1	47.6	38.0
1972	73.3	52.7	71.9	28.3	95.1	38.6	35.9	37.9	51.6	39.2
1973	74.0	55.8	75.4	30.6	96.6	41.3	37.5	40.3	52.8	41.5
1974	72.2	54.8	75.8	33.5	95.2	46.3	43.3	45.5	46.2	45.6
1975	75.1	53.9	71.8	36.8	96.0	49.0	48.9	49.0	61.0	50.1
1976	77.7	58.3	75.0	39.9	98.5	51.4	48.8	50.7	68.7	52.4
1977	79.7	62.6	78.5	43.1	99.7	54.0	50.4	53.1	75.4	55.1
1978	80.4	66.7	83.0	46.8	100.7	58.2	53.8	57.1	78.0	59.0
1979	79.0	68.2	86.3	51.1	98.8	64.7	59.8	63.4	73.0	64.3
1980	80.0	68.3	85.4	56.4	96.1	70.5	69.2	70.2	64.4	69.7
1981	82.5	71.5	86.6	61.6	95.1	74.7	79.0	75.8	75.9	75.8
1982	83.8	70.5	84.1	65.9	95.9	78.7	85.4	80.4	68.2	79.3
1983	86.5	73.7	85.3	68.4	96.4	79.1	85.8	80.9	83.3	81.1
1984	89.1	81.0	90.8	71.3	96.3	80.0	84.3	81.1	99.9	82.8
1985	90.5	84.2	93.0	74.5	97.2	82.3	85.2	83.1	97.8	84.4
1986	93.1	86.9	93.4	78.2	100.1	84.0	87.5	84.9	88.0	85.2
1987	94.7	91.1	96.3	81.2	100.2	85.7	87.5	86.2	95.9	87.1
1988	96.3	95.9	99.7	84.4	100.1	87.7	89.7	88.2	103.8	89.6
1989	95.0	97.5	102.5	86.6	98.0	91.1	96.3	92.5	96.0	92.8
1990	95.8	98.4	102.7	91.2	97.9	95.2	99.1	96.2	94.6	96.1
1991	97.4	97.1	99.7	95.5	98.4	98.0	103.0	99.3	93.9	98.8
1992	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1993	101.3	103.6	102.2	102.2	99.2	100.9	99.7	100.6	113.2	101.7
1994	102.6	109.3	106.6	104.1	98.5	101.4	99.6	101.0	128.1	103.4

See footnotes following Table 6.

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Source: Bureau of Labor Statistics