

Internet address: <http://stats.bls.gov/lprhome.htm> USDL 97-202
Historical, technical information: (202) 606-5606 TRANSMISSION OF THIS
Current data: (202) 606-7828 MATERIAL IS EMBARGOED
Media contact: (202) 606-5902 UNTIL 10:00 A.M. EDT
WEDNESDAY, JUNE 18,
1997.

PRODUCTIVITY AND COSTS
First Quarter 1997

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 first quarter of 1997. The revised seasonally-adjusted annual rates of productivity change in the first quarter were:

2.9 percent in the business sector, and
2.6 percent in the nonfarm business sector.

In both sectors, the first-quarter productivity gains were the largest since the fourth quarter of 1993.

In manufacturing, productivity changes in the first quarter were:

2.8 percent in manufacturing,
3.3 percent in durable goods manufacturing, and
3.1 percent in nondurable goods manufacturing.

Manufacturing productivity growth in the first quarter of 1997 was less than it had been in the fourth quarter of 1996; increases in both output and hours of all persons were larger, however. 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.

Historical measures of productivity and costs have been revised. See
"Revised measures."

 Table A. Productivity and costs: Revised 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	2.9	7.0	4.0	5.0	2.6	2.1
Nonfarm business	2.6	7.0	4.2	5.2	2.8	2.5
Manufacturing	2.8	5.6	2.8	4.4	2.0	1.6
Durable	3.3	8.6	5.2	4.8	2.4	1.5
Nondurable	3.1	2.5	-0.6	3.2	0.8	0.1

Percent change from same quarter a year ago						
Business	1.3	4.7	3.4	4.2	1.2	2.8
Nonfarm business	1.0	4.6	3.6	4.0	1.0	3.0
Manufacturing	3.6	5.3	1.7	4.4	1.4	0.7
Durable	3.9	6.9	2.9	4.5	1.5	0.6
Nondurable	3.5	3.4	-0.1	3.9	0.9	0.3

Business

From the fourth quarter of 1996 to the first quarter of 1997, business productivity increased 2.9 percent as output grew 7.0 percent while hours of all persons rose 4.0 percent (seasonally adjusted annual rates). The increase in productivity was the largest since a 3.6 percent increase occurred during the fourth quarter of 1993. During the fourth quarter of 1996, productivity rose 1.3 percent (as revised), and output and hours rose 4.8 and 3.4 percent, respectively (table 1).

Hourly compensation increased 5.0 percent during the first quarter of 1997, a sharper rise than the 3.7 percent in the fourth quarter of 1996. This measure of compensation includes wages and salaries, supplements, employer contributions to employee benefit plans, and taxes. However, unit labor costs, which reflect changes in both hourly compensation and productivity, increased slightly less during the first quarter, 2.1 percent, than they had during the previous quarter, 2.3 percent.

Real hourly compensation, which takes into account changes in the Consumer Price Index for All Urban Consumers (CPI-U), rose at a 2.6 percent annual rate in the first quarter; it had risen 0.3 percent in the fourth quarter of 1996.

The implicit price deflator for business output, which reflects changes in unit labor costs and unit nonlabor payments, increased 1.8 percent in the first quarter, compared with a 1.1 percent increase during the fourth quarter of 1996.

Nonfarm business

Productivity rose 2.6 percent in nonfarm business during the first quarter of 1997 as output rose 7.0 percent and hours of all persons increased 4.2 percent. As in the larger business sector, the first-quarter productivity gain was the largest since the fourth quarter of 1993 (when it also rose 2.6 percent). During the fourth quarter of 1996, productivity increased 1.3 percent in nonfarm business, reflecting gains of 4.9 percent in output and 3.6 percent in hours (table 2).

Hourly compensation increased 5.2 percent during the first quarter, more rapidly than the 3.7-percent increase one quarter earlier. When the rise in the CPI-U is taken into account, real hourly compensation rose 2.8 percent in the first quarter and 0.3 percent during the previous quarter. The increase in unit labor costs in the sector, 2.5 percent in the first quarter, was about the same as the 2.4-percent increase in the fourth quarter.

The implicit price deflator for nonfarm business output rose 2.0 percent in the first quarter, a higher rate of growth than the 1.2 percent rise one quarter earlier.

Manufacturing

Productivity increased 2.8 percent in manufacturing in the first quarter of 1997, as output rose 5.6 percent and hours of all persons increased 2.8 percent (seasonally adjusted annual rates). In the first quarter, durable goods industries exhibited strong growth in both output, 8.6 percent, and hours of all persons, 5.2 percent, resulting in a productivity increase of 3.3 percent. The growth in productivity in nondurable good industries was similar, 3.1 percent; however, the movements in output and hours were different. In nondurable manufacturing, output grew 2.5 percent, and hours of all persons declined 0.6 percent (tables 3, 4, and 5).

Hourly compensation of all manufacturing workers rose 4.4 percent during the first quarter, compared with an increase of 2.6 percent in the previous quarter. In the first quarter of 1997, real hourly compensation rose 2.0 percent when the increase in consumer prices is taken into account, compared with a 0.7 percent drop one quarter earlier. The first-quarter increase in hourly compensation in the durable goods industries, 4.8 percent, was greater than that in nondurable goods industries, 3.2 percent.

Unit labor costs rose 1.6 percent in manufacturing in the first quarter of 1997, after having dropped 1.1 percent in the fourth quarter and 1.2 percent in the third quarter. In durable goods manufacturing, unit labor costs rose 1.5 percent in the first quarter and fell 0.7 percent in the fourth quarter of 1996. In nondurable goods manufacturing, unit labor costs rose 0.1 percent in the first quarter and fell 0.8 percent in the previous quarter.

 Table B. Nonfinancial corporations: Preliminary first-quarter 1997
 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								
1997 I	4.6	8.8	4.0	4.8	2.4	0.2	10.8	1.1

Percent change from same quarter a year ago								
1997 I	2.9	6.4	3.4	3.9	1.0	1.0	2.3	0.7

Nonfinancial corporations

Preliminary first-quarter 1997 measures of productivity and costs for nonfinancial corporations also were announced today (tables B and 6). Productivity rose 4.6 percent in the first quarter, as output increased 8.8 percent and employee-hours rose 4.0 percent (seasonally adjusted annual rates). In the fourth quarter of 1996, productivity had increased 1.7 percent. Nonfinancial corporations include all corporations doing business in the United States, except banks, stock and commodity brokers, and finance and insurance agencies.

Hourly compensation increased 4.8 percent during the first quarter, and real hourly compensation rose 2.4 percent when the rise in the CPI-U is taken into account. In the fourth quarter, hourly compensation rose 3.3 percent, and real hourly compensation dropped 0.1 percent.

Unit labor costs for nonfinancial corporations increased 0.2 percent in the first quarter, less than the 1.5 percent increase recorded in the fourth quarter of 1996. Unit nonlabor costs fell 1.3 percent in the first quarter of 1997, and unit profits increased 10.8 percent. During the fourth quarter of 1996, unit nonlabor costs rose 1.2 percent, and unit profits dropped 9.4 percent (annual rates). The implicit price deflator for nonfinancial corporate output rose 1.1 percent in the first quarter and 0.1 percent in the fourth quarter.

REVISED MEASURES

Current and previous measures for the first quarter of 1997 for business, nonfarm business, and manufacturing are compared in table C. Productivity and output increased more rapidly--and hours rose more slowly--in the business and nonfarm business sectors than originally reported on May 7, based on information then available. In manufacturing, productivity, output, and hours of all persons grew more slowly than originally reported last month.

 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

First quarter 1997						
Business:						
Previous	2.1	6.8	4.5	4.5	2.0	2.3
Current	2.9	7.0	4.0	5.0	2.6	2.1
Nonfarm business:						
Previous	2.0	6.8	4.7	4.7	2.3	2.7
Current	2.6	7.0	4.2	5.2	2.8	2.5
Manufacturing:						
Previous	3.1	6.7	3.5	4.5	2.0	1.4
Current	2.8	5.6	2.8	4.4	2.0	1.6

With this release of Productivity and Costs, labor input measures have been revised to reflect the annual benchmarking of employment levels derived from the monthly Current Employment Statistics survey and the updating of seasonal adjustment factors. (See USDL 97-186 for additional information.) In addition, more recent information on employment in corporations and nonprofit organizations has been incorporated into the employment and hours data for the business, nonfarm business, and nonfinancial corporate sectors. Seasonal adjustment factors also have been updated for the labor input series that are computed from household survey data.

The revision of the productivity and costs measures to reflect output calculated using chain-type, annual-weighted indexes has been extended back to 1947 for the business and nonfarm business sectors and to 1958 for nonfinancial corporations. Based on these revisions, the long-term rate of growth in output per hour in the nonfarm business sector, 1947-96, was 2.0 percent a year. Tables 1-6 show revised data in all sectors for 1995-97. Appendix tables 1-3 show annual indexes of productivity and costs for the business, nonfarm business, and nonfinancial corporate sectors for all years since the inception of the series.

Next release date

The next release of Productivity and Costs is scheduled for 10:00 AM EDT, Tuesday, August 12, 1997. Preliminary second-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 -----									
1995	I	r100.3	108.8	108.4	106.2	98.7	105.8	r107.5	106.4
	II	r100.7	109.0	108.2	r107.2	r98.9	106.5	107.8	107.0
	III	r101.0	110.3	r109.2	r108.2	r99.2	107.1	108.3	107.5
	IV	r100.9	110.4	r109.4	r109.3	r99.7	108.4	106.7	107.8
	ANNUAL	r100.7	109.6	108.8	r107.7	r99.1	106.9	107.6	107.2
1996	I	101.5	111.2	109.6	r110.2	99.7	r108.6	r107.4	108.2
	II	r101.7	112.6	r110.7	r111.3	r99.8	r109.4	r107.7	108.8
	III	r101.8	113.2	r111.3	r112.3	r100.1	110.4	107.0	109.2
	IV	r102.1	114.5	r112.2	r113.4	r100.2	111.1	106.7	109.5
	ANNUAL	r101.7	112.9	r111.0	r111.7	r99.9	109.9	107.2	108.9
1997	I	r102.8	r116.5	113.3	r114.8	100.8	r111.6	107.0	110.0
----- Percent change from previous quarter at annual rate(5) -----									
1995	I	r-2.5	0.4	r2.9	r2.9	0.1	5.5	r-1.2	3.0
	II	r1.5	0.7	-0.7	4.1	r1.0	2.6	1.3	2.1
	III	r1.2	4.7	r3.4	r3.5	r1.4	2.2	r1.7	2.0
	IV	-0.6	0.5	1.1	4.3	1.8	r4.9	-5.6	1.0
	ANNUAL	0.1	2.5	2.4	3.1	r0.2	3.0	1.1	2.3
1996	I	r2.3	3.0	r0.6	r3.3	-0.1	r0.9	r2.6	1.5
	II	r0.9	5.0	r4.0	r4.0	r0.6	3.1	1.1	2.4
	III	r0.2	2.2	r2.0	3.8	1.1	r3.6	r-2.6	1.3
	IV	r1.3	4.8	r3.4	3.7	0.3	r2.3	r-1.0	1.1
	ANNUAL	1.0	3.0	2.0	3.8	0.8	2.8	-0.3	1.6
1997	I	r2.9	r7.0	r4.0	r5.0	r2.6	r2.1	r1.1	1.8
----- Percent change from corresponding quarter of previous year -----									
1995	I	r-0.1	3.7	3.8	2.1	r-0.8	r2.1	2.8	2.4
	II	0.2	2.2	2.0	r2.9	-0.1	2.8	2.0	2.5
	III	r0.0	2.4	2.3	r3.3	0.7	3.3	0.6	2.3
	IV	-0.1	1.6	1.7	3.7	r1.0	3.8	-1.0	2.0
	ANNUAL	0.1	2.5	2.4	3.1	r0.2	3.0	1.1	2.3
1996	I	1.1	2.2	1.1	3.8	1.0	2.7	r0.0	1.7
	II	1.0	3.3	r2.3	3.8	r0.9	2.8	-0.1	1.7
	III	r0.7	2.7	1.9	3.9	0.9	3.1	-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	r1.3	4.7	3.4	r4.2	r1.2	2.8	-0.4	1.7

See footnotes following Table 6.
r=revised

June 18, 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	r108.5	r106.1	r98.6	105.6	108.2	106.5
	II	r100.8	109.2	108.3	r107.1	r98.8	r106.2	108.5	107.1
	III	r101.2	110.6	r109.3	r108.1	r99.2	106.8	r108.8	107.5
	IV	r100.9	110.7	r109.6	r109.2	r99.5	108.1	107.1	107.8
	ANNUAL	r100.8	109.9	r109.0	r107.6	99.1	106.7	108.2	107.2
1996	I	101.5	111.4	109.8	r110.1	99.6	108.5	107.4	108.1
	II	r101.6	112.7	r111.0	r111.1	r99.6	109.4	r107.4	108.7
	III	r101.5	113.3	r111.6	r112.0	r99.8	r110.4	106.6	109.0
	IV	r101.8	114.6	r112.6	r113.1	r99.9	111.0	106.3	109.3
	ANNUAL	r101.5	113.0	r111.3	r111.5	r99.7	109.8	106.9	108.8
1997	I	102.5	r116.6	r113.7	114.5	100.6	111.7	106.6	109.9
Percent change from previous quarter at annual rate(5)									
1995	I	-2.2	0.6	r2.8	2.9	r0.1	r5.2	r-0.6	3.0
	II	1.5	0.9	-0.6	4.0	0.9	2.5	r1.2	2.0
	III	r1.5	5.0	r3.5	r3.6	1.5	r2.1	r1.1	1.7
	IV	r-1.0	0.4	r1.4	r4.1	r1.6	5.2	-6.4	0.9
	ANNUAL	r0.2	2.7	2.4	3.2	0.3	2.9	1.1	2.2
1996	I	r2.1	2.7	r0.7	3.4	0.1	r1.3	r1.5	1.4
	II	r0.4	4.8	r4.4	r3.7	r0.3	3.3	r-0.2	2.1
	III	r-0.2	1.9	r2.1	r3.5	r0.8	r3.6	r-3.0	1.2
	IV	r1.3	4.9	r3.6	r3.7	r0.3	r2.4	r-0.9	1.2
	ANNUAL	0.7	2.9	2.2	3.6	0.7	2.9	-1.1	1.5
1997	I	r2.6	r7.0	r4.2	r5.2	r2.8	r2.5	r1.2	2.0
Percent change from corresponding quarter of previous year									
1995	I	0.2	3.9	3.7	2.3	r-0.6	2.1	r3.3	2.5
	II	0.3	2.4	2.1	3.0	r-0.1	2.7	2.1	2.5
	III	0.3	2.6	2.3	r3.4	0.8	r3.2	0.4	2.2
	IV	-0.1	1.7	1.8	r3.6	1.0	3.7	-1.2	1.9
	ANNUAL	r0.2	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	r2.7	r-0.7	1.5
	II	r0.7	3.2	r2.5	r3.7	r0.8	3.0	-1.1	1.5
	III	0.3	2.4	2.1	3.7	0.7	3.3	r-2.1	1.4
	IV	0.9	3.6	2.7	3.6	0.4	2.6	-0.7	1.5
	ANNUAL	0.7	2.9	2.2	3.6	0.7	2.9	-1.1	1.5
1997	I	r1.0	4.6	3.6	r4.0	r1.0	r3.0	r-0.8	1.6

See footnotes following Table 6.
r=revised

June 18, 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	r107.3	112.9	r105.2	r107.3	99.7
	II	108.2	112.6	104.0	108.4	r99.9
	III	r109.3	113.3	r103.6	r109.4	r100.4
	IV	r109.8	113.6	r103.4	r110.3	r100.6
	ANNUAL	r108.7	113.1	r104.1	r108.8	r100.2
1996	I	r110.9	113.9	r102.7	r110.1	r99.6
	II	r111.5	115.6	r103.7	r111.8	r100.3
	III	r113.0	117.0	r103.6	r113.0	r100.6
	IV	r114.0	118.3	r103.7	r113.7	r100.5
	ANNUAL	r112.2	116.2	r103.5	r112.0	r100.1
1997	I	r114.8	r119.9	r104.4	r114.9	r101.0
----- Percent change from previous quarter at annual rate(5)						
1995	I	r3.6	4.2	r0.6	r3.4	r0.6
	II	r3.3	-1.4	r-4.5	4.3	r1.1
	III	r4.2	2.6	r-1.5	r4.0	r1.8
	IV	r1.7	1.0	r-0.7	r3.1	r0.6
	ANNUAL	r3.2	3.5	r0.3	r3.5	r0.7
1996	I	r4.0	1.1	r-2.7	r-0.6	r-3.8
	II	r2.4	6.3	r3.8	r6.2	r2.7
	III	r5.5	5.0	r-0.5	r4.2	r1.5
	IV	r3.7	4.3	r0.6	r2.6	r-0.7
	ANNUAL	r3.3	2.7	r-0.5	r2.9	r-0.1
1997	I	r2.8	r5.6	r2.8	r4.4	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	r0.9	3.5	0.4
	III	r3.3	3.0	r-0.3	r3.7	r1.0
	IV	r3.2	1.6	r-1.6	r3.7	r1.0
	ANNUAL	r3.2	3.5	r0.3	r3.5	r0.7
1996	I	r3.3	0.8	r-2.4	r2.7	r-0.1
	II	r3.1	2.7	r-0.3	r3.2	r0.3
	III	r3.4	3.3	r-0.1	r3.2	r0.2
	IV	r3.9	4.1	r0.3	r3.1	r-0.1
	ANNUAL	r3.3	2.7	r-0.5	r2.9	r-0.1
1997	I	r3.6	r5.3	1.7	4.4	1.4

See footnotes following Table 6.
r=revised

June 18, 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	r110.5	118.1	r106.9	106.9	99.4
	II	r111.1	117.8	r106.0	108.0	99.6
	III	r112.7	119.4	r106.0	r109.2	r100.2
	IV	r113.4	120.4	r106.2	r109.8	r100.2
	ANNUAL	r111.9	118.9	r106.3	r108.5	r99.9
1996	I	r115.0	121.5	r105.6	r109.0	r98.6
	II	r116.2	124.6	r107.2	r111.0	r99.6
	III	r117.9	126.4	r107.2	r112.1	r99.9
	IV	r118.6	127.3	r107.4	r112.5	r99.4
	ANNUAL	r116.8	124.9	r107.0	r111.0	r99.3
1997	I	r119.5	r129.9	r108.7	r113.9	r100.0
----- Percent change from previous quarter at annual rate(5)						
1995	I	r6.1	7.1	r0.9	3.2	0.4
	II	r2.4	-1.1	r-3.4	r4.2	r1.1
	III	r5.6	5.5	r-0.1	r4.4	r2.2
	IV	r2.5	3.5	r0.9	r2.4	r-0.1
	ANNUAL	r4.2	5.5	r1.3	r3.4	r0.6
1996	I	r6.0	3.7	r-2.2	r-3.1	r-6.2
	II	r4.0	10.3	r6.1	r7.7	r4.1
	III	r6.2	6.0	r-0.2	r4.2	r1.5
	IV	r2.1	2.8	r0.7	r1.4	r-1.9
	ANNUAL	r4.3	5.0	r0.7	r2.3	r-0.6
1997	I	r3.3	r8.6	r5.2	r4.8	r2.4
----- Percent change from corresponding quarter of previous year						
1995	I	4.2	8.0	3.7	2.6	-0.3
	II	3.6	5.6	1.9	3.3	0.3
	III	r4.2	5.0	r0.7	r3.6	r1.0
	IV	r4.2	3.7	r-0.4	r3.5	r0.9
	ANNUAL	r4.2	5.5	r1.3	r3.4	r0.6
1996	I	r4.1	2.9	r-1.2	r1.9	r-0.8
	II	r4.5	5.7	r1.2	r2.8	r-0.1
	III	r4.7	5.8	r1.1	r2.7	r-0.3
	IV	r4.6	5.7	r1.1	r2.5	r-0.7
	ANNUAL	r4.3	5.0	r0.7	r2.3	r-0.6
1997	I	r3.9	r6.9	r2.9	r4.5	r1.5

See footnotes following Table 6.
r=revised

June 18, 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	r104.5	107.6	103.0	r107.4	99.8	102.8
	II	r105.6	107.1	r101.4	r108.5	r100.0	r102.7
	III	r106.4	106.9	r100.5	r109.3	r100.3	r102.7
	IV	r106.7	106.4	r99.7	r110.3	r100.6	r103.4
	ANNUAL	r105.8	107.0	r101.1	r108.9	r100.3	102.9
1996	I	r107.2	105.9	r98.8	r111.3	r100.7	r103.9
	II	r107.4	106.3	r99.0	r112.2	r100.7	104.5
	III	r108.7	107.3	r98.7	r113.4	r101.0	r104.4
	IV	r110.1	108.8	r98.8	r114.7	r101.4	r104.2
	ANNUAL	r108.2	107.1	r99.0	r112.8	r100.8	104.2
1997	I	r111.0	109.5	r98.7	r115.6	r101.6	r104.2

Percent change from previous quarter at annual rate(5)							
1995	I	r0.7	0.8	r0.1	r3.5	r0.7	r2.8
	II	r4.6	-1.7	r-6.0	r4.0	r0.8	r-0.6
	III	r3.0	-0.7	r-3.5	r3.1	r0.9	r0.1
	IV	r1.1	-1.9	r-3.0	r3.8	r1.3	r2.7
	ANNUAL	r2.3	1.2	r-1.1	r3.4	r0.6	1.1
1996	I	r1.7	-1.9	r-3.5	r3.6	r0.3	r1.9
	II	r1.0	1.6	r0.5	r3.4	r0.0	2.4
	III	4.6	3.7	-0.9	r4.2	r1.5	r-0.3
	IV	r5.5	5.9	r0.4	r4.6	r1.2	r-0.8
	ANNUAL	r2.2	0.1	r-2.1	r3.6	r0.6	1.3
1997	I	r3.1	r2.5	r-0.6	r3.2	r0.8	r0.1

Percent change from corresponding quarter of previous year							
1995	I	2.0	3.6	1.6	2.7	-0.2	r0.7
	II	1.8	1.2	r-0.5	r3.4	r0.4	r1.6
	III	r2.5	0.7	r-1.8	r3.5	r0.8	0.9
	IV	r2.3	-0.9	r-3.1	r3.6	r1.0	r1.2
	ANNUAL	r2.3	1.2	r-1.1	r3.4	r0.6	1.1
1996	I	r2.6	-1.5	r-4.0	r3.6	r0.8	1.0
	II	r1.7	-0.7	r-2.4	r3.5	r0.6	1.8
	III	r2.1	0.3	r-1.7	r3.8	r0.8	r1.6
	IV	r3.2	2.3	r-0.9	r4.0	r0.8	0.8
	ANNUAL	r2.2	0.1	r-2.1	r3.6	r0.6	1.3
1997	I	r3.5	3.4	r-0.1	r3.9	r0.9	r0.3

See footnotes following Table 6.
r=revised

June 18, 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 -----											
1995	I	r101.7	111.3	109.4	r105.2	r97.8	103.4	100.5	102.7	124.9	104.7
	II	r102.3	112.0	r109.5	r106.2	98.0	103.8	101.6	103.2	124.0	105.1
	III	r103.5	114.0	r110.1	r107.1	r98.3	103.5	100.4	102.7	133.8	105.5
	IV	r104.1	115.2	r110.6	r108.2	r98.6	103.9	100.7	103.1	132.1	105.7
	ANNUAL	103.0	113.1	r109.9	r106.7	98.3	103.7	100.8	102.9	128.8	105.3
1996	I	r104.5	115.8	r110.9	r108.9	r98.5	104.3	100.0	103.2	136.2	106.1
	II	r104.8	117.4	r112.0	r109.9	r98.6	104.9	99.0	103.3	138.5	106.5
	III	r105.8	119.2	r112.6	r111.0	r98.9	104.9	98.8	103.3	139.2	106.6
	IV	r106.3	120.6	r113.5	r111.9	r98.9	105.3	99.0	103.7	135.9	106.6
	ANNUAL	r105.3	118.3	r112.3	r110.4	r98.7	104.8	99.2	103.4	137.5	106.5
1997	I	107.5	123.2	114.6	113.2	99.5	105.3	98.7	103.6	139.4	106.9
----- Percent change from previous quarter at annual rate(5) -----											
1995	I	-3.4	-0.3	r3.2	2.4	r-0.3	6.0	7.5	6.4	-24.4	2.4
	II	2.3	2.4	0.2	3.8	0.6	1.5	4.4	2.2	-2.9	1.7
	III	r4.6	7.2	r2.4	r3.5	r1.3	-1.1	-4.5	-2.0	35.7	1.6
	IV	2.5	4.4	1.8	r4.0	r1.5	1.4	1.3	1.4	-4.9	0.6
	ANNUAL	0.4	3.5	r3.1	2.6	-0.2	2.2	1.2	1.9	0.5	1.8
1996	I	r1.4	2.2	r0.8	r2.8	r-0.5	1.4	-2.9	0.3	12.9	1.7
	II	r1.3	5.6	r4.3	r3.7	r0.3	2.3	-3.9	0.7	7.1	1.4
	III	r3.9	6.1	r2.1	r4.0	r1.3	0.1	-1.0	-0.2	2.0	0.1
	IV	1.7	5.0	r3.2	r3.3	-0.1	1.5	1.2	1.4	-9.4	0.1
	ANNUAL	r2.3	4.5	r2.2	3.5	0.5	1.1	-1.6	0.4	6.8	1.1
1997	I	4.6	8.8	4.0	4.8	2.4	0.2	-1.3	-0.2	10.8	1.1
----- Percent change from corresponding quarter of previous year -----											
1995	I	r-1.0	3.7	r4.7	r1.4	-1.4	2.4	-1.5	1.4	5.8	1.8
	II	r-0.3	2.9	3.1	r2.3	r-0.7	2.6	3.1	2.8	-4.2	2.0
	III	r1.1	3.9	2.8	r3.0	0.4	1.9	1.2	1.7	2.4	1.8
	IV	1.5	3.4	1.9	r3.4	0.8	1.9	2.1	2.0	-1.4	1.6
	ANNUAL	0.4	3.5	r3.1	2.6	-0.2	2.2	1.2	1.9	0.5	1.8
1996	I	2.7	4.0	1.3	3.5	r0.7	0.8	-0.5	0.5	9.0	1.4
	II	r2.4	4.8	r2.3	r3.5	r0.6	1.0	-2.5	0.1	11.7	1.3
	III	2.3	4.6	2.2	r3.6	r0.6	1.3	-1.7	0.6	4.1	1.0
	IV	2.1	4.7	2.6	r3.4	r0.2	1.3	-1.7	0.6	2.8	0.8
	ANNUAL	r2.3	4.5	r2.2	3.5	0.5	1.1	-1.6	0.4	6.8	1.1
1997	I	2.9	6.4	3.4	3.9	1.0	1.0	-1.3	0.4	2.3	0.7

See footnotes following Table 6.
r=revised

June 18, 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. Business sector: Productivity, hourly compensation, unit labor costs, and prices
Indexes 1992=100

Year	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)
1947	33.7	21.9	65.1	6.8	42.8	20.2	18.5	19.6
1948	35.2	23.1	65.6	7.4	43.0	21.0	20.5	20.8
1949	36.0	22.8	63.4	7.5	44.1	20.8	20.3	20.6
1950	39.1	25.1	64.2	8.0	46.8	20.6	21.4	20.8
1951	40.3	26.7	66.2	8.8	47.5	21.9	23.5	22.4
1952	41.4	27.5	66.3	9.4	49.6	22.6	22.9	22.7
1953	43.0	28.8	67.0	10.0	52.4	23.2	22.4	22.9
1954	43.9	28.4	64.7	10.3	53.8	23.5	22.4	23.1
1955	45.8	30.7	67.1	10.6	55.4	23.1	23.8	23.4
1956	45.8	31.2	68.1	11.3	58.2	24.6	23.2	24.1
1957	47.2	31.7	67.1	12.0	60.0	25.5	23.9	24.9
1958	48.5	31.0	64.0	12.6	61.0	25.9	24.5	25.4
1959	50.5	33.7	66.7	13.1	63.1	25.9	25.0	25.6
1960	51.4	34.3	66.7	13.6	64.7	26.6	24.6	25.8
1961	53.2	34.9	65.7	14.2	66.6	26.7	25.0	26.1
1962	55.7	37.2	66.8	14.8	68.9	26.6	25.7	26.3
1963	57.9	38.9	67.2	15.4	70.5	26.6	26.3	26.5
1964	60.5	41.4	68.3	16.2	73.2	26.7	26.8	26.8
1965	62.7	44.2	70.6	16.8	74.8	26.8	28.0	27.2
1966	65.2	47.2	72.5	17.9	77.5	27.5	28.6	27.9
1967	66.6	48.1	72.3	18.9	79.5	28.4	29.2	28.7
1968	68.9	50.5	73.3	20.5	82.5	29.7	30.0	29.8
1969	69.2	52.0	75.2	21.9	83.7	31.7	30.0	31.1
1970	70.5	52.0	73.7	23.6	85.4	33.5	30.6	32.4
1971	73.6	54.0	73.3	25.1	87.0	34.1	33.4	33.9
1972	76.0	57.6	75.7	26.7	89.6	35.1	34.8	35.0
1973	78.4	61.6	78.5	29.0	91.6	37.0	36.6	36.8
1974	77.1	60.6	78.6	31.8	90.5	41.3	38.6	40.3
1975	79.8	60.0	75.2	35.1	91.5	44.0	44.5	44.2
1976	82.5	64.0	77.6	38.2	94.1	46.2	47.1	46.5
1977	83.9	67.6	80.6	41.2	95.3	49.0	50.0	49.4
1978	84.9	71.7	84.5	44.8	96.5	52.8	53.3	53.0
1979	84.5	73.9	87.4	49.2	95.0	58.2	56.5	57.6
1980	84.2	73.0	86.6	54.5	92.7	64.7	59.6	62.8
1981	85.7	74.8	87.2	59.6	92.0	69.5	67.1	68.7
1982	85.3	72.5	85.0	64.1	93.1	75.1	68.3	72.7
1983	88.0	76.1	86.5	66.7	94.0	75.8	74.6	75.4
1984	90.2	82.5	91.5	69.6	94.0	77.2	78.5	77.7
1985	91.7	85.7	93.5	73.0	95.2	79.7	80.5	80.0
1986	94.0	88.5	94.1	76.8	98.3	81.7	81.7	81.7
1987	94.0	91.1	97.0	79.8	98.5	84.9	81.9	83.8
1988	94.6	94.6	100.0	83.5	99.0	88.2	84.1	86.8
1989	95.4	97.8	102.5	85.8	97.1	89.9	91.3	90.4
1990	96.1	98.6	102.6	90.7	97.4	94.4	93.5	94.1
1991	96.7	96.9	100.2	95.1	97.9	98.3	96.6	97.7
1992	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1993	100.1	102.7	102.5	102.5	99.5	102.3	102.8	102.5
1994	100.6	107.0	106.3	104.5	98.9	103.8	106.4	104.8
1995	100.7	109.6	108.8	107.7	99.1	106.9	107.6	107.2
1996	101.7	112.9	111.0	111.7	99.9	109.9	107.2	108.9

See footnotes following Table 6.

June 18, 1997

Source: Bureau of Labor Statistics

Appendix table 2. Nonfarm business sector: Productivity, hourly compensation, unit labor costs, and prices
Indexes 1992=100

Year	Output per hour of all persons	Output	Hours of all persons	Compensa- tion per hour (1)	Real compensa- tion per hour (2)	Unit labor costs	Unit non- labor pay- ments (3)	Implicit price deflator (4)
1947	38.9	21.5	55.3	7.3	45.9	18.7	17.6	18.3
1948	39.9	22.5	56.3	7.9	46.1	19.8	19.1	19.6
1949	41.3	22.3	54.0	8.2	48.1	19.8	19.7	19.7
1950	44.2	24.6	55.7	8.7	50.4	19.6	20.6	20.0
1951	45.3	26.4	58.3	9.4	50.8	20.8	22.1	21.3
1952	46.1	27.2	58.9	9.9	52.7	21.6	21.9	21.7
1953	47.2	28.4	60.3	10.5	55.2	22.3	21.9	22.1
1954	48.1	28.0	58.2	10.9	56.7	22.6	22.1	22.4
1955	50.1	30.3	60.5	11.3	59.0	22.5	23.3	22.8
1956	49.7	30.8	62.0	12.0	61.7	24.1	22.8	23.6
1957	50.9	31.4	61.7	12.6	63.2	24.8	23.5	24.4
1958	52.0	30.7	59.0	13.2	63.9	25.3	23.8	24.8
1959	54.2	33.5	61.7	13.7	66.0	25.3	24.7	25.0
1960	54.8	34.0	62.0	14.3	67.7	26.1	24.0	25.3
1961	56.5	34.7	61.3	14.8	69.3	26.1	24.5	25.6
1962	59.1	37.0	62.6	15.4	71.5	26.0	25.3	25.8
1963	61.2	38.7	63.3	15.9	73.0	26.0	25.9	26.0
1964	63.8	41.3	64.8	16.7	75.4	26.1	26.6	26.3
1965	65.7	44.2	67.3	17.2	76.7	26.2	27.6	26.7
1966	68.0	47.4	69.7	18.2	78.8	26.8	28.2	27.3
1967	69.2	48.2	69.7	19.3	80.9	27.8	28.8	28.2
1968	71.6	50.7	70.9	20.8	83.8	29.0	29.7	29.3
1969	71.6	52.3	72.9	22.2	84.9	31.0	29.6	30.5
1970	72.6	52.1	71.8	23.8	86.1	32.8	30.3	31.9
1971	75.6	54.1	71.5	25.4	87.8	33.5	33.0	33.3
1972	78.2	57.8	73.9	27.0	90.6	34.5	34.0	34.3
1973	80.7	62.0	76.9	29.2	92.3	36.2	34.3	35.5
1974	79.4	61.1	77.0	32.1	91.3	40.4	36.7	39.1
1975	81.5	60.0	73.6	35.3	92.1	43.3	43.0	43.2
1976	84.5	64.3	76.1	38.4	94.6	45.4	46.0	45.6
1977	85.8	67.9	79.2	41.5	96.0	48.3	49.0	48.6
1978	86.9	72.3	83.1	45.2	97.3	52.0	51.8	51.9
1979	86.3	74.3	86.1	49.5	95.7	57.4	54.7	56.4
1980	86.0	73.4	85.4	54.8	93.3	63.8	58.6	61.9
1981	86.9	74.8	86.1	60.1	92.8	69.2	65.6	67.9
1982	86.3	72.4	83.9	64.6	93.9	74.8	67.4	72.2
1983	89.9	76.8	85.5	67.3	94.8	74.9	74.3	74.7
1984	91.4	82.8	90.6	70.1	94.7	76.7	77.4	77.0
1985	92.3	85.8	92.9	73.4	95.7	79.5	79.9	79.6
1986	94.7	88.7	93.7	77.2	98.8	81.5	81.3	81.4
1987	94.5	91.3	96.7	80.1	98.9	84.7	81.4	83.6
1988	95.2	95.1	99.9	83.6	99.1	87.8	83.8	86.4
1989	95.7	98.1	102.5	85.8	97.1	89.7	90.7	90.0
1990	96.2	98.8	102.7	90.6	97.3	94.1	93.2	93.8
1991	96.9	97.1	100.2	95.1	97.9	98.1	96.8	97.6
1992	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1993	100.1	102.9	102.8	102.2	99.2	102.1	103.4	102.5
1994	100.6	107.0	106.4	104.3	98.7	103.7	107.0	104.9
1995	100.8	109.9	109.0	107.6	99.1	106.7	108.2	107.2
1996	101.5	113.0	111.3	111.5	99.7	109.8	106.9	108.8

See footnotes following Table 6.

June 18, 1997

Source: Bureau of Labor Statistics

Appendix table 3. 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)
1958	50.9	25.0	49.2	14.4	70.0	28.4	25.5	27.6	44.9	29.2
1959	53.5	27.9	52.2	15.0	72.2	28.0	24.5	27.1	52.4	29.4
1960	54.5	28.8	52.9	15.6	73.9	28.6	25.3	27.8	47.7	29.6
1961	56.2	29.4	52.4	16.1	75.6	28.7	25.8	27.9	47.9	29.7
1962	58.6	31.9	54.5	16.7	77.7	28.6	25.4	27.7	52.0	29.9
1963	60.6	33.7	55.7	17.3	79.2	28.5	25.3	27.7	55.0	30.1
1964	63.1	36.1	57.3	18.0	81.6	28.6	25.2	27.7	57.3	30.4
1965	64.5	39.1	60.6	18.5	82.6	28.7	25.1	27.8	61.8	30.9
1966	65.5	41.8	63.9	19.5	84.6	29.8	25.1	28.6	61.5	31.6
1967	66.4	42.9	64.6	20.6	86.6	31.0	26.6	29.9	57.6	32.4
1968	68.7	45.6	66.4	22.2	89.4	32.3	28.4	31.3	57.5	33.6
1969	68.7	47.4	69.0	23.7	90.5	34.5	30.6	33.5	51.7	35.1
1970	69.0	47.0	68.0	25.4	91.7	36.7	34.3	36.1	42.0	36.6
1971	71.9	48.9	67.9	27.0	93.4	37.5	36.0	37.1	47.6	38.0
1972	73.8	52.7	71.4	28.5	95.7	38.6	35.9	37.9	51.6	39.2
1973	74.4	55.8	74.9	30.7	97.2	41.3	37.5	40.3	52.8	41.5
1974	72.7	54.8	75.3	33.7	95.8	46.3	43.3	45.5	46.2	45.6
1975	75.5	53.9	71.4	37.0	96.6	49.0	48.9	49.0	61.0	50.1
1976	78.1	58.3	74.6	40.1	99.0	51.4	48.8	50.7	68.7	52.4
1977	80.1	62.6	78.1	43.3	100.2	54.0	50.4	53.1	75.4	55.1
1978	80.8	66.7	82.6	47.0	101.2	58.2	53.8	57.1	78.0	59.0
1979	79.4	68.2	85.9	51.4	99.3	64.7	59.8	63.4	73.0	64.3
1980	80.3	68.3	85.1	56.7	96.5	70.5	69.2	70.2	64.4	69.7
1981	82.8	71.5	86.3	61.8	95.5	74.7	79.0	75.8	75.9	75.8
1982	84.2	70.5	83.7	66.2	96.3	78.7	85.4	80.4	68.2	79.3
1983	86.8	73.7	84.9	68.7	96.8	79.1	85.8	80.9	83.3	81.1
1984	89.6	81.0	90.4	71.7	96.8	80.0	84.3	81.1	99.9	82.8
1985	91.0	84.2	92.5	74.9	97.7	82.3	85.2	83.1	97.8	84.4
1986	93.7	86.9	92.7	78.7	100.8	84.0	87.5	84.9	88.0	85.2
1987	95.1	91.1	95.8	81.6	100.7	85.7	87.5	86.2	95.9	87.1
1988	96.7	95.9	99.2	84.8	100.6	87.7	89.7	88.2	103.8	89.6
1989	95.4	97.5	102.2	86.9	98.4	91.1	96.3	92.5	96.0	92.8
1990	96.1	98.4	102.4	91.4	98.1	95.2	99.1	96.2	94.6	96.1
1991	97.5	97.1	99.6	95.6	98.5	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	102.3	102.2	99.2	100.9	99.7	100.6	113.2	101.7
1994	102.5	109.3	106.6	104.0	98.5	101.4	99.6	101.0	128.1	103.4
1995	103.0	113.1	109.9	106.7	98.3	103.7	100.8	102.9	128.8	105.3
1996	105.3	118.3	112.3	110.4	98.7	104.8	99.2	103.4	137.5	106.5

See footnotes following Table 6.

June 18, 1997

Source: Bureau of Labor Statistics