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PRODUCTIVITY AND COSTS  
Second 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 second quarter of 1997. The revised seasonally-adjusted annual rates of productivity change in the second quarter were:

2.7 percent in the business sector, and  
2.7 percent in the nonfarm business sector.

In both sectors, productivity growth was stronger than in the first quarter of 1997, when output per hour increased at annual rates of 1.8 percent in the business sector and 1.4 percent in the nonfarm business sector. The second-quarter productivity increases were greater than first reported because output was revised upward and the increases in hours were revised down. (See table C.)

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

2.4 percent in manufacturing,  
4.8 percent in durable goods manufacturing, and  
-0.3 percent in nondurable goods manufacturing.

The second-quarter increase in manufacturing productivity combined a strong increase in durable goods industries with the first decrease in nondurable goods industries since the third quarter of 1994 (when it fell 0.9 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. Second-quarter measures are summarized in table A and appear in detail in tables 1 through 5; the differences between these measures and the preliminary second-quarter figures issued on August 12 are shown in table C.

The data sources and methods used in the preparation of the manufacturing series differ from those used in preparing the business and nonfarm business series, and these measures are not directly comparable. Output measures for business and nonfarm business are based on measures of gross domestic product prepared by the Bureau of Economic Analysis of the U.S. Department of Commerce. Quarterly output measures for manufacturing reflect indexes of industrial production independently 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: Revised second-quarter 1997 measures  
(Seasonally adjusted annual rates)

Real Sector	Real					
	Produc- tivity	Output	Hours	Hourly compen- sation	hourly compen- sation	Unit labor
Percent change from preceding quarter						
Business	2.7	4.3	1.5	3.2	2.1	0.4
Nonfarm business	2.7	4.2	1.5	3.2	2.1	0.5
Manufacturing	2.4	3.6	1.1	2.6	1.5	0.1
Durable	4.8	6.7	1.8	2.0	0.9	-2.6
Nondurable	-0.3	-0.1	0.2	3.3	2.2	3.6
Percent change from same quarter a year ago						
Business	1.3	4.1	2.7	3.5	1.1	2.1
Nonfarm business	1.2	4.1	2.8	3.5	1.1	2.2
Manufacturing	3.5	4.6	1.0	3.0	0.6	-0.5
Durable	4.0	5.9	1.9	2.5	0.1	-1.5
Nondurable	3.1	2.9	-0.2	3.7	1.3	0.6

#### Business

From the first quarter to the second quarter of 1997, business sector output per hour increased at a 2.7 percent annual rate. This was the largest increase in productivity since the fourth quarter of 1993, when output per hour grew 4.3 percent. During the first quarter of 1997, productivity had increased 1.8 percent, as output grew 5.9 percent and hours of all persons rose 4.0 percent. In the second quarter, business sector output rose 4.3 percent and hours of all persons engaged in the sector rose 1.5 percent (table 1). The slower second-quarter hours increase reflected a 1.8 percent increase in employment and a 0.3 percent decline in average weekly hours. The decline in average weekly hours followed four quarters of increases.

Hourly compensation increased 3.2 percent in the second quarter of 1997, following a 4.4 percent rise in the first quarter. This measure includes wages and salaries, supplements, employer contributions to employee benefit plans, and taxes. Real hourly compensation, which takes into account changes in the Consumer Price Index for All Urban Consumers (CPI-U), increased at a 2.1 percent annual rate in the second quarter of 1997. This was the largest gain since the first quarter of 1992 (5.0 percent) and followed a 1.9 percent rise in the first quarter.

Unit labor costs, which reflect changes in hourly compensation and productivity, grew at a 0.4 percent annual rate during the second quarter, less than the 2.5 percent rise in the first quarter. The implicit price deflator for the business sector, which incorporates changes in both unit labor costs and unit nonlabor payments, increased 1.2 percent in the second quarter and 2.0 percent during the first quarter of 1997 (seasonally adjusted annual rates).

#### Nonfarm business

Productivity grew at a 2.7 percent annual rate in the nonfarm business sector during the second quarter of 1997, faster than at any time since the fourth quarter of 1993, when it rose 3.3 percent. During the first quarter of 1997, nonfarm business productivity had increased 1.4 percent, reflecting gains of 5.6 percent in output and 4.2 percent in hours. Both output and hours increases slowed in the second quarter. Output increased 4.2 percent and hours of all persons increased 1.5 percent (table 2). The modest rise in hours resulted from a 1.7 percent increase in employment and a 0.3 percent decline in average weekly hours at work.

Hourly compensation increased 3.2 percent in the second quarter, compared with a 4.5 percent increase one quarter earlier (seasonally adjusted annual rates). When the rise in the CPI-U is taken into account, real hourly compensation increased 2.1 percent in both the first and the second quarters of 1997. Real hourly compensation growth has not exceeded 2.1 percent since the first quarter of 1992, when it increased 4.8 percent.

Unit labor costs edged up 0.5 percent during the second quarter of 1997, the smallest increase since the second quarter of 1994, when these costs fell 0.2 percent. Unit labor costs had increased at a 3.1 percent annual rate in the first quarter. The implicit price deflator for nonfarm business output rose 1.1 percent in the second quarter, down from the 2.4 percent gain one quarter earlier.

#### Manufacturing

Productivity increased 2.4 percent in manufacturing in the second quarter of 1997, as output grew 3.6 percent and hours of all persons increased 1.1 percent (seasonally adjusted annual rates). In the previous quarter, a similar increase in productivity, 2.5 percent, occurred as output rose 5.4 percent while hours grew 2.8 percent. The second-quarter increase in productivity was due entirely to a 4.8 percent productivity gain in the durable goods sector, as output per hour worked declined 0.3 percent in the nondurable goods sector (tables 4 and 5).

Hourly compensation of all manufacturing workers increased 2.6 percent during the second quarter, down from a 4.4 percent increase in the first quarter of 1997. Real hourly compensation in the manufacturing sector rose 1.5 percent in the second quarter when the increase in consumer prices is taken into account. During the first quarter, real hourly compensation rose 2.0 percent.

Manufacturing unit labor costs edged up at a 0.1 percent annual rate in the second quarter of 1997, after increasing 1.8 percent in the first quarter. Unit labor costs declined 2.6 percent in durable goods industries in the second quarter of 1997, after rising 1.7 percent in the first quarter. In nondurable manufacturing, unit labor costs increased 3.6 percent in the second quarter and 0.7 percent in the first quarter of 1997.

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

Period	Produc- tivity	Output	Hours	Hourly compen- sation	Real hourly compen- sation	Unit labor costs	Unit profits	Implicit price deflator
Percent change from preceding quarter								
1997 II	3.2	5.5	2.2	3.2	2.1	0.0	4.0	0.5
Percent change from same quarter a year ago								
1997 II	2.4	5.3	2.9	3.5	1.1	1.1	3.1	0.8

#### Nonfinancial corporations

Preliminary second-quarter 1997 measures of productivity and costs also were announced today for nonfinancial corporations (tables B and 6). Productivity increased 3.2 percent during the second quarter, as output rose 5.5 percent and hours increased 2.2 percent (seasonally adjusted annual rates). In the first quarter of 1997, productivity had increased 1.9 percent in nonfinancial corporations, as output increased

6.1 percent and employee hours rose 4.1 percent. Nonfinancial corporations include all corporations doing business in the United States, except for financial corporations, which include depository institutions, nondepository institutions, security and commodity brokers, insurance carriers, regulated investment offices, small business investment offices, and real estate investment trusts.

Hourly compensation rose 3.2 percent in the second quarter, down from a 4.3 percent increase one quarter earlier. But when the rise in the CPI-U is taken into account, real hourly compensation increased 2.1 percent in the second quarter, slightly more than the 1.9 percent rise in the first quarter of 1997 (table 6).

Unit labor costs for nonfinancial corporations were unchanged in the second quarter of 1997, following a 2.3 percent rise in the first quarter. Unit nonlabor costs fell 0.2 percent, and unit profits rose 4.0 percent. During the first quarter, unit nonlabor costs had dropped 1.8 percent, and unit profits rose 3.8 percent (seasonally adjusted annual rates). The implicit price deflator for nonfinancial corporate output rose 0.5 percent in the second quarter and 1.6 percent in the first quarter.

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

Sector	Productivity		Output	Hours	Real		
					Hourly compensation	hourly compensation	Unit labor costs
Second quarter 1997							
Business:							
Previous	0.7	2.4	1.7	3.0	1.9	2.3	
Current	2.7	4.3	1.5	3.2	2.1	0.4	
Nonfarm business:							
Previous	0.6	2.3	1.7	3.1	2.0	2.4	
Current	2.7	4.2	1.5	3.2	2.1	0.5	
Manufacturing:							
Previous	3.2	4.4	1.2	2.7	1.6	-0.4	
Current	2.4	3.6	1.1	2.6	1.5	0.1	

#### Revised Measures

Current and previous measures for the second quarter of 1997 for the business, nonfarm business, and manufacturing sectors are compared in table C. The quarterly movements differ from those reported on August 12 based on information then available. In the business and nonfarm business sectors, changes in output (which are based on information from the national income and product accounts prepared by the U.S. Department of Commerce) and productivity were revised up, and the increase in hours was revised down. Manufacturing output (which is based on information from the Federal Reserve Board) and productivity were revised down.

#### Next release date

The next release of Productivity and Costs is scheduled for 10:00 AM EST, Thursday, November 13, 1997. Revised second-quarter measures for nonfinancial corporations and preliminary third-quarter measures for business, nonfarm business, and manufacturing will be released at that time.

## TECHNICAL NOTES

**Labor Hours:** The primary source of hours and employment data is the BLS Current Employment Statistics (CES) program, which provides monthly survey data on total employment and average weekly paid hours of production and 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	100.2	108.7	108.5	105.8	98.3	105.6	108.3	106.5
	II	100.4	108.7	108.3	106.6	98.3	106.1	108.4	107.0
	III	100.6	109.8	109.2	107.3	98.4	106.7	108.8	107.4
	IV	101.1	110.7	109.5	108.1	98.6	107.0	109.2	107.8
	ANNUAL	100.5	109.5	108.9	106.9	98.4	106.3	108.7	107.2
1996	I	101.6	111.4	109.6	108.9	98.4	107.1	110.6	108.4
	II	102.3	113.2	110.7	110.1	98.8	107.7	111.1	108.9
	III	102.0	113.5	111.3	111.0	98.9	108.8	110.8	109.6
	IV	102.5	115.0	112.2	111.9	98.9	109.2	111.4	110.0
	ANNUAL	102.0	113.3	111.0	110.4	98.7	108.2	111.0	109.2
1997	I	102.9	116.6	113.3	113.1	99.4	109.9	111.8	110.6
	II	r103.6	r117.9	r113.7	114.0	r99.9	r110.0	r112.5	r110.9
Percent change from previous quarter at annual rate(5)									
1995	I	-2.1	0.8	2.9	2.6	-0.2	4.8	-0.2	2.9
	II	0.9	0.2	-0.7	3.2	0.1	2.3	0.4	1.6
	III	0.7	4.2	3.5	2.6	0.5	1.9	1.4	1.7
	IV	2.0	3.0	1.0	3.2	0.7	1.2	1.5	1.3
	ANNUAL	0.0	2.3	2.4	2.5	-0.3	2.6	1.7	2.3
1996	I	2.2	2.8	0.6	2.7	-0.6	0.5	5.3	2.3
	II	2.5	6.6	4.0	4.7	1.3	2.2	1.9	2.1
	III	-1.1	0.9	2.0	3.3	0.6	4.4	-1.0	2.4
	IV	1.9	5.4	3.4	3.3	-0.1	1.4	2.2	1.7
	ANNUAL	1.5	3.5	2.0	3.3	0.3	1.8	2.2	1.9
1997	I	1.8	5.9	4.0	4.4	1.9	2.5	1.1	2.0
	II	r2.7	r4.3	r1.5	r3.2	r2.1	r0.4	r2.5	r1.2
Percent change from corresponding quarter of previous year									
1995	I	-0.5	3.3	3.8	1.7	-1.2	2.2	3.2	2.6
	II	-0.3	1.7	2.1	2.5	-0.5	2.8	1.7	2.4
	III	0.0	2.4	2.3	2.7	0.1	2.7	1.3	2.2
	IV	0.4	2.0	1.7	2.9	0.3	2.5	0.8	1.9
	ANNUAL	0.0	2.3	2.4	2.5	-0.3	2.6	1.7	2.3
1996	I	1.4	2.5	1.1	2.9	0.2	1.5	2.1	1.7
	II	1.8	4.2	2.3	3.3	0.5	1.5	2.5	1.8
	III	1.4	3.3	1.9	3.5	0.5	2.1	1.9	2.0
	IV	1.4	3.9	2.5	3.5	0.3	2.1	2.1	2.1
	ANNUAL	1.5	3.5	2.0	3.3	0.3	1.8	2.2	1.9
1997	I	1.3	4.7	3.4	3.9	0.9	2.6	1.1	2.0
	II	r1.3	r4.1	r2.7	3.5	1.1	r2.1	r1.2	1.8

See footnotes following Table 6.  
r=revised

September 9, 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	100.3	108.9	108.5	105.6	98.2	105.3	109.5	106.8
	II	100.5	108.9	108.4	106.4	98.1	105.8	109.6	107.2
	III	100.8	110.2	109.3	107.1	98.3	106.3	109.7	107.5
	IV	101.2	111.0	109.7	107.9	98.4	106.6	109.8	107.8
	ANNUAL	100.7	109.8	109.0	106.7	98.3	106.0	109.7	107.3
1996	I	101.7	111.7	109.8	108.7	98.3	106.9	111.1	108.4
	II	102.2	113.5	111.0	109.8	98.5	107.4	111.4	108.8
	III	102.0	113.8	111.6	110.6	98.6	108.5	111.0	109.4
	IV	102.4	115.3	112.6	111.5	98.5	108.9	111.6	109.8
	ANNUAL	102.0	113.6	111.3	110.1	98.4	107.9	111.3	109.1
1997	I	102.8	116.9	113.8	112.8	99.1	109.7	111.9	110.5
	II	r103.5	r118.1	114.2	r113.7	r99.6	r109.8	r112.4	r110.8
Percent change from previous quarter at annual rate(5)									
1995	I	-1.6	1.2	2.9	2.6	-0.2	4.2	1.3	3.1
	II	0.8	0.2	-0.6	3.1	-0.1	2.3	0.2	1.5
	III	1.1	4.6	3.5	2.7	0.6	1.6	0.5	1.2
	IV	1.6	3.0	1.4	2.9	0.5	1.3	0.3	1.0
	ANNUAL	0.2	2.6	2.4	2.5	-0.3	2.4	2.1	2.3
1996	I	1.9	2.6	0.6	2.8	-0.5	0.9	4.8	2.3
	II	2.2	6.8	4.4	4.4	1.0	2.1	1.1	1.7
	III	-1.0	1.0	2.1	2.9	0.2	3.9	-1.3	2.0
	IV	1.8	5.4	3.6	3.3	-0.1	1.5	2.0	1.7
	ANNUAL	1.3	3.5	2.2	3.1	0.2	1.8	1.5	1.7
1997	I	1.4	5.6	4.2	4.5	2.1	3.1	1.0	2.4
	II	r2.7	r4.2	r1.5	r3.2	r2.1	r0.5	r2.1	r1.1
Percent change from corresponding quarter of previous year									
1995	I	-0.2	3.5	3.7	1.8	-1.1	2.0	4.3	2.8
	II	-0.2	1.9	2.1	2.4	-0.6	2.6	2.4	2.6
	III	0.4	2.7	2.3	2.8	0.1	2.4	1.5	2.1
	IV	0.4	2.2	1.8	2.8	0.2	2.4	0.6	1.7
	ANNUAL	0.2	2.6	2.4	2.5	-0.3	2.4	2.1	2.3
1996	I	1.3	2.6	1.2	2.9	0.1	1.5	1.4	1.5
	II	1.7	4.2	2.5	3.2	0.4	1.5	1.7	1.6
	III	1.2	3.3	2.1	3.3	0.3	2.1	1.2	1.7
	IV	1.2	3.9	2.7	3.3	0.2	2.1	1.6	1.9
	ANNUAL	1.3	3.5	2.2	3.1	0.2	1.8	1.5	1.7
1997	I	1.1	4.7	3.6	3.8	0.8	2.7	0.7	1.9
	II	r1.2	r4.1	r2.8	r3.5	r1.1	r2.2	r0.9	r1.8

See footnotes following Table 6.

r=revised

September 9, 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	106.7	112.3	105.2	107.2	99.6	100.5
	II	107.6	111.9	104.0	108.2	99.8	100.5
	III	108.8	112.7	103.6	109.2	100.2	100.4
	IV	109.2	113.0	103.4	110.1	100.4	100.8
	ANNUAL	108.1	112.5	104.1	108.7	100.1	100.6
1996	I	110.3	113.3	102.7	110.8	100.2	100.4
	II	111.0	115.0	103.7	112.1	100.5	101.0
	III	112.4	116.4	103.6	112.9	100.6	100.4
	IV	113.5	117.7	103.7	113.5	100.3	100.0
	ANNUAL	111.7	115.6	103.5	112.2	100.3	100.5
1997	I	114.2	119.2	104.4	114.7	100.8	100.4
	II	r114.9	r120.3	104.7	r115.4	r101.1	r100.5
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Percent change from previous quarter at annual rate(5)							
1995	I	3.8	4.4	0.6	2.1	-0.6	-1.6
	II	3.5	-1.2	-4.5	3.8	0.7	0.3
	III	4.3	2.7	-1.5	3.9	1.7	-0.4
	IV	1.7	1.0	-0.7	3.2	0.7	1.4
	ANNUAL	3.2	3.5	0.3	2.9	0.1	-0.3
1996	I	4.0	1.1	-2.7	2.5	-0.8	-1.4
	II	2.4	6.3	3.8	4.7	1.3	2.2
	III	5.5	5.0	-0.5	3.2	0.5	-2.2
	IV	3.7	4.3	0.6	1.9	-1.4	-1.7
	ANNUAL	3.3	2.8	-0.5	3.2	0.2	-0.1
1997	I	2.5	5.4	2.8	4.4	2.0	1.8
	II	r2.4	r3.6	r1.1	r2.6	r1.5	r0.1
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Percent change from corresponding quarter of previous year							
1995	I	2.9	5.7	2.8	2.0	-0.9	-0.9
	II	2.7	3.5	0.9	2.8	-0.2	0.1
	III	3.4	3.1	-0.3	3.1	0.5	-0.3
	IV	3.3	1.7	-1.6	3.3	0.6	-0.1
	ANNUAL	3.2	3.5	0.3	2.9	0.1	-0.3
1996	I	3.4	0.9	-2.4	3.3	0.6	0.0
	II	3.1	2.8	-0.3	3.6	0.7	0.5
	III	3.4	3.3	-0.1	3.4	0.4	0.0
	IV	3.9	4.1	0.3	3.1	-0.1	-0.8
	ANNUAL	3.3	2.8	-0.5	3.2	0.2	-0.1
1997	I	3.5	5.2	1.7	3.5	0.6	0.0
	II	r3.5	r4.6	1.0	r3.0	r0.6	r-0.5
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See footnotes following Table 6.  
r=revised

September 9, 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	110.8	118.4	106.9	107.1	99.5	96.7
	II	111.3	118.0	106.0	107.9	99.5	96.9
	III	112.8	119.5	106.0	108.8	99.8	96.4
	IV	113.5	120.5	106.2	109.3	99.7	96.4
	ANNUAL	112.1	119.1	106.3	108.2	99.7	96.6
1996	I	115.1	121.6	105.6	109.8	99.3	95.3
	II	116.3	124.7	107.2	111.1	99.6	95.5
	III	118.0	126.5	107.2	111.8	99.6	94.7
	IV	118.7	127.4	107.4	111.9	98.9	94.3
	ANNUAL	116.9	125.0	107.0	111.0	99.2	95.0
1997	I	119.5	129.9	108.7	113.2	99.5	94.7
	II	r120.9	r132.1	109.2	r113.8	r99.7	94.1
-----							
Percent change from previous quarter at annual rate(5)							
1995	I	5.7	6.7	0.9	2.3	-0.4	-3.2
	II	2.1	-1.4	-3.4	3.0	-0.1	1.0
	III	5.4	5.3	-0.1	3.4	1.2	-1.9
	IV	2.4	3.4	0.9	2.1	-0.3	-0.3
	ANNUAL	4.0	5.3	1.3	2.6	-0.2	-1.3
1996	I	6.0	3.7	-2.2	1.6	-1.7	-4.2
	II	4.0	10.3	6.1	4.8	1.4	0.8
	III	6.2	6.0	-0.2	2.7	0.0	-3.4
	IV	2.1	2.8	0.7	0.5	-2.7	-1.6
	ANNUAL	4.3	5.0	0.7	2.5	-0.4	-1.7
1997	I	3.0	8.3	5.2	4.7	2.3	1.7
	II	r4.8	r6.7	r1.8	r2.0	r0.9	r-2.6
-----							
Percent change from corresponding quarter of previous year							
1995	I	4.1	8.0	3.7	1.7	-1.1	-2.3
	II	3.4	5.4	1.9	2.5	-0.6	-0.9
	III	3.9	4.7	0.7	2.8	0.2	-1.1
	IV	3.9	3.4	-0.4	2.7	0.1	-1.1
	ANNUAL	4.0	5.3	1.3	2.6	-0.2	-1.3
1996	I	4.0	2.7	-1.2	2.5	-0.2	-1.4
	II	4.4	5.6	1.2	3.0	0.1	-1.4
	III	4.6	5.8	1.1	2.8	-0.2	-1.8
	IV	4.6	5.7	1.1	2.4	-0.8	-2.1
	ANNUAL	4.3	5.0	0.7	2.5	-0.4	-1.7
1997	I	3.8	6.8	2.9	3.2	0.2	-0.6
	II	r4.0	r5.9	1.9	2.5	r0.1	-1.5
-----							

See footnotes following Table 6.

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September 9, 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	102.9	105.9	103.0	107.0	99.5	104.1
	II	104.1	105.6	101.4	108.3	99.9	104.0
	III	105.0	105.5	100.5	109.5	100.4	104.3
	IV	105.3	105.0	99.7	110.7	100.9	105.1
	ANNUAL	104.4	105.5	101.1	108.9	100.3	104.4
1996	I	105.8	104.5	98.8	111.7	101.1	105.7
	II	106.0	104.9	99.0	112.8	101.2	106.4
	III	107.2	105.9	98.7	113.9	101.5	106.3
	IV	108.7	107.4	98.8	115.1	101.8	106.0
	ANNUAL	106.8	105.7	99.0	113.3	101.3	106.1
1997	I	109.4	108.0	98.7	116.1	102.0	106.1
	II	r109.3	r107.9	98.7	117.1	102.6	r107.1
-----							
Percent change from previous quarter at annual rate(5)							
1995	I	1.3	1.4	0.1	1.7	-1.0	0.5
	II	5.1	-1.3	-6.0	4.7	1.6	-0.3
	III	3.3	-0.4	-3.5	4.4	2.3	1.1
	IV	1.2	-1.8	-3.0	4.6	2.1	3.3
	ANNUAL	2.3	1.2	-1.1	3.2	0.4	0.9
1996	I	1.7	-1.9	-3.5	3.8	0.5	2.1
	II	1.0	1.6	0.5	4.0	0.6	2.9
	III	4.6	3.7	-0.9	3.9	1.2	-0.6
	IV	5.5	5.9	0.4	4.3	0.9	-1.1
	ANNUAL	2.3	0.2	-2.1	4.0	1.0	1.7
1997	I	2.7	2.1	-0.6	3.4	1.0	0.7
	II	r-0.3	r-0.1	0.2	r3.3	r2.2	r3.6
-----							
Percent change from corresponding quarter of previous year							
1995	I	1.6	3.2	1.6	2.1	-0.7	0.5
	II	1.8	1.3	-0.5	3.0	0.0	1.2
	III	2.8	1.0	-1.8	3.4	0.7	0.5
	IV	2.7	-0.5	-3.1	3.9	1.2	1.1
	ANNUAL	2.3	1.2	-1.1	3.2	0.4	0.9
1996	I	2.8	-1.3	-4.0	4.4	1.6	1.5
	II	1.8	-0.6	-2.4	4.2	1.3	2.4
	III	2.1	0.4	-1.7	4.1	1.1	1.9
	IV	3.2	2.3	-0.9	4.0	0.8	0.8
	ANNUAL	2.3	0.2	-2.1	4.0	1.0	1.7
1997	I	3.4	3.3	-0.1	3.9	0.9	0.5
	II	r3.1	r2.9	-0.2	r3.7	r1.3	r0.6
-----							

See footnotes following Table 6.

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September 9, 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	103.0	112.3	109.1	105.2	97.8	102.2	99.8	101.6	135.2	104.6
	II	103.5	112.9	109.1	106.0	97.7	102.4	100.1	101.8	134.9	104.8
	III	104.7	114.9	109.7	106.6	97.8	101.9	99.0	101.1	145.5	105.1
	IV	105.2	115.9	110.2	107.3	97.8	102.0	99.1	101.2	147.3	105.4
	ANNUAL	104.1	114.0	109.5	106.3	97.9	102.1	99.5	101.4	140.8	105.0
1996	I	105.6	116.5	110.4	107.8	97.5	102.1	99.2	101.4	152.5	106.0
	II	106.4	118.7	111.5	109.0	97.8	102.4	98.4	101.4	154.7	106.2
	III	107.0	120.0	112.1	109.9	97.9	102.7	98.1	101.5	156.0	106.4
	IV	107.6	121.5	113.0	110.7	97.8	102.9	97.4	101.5	156.4	106.5
	ANNUAL	106.6	119.2	111.8	109.4	97.8	102.6	98.3	101.4	154.9	106.3
1997	I	108.1	123.3	114.1	111.9	98.3	103.5	97.0	101.8	157.9	106.9
	II	108.9	125.0	114.7	112.8	98.8	103.5	96.9	101.8	159.4	107.0
Percent change from previous quarter at annual rate(5)											
1995	I	-3.1	0.0	3.2	2.4	-0.4	5.6	2.8	4.9	-18.1	1.8
	II	1.9	2.0	0.1	3.0	-0.1	1.0	1.0	1.0	-0.8	0.8
	III	4.8	7.2	2.3	2.5	0.4	-2.2	-4.2	-2.7	35.4	1.3
	IV	2.1	3.8	1.7	2.5	0.1	0.4	0.4	0.4	4.9	1.0
	ANNUAL	0.8	3.7	2.9	2.3	-0.5	1.5	-0.2	1.1	4.7	1.5
1996	I	1.3	2.0	0.7	2.0	-1.2	0.7	0.6	0.7	15.0	2.4
	II	3.3	7.6	4.2	4.4	1.0	1.1	-3.1	0.0	5.8	0.7
	III	2.3	4.3	2.0	3.4	0.7	1.1	-1.4	0.5	3.5	0.9
	IV	2.0	5.2	3.2	2.9	-0.4	0.9	-2.8	0.0	1.0	0.1
	ANNUAL	2.4	4.5	2.1	2.9	-0.1	0.4	-1.2	0.0	10.0	1.2
1997	I	1.9	6.1	4.1	4.3	1.9	2.3	-1.8	1.3	3.8	1.6
	II	3.2	5.5	2.2	3.2	2.1	0.0	-0.2	-0.1	4.0	0.5
Percent change from corresponding quarter of previous year											
1995	I	-0.6	3.9	4.6	1.6	-1.3	2.2	-1.7	1.2	6.6	1.8
	II	0.4	3.5	3.0	2.2	-0.8	1.8	1.3	1.7	1.9	1.7
	III	1.5	4.3	2.7	2.5	-0.1	1.0	-0.5	0.6	6.7	1.3
	IV	1.4	3.2	1.8	2.6	0.0	1.2	0.0	0.9	3.6	1.2
	ANNUAL	0.8	3.7	2.9	2.3	-0.5	1.5	-0.2	1.1	4.7	1.5
1996	I	2.5	3.7	1.2	2.5	-0.2	0.0	-0.6	-0.2	12.8	1.4
	II	2.9	5.1	2.2	2.9	0.0	0.0	-1.6	-0.4	14.6	1.3
	III	2.3	4.4	2.1	3.1	0.1	0.8	-0.9	0.4	7.2	1.2
	IV	2.2	4.8	2.5	3.2	0.0	1.0	-1.7	0.3	6.2	1.0
	ANNUAL	2.4	4.5	2.1	2.9	-0.1	0.4	-1.2	0.0	10.0	1.2
1997	I	2.4	5.8	3.3	3.8	0.8	1.3	-2.3	0.4	3.5	0.8
	II	2.4	5.3	2.9	3.5	1.1	1.1	-1.5	0.4	3.1	0.8

See footnotes following Table 6.  
r=revised

September 9, 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.