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Productivity and Costs
First Quarter 1972

New Series on productivity for
Non-Financial Corporations
See Page 3 and Tables 4 and 5

Output per man-hour for the private economy increased at a seasonally adjusted annual rate of 2.1 percent in the first quarter, the U. S. Department of Labor's Bureau of Labor Statistics announced today. In the nonfarm sector the productivity gain was larger -- 3.7 percent. The disparity between the two productivity measures reflects the decline in output per man-hour which occurred in the farm sector. Output per man-hour in the manufacturing sector increased at an annual rate of 2.9 percent.

Recent changes in productivity, hourly compensation, and unit labor costs at annual rates are summarized below.

PERCENT CHANGE AT ANNUAL RATE (Seasonally Adjusted)

	4th Quarter 1971 to 1st Quarter 1972	1st Quarter 1971 to 1st Quarter 1972
Total Private		
Output per man-hour	2.1	2.8
Compensation per man-hour	8.6	6.3
Unit labor costs	6.3	3.4
Real compensation per man-hour	5.0	2.6
Private Nonfarm		
Output per man-hour	3.7	3.3
Compensation per man-hour	9.3	6.6
Unit labor costs	5.4	3.1
Real compensation per man-hour	5.7	2.9
Manufacturing		
Output per man-hour	2.9	2.8
Compensation per man-hour	9.7	5.4
Unit labor costs	6.6	2.5
Real compensation per man-hour	6.2	1.8

In the nonfarm sector, productivity growth was accompanied by a large increase in output of 7.0 percent (annual rate). However, because of a drop in farm production, output for the private economy as a whole increased somewhat less -- at a 5.6 percent annual rate. Man-hour gains were greater than last quarter's increases and were attributable entirely to growth in employment. Last quarter, the man-hour gain reflected an employment rise as well as a lengthening of the work week.

Since the first quarter of 1971, output per man-hour increased by 2.8 percent in the private economy and 3.3 percent in the nonfarm sector.

Productivity in manufacturing increased at an annual rate of 2.9 percent compared with the revised fourth quarter increase of 0.8 percent. The greater gain in productivity this quarter reflected a substantial gain in production, which rose at an annual rate of 6.9 percent compared with 3.9 percent in the fourth quarter of 1971. Between the first quarter of 1971 and the first quarter of 1972, manufacturing output per man-hour rose by 2.8 percent.

Compensation per man-hour rose substantially in all three sectors of the economy in the first quarter. In the private economy, hourly compensation increased at an annual rate of 8.6 percent. In the nonfarm sector, the gain was even larger -- 9.3 percent -- and in manufacturing it was 9.7 percent. The large increases in hourly compensation not only reflected the expected bulge following the Phase I freeze period, but also reflected retroactive wage payments and the impact of increased employer contributions to social security. Compared with the first quarter of 1971, compensation per man-hour increased by 6.3 percent in the private economy, 6.6 percent in the nonfarm sector, and 5.4 percent in manufacturing.

Because the gains in hourly compensation were substantially larger than the increase in the Consumer Price Index, real compensation per man-hour in the first quarter increased at more than twice the rate of gain experienced in the fourth quarter of 1971. For the private economy, real hourly compensation rose at an annual rate of 5.0 percent -- compared with 2.0 percent in the fourth quarter. In the nonfarm and manufacturing sectors, the gain in real compensation per man-hour was even larger -- 5.7 percent and 6.2 percent, respectively.

Because of the large increases in compensation per man-hour, unit labor costs also rose substantially in the three major sectors of the total economy. For the total private economy, unit labor costs increased by 6.3 percent in the first quarter. In the nonfarm sector, the increase was 5.4 percent, while in manufacturing it was 6.6 percent.

The implicit price deflator, which reflects changes in unit labor costs, unit profits, and other nonlabor costs, also increased more in the first quarter than in the previous period. For the private sector the increase was 5.3 percent -- compared with 1.2 percent in the fourth quarter. Prices in the nonfarm sector rose by 4.2 percent, compared with a very slight decline in the fourth quarter.

Introducing new data on the Nonfinancial Corporate Sector

Included in this release for the first time are quarterly data on output per man-hour and related costs for the nonfinancial corporate sector (table 4), to supplement the measures for the total private economy and private nonfarm sector. An historical series beginning with 1958 also appears in an appendix table. The entire series back to 1948 will be included in the forthcoming Productivity, Wages and Prices release. A description of the methods and procedures used to develop this series is available upon request.

The nonfinancial corporate sector includes all corporations operating in the United States except banks, commodity and stock brokers, credit agencies, and insurance carriers. In 1971 this sector accounted for 64 percent of the output and 53 percent of the employment in the total private economy.

The new corporate series provides a comprehensive framework for analyzing productivity, costs, profits and prices. In this series, unlike those for the private economy and the nonfarm sector, there is no need to allocate the income of proprietors between property income and labor income, since all labor input and income pertains to employees only. In addition, output data for the nonfinancial corporate sector do not require imputations for measuring the output of banks, owner-occupied dwellings, and non-profit organizations.

Two new measures, which are not available in the other series, are included in the corporate series -- unit profits and unit nonlabor costs. Together, the two measures equal unit nonlabor payments. Unit profits are measured before taxes and include an inventory valuation adjustment. They are derived by dividing total corporate profits by total corporate product (output). Unit nonlabor costs are capital consumption allowances, indirect business taxes, and net interest. These measures permit an analysis of prices in terms of unit labor costs, unit nonlabor costs, and unit profits.

Recent Changes in the Corporate Sector

In the fourth quarter of 1971, the latest period for which nonfinancial corporate data are available, output per man-hour in the corporate sector rose at an annual rate of 4.8 percent, as output increased by over 9 percent and man-hours by over 4 percent. The rate of growth in output per man-hour was about the same in the third quarter -- 4.6 percent; however, the output and man-hour trends differed widely. Output rose by less than 1 percent, while man-hours declined by 3.6 percent. During the third quarter, manufacturing output, which has a large weight in the corporate sector, fell significantly because many firms were using up steel inventories which they had accumulated in anticipation of a steel strike.

For 1971 as a whole, corporate output per man-hour rose by 4.7 percent, reflecting a 2.9 percent increase in output and a 1.7 percent decline in man-hours. Although the 1971 gain in output was about the same in the private nonfarm sector, the increase in productivity in the corporate sector was more than 1 percentage point greater than the nonfarm rate (3.4 percent) because man-hours declined more steeply in the corporate sector. Moreover, quarterly output per man-hour gains in the corporate sector were higher than in the nonfarm sector throughout 1971.

In the fourth quarter of 1971, both unit labor costs and the price deflator declined in the corporate sector. Unit labor costs fell by 1.4 percent (annual rate) as hourly compensation rose by 3.3 percent and output per man-hour by 4.8 percent. On the other hand, unit nonlabor costs rose by 2.3 percent and unit profits by 0.5 percent.

In the third quarter, the cost and price situation was different. Prices rose by 2.2 percent, reflecting increases in unit labor costs (2.0 percent) and unit nonlabor costs (10.5 percent). Unit profits, however, fell by almost 12 percent, reflecting lower scales of production as output increased by only 0.8 percent compared with the 9.1 percent rise in the fourth quarter.

For the year 1971, unit labor costs increased by 2.2 percent and prices rose by 4.0 percent. Last year's price rise reflected a significant slowdown in the rate of increase of unit labor costs and unit nonlabor costs; however, unit profits rose over the year. In 1971 unit profits rose by 11.6 percent, compared with a 13 percent decline in 1970. 1971 was the first year since 1966 that unit profits increased.

In 1971 real compensation per man-hour in the corporate sector rose by 2.6 percent, about the same rate as in the nonfarm sector. While this rate was less than the rate of growth in productivity for 1971, it was much higher than the 0.7 percent increase in real wages registered for the corporate sector in 1970.

Long-term changes in the Corporate Sector

Over the twenty-three year period 1948-71, output per man-hour (productivity) for nonfinancial corporations rose at an annual average rate of 3.0 percent compared with 2.6 percent for the nonfarm sector. In all but 5 of the 23 years, the increase in corporate productivity was greater than nonfarm productivity. Quarterly movements for the corporate sector generally followed the same pattern.

The higher productivity gains in the corporate sector reflected more rapid gains in output. In addition, the corporate sector is characterized by industries with better-than-average rates of productivity growth -- such as manufacturing, public utilities, communications and transportation -- and to a large extent excludes industries with lower productivity growth, such as many service industries.

Primarily reflecting the greater rise in productivity, unit labor costs in the corporate sector over the period 1948-71, rose less than in the private nonfarm sector of the economy. Corporate unit labor cost increases averaged 1.8 percent a year compared with 2.1 percent for the nonfarm sector. Hourly compensation gains were similar for both sectors, 4.9 percent. Price trends as measured by the implicit price deflator followed the same pattern -- corporate prices tended to rise more slowly than prices in the nonfarm sector.

In the 1967-71 period, when productivity rates for the nonfarm sector were low, corporate sector productivity gains, although smaller than in previous years, were higher than those for nonfarm as a whole. In the corporate sector output per man-hour rose by 2.5 percent a year (compared with the long-term rate of 3.0), while it rose by only 1.4 percent in the nonfarm sector (compared with the long-term rate of 2.6). For the most part, the productivity slowdown in both sectors reflected a dropoff in the rate of growth in output. In the corporate sector, however, output growth did not slow down as much and man-hour adjustments were made more quickly than in the private nonfarm sector. Corporate output rose by 2.6 percent a year between 1967 and 1971, in contrast to 2.1 percent in the nonfarm sector, while corporate man-hours rose by only 0.1 percent, in contrast to a 0.7 percent rise in the nonfarm sector.

During 1967-71, price increases in the corporate sector averaged 3.5 percent a year. While unit labor costs also rose more rapidly (4.3 percent), they were not the fastest rising component of costs. Unit nonlabor costs increased by 6.8 percent in the corporate sector. This rapid gain reflected both increases in capital consumption allowances and interest payments. Unit profits, on the other hand, fell by over 6 percent a year during 1967-71.

Although both costs and prices increased more in the past 4 years than in earlier years, the increases in the corporate sector were not as large as in the private nonfarm sector. The 1967-71 increase in the corporate prices averaged 3.5 percent during this period while nonfarm price increases averaged 4.4 percent. Furthermore, on a quarterly basis, price increases in the corporate sector have been smaller every quarter since the middle of 1967. The lower rate of price increase in the corporate sector reflected to a large extent smaller increases in unit labor costs -- 4.3 percent in contrast to 5.5 percent in the nonfarm sector, mainly because output per man-hour rose faster in the corporate sector. Hourly compensation gains averaged about 7.0 percent a year in both sectors during the 1967-71 period.

Note Comparing Commerce and BLS Series

A special study which appeared in the March issue of the Survey of Current Business presented another measure of output per man-hour for nonfinancial corporations. This study included three types of productivity measures developed by the Department of Commerce -- output per man-hour worked, output per dollar of capital owned, and output per unit of labor and capital combined. For each of the three series, output was valued at factor costs rather than the usual valuation at market prices, the concept used in the BLS series. (Market prices are equal to the sum of factor costs plus capital consumption allowances and indirect business taxes.) The labor input measures in the Commerce and BLS series differ somewhat in concept - the Commerce Department series is an estimate of hours worked and the BLS series is a measure of hours paid.

A comparison of the annual percent changes for the two output per man-hour series covering the period 1959-71 is given on the following page. Differences between the two series are attributable largely to differences in the valuation of output and not to the differences in the labor input measures.

Percent Change from Previous Year

Year	Commerce 1/	BLS 2/
1959	6.0	4.4
1960	1.5	1.5
1961	2.6	3.3
1962	5.3	4.7
1963	3.9	3.6
1964	4.4	4.8
1965	4.4	3.7
1966	2.6	2.6
1967	0.5	1.0
1968	4.4	4.3
1969	0.8	1.1
1970	0.2	1.1
1971	4.8	4.7

1/ Output valued at factor costs.

2/ Output valued at market prices.

Table 1. Total Private Economy: ..cput per Man-Hour, Hourly Compensation, Unit Cost, and Prices, Seasonally Adjusted, (Indexes 1967 = 100)

Year and quarter	Output per man-hour	Output	Man-hours	Compensation per man-hour 1/	Real compensation per man-hour 2/	Unit labor cost	Unit nonlabor payments 3/	Implicit price deflator 4/
1971								
1st...	106.9	108.3	101.3	129.8	108.6	121.4	110.4	117.1
2nd...	107.4	109.3	101.7	131.7	109.0	122.6	111.7	118.4
3rd...	108.5	110.0	101.4	133.7	109.6	123.3	112.6	119.1
4th...	109.3r	111.7r	102.2	135.1	110.1	123.6r	113.0	119.5r
Annual Ave.	108.1	109.8r	101.7	132.6	109.3	122.7	111.9	118.5
1972								
1st...	109.9p	113.2p	103.0p	137.9p	111.5p	125.5p	114.0p	121.0p
			Percent Change Over Previous Quarter at Annual Rate 5/					
1971								
1st...	6.2	8.5	2.1	8.5	5.1	2.1	8.7	4.4
2nd...	1.9	3.6	1.7	6.2	1.7	4.1	4.6	4.3
3rd...	4.0	2.7	- 1.2	6.2r	2.1r	2.2r	3.3	2.5
4th...	3.2r	6.3r	3.0r	4.2r	1.9r	1.0r	1.4	1.2r
Annual Ave. 6/	3.6	2.9	- 0.7	6.9	2.6r	3.2	6.3r	4.3
1972								
1st...	2.1p	5.6p	3.4p	8.6p	5.0p	6.3p	3.5p	5.3p
			Percent Change Over Previous Year 7/					
1971								
1st...	3.8	1.5	- 2.3	7.1	2.1	3.2	8.1	4.9
2nd...	3.6	2.2	- 1.3	7.5	3.0	3.8	7.0	5.0
3rd...	3.0 r	2.5	- 0.5	6.7	2.4	3.6	5.8	4.4
4th...	3.8r	5.2r	1.4	6.2r	2.7	2.3	4.5	3.1
1972								
1st...	2.8p	4.5p	1.7p	6.3p	2.6p	3.4p	3.2p	3.3p

See footnotes at end of table 4 .

r = revised
p = preliminary

Table 2. Private Nonfarm Sector: Output per Man-Hour, Hourly Compensation, Unit Cost, and Prices, Seasonally Adjusted, (Indexes 1967 = 100)

Year and quarter	Output per man-hour	Output	Man-hours	Compensation per man-hour 1/	Real compensation per man-hour 2/	Unit Labor cost	Unit non-labor payments 3/	Implicit price deflator 4/
1971								
1st...	105.8	108.5	102.5	128.4	107.4	121.3	110.9	117.4
2nd...	106.5	109.5	102.8	130.4	108.0	122.4	112.2	118.6
3rd...	107.1	110.0	102.6	132.2 r	108.3	123.4 r	112.8 r	119.4
4th...	108.3 r	111.9 r	103.3	133.8	109.0	123.5 r	112.6	119.4 r
Annual Ave.	107.0	110.0	102.8	131.2	108.1	122.7 r	112.1	118.7
1972								
1st...	109.3 p	113.8 p	104.1 p	136.8 p	110.5 p	125.1 p	113.2 p	120.6 p
				Percent Change Over Previous Quarter at Annual Rate 5/				
1971								
1st...	6.6	8.8	2.1	8.6	5.2	1.9	8.1	4.1
2nd...	2.7	3.7	1.0	6.6	2.1	3.8	4.6	4.1
3rd...	2.3	1.8	- 0.5	5.4 r	1.3	3.0	2.4 r	2.8
4th...	4.5 r	7.2 r	2.6 r	5.0 r	2.7 r	0.5 r	- 0.9	- 0.1 r
Annual Ave 6/	3.4	2.7	- 0.7	6.9	2.5	3.4	6.6	4.5
1972								
1st...	3.7 p	7.0 p	3.2 p	9.3 p	5.7 p	5.4 p	2.1 p	4.2 p
				Percent Change Over Previous Year 7/				
1971								
1st...	3.7	1.3	- 2.3	7.3	2.2	3.5	9.5	5.5
2nd...	3.3	2.1	- 1.2	7.3	2.8	3.9	7.8	5.3
3rd...	2.5	2.0	- 0.4	6.5	2.2	4.0 r	5.8 r	4.6
4th...	4.0 r	5.3 r	1.3 r	6.4	2.8	2.3 r	3.5 r	2.7
1972								
1st...	3.3 p	4.9 p	1.5 p	6.6 p	2.9 p	3.1 p	2.0 p	2.7 p

ootnotes at end of table 4.

r = revised
p = prelimi

Table 3. Manufacturing Sector. Output per Man-Hour, Hourly Compensation, and Unit Labor Costs, Seasonally Adjusted, (Indexes 1967 = 100)

Year and quarter	Output per man-hour	Output 8/	Man-hours	Compensation per man-hour 1/	Real Compensation per man-hour 2/	Unit labor costs
1971						
1st...	110.1	104.2	94.6	127.2	106.5	115.6
2nd...	111.9	106.0	94.7	128.6	106.4	114.9
3rd...	112.2	105.3	93.9	129.9	106.5	115.8
4th...	112.4 r	106.3 r	94.6 r	131.1	106.8	116.6 r
Annual Ave.	111.5 r	105.3 r	94.4	129.1	106.5	115.8 r
1972						
1st...	113.2 p	108.1 p	95.5 p	134.1 p	108.4 p	118.5 p
			Percent Change Over Previous Quarter at Annual Rate 5/			
1971						
1st...	8.5	11.5	2.8	8.4	5.2	- 0.0
2nd...	6.7	7.1	0.4	4.2	- 0.3	- 2.4
3rd...	1.0	- 2.6	- 3.6	4.2	0.2	3.1
4th...	0.8 r	3.9 r	3.1 r	3.8 r	1.4 r	3.0 r
Annual Ave.6/	3.5 r	- 0.4 r	- 3.7	6.2	1.8	2.6
1972						
1st...	2.9 p	6.9 p	3.9 p	9.7 p	6.2 p	6.6 p
			Percent Change Over Previous Year 7/			
1971						
1st...	4.0	- 3.1	- 6.8	7.5	2.4	3.3
2nd...	3.6	- 1.2	- 4.6	6.9	2.4	3.2
3rd...	2.7	- 1.1	- 3.8	5.6	1.3	2.8
4th...	4.2 r	4.8 r	0.6	5.1	1.6	0.9 r
1972						
1st...	2.8 p	3.7 p	0.9 p	5.4 p	1.8 p	2.5 p

See footnotes at end of table 4 .

r = revised
p = preliminary

Table 4. Nonfinancial Corporations: Output per Man-hour, Hourly Compensation, Unit Costs, Unit Profits and Prices, Seasonally Adjusted (Indexes 1967=100)

Year and quarter	Output per man-hour	Output	Man-hours	Compensation per man-hour 1/	Real compensation per man-hour 2/	Unit Labor cost	Unit non-labor costs 9/	Unit profits 10/	Implicit price deflator
1970									
1st...	105.2	109.7	104.3	118.7	104.2	112.9	116.8	74.9	108.0
2nd...	106.5	109.6	102.9	120.8	104.3	113.4	119.4	77.1	109.1
3rd...	107.8	109.6	101.6	123.7	105.7	114.8	122.0	76.5	110.5
4th...	107.2	106.8	99.6	125.7	106.0	117.3	127.3	71.9	112.5
Annual Ave.	106.7	108.9	102.1	122.2	105.1	114.6	121.4	75.2	110.1
1971									
1st...	110.0	110.5	100.5	128.0	107.1	116.4	126.4	83.5	113.5
2nd...	111.0	111.6	100.5	130.1	107.7	117.1	127.3	85.7	114.5
3rd...	112.3	111.9	99.6	132.1	108.3	117.7	130.5	83.1	115.1
4th...	113.6	114.3	100.6	133.2	108.6	117.3	131.2	83.2	115.0
Annual Ave.	111.7	112.1	100.4	130.7	107.8	117.1	128.7	83.9	114.5
				Percent Change Over Previous Quarter at Annual Rate 5/					
1970									
1st...	- 1.7	- 3.3	- 1.6	4.1	- 2.0	6.0	10.5	-17.5	4.1
2nd...	5.2	- 0.5	- 5.4	7.0	0.4	1.6	9.3	12.2	4.4
3rd...	4.9	- 0.1	- 4.8	10.3	5.5	5.1	8.8	- 2.8	5.1
4th...	- 2.2	- 9.8	- 7.8	6.6	1.2	9.0	18.3	-22.0	7.4
Annual Ave. 6/	1.1	- 1.3	- 2.4	6.7	0.7	5.5	10.1	-13.1	4.2
1971									
1st...	10.9	14.8	3.5	7.5	4.1	- 3.1	- 2.5	81.9	3.6
2nd...	3.7	4.0	0.3	6.5	2.3	2.7	2.6	11.0	3.6
3rd...	4.6	0.8	- 3.6	6.6	2.2	2.0	10.5	-11.8	2.2
4th...	4.8	9.1	4.1	3.3	1.0	- 1.4	2.3	0.5	- 0.3
Annual Ave. 6/	4.7	2.9	- 1.7	7.0	2.6	2.2	6.0	11.6	4.0
				Percent Change Over Previous Year 7/					
1971									
1st...	4.6	0.7	-3.7	7.8	2.8	3.1	8.2	11.5	5.1
2nd...	4.2	1.8	-2.3	7.7	3.3	3.3	6.5	11.2	4.9
3rd...	4.2	2.1	-2.0	6.8	2.4	2.5	6.9	8.5	4.2
4th...	6.0	7.1	1.0	6.0	2.4	0.0	3.1	15.6	2.3

r = revised p = preliminary

See footnotes at end of table.

FOOTNOTES, TABLES 1 TO 5

Source: Output data from the Bureau of Economic Analysis, U. S. Department of Commerce and the Federal Reserve Board. Compensation and man-hours data from the Bureau of Labor Statistics, U. S. Department of Labor and the Bureau of Economic Analysis.

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 includes an estimate of wages, salaries and supplemental payments for the self-employed.

2/ Compensation per man-hour adjusted for changes in the Consumer Price Index.

3/ Nonlabor payments include profits, depreciation, interest, rental income and indirect taxes.

4/ Current dollar gross product divided by constant dollar gross product.

5/ Percent change compounded at annual rate from original data.

6/ Percentage change of annual average.

7/ Current quarter divided by comparable quarter a year ago.

8/ Quarterly measures adjusted to annual estimates of output (gross product originating) from the Bureau of Economic Analysis, U. S. Department of Commerce.

9/ Unit nonlabor costs include depreciation, interest and indirect taxes.

10/ Unit profits include corporate profits and inventory valuation adjustment.

APPENDIX

Table 5. Nonfinancial Corporations: Output per Man-hour, Hourly Compensation, Unit Costs, Unit Profits and Prices, Seasonally Adjusted
(Indexes 1967 = 100)

Year and Quarter	Output per man-hour	Output	Man-hours	Compensation per man-hour 1/	Real compensation per man-hour 2/	Unit labor cost	Unit non-labor costs 9/	Unit profits 10/	Implicit price deflator
1962									
1st...	84.7	73.6	86.9	79.6	88.3	94.0	93.9	91.9	93.7
2nd...	84.9	74.6	87.8	80.3	88.8	94.5	93.3	91.0	93.8
3rd...	86.2	75.7	87.9	81.0	89.1	94.0	93.4	92.1	93.6
4th...	87.1	76.4	87.8	81.6	89.6	93.7	93.9	93.2	93.7
Annual Ave.	85.7	75.1	87.6	80.6	88.9	94.0	93.6	92.1	93.7
1963									
1st...	87.2	76.9	88.1	82.3	90.2	94.4	94.7	90.9	93.9
2nd...	87.9	78.2	88.9	82.7	90.5	94.1	94.9	93.9	94.2
3rd...	89.4	79.8	89.2	83.6	90.8	93.5	93.8	96.5	94.0
4th...	90.4	80.9	89.6	84.6	91.6	93.6	94.1	96.8	94.2
Annual Ave.	88.8	78.9	88.9	83.4	90.9	93.9	94.5	94.6	94.1
1964									
1st...	92.3	82.6	89.5	86.1	92.9	93.3	94.3	100.4	94.6
2nd...	92.8	83.9	90.4	86.9	93.7	93.6	94.5	101.0	94.9
3rd...	93.7	85.4	91.2	88.1	94.6	94.0	94.6	101.6	95.3
4th...	93.4	85.9	92.0	88.6	94.8	94.9	94.9	98.9	95.5
Annual Ave.	93.0	84.5	90.8	87.4	94.0	93.9	94.9	100.4	95.1
1965									
1st...	95.1	88.9	93.5	88.9	95.0	93.5	94.8	106.4	95.7
2nd...	95.9	90.5	94.4	89.7	95.1	93.5	94.4	106.3	95.7
3rd...	97.1	92.5	95.3	90.6	95.7	93.3	93.1	107.1	95.4
4th...	98.2	95.0	96.7	91.6	96.3	93.3	92.3	109.7	95.6
Annual Ave.	96.5	91.7	95.0	90.2	95.4	93.4	93.5	107.4	95.6

See footnotes at end of Table 4.

APPENDIX

Table 5. Nonfinancial Corporations: Output per Man-hour, Hourly Compensation, Unit Costs, Unit Profits and Prices, Seasonally Adjusted
(Indexes 1967 = 100)

Year and Quarter	Output per man-hour	Output	Man-hours	Compensation per man-hour 1/	Real compensation per man-hour 2/	Unit labor cost	Unit non-labor costs 9/	Unit profits 10/	Implicit price deflator
1958									
1st...	72.2	59.0	81.8	68.3	79.4	94.6	87.0	75.7	90.1
2nd...	74.1	58.8	79.3	69.5	80.2	93.7	88.0	78.9	90.3
3rd...	75.7	60.7	80.3	70.4	81.2	93.1	86.6	86.7	90.8
4th...	76.9	63.2	82.2	70.7	81.5	92.0	85.1	96.3	91.2
Annual Ave.	74.8	60.5	80.9	69.8	80.6	93.3	86.3	85.1	90.6
1959									
1st...	77.1	65.4	84.8	71.2	82.2	92.3	83.0	99.1	91.4
2nd...	79.1	68.2	86.3	72.3	83.1	91.5	81.2	105.0	91.4
3rd...	77.9	66.6	85.5	72.6	82.9	93.2	84.6	95.0	91.7
4th...	78.2	67.0	85.8	72.9	82.9	93.3	86.3	93.3	91.8
Annual Ave.	78.1	66.8	85.6	72.3	82.8	92.5	83.7	98.4	91.6
1960									
1st...	79.3	69.6	87.7	74.2	84.3	93.5	85.1	96.5	92.2
2nd...	79.5	69.2	87.1	75.2	84.9	94.6	86.1	93.0	92.6
3rd...	79.1	68.2	86.2	75.4	85.0	95.3	87.8	88.3	92.7
4th...	79.0	66.9	84.6	75.7	84.8	95.8	90.7	83.9	92.9
Annual Ave.	79.2	68.5	86.4	75.1	84.7	94.8	87.2	90.4	92.6
1961									
1st...	79.1	66.3	83.8	76.3	85.4	96.4	91.8	81.1	93.1
2nd...	81.4	68.4	84.1	77.3	86.6	95.0	91.6	88.4	93.3
3rd...	82.5	70.1	85.0	77.9	86.8	94.4	91.1	89.8	93.0
4th...	84.1	72.3	86.1	78.7	87.5	93.7	90.5	96.2	93.4
Annual Ave.	81.8	69.3	84.8	77.6	86.6	94.8	91.2	89.3	93.2

Footnotes at end of Table 4.

APPENDIX

Table 5. Nonfinancial Corporations: Output per Man-hour, Hourly Compensation, Unit Costs, Unit Profits and Prices, Seasonally Adjusted
(Indexes 1967 = 100)

Year and Quarter	Output per man-hour	Output	Man-hours	Compensation per man-hour 1/	Real compensation per man-hour 2/	Unit labor cost	Unit non-labor costs 9/	Unit profits 10/	Implicit price deflator
1966									
1st...	98.7	97.0	98.3	93.0	97.0	94.3	91.7	109.3	96.0
2nd...	98.7	98.1	99.4	94.4	97.4	95.7	92.5	108.2	96.9
3rd...	99.2	99.4	100.2	95.6	97.8	96.4	93.6	107.3	97.5
4th...	99.6	100.2	100.5	97.0	98.4	97.3	94.3	107.8	98.3
Annual Ave.	99.0	98.7	99.6	95.0	97.7	95.9	93.3	108.0	97.2
1967									
1st...	98.6	98.9	100.3	97.8	99.1	99.2	97.5	101.0	99.1
2nd...	99.8	99.3	99.5	99.3	99.9	99.5	99.4	100.6	99.6
3rd...	100.4	100.3	99.9	100.7	100.3	100.3	101.0	99.1	100.3
4th...	101.0	101.5	100.4	102.1	100.8	101.0	102.1	99.3	101.0
Annual Ave.	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1968									
1st...	102.8	103.7	100.9	104.4	102.1	101.5	103.0	99.5	101.5
2nd...	104.2	105.9	101.6	106.3	102.6	102.0	103.4	101.9	102.3
3rd...	104.8	107.3	102.4	108.0	103.0	103.1	104.1	100.4	102.9
4th...	105.4	108.5	102.9	110.2	103.9	104.5	105.4	97.3	103.6
Annual Ave.	104.3	106.4	102.0	107.2	102.9	102.8	103.9	99.7	102.5
1969									
1st...	105.3	109.3	103.8	111.7	104.1	106.1	106.8	93.3	104.3
2nd...	105.6	110.5	104.7	113.6	104.1	107.6	108.8	89.1	105.1
3rd...	105.5	110.9	105.1	115.5	104.3	109.4	111.8	84.6	106.2
4th...	105.6	110.7	104.8	117.5	104.8	111.3	113.9	78.6	106.9
Annual Ave.	105.5	110.3	104.6	114.6	104.4	108.6	110.3	86.5	105.6

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Se[illegible])tnotes at end of Table 4.

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