

News

United States
Department
of Labor



Bureau of Labor Statistics

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PRODUCTIVITY AND COSTS

Private Business, Nonfarm Business, and Manufacturing Sectors, First Quarter 1978
(and data for Nonfinancial Corporations, Fourth Quarter 1977)

Productivity in the private business sector declined 3.6 percent (at a seasonally-adjusted annual rate) in the first quarter of 1978, according to preliminary figures announced today by the Bureau of Labor Statistics of the U.S. Department of Labor. The decline, the first since the second quarter of 1977 and the largest quarterly drop in 4 years, reflected a 1.8 percent decline in output, coupled with a 1.9 percent increase in hours of all persons. In the fourth quarter of 1977, productivity increased 2.3 percent.

In the nonfarm business sector, output per hour of all persons--productivity--declined 3.3 percent, as output declined at a 1.0 percent annual rate and hours increased 2.4 percent. This productivity decline--the first in this sector since the fourth quarter of 1976--was the largest since the third quarter of 1974. In the fourth quarter of 1977, productivity increased 2.3 percent in this sector.

In manufacturing, productivity declined 3.3 percent in the first quarter of 1978 and reflected a 0.1 percent drop in output and a 3.3 percent increase in hours (at seasonally-adjusted annual rates). Productivity also declined--by 0.9 percent--in the fourth quarter of 1977. The first quarter decline was most severe among durable goods producing firms.

A summary of these first quarter measures, as well as fourth quarter 1977 measures for nonfinancial corporations which were also released today, appears in tables A and B; details are in tables 1-6.

Table A. Percent Change at Annual Rates in Productivity and Costs,
Seasonally Adjusted
PRELIMINARY

Sector	Producti- vity	Hourly Com- pensation	Unit Labor Cost	Real Hourly Compen- sation	Output	Hours
Fourth Quarter 1977 to First Quarter 1978						
Private Business	-3.6	14.0	18.3	(1)	-1.8	1.9
Nonfarm Business	-3.3	13.2	17.0	(1)	-1.0	2.4
Manufacturing	-3.3	14.9	18.8	(1)	-0.1	3.3
Durable	-5.7	14.0	20.9	(1)	-1.4	4.5
Nondurable	0.4	16.2	15.7	(1)	1.8	1.4
First Quarter 1977 to First Quarter 1978						
Private Business	0.7	9.1	8.4	(1)	4.4	3.6
Nonfarm Business	0.9	9.1	8.2	(1)	4.5	3.6
Manufacturing	1.1	9.4	8.2	(1)	5.2	4.0
Durable	0.5	9.4	8.8	(1)	6.1	5.6
Nondurable	2.2	9.1	6.8	(1)	3.9	1.7

- (1) Scheduling of the release of the new Consumer Price Index for all urban consumers (CPI-U) precludes the use of real hourly compensation (hourly compensation adjusted for quarterly changes in the CPI-U) with preliminary productivity and cost measures. These will be published together with revised output and labor input measures with the next regular edition of Productivity and Costs, approximately 30 days after the preliminary measures.

Table B. Percent Change in Productivity and Costs at Annual Rates
Seasonally Adjusted
Nonfinancial Corporations

Item	3rd quarter 1977 to 4th quarter 1977 PRELIMINARY	4th quarter 1976 to 4th quarter 1977 PRELIMINARY	1977 Annual REVISED
Output per all-employee hour	1.1	3.3	2.4
Hourly compensation	8.0	8.9	8.9
Unit labor cost	6.8	5.3	6.4
Real hourly compensation	3.2	2.0	2.3
Output	5.3	7.5	5.9
Hours	4.2	4.0	3.5
Unit profits	-12.3	11.3	2.0

Private Business Sector

Productivity declined 3.6 percent in the first quarter of 1978 in the private business sector, as output declined 1.8 percent and hours of all persons increased 1.9 percent. This drop in output was the first in 3 years.

Hourly compensation--which includes wages and salaries as well as supplements and employer contributions to Social Security and private employee benefit plans--rose 14.0 percent, the largest rise in 5 years. Unit labor cost--compensation per unit of output which reflects changes in hourly compensation and productivity--rose 18.3 percent in the first quarter, the largest increase in this measure since the first quarter of 1951.

The implicit price deflator--which shows the combined effect of changes in unit labor cost and unit nonlabor payments--increased 6.9 percent in the first quarter (at an annual rate) compared with a 5.2 percent rise in the fourth quarter of 1977.

Compared with the same quarter a year ago, productivity increased 0.7 percent, output was up 4.4 percent, and hours of all persons were 3.6 percent higher. Partly reflecting a 9.1 percent rise in hourly compensation, unit labor cost increased 8.4 percent. The implicit price deflator rose 6.1 percent over the first quarter of 1977.

Nonfarm Business Sector

The productivity decline in the nonfarm business sector was smaller than the drop in the private business sector as a whole because the latter includes the farm sector where a larger productivity decline occurred in the first quarter. Productivity declined 3.3 percent in the nonfarm business sector during the first quarter, as output fell 1.0 percent and hours increased 2.4 percent. Hourly compensation rose 13.2 percent (at an annual rate) in the first quarter, the largest rise ever recorded in this series which begins in 1947. Unit labor cost rose 17.0 percent, the largest rise since the second quarter of 1974. The implicit price deflator rose 6.4 percent.

Compared with the first quarter of 1977, productivity was 0.9 percent higher, output was up 4.5 percent, and hours of all persons increased 3.6 percent. Hourly compensation was 9.1 percent higher than a year ago, and unit labor cost was up 8.2 percent. The implicit price deflator increased 6.3 percent over the period.

Manufacturing

The productivity decline in the manufacturing sector--3.3 percent--matched the movement in the nonfarm business sector. The output decline was small, only 0.1 percent, while the increase in hours was relatively larger, at 3.3 percent (at seasonally-adjusted annual rates). Hourly compensation rose 14.9 percent, and unit labor cost increased 18.8 percent, the biggest increase in this important cost item since the first quarter of 1975.

Durable goods producing industries experienced a larger productivity drop--5.7 percent--the second consecutive quarterly decline. The productivity drop in the fourth quarter of 1977 (1.7 percent) reflected a larger increase in hours than output, while the larger drop in the first quarter of 1978 reflected continued gains in hours (up 4.5 percent) and a decline in output (off 1.4 percent). Hourly compensation rose 14.0 percent, and unit labor cost increased at a 20.9 percent annual rate, both increases the largest since the first quarter of 1975.

In the nondurable goods producing industries, productivity increased 0.4 percent, as output rose 1.8 percent and hours increased 1.4 percent. Hourly compensation went up 16.2 percent, and unit labor cost was 15.7 percent higher than in the previous quarter.

Fourth Quarter Figures for Nonfinancial Corporations

Fourth quarter productivity and cost measures for the nonfinancial corporate sector were also released today for the fourth quarter of 1977. See table B. Output per all-employee hour increased 1.1 percent in the fourth quarter of 1977, as output increased 5.3 percent and hours rose 4.2 percent. Hourly compensation increased 8.0 percent, while real hourly compensation--which allows for changes in the Consumer Price Index--rose 3.2 percent. Unit labor cost increased 6.8 percent, while unit profits fell 12.3 percent (at seasonally adjusted-adjusted rates).

Revised annual measures for 1977 show productivity increased 2.4 percent last year, as output rose 5.9 percent and hours of all employees increased 3.5 percent. See table 3.

The 250-page "Productivity Indexes for Selected Industries 1977 Edition", BLS Bulletin 1983, has been prepared by the Division of Industry Productivity Studies and is now available. This bulletin contains annual indexes of output per employee-hour, output, and employee-hours for about 65 industries in the nonfarm sector. The indexes are available for most industries through 1976. BLS Bulletin 1983 can be ordered from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402 (Stock No. 029-001-02117-8), GPO Bookstores, or BLS Regional Offices listed below. The price is \$4.25. Make checks or Money Orders payable to Superintendent of Documents.

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TABLE 1. PRIVATE BUSINESS SECTOR, ALL PERSONS: PRODUCTIVITY,
HOURLY COMPENSATION, UNIT LABOR COST, AND PRICES, SEASONALLY ADJUSTED

YEAR AND QUARTER	OUTPUT PER HOUR OF ALL PERSONS	OUTPUT	HOURS OF ALL PERSONS	COMPENSA- TION PER HOUR (1)	REAL COMPENSA- TION PER HOUR (2)	UNIT LABOR COST	UNIT NON- LABOR PAY- MENTS (3)	IMPLICIT PRICE DEFLATOR
INDEXES 1967=100								
1977 I	118.9	131.3	110.5R	208.3R	117.6R	175.2	160.4	170.1
II	118.6	134.0	113.0	211.6R	117.0	178.4R	163.0	173.1
III	120.2	135.7	113.0R	216.0	117.9	179.7	167.0	175.4
IV	120.8R	137.7R	113.9R	220.0R	118.8R	182.1R	169.0R	177.6R
ANNUAL	119.5R	134.7R	112.7	214.0R	117.9	179.0R	164.9R	174.1R
1978 I	119.7P	137.1P	114.5P	227.4P	N.A. (13)	189.9P	162.8P	180.6P
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE (5)								
1977 I	5.7R	9.6	3.7R	11.3R	2.8R	5.3R	2.4R	4.4
II	-1.0	8.5	9.6R	6.5	-2.1	7.5R	6.6	7.2
III	5.3R	5.2	-0.2	8.4R	3.2R	2.9	10.2	5.2
IV	2.3R	5.9R	3.5R	7.7R	2.9R	5.3R	4.9R	5.2R
ANNUAL	2.6R	6.1R	3.4R	8.9R	2.3R	6.1R	3.1R	5.1
1978 I	-3.6P	-1.8P	1.9P	14.0P	N.A. (13)	18.3P	-14.0P	6.9P
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR (6)								
1977 I	3.0	5.1	2.1R	9.4	3.3	6.2	1.1	4.5
II	1.9	5.8	3.8	8.8R	1.9R	6.8	1.6	5.1
III	2.5	6.3	3.7R	8.8	2.0	6.1	3.8	5.3
IV	3.0R	7.3R	4.1	8.5R	1.7	5.3R	6.0R	5.5R
ANNUAL	2.6R	6.1R	3.4R	8.9R	2.3R	6.1R	3.1R	5.1
1978 I	0.7P	4.4P	3.6P	9.1P	N.A. (13)	8.4P	1.5P	6.1P

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED

P=PRELIMINARY

APRIL 25, 1978
SOURCE: BUREAU OF LABOR STATISTICS

TABLE 2. NONFARM BUSINESS SECTOR, ALL PERSONS: PRODUCTIVITY,
HOURLY COMPENSATION, UNIT LABOR COST, AND PRICES, SEASONALLY ADJUSTED

YEAR AND QUARTER	OUTPUT PER HOUR OF ALL PERSONS	OUTPUT	HOURS OF ALL PERSONS	COMPENSA- TION PER HOUR(1)	REAL COMPENSA- TION PER HOUR(2)	UNIT LABOR COST	UNIT NON- LABOR PAY- MENTS(3)	IMPLICIT PRICE DEFLATOR
INDEXES 1967=100								
1977 I	116.0P	131.6	113.4	204.2R	115.3	176.0	157.2	169.6
II	116.3	134.5	115.6	208.0R	115.0	178.9	160.7	172.7
III	117.4	136.0	115.9	211.8R	115.7R	180.5	166.3	175.6
IV	118.0R	137.9R	116.9R	216.0R	116.6R	183.0R	166.9P	177.5R
ANNUAL	116.9R	135.0R	115.5	210.0	115.7	179.7R	162.9R	173.9R
1978 I	117.1P	137.6P	117.6P	222.8P	N.A.(13)	190.4P	160.8P	180.3P
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)								
1977 I	4.7R	9.5	4.6R	11.3R	2.7R	6.3	-2.2P	3.5
II	0.8	2.8	8.0R	7.6R	-1.1R	6.8	9.0	7.5
III	3.8	4.8	0.9	7.5	2.3R	3.5	14.8	7.0
IV	2.3R	5.7R	3.3R	8.2R	3.4R	5.8R	1.4P	4.3P
ANNUAL	2.2R	6.0R	3.7	8.8R	2.2P	6.4	3.5R	5.4R
1978 I	-3.3P	-1.0P	2.4P	13.2P	N.A.(13)	17.0P	-13.8P	6.4P
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(6)								
1977 I	2.8	5.1	2.2	9.3	3.2	6.3	1.3	4.6
II	1.6	5.7	4.0	8.8	1.9R	7.1	2.5	5.6
III	1.9	6.1	4.1	8.5	1.7	6.5	4.4	5.8
IV	2.9R	7.2R	4.2	8.6R	1.8	5.6R	5.5P	5.6
ANNUAL	2.2R	6.0R	3.7	8.8R	2.2R	6.4	3.5P	5.4R
1978 I	0.9P	4.5P	3.6P	9.1P	N.A.(13)	8.2P	2.3P	6.3P

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED

P=PRELIMINARY

APRIL 25, 1978
SOURCE: BUREAU OF LABOR STATISTICS

TABLE 3. NONFINANCIAL CORPORATIONS: PRODUCTIVITY, HOURLY COMPENSATION
UNIT LABOR COST, UNIT PROFITS, AND PRICES, SEASONALLY ADJUSTED

YEAR AND QUARTER	OUTPUT PER ALL- EMPLOYEE HOUR	OUTPUT	EMPLOYEE HOURS	HOURLY COMPEN- TION (1)	REAL HOURLY COMPEN- SATION(2)	UNIT LABOR COST	UNIT NON- LABOR COST(8)	TOTAL UNIT COST (9)	UNIT PRO- FITS (40)	IMPLICIT PRICE DEFLATOR	
INDEXES 1967=100											
1976	I	116.2	131.8	113.4	189.1	113.0	162.7	187.7	168.8	113.1	160.5
	II	117.5	134.0	114.1	193.2	114.0R	164.5	188.3	170.3	115.0	162.1
	III	118.0	135.0	114.4	196.9	114.7	166.8	190.1	172.5	117.7	164.3
	IV	117.2	135.0	115.2	200.6	115.5	171.2	194.1	176.8	107.0	166.4
	ANNUAL	117.2	133.9	114.3	194.9	114.3	166.3	190.1	172.1	113.2	163.4
1977	I	118.9	138.0	116.1	206.7	116.7	173.9	195.0	179.0	103.7	167.8
	II	119.4	141.4	118.4	210.5	116.4	176.2	194.3	180.6	115.5	170.9
	III	120.7	143.1	118.6	214.2	117.0R	177.4	197.5	182.3	123.1	173.5
	IV	121.1P	145.0P	119.8P	218.3P	117.9P	180.3P	200.1P	185.1P	119.1P	175.3P
	ANNUAL	119.4R	141.9R	118.3	212.3	117.0R	177.0R	196.8R	181.8R	115.5R	172.0
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)											
1976	I	5.2	11.9	6.3	12.1	6.7P	6.5	-5.9	3.0	21.3	4.7
	II	4.3	6.8	2.4	8.8	3.6R	4.4	1.4	3.5	7.0	3.9
	III	2.0	2.9	1.0	7.9	2.3R	5.9	3.8	5.3	9.5	5.7
	IV	-2.9	-0.1	2.9	7.7	2.9	10.9	8.9	10.3	-31.7	5.1
	ANNUAL	3.7	7.7	3.8	8.6	2.7	4.7	0.7	3.6	20.9	5.2
1977	I	6.0	9.4	3.3	12.8	4.2R	6.4	1.7	5.2	-11.6	3.5
	II	1.9	10.1	8.1	7.5	-1.2	5.5	-1.3	3.6	53.5	7.6
	III	4.4	5.0	0.6	7.2	2.1R	2.7	6.7	3.7	29.1	6.1
	IV	1.1P	5.3P	4.2P	8.0P	3.2P	6.8P	5.4P	6.4P	-12.3P	4.3P
	ANNUAL	2.4R	5.9	3.5	8.9	2.3	6.4R	3.5R	5.6R	2.0R	5.3
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(6)											
1976	I	6.7	10.0	3.1	8.1	1.5R	1.3	0.4	1.1	71.9	5.6
	II	4.1	9.2	5.0	8.4	2.2P	4.2	-0.5	2.9	30.9	5.3
	III	2.3	6.3	4.0	8.9	3.2R	6.5	0.8	4.9	5.8	5.0
	IV	2.1	5.3	3.1	9.1	3.9R	6.9	1.9	5.5	-0.7	4.9
	ANNUAL	3.7	7.7	3.8	8.6	2.7	4.7	0.7	3.6	20.9	5.2
1977	I	2.3	4.7	2.4	9.3	3.3	6.9	3.9	6.1	-8.3	4.6
	II	1.7	5.5	3.8	9.0	2.0R	7.1	3.2	6.1	0.4	5.5
	III	2.3	6.1	3.7	8.8	2.0	6.3	3.9	5.7	4.6	5.6
	IV	3.3P	7.5P	4.0P	8.9P	2.0P	5.3P	3.1P	4.7P	11.3P	5.4P
	ANNUAL	2.4R	5.9	3.5	8.9	2.3	6.4R	3.5R	5.6R	2.0R	5.3

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED

P=PRELIMINARY

APRIL 25, 1978
SOURCE: BUREAU OF LABOR STATISTICS

TABLE 4. MANUFACTURING SECTOR: PRODUCTIVITY, HOURLY
COMPENSATION, UNIT LABOR COST, SEASONALLY ADJUSTED

YEAR AND QUARTER		OUTPUT PER HOUR OF ALL PERSONS	OUTPUT (7)	HOURS OF ALL PERSONS	COMPENSA- TION PER HOUR (1)	REAL COMPENSA- TION PER HOUR (2)	UNIT LABOR COST
INDEXES 1967=100							
1977	I	125.0	123.0	98.4	206.1	116.4	164.9
	II	126.2	126.5	100.3	210.1	116.2	165.5
	III	127.8	128.3	100.4	213.6	116.7R	167.2
	IV	127.5	129.4	101.5	217.8R	117.6	170.8
	ANNUAL	126.9	127.1	100.1	212.0R	116.8	167.0
1978	I	126.4P	129.4P	102.3P	225.5P	N.A. (13)	179.4P
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE (5)							
1977	I	0.1	5.3	5.7	12.4	4.1R	12.7
	II	3.8	12.2	8.1	8.1	-0.7	4.1
	III	5.2	5.6	0.4	6.9	1.7R	1.6
	IV	-0.9	3.5R	4.5	8.0R	3.2R	9.0R
	ANNUAL	2.2	5.9	3.6	8.8	2.2	6.5
1978	I	-3.3P	-0.1P	3.3P	14.9P	N.A. (13)	18.8P
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR (6)							
1977	I	2.3	4.4	2.0	9.0	3.0	6.5
	II	1.5	5.5	3.9	8.4	1.6R	6.4
	III	1.8	5.9	4.0	8.6	1.4	6.7
	IV	2.0	6.7R	4.6	8.9	2.1	6.8R
	ANNUAL	2.2	5.9	3.6	8.8	2.2	6.5
1978	I	1.1P	5.2P	4.0P	9.4P	N.A. (13)	8.2P

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED

P=PRELIMINARY

APRIL 25, 1978
SOURCE: BUREAU OF LABOR STATISTICS

TABLE 5. DURABLE MANUFACTURING SECTOR: PRODUCTIVITY, HOURLY
COMPENSATION, UNIT LABOR COST, SEASONALLY ADJUSTED(1)

YEAR AND QUARTER	OUTPUT PER HOUR OF ALL PERSONS	OUTPUT (7)	HOURS OF ALL PERSONS	COMPENSA- TION PER HOUR(1)	REAL COMPENSA- TION PER HOUR(2)	UNIT LABOR COST
INDEXES 1967=100						
1977 I	120.3	117.6	97.7	207.5	117.2	172.5
II	122.1	121.8	99.8	212.3	117.4	173.9
III	123.2	124.0	100.6	215.3	117.6R	174.8
IV	122.6R	125.2	102.1	219.6	118.6	179.0
ANNUAL	122.2	122.3	100.0	213.8	117.8	174.9
1978 I	120.9P	124.8P	103.2P	226.9P	N.A.(13)	187.7P
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)						
1977 I	-1.5	4.8	6.5	13.2	4.5R	15.0
II	6.1	13.4	8.7	9.6	0.7	3.3
III	3.5	7.2	3.5	5.7	0.7R	2.1
IV	-1.7R	4.0R	5.8	8.3R	3.4R	10.1R
ANNUAL	1.6	6.4	4.8	8.5	2.0	6.9
1978 I	-5.7P	-1.4P	4.5P	14.0P	N.A.(13)	20.9P
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(6)						
1977 I	1.9	5.2	3.3	8.3	2.3	6.2
II	1.2	6.0	4.8	8.1	1.2R	6.8
III	1.1	6.2	5.0	8.3	1.5	7.2
IV	1.6	7.8	6.1	9.2	2.3R	7.5
ANNUAL	1.6	6.4	4.8	8.5	2.0	6.9
1978 I	0.5P	6.1P	5.6P	9.4P	N.A.(13)	8.8P

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED

P=PRELIMINARY

APRIL 25, 1978
SOURCE: BUREAU OF LABOR STATISTICS

TABLE 6. NONDURABLE MANUFACTURING SECTOR: PRODUCTIVITY, HOURLY
COMPENSATION, UNIT LABOR COST, SEASONALLY ADJUSTED(12)

YEAR AND QUARTER	OUTPUT PER HOUR OF ALL PERSONS	OUTPUT (7)	HOURS OF ALL PERSONS	COMPENSA- TION PER HOUR(1)	REAL COMPENSA- TION PER HOUR(2)	UNIT LABOR COST
INDEXES 1967=100						
1977 I	132.6	131.7	99.3	204.0	115.2	153.9
II	132.8	134.2	101.1	206.6	114.2	155.6
III	135.2	135.3	100.0	210.6	115.0	155.7
IV	135.3R	136.2R	100.6R	214.3P	115.7	158.4R
ANNUAL	134.5	134.9	100.3	208.9R	115.1R	155.3
1978 I	135.5P	136.8P	101.0P	222.5P	N.A.(13)	164.3P
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)						
1977 I	2.5	7.2	4.6	11.8	3.2R	9.0
II	0.5	7.7	7.2	5.3	-3.2	4.7
III	7.7	3.3	-4.1	7.9	2.7R	0.2
IV	0.3R	2.8R	2.5R	7.3R	2.5R	7.0R
ANNUAL	3.1	5.1	2.0	8.9	2.3	5.7
1978 I	0.4P	1.8P	1.4P	16.2P	N.A.(13)	15.7P
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(6)						
1977 I	2.9	3.2	0.3	10.0	3.9	6.8
II	2.0	4.7	2.7	8.8	1.9R	6.7
III	3.0	5.6	2.5	8.9	2.1	5.7
IV	2.7	5.2R	2.4R	8.0	1.3	5.2R
ANNUAL	3.1	5.1	2.0	8.9	2.3	5.7
1978 I	2.2P	3.9P	1.7P	9.1P	N.A.(13)	6.8P

SEE FOOTNOTES FOLLOWING TABLE 6.
R=REVISED
P=PRELIMINARY

APRIL 25, 1978
SOURCE: BUREAU OF LABOR STATISTICS

FOOTNOTES, TABLES 1-6

SOURCE: Output data from the Bureau of Economic Analysis, U.S. Department of Commerce, and the Federal Reserve Board. Compensation and 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 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.
- (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 rather than index numbers.
- (6) Current quarter divided by comparable quarter a year ago.
- (7) Quarterly measures adjusted to annual estimates of output (gross product originating) from the Bureau of Economic Analysis, U.S. Department of Commerce.
- (8) Unit nonlabor costs include depreciation, interest, and indirect taxes.
- (9) Total unit costs is the sum of labor and non-labor costs.
- (10) Unit profits include corporate profits and inventory valuation adjustment.
- (11) The durable sector includes the following 2-digit SIC industries: Primary metal; fabricated metal products; nonelectrical machinery; electrical machinery; transportation equipment; instruments; lumber and lumber products; clay, glass, and stone products; furniture and fixtures; and miscellaneous manufactures.
- (12) The nondurable sector includes the following 2-digit SIC industries: Textile mill products; apparel products; leather and leather products; paper and paper products; printing and publishing; chemicals and chemical products; petroleum products; rubber and plastic products; foods; and tobacco products.
- (13) Scheduling of the release of the new Consumer Price Index for all urban consumers (CPI-U) precludes the use of real hourly compensation (hourly compensation adjusted for quarterly changes in the CPI-U) with preliminary productivity and cost measures. These will be published together with revised output and labor input measures with the next regular edition of Productivity and Costs, approximately 30 days after the preliminary measures.

CHART 1. PRODUCTIVITY, HOURLY
COMPENSATION, UNIT COSTS AND PRICES
PRIVATE BUSINESS SECTOR
(PERCENT CHANGE FROM PRECEDING
QUARTER AT ANNUAL RATE)

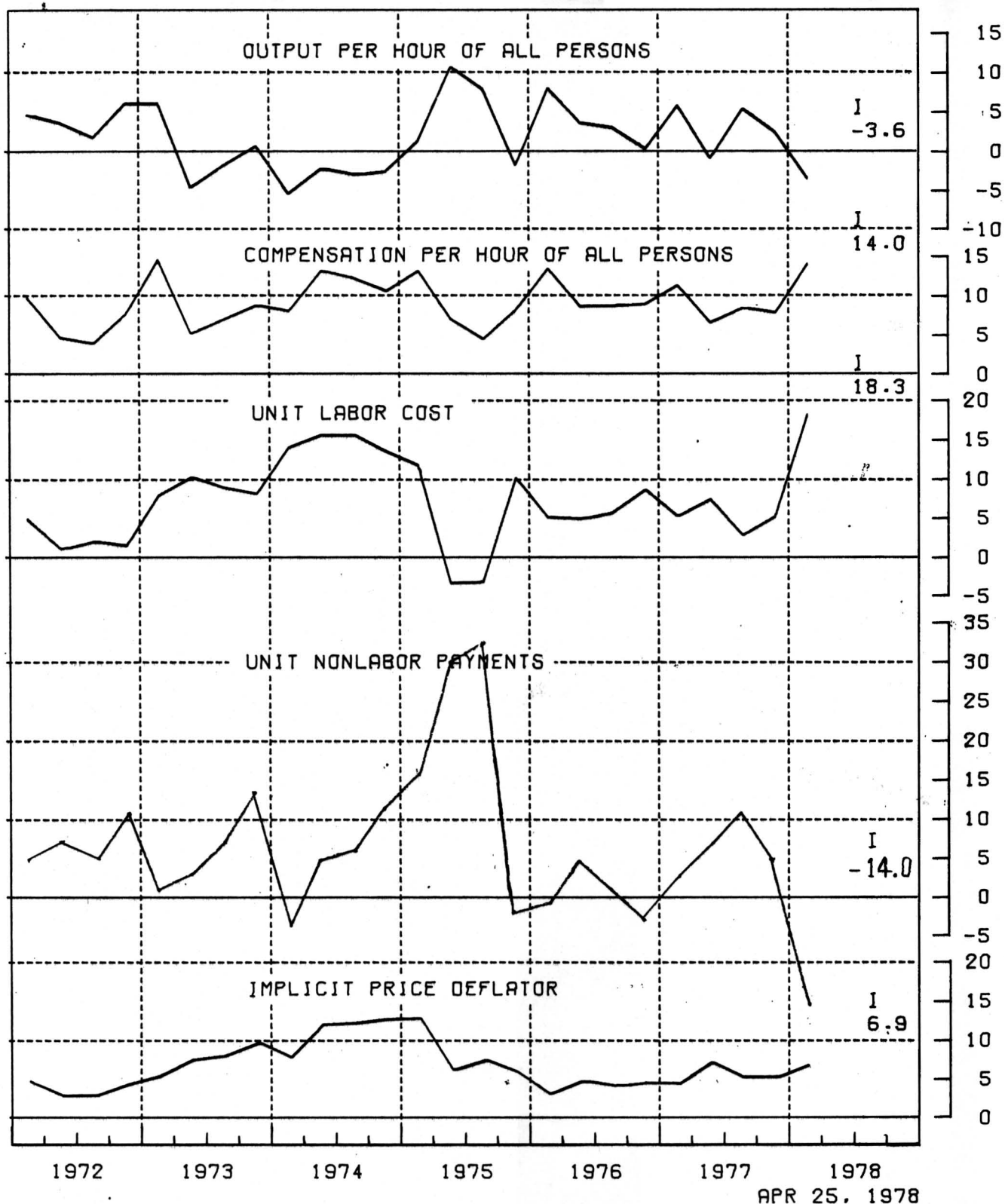


CHART 2. PRODUCTIVITY, HOURLY
COMPENSATION, UNIT COSTS AND PRICES
NONFARM BUSINESS SECTOR
(PERCENT CHANGE FROM PRECEDING
QUARTER AT ANNUAL RATE)

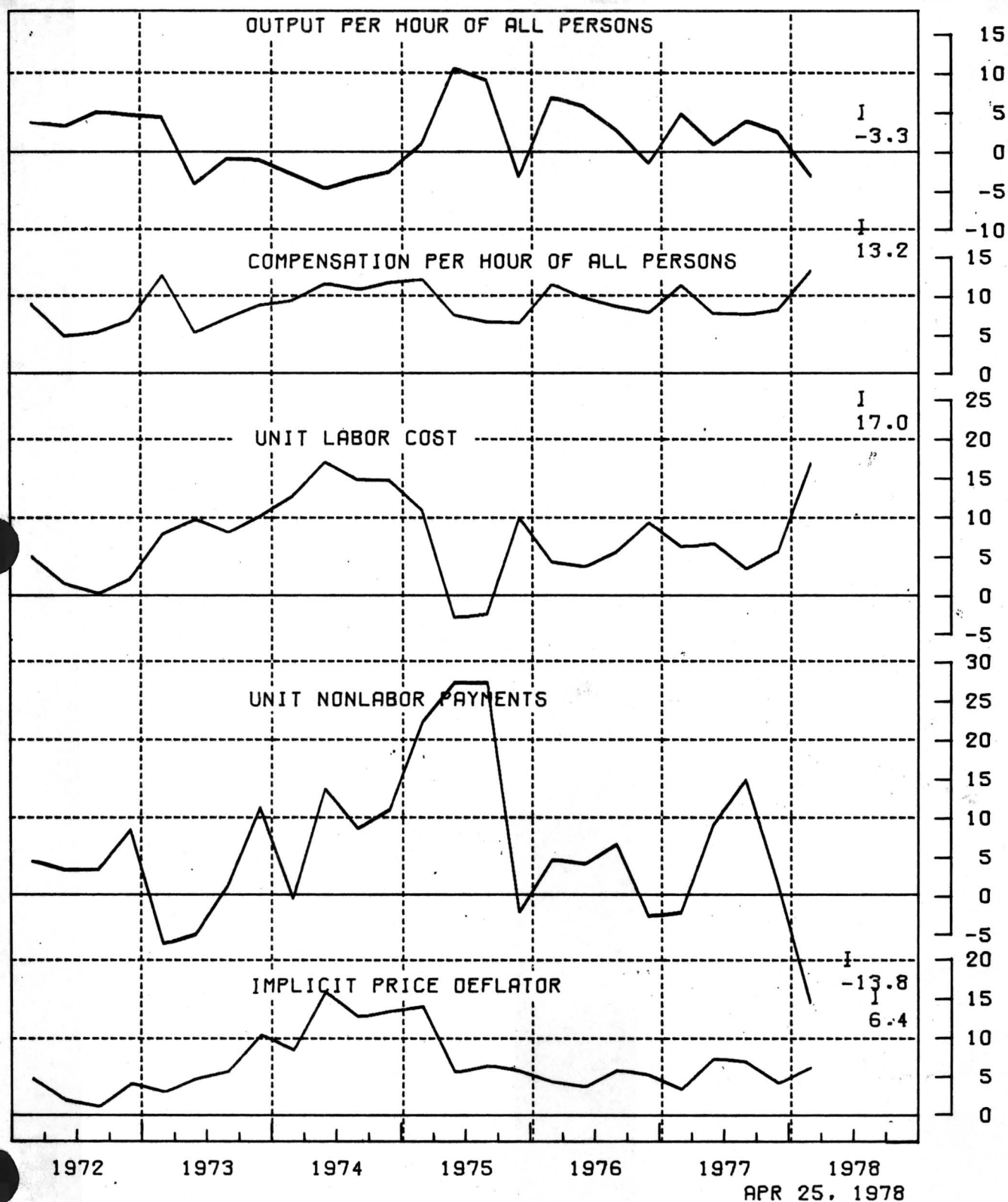


CHART 3. PRODUCTIVITY, HOURLY
COMPENSATION, UNIT COSTS AND PRICES
NONFINANCIAL CORPORATIONS
(PERCENT CHANGE FROM SAME
QUARTER A YEAR AGO)

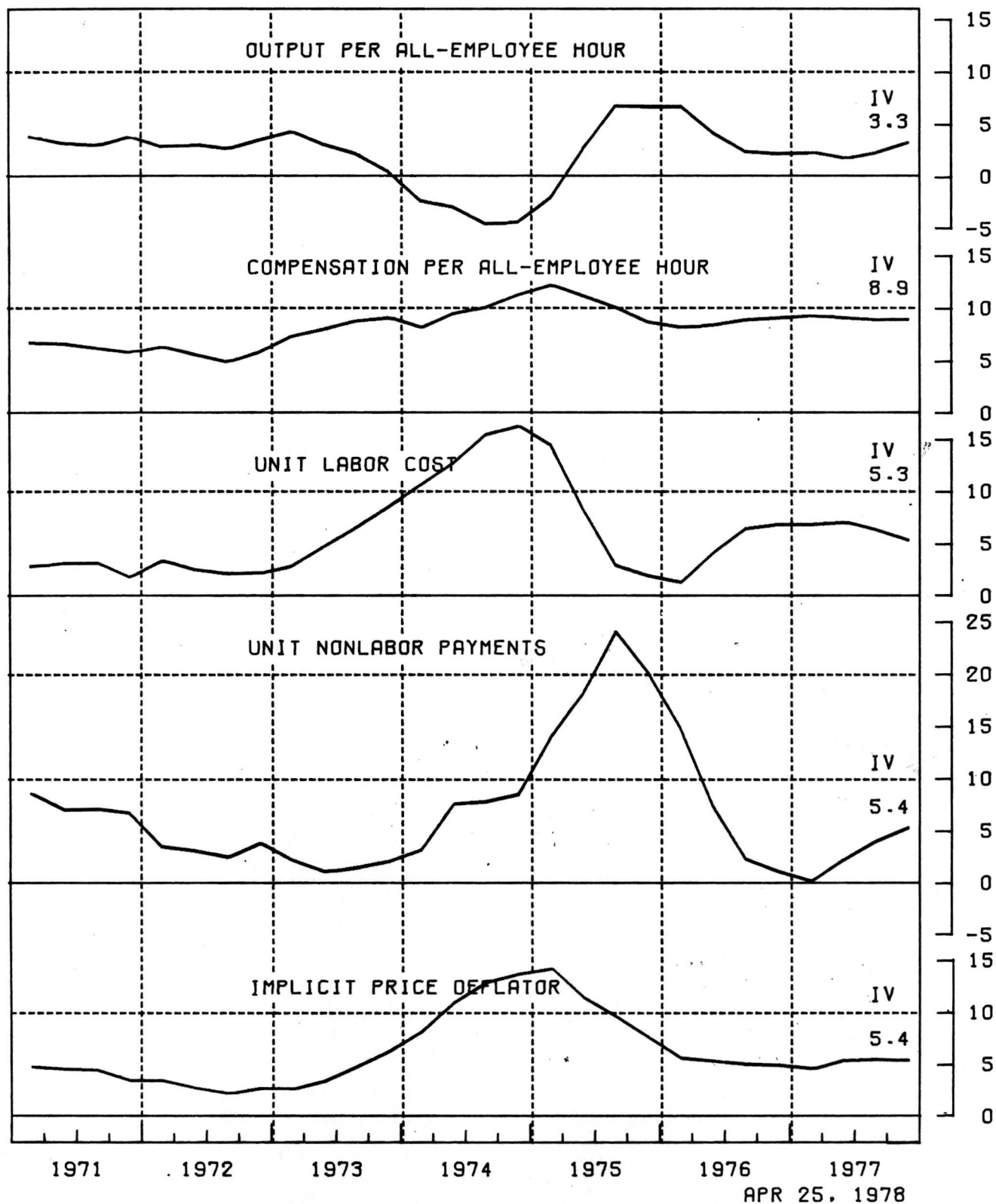


CHART 4.
UNIT COSTS, UNIT PROFITS, AND PRICES
NONFINANCIAL CORPORATIONS
(PERCENT CHANGE FROM SAME
QUARTER A YEAR AGO)

