

# News

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## PRODUCTIVITY AND COSTS Third Quarter 1986

### Revised Data for Business, Nonfarm Business, and Manufacturing and Preliminary Measures for Nonfinancial Corporations

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 third quarter of 1986. Based on information now available, the seasonally-adjusted annual rates of productivity increase in the third quarter were:

0.2 percent in the business sector,  
0.2 percent in the nonfarm business sector,  
3.7 percent in manufacturing,  
3.1 percent in durable goods manufacturing, and  
4.8 percent in nondurable goods manufacturing.

Revised third-quarter measures are summarized in table A and appear in detail in tables 1 through 5. Preliminary measures for nonfinancial corporations also announced today indicate that productivity in that sector increased 0.3 percent in the third quarter (tables B and 6).

#### Business

Productivity increased at a 0.2 percent annual rate during the third quarter of 1986 in the business sector. The increase was virtually the same as the preliminary 0.1 percent increase published last month. Output rose 2.5 percent and hours of all persons engaged in the sector increased 2.3 percent (seasonally adjusted annual rates). During the second quarter of 1986, productivity rose 0.5 percent as output increased 0.3 percent and hours of all persons declined 0.2 percent (table 1).

Hourly compensation increased at a 2.9 percent annual rate during the third quarter of 1986, compared with a 2.8 percent gain during the second quarter. This measure includes wages and salaries, supplements, employer contributions to employee-benefit plans, and taxes. Unit labor costs, which reflect changes in hourly compensation and productivity, increased at a 2.7 percent annual rate during the third quarter, compared with a 2.3 percent increase during the second quarter.

Real hourly compensation, which takes into account the increase in the Consumer Price Index for All Urban Consumers (CPI-U), increased 0.3 percent in the third quarter. Real hourly compensation had increased 4.5 percent in the second quarter of 1986, partly reflecting falling consumer prices.

Table A. Productivity and costs: Revised third quarter 1986 measures  
(Seasonally adjusted annual rates)

Sector	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs
Percent change from preceding quarter						
Business	0.2	2.5	2.3	2.9	0.3	2.7
Nonfarm business	0.2	3.0	2.8	2.3	-0.2	2.2
Manufacturing	3.7	3.0	-0.6	2.4	-0.2	-1.3
Durable	3.1	1.3	-1.7	2.4	-0.1	-0.6
Nondurable	4.8	5.9	1.0	2.6	0.1	-2.1
Percent change from same quarter a year ago						
Business	0.2	2.1	2.0	3.0	1.3	2.8
Nonfarm business	0.3	2.4	2.1	2.9	1.2	2.5
Manufacturing	2.3	2.0	-0.3	2.5	0.8	0.2
Durable	1.7	0.4	-1.3	2.7	1.0	1.0
Nondurable	3.4	4.7	1.2	2.4	0.7	-1.0

The implicit price deflator for the business sector (which reflects changes in unit labor costs and unit nonlabor payments) increased 3.4 percent in the third quarter, the largest increase in 2 years.

#### Nonfarm business

Productivity also increased 0.2 percent in the nonfarm business sector during the third quarter of 1986, the same as the preliminary measure. Output rose 3.0 percent and hours of all persons--employees, proprietors, and unpaid family workers--increased 2.8 percent. As in the more comprehensive business sector, output and hours grew more strongly in the third than in the second quarter (table 2).

Hourly compensation increased a modest 2.3 percent in the third quarter, but fell 0.2 percent when the increase in the CPI-II is taken into account. Although hourly compensation increased at the same rate in the second and third quarters, real hourly compensation moved quite differently, reflecting the changes in the CPI-II. Unit labor costs increased 2.2 percent in the third quarter.

The implicit price deflator for the nonfarm business sector rose 3.3 percent in the third quarter, compared with a 1.0 percent increase one quarter earlier.

### Manufacturing

Productivity increased at a 3.7 percent seasonally adjusted annual rate in manufacturing in the third quarter of 1986, compared with the 4.2-percent previously published figure. Output rose 3.0 percent and hours of all persons decreased 0.6 percent. During the second quarter, output and hours both declined (table 3). Productivity grew in both durables and nondurables, but hours of all persons declined in durables while increasing slightly in the nondurable subsector. (Nearly 50 percent more people are employed in durable goods production as in nondurable goods.) Output grew more slowly among durable goods industries (tables 4 and 5).

Hourly compensation of all manufacturing sector workers increased 2.4 percent during the third quarter, but declined 0.2 percent when the increase in consumer prices is taken into account. Unit labor costs fell at a 1.3 percent annual rate, compared with a 0.5 percent decrease during the second quarter of 1986. This was the third consecutive quarter during which labor costs have fallen in manufacturing.

### Nonfinancial corporations

Preliminary third-quarter 1986 measures of productivity and costs were also announced today for the nonfinancial corporate sector (tables B and 6). Output per all-employee hour increased 0.3 percent from the second to the third quarter of 1986, as output increased 1.4 percent and hours of all employees increased 1.1 percent (table 6). This was the first quarter in which productivity rose since the third quarter of 1985. The sector includes all corporations doing business in the United States, except banks, stock and commodity brokers, and finance and insurance agencies. Output and hours grew less rapidly than in the more comprehensive nonfarm business sector reported above.

Table R. Nonfinancial corporations: Preliminary third-quarter productivity and cost measures  
Quarterly percent change at seasonally adjusted annual rates

Period	Productivity	Output	Hours	Real				Implicit price deflator
				Hourly compensation	hourly compensation	Unit labor costs	Unit profits	
1986 II to 1986 III	0.3	1.4	1.1	1.8	-0.7	1.5	6.4	3.2
1985 III to 1986 III	-0.8	0.8	1.7	2.2	0.5	3.0	-5.2	2.0

Hourly compensation increased 1.8 percent, but declined 0.7 percent when the rise in the CPI-II is taken into account. Unit labor costs rose 1.5 percent, unit nonlabor costs increased 6.6 percent, and unit profits rose 6.4 percent (table 6). The implicit deflator for nonfinancial corporate output increased 3.2 percent in the third quarter.

Revised measures

All preliminary and revised productivity and cost measures for the third quarter are compared in table C for the business and manufacturing sectors. The revised productivity movements in business and nonfarm business are nearly the same as those reported on October 29, based on preliminary information then available. In manufacturing, opposite revisions in output and hours resulted in smaller productivity gains than had previously been reported.

Table C. Preliminary and revised productivity and related measures, third quarter 1986  
Quarterly percent change at seasonally adjusted annual rates

Sector	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs
<b>Business:</b>						
Preliminary	0.1	2.5	2.4	2.9	0.3	2.8
Revised	0.2	2.5	2.3	2.9	0.3	2.7
<b>Nonfarm business:</b>						
Preliminary	0.2	3.2	3.0	2.3	-0.2	2.1
Revised	0.2	3.0	2.8	2.3	-0.2	2.2
<b>Manufacturing:</b>						
Preliminary	4.2	3.4	-0.8	2.7	0.1	-1.5
Revised	3.7	3.0	-0.6	2.4	-0.2	-1.3

Next release date

The next issue of Productivity and Costs is scheduled for release at 10:00 AM EST, Monday, February 2, 1987, and will contain preliminary fourth-quarter measures for business, nonfarm business, and manufacturing. Tentative release dates for 1987 are:

Reference period	Preliminary measures	Revised measures
1986:		
Fourth Qtr.	February 2	March 2
1987:		
First Qtr.	April 27	June 1
Second Qtr.	July 30	August 27
Third Qtr.	October 29	November 30

#### TECHNICAL NOTES

Business sector output is equal to gross national product in constant 1982 dollars, less the rest-of-the-world sector, general government, output of nonprofit institutions, output of paid employees of private households, rental value of owner-occupied dwellings, and the statistical discrepancy in computing the national income accounts. Corresponding exclusions are also made in labor inputs. Business output has accounted for about 77 percent of gross national product in recent years.

Total manufacturing measures are computed by summing series prepared for the durable and nondurables goods sectors.

The durable sector includes the following 2-digit SIC industries: Primary metals; fabricated metal products; nonelectrical machinery; electrical machinery; transportation equipment; instruments; lumber and lumber products; furniture and fixtures; stone, clay, and glass products; and miscellaneous manufactures. The nondurable sector includes these 2-digit SIC industries: Textile mill products, apparel products, leather and leather products, printing and publishing, chemical and chemical products, petroleum products, rubber and plastic products, food, and tobacco products.

Manufacturing output has accounted for about 24 percent of gross national product in recent years.

Nonfinancial corporate output is equal to gross national product in constant 1982 dollars, less the rest-of-the-world sector, general government, unincorporated business, output of paid employees of private households and nonprofit institutions, rental value of owner-occupied dwelling, the output of corporations engaged in baking, finance, stock and commodity trading, and credit and insurance agencies, and the statistical discrepancy in computing the national income accounts. Nonfinancial corporate output has accounted for about 59 percent of gross national product in recent years.

The productivity and associated cost measures in this news release describe the relationship between output in real terms 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 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.

Table 1. Business sector: 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(4)
Indexes 1977=100									
1985	I	105.7	121.3	114.8	172.3	98.4	163.1	158.3	161.4
	II	106.4	122.3	115.0	174.5	98.7	164.0	160.0	162.6
	III	107.3	123.5	115.2	176.4	99.1	164.4	161.4	163.4
	IV	106.4	123.8	116.4	178.0	99.0	167.3	159.6	164.6
	ANNUAL	106.4	122.7	115.3	175.3	98.8	164.8	159.7	163.0
1986	I	107.3	125.3	116.8	179.1	99.2	167.0	162.2	165.3
	II	107.4	125.4	116.7	180.4	100.3	168.0	161.9	165.8
	III	107.4	126.2	117.4	181.7	100.4	169.1	163.7	167.2
Percent change from previous quarter at annual rate(5)									
1985	I	0.9	3.6	2.6	4.2	1.0	3.3	1.6	2.7
	II	2.7	3.3	0.6	5.1	1.0	2.4	4.2	3.0
	III	3.4	4.1	0.7	4.4	1.8	1.0	3.7	1.9
	IV	-3.2	1.0	4.3	3.8	-0.5	7.2	-4.3	3.0
	ANNUAL	1.0	3.3	2.2	4.3	0.7	3.2	2.2	2.9
1986	I	3.3	4.7	1.4	2.5	1.0	-0.7	6.6	1.8
	II	0.5	0.3	-0.2	2.8	4.5	2.3	-0.7	1.2
	III	r0.2	2.5	r2.3	2.9	0.3	r2.7	r4.6	r3.4
Percent change from corresponding quarter of previous year									
1985	I	0.8	3.8	3.0	3.9	0.3	3.1	2.7	3.0
	II	0.8	2.8	2.0	4.5	0.7	3.6	2.0	3.1
	III	1.7	3.4	1.7	4.4	1.0	2.6	2.8	2.7
	IV	0.9	3.0	2.1	4.4	0.8	3.4	1.2	2.7
	ANNUAL	1.0	3.3	2.2	4.3	0.7	3.2	2.2	2.9
1986	I	1.5	3.3	1.8	3.9	0.8	2.4	2.5	2.4
	II	1.0	2.5	1.6	3.4	1.7	2.4	1.2	2.0
	III	r0.2	2.1	2.0	3.0	1.3	2.8	r1.4	2.3

See footnotes following table 6.

r=revised

p=preliminary

December 2, 1986

Source: Bureau of Labor Statistics

Table 2. Nonfarm business sector: 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(4)
Indexes 1977=100									
1985	I	104.4	121.1	116.0	172.1	98.2	164.8	158.9	162.7
	II	104.9	122.1	116.4	174.0	98.4	165.9	160.8	164.1
	III	105.4	123.3	116.9	175.4	98.5	166.3	163.0	165.2
	IV	104.5	123.6	118.2	177.0	98.4	169.3	160.3	166.2
	ANNUAL	104.8	122.5	116.9	174.6	98.4	166.7	160.6	164.6
1986	I	105.6	125.1	118.5	178.3	98.8	168.8	163.9	167.1
	II	105.7	125.3	118.5	179.3	99.8	169.6	163.7	167.5
	III	105.8	r126.2	r119.3	180.4	99.7	170.5	r165.9	r168.9
Percent change from previous quarter at annual rate(5)									
1985	I	0.3	3.2	2.9	3.9	0.7	3.6	2.5	3.2
	II	1.8	3.0	1.2	4.6	0.5	2.7	4.7	3.4
	III	2.2	4.0	1.8	3.2	0.7	1.0	5.7	2.6
	IV	-3.5	1.0	4.6	3.7	-0.6	7.4	-6.6	2.4
	ANNUAL	0.5	3.0	2.6	4.0	0.4	3.5	2.9	3.3
1986	I	4.3	5.1	0.8	3.1	1.6	-1.2	9.3	2.3
	II	0.5	0.6	0.1	2.3	4.0	1.8	-0.6	1.0
	III	0.2	r3.0	r2.8	2.3	-0.2	r2.2	r5.6	r3.3
Percent change from corresponding quarter of previous year									
1985	I	0.5	3.6	3.1	3.9	0.3	3.4	3.7	3.5
	II	0.2	2.5	2.3	4.2	0.5	4.0	2.8	3.6
	III	1.0	3.1	2.1	4.0	0.6	3.0	3.7	3.2
	IV	0.2	2.8	2.6	3.9	0.3	3.7	1.5	2.9
	ANNUAL	0.5	3.0	2.6	4.0	0.4	3.5	2.9	3.3
1986	I	1.2	3.3	2.1	3.6	0.5	2.5	3.1	2.7
	II	0.8	2.7	1.8	3.1	1.4	2.2	1.8	2.1
	III	0.3	r2.4	2.1	r2.9	1.2	2.5	r1.8	r2.3

See footnotes following table 6.

r=revised

p=preliminary

December 2, 1986

Source: Bureau of Labor Statistics

Table 3. Manufacturing sector: Productivity, hourly compensation, and unit labor cost, seasonally adjusted

Year and quarter		Output per hour of all persons	Output (6)	Hours of all persons	Compensation per hour(1)	Real compensation per hour(2)	Unit labor cost
Indexes 1977=100							
1985	I	119.3	118.8	99.6	173.8	99.2	145.7
	II	121.7	119.9	98.5	175.6	99.3	144.3
	III	123.0	121.2	98.5	178.1	100.0	144.8
	IV	122.9	121.9	99.1	179.3	99.7	145.8
	ANNUAL	121.7	120.4	98.9	176.7	99.5	145.1
1986	I	123.7	122.8	99.3	180.2	99.8	145.7
	II	124.7	122.7	98.4	181.4	100.9	145.5
	III	r125.8	r123.6	98.2	r182.5	r100.9	r145.0
Percent change from previous quarter at annual rate(5)							
1985	I	3.9	3.2	-0.6	5.5	2.2	1.5
	II	8.2	3.7	-4.2	4.3	0.3	-3.6
	III	4.4	4.3	-0.1	5.6	3.0	1.2
	IV	-0.3	2.4	2.7	2.8	-1.4	3.0
	ANNUAL	4.4	3.8	-0.5	5.0	1.4	0.6
1986	I	2.6	3.0	0.4	2.1	0.6	-0.5
	II	3.2	-0.4	-3.5	2.7	4.4	-0.5
	III	r3.7	r3.0	r-0.6	r2.4	r-0.2	r-1.3
Percent change from corresponding quarter of previous year							
1985	I	4.0	4.8	0.8	5.1	1.4	1.1
	II	5.2	4.0	-1.2	5.3	1.6	0.1
	III	4.4	3.2	-1.2	5.3	1.9	0.9
	IV	4.0	3.4	-0.6	4.5	1.0	0.5
	ANNUAL	4.4	3.8	-0.5	5.0	1.4	0.6
1986	I	3.7	3.4	-0.3	3.7	0.6	0.0
	II	2.5	2.3	-0.2	3.3	1.6	0.8
	III	r2.3	r2.0	-0.3	r2.5	r0.8	r0.2

See footnotes following table 6.

r=revised

p=preliminary

December 2, 1986

Source: Bureau of Labor Statistics

Table 4. Durable manufacturing sector: Productivity, hourly compensation, and unit labor cost, seasonally adjusted

Year and quarter		Output per hour of all persons	Output (6)	Hours of all persons	Compensation per hour(1)	Real compensation per hour(2)	Unit labor cost
Indexes 1977=100							
1985	I	121.4	122.6	100.9	172.0	98.2	141.6
	II	124.4	124.1	99.8	173.2	97.9	139.2
	III	126.3	125.6	99.5	176.5	99.2	139.8
	IV	126.4	126.4	100.0	178.0	98.9	140.8
	ANNUAL	124.6	124.7	100.1	174.9	98.5	140.3
1986	I	127.1	126.9	99.9	178.9	99.1	140.8
	II	127.4	125.7	98.7	180.2	100.2	141.4
	III	r128.4	r126.1	98.2	r181.2	100.2	r141.2
Percent change from previous quarter at annual rate(5)							
1985	I	8.2	7.2	-0.9	6.1	2.8	-1.9
	II	10.2	5.1	-4.6	3.0	-1.0	-6.6
	III	6.1	4.9	-1.1	7.8	5.1	1.6
	IV	0.5	2.7	2.2	3.3	-0.9	2.8
	ANNUAL	6.8	6.6	-0.2	5.0	1.4	-1.7
1986	I	2.1	1.5	-0.6	2.2	0.7	0.1
	II	1.0	-3.8	-4.8	2.8	4.5	1.7
	III	r3.1	r1.3	r-1.7	r2.4	r-0.1	r-0.6
Percent change from corresponding quarter of previous year							
1985	I	6.5	8.7	2.0	4.8	1.1	-1.7
	II	7.9	7.4	-0.4	4.8	1.1	-2.8
	III	6.8	5.4	-1.2	5.6	2.1	-1.1
	IV	6.2	5.0	-1.1	5.0	1.5	-1.1
	ANNUAL	6.8	6.6	-0.2	5.0	1.4	-1.7
1986	I	4.7	3.5	-1.1	4.1	0.9	-0.6
	II	2.4	1.3	-1.1	4.0	2.3	1.6
	III	r1.7	r0.4	-1.3	2.7	r1.0	r1.0

See footnotes following table 6.

r=revised

p=preliminary

December 2, 1986

Source: Bureau of Labor Statistics

Table 5. Nondurable manufacturing sector: Productivity, hourly compensation, and unit labor cost, seasonally adjusted

Year and quarter		Output per hour of all persons	Output (6)	Hours of all persons	Compensation per hour(1)	Real compensation per hour(2)	Unit labor cost
Indexes 1977=100							
1985	I	116.0	113.2	97.6	176.5	100.8	152.1
	II	117.5	113.6	96.7	179.4	101.5	152.7
	III	118.0	114.5	97.0	180.4	101.3	152.8
	IV	117.6	115.1	97.9	181.3	100.8	154.1
	ANNUAL	117.3	114.1	97.3	179.4	101.0	152.9
1986	I	118.6	116.7	98.3	182.2	100.9	153.6
	II	120.7	118.2	97.9	183.5	102.1	152.1
	III	122.1	119.9	98.2	r184.7	r102.1	r151.3
Percent change from previous quarter at annual rate(5)							
1985	I	-2.6	-2.8	-0.2	4.4	1.2	7.2
	II	5.2	1.5	-3.5	6.9	2.8	1.7
	III	1.8	3.3	1.5	2.1	-0.4	0.3
	IV	-1.4	1.9	3.4	1.9	-2.3	3.4
	ANNUAL	0.7	-0.3	-1.0	5.0	1.4	4.3
1986	I	3.5	5.6	2.0	2.2	0.7	-1.3
	II	7.0	5.3	-1.6	2.9	4.6	-3.9
	III	r4.8	5.9	r1.0	r2.6	r0.1	r-2.1
Percent change from corresponding quarter of previous year							
1985	I	0.1	-0.9	-1.0	5.3	1.7	5.2
	II	1.2	-1.1	-2.3	6.1	2.3	4.8
	III	0.9	-0.3	-1.1	4.9	1.5	4.0
	IV	0.7	1.0	0.3	3.8	0.3	3.1
	ANNUAL	0.7	-0.3	-1.0	5.0	1.4	4.3
1986	I	2.2	3.1	0.8	3.3	0.2	1.0
	II	2.7	4.0	1.3	2.3	0.6	-0.4
	III	r3.4	4.7	r1.2	r2.4	r0.7	r-1.0

See footnotes following table 6.

r=revised

p=preliminary

December 2, 1986

Source: Bureau of Labor Statistics

Table 6. 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 compensa- tion (1)	Real hourly compen- sation(2)	Unit labor cost	Unit non- labor cost(7)	Total unit cost (8)	Unit pro- fits (9)	Implicit price deflator (4)	
Indexes 1977=100											
1985	I	106.0	123.1	116.1	169.9	97.0	160.3	178.5	164.9	129.3	160.6
	II	106.5	124.2	116.6	171.6	97.0	161.1	179.8	165.8	130.2	161.6
	III	107.8	126.0	116.8	173.1	97.2	160.5	178.3	165.0	141.7	162.2
	IV	107.0	126.1	117.8	174.5	97.0	163.0	179.8	167.2	131.2	162.9
	ANNUAL	106.8	124.8	116.9	172.3	97.0	161.2	179.1	165.8	133.1	161.8
1986	I	106.9	126.9	118.7	175.4	97.1	164.0	181.1	168.3	131.7	164.0
	II	106.8	126.6	118.5	176.1	97.9	164.8	179.9	168.6	132.3	164.3
	III	p106.9	p127.0	p118.8	p176.8	p97.7	p165.4	p182.8	p169.8	p134.4	p165.6
Percent change from previous quarter at annual rate(5)											
1985	I	0.8	3.2	2.4	3.8	0.6	3.0	2.2	2.8	-3.6	2.2
	II	2.2	3.7	1.4	4.2	0.2	2.0	3.0	2.3	3.0	2.3
	III	4.9	5.9	1.0	3.4	0.9	-1.4	-3.3	-1.9	40.1	1.7
	IV	-2.8	0.5	3.4	3.3	-0.9	6.3	3.3	5.5	-26.4	1.7
	ANNUAL	1.2	3.7	2.5	3.9	0.3	2.7	2.6	2.7	-0.2	2.4
1986	I	-0.5	2.6	3.1	2.0	0.5	2.5	3.1	2.7	1.3	2.5
	II	-0.3	-1.1	-0.8	1.6	3.3	1.9	-2.7	0.6	2.0	0.7
	III	p0.3	p1.4	p1.1	p1.8	p-0.7	p1.5	p6.6	p2.9	p6.4	p3.2
Percent change from corresponding quarter of previous year											
1985	I	0.6	4.1	3.5	3.8	0.2	3.2	4.3	3.5	-3.8	2.7
	II	0.6	3.1	2.5	4.1	0.4	3.5	3.9	3.6	-5.9	2.6
	III	2.2	4.2	2.0	3.9	0.5	1.6	1.1	1.5	8.7	2.2
	IV	1.2	3.3	2.1	3.7	0.2	2.4	1.3	2.1	0.6	2.0
	ANNUAL	1.2	3.7	2.5	3.9	0.3	2.7	2.6	2.7	-0.2	2.4
1986	I	0.9	3.2	2.2	3.2	0.2	2.3	1.5	2.1	1.8	2.1
	II	0.3	2.0	1.7	2.6	0.9	2.3	0.0	1.7	1.6	1.7
	III	p-0.8	p0.8	p1.7	p2.2	p0.5	p3.0	p2.5	p2.9	p-5.2	p2.0

See footnotes following table 6.

r=revised

p=preliminary

December 2, 1986

Source: Bureau of Labor Statistics

SOURCE: Output data from 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.

RELIABILITY: Productivity and cost measures are regularly revised as more complete information becomes available. Preliminary results are published 30 days after the close of the reference period; revisions appear 30 days later, and second revisions after an additional 60 days. In the business sector, the probability is 0.95 that the third publication (second revision) of a quarterly index of output per hour of all persons will differ from the preliminary value by between -1.9 and +2.0 index points. This interval is based on the performance of this measure between the first quarter of 1976 and the second quarter of 1986.

Footnotes, Tables 1-6

- (1) Wages and salaries of the 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 gross product divided by constant dollar gross product.
- (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) Quarterly manufacturing output measures are based on the index of industrial production prepared monthly by the Board of Governors of the Federal Reserve adjusted by BLS to annual manufacturing output levels (gross product originating) from the National Income and Product Accounts prepared by the Bureau of Economic Analysis of the U.S. Department of Commerce.
- (7) Unit nonlabor cost includes capital consumption allowances, interest, rental income of persons, and indirect taxes.
- (8) Total unit cost is the sum of labor and nonlabor costs.
- (9) Unit profits include corporate profits with inventory valuation and capital consumption adjustments.