

NEWS



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Revised Productivity and Costs Third Quarter 1971

The U. S. Department of Labor's Bureau of Labor Statistics announced today revisions in the third quarter measures of productivity (output per man-hour) and costs for the private economy and the private nonfarm sector. These revisions reflect the new estimates of output for the third quarter, announced last week by the Department of Commerce. The effect of these revisions is to raise the growth in output per man-hour for the private economy to an annual rate of 5.1 percent during the third quarter, compared to the earlier estimate of 4.3 percent.

A summary of the new figures is shown below. Amended productivity tables are attached.

PERCENT CHANGE AT ANNUAL RATE

	2nd Quarter 1971 to 3rd Quarter 1971	3rd Quarter 1970 to 3rd Quarter 1971
<u>Total Private</u>		
Output per man-hour	5.1	3.7
Compensation per man-hour	6.2	7.2
Unit Labor Costs	1.0	3.3
Real Compensation per man-hour	1.8	2.7
<u>Private Nonfarm</u>		
Output per man-hour	3.4	3.2
Compensation per man-hour	5.4	6.9
Unit Labor Costs	2.0	3.7
Real Compensation per man-hour	1.0	2.5

Table 1. Output per Man-Hour, Hourly Compensation, Unit Costs, and Prices in the Private Economy, Seasonally Adjusted, (Indexes 1967=100)

Year and quarter	Output	Man-hours	Output per man-hour	Compensation per man-hour <u>1/</u>	Real compensation per man-hour <u>2/</u>	Unit labor cost	Unit non-labor payments <u>3/</u>	Implicit price deflator <u>4/</u>
1970								
1st...	106.7	103.7	103.0	121.1	106.3	117.7	102.1	111.6
2nd...	106.9	103.1	103.7	122.5	105.9	118.1	104.4	112.8
3rd...	107.3	102.0	105.3	125.3	107.1	119.0	106.4	114.1
4th...	106.1	100.8	105.3	127.2	107.2	120.7	108.1	115.9
Annual Ave.	106.8	102.4	104.3	124.0	106.6	118.9	105.3	113.6
1971								
1st...	108.3	101.3	106.9	129.9	108.7	121.5	110.3	117.1
2nd...	109.7	101.7	107.8	132.2	109.5	122.6	111.5	118.3
3rd... ^r	110.8	101.5	109.2	134.3	110.0	123.0	113.4	119.2
Percent Change Over Previous Quarter at Annual Rate <u>5/</u>								
1970								
1st...	- 3.0	- 1.4	- 1.6	7.9	1.5	9.7	- 1.9	5.4
2nd...	0.8	- 2.2	3.1	4.7	- 1.7	1.6	9.0	4.2
3rd...	1.5	- 4.3	6.1	9.4	4.6	3.1	8.2	4.9
4th...	- 4.4	- 4.5	0.2	6.1	0.7	6.0	6.6	6.2
Annual Ave. ^{6/}	- 0.7	- 1.6	0.9	7.2	1.2	6.3	2.6	4.9
1971								
1st...	8.6	2.1	6.3	9.0	5.6	2.6	8.0	4.5
2nd...	5.2	1.7	3.4	7.3	2.8	3.8	4.6	4.1
3rd... ^r	4.0	- 1.1	5.1	6.2	1.8	1.0	6.9	3.1
Percent Change Over Previous Year <u>7/</u>								
1971								
1st...	1.5	- 2.3	3.9	7.3	2.3	3.3	8.0	4.9
2nd...	2.6	- 1.3	4.0	7.9	3.4	3.8	6.9	4.9
3rd... ^r	3.2	- 0.5	3.7	7.2	2.7	3.3	6.5	4.5

See footnotes at end of table 2.

r = revised

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

Year and quarter	Output	Man-hours	Output per man-hour	Compensation per man-hour <u>1/</u>	Real compensation per man-hour <u>2/</u>	Unit labor cost	Unit non-labor payments <u>3/</u>	Implicit price deflator <u>4/</u>
1970								
1st...	107.1	104.9	102.1	119.7	105.0	117.2	101.3	111.2
2nd...	107.2	104.0	103.1	121.5	105.0	117.8	104.0	112.6
3rd...	107.7	103.1	104.6	124.1	106.0	118.7	106.6	114.1
4th...	106.2	102.0	104.1	125.7	106.0	120.7	108.8	116.2
Annual Ave.	107.1	103.5	103.5	122.7	105.5	118.6	105.2	113.5
1971								
1st...	108.5	102.5	105.8	128.5	107.5	121.4	110.7	117.4
2nd...	109.9	102.8	107.0	131.0	108.4	122.4	112.0	118.5
3rd... r	110.7	102.7	107.9	132.7	108.7	123.0	113.7	119.5
1970								
1st...	- 2.7	- 1.2	- 1.5	7.5	1.1	9.1	- 3.4	4.5
2nd...	0.6	- 3.6	4.3	6.3	- 0.2	1.9	11.2	5.1
3rd...	2.0	- 3.5	5.6	8.7	4.0	2.9	10.4	5.5
4th...	- 5.6	- 4.0	- 1.6	5.5	0.1	7.2	8.2	7.6
Annual Ave. ^{6/}	- 0.7	- 1.4	0.7	7.0	1.0	6.3	2.8	5.0
1971								
1st...	8.9	2.1	6.7	9.1	5.7	2.3	7.4	4.1
2nd...	5.3	1.0	4.3	7.8	3.3	3.4	4.8	3.9
3rd... r	3.0	- 0.4	3.4	5.4	1.0	2.0	6.3	3.5
1971								
1st...	1.3	- 2.3	3.7	7.4	2.4	3.6	9.3	5.5
2nd...	2.5	- 1.2	3.7	7.8	3.3	3.9	7.7	5.2
3rd... r	2.8	- 0.4	3.2	6.9	2.5	3.7	6.7	4.7

Percent Change Over Previous Quarter at Annual Rate 5/

Percent Change Over Previous Year 7/

See footnotes at end of table 2.
r = revised

FOOTNOTES, TABLES 1 AND 2

Source: Output data from the Office of Business Economics, 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 Office of Business Economics.

1/ Wages and salaries of employees plus employers' contributions for social insurance and private benefits plans. 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.