

# NEWS



## U. S. DEPARTMENT OF LABOR BUREAU OF LABOR STATISTICS

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### PRODUCTIVITY AND COSTS IN THE PRIVATE ECONOMY, FOURTH QUARTER 1974 (and Annual Averages for 1974)

Productivity (output per man-hour) in the private economy declined at an annual rate of 5.1 percent in the fourth quarter of 1974, compared with a 2.3 percent decline in the third quarter, according to the preliminary figures announced today by the Bureau of Labor Statistics of the U.S. Department of Labor. The fourth quarter decrease in productivity reflected a 10.1 percent decline in output and a 5.2 percent decline in man-hours.

In the nonfarm sector, output per man-hour declined 3.7 percent in the fourth quarter, compared with a 2.4 percent decline in the preceeding quarter. This marked the seventh consecutive quarterly decline in this measure and reflected a 9.0 percent decline in output coupled with a 5.5 percent decline in man-hours. This is the longest period of decline in productivity since the series began in 1947. In the farm sector, the decline in output per man-hour was substantially greater than in the nonfarm sector during the quarter.

In the manufacturing sector, output per man-hour increased 0.6 percent in the fourth quarter, compared with a 1.3 percent decline in the third quarter. The increase in productivity resulted from a larger decline in man-hours (13.4 percent) than in output (12.9 percent). These were the largest declines in both output and man-hours since the fourth quarter of 1970.

From the fourth quarter of 1973 to the fourth quarter of 1974, output per man-hour declined 3.7 percent in the total private economy, and 3.6 percent in the nonfarm sector and increased 0.8 percent in manufacturing. A summary of fourth quarter data appears in table A. Details are given in tables 1-4. NOTE: The productivity and related measures contained in this release are based on revised measures of man-hours unless otherwise noted.

Table A. Percent Change at Annual Rate in Productivity and Costs  
(Seasonally Adjusted)

Sector and Item	3rd Quarter 1974 to 4th Quarter 1974	4th Quarter 1973 to 4th Quarter 1974
<u>Total private economy</u>		
(Preliminary)		
Output per man-hour	-5.1	-3.7
Compensation per man-hour	8.8	9.8
Unit labor costs	14.7	14.0
Real compensation per man-hour	-2.8	-2.0
Output	-10.1	-5.6
Man-hours	-5.2	-2.0
<u>Nonfarm Sector</u>		
(Preliminary)		
Output per man-hour	-3.7	-3.6
Compensation per man-hour	9.1	9.7
Unit labor costs	13.3	13.8
Real compensation per man-hour	-2.6	-2.1
Output	-9.0	-5.5
Man-hours	-5.5	-1.9
<u>Manufacturing</u>		
(Preliminary)		
Output per man-hour	0.6	0.8
Compensation per man-hour	13.5	11.3
Unit labor costs	12.9	10.4
Real compensation per man-hour	1.4	-0.7
Output	-12.9	-4.5
Man-hours	-13.4	-5.2

### Compensation and Labor Costs

Compensation per man-hour (which reflects the costs of wages, employer contributions to Social Security, and other fringe benefits) increased 8.8 percent in the total private economy, compared with a 10.2 percent increase in the preceeding quarter. The increase in compensation per man-hour, combined with the 5.1 percent decline in productivity, caused unit labor costs to rise 14.7 percent in the fourth quarter, the largest increase since the first quarter of 1974. Real compensation per man-hour (hourly compensation adjusted for changes in the Consumer Price Index) declined 2.8 percent.

In the nonfarm sector, compensation per man-hour rose 9.1 percent, while unit labor costs increased 13.3 percent. However, the increase in compensation per man-hour was more than offset by the increase in the CPI, so real compensation per man-hour declined 2.6 percent during the quarter. This was the seventh consecutive quarterly decline in real hourly compensation.

In manufacturing, compensation per man-hour rose 13.5 percent while unit labor costs went up 12.9 percent, reflecting the small increase in productivity in this sector. Real compensation per man-hour increased 1.4 percent in the fourth quarter in this sector, compared with a 2.4 percent decline in the third quarter.

### Annual Review of Productivity and Costs in the Private Economy: 1974\*

In 1974, productivity in the private economy fell 2.7 percent--the first year-to-year decline since 1947 when the series begins--compared with growth of 2.6 percent

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\*Yearly comparisons in this section are based on the annual averages for 1973 and 1974. In the preceding sections, the yearly comparisons are based on changes between the fourth quarter of 1973 and the fourth quarter of 1974. Thus, the annual average index for output per man-hour in the total private economy was 114.8 in 1973 and 111.7 in 1974 for an average annual decrease of 2.7 percent. For this same series, the index was 114.5 in the fourth quarter of 1973 and 110.3 in the fourth quarter of 1974 for an over-the-year decrease of 3.7 percent.

Table B. Annual Percent Change in Productivity and Costs  
(Preliminary Data)

Sector and Item	1973	1974
<u>Total private</u>		
Output per man-hour	2.6	-2.7
Compensation per man-hour	7.7	8.7
Unit labor costs	4.9	11.6
Real compensation per man-hour	1.4	-2.1
Output	6.2	-2.6
Man-hours	3.5	0.1
<u>Nonfarm sector</u>		
Output per man-hour	2.4	-2.8
Compensation per man-hour	7.4	8.8
Unit labor costs	4.9	11.9
Real compensation per man-hour	1.1	-2.0
Output	6.2	-2.7
Man-hours	3.7	0.1
<u>Manufacturing</u>		
Output per man-hour	5.5	0.7
Compensation per man-hour	7.1	9.5
Unit labor costs	1.5	8.8
Real compensation per man-hour	0.8	-1.3
Output	11.0	-0.8
Man-hours	5.2	-1.5

in 1973. (See table B.) The effects of the business slump, inflation, and increasing labor compensation were reflected in record year-to-year increases in compensation per man-hour and unit labor costs, while real compensation per man-hour declined. The same pattern prevailed generally throughout the economy; a partial exception was the manufacturing sector where output per man-hour increased 0.7 percent, following an increase of 5.5 percent in 1973. The productivity gain in the manufacturing sector is attributable in part to the greater speed with which man-hour inputs are adjusted to declining output in that sector. (See table C.)

Table C. Annual Percent Change in Output and Related Measures, 1974  
(Preliminary Data)

	Output	Man-hours	Employment	Average Weekly Hours
Total Private	-2.6	0.1	1.2	-1.0
Nonfarm	-2.7	0.1	1.2	-1.1
Manufacturing	-0.8	-1.5	-0.2	-1.2

Output moved erratically downward throughout the year in the private sector, for an overall decline of 2.6 percent compared with declines of 2.7 percent in the nonfarm sector and 0.8 percent in manufacturing. Man-hours rose 0.1 percent in the total private and nonfarm sectors and declined 1.5 percent in manufacturing.

Compensation per man-hour rose sharply, led by manufacturing at 9.5 percent; gains of 8.7 and 8.8 percent were reported in the total private and nonfarm sectors, respectively. Real compensation per man-hour, however, declined in all sectors as the rise in the Consumer Price Index outstripped hourly compensation gains.

Unit labor costs--which reflect changes in compensation per man-hour and labor productivity--rose 11.6 percent in the private economy, 11.9 percent in the nonfarm sector, and 8.8 percent in manufacturing. The differences in cost increases reflected the differences in productivity changes for the year.

TABLE 1. TOTAL PRIVATE ECONOMY: OUTPUT PER MAN-HOUR  
HOURLY COMPENSATION, UNIT COST, AND PRICES, SEASONALLY ADJUSTED

YEAR AND QUARTER	OUTPUT PER MAN-HOUR	OUTPUT	MAN-HOURS	COMPENSATION PER MAN-HOUR (1)	REAL COMPENSATION PER MAN-HOUR (2)	UNIT LABOR COSTS	UNIT NON-LABOR PAYMENTS (3)	IMPLICIT PRICE DEFLATOR (4)	
INDEXES 1967=100									
1973	I	115.3R	124.9	108.3R	147.6R	114.7R	128.0R	119.7R	124.8
	II	114.9R	125.6	109.3R	149.6R	113.8R	130.3R	122.1R	127.1
	III	114.4R	126.1	110.2R	151.6R	112.8R	132.5R	125.5R	129.8
	IV	114.5R	126.8	110.7R	154.9R	112.6R	135.2R	128.3R	132.5
	ANNUAL	114.8R	125.8	109.6R	151.0R	113.4R	131.5R	123.9R	128.6
1974	I	112.3R	124.2	110.6R	157.3R	111.3R	140.1R	131.1R	136.6
	II	112.4R	123.6	109.9R	162.5R	111.7R	144.5R	132.5R	139.8
	III	111.8R	122.9R	109.9R	166.5R	111.1R	148.9R	136.4R	144.0
	IV	110.3P	119.7P	108.5P	170.0P	110.3P	154.1P	140.2P	148.7P
	ANNUAL	111.7P	122.6P	109.7P	164.0P	111.0P	146.8P	135.0P	142.2P
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE (5)									
1973	I	5.7R	10.0	4.1R	12.9R	6.7R	6.7R	4.7R	6.0
	II	-1.7R	2.1	3.9R	5.5R	-3.1R	7.3R	8.3R	7.6
	III	-1.6R	1.6	3.3R	5.3R	-3.6R	7.0R	11.6R	8.7
	IV	0.5R	2.3	1.7R	9.1R	-0.6R	8.5R	9.1R	8.7
	ANNUAL	2.6R	6.2	3.5R	7.7R	1.4R	4.9R	7.0	5.7
1974	I	-7.5R	-7.8	-0.3R	6.5R	-4.5	15.1R	9.2R	12.9
	II	0.3R	-2.0	-2.3R	13.7R	1.6	13.3R	4.2R	9.9
	III	-2.3R	-2.3R	0.0	10.2R	-2.3R	12.8R	12.3R	12.6R
	IV	-5.1P	-10.1P	-5.2P	8.8P	-2.8P	14.7P	11.9P	13.6P
	ANNUAL	-2.7P	-2.6P	0.1P	8.7P	-2.1P	11.6P	8.9P	10.6P
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR (6)									
1973	I	4.9R	8.6	3.5R	7.4R	3.3R	2.4	5.6R	3.6
	II	3.2R	6.8	3.5R	7.5R	1.9R	4.2	6.5R	5.0
	III	1.9R	5.5	3.6R	7.6R	0.7R	5.6R	7.8R	5.4
	IV	0.7R	4.0	3.2	8.1R	-0.2	7.4	8.4	7.7
	ANNUAL	2.6R	6.2	3.5R	7.7R	1.4R	4.9R	7.0	5.7
1974	I	-2.6	-0.5	2.1	6.6	-3.0	9.4	9.5	9.5
	II	-2.1	-1.6	0.6R	8.6	-1.8R	10.9	8.5	10.0
	III	-2.3	-2.5R	-0.2	9.8	-1.5R	12.4	8.7R	11.0
	IV	-3.7P	-5.6P	-2.0P	9.8P	-2.0P	14.0P	9.3P	12.2P
	ANNUAL	-2.7P	-2.6P	0.1P	8.7P	-2.1P	11.6P	8.9P	10.6P

SEE FOOTNOTES FOLLOWING TABLE 4.

R=REVISED

P=PRELIMINARY

JANUARY 27, 1975

SOURCE: BUREAU OF LABOR STATISTICS



TABLE 2. PRIVATE NONFARM ECONOMY: OUTPUT PER MAN-HOUR  
HOURLY COMPENSATION, UNIT COST, AND PRICES, SEASONALLY ADJUSTED

YEAR AND QUARTER		OUTPUT PER MAN-HOUR	OUTPUT	MAN-HOURS	COMPENSA-TION PER MAN-HOUR(1)	REAL COMPENSA-TION PER MAN-HOUR(2)	UNIT LABOR COSTS	UNIT NON-LABOR PAY-MENTS(3)	IMPLICIT PRICE DEFLATOR(4)
INDEXES 1967=100									
1973	I	113.9R	125.2	109.9R	145.5R	113.0R	127.8R	116.1R	123.4
	II	113.4R	126.0	111.0R	147.6R	112.3R	130.1R	116.7R	125.0
	III	113.3R	126.8	111.9R	149.7R	111.4R	132.1R	117.9R	126.7
	IV	113.2R	127.1	112.3R	153.0R	111.2R	135.2R	120.1R	129.5
	ANNUAL	113.4R	126.3	111.3R	149.0R	111.9R	131.3R	117.7R	126.2
1974	I	111.5R	124.7	111.8R	156.0R	110.4R	140.0R	123.9R	133.9
	II	110.7R	123.7	111.7R	160.3R	110.2R	144.7R	128.7R	138.7
	III	110.1R	123.0R	111.8R	164.2R	109.6R	149.2R	132.8R	143.0
	IV	109.0P	120.2P	110.2P	167.9P	108.9P	153.9P	135.9P	147.1P
	ANNUAL	110.3P	122.9P	111.4P	162.0P	109.7P	146.9P	130.3P	140.6P
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)									
1973	I	4.3R	9.4	4.9R	11.2R	5.1R	6.7R	-1.6R	3.6
	II	-1.5R	2.5	4.1R	5.9R	-2.7R	7.6R	2.0R	5.6
	III	-0.5P	2.5	3.0R	5.9R	-3.1R	6.4R	4.1R	5.6
	IV	-0.5R	1.1	1.5R	9.1R	-0.7R	9.6R	7.7R	9.0
	ANNUAL	2.4R	6.2	3.7R	7.4R	1.1R	4.9R	2.5	4.1
1974	I	-5.9R	-7.5	-1.8R	8.1R	-3.0R	14.9R	13.2R	14.2
	II	-2.5R	-2.9	-0.4R	11.3R	-0.5R	14.2R	16.6R	15.1
	III	-2.4R	-2.3R	0.1R	10.2R	-2.4R	13.0R	13.2R	13.1R
	IV	-3.7P	-9.0P	-5.5P	9.1P	-2.6P	13.3P	9.8P	12.0P
	ANNUAL	-2.8P	-2.7P	0.1P	8.8P	-2.0P	11.9P	10.6P	11.4P
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(6)									
1973	I	4.7R	8.7	3.9R	7.1R	2.9R	2.3R	2.7R	2.4
	II	3.1R	6.9	3.7R	7.4R	1.8R	4.1	2.3	3.5
	III	1.5R	5.6	4.0R	7.3R	0.5R	5.7R	2.0R	4.4
	IV	0.4R	3.8	3.4R	8.0R	-0.4R	7.6	3.0	5.9
	ANNUAL	2.4R	6.2	3.7R	7.4R	1.1R	4.9R	2.5	4.1
1974	I	-2.1	-0.4	1.7	7.2R	-2.3	9.6	6.7	8.5
	II	-2.4R	-1.8	0.6	8.6	-1.8R	11.2	10.3	10.9
	III	-2.9	-3.0	-0.1	9.7	-1.6R	12.9	12.6R	12.8
	IV	-3.6P	-5.5P	-1.9P	9.7P	-2.1P	13.8P	13.2P	13.6P
	ANNUAL	-2.8P	-2.7P	0.1P	8.8P	-2.0P	11.9P	10.6P	11.4P

SEE FOOTNOTES FOLLOWING TABLE 4.

R=REVISED  
P=PRELIMINARY

JANUARY 27, 1975  
SOURCE: BUREAU OF LABOR STATISTICS

Table 3. Manufacturing Sector; Output per Man-hour, Hourly Compensation, Unit Labor Costs, Seasonally Adjusted

Year and Quarter	Output per man-hour	Output (7)	Man-hours	Compensation per man-hour (1)	Real Compensation per man-hour (2)	Unit Labor Cost
<u>Indexes 1967=100</u>						
1973						
I	127.2r	129.9	102.2r	143.4r	111.4r	112.8
II	128.2r	132.3	103.2r	145.9r	110.9r	113.8
III	129.2r	133.9	103.6r	148.1r	110.2r	114.6r
IV	128.6r	134.3	104.5r	151.6r	110.1r	117.9
Annual	128.3r	132.6	103.4r	147.3r	110.6r	114.8
1974						
I	128.2r	132.3	103.2r	154.0r	108.9r	120.1
II	129.8r	132.9	102.4r	159.4r	109.6r	122.8
III	129.4r	132.8	102.6r	163.4r	109.0r	126.2
IV	129.6p	128.3p	99.0p	168.6p	109.3p	130.1p
Annual	129.2p	131.5p	101.8p	161.2p	109.2p	124.8p
<u>Percent Change from Previous Quarter at Annual Rate (5)</u>						
1973						
I	9.0	15.9	6.3	8.9	3.0r	-0.1
II	3.3r	7.6	4.1r	6.9r	-1.9r	3.5r
III	3.2r	4.9	1.7r	6.3r	-2.6r	3.0
IV	-2.0r	1.2	3.2r	9.6r	-0.2r	11.9
Annual	5.5r	11.0	5.2r	7.1r	0.8r	1.5r
1974						
I	-1.2r	-5.8	-4.6r	6.6r	-4.4r	7.9r
II	5.2r	1.8	-3.2r	14.8r	2.7r	9.1
III	-1.3r	-0.3r	1.0r	10.3r	-2.4r	11.7
IV	0.6p	-12.9p	-13.4p	13.5p	-1.4p	12.9p
Annual	0.7p	-0.8p	-1.5p	9.5p	-1.3p	8.8p
<u>Percent Change from Previous Year (5)</u>						
1973						
I	7.4r	14.2	6.4r	6.1r	2.0r	-1.2
II	6.3r	12.2	5.5r	6.8r	1.2r	0.4r
III	5.2r	10.5	5.0r	7.4r	0.5r	2.1
IV	3.3r	7.3	3.8r	8.0r	-0.4r	4.5
Annual	5.5r	11.0	5.2r	7.1r	0.8r	1.5r
1974						
I	0.8r	1.8	1.0r	7.4r	-2.3r	6.5
II	1.3	0.5	-0.8	9.3	-1.2r	7.9
III	0.1r	-0.8	-1.0r	10.3r	-1.1r	10.1
IV	0.8p	-4.5p	-5.2p	11.3p	-0.7p	10.4p
Annual	0.7p	-0.8p	-1.5p	9.5p	-1.3p	8.8p

See footnotes following table 4.  
p = preliminary  
r = revised

SOURCE: Bureau of Labor Statistics  
January 27, 1975



Table 4. Nonfinancial Corporations: Output per Man-hour, Hourly Compensation  
Unit Labor Costs, Unit Profits and Prices, Seasonally Adjusted

Year and Quarter	Output per man-hour	Output	Man-hours	Compensation per man-hour (1)	Real Compensation per man-hour (2)	Unit Labor Costs	Unit Nonlabor Costs (8)	Total Unit Costs (9)	Unit Profits (10)	Implicit Price Deflator
<u>Indexes 1967=100</u>										
1973										
I	120.7r	130.7	108.3r	146.5r	113.8r	121.4	125.7	122.5	91.9	117.8
II	120.8r	132.3	109.5r	148.7r	113.1r	123.1	127.1	124.1	91.3	119.1
III	120.8r	132.9	110.0r	151.1r	112.4r	125.1	128.3	125.9	90.2	120.5
IV	120.3r	133.4	110.9r	154.1r	112.0r	128.1	129.9	128.5	89.7	122.6
Annual 1974	120.6r	132.3	109.7r	150.1r	112.8r	124.4	127.7	125.2	90.8	120.0
I	118.5r	130.6	110.2r	157.1r	111.2r	132.6	134.2	133.0	86.8	126.0
II	118.5r	130.2	109.9r	161.5r	111.1r	136.4	137.9	136.7	90.9	129.8
III	117.7r	129.5r	110.0r	165.3r	110.3r	140.4r	142.4r	140.9r	90.6r	133.3
<u>Percent Change from Previous Quarter at Annual Rate (5)</u>										
1973										
I	6.9r	12.5	5.3r	12.1r	5.9r	4.8	-3.2	2.7	3.4	2.8
II	0.4r	4.8	4.3r	6.1r	-2.5r	5.7	4.3	5.3	-2.6	4.4
III	0.0r	2.0	2.0r	6.6r	-2.4r	6.6	3.8	5.9	-4.5	4.6
IV	-1.5r	1.5	3.1r	8.2r	-1.4r	9.9	5.2	8.7	-2.5	7.4
Annual 1974	3.2r	7.8	4.4r	7.4r	1.1r	4.1	0.7	3.2	4.7	3.4
I	-5.9r	-8.1	-2.4r	8.1r	-3.0r	14.9	13.9	14.6	-12.3	11.4
II	-0.2r	-1.4	-1.2r	11.7r	-0.2r	11.9	11.4	11.8	20.2	12.6
III	-2.6r	-2.1r	0.5r	9.7r	-2.9r	12.5r	13.9r	12.9r	-1.0r	11.3
<u>Percent Change from Previous Year</u>										
1973										
I	4.6r	10.0	5.2r	6.5r	2.4r	1.8	-1.2	1.0	9.3	2.0
II	3.8r	8.7	4.7r	7.1r	1.5r	3.2	-0.5	2.2	7.5	2.8
III	3.1r	7.6	4.4r	7.7r	0.8r	4.5	0.7	3.5	4.3	3.6
IV	1.4r	5.1	3.7r	8.2r	-0.2r	6.7	2.5	5.6	-1.6	4.8
Annual 1974	3.2r	7.8	4.4r	7.4r	1.1r	4.1	0.7	3.2	4.7	3.4
I	-1.8r	-0.1	1.7r	7.3r	-2.3r	9.2	6.8	8.6	-5.6	6.9
II	-1.9	-1.6	0.3r	8.7r	-1.8r	10.8	8.5	10.2	-0.5	9.0
III	-2.6r	-2.6r	0.0	9.4	-1.9r	12.3r	11.0r	12.0r	0.4r	10.7

r = revised

SOURCE: Bureau of Labor Statistics  
January 27, 1975

FOOTNOTES, TABLES 1 TO 4

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 rather than index numbers.

(6) Current quarter divided by comparable quarter a year ago.

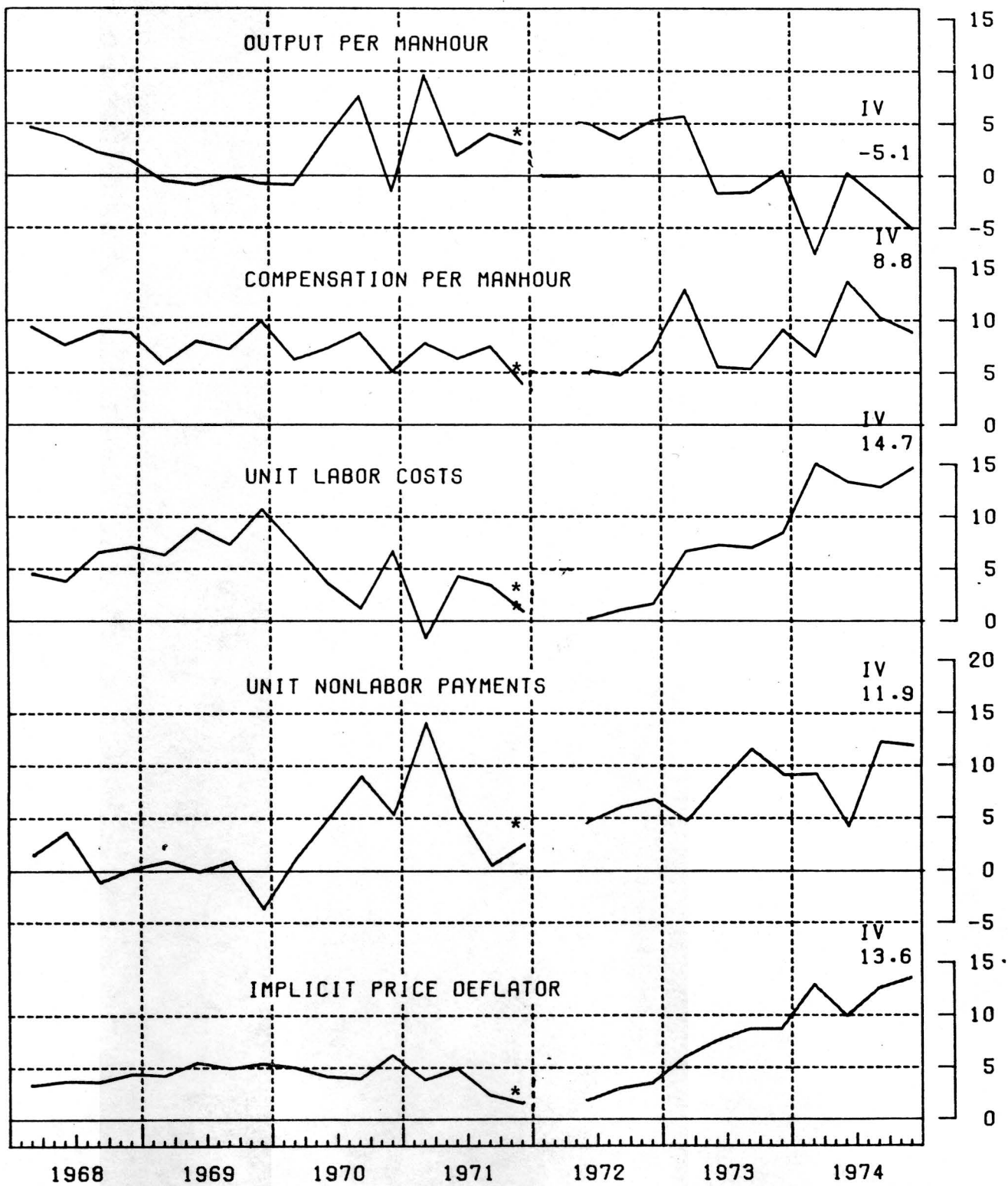
(7) Quarterly measures adjusted to annual estimates of output (gross product originating) from the Bureau of Economic Analysis, U.S. Department of Commerce.

(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.

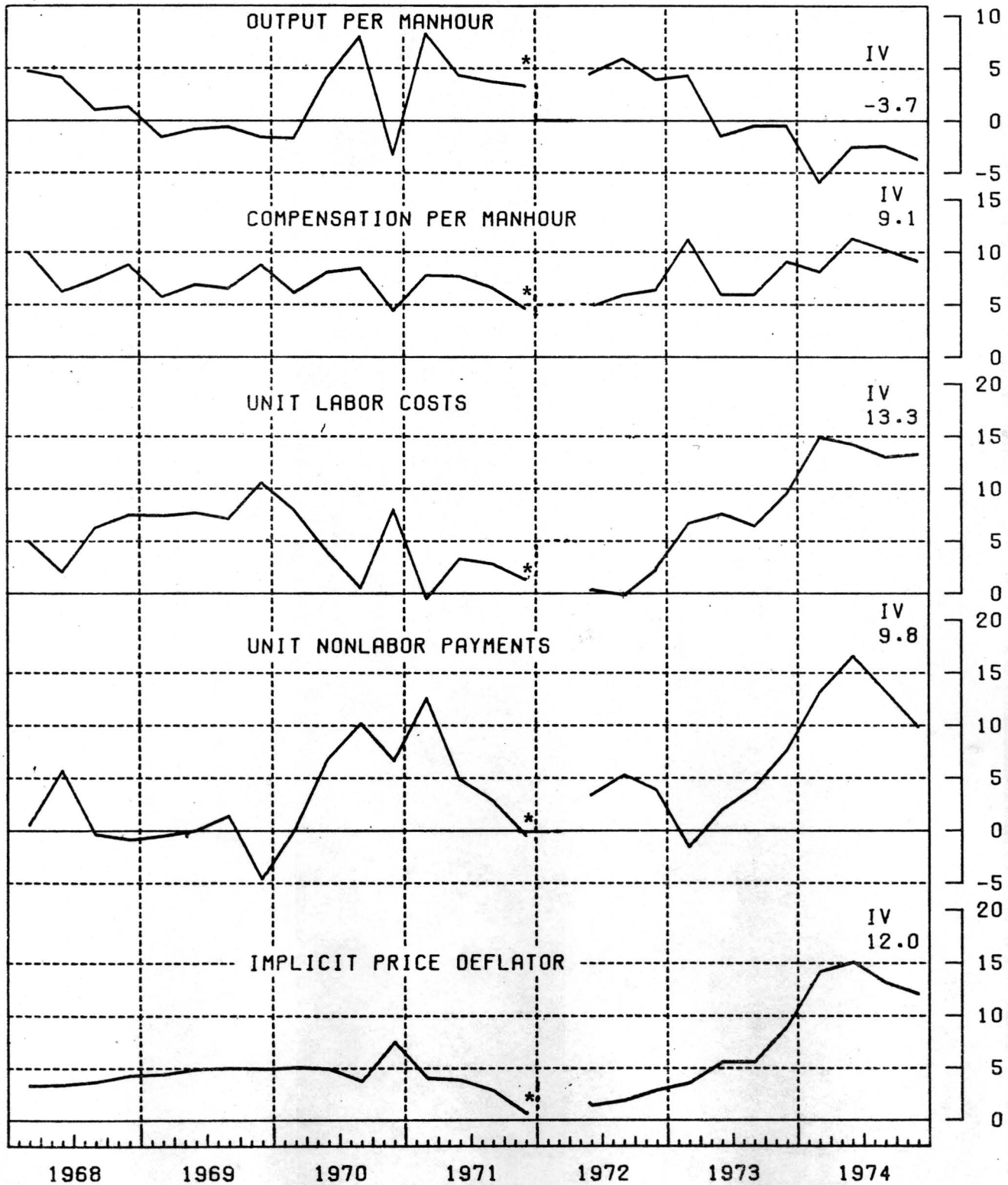
CHART 1. PRODUCTIVITY, HOURLY  
 COMPENSATION, UNIT COSTS AND PRICES  
 TOTAL PRIVATE ECONOMY  
 (PERCENT CHANGE FROM PRECEDING  
 QUARTER AT ANNUAL RATE)



\*1968-1971 data based on unrevised man-hours.

JAN. 27. 1975

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



\*1968-1971 data based on unrevised man-hours.

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

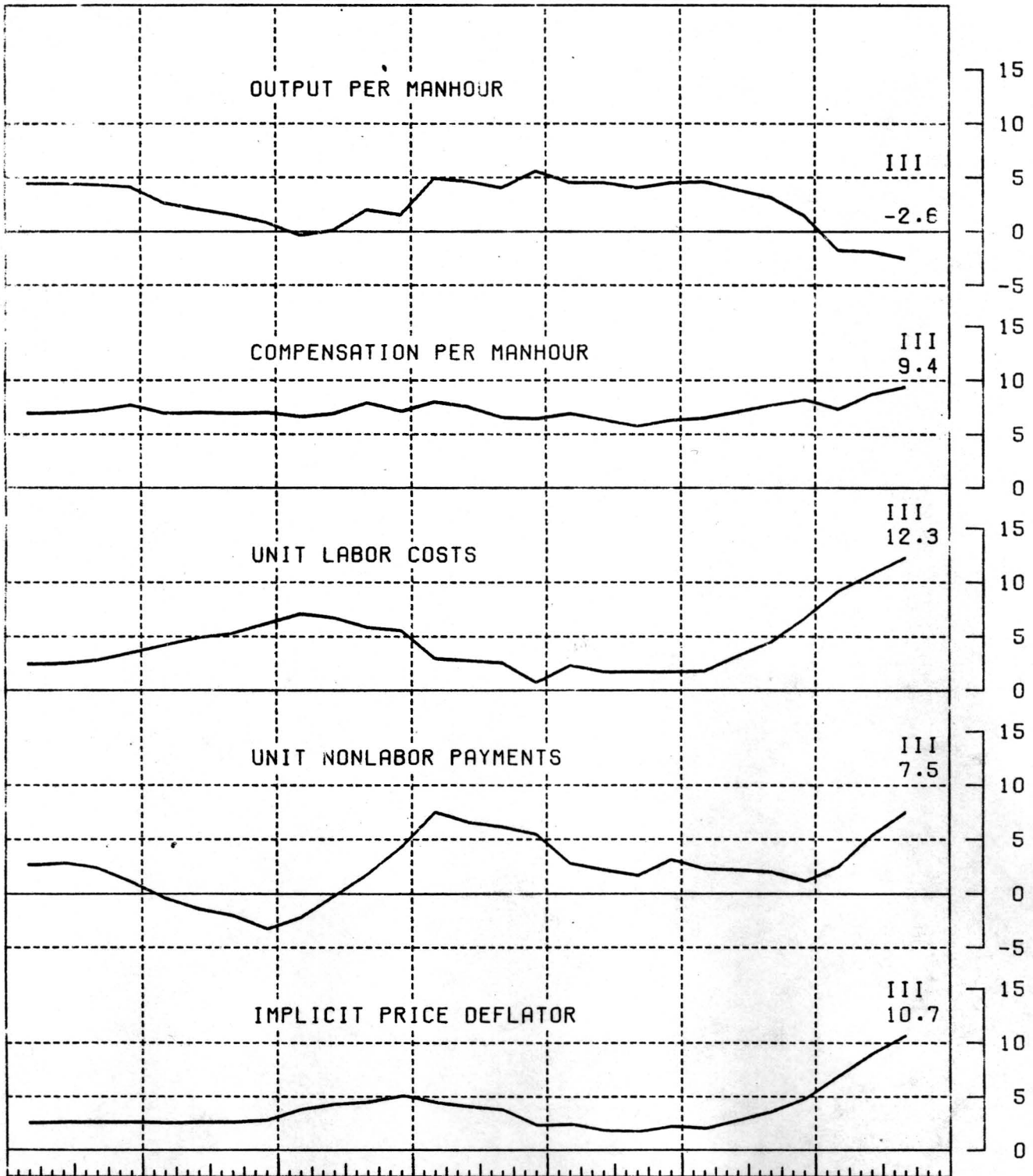
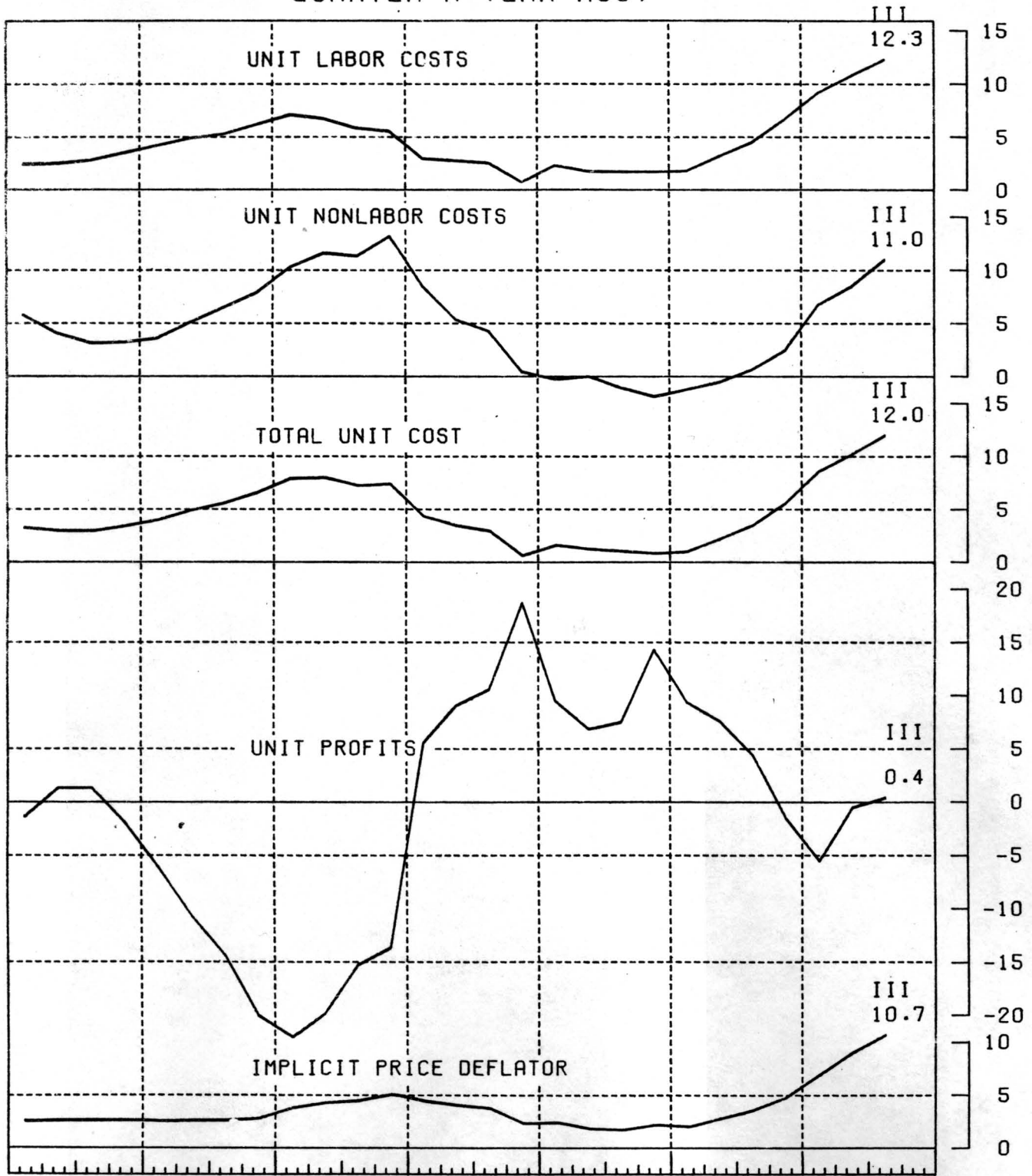




CHART 4.  
 UNIT COSTS, UNIT PROFITS, AND PRICES  
 NONFINANCIAL CORPORATIONS  
 (PERCENT CHANGE FROM SAME  
 QUARTER A YEAR AGO)





Appendix Table A. Manufacturing Sector; Output per Man-hour, Hourly Compensation, Unit Labor Costs, Seasonally Adjusted

Year and Quarter	Output per Man-hour*	Output (7)	Man-hours*	Compensation per Man-hour (1)*	Real Compensation per Man-hour (2)*	Unit Labor Cost*
<u>Indexes 1967 = 100</u>						
1968						
I	103.7	104.7	100.9	104.5	102.2	100.7
II	104.7	106.4	101.6	106.2	102.6	101.4
III	104.9	107.4	102.4	107.8	102.9	102.8
IV	105.2	108.3	102.9	109.9	103.7	104.4
Annual	104.7	106.7	102.0	107.1	102.8	102.3
1969						
I	106.6	110.1	103.2	111.2	103.6	104.3
II	107.0	111.1	103.8	113.2	103.7	105.8
III	107.9	112.5	104.3	114.9	103.8	106.5
IV	107.2	110.7	103.2	116.8	104.1	109.0
Annual	107.4	111.3	103.6	114.0	103.8	106.2
1970						
I	105.6	107.5	101.8	118.3	103.9	112.0
II	108.2	107.4	99.3	121.1	104.7	111.9
III	109.3	106.7	97.6	124.1	106.1	113.6
IV	108.9	102.2	93.9	125.3	105.6	115.1
Annual	107.9	105.9	98.1	122.1	105.0	113.2
1971						
I	113.4	107.1	94.4	128.4	107.4	113.2
II	115.6	109.0	94.3	129.8	107.4	112.3
III	115.7	108.7	93.9	131.1	107.4	113.3
IV	115.7	109.5	94.6	132.4	107.9	114.4
Annual	115.1	108.6	94.3	130.4	107.5	113.2
1972						
I	118.4	113.7	96.0	135.1	109.3	114.1
II	120.6	117.9	97.8	136.6	109.6	113.3
III	122.9	121.2	98.7	137.9	109.7	112.3
IV	124.5	125.2	100.6	140.4	110.6	112.8
Annual	121.6	119.5	98.3	137.5	109.7	113.1

\*Based on Revised Employment and Average Weekly Hours

SOURCE: Bureau of Labor Statistics  
January 27, 1975

Appendix Table A. (Cont.) Manufacturing Sector; Output per Man-hour, Hourly Compensation, Unit Labor Costs, Seasonally Adjusted

Year and Quarter	Output per Man-hour *	Output (7)	Man-hours *	Compensation per Man-hour (1)*	Real Compensation per Man-hour (2)*	Unit Labor Cost*
<u>Percent Change from Previous Quarter at Annual Rate (5)</u>						
1968						
I	8.6	11.0	2.2	10.5	6.2	1.7
II	3.8	6.7	2.8	6.7	1.8	2.8
III	0.8	3.8	3.0	6.2	1.1	5.4
IV	1.2	3.4	2.1	7.9	3.1	6.6
Annual	4.7	6.7	2.0	7.1	2.8	2.3
1969						
I	5.4	6.8	1.3	4.9	-0.1	-0.5
II	1.3	3.7	2.3	7.3	0.4	5.9
III	3.5	5.1	1.6	6.2	0.2	2.6
IV	-2.5	-6.2	-3.9	7.0	1.4	9.7
Annual	2.6	4.3	1.7	6.4	1.0	3.8
1970						
I	-6.0	-11.1	-5.4	5.1	-1.1	11.7
II	10.1	-0.4	-9.5	9.8	3.1	-0.3
III	4.2	-2.6	-6.5	10.5	5.6	6.0
IV	-1.5	-15.8	-14.5	3.7	-1.8	5.3
Annual	0.5	-4.9	-5.3	7.1	1.1	6.6
1971						
I	17.9	20.6	2.3	10.3	7.0	-6.4
II	7.7	7.3	-0.4	4.5	0.1	-3.0
III	0.6	-1.1	-1.6	4.0	0.0	3.5
IV	0.1	3.0	2.9	4.1	1.7	4.0
Annual	6.7	2.6	-3.9	6.8	2.4	0.1
1972						
I	9.6	16.2	6.1	8.6	5.1	-0.9
II	7.6	15.6	7.5	4.4	1.1	-2.9
III	7.7	11.7	3.7	3.9	0.4	-3.5
IV	5.3	13.9	8.1	7.3	3.6	1.9
Annual	5.6	10.0	4.2	5.4	2.1	-0.1

\*Based on Revised Employment and Average Weekly Hours

SOURCE: Bureau of Labor Statistics  
January 27, 1975

Appendix Table A. (Cont.) Manufacturing Sector; Output per Man-hour, Hourly Compensation, Unit Labor Costs, Seasonally Adjusted

Year and Quarter	Output per Man-hour *	Output (7)	Man-hours *	Compensation per Man-hour (1) *	Real Compensation per Man-hour (2)*	Unit Labor Cost*
<u>Percent Change from Previous Year (5)</u>						
1968						
I	5.5	5.9	0.3	6.7	3.0	1.1
II	5.1	7.5	2.3	7.0	2.7	1.8
III	4.5	7.4	2.7	7.1	2.6	2.4
IV	3.6	6.2	2.5	7.8	3.0	4.1
Annual	4.7	6.7	2.0	7.1	2.8	2.3
1969						
I	2.8	5.2	2.3	6.4	1.5	3.5
II	2.2	4.4	2.2	6.6	1.1	4.3
III	2.9	4.7	1.8	6.6	0.9	3.6
IV	1.9	2.2	0.3	6.3	0.5	4.4
Annual	2.6	4.3	1.7	6.4	1.0	3.8
1970						
I	-1.0	-2.4	-1.4	6.4	0.2	7.4
II	1.1	-3.3	-4.4	7.0	0.9	5.8
III	1.3	-5.2	-6.4	8.0	2.2	6.7
IV	1.5	-7.7	-9.1	7.2	1.4	5.6
Annual	0.5	-4.9	-5.3	7.1	1.1	6.6
1971						
I	7.4	-0.4	-7.3	8.5	3.4	1.0
II	6.8	1.5	-5.0	7.2	2.6	0.3
III	5.9	1.9	-3.8	5.6	1.3	-0.3
IV	6.3	7.1	0.8	5.7	2.2	-0.6
Annual	6.7	2.6	-3.9	6.8	2.4	0.1
1972						
I	4.4	6.2	1.7	5.3	1.7	0.9
II	4.4	8.2	3.6	5.3	2.0	0.9
III	6.2	11.5	5.0	5.2	2.1	-0.9
IV	7.5	14.3	6.3	6.0	2.5	-1.4
Annual	5.6	10.0	4.2	5.4	2.1	-0.1

\*Based on Revised Employment and Average Weekly Hours

SOURCE: Bureau of Labor Statistics  
January 27, 1975

Appendix Table B. Nonfinancial Corporations: Output per Man-hour, Hourly Compensation Unit Labor Costs, Unit Profits and Prices, Seasonally Adjusted

Year and Quarter	Output per Man-hour*	Output	Man-hours*	Compensation per Man-hour* (1)	Real Compensation per Man-hour*(2)	Unit-Labor Costs	Unit Nonlabor Costs (8)	Total Unit Costs (9)	Unit Profits (10)	Implicit Price Deflator
<u>Indexes 1967=100</u>										
1968										
I	102.9	103.7	100.8	104.5	102.1	101.5	103.0	101.9	99.5	101.5
II	104.2	105.9	101.6	106.3	102.7	102.0	103.4	102.3	101.9	102.3
III	104.7	107.3	102.5	107.9	103.0	103.1	104.1	103.4	100.4	102.9
IV	105.1	108.5	103.1	109.9	103.7	104.5	105.4	104.7	97.3	103.6
Annual	104.3	106.4	102.0	107.2	102.8	102.8	103.9	103.0	99.7	102.5
1969										
I	105.7	109.8	103.9	111.7	104.1	105.8	106.7	106.0	93.3	104.1
II	106.3	111.4	104.8	113.7	104.2	107.0	108.6	107.4	90.9	104.9
III	106.3	112.1	105.4	115.4	104.3	108.6	110.9	109.1	85.8	105.6
IV	106.0	111.5	105.2	117.6	104.8	111.0	113.7	111.7	77.7	106.5
Annual	106.0	111.2	104.9	114.6	104.4	108.1	109.8	108.5	86.9	105.3
1970										
I	105.2	110.0	104.6	119.1	104.6	113.2	117.8	114.4	72.7	108.1
II	106.5	109.8	103.2	121.6	105.0	114.2	121.3	115.9	72.9	109.4
III	108.4	110.8	102.3	124.5	106.4	114.9	123.5	117.0	72.8	110.3
IV	107.5	107.7	100.2	125.9	106.2	117.1	128.7	119.9	67.2	112.0
Annual	106.9	109.6	102.5	122.8	105.5	114.9	122.9	116.8	71.3	110.0
1971										
I	110.3	111.2	100.8	128.6	107.6	116.6	127.6	119.3	76.8	112.9
II	111.4	112.5	101.0	130.6	108.2	117.3	127.8	119.9	79.5	113.8
III	112.7	113.4	100.6	132.7	108.7	117.8	128.7	120.4	80.5	114.4
IV	113.6	115.5	101.7	133.9	109.1	117.9	129.2	120.7	79.7	114.5
Annual	112.0	113.1	101.0	131.5	108.3	117.4	128.6	120.1	79.1	113.9
1972										
I	115.3	118.8	103.0	137.5	111.1	119.2	127.2	121.2	84.0	115.6
II	116.4	121.7	104.6	138.8	111.4	119.3	127.7	121.4	84.9	115.9
III	117.1	123.5	105.4	140.3	111.5	119.7	127.3	121.6	86.6	116.3
IV	118.7	126.9	107.0	142.4	112.2	120.0	126.8	121.6	91.1	117.0
Annual	116.9	122.8	105.0	139.7	111.5	119.6	126.9	121.4	86.7	116.1

\*Based on Revised Employment and Average Weekly Hours.

SOURCE: Bureau of Labor Statistics  
January 27, 1975

Appendix Table B (Cont.) Nonfinancial Corporations: Output per Man-hour, Hourly Compensation  
Unit Labor Costs, Unit Profits and Prices, Seasonally Adjusted

Year and Quarter	Output per Man-hour*	Output	Man-hours*	Compensation per Man-hour* (1)	Real Compensation per Man-hour*(2)	Unit Labor Costs	Unit Nonlabor Costs (8)	Total Unit Costs (9)	Unit Profits (10)	Implicit Price Deflator
<u>Percent Change From Previous Quarter At Annual Rate (5)</u>										
1968										
I	7.8	9.3	1.4	10.0	5.6	2.0	3.7	2.4	0.7	2.2
II	5.1	8.5	3.2	7.0	2.1	1.8	1.4	1.7	9.8	2.9
III	1.8	5.5	3.7	6.3	1.2	4.4	2.9	4.0	-5.8	2.5
IV	1.7	4.4	2.6	7.6	2.8	5.7	4.9	5.5	-11.6	2.8
Annual	4.3	6.4	2.0	7.2	2.8	2.8	3.9	3.0	-0.3	2.5
1969										
I	1.9	5.1	3.1	6.8	1.7	4.7	5.2	4.8	-15.5	1.8
II	2.5	5.8	3.2	7.3	0.4	4.7	7.4	5.3	-10.0	3.2
III	-0.1	2.5	2.6	6.0	0.2	6.1	8.5	6.7	-20.6	2.8
IV	-1.2	-2.0	-0.8	7.8	2.0	9.1	10.6	9.5	-32.8	3.5
Annual	1.7	4.6	2.8	7.0	1.5	5.2	5.8	5.3	-12.8	2.7
1970										
I	-2.9	-5.1	-2.3	5.3	-0.9	8.4	15.0	10.0	-23.2	5.9
II	4.9	-0.7	-5.4	8.4	1.8	3.4	12.6	5.6	0.7	5.1
III	7.4	3.6	-3.5	10.2	5.4	2.6	7.3	3.8	-0.5	3.4
IV	-3.1	-10.6	-7.8	4.5	-0.9	7.8	18.0	10.4	-27.5	6.0
Annual	0.8	-1.4	-2.2	7.1	1.1	6.3	11.9	7.7	-17.9	4.5
1971										
I	10.9	13.6	2.5	9.0	5.5	-1.7	-3.3	-2.1	71.0	3.3
II	3.8	4.6	0.8	6.4	2.2	2.5	0.5	2.0	14.8	3.2
III	4.7	3.2	-1.4	6.3	1.9	1.5	3.0	1.9	5.1	2.2
IV	3.3	7.5	4.1	3.9	1.6	0.6	1.4	0.8	-3.8	0.3
Annual	4.8	3.2	-1.5	7.1	2.7	2.2	4.6	2.8	11.0	3.6
1972										
I	6.3	12.1	5.5	11.1	7.5	4.5	-5.9	1.7	23.6	3.9
II	3.7	10.2	6.2	3.9	0.8	0.2	1.5	0.5	4.3	0.9
III	2.6	6.0	3.3	4.1	0.5	1.5	-1.1	0.8	7.9	1.6
IV	5.3	11.5	5.9	6.2	2.5	0.8	-1.8	0.1	22.9	2.5
Annual	4.4	8.5	4.0	6.3	2.9	1.9	-1.4	1.0	9.6	1.9

\*Based on Revised Employment and Average Weekly Hours.

SOURCE: Bureau of Labor Statistics  
January 27, 1975



Appendix Table B. (Cont.) Nonfinancial Corporations: Output per Man-hour, Hourly Compensation  
Unit Labor Costs, Unit Profits and Prices, Seasonally Adjusted

Year and Quarter	Output per Man-hour*	Output	Man-hours*	Compensa- tion per Man-hour* (1)	Real Compensa- tion per Man-hour*(2)	Unit Labor Costs	Unit Nonlabor Costs (8)	Total Unit Costs (9)	Unit Profits (10)	Implicit Price Deflator
<b>Percent Change From Previous Year</b>										
1968										
I	4.4	4.9	0.5	6.9	3.1	2.4	5.7	3.2	-1.4	2.5
II	4.4	6.6	2.1	7.0	2.8	2.5	4.0	2.9	1.3	2.6
III	4.3	7.0	2.6	7.2	2.7	2.8	3.1	2.9	1.3	2.6
IV	4.1	6.9	2.7	7.7	2.9	3.5	3.2	3.4	-2.0	2.6
Annual	4.3	6.4	2.0	7.2	2.8	2.8	3.9	3.0	-0.3	2.5
1969										
I	2.6	5.9	3.1	6.9	1.9	4.2	3.6	4.0	-6.2	2.5
II	2.0	5.2	3.1	7.0	1.5	4.9	5.1	4.9	-10.8	2.6
III	1.5	4.4	2.9	6.9	1.3	5.3	6.5	5.6	-14.5	2.6
IV	0.8	2.8	2.0	7.0	1.1	6.2	7.9	6.6	-20.1	2.8
Annual	1.7	4.6	2.8	7.0	1.5	5.2	5.8	5.3	-12.8	2.7
1970										
I	-0.4	0.2	0.7	6.6	0.4	7.1	10.3	7.9	-22.1	3.8
II	0.1	-1.4	-1.5	6.9	0.8	6.7	11.6	8.0	-19.8	4.3
III	2.0	-1.1	-3.0	7.9	2.0	5.8	11.3	7.2	-15.2	4.5
IV	1.5	-3.4	-4.8	7.1	1.3	5.5	13.2	7.4	-13.6	5.1
Annual	0.8	-1.4	-2.2	7.1	1.1	6.3	11.9	7.7	-17.9	4.5
1971										
I	4.9	1.1	-3.6	8.0	2.9	2.9	8.4	4.3	5.6	4.4
II	4.6	2.4	-2.1	7.5	3.0	2.7	5.3	3.4	9.1	4.0
III	4.0	2.3	-1.6	6.5	2.2	2.5	4.2	2.9	10.6	3.7
IV	5.6	7.2	1.5	6.4	2.8	0.7	0.4	0.6	18.7	2.3
Annual	4.8	3.2	-1.5	7.1	2.7	2.2	4.6	2.8	11.0	3.6
1972										
I	4.5	6.8	2.2	6.9	3.3	2.3	-0.3	1.6	9.4	2.4
II	4.5	8.2	3.6	6.3	2.9	1.7	0.0	1.2	6.8	1.8
III	4.0	9.0	4.8	5.7	2.5	1.7	-1.1	1.0	7.5	1.7
IV	4.5	9.9	5.2	6.3	2.8	1.7	-1.9	0.8	14.3	2.2
Annual	4.4	8.5	4.0	6.3	2.9	1.9	-1.4	1.0	9.6	1.9

\*Based on Revised Employment and Average Weekly Hours.

SOURCE: Bureau of Labor Statistics  
January 27, 1975