

News

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PRODUCTIVITY AND COSTS

Private Business, Nonfarm Business, and Manufacturing Sectors
Third Quarter 1976

SUMMARY

Productivity in the private business sector in the third quarter of 1976 advanced 3.8 percent (seasonally adjusted annual rate), according to preliminary measures released today by the Bureau of Labor Statistics of the U.S. Department of Labor. In the nonfarm business sector, output per hour of all persons--labor productivity--increased 3.6 percent, while in manufacturing the increase was 5.7 percent.

Unit labor cost--which reflects changes in hourly output and hourly compensation--increased 3.4 percent in the private business sector and 3.2 percent in the nonfarm business sector and declined 1.0 percent in the manufacturing sector.

A summary of third quarter measures appears in table A; details are given in tables 1-6.

Beginning with this press release, the BLS begins publication of productivity and cost measures for the durable and nondurable manufacturing sectors as well as the previously published series for the entire sector. All three series are based on the respective components of the index of industrial production published monthly by the Board of Governors of the Federal Reserve Bank, adjusted to annual output levels published by the Bureau of Economic Analysis of the U.S. Department of Commerce. The BLS collects information on employment and average weekly hours of employees in these industries as part of the regular monthly Survey of Establishments. Historical data--extending back to 1947--are available on request from the Office of Productivity and Technology, BLS, Washington, D.C. 20212.

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

PRELIMINARY

Sector	Labor Productivity	Hourly Compensation	Unit Labor Cost	Real Hourly Compensation	Output	Hours
Second Quarter 1976 to Third Quarter 1976						
Private Business	3.8	7.4	3.4	1.2	4.0	0.2
Nonfarm Business	3.6	7.0	3.2	0.8	4.1	0.5
Manufacturing	5.7	4.7	-1.0	-1.3	6.5	0.8
Durable Manufacturing	6.6	3.2	-3.1	-2.7	10.1	3.3
Nondurable Manufacturing	5.4	6.5	1.0	0.3	2.5	-2.8
Third Quarter 1975 to Third Quarter 1976						
Private Business	3.3	8.5	5.0	2.9	5.8	2.4
Nonfarm Business	3.1	8.0	4.7	2.4	6.1	2.9
Manufacturing	5.5	7.7	2.0	2.1	10.4	4.6
Durable Manufacturing	5.5	7.2	1.6	1.6	11.9	6.1
Nondurable Manufacturing	5.8	8.1	2.2	2.5	8.6	2.6

Source: Bureau of Labor Statistics
October 27, 1976

Private Business Sector

Productivity increased 3.8 percent in the private business sector in the third quarter of 1976, as output increased 4.0 percent and hours of all persons edged up 0.2 percent. In the second quarter, these increases were 3.8 percent, 5.5 percent, and 1.6 percent, respectively. The third quarter increase was the smallest quarterly gain in output and hours this year. Employment was up 1.6 percent in the sector, but average weekly hours declined 1.4 percent, the second consecutive quarterly decline.

Hourly compensation--which includes wages and salaries, fringe benefits, employer Social Security contributions, and taxes--increased 7.4 percent (the smallest quarterly rise in a year) and unit labor cost (reflecting changes in both hourly compensation and output per hour) rose 3.4 percent. One quarter earlier, hourly compensation rose 7.5 percent, and unit labor cost increased 3.6 percent. In 1976, the quarterly increases in these costs have averaged 3.4 percent. This compares with average annual rates of growth of 7.5 percent and 13.2 percent in all of 1975 and 1974, respectively.

Real hourly compensation (hourly compensation adjusted for changes in the Consumer Price Index) increased 1.2 percent in the third quarter, the smallest increase in a year. In the second quarter, real compensation increased 2.8 percent. Unit nonlabor payments--which include depreciation, net interest, profits, and indirect business taxes--increased 5.1 percent. The implicit price deflator--which reflects changes in unit labor cost and unit nonlabor payments--increased 4.0 percent, compared with a 5.2 percent increase in the second quarter.

Since the third quarter of 1975, productivity was up 3.3 percent as hours increased 2.4 percent and output grew 5.8 percent. Hourly compensation was up 8.5 percent, unit labor cost up 5.0 percent, and real hourly compensation up 2.9 percent. Unit nonlabor payments increased 3.3 percent. The implicit price

deflator was 4.4 percent above its year-earlier level.

Nonfarm Business Sector

Productivity in the nonfarm business sector advanced 3.6 percent in the third quarter, the smallest increase so far this year. Output was up 4.1 percent--the smallest quarterly gain since the first quarter of 1975--and hours of all persons increased 0.5 percent. In the second quarter, productivity increased 5.4 percent, output was up 5.4 percent, and hours were up 0.1 percent. Employment continued to grow in the third quarter (up 1.6 percent), but average weekly hours declined 1.0 percent. Hourly compensation increased 7.0 percent, and unit labor cost rose 3.2 percent--the smallest rise since the third quarter of 1975. Second quarter increases were 8.9 percent and 3.3 percent, respectively. Real hourly compensation increased 0.8 percent (its smallest gain all year). Unit nonlabor payments increased 11.7 percent, the largest increase since the third quarter of 1975. The implicit price deflator rose 5.9 percent.

Since the third quarter of 1975, productivity has increased 3.1 percent as output grew 6.1 percent and hours of all persons were up 2.9 percent. Employment was up 2.8 percent and average weekly hours up 0.1 percent. Hourly compensation was 8.0 percent higher than year-earlier levels, and unit labor cost was up 4.7 percent. Real hourly compensation rose 2.4 percent, while unit nonlabor payments were 5.5 percent higher. The implicit price deflator was 5.0 percent higher than in the same quarter of 1975.

The Manufacturing Sector

Productivity advanced 5.7 percent in the total manufacturing sector, compared with an 8.7 percent rise in the previous quarter. Output rose 6.5 percent (the smallest quarterly increase since the opening quarter of 1975), and hours of all persons increased 0.8 percent. Employment and average weekly hours were both somewhat higher in the third quarter than in the second (up 0.5 percent and 0.3

percent, respectively, at annual rates). Although the second quarter increase in hours of all persons was also small (0.2 percent), it reflected a larger increase in employment (3.2 percent) coupled with a decline in average weekly hours (2.9 percent).

Hourly compensation increased 4.7 percent (the smallest such rise since the third quarter of 1975), and unit labor cost decreased 1.0 percent as the increase in productivity more than offset the increase in hourly compensation. This was the first decline in labor cost since the third quarter of 1975. Real hourly compensation declined 1.3 percent, the first decrease this year. The second quarter increase was 5.1 percent.

Compared with the third quarter of 1975, productivity was 5.5 percent higher, output 10.4 percent higher, and hours of all persons up 4.6 percent. Employment and average weekly hours were up 4.1 percent and 0.5 percent, respectively. Hourly compensation was 7.7 percent higher, and real hourly compensation rose 2.1 percent.

Among the durable manufacturing industries, productivity increased 6.6 percent in the third quarter, compared with a 10.8 percent increase one quarter earlier. Productivity movements in the durable manufacturing sector tend to be wider than those in the nondurable sector. See tables 4-6. Output in durable manufacturing was up 10.1 percent in the third quarter, and hours of all persons were up 3.3 percent. Second quarter increases were 13.6 percent and 2.5 percent, respectively. Employment was up 2.1 percent in the sector, and average weekly hours were up 1.2 percent (at annual rates). Unit labor cost declined 3.1 percent (the second consecutive quarterly decline) as the increase in productivity more than offset the 3.2 percent rise in hourly compensation. In the second quarter, hourly compensation increased 10.3 percent.

In the nondurable manufacturing sector, productivity increased 5.4 percent (compared with a 6.7 percent second quarter increase) as output grew 2.5 percent and hours declined 2.8 percent. In the second quarter, hours declined 3.0 percent. Employment was off 1.7 percent, and average weekly hours were off 1.1 percent. In the second quarter, employment was up 1.2 percent while average weekly hours declined 4.2 percent. Unit labor cost increased 1.0 percent and hourly compensation increased 6.5 percent, both increases the smallest since the third quarter of 1975.

Output measures for both the durable and nondurable manufacturing sectors are based on the monthly Federal Reserve Board indexes of industrial production for the sector, adjusted to annual levels of gross product originating in each sector reported by the Bureau of Economic Analysis.

Revised Measures for Nonfinancial Corporate Sector, Second Quarter 1976

Revised measures for the nonfinancial corporate sector were also released today. In this sector, which includes all corporations doing business in the U.S. with the exception of banks, insurance companies, stock and commodity brokers, and finance and credit agencies, productivity rose 5.1 percent, rather than the 5.2 percent reported earlier, based on preliminary data. See table B for details.

Table B. Preliminary and Revised Measures, Second Quarter 1976
Percent Change From Previous Quarter at Annual Rate
(Seasonally Adjusted)

<u>Nonfinancial Corporations</u>	<u>Preliminary</u>	<u>Revised</u>
Output per all-employee hour	5.2	5.1
Compensation per hour	8.6	8.4
Unit labor cost	3.2	3.1
Real compensation per hour	3.8	3.6
Output	6.7	6.8
Hours	1.4	1.6

TABLE 1. PRIVATE BUSINESS SECTOR: ALL PERSONS' PRODUCTIVITY,
HOURLY COMPENSATION, UNIT 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 COSTS	UNIT NON-LABOR PAY-MENTS (3)	IMPLICIT PRICE DEFLATOR
INDICES 1967=100								
1975	I	108.1H	114.2	105.7	176.0	112.0	162.9	154.5H
	II	111.4H	116.7	104.4	179.0	112.2	160.7H	155.0
	III	113.6	120.1	105.7	181.3	111.3	159.5H	158.4
	IV	113.2	121.2H	107.0H	185.8	111.4	163.4H	160.9
	ANNUAL	111.5H	118.1H	105.9	180.2	111.8	161.6H	157.5
1976	I	115.3H	124.2H	107.7	189.8	113.4	164.7	161.7H
	II	116.3	125.8	108.2H	193.3H	114.2H	166.1H	163.8
	III	117.4H	127.1H	108.2H	196.7H	114.6H	167.5H	165.4H
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE (%)								
1975	I	1.6	-11.2	-12.7	13.1	8.5	11.3	11.4H
	II	12.7	8.0	-3.3	8.9	0.7	-5.1	25.0
	III	8.5	12.3	3.5	5.2	-7.9	-3.0	28.8
	IV	-1.5H	3.6	5.2	8.3	1.6	10.0H	0.0
	ANNUAL	2.1	-2.3	-4.2	9.7	0.5	7.5	14.0
1976	I	7.8H	10.2	2.6H	10.9	6.1	3.2	-0.2H
	II	3.8H	5.5	1.5H	7.5H	2.8H	3.6	8.5
	III	3.8H	8.0H	0.2H	7.4H	1.2H	3.4H	5.1H
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR (6)								
1975	I	-7.2	-7.2	-5.1	12.1	1.0	14.6	8.0H
	II	1.7	-4.2	-5.9	10.6	0.8	8.7	13.3
	III	4.5	-9.4	-4.7	8.8	0.0	4.1	18.4
	IV	5.2	3.0	-7.1	8.4	0.9	3.0	15.7
	ANNUAL	2.1	-2.3	-4.2	9.7	0.5	7.5	14.0
1976	I	6.6	8.7	1.9	7.8	1.3	1.1	12.6
	II	4.5	7.8	3.2	8.0	1.8H	3.3H	8.7
	III	3.3H	5.8H	2.4H	8.5H	2.9H	5.0H	3.3H

SEE FOOTNOTES FOLLOWING TABLE 6.
REVISIONS
PRELIMINARY

OCTOBER 27, 1976
SOURCE: BUREAU OF LABOR STATISTICS

TABLE 2. NONFARM BUSINESS SECTOR: ALL PERSONS' PRODUCTIVITY,
HOURLY COMPENSATION, UNIT COSTS 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 COSTS	UNIT NON-LABOR PAY-MENTS(3)	IMPLICIT PRICE DEFULATOR	
INDEXES, 1967=100									
1975	I	106.0	114.4W	107.9	173.1	110.1	163.3	136.0W	154.0
	II	109.2	116.6W	106.7	176.4	110.5	161.6	142.2W	155.0
	III	111.6	119.9	107.4	179.3	110.1	160.6W	149.9W	157.0
	IV	111.0	121.3W	109.2	182.2	110.1	164.1W	150.1	159.3W
	ANNUAL	109.4	118.0	107.9	177.7	110.2	162.6	148.7W	156.4
1976	I	112.6	124.3	110.4	186.4	111.4	165.5W	152.4	161.0W
	II	118.1	126.0W	110.8	190.4W	112.5W	166.9W	153.9W	162.5
	III	115.1W	127.3W	110.6W	193.6W	112.8W	168.2W	158.2W	164.8W
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE (5)									
1975	I	1.3	-11.3	-12.4	11.0	3.3	10.4	20.0	13.5
	II	12.6	7.9	-8.1W	7.9	1.6	-4.2	19.6	2.6
	III	9.3	12.1	2.5	6.8	-1.4	-2.2	23.5	5.3
	IV	-2.2	4.5	6.0	6.0	0.0	4.0	0.5	6.2
	ANNUAL	1.8	-2.6	-4.3	9.7	0.5	7.7	15.6	10.1
1976	I	5.8	10.5	4.4	9.5	4.8	3.5	6.2	4.3
	II	5.4W	5.4W	0.1W	8.9W	4.1W	3.3	4.2	3.6
	III	3.6W	4.1W	0.5W	7.0W	0.8W	3.2W	11.7W	5.9W
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR (6)									
1975	I	-3.0	-7.5	-4.7	11.4	0.4	14.9	13.1	14.3
	II	1.5	-4.6	-5.9	10.5	0.7	8.9	14.5	10.6
	III	4.6	-0.8	-5.2	9.4	0.6	4.6	18.0	8.6
	IV	5.1	2.9	-2.1	8.3	0.8	3.1	15.7	6.8
	ANNUAL	1.8	-2.6	-4.3	9.7	0.5	7.7	15.6	10.1
1976	I	6.2	8.7	2.1	7.7	1.2	1.4	12.0	4.6
	II	4.5	6.1	3.4	7.9W	1.8W	3.3	8.2	4.9
	III	3.1W	6.1W	2.9W	8.0W	2.6W	4.7W	5.5W	5.0W

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

OCTOBER 27, 1976
SOURCE: BUREAU OF LABOR STATISTICS

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

YEAR AND QUARTER	UNIT GROSS PRODUCT PER EMPLOYEE -1967	UNIT GROSS PRODUCT -1967	HOURLY GROSS PRODUCT -1967	HOURLY COMPENSATION -1967	REAL HOURLY COMPEN- SATION(192)	UNIT LABOR COST -1967	UNIT GROSS LABOR COST(181)	TOTAL UNIT GROSS COST (19)	UNIT GROSS PRICE INDEX (101)	IMPLICIT PRICE DEFLATOR	
1967=100											
1975	I	113.7	113.7	117.1	100.0	118.6	151.3	186.5	167.4	81.6	151.7
	II	115.9	122.8	115.7	113.8	115.9	159.4	189.1	165.9	82.4	153.5
	III	119.2	126.2	116.8	106.1	114.3	157.5	193.1	165.4	102.0	156.0
	IV	117.2	127.8	109.1	109.6	114.5	160.8	193.4	168.7	108.5	158.6
	ANNUAL	115.9	126.0	117.0	106.0	114.7	159.4	189.8	166.8	87.0	155.0
1976	I	119.1	135.7	119.0	113.8	115.7	162.5	191.9	169.6	106.0	160.2
	II	125.6	133.0	110.0	117.0	116.7	163.0	193.0	171.0	107.1	161.5
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATES											
1975	I	2.5	-12.5	-15.5	18.5	5.8	19.7	23.7	18.9	10.1	13.8
	II	15.8	5.8	-2.1	7.5	1.2	-6.9	5.8	-3.6	218.6	4.8
	III	2.5	1.4	8.7	5.9	-2.2	-2.4	2.1	-1.2	135.3	6.7
	IV	-1.2	8.7	5.8	7.2	0.5	8.6	7.1	8.1	-5.9	6.7
	ANNUAL	2.8	-3.1	-8.2	10.5	1.3	7.8	15.8	9.7	25.7	10.9
1976	I	5.5	10.7	5.9	9.0	8.0	4.3	-3.1	2.2	23.9	5.1
	II	5.1	6.8	1.0	8.8	4.0	3.1	3.9	3.8	6.2	3.4
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(S)											
1975	I	-0.6	-0.5	-0.5	12.1	1.2	15.3	28.2	17.6	-17.9	14.6
	II	1.9	-2.6	-7.4	11.2	1.5	9.1	19.4	11.8	10.7	11.7
	III	5.8	-1.1	-0.9	9.9	1.0	4.0	13.7	6.6	53.5	9.8
	IV	8.4	1.1	-0.1	6.7	1.3	2.2	9.8	4.1	66.9	7.9
	ANNUAL	2.8	-3.1	-8.2	10.5	1.3	7.8	15.8	9.7	25.7	10.9
1976	I	6.6	9.3	2.0	7.4	0.9	0.7	2.9	1.3	71.9	5.6
	II	3.2	6.6	4.3	7.6	1.5	1.3	2.5	3.1	39.0	5.2

SEE FOOTNOTES FOLLOWING TABLE 6.
REVISED
PRELIMINARY

OCTOBER 27, 1976
SOURCE: BUREAU OF LABOR STATISTICS

TABLE 4. MANUFACTURING SECTOR: OUTPUT PER HOUR OF ALL PERSONS, 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 COSTS	
INDEXES 1967=100							
1975	I	109.0	100.8	92.5	175.9	111.9	161.3
	II	113.1	102.7	90.8	179.1	112.2	158.3
	III	118.6	104.5	92.7	180.7	111.0	152.3
	IV	119.4	112.6	94.3	183.6	111.0	153.7
	ANNUAL	114.9	106.3	92.5	179.8	111.5	156.4
1976	I	120.9	116.5	96.3	187.9	112.3	155.4
	II	123.5R	119.0R	96.4	192.3R	113.7R	155.8R
	III	125.2P	120.9P	96.6P	194.6P	113.3P	155.4P
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE (5)							
1975	I	-12.0	-33.1	-24.0	15.5	6.7	31.3
	II	15.8	7.6	-7.1	7.4	1.2	-7.2
	III	21.1	29.4	6.9	3.8	-4.7	-14.3
	IV	2.7	11.9	9.0	6.5	-0.1	3.7
	ANNUAL	0.2	-9.0	-9.2	11.2	1.9	11.0
1976	I	5.1	14.4	8.9	9.7	4.8	4.1
	II	8.7R	8.9R	0.2R	9.9R	5.1R	1.1R
	III	5.7P	6.5P	0.8P	4.7P	-1.3P	-1.0P
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR (6)							
1975	I	-5.0	-15.3	-10.9	14.3	3.0	20.3
	II	-2.1	-13.4	-11.5	12.6	2.6	15.0
	III	2.8	-7.6	-10.1	10.5	1.6	7.5
	IV	6.1	1.0	-4.7	8.2	0.8	2.0
	ANNUAL	0.2	-9.0	-9.2	11.2	1.9	11.0
1976	I	10.9	15.6	4.2	6.8	0.4	-3.7
	II	9.2R	15.9R	6.2R	7.4R	1.3R	-1.6R
	III	5.5P	10.4P	4.6P	7.7P	2.1P	2.0P

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

OCTOBER 27, 1976
SOURCE: BUREAU OF LABOR STATISTICS

TABLE 5. DURABLE MANUFACTURING SECTOR: OUTPUT PER HOUR OF ALL PERSONS, HOURLY COMPENSATION, UNIT LABOR COST, SEASONALLY ADJUSTED

YEAR AND QUARTER	OUTPUT PER HOUR OF ALL PERSONS	OUTPUT (7)	HOURS OF ALL PERSONS	COMPENSATION PER HOUR (1)	REAL COMPENSATION PER HOUR (2)	UNIT LABOR COSTS	
INDEXES 1967=100							
1975	I	104.2	96.9	93.0	175.9	111.9	168.9
	II	108.8	97.9	89.9	180.4	113.0	165.7
	III	115.2	104.2	90.5	182.8	112.3	158.7
	IV	115.5	106.4	92.1	185.8	112.3	160.8
	ANNUAL	110.9	101.3	91.3	181.3	112.4	163.5
1976	I	116.6	110.2	94.6	189.6	113.3	162.7
	II	119.6	113.8	95.2	194.3	114.9	162.5
	III	121.5P	116.6P	95.9P	195.9P	114.1P	161.2P
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE (5)							
1975	I	-12.4	-35.1	-26.0	15.8	6.9	32.1
	II	19.1	4.3	-12.5	10.6	4.2	-7.2
	III	25.5	28.5	2.3	5.4	-2.8	-16.1
	IV	1.1	8.7	7.6	6.7	0.0	5.5
	ANNUAL	1.8	-9.6	-11.2	12.1	2.7	10.2
1976	I	3.7	15.1	11.0	8.7	3.9	4.8
	II	10.8	13.6	2.5	10.3	5.5	-0.4
	III	6.6P	10.1P	3.3P	3.2P	-2.7P	-3.1P
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR (6)							
1975	I	-4.1	-14.6	-11.0	14.4	3.0	19.2
	II	-8.3	-13.4	-13.1	13.5	3.4	13.8
	III	5.1	-8.5	-13.0	11.8	2.8	6.4
	IV	7.3	-1.4	-8.1	9.5	2.0	2.1
	ANNUAL	1.8	-9.6	-11.2	12.1	2.7	10.2
1976	I	11.9	13.8	1.7	7.8	1.3	-3.7
	II	9.9	16.2	5.8	7.7	1.6	-2.0
	III	5.5P	11.9P	6.1P	7.2P	1.6P	1.6P

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

OCTOBER 27, 1976
SOURCE: BUREAU OF LABOR STATISTICS

TABLE 6. NONDURABLE MANUFACTURING SECTOR: OUTPUT PER HOUR OF ALL PERSONS, HOURLY COMPENSATION, UNIT LABOR COST, SEASONALLY ADJUSTED (12)

YEAR AND QUARTER	OUTPUT PER HOUR OF ALL PERSONS	OUTPUT (1)	HOURS OF ALL PERSONS	COMPENSATION PER HOUR (1)	HFAL COMPENSATION PER HOUR (2)	UNIT LABOR COSTS	
INDICES 1967=100							
1975	I	117.2	107.5	91.7	175.5	111.6	149.8
	II	119.9	110.4	92.0	177.2	111.0	147.7
	III	124.3	114.1	95.0	178.2	109.4	143.4
	IV	125.6	122.5	97.6	181.1	109.4	144.2
	ANNUAL	121.5	114.5	94.2	177.4	110.3	146.1
1976	I	127.6	126.3	99.0	185.8	111.0	145.5
	II	129.7	127.4	98.7	189.6	112.1	146.2
	III	131.4P	128.2P	97.5P	192.6P	112.2P	146.5P
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE (5)							
1975	I	-11.6	-30.0	-20.4	15.9	7.0	31.0
	II	9.7	11.3	1.4	3.8	-2.2	-5.3
	III	15.3	31.0	13.7	7.3	-5.5	-11.2
	IV	4.4	15.9	11.0	6.6	0.0	2.1
	ANNUAL	-2.1	-8.1	-6.1	10.3	1.0	12.7
1976	I	6.7	13.0	5.9	10.8	5.9	1.8
	II	6.7	3.5	-3.0	8.5	3.4	1.7
	III	5.4P	2.5P	-2.4P	6.5P	0.3P	1.0P
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR (6)							
1975	I	-5.8	-15.8	-10.6	14.3	2.9	21.3
	II	-4.8	-13.3	-9.0	11.6	1.7	17.1
	III	-0.7	-6.3	-5.6	9.2	0.4	10.0
	IV	4.0	4.3	0.3	7.0	-0.4	3.0
	ANNUAL	-2.1	-8.1	-6.1	10.3	1.0	12.7
1976	I	8.9	17.6	7.9	5.8	-0.5	-2.8
	II	8.2	15.4	6.7	7.0	0.9	-1.1
	III	5.8P	8.6P	2.6P	8.1P	2.5P	2.2P

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

OCTOBER 27, 1976
SOURCE: BUREAU OF LABOR STATISTICS

FOOTNOTES, TABLES 1 TO 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 includes 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.

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

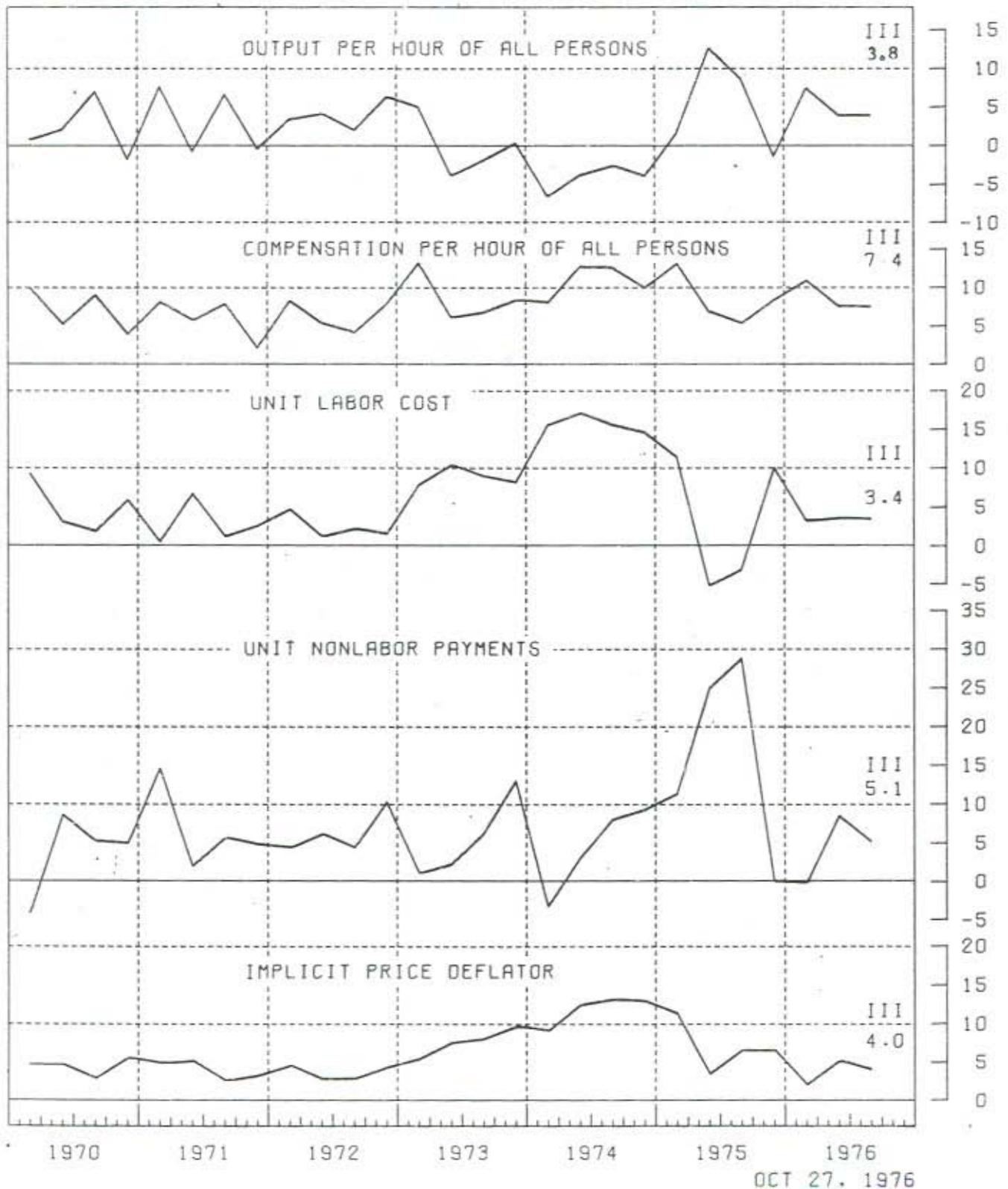


CHART 2. PRODUCTIVITY, HOURLY
 COMPENSATION, UNIT COSTS AND PRICES
 NONFARM BUSINESS SECTOR
 (PERCENT CHANGE FROM PRECEDING
 QUARTER AT ANNUAL RATE)

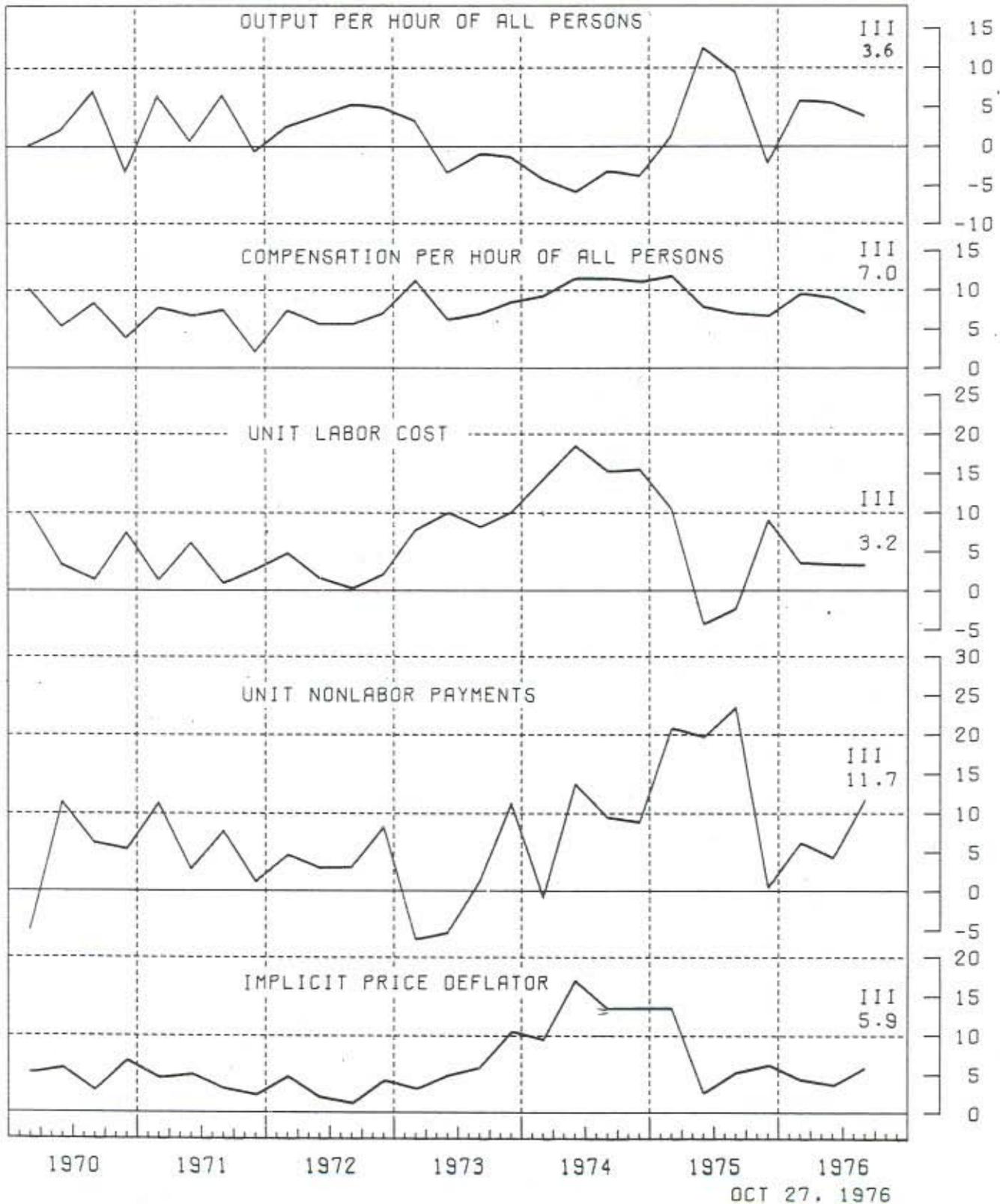


CHART 3. PRODUCTIVITY, HOURLY
 COMPENSATION, UNIT COSTS AND PRICES
 NONFINANCIAL CORPORATIONS
 (PERCENT CHANGE FROM SAME
 QUARTER A YEAR AGO)

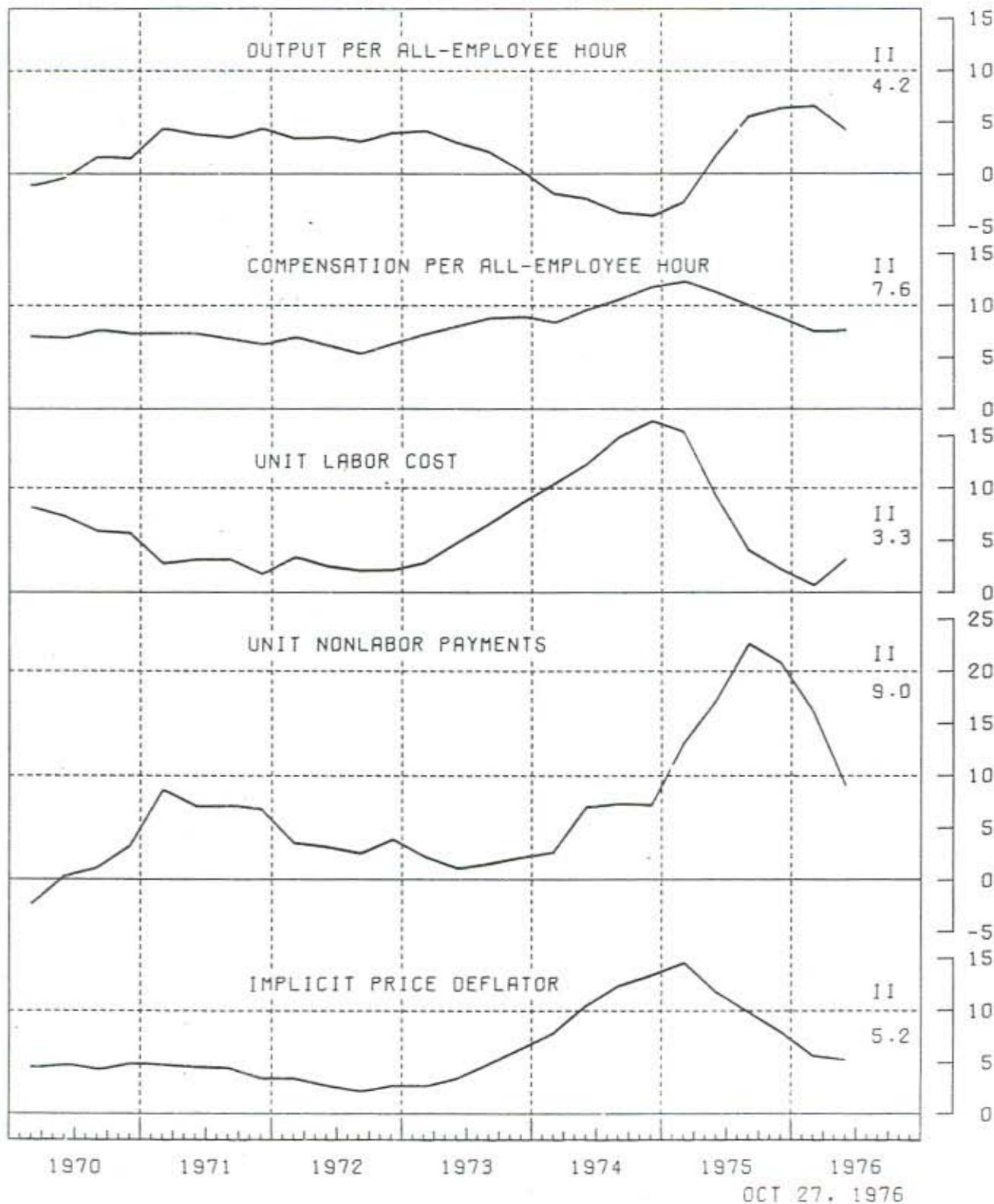


CHART 4.
 UNIT COSTS, UNIT PROFITS, AND PRICES
 NONFINANCIAL CORPORATIONS
 (PERCENT CHANGE FROM SAME
 QUARTER A YEAR AGO)

