

News

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PRODUCTIVITY AND COSTS

Private Business, Nonfarm Business, and Manufacturing Sectors
Fourth Quarter 1976
(and annual averages for 1976)

Productivity in the private business sector in the fourth quarter of 1976 increased 1.5 percent (at an annual rate), according to preliminary measures released today by the Bureau of Labor Statistics of the U.S. Department of Labor. This quarterly rise, the smallest in a year, reflected increases in output and hours of all persons of 3.2 percent and 1.7 percent, respectively. In the third quarter, productivity increased 2.9 percent.

In the nonfarm business sector, productivity declined 0.1 percent in the fourth quarter, the first quarterly decline in a year. In the third quarter, productivity increased 2.7 percent.

In manufacturing, productivity declined 0.5 percent in the fourth quarter, compared with a 5.7 percent increase in the third quarter. This was the first time productivity in manufacturing declined since the first quarter of 1975.

The statistical series included in this press release reflect the use of new seasonal factors in BLS estimates of employment and average weekly hours. These revisions apply mainly to data for the last 5 years, except for manufacturing where the revisions extend back to 1947. Thus the quarterly measures for the private business sector and the nonfarm business sector (which include manufacturing) contain new quarterly data back to 1947. The effect of the new data is most apparent in the measures of quarterly change at compound annual rates; other wise the effect of the new seasonal factors, and other minor improvements in existing series, is minimal.

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

Sector	Productivity	Hourly Compensation	Unit Labor Cost	Real Hourly Compensation	Output	Hours
Third Quarter 1976 to Fourth Quarter 1976 PRELIMINARY						
Private Business	1.5	8.9	7.3	4.1	3.2	1.7
Nonfarm Business	-0.1	7.6	7.7	2.9	2.7	2.8
Manufacturing	-0.5	7.7	8.3	3.0	1.1	1.6
Durable Manufacturing	-3.3	6.1	9.7	1.4	-1.9	1.5
Nondurable Manufacturing	3.2	10.7	7.2	5.3	5.1	1.8
Second Quarter 1976 to Third Quarter 1976 REVISED						
Nonfinancial Corporations	2.6	6.7	4.0	0.6	3.3	0.7
Fourth Quarter 1975 to Fourth Quarter 1976 PRELIMINARY						
Private Business	3.7	8.5	4.6	3.4	5.4	1.6
Nonfarm Business	3.3	8.1	4.7	3.0	5.4	2.0
Manufacturing	4.3	7.9	3.5	2.8	7.3	2.9
Durable Manufacturing	4.0	7.1	3.0	2.0	8.6	4.5
Nondurable Manufacturing	5.0	8.9	3.7	3.8	5.7	0.7
Third Quarter 1975 to Third Quarter 1976 REVISED						
Nonfinancial Corporations	2.5	7.6	5.0	2.1	6.2	3.6

Revised third quarter measures for the nonfinancial corporate sector were also released today (table 3). Fourth quarter measures are summarized in table A; details are given in tables 1-6.

Private Business Sector

Productivity increased 1.5 percent in the private business sector in the fourth quarter of 1976, as output increased 3.2 percent and hours of all persons increased 1.7 percent. In the third quarter, there had been no increase in hours, but output--and thus productivity--increased 2.9 percent. The fourth quarter increase in hours reflected primarily a gain in average weekly hours (up 0.9 percent) with some slowing of employment growth, which increased 0.7 percent, compared with a 1.1 percent rise during the third quarter.

Hourly compensation--which includes the hourly cost of wages and salaries, supplements, and employer contributions to Social Security and other employee benefit plans--increased 8.9 percent in the fourth quarter of 1976, the fastest rate of increase since the first quarter of the year. Real hourly compensation--hourly compensation adjusted for changes in the Consumer Price Index (CPI)--increased 4.1 percent in the fourth quarter, compared with a 1.4 percent increase during the third quarter.

Unit labor cost, which reflects the interaction of productivity and hourly compensation movements, increased 7.3 percent in the fourth quarter, the highest rate of increase all year. Unit nonlabor payments which include indirect business taxes, depreciation allowances and profits, increased 2.1 percent, compared with a 2.8 percent increase in the third quarter.

The implicit price deflator, which shows the combined effect of changes in unit labor cost and nonlabor payments, increased 5.5 percent in the fourth quarter, compared with a 3.9 percent increase in the third quarter.

Compared with the fourth quarter of 1975, productivity was up 3.7 percent, output was 5.4 percent higher and hours increased 1.6 percent. Hourly compensation rose 8.5 percent, and real hourly compensation increased 3.4 percent. Unit labor cost increased 4.6 percent, and the implicit price deflator was 4.2 percent higher.

The Nonfarm Business Sector

Output per hour of all persons engaged in the nonfarm business sector declined slightly--down 0.1 percent, at an annual rate--in the fourth quarter, as output increased 2.7 percent and hours rose 2.8 percent. A small productivity decline of this nature is not uncommon after a period of faster-trend-growth--a similar decline occurred in the fourth quarter of 1975. This was the smallest quarterly increase in output since the first quarter of 1975, and the largest increase in hours since the first quarter of 1976. Output has grown for the past 7 quarters, and hours have grown for the past 6. However, the increases in hours during the second and third quarters--0.6 percent and 0.3 percent--were small relative to the growth in output.

Productivity movements in the nonfarm business sector differ from the movements in the entire private business sector because of the omission of the farm sector, where quarterly changes in productivity and costs tend to be larger than in the nonfarm sector.

Hourly compensation increased 7.6 percent in the fourth quarter, compared with a 7.2 percent increase in the third quarter. Unit labor cost increased 7.7 percent (its fastest rise all year), and the implicit price deflator rose 6.6 percent (its fastest rise since the first quarter of 1975). Real hourly compensation increased 2.9 percent, compared with a 1.0 percent rise in the third quarter.

The Manufacturing Sectors

Productivity declined 0.5 percent in the manufacturing sector in the fourth quarter, reflecting a 3.3 percent decline in the durable goods producing industries

and 3.2 percent increase in nondurables. The small productivity decline for the sector as a whole reflected a 1.1 percent increase in output and a 1.6 percent increase in hours. The increase in hours may reflect a lagged adjustment to hours engendered by the third quarter output increase of 5.3 percent. Hours of all persons grew in the fourth quarter (in contrast to the 0.5 percent decline in the third quarter), resuming an uptrend which began in the third quarter of 1975 and was interrupted a year later by the third quarter 1976 contraction. Employment was up 1.0 percent, and average weekly hours rose 0.6 percent.

Hourly compensation increased 7.7 percent in manufacturing which resulted in an 8.3 percent increase in unit labor cost since productivity declined. This was the largest increase in unit labor cost since the first quarter of 1975. Real compensation per hour increased 3.0 percent.

In the durable manufacturing sector, productivity declined 3.3 percent, as output fell 1.9 percent but hours increased 1.5 percent. Output growth had been strong for preceding the 6 quarters (averaging more than 13 percent each quarter, at an annual rate), and the abrupt decline of the fourth quarter occurred without a commensurate change in hours. Employment continued to grow in the fourth quarter--albeit at the slowest rate since increased began a year ago--and average weekly hours were unchanged from the third quarter.

Unit labor cost rose 9.7 percent (its largest increase since the first quarter of 1975) as hourly compensation increased 6.1 percent. Real hourly compensation rose 1.4 percent, compared with a 1.7 percent decline one quarter earlier.

In the nondurable sector, productivity grew 3.2 percent, as output rose 5.1 percent and hours increased 1.8 percent. During the third quarter, output had only increased 1.6 percent, while hours declined 4.4 percent. Hourly compensation rose 10.7 percent, and unit labor cost rose 7.2 percent; real hourly compensation rose 5.8 percent (in each case, the increase is the largest since the

first quarter of 1975). Employment was somewhat larger--up 0.3 percent from the previous quarter--and average weekly hours increased 1.5 percent. Both measures declined during the third quarter.

Annual Review of Productivity and Costs: 1976

Productivity grew faster in 1976 than in any year since 1962. In the private business sector, output per hour of all persons grew 4.5 percent, better than double the rate of increase of the preceding year. Output and hours of all persons also grew significantly during the year. The rise in output--6.8 percent for the year as a whole--is the largest increase since 1965, and the 2.3 percent increase in hours paid for was the biggest increase since 1973.

The recovery from the low recession levels of productivity growth of the last 3 years--productivity actually declined in 1974--was also evident in the cost movements. In 1976, unit labor cost increased 3.6 percent, compared with increases averaging 9 percent for the 3 preceding years. Hourly compensation was up 8.2 percent. The implicit price deflator also posted its smallest increase in 3 years (up 4.6 percent).

Real compensation per hour increased 2.3 percent (also the biggest increase in 3 years) reflecting the moderating growth of the CPI as well as the increase in hourly compensation.

In the nonfarm business sector, productivity increased 4.2 percent, also the largest annual increase since 1962. In contrast, productivity rose 1.8 percent in 1975. Hourly compensation increased 7.9 percent, and unit labor cost rose 3.6 percent. This was the smallest rise in unit labor cost since 1972. Real hourly compensation increased 2.0 percent in 1976, its biggest increase since 1972 as well. Productivity growth in the nonfarm business sector has averaged 2.5 percent annually from 1947 to 1973; the faster growth of 1976 reflects the effects of the economic expansion following the recent recession.

In manufacturing, productivity grew 6.5 percent for the year, the largest such increase since 1963. The fast rise of productivity--coupled with the lowest rate of increase of hourly compensation since 1973--resulted in a 0.9 percent rise in unit labor cost. In the two preceding years, this important cost item increased more than 10 percent each year. Output was up 11.3 percent and hours increased 4.5 percent; in 1975, both measures declined (9.0 and 9.2 percent, respectively).

Revisions in Seasonal Factors

The Bureau of Labor Statistics recently introduced new seasonal factors for use in adjusting employment and average weekly hours series. Since productivity and cost series are based on hours measures which are affected by these revisions, the following tabulation illustrates the magnitude of the changes introduced by the new seasonal factors. The measures in table A and table 1 differ since the latter also include revised output and compensation measures from the Bureau of Economic Analysis of the U.S. Department of Commerce for the third quarter of 1976 and refinements in the labor input measures.

Productivity and Related Measures; Percent Change from Previous Quarter
at Annual Rate, Private Business Sector, 1976

Measure	I		II		III	
	ORIGINAL	REVISED	ORIGINAL	REVISED	ORIGINAL	REVISED
Productivity	7.4	7.3	3.8	3.2	3.1	3.4
Unit Labor Cost	3.2	3.2	3.6	3.5	4.1	4.1
Hours	2.6	2.7	1.6	2.2	0.2	0.0

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.

TABLE 1. PRIVATE BUSINESS SECTOR: 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 DEFLATOR	
INDEXES 1967=100									
1975	I	108.1	114.2	105.7	176.1R	112.0	162.9	138.6	154.5
	II	111.2R	116.7	104.9R	178.8R	112.0R	160.7	146.6	155.9
	III	113.6	120.1	105.7	181.2R	111.3	159.5	150.2	158.4
	IV	113.3R	121.2	107.0	185.1R	111.8	163.4	156.1P	160.9
	ANNUAL	111.5	118.1	105.9	180.2	111.8	161.6	149.5	157.5
1976	I	115.3	124.2	107.7	189.8	113.5R	164.7	150.1	161.7
	II	116.2R	125.8	108.3R	193.0R	114.1R	166.1	159.4R	163.8
	III	117.1R	126.8R	108.3R	196.6R	114.5	168.0R	160.5R	165.4
	IV	117.5P	127.8P	108.7P	200.8P	115.6P	170.9P	161.3P	167.6P
	ANNUAL	116.4P	126.1P	108.3P	195.0P	114.3P	167.4P	159.4P	164.6P
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE (5)									
1975	I	1.4R	-11.2	-12.5R	12.9R	4.2R	11.3	11.4	11.3
	II	12.1R	8.9	-2.8R	6.2R	0.1R	-5.2R	25.2R	3.5
	III	8.8R	12.3	3.2R	5.6R	-2.6R	-3.0	28.7R	6.6
	IV	-1.2R	3.6	4.8R	8.8R	2.0R	10.1R	-0.1R	6.6
	ANNUAL	2.1	-2.3	-4.2	9.7	0.5	7.5	14.0	9.5
1976	I	7.3R	10.2	2.7R	10.7R	6.0R	3.2	-0.1R	2.1
	II	3.2R	5.5	2.2R	6.9R	2.1R	3.5R	0.7R	5.2
	III	2.9R	2.9R	0.0R	7.6R	1.4R	4.5R	2.8R	3.9
	IV	1.5P	3.2P	1.7P	8.9P	4.1P	7.3P	2.1P	5.5P
	ANNUAL	4.5P	6.8P	2.3P	8.2P	2.3P	3.6P	6.6P	4.6P
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR (6)									
1975	I	-2.2	-7.2	-5.1	12.1	0.9R	14.6	8.0	12.5
	II	1.7	-4.2	-5.9	10.6	0.8	8.7	13.3	10.1
	III	4.5	-0.4	-4.7	8.8	0.0	4.1	18.3R	8.5
	IV	5.1R	3.0	-2.1	8.3R	0.9	3.0	15.7	7.0
	ANNUAL	2.1	-2.3	-4.2	9.7	0.5	7.5	14.0	9.5
1976	I	6.6	8.7	1.7	7.8	1.3	1.1	12.6	4.7
	II	4.5	7.8	3.2	8.0	1.8	3.3	8.7	5.1
	III	3.0R	5.5R	2.4	8.5	2.9	5.3R	2.7R	4.4
	IV	3.7P	5.4P	1.6P	8.5P	3.4P	4.6P	3.3P	4.2P
	ANNUAL	4.5P	6.8P	2.3P	8.2P	2.3P	3.6P	6.6P	4.6P

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED
P=PRELIMINARY

JANUARY 26, 1977
SOURCE: BUREAU OF LABOR STATISTICS

TABLE 2. NONFARM BUSINESS OUTPUT, 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	COMPENSATION PER HOUR (1)	REAL COMPENSATION PER HOUR (2)	UNIT LABOR COSTS	UNIT NON-LABOR PAYMENTS (3)	IMPLICIT PRICE DEFLATOR
INDEXES 1967=100								
1975	I	106.0	114.4	107.8	173.1	110.1	162.3	136.0
	II	109.1R	110.6	106.9H	176.2P	110.4R	161.5H	155.0
	III	111.6	119.9	107.5R	179.2R	110.1	160.6	157.0
	IV	111.1R	121.3	109.2	182.3R	110.2R	164.1	159.3
	ANNUAL	109.4	118.0	107.9	177.7	110.2	162.4	156.4
1976	I	112.5	124.3	110.4	186.5R	111.4	165.5	161.0
	II	113.9R	126.0	110.6R	190.2R	112.4R	166.9	162.5
	III	114.7R	126.0R	110.6	193.5R	112.7	168.7R	164.8
	IV	114.7R	127.0P	111.4P	197.1P	113.5P	171.6P	167.4P
	ANNUAL	114.0P	126.2P	110.7P	191.8P	112.5P	168.2P	164.0P
PERCENT CHANGE FROM PREVIOUS QUARTER A) ANNUAL RATE (5)								
1975	I	1.0R	-11.3	-12.2R	11.6R	3.0R	19.4	29.9R
	II	11.9R	7.9	-3.6H	7.2R	0.9R	-4.2	19.8R
	III	9.6R	12.1	2.2R	7.2R	-1.1R	-2.2	23.4R
	IV	-1.8R	4.5	6.5R	7.1R	0.4R	9.0	8.4R
	ANNUAL	1.8	-2.6	-4.3	9.7	0.5	7.7	15.6
1976	I	5.7R	10.5	4.5R	9.4R	4.7R	3.5	6.2
	II	4.8R	5.4	0.5R	8.2R	3.4R	3.2R	4.3R
	III	2.7R	3.0R	0.3R	7.2R	1.0R	4.3R	9.0R
	IV	-0.1P	2.7P	2.8P	7.6P	2.9P	7.7P	4.3P
	ANNUAL	4.2P	7.0P	2.7P	7.9P	2.0P	3.6P	7.6P
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
	II	1.5	-4.6	-5.9	10.5	0.7	8.9	14.5
	III	4.6	-0.8	-5.2	9.4	0.6	4.6	18.0
	IV	5.0R	2.9	-2.0R	8.2R	0.8	3.1	15.7
	ANNUAL	1.8	-2.6	-4.3	9.7	0.5	7.7	15.6
1976	I	6.2	8.7	2.3	7.7	1.2	1.4	12.0
	II	4.5	8.1	3.4	7.9	1.8	3.3	8.2
	III	2.8R	5.8R	2.9	7.9R	2.4	5.0R	4.9R
	IV	3.3P	5.4P	2.0P	8.1P	3.0P	4.7P	5.9P
	ANNUAL	4.2P	7.0P	2.7P	7.9P	2.0P	3.6P	7.6P

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

JANUARY 26, 1977
 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	HOURS	HOURLY COMPENSA- TION (1)	REAL HOURLY COMPEN- SATION(2)	UNIT LABOR COST	UNIT GROSS LABOR COST(3)	TOTAL UNIT COST (4)	UNIT PROF- ITS (5)	IMPLICIT PRICE DEFLATOR	
INDEXES 1967=100											
1975	I	108.8R	119.7	110.0R	175.5R	111.6R	161.3	186.5	167.4	61.6	151.7
	II	112.5R	122.4	108.8R	178.3R	111.7R	158.5R	189.2	165.9	82.4	154.5
	III	115.1R	126.2	109.7R	181.7R	111.3R	157.5	190.1	165.4	102.0	156.0
	IV	114.8R	127.5	111.1R	184.6R	111.5R	160.8	193.4	168.7	100.5	158.6
	ANNUAL	112.8R	124.0	109.9R	179.9R	111.6R	159.4	187.8	166.8	87.0	155.0
1976	I	116.0R	130.8	112.8R	188.4R	112.6R	162.5	191.9	169.6	106.0	160.2
	II	117.2R	133.0	113.4R	191.9R	113.4R	163.7	193.8	171.0	107.1	161.5
	III	118.0R	134.0R	113.6R	195.0R	113.6R	165.3R	196.2R	172.8R	111.3R	163.7
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE (5)											
1975	I	3.0R	-12.5	-15.1R	14.0R	5.3R	10.7	23.7	14.0	10.1	13.8
	II	14.4R	9.5	-4.2R	6.5R	0.3R	-6.9	5.8	-3.6	218.6R	4.8
	III	9.3R	13.1	3.5R	6.7R	-1.5R	-2.4	2.1	-1.2	135.3	6.7
	IV	-0.9R	4.2	5.1R	7.6R	0.9R	8.6	7.1	8.1	-5.9	6.7
	ANNUAL	2.8R	-3.1	-5.8R	10.4R	1.2R	7.4	16.4	9.7	25.7	10.9
1976	I	4.2R	10.6	6.2R	8.6R	3.9R	4.3	-3.1	2.2	23.8	4.1
	II	4.4R	6.8	2.3R	7.6R	2.9R	3.1	3.9	3.4	4.2	3.4
	III	2.6R	3.3R	0.7R	6.7R	0.6R	4.0R	5.1R	4.3R	16.9R	5.5R
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR (6)											
1975	I	-2.7R	-8.9	-6.4R	12.2R	1.1R	15.3	24.2	17.6	-17.9	14.6
	II	1.8R	-5.6	-7.3R	11.1R	1.2R	9.1	19.4	11.8	10.7	11.7
	III	5.5R	-1.1	-6.3R	9.8R	0.9R	4.0	13.7	6.6	53.5	9.8
	IV	6.3R	3.1	-3.0R	8.6R	1.2R	2.2	9.4	4.1	66.9	7.9
	ANNUAL	2.8R	-3.1	-5.8R	10.4R	1.2R	7.4	16.4	9.7	25.7	10.9
1976	I	6.6	9.3	2.6R	7.3R	0.9	0.7	2.9	1.3	71.9	5.6
	II	4.2	8.6	4.3	7.6	1.5	3.3	2.5	3.1	30.0	5.2
	III	2.5R	6.2R	3.6R	7.6R	2.1	5.0R	3.2R	4.5R	9.1R	4.9

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

JANUARY 26, 1977
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	HOURS OF ALL PERSONS	COMPENSATION PER HOUR (1)	REAL COMPENSATION PER HOUR (2)	UNIT LABOR COSTS	
INDEXES 1967=100							
1975	I	109.0	109.8	92.4R	175.9	111.9	161.3
	II	112.7R	102.7	91.1R	178.5R	111.8R	158.3
	III	118.6	109.5	92.3	180.7	111.0	152.3
	IV	119.5R	112.6	94.2R	183.7R	111.0	153.7
	ANNUAL	114.9	106.3	92.5	179.8	111.5	156.4
1976	I	120.9	116.5	96.4R	187.8R	112.3	155.4
	II	123.1R	119.0	96.7R	191.7R	113.3R	155.8
	III	124.8R	120.5R	96.6	194.6R	113.3	155.9R
	IV	124.6P	120.9P	97.0P	198.3P	114.2P	159.1P
	ANNUAL	122.4P	118.3P	96.6P	193.2P	113.3P	157.8P
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE (5)							
1975	I	-12.2R	-33.1	-23.8R	15.3R	6.5R	31.3
	II	14.3R	7.6	-5.9R	6.0R	-0.1R	-7.2
	III	22.6R	29.4	5.5R	5.1R	-3.0R	-14.3
	IV	3.0R	11.9	8.7R	6.8R	0.1R	3.7
	ANNUAL	0.2	-9.0	-9.2	11.2	1.9	11.0
1976	I	4.7R	14.4	9.3R	9.2R	4.5R	4.3
	II	7.4R	8.9	1.4R	8.6R	3.8R	1.1
	III	5.7R	5.3R	-0.5R	6.2R	0.1R	0.4R
	IV	-0.5P	1.1P	1.6P	7.7P	3.0P	8.3P
	ANNUAL	6.5P	11.3P	4.5P	7.5P	1.6P	0.9P
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR (6)							
1975	I	-5.0	-15.3	-10.8R	14.3	2.9R	20.3
	II	-2.2R	-13.4	-11.4R	12.5R	2.5R	15.0
	III	2.7R	-7.6	-10.0R	10.5	1.6	7.5
	IV	6.1	1.0	-4.8R	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	0.3R	-3.7
	II	9.2	15.9	6.2	7.4	1.3	-1.6
	III	5.2R	10.1R	4.7	7.7R	2.1	2.4R
	IV	4.3P	7.3P	2.9P	7.9P	2.8P	3.5P
	ANNUAL	6.5P	11.3P	4.5P	7.5P	1.6P	0.9P

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED

P=PRELIMINARY

JANUARY 26, 1977

SOURCE: BUREAU OF LABOR STATISTICS

TABLE 5. DURABLE MANUFACTURING SECTOR: OUTPUT PER HOUR OF ALL PERSONS, HOURLY COMPENSATION, UNIT LABOR COST, SEASONALLY ADJUSTED (11)

YEAR AND QUARTER	OUTPUT PER HOUR OF ALL PERSONS	OUTPUT	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	92.9H	176.0R	111.9	168.9
	II	108.6R	97.9	90.1R	180.0R	112.8R	165.7
	III	115.2	104.2	90.5	182.7R	112.2R	158.6R
	IV	115.5	106.4	92.2R	185.7R	112.2H	160.8
	ANNUAL	110.9	101.3	91.3	181.3	112.4	163.5
1976	I	116.5H	110.2	94.6	189.5R	113.3	162.7
	II	119.3R	113.8	95.4R	193.9R	114.6R	162.5
	III	121.1R	115.2R	95.9R	195.9	114.1R	161.8H
	IV	120.1P	115.6P	96.3P	198.8P	114.5P	165.6P
	ANNUAL	117.8P	112.5P	95.5P	194.7P	114.2P	165.3P
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE (5)							
1975	I	-12.3R	-35.1	-26.0	15.8	7.0R	32.1
	II	17.8R	4.3	-11.5R	9.3R	3.0R	-7.2
	III	26.5H	28.5	1.6R	6.2R	-2.0R	-16.0R
	IV	1.1	8.7	7.5R	6.7	0.1R	5.5
	ANNUAL	1.8	-9.6	-11.2	12.1	2.7	10.2
1976	I	3.6R	15.1	11.2R	8.5R	3.8R	4.8
	II	9.9R	13.6	3.3R	9.4R	4.6R	-0.4
	III	6.1R	8.6R	2.3H	4.3R	-1.7R	-1.7R
	IV	-3.3P	-1.9P	1.5P	6.1P	1.4P	9.7P
	ANNUAL	6.2P	11.1P	4.5P	7.4P	1.6P	1.1P
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR (6)							
1975	I	-4.1	-14.6	-11.0	14.4	3.0	19.2
	II	-0.3	-13.4	-13.1	13.5	3.4	13.8
	III	5.0H	-8.5	-12.9H	11.7H	2.7R	6.4
	IV	7.2H	-1.4	-8.0R	9.4H	1.9H	2.1
	ANNUAL	1.8	-9.6	-11.2	12.1	2.7	10.2
1976	I	11.8H	13.8	1.8R	7.7R	1.2H	-3.7
	II	9.8H	16.2	5.8	7.7	1.6	-2.0
	III	5.1H	11.5R	6.0H	7.2	1.7H	2.0R
	IV	4.0P	8.6P	4.5P	7.1P	2.0P	3.0P
	ANNUAL	6.2P	11.1P	4.5P	7.4P	1.6P	1.1P

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED
P=PRELIMINARY

JANUARY 26, 1977
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	HOURS OF ALL PERSONS	COMPENSA-TION PER HOUR (1)	REAL COMPENSA-TION PER HOUR (2)	UNIT LABOR COSTS	
INDEXES 1967=100							
1975	I	117.1R	107.5	91.7	175.5	111.6	149.8
	II	119.4R	110.4	92.4R	176.4R	110.6R	147.7
	III	124.4R	118.1	95.0	178.4R	109.5R	143.4
	IV	125.9R	122.5	97.3R	181.5R	109.7R	144.2
	ANNUAL	121.5	114.5	94.2	177.8	110.3	146.3
1976	I	127.7R	126.3	98.9R	185.8	111.1R	145.5
	II	129.2R	127.4	98.6R	188.8R	111.6R	146.1R
	III	131.1R	127.9R	97.5R	192.7R	112.2R	146.9R
	IV	132.2P	129.5P	98.0P	197.6P	113.8P	149.5P
	ANNUAL	129.9P	127.7P	98.3P	191.2P	112.1P	147.2P
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE (5)							
1975	I	-12.0R	-30.0	-20.4R	15.2R	6.4R	31.0
	II	8.0R	11.3	3.0R	2.3R	-3.7R	-5.3
	III	17.6R	31.0	11.5R	4.4R	-3.6R	-11.2
	IV	5.0R	15.9	10.5R	7.2R	0.5R	2.1
	ANNUAL	-2.1	-8.1	-6.1	10.3	1.0	12.7
1976	I	5.9R	13.0	6.7R	9.9R	5.2R	3.8
	II	4.7R	3.5	-1.2R	6.5R	1.8R	1.7
	III	6.3R	1.6R	-4.4R	8.6R	2.3R	2.2R
	IV	3.2P	5.1P	1.8P	10.7P	5.8P	7.2P
	ANNUAL	6.9P	11.6P	4.4P	7.5P	1.6P	0.6P
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR (6)							
1975	I	-5.8	-15.8	-10.6	14.2R	2.4	-21.3
	II	-4.9R	-13.3	-8.9R	11.4R	1.5R	17.1
	III	-0.6R	-6.3	-5.7R	9.2	0.5R	10.0
	IV	4.1R	4.3	0.2R	7.2R	-0.2R	3.0
	ANNUAL	-2.1	-8.1	-6.1	10.3	1.0	12.7
1976	I	9.0R	17.6	7.9	5.9R	-0.5	-2.8
	II	8.2	15.4	6.7	7.0	8.9	-1.1
	III	5.5R	8.3R	2.7	8.0R	2.4R	2.5R
	IV	5.0P	5.7P	0.7P	8.9P	3.4P	1.7P
	ANNUAL	6.9P	11.6P	4.4P	7.5P	1.6P	0.6P

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

JANUARY 26, 1977
SOURCE: BUREAU OF LABOR STATISTICS

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

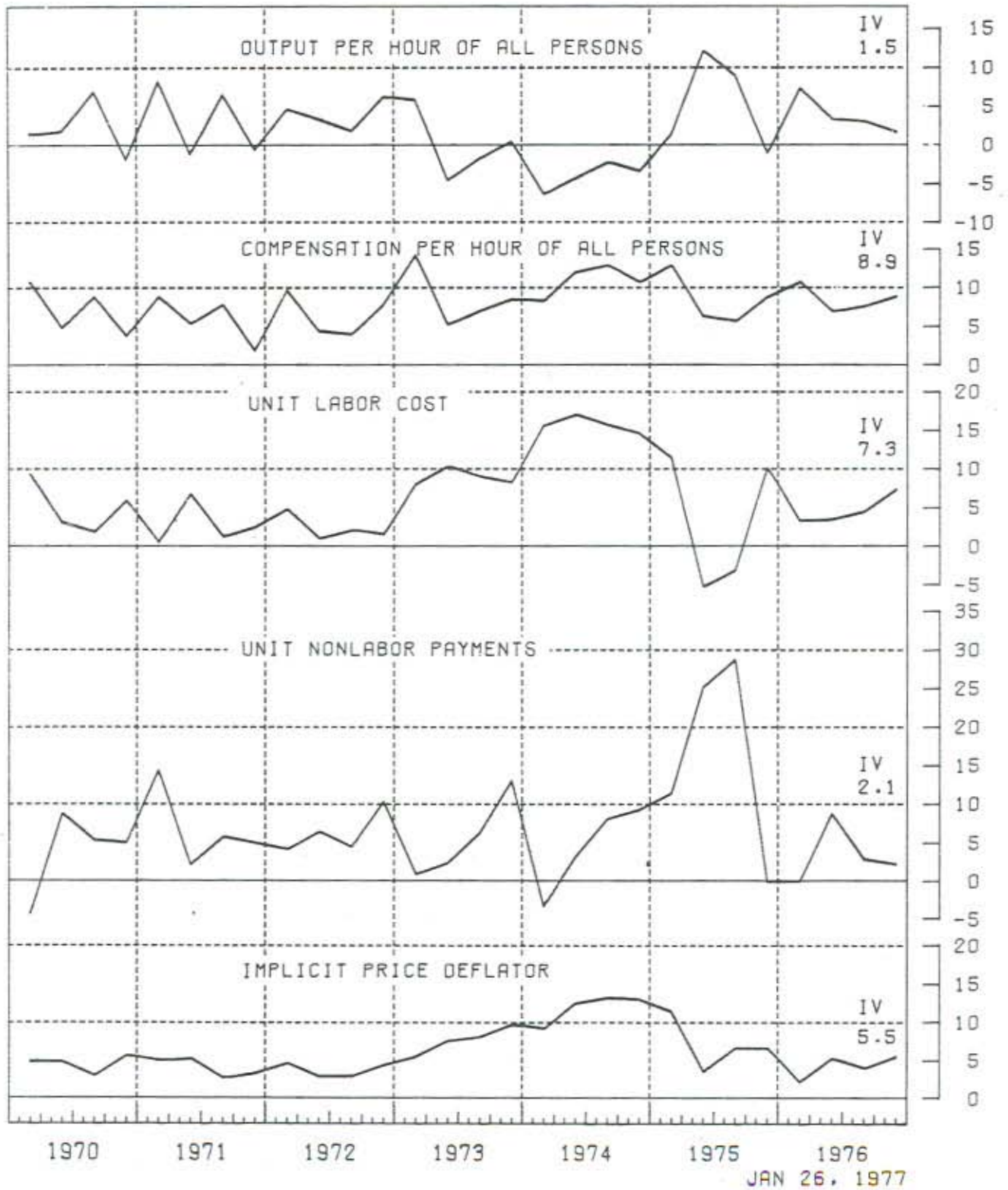


CHART 2. PRODUCTIVITY, HOURLY
 COMPENSATION, UNIT COSTS AND PRICES
 NONFARM BUSINESS SECTOR
 (PERCENT CHANGE FROM PRECEDING
 QUARTER AT ANNUAL RATE)

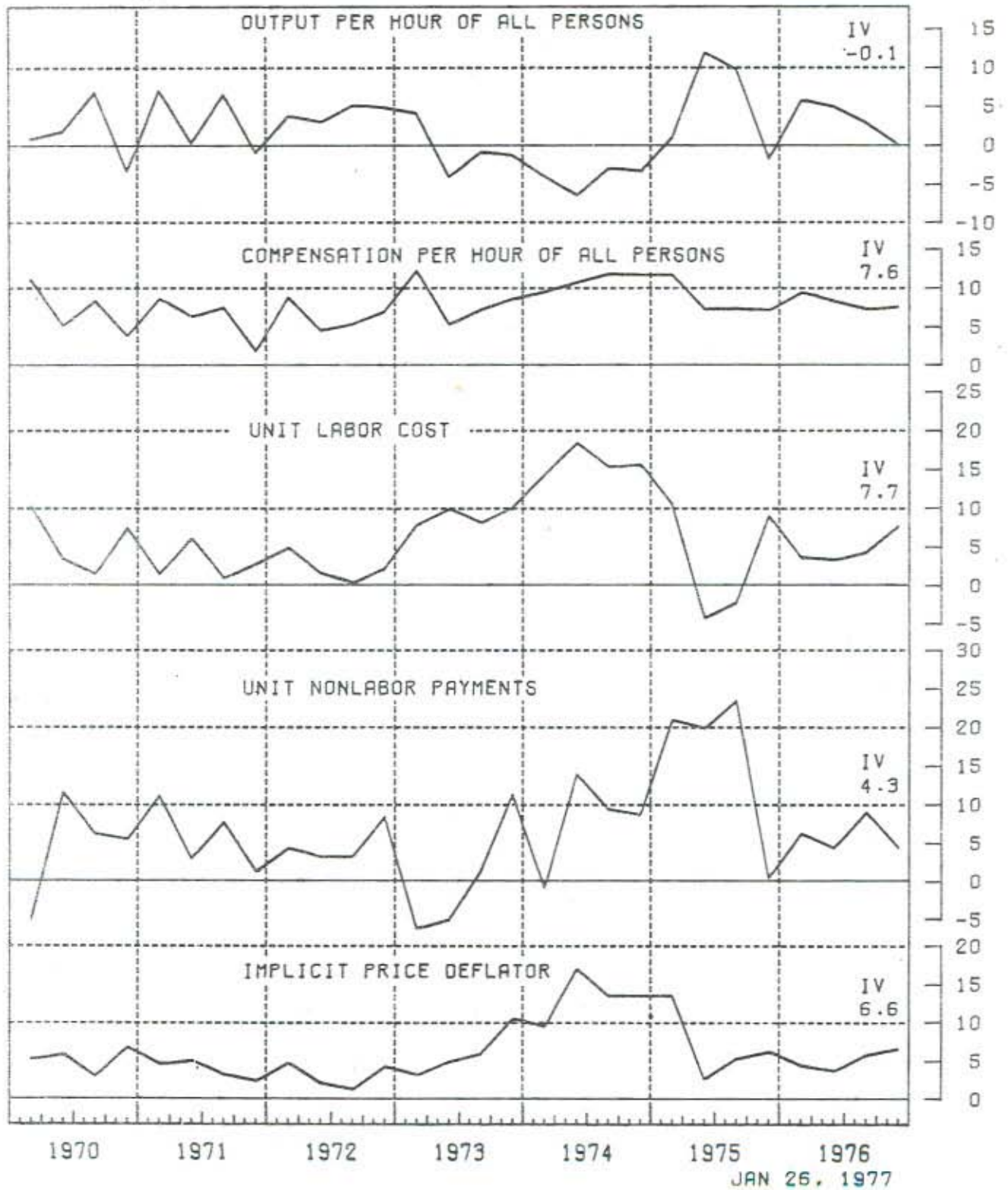


CHART 3. PRODUCTIVITY, HOURLY
 COMPENSATION, UNIT COSTS AND PRICES
 NONFINANCIAL CORPORATIONS
 (PERCENT CHANGE FROM SAME
 QUARTER A YEAR AGO)

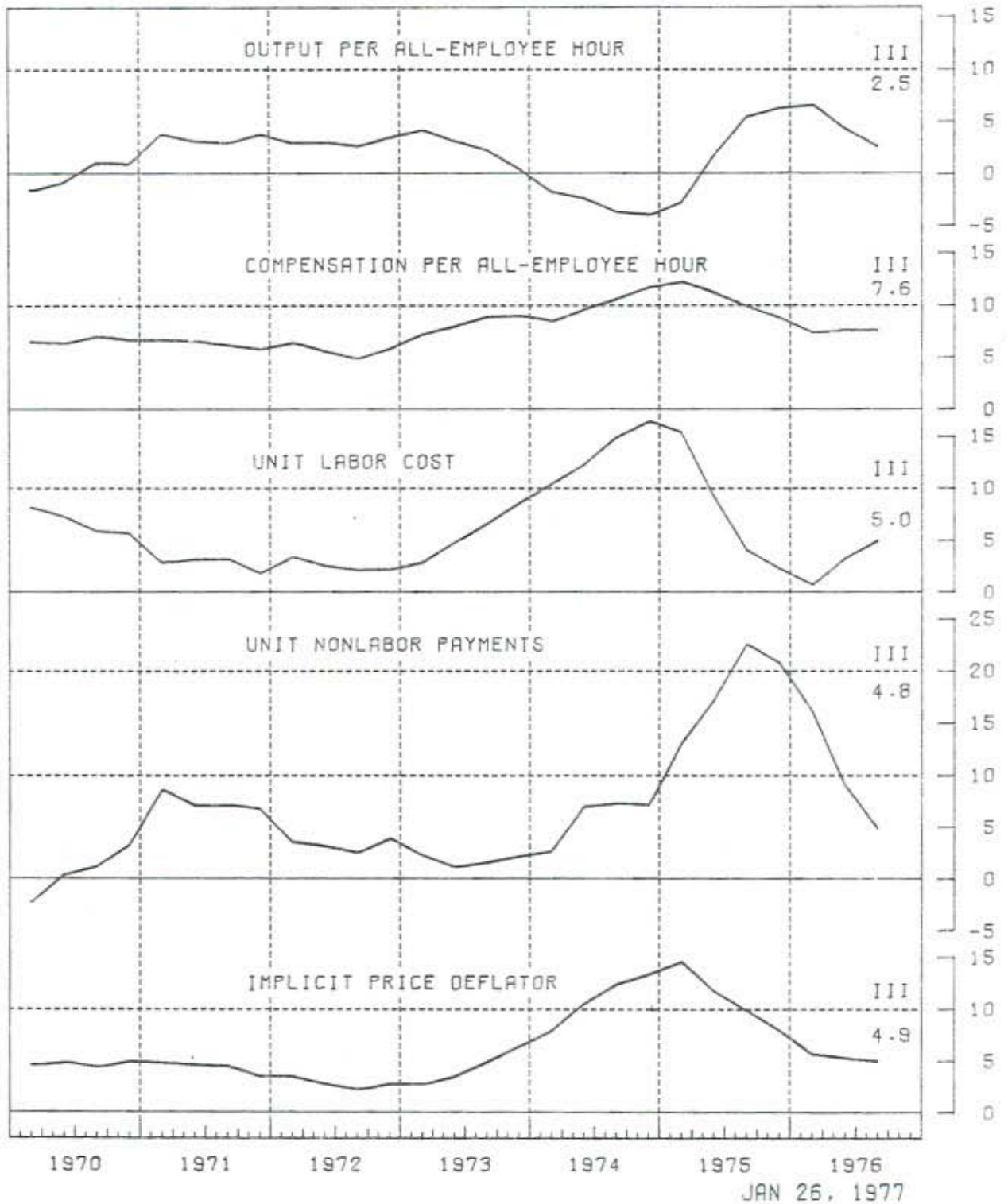


CHART 4.
 UNIT COSTS, UNIT PROFITS, AND PRICES
 NONFINANCIAL CORPORATIONS
 (PERCENT CHANGE FROM SAME
 QUARTER A YEAR AGO)

