

News

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Washington, D.C. 20212

L. J. Fulco (202) 523-9261
K. D. Doyle (202) 523-1913
None (202) 333-1324

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PRODUCTIVITY AND COSTS

Nonfinancial Corporate Sector Annual Data for 1976

Productivity in nonfinancial corporations increased 4.0 percent in 1976, the largest annual increase since 1964, according to preliminary data announced today by the Bureau of Labor Statistics of the U.S. Department of Labor. In 1975, productivity increased 2.8 percent. In 1976, the productivity increase resulted from an output increase of 7.3 percent and a rise of 3.2 percent in all-employee hours; a year earlier, the increase in productivity was the result of a decline in output of 3.1 percent and a drop in hours of 5.8 percent. The nonfinancial corporate sector includes all corporations doing business in the United States with the exception of banks, stock and commodity brokers, and insurance and credit agencies. A summary of the 1976 annual measures is given in table A; details appear in table 3. Revised measures of productivity and costs in the private business sector, the nonfarm business sector, and in manufacturing for the fourth quarter of 1976 were also released today; see table B and tables 1,2,4-6.

Compensation and Labor Cost for Nonfinancial Corporations

Hourly compensation of all employees in the nonfinancial corporate sector increased 7.7 percent in 1976, compared with a 10.4 percent increase in 1975. Hourly compensation includes wages and salaries as well as employer contributions to social security and private benefit plans. Unit labor cost, which reflects changes in hourly compensation and productivity, increased 3.6 percent in 1976, the smallest annual increase since 1972.

Table A. Productivity and Costs in Nonfinancial Corporations
Percent Change from Previous Year

Measure	1974	1975	1976p
Output per all-employee hour	- 3.0	2.0	4.0
Hourly compensation	10.1	10.4	7.7
Unit labor cost	13.5	7.4	3.6
Real hourly compensation	- 0.8	1.2	1.8
Output	- 3.0	- 3.1	7.3
Hours	0.0	- 5.8	3.2
Unit nonlabor payments	6.1	18.6	8.1
Unit profit	-19.1	25.7	23.3

Real hourly compensation--hourly compensation adjusted for changes in the Consumer Price Index--increased 1.8 percent in 1976, compared with a 1.2 percent increase a year earlier.

Unit nonlabor cost--which includes capital consumption allowances, net interest, and indirect business taxes--increased 3.1 percent in 1976, the smallest increase since 1972. In 1975, unit nonlabor cost increased 16.4 percent, unit nonlabor payments--unit nonlabor cost plus unit profit--increased 8.1 percent in 1976, compared with an 18.6 percent increase a year earlier. Total unit cost--unit labor cost and unit nonlabor cost combined--increased 3.4 percent in 1976, compared with a 9.7 percent increase in 1975.

Profit and Prices for Nonfinancial Corporations

Profits per unit of output increased 23.3 percent in 1976, compared with a 25.7 percent increase in 1975. The two increases--following 2 years of declines--

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

	Productivity	Hourly Compensation	Unit Labor Cost	Real Hourly Compensation	Output	Hours
Third Quarter 1976 to Fourth Quarter 1976 REVISED						
Private Business	0.5	8.4	7.9	3.7	2.4	1.9
Nonfarm Business	-1.0	7.2	8.2	2.5	2.0	3.0
Manufacturing	-0.9	7.9	8.9	3.2	0.6	1.6
Durable Manufacturing	-2.7	6.5	9.5	1.8	-1.8	1.0
Nondurable Manufacturing	1.3	10.5	9.1	5.6	3.8	2.5
Third Quarter 1975 to Fourth Quarter 1976 REVISED						
Private Business	3.3	8.2	4.7	3.1	5.2	1.9
Nonfarm Business	2.8	7.8	4.8	2.7	5.2	2.3
Manufacturing	4.2	8.0	3.6	2.9	7.2	2.9
Durable Manufacturing	4.1	7.2	3.0	2.1	8.7	4.4
Nondurable Manufacturing	4.5	8.9	4.2	3.7	5.4	0.8

resulted in the highest unit profits since 1966. The increase in total profits--as distinct from unit profits--of 32.3 percent in 1976 was the largest annual increase and brought the series to its highest annual level since 1958, when the series began.

The implicit price deflator rose 5.1 percent in 1976, compared with a 10.9 percent increase in 1975. This measure reflects changes in unit labor cost, unit nonlabor cost, and profits. Table C compares the implicit price deflator and its components from 1967 to 1976.

Table C.. Indexes of Prices, Costs, and Profits, Nonfinancial Corporations
1967=100

Measure	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976
Implicit price deflator	100.0	103.3	107.5	112.5	117.2	120.5	125.8	139.7	155.0	162.8
Total unit cost	100.0	103.7	110.8	119.9	124.3	126.3	132.8	152.0	166.8	172.5
Unit labor cost	100.0	103.4	109.9	117.4	120.6	123.7	130.7	148.4	159.4	165.1
Unit nonlabor cost	100.0	104.7	113.3	127.8	135.6	134.6	139.2	163.1	189.8	195.7
Unit profit	100.0	100.6	83.8	69.8	76.9	87.1	85.6	69.2	87.0	107.2

Hours of all employees increased 3.2 percent in 1976, compared with a 5.8 percent decline in 1975. Employment rose 2.8 percent, and average weekly hours rose 0.4 percent. The increase in 1976 partially counterbalanced the decline in 1975, but hours were still lower in 1976 than the peak level of 1973-1974.

Revised Fourth Quarter Measures for the Business Sector

The Bureau of Labor Statistics also released today revised figures for the fourth quarter of 1976 for the private business sector, the nonfarm business

sector, and for manufacturing. The revisions reflect the incorporation of the most recent data from the Bureau of Economic Analysis, the Federal Reserve Board and the Bureau of Labor Statistics. Table D compares preliminary and revised measures of productivity and costs for the fourth quarter of 1976.

The revised measures generally show smaller productivity gains than the preliminary series since the increase in output as measured by the revised series is smaller than the increase estimated previously on the basis of preliminary data. In the durable manufacturing sector, the preliminary series showed a larger decline in fourth quarter output than the revised series; thus the productivity decline is also smaller in the revisions.

Table D. Preliminary and Revised Measures, Fourth Quarter, 1976
 Percent Change from Previous Quarter at Annual Rate
 (Seasonally Adjusted)

<u>Private Business Sector</u>	<u>Preliminary</u>	<u>Revised</u>
Output per hour of all persons	1.5	0.5
Compensation per hour	8.9	8.4
Unit labor costs	7.3	7.9
Real compensation per hour	4.1	3.7
Output	3.2	2.4
Aggregate hours	1.7	1.9
<u>Nonfarm Business Sector</u>		
Output per hour of all persons	-0.1	-1.0
Compensation per hour	7.6	7.2
Unit labor costs	7.7	8.2
Real compensation per hour	2.9	2.5
Output	2.7	2.0
Aggregate hours	2.8	3.0
<u>Manufacturing</u>		
Output per hour of all persons	-0.5	-0.9
Compensation per hour	7.7	7.9
Unit labor costs	8.3	8.9
Real compensation per hour	3.0	3.2
Output	1.1	0.6
Aggregate hours	1.6	1.6
<u>Durable</u>		
Output per hour of all persons	-3.3	-2.7
Compensation per hour	6.1	6.5
Unit labor costs	9.7	9.5
Real compensation per hour	1.4	1.0
Output	-1.9	-1.8
Aggregate hours	1.5	1.0
<u>Nondurable</u>		
Output per hour of all persons	3.2	1.3
Compensation per hour	10.7	10.5
Unit labor costs	7.2	9.1
Real compensation per hour	5.8	5.6
Output	5.1	3.8
Aggregate hours	1.8	2.5

TABLE 1. PRIVATE BUSINESS SECTOR, ALL PERSONS
 HOURLY COMPENSATION, UNIT COST, AND PRODUCTIVITY,
 RICES, 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	100.1	114.2	105.7	176.1	112.0	162.9	138.6	154.5
	II	111.2	116.7	104.9	178.7R	112.0	160.7	146.6	155.9
	III	113.4R	120.1	105.9R	180.8R	111.1R	159.5	150.2	158.4
	IV	112.8R	121.2	107.5R	184.2R	111.3R	163.3R	156.3R	160.9
	ANNUAL	111.3R	118.1	106.1R	179.9R	111.6R	161.6	149.6R	157.5
1976	I	114.7R	124.2	108.2R	188.8R	112.8R	164.6R	156.3R	161.7
	II	115.5R	125.8	108.9R	191.8R	113.3R	166.0R	159.6R	163.8
	III	116.3R	126.8	108.9R	195.3R	113.7R	167.8R	160.7R	165.4
	IV	116.5R	127.5R	109.5R	199.3R	114.7R	171.0R	160.5R	167.4R
	ANNUAL	115.7R	126.1	108.9R	193.7R	113.6R	167.4	159.3R	164.6
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE (5)									
1975	I	1.4	-11.2	-12.5	12.9	4.2	11.3	11.4	11.3
	II	12.0R	8.9	-2.7R	6.1R	-0.0R	-5.2	25.2	3.5
	III	0.1R	12.3	3.9R	4.8R	-3.3R	-3.1R	28.9R	6.6
	IV	-2.1R	3.6	5.9R	7.6R	0.9R	10.0R	0.2R	6.6
	ANNUAL	1.9R	-2.3	-4.1R	9.5R	0.3R	7.5	14.1R	9.5
1976	I	7.0R	10.2	2.9R	10.4R	5.6R	3.1R	-0.1	2.1
	II	2.9R	5.5	2.6R	6.5R	1.8R	3.5	8.8R	5.2
	III	2.9	2.9	0.1R	7.5R	1.3R	4.5	2.8	3.9
	IV	0.5R	2.4R	1.9R	8.4R	3.7R	7.9R	-0.5R	5.0R
	ANNUAL	4.0R	6.8	2.7R	7.7R	1.8R	3.6	6.5R	4.5R
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR (6)									
1975	I	-2.2	-7.2	-5.1	12.1	0.9	14.6	8.0	12.5
	II	1.7	-4.2	-5.8R	10.6	0.8	8.7	13.3	10.1
	III	4.3R	-0.4	-4.6R	8.5R	-0.2R	4.0R	18.4R	8.5
	IV	4.7R	3.0	-1.6R	7.8R	0.4R	3.0	15.8R	7.0
	ANNUAL	1.9R	-2.3	-4.1R	9.5R	0.3R	7.5	14.1R	9.5
1976	I	6.1R	8.7	2.4R	7.2R	0.8R	1.0R	12.7R	4.7
	II	3.9R	7.8	3.8R	7.3R	1.2R	3.3	8.8R	5.1
	III	2.6R	5.5	2.8R	8.0R	2.4R	5.2R	2.9R	4.4
	IV	3.3R	5.2R	1.9R	8.2R	3.1R	4.7R	2.7R	4.0R
	ANNUAL	4.0R	6.8	2.7R	7.7R	1.8R	3.6	6.5R	4.5R

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

FEBRUARY 25, 1977
 SOURCE: BUREAU OF LABOR STATISTICS

HOURLY COMPENSATION, UNIT COSTS, 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	107.8R	173.1	110.1	163.3	136.0	154.0
	II	109.0R	116.6	106.9	176.1R	110.4	161.5	142.3	155.0
	III	111.4R	119.9	107.7R	178.9R	109.8R	160.6	150.0	157.0
	IV	110.6R	121.3	109.7R	181.4R	109.6R	164.1	150.3R	159.3
	ANNUAL	109.2R	118.0	108.0R	177.4R	110.0R	162.4	144.8R	156.4
1976	I	112.0R	124.3	111.0R	185.4R	110.8R	165.4R	152.6R	161.0
	II	113.2R	126.0	111.2R	188.9R	111.6R	166.8R	154.2R	162.5
	III	114.0R	126.9	111.3R	192.1R	111.9R	168.5R	157.6R	164.8
	IV	113.7R	127.5R	112.2R	195.5R	112.6R	171.9R	158.1R	167.2R
	ANNUAL	113.3R	126.2	111.4R	190.5R	111.7R	168.2	155.7	163.9R
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE (5)									
1975	I	1.1R	-11.3	-12.3R	11.6	3.0	10.4	20.9	13.5
	II	11.8R	7.9	-3.5R	7.1R	0.8R	-4.2	19.8	2.6
	III	8.9R	12.1	2.9R	6.4R	-1.8R	-2.3R	23.6R	5.3
	IV	-2.8R	4.5	7.6R	5.8R	-0.8R	8.9R	0.6R	6.2
	ANNUAL	1.6R	-2.6	-4.1R	9.5R	0.3R	7.7	15.6	10.1
1976	I	5.4R	10.5	4.8R	9.0R	4.3R	3.4R	6.3R	4.3
	II	4.4R	5.4	1.0R	7.7R	3.0R	3.2	4.4R	3.6
	III	2.6R	3.0	0.4R	7.1R	0.9R	4.3	9.0	5.8
	IV	-1.0R	2.0R	3.0R	7.2R	2.5R	8.2R	1.4R	5.9R
	ANNUAL	3.7R	6.9R	3.1R	7.4R	1.5R	3.6	7.5R	4.8R
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	1.4R	-4.6	-5.9	10.5	0.7	8.9	14.5	10.6
	III	4.4R	-0.8	-5.0R	9.1R	0.4R	4.5R	18.1R	8.6
	IV	4.5R	2.9	-1.6R	7.7R	0.3R	3.0R	15.8R	6.8
	ANNUAL	1.6R	-2.6	-4.1R	9.5R	0.3R	7.7	15.6	10.1
1976	I	5.7R	8.7	2.9R	7.1R	0.6R	1.3R	12.2R	4.6
	II	3.9R	8.1	4.1R	7.2R	1.1R	3.2R	8.4R	4.9
	III	2.4R	5.8	3.4R	7.4R	1.8R	4.9R	5.0R	5.0
	IV	2.8R	5.2R	2.3R	7.8R	2.7R	4.8R	5.2R	4.9R
	ANNUAL	3.7R	6.9R	3.1R	7.4R	1.5R	3.6	7.5R	4.8R

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

FEBRUARY 25, 1977
 SOURCE: BUREAU OF LABOR STATISTICS

UNIT LABOR COST, UNIT PROFITS AND PRICE SEASONALLY ADJUSTED

YEAR AND QUARTER	OUTPUT -PER ALL-EMPLOYEE HOUR	OUTPUT	HOURS	HOURLY COMPEN- SATION (1)	REAL HOURLY COMPEN- SATION(2)	UNIT LABOR COST	UNIT NON-LABOR COST(8)	TOTAL UNIT COST (9)	UNIT PRO- FITS (10)	IMPLICIT PRICE DEFLATOR	
INDEXES 1967=100											
1975	I	108.8	119.7	110.0	175.5	111.6	161.3	186.5	167.4	61.6	151.7
	II	112.5	122.4	108.8	178.3	111.7	158.5	189.2	165.9	82.4	153.5
	III	115.1	126.2	109.7	181.2	111.3	157.5	190.2	165.4	102.0	156.0
	IV	114.8	127.5	111.1	184.6	111.5	160.8	193.4	168.7	100.5	158.6
	ANNUAL	112.8	124.0	109.9	179.9	111.6	159.4	189.8	166.8	87.0	155.0
1976	I	116.0	130.8	112.8	188.4	112.6	162.5	191.9	169.6	106.0	160.2
	II	117.2	133.0	113.4	191.9	113.4	163.7	193.8	171.0	107.1	161.5
	III	118.0	134.0	113.6	195.0	113.6	165.3	196.2	172.8	111.3	163.7
	IV	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	ANNUAL	117.3P	133.1P	113.5P	193.7P	113.6P	165.1P	195.7P	172.5P	107.2P	162.8P
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)											
1975	I	3.0	-12.5	-15.1	14.0	5.3	10.7	23.7	14.0	10.1	13.8
	II	14.4	9.5	-4.2	6.5	0.3	-6.9	5.8	-3.6	218.6	4.8
	III	9.3	13.1	3.5	6.7	-1.5	-2.4	2.1	-1.2	135.3	6.7
	IV	-0.9	4.2	5.1	7.6	0.9	8.6	7.1	8.1	-5.9	6.7
	ANNUAL	2.8	-3.1	-5.8	10.4	1.2	7.4	16.4	9.7	25.7	10.9
1976	I	4.2	10.5	6.2	8.6	3.9	4.3	-3.1	2.2	23.9	4.1
	II	4.4	6.8	2.3	7.6	2.9	3.1	3.9	3.4	4.2	3.4
	III	2.6	3.3	0.7	6.7	0.6	4.0	5.1	4.3	16.9	5.5
	IV	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	ANNUAL	4.0P	7.3P	3.2P	7.7P	1.8P	3.6P	3.1P	3.4P	23.3P	5.1P
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(6)											
1975	I	-2.7	-8.9	-6.4	12.2	1.1	15.3	24.2	17.6	-17.9	14.6
	II	1.8	-5.6	-7.3	11.1	1.2	9.1	19.4	11.8	10.7	11.7
	III	5.5	-1.1	-6.3	9.8	0.9	4.0	13.7	6.6	53.5	9.8
	IV	6.3	3.1	-3.0	8.7	1.2	2.2	9.4	4.1	66.9	7.9
	ANNUAL	2.8	-3.1	-5.8	10.4	1.2	7.4	16.4	9.7	25.7	10.9
1976	I	6.0	9.3	2.6	7.3	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	2.5	6.2	3.6	7.6	2.1	5.0	3.2	4.5	9.1	4.9
	IV	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	ANNUAL	4.0P	7.3P	3.2P	7.7P	1.8P	3.6P	3.1P	3.4P	23.3P	5.1P

SEE FOOTNOTES FOLLOWING TABLE B.
 REVISED
 PRELIMINARY

FEBRUARY 25, 1977
 SOURCE: BUREAU OF LABOR STATISTICS

TABLE 4. MANUFACTURING SECTOR: OUTPUT PER HOUR OF ALL PERSONS; REAL 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	100.8	92.4	175.9	111.9	161.3
	II	112.7	102.7	91.1	178.5	111.8	158.3
	III	118.6	109.5	92.3	180.7	111.0	152.3
	IV	119.5	112.6	94.2	183.7	111.0	153.7
	ANNUAL	114.9	106.3	92.5	179.8	111.5	156.4
1976	I	120.9	116.5	96.4	187.8	112.3	155.4
	II	123.1	119.0	96.7	191.7	113.3	155.8
	III	124.8	120.5	96.6	194.6	113.3	155.9
	IV	124.5R	120.7R	97.0	198.3	114.2	159.3R
	ANNUAL	122.4	118.2R	96.6	193.2	113.3	157.9R
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE (5)							
1975	I	-12.2	-33.1	-23.8	15.3	6.5	31.3
	II	14.3	7.6	-5.9	6.0	-0.1	-7.2
	III	22.6	29.4	5.5	5.1	-3.0	-14.3
	IV	3.0	11.9	8.7	6.8	0.1	3.7
	ANNUAL	0.2	-9.0	-9.2	11.2	1.9	11.0
1976	I	4.7	14.4	9.3	9.2	4.5	4.3
	II	7.4	8.9	1.4	8.6	3.8	1.1
	III	5.7	5.3	-0.5	6.2	0.1	0.4
	IV	-0.9R	0.6R	1.6	7.9R	3.2R	8.9
	ANNUAL	6.5	11.2R	4.5	7.5	1.6	0.9
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR (6)							
1975	I	-5.0	-15.3	-10.8	14.3	2.9	20.3
	II	-2.2	-13.4	-11.4	12.5	2.5	15.0
	III	2.7	-7.6	-10.0	10.5	1.6	7.5
	IV	6.1	1.0	-4.8	8.2	0.8	2.0
	ANNUAL	0.2	-9.0	-9.2	11.2	1.9	11.0
1976	I	10.7	15.6	4.2	6.8	0.3	-3.7
	II	9.2	15.9	6.2	7.4	1.3	-1.6
	III	5.2	10.1	4.7	7.7	2.1	2.4
	IV	4.2R	7.2R	2.9	8.0R	2.9R	3.6R
	ANNUAL	6.5	11.2R	4.5	7.5	1.6	0.9

SEE FOOTNOTES FOLLOWING TABLE 4.
R=REVISED
P=PRELIMINARY

FEBRUARY 25, 1977
SOURCE: BUREAU OF LABOR STATISTICS

TABLE 5. DURABLE MANUFACTURING SECTOR: OUTPUT PER HOUR OF ALL PERSONS; HOURLY COMPENSATION; UNIT LABOR COSTS SEASONALLY ADJUSTED(1)

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	104.2	96.9	92.9	176.0	111.9	168.9
	II	108.6	97.9	90.1	180.0	112.8	165.7
	III	115.2	104.2	90.5	182.7	112.2	158.6
	IV	115.5	106.4	92.2	185.7	112.2	160.8
	ANNUAL	110.9	101.3	91.3	181.3	112.4	163.5
1976	I	116.5	110.2	94.6	189.5	113.3	162.7
	II	119.3	113.8	95.4	193.9	114.6	162.5
	III	121.1	116.2	95.9	195.9	114.1	161.8
	IV	120.2R	115.6	96.2R	199.0R	114.6R	165.5R
	ANNUAL	117.8	112.5	95.5	194.7	114.2	165.3
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)							
1975	I	-12.3	-35.1	-26.0	15.8	7.0	32.1
	II	17.8	4.3	-11.5	9.3	3.0	-7.2
	III	26.5	28.5	1.6	6.2	-2.0	-16.0
	IV	1.1	8.7	7.5	6.7	0.1	5.5
	ANNUAL	1.8	-9.6	-11.2	12.1	2.7	10.2
1976	I	3.6	15.1	11.2	8.5	3.8	4.8
	II	9.9	13.6	3.3	9.4	4.6	-0.4
	III	6.1	8.6	2.3	4.3	-1.7	-1.7
	IV	-2.7R	-1.8R	1.0R	6.5R	1.8R	9.5R
	ANNUAL	6.3R	11.1	4.5	7.4R	1.6R	1.1
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	5.0	-8.5	-12.9	11.7	2.7	6.4
	IV	7.2	-1.4	-8.0	9.4	1.9	2.1
	ANNUAL	1.8	-9.6	-11.2	12.1	2.7	10.2
1976	I	11.8	13.8	1.8	7.7	1.2	-3.7
	II	9.0	16.2	5.8	7.7	1.6	-2.0
	III	5.1	11.5	6.0	7.2	1.7	2.0
	IV	4.1R	8.7R	4.4R	7.2R	2.1R	3.0
	ANNUAL	6.3R	11.1	4.5	7.4	1.6	1.1

SEE FOOTNOTES FOLLOWING TABLE 6.
 REVISIONS
 PRELIMINARY

FEBRUARY 25, 1977
 SOURCE: BUREAU OF LABOR STATISTICS

TABLE 6. NONDURABLE MANUFACTURING SECTOR: PUT 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	COMPENSATION PER HOUR (1)	REAL COMPENSATION PER HOUR (2)	UNIT LABOR COSTS
INDEXES 1967=100						
1975	I	117.1	107.5	91.7	175.5	111.6
	II	119.4	110.4	92.4	176.4	110.6
	III	124.4	118.1	95.0	178.4	109.5
	IV	125.9	122.5	97.3	181.5	109.7
	ANNUAL	121.5	114.5	94.2	177.8	110.3
1976	I	127.7	126.3	98.9	185.8	111.1
	II	129.2	127.4	98.6	188.8	111.6
	III	131.1	127.9	97.5	192.7	112.2
	IV	131.6R	129.1R	98.1R	197.6	113.8
	ANNUAL	129.7R	127.6R	98.3	191.1R	112.1R
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE (5)						
1975	I	-12.0	-30.0	-20.4	15.2	6.4
	II	8.0	11.3	3.0	2.3	-3.7
	III	17.6	31.0	11.5	4.4	-3.6
	IV	5.0	15.9	10.5	7.2	0.5
	ANNUAL	-2.1	-8.1	-6.1	10.3	1.0
1976	I	5.9	13.0	6.7	9.9	5.2
	II	4.7	3.5	-1.2	6.5	1.8
	III	6.3	1.6	-4.4	8.6	2.3
	IV	1.3R	3.8R	2.5R	10.5R	5.6R
	ANNUAL	6.7R	11.5R	4.4	7.5	1.6
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR (6)						
1975	I	-5.8	-15.8	-10.6	14.2	2.9
	II	-4.9	-13.3	-8.9	11.4	1.5
	III	-0.0	-8.3	-5.7	9.2	0.5
	IV	4.1	4.3	0.2	7.2	-0.2
	ANNUAL	-2.1	-8.1	-6.1	10.3	1.0
1976	I	9.0	17.6	7.9	5.9	-0.5
	II	8.2	15.4	6.7	7.0	0.9
	III	5.5	8.3	2.7	8.0	2.4
	IV	4.5R	5.4R	0.8R	8.9	3.7R
	ANNUAL	6.7R	11.5R	4.4	7.5	1.6

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

FEBRUARY 25, 1977
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)

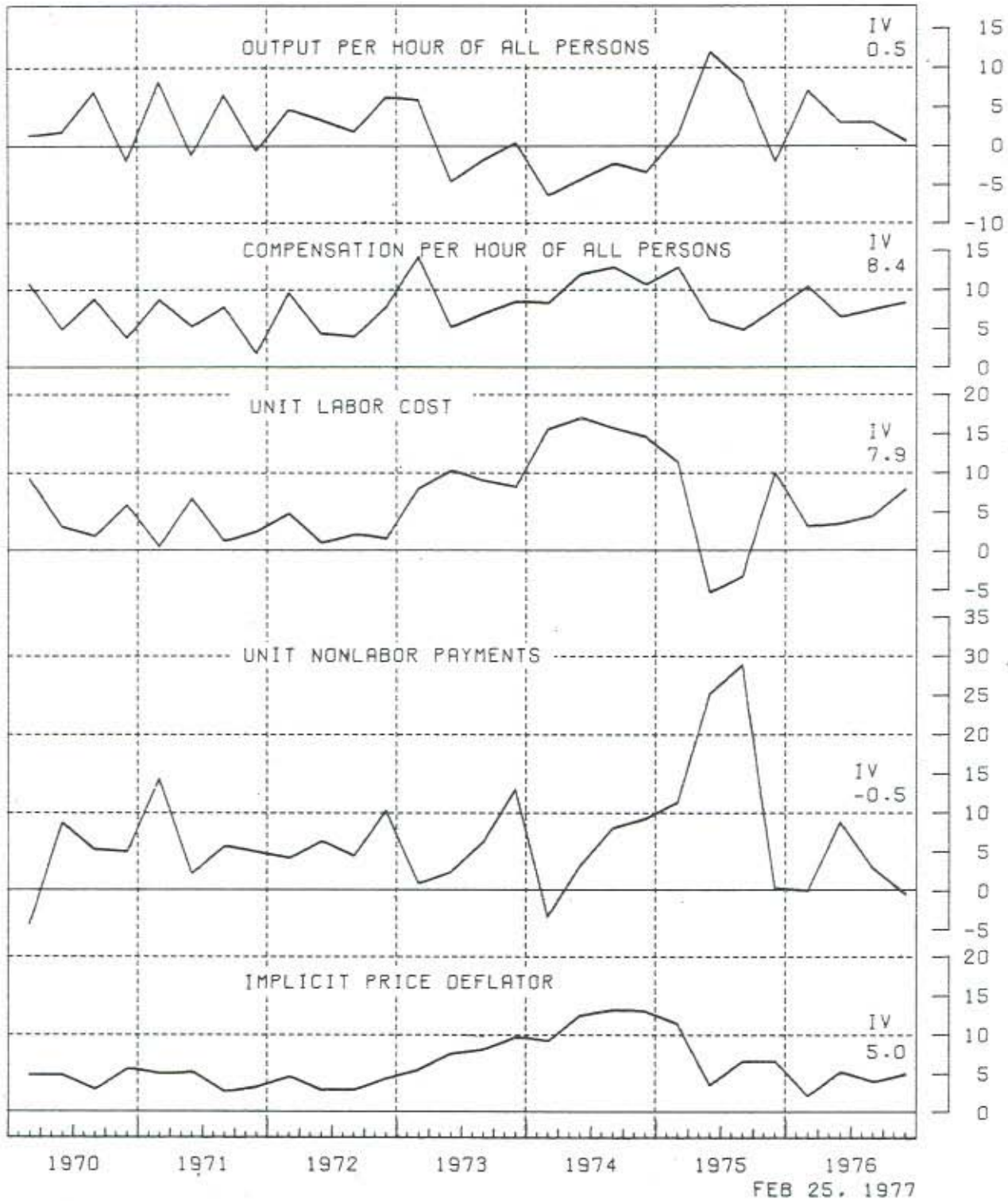


CHART 2. PRODUCTIVITY, HOURLY
 COMPENSATION, UNIT COSTS AND PRICES
 NONFARM BUSINESS SECTOR
 (PERCENT CHANGE FROM PRECEDING
 QUARTER AT ANNUAL RATE)

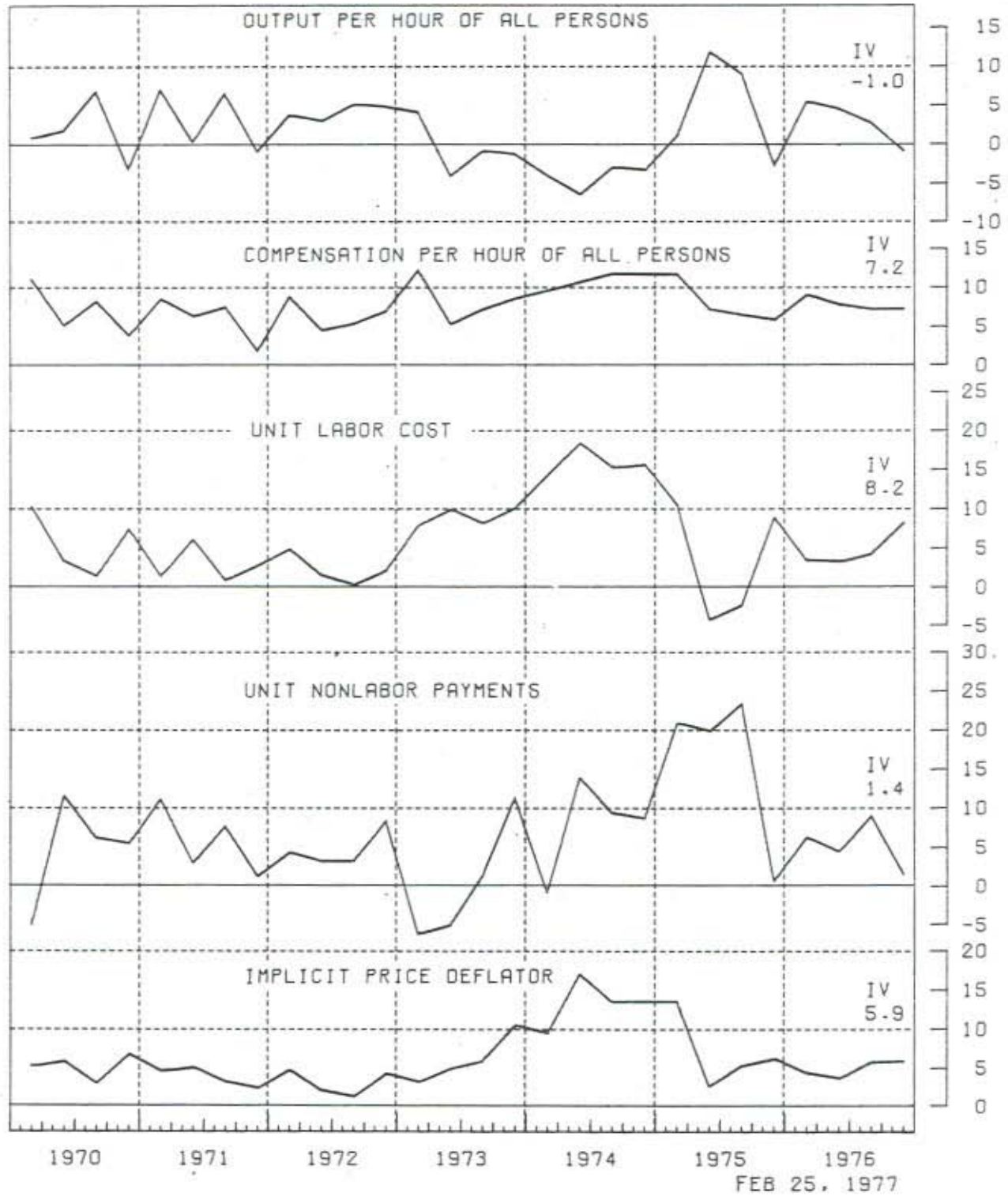


CHART 3. PRODUCTIVITY, HOURLY
 COMPENSATION, UNIT COSTS AND PRICES
 NONFINANCIAL CORPORATIONS
 (PERCENT CHANGE FROM SAME
 QUARTER A YEAR AGO)

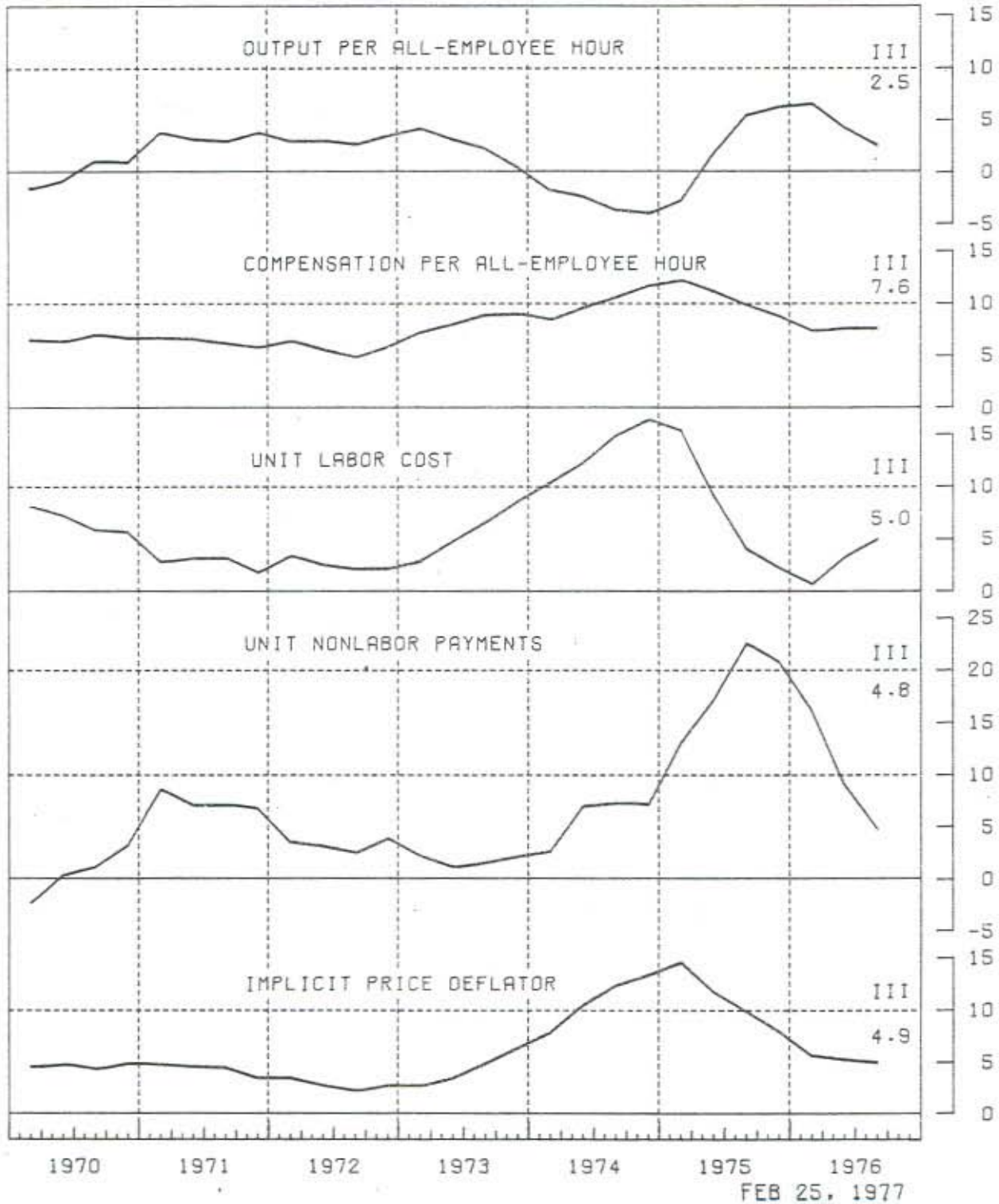


CHART 4.
 UNIT COSTS, UNIT PROFITS, AND PRICES
 NONFINANCIAL CORPORATIONS
 (PERCENT CHANGE FROM SAME
 QUARTER A YEAR AGO)

