

News

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PRODUCTIVITY AND COSTS

Private Business, Nonfarm Business, and Manufacturing Sectors First Quarter 1977
(and data for Nonfinancial Corporations, Fourth Quarter 1976)

Productivity in the private business sector increased 3.2 percent (at a seasonally adjusted annual rate) in the first quarter of 1977, according to preliminary figures announced today by the Bureau of Labor Statistics of the U.S. Department of Labor. The increase, the largest in a year, reflected a 6.2 percent rise in output and a 2.8 percent increase in hours of all persons engaged in the sector (at annual rates). In the preceding quarter, productivity increased 0.3 percent.

In the nonfarm business sector, output per hour of all persons--productivity--increased at a 2.6 percent annual rate, reflecting rises of 6.4 percent and 3.7 percent in sector output and hours, respectively. In the fourth quarter of 1976, productivity declined 1.2 percent in this sector.

In manufacturing productivity declined 0.1 percent from the fourth quarter of 1976, as output and hours rose 4.2 percent and 4.4 percent, respectively, in the first quarter of 1977. In the preceding quarter, productivity declined 0.2 percent in manufacturing.

A summary of first quarter measures--and fourth quarter 1976 movements in the nonfinancial corporate sector, also released today--appears in tables A and B; details will be found in tables 1-6.

Private Business Sector

Productivity increased 3.2 percent in the first quarter as output rose 6.2 percent and hours increased 2.8 percent--at annual rates. In each case the first

Table A. Percent Change at Annual Rates in Productivity and Costs,
Seasonally Adjusted
PRELIMINARY

Sector	Producti- vity	Hourly Com- pen- sation	Unit Labor Cost	Real Hourly Compen- sation	Output	Hours
Fourth Quarter 1976 to First Quarter 1977						
Private Business	3.2	10.7	7.3	2.4	6.2	2.8
Nonfarm Business	2.6	10.2	7.3	1.9	6.4	3.7
Manufacturing	-0.1	11.1	11.2	2.7	4.2	4.4
Durable	-1.2	10.8	12.2	2.5	4.1	5.4
Nondurable	1.9	11.2	9.2	2.8	4.8	2.9
First Quarter 1976 to First Quarter 1977						
Private Business	2.3	8.2	5.8	2.2	4.2	1.9
Nonfarm Business	2.1	8.0	5.8	2.0	4.2	2.1
Manufacturing	3.1	8.4	5.1	2.4	4.9	1.7
Durable	3.0	7.8	4.6	1.8	6.1	3.0
Nondurable	3.7	9.2	5.3	3.1	3.6	-0.1

quarter increase was the largest in a year. In the preceding quarter, output increased 2.3 percent and hours rose 2.1 percent, so that productivity rose 0.3 percent.

Hourly compensation--which includes the hourly cost of wages, salaries, supplemental employment benefits and employer contributions to employee benefit plans--increased 10.7 percent in the first quarter, the largest such increase since the first quarter of 1975. In the preceding quarter, these costs rose 8.2 percent. Real hourly compensation--hourly compensation adjusted for changes in the Consumer Price Index--rose 2.4 percent, compared with a 3.5 percent increase in the fourth quarter of 1976.

Unit labor cost--which reflects movements in hourly compensation and productivity--increased 7.3 percent in the first quarter, compared with an 8.0 percent increase in the preceding quarter. In 1976, unit labor cost increased 3.6 percent over the previous year.

The implicit price deflator, which shows the combined effect of changes in unit labor cost and unit nonlabor payments, increased 5.5 percent in the first quarter--at an annual rate--the largest rise in this measure since the fourth quarter of 1975.

Compared with the same quarter a year ago, productivity has increased 2.3 percent, while output and hours are up 4.2 percent and 1.9 percent, respectively. Hourly compensation is 8.2 percent higher, real hourly compensation is up 2.2 percent and unit labor cost 5.8 percent higher than the first quarter of 1976.

Nonfarm Business Sector

Productivity in the nonfarm business sector rose 2.6 percent in the first quarter, compared with a 1.2 percent decline one quarter earlier. The increases in output and hours in the first quarter--6.4 percent and 3.7 percent, respectively--were the largest in a year.

Hourly compensation rose 10.2 percent, the largest quarterly rise in this series since the first quarter of 1975, compared with a 7.0 percent increase one quarter earlier. Real hourly compensation rose 1.9 percent, a somewhat smaller increase than the 2.3 percent rise of the previous quarter.

The implicit price deflator for the nonfarm business sector rose 4.2 percent, the smallest such increase since the second quarter of last year.

The Manufacturing Sector

Productivity declined 0.1 percent in the first quarter in manufacturing--the second quarter of decline in this sector. In the fourth quarter, productivity declined 0.2 percent. Output rose 4.2 percent in the first quarter, while hours increased 4.4 percent. This increase in hours was the largest in a year. Because productivity declined, unit labor cost rose more than hourly compensation--11.2 percent and 11.1 percent, respectively. Real hourly compensation increased 2.7 percent, compared with a 3.2 percent increase a quarter earlier. In the fourth quarter of 1976, hourly compensation rose 7.9 percent, but unit labor cost rose even more (8.2 percent), since productivity declined 0.2 percent.

The small decline in manufacturing productivity resulted from opposite movements in the durable and nondurable goods-producing sub-sectors. Productivity declined in the durable manufacturing sector by 1.2 percent in the first quarter, marking the second consecutive quarterly decline in the measure. In the closing quarter of 1976, productivity declined 2.1 percent. Hourly compensation rose 10.8 percent, and unit labor cost increased 12.2 percent. Both increases were the largest in 2 years. Real hourly compensation increased 2.5 percent, compared with a rise of 1.9 percent in the fourth quarter of 1976.

Among nondurable goods-producing manufacturing industries, productivity increased 1.9 percent, compared with a 2.0 percent increase in the preceding quarter. Although the first quarter productivity increase in nondurables was

larger than the decline in durables, the nondurable industries carry a smaller weight in the overall sector--nondurables account for roughly 41 percent of all hours paid for in manufacturing. Nondurable output increased 4.8 percent, and hours rose 2.9 percent, both increases being the largest in a year. Hourly compensation increased 11.2 percent and unit labor cost rose 9.2 percent. Real hourly compensation increased 2.8 percent in the first quarter, compared with a 5.6 percent rise one quarter ago.

Fourth Quarter Figures for Nonfinancial Corporations

Productivity and related measures for the fourth quarter of 1976 for non-financial corporations also were released today. See table B. Productivity declined 0.1 percent in the last quarter of 1976, as output rose 1.3 percent and employee-hours increased 1.4 percent. This decline was the only productivity drop in 1976, reflecting the smallest quarterly gain in output since the first quarter of 1975. Both the rise in hourly compensation (9.0 percent) and the rise in unit labor cost (9.2 percent, at an annual rate) were the largest since the first quarter of 1975, partly due to the decline in productivity. Real hourly compensation rose 4.1 percent. Unit profits were off 24.5 percent in the fourth quarter, the largest decline since the last quarter of 1974.

Revised annual measures for 1976 as a whole show productivity in nonfinancial corporations up 3.9 percent, hourly compensation up 7.7 percent and unit profits up 23.1 percent. See table 3.

Table B. Percent Change in Productivity and Costs at Annual Rates
 Seasonally Adjusted
 Nonfinancial Corporations

Item	3rd quarter 1976 to 4th quarter 1976	4th quarter 1975 to 4th quarter 1976	1976 Annual
	PRELIMINARY	PRELIMINARY	REVISED
Output per all-employee hour	-0.1	2.7	3.9
Hourly compensation	9.0	8.0	7.7
Unit labor cost	9.2	5.1	3.6
Real hourly compensation	4.1	2.9	1.8
Output	1.3	5.4	7.3
Hours	1.4	2.6	3.2
Unit profits	-24.5	3.3	23.1

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	COMPENSATION PER HOUR (1)	REAL COMPENSATION PER HOUR (2)	UNIT LABOR COSTS	UNIT NON-LABOR PAYMENTS (3)	IMPLICIT PRICE DEFATOR (4)
INDEXES 1967=100								
1976	I	114.7	124.2	108.2	188.8	112.8	164.6	161.7
	II	115.5	125.8	108.9	191.8	113.3	166.9	163.8
	III	116.3	126.8	108.9	195.3	113.7	167.8	165.4
	IV	116.4R	127.5	109.5	199.2R	114.7	171.1R	167.4
	ANNUAL	115.7	126.1	108.9	193.7	113.6	167.4	164.6
1977	I	117.4P	129.4P	110.3P	204.3P	115.4P	174.1P	169.6P
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE (5)								
1976	I	7.0	10.2	2.9	10.4	5.6	3.1	-0.1
	II	2.9	5.5	2.6	6.5	1.8	3.5	8.8
	III	2.9	2.9	0.1	7.5	1.3	4.5	2.8
	IV	0.3R	2.3R	2.1R	8.2R	3.5R	8.0R	-0.4R
	ANNUAL	4.0	6.8	2.7	7.7	1.8	3.6	6.5
1977	I	3.2P	6.2P	2.8P	10.7P	2.4P	7.3P	1.9P
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR (6)								
1976	I	6.1	8.7	2.4	7.2	0.8	1.0	12.7
	II	3.9	7.8	3.8	7.3	1.2	3.3	8.8
	III	2.6	5.5	2.8	8.0	2.4	5.2	2.9
	IV	3.2R	5.2	1.9	8.1R	3.0R	4.8R	2.6R
	ANNUAL	4.0	6.8	2.7	7.7	1.8	3.6	6.5
1977	I	2.3P	4.2P	1.9P	8.2P	2.2P	5.8P	3.1P

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

APRIL 27, 1977
SOURCE: BUREAU OF LABOR STATISTICS

TABLE 2. NONFARM 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 (4)	
INDEXES 1967=100									
1976	I	112.0	124.7	111.0	185.4	110.8	165.4	152.6	161.5
	II	113.2	126.0	111.2	188.9	111.6	166.8	154.2	162.5
	III	114.0	126.9	111.3	192.1	111.9	168.5	157.6	164.8
	IV	113.6 ^P	127.5	112.2	195.4 ^P	112.5 ^P	171.9	158.0 ^P	167.2
	ANNUAL	113.2 ^R	126.2	111.4	190.5	111.7	168.2	155.6 ^P	163.9
1977	I	114.4 ^P	129.5 ^P	113.2 ^P	200.2 ^P	113.0 ^P	175.0 ^P	157.1 ^P	168.9 ^P
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE (%)									
1976	I	5.4	10.5	4.9	9.0	4.3	3.4	6.3	4.3
	II	4.4	5.4	1.0	7.7	3.0	3.2	4.4	3.6
	III	2.6	3.0	0.4	7.1	0.9	4.3	4.0	5.8
	IV	-1.2 ^P	1.9 ^P	3.2 ^P	7.0 ^P	-2.3 ^P	8.3 ^P	1.1 ^P	5.9
	ANNUAL	3.7	6.9	3.1	7.4	1.5	3.6	7.5	4.8
1977	I	2.6 ^P	6.4 ^P	3.7 ^P	10.2 ^P	1.9 ^P	7.3 ^P	-2.2 ^P	4.2 ^P
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR (%)									
1976	I	5.7	8.7	2.9	7.1	0.6	1.3	12.2	4.6
	II	3.9	8.1	4.1	7.2	1.1	3.2	8.6	6.9
	III	2.4	5.8	3.4	7.4	1.8	4.9	5.0	5.0
	IV	2.8	5.2	2.3	7.7 ^P	2.6 ^P	4.8	5.1 ^P	4.9
	ANNUAL	3.7	6.9	3.1	7.4	1.5	3.6	7.5	4.8
1977	I	2.1 ^P	6.2 ^P	2.1 ^P	8.0 ^P	2.3 ^P	5.0 ^P	3.0 ^P	4.0 ^P

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

APRIL 27, 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	COMPEN- TION PER HOUR (1)	REAL COMPEN- SATION PER HOUR (2)	UNIT LABOR COST	UNIT NON- LABOR COST (3)	TOTAL UNIT COST (4)	UNIT PRO- FITS (5)	IMPLICIT PRICE DEFLATOR (6)	
INDEXES 1967=100											
1975	I	108.8	119.7	110.0	175.5	111.6	181.3	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	117.9P	134.5P	114.0P	199.3P	114.7P	169.0P	200.7P	174.7P	103.8P	165.9P
	ANNUAL	117.3	133.1	113.5	193.7	113.6	165.1	195.7	172.6P	107.0P	162.9P
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE (A)											
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	214.7	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	10.6	6.2	8.6	3.9	4.3	-3.1	2.2	23.8	4.1
	II	4.4	6.8	2.1	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	-0.1P	1.3P	1.4P	9.0P	4.1P	9.2P	9.6P	9.4P	-24.5P	5.4P
	ANNUAL	3.9P	7.3	3.2	7.7	3.8	3.6	3.1	3.5P	23.1P	5.1
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR (B)											
1975	I	-2.7	-6.9	-6.4	12.2	3.1	15.3	24.2	17.6	-17.9	14.6
	II	1.8	-5.6	-7.3	11.1	1.2	9.1	14.4	11.8	10.7	11.7
	III	5.5	-1.1	-6.3	9.8	0.9	4.8	13.7	6.6	53.5	9.8
	IV	6.3	3.1	-3.0	8.7	3.2	2.2	9.4	4.1	66.9	7.9
	ANNUAL	2.8	-3.1	-5.6	10.4	1.2	7.4	16.4	9.7	25.7	10.9
1976	I	6.6	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	38.0	5.2
	III	2.5	6.2	3.6	7.6	2.1	5.8	3.2	4.5	9.1	4.9
	IV	2.7P	5.4P	2.6P	8.8P	2.9P	5.1P	3.8P	4.7P	-3.3P	4.6P
	ANNUAL	3.9P	7.3	3.2	7.7	1.8	3.6	3.1	3.5P	23.1P	5.1

SEE FOOTNOTES FOLLOWING TABLE 6.
BASED UPON
PRELIMINARY

APRIL 27, 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 (1)	HOURS OF ALL PERSONS	COMPENSATION PER HOUR (1)	REAL COMPENSATION PER HOUR (2)	UNIT LABOR COSTS	
INDEXES 1967=100							
1976	I	120.9	116.5	96.4	107.8	112.1	155.4
	II	123.1	119.0	96.7	101.7	113.1	155.8
	III	124.8	120.5	96.6	104.6	113.3	155.9
	IV	124.7R	120.9R	97.0	108.4R	114.2	159.0R
	ANNUAL	122.4	118.2	96.6	103.2	113.3	157.9
1977	I	124.7P	122.2P	98.0P	203.6P	115.0P	163.3P
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE (%)							
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	-0.2R	1.3R	1.5R	7.9	3.2	8.2R
	ANNUAL	6.5	11.2	4.5	7.5	1.6	0.9
1977	I	-0.1P	4.2P	4.4P	11.1P	2.7P	11.2P
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR (%)							
1976	I	10.9	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	4.4R	7.4R	2.9	8.0	2.9	3.5R
	ANNUAL	6.5	11.2	4.5	7.5	1.6	0.9
1977	I	3.1P	4.0P	1.7P	8.4P	2.4P	5.1P

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

APRIL 27, 1977
 SOURCE: BUREAU OF LABOR STATISTICS

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

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							
1976	I	116.5	110.2	94.6	149.5	113.3	167.7
	II	119.3	113.8	95.4	143.9	114.6	162.5
	III	121.1	116.7	95.9	145.9	114.1	161.8
	IV	120.4R	115.8R	96.2	149.1R	114.6	165.3R
	ANNUAL	117.8	112.5	95.5	144.7	114.2	165.3
1977	I	120.1P	117.0P	97.4P	144.2P	115.3P	170.1P
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE (5)							
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	-2.1R	-1.3R	0.9R	6.6R	1.9R	8.9R
	ANNUAL	6.3	11.1	4.5	7.4	1.6	1.1
1977	I	-1.2P	4.1P	5.4P	10.8P	2.5P	12.2P
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR (6)							
1976	I	11.8	13.8	1.8	7.7	1.2	-7.7
	II	9.8	16.2	5.8	7.7	1.6	-2.9
	III	5.1	11.5	6.0	7.2	1.7	2.0
	IV	4.3R	8.8R	4.4	7.2	2.1	2.8R
	ANNUAL	6.3	11.1	4.5	7.4	1.6	1.1
1977	I	3.0P	6.1P	3.0P	7.8P	1.8P	4.6P

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

APRIL 27, 1977
SOURCE: BUREAU OF LABOR STATISTICS

TABLE 5. NONDURABLE MANUFACTURING SECTOR: OUTPUT PER HOUR OF ALL PERSONS, HOURLY COMPENSATION, UNIT LABOR COST, SEASONALLY ADJUSTED(1)

YEAR AND QUARTER	OUTPUT PER HOUR OF ALL PERSONS	OUTPUT (2)	HOURS OF ALL PERSONS	COMPENSA- TION PER HOUR (1)	REAL COMPENSA- TION PER HOUR (2)	UNIT LABOR COSTS	
INDEXES 1967=100							
1976	I	127.7	126.3	98.4	105.8	111.1	145.5
	II	129.7	127.4	98.6	108.8	111.6	146.1
	III	131.1	127.9	97.5	102.7	112.2	146.9
	IV	131.88	129.88	98.1	107.6	113.8	149.88
	ANNUAL	129.7	127.6	98.1	101.1	112.1	147.3
1977	I	132.88	130.98	98.78	202.98	114.88	153.28
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE (%)							
1976	I	5.9	13.0	6.7	9.4	5.2	3.4
	II	6.7	3.5	-1.2	6.5	1.8	1.7
	III	6.3	1.6	-6.4	8.6	2.3	2.2
	IV	2.08	4.68	2.5	10.5	5.6	8.08
	ANNUAL	6.7	11.5	5.5	7.5	1.6	6.7
1977	I	1.48	4.08	2.98	11.28	2.88	9.28
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR (%)							
1976	I	9.0	17.6	7.4	5.9	-0.5	-2.8
	II	8.2	15.4	6.7	7.0	0.9	-1.1
	III	5.5	8.3	2.7	8.0	2.4	2.5
	IV	4.78	5.68	0.4	8.4	3.7	4.08
	ANNUAL	6.7	11.5	5.5	7.5	1.6	6.7
1977	I	3.78	3.68	-0.18	9.28	3.18	5.38

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

APRIL 27, 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)

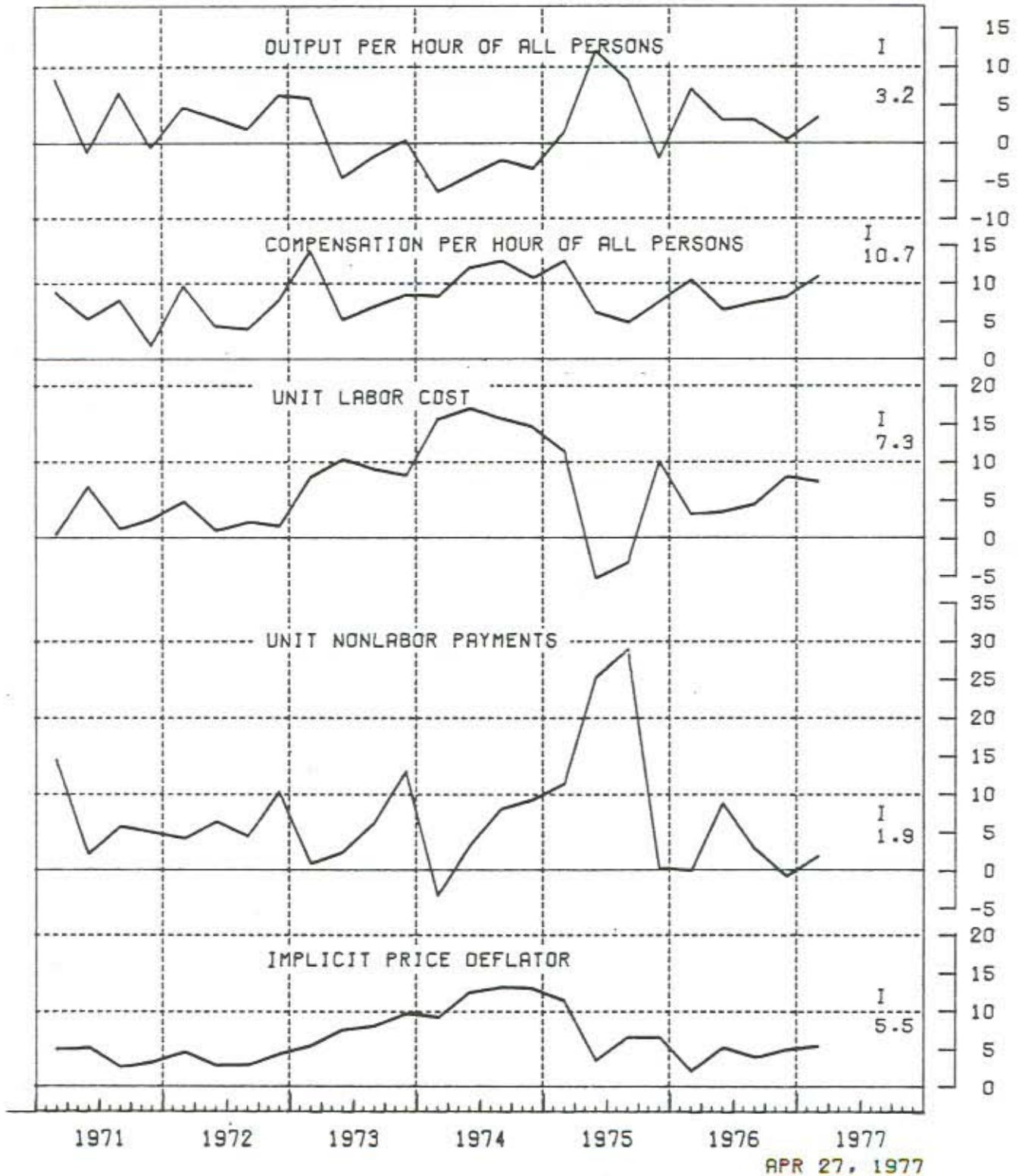


CHART 2. PRODUCTIVITY, HOURLY COMPENSATION, UNIT COSTS AND PRICES
 NONFARM BUSINESS SECTOR
 (PERCENT CHANGE FROM PRECEDING QUARTER AT ANNUAL RATE)

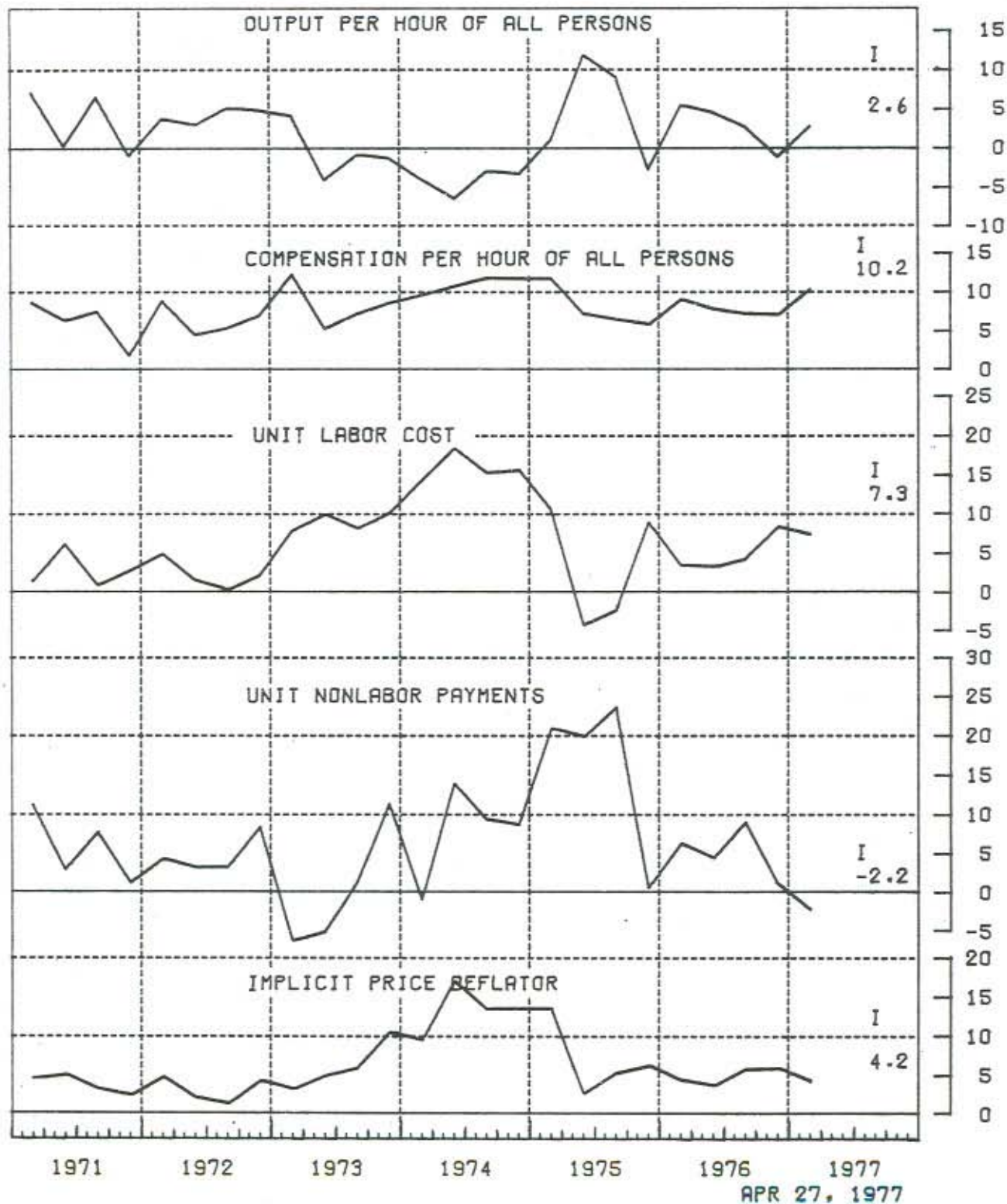


CHART 3. PRODUCTIVITY, HOURLY
 COMPENSATION, UNIT COSTS AND PRICES
 NONFINANCIAL CORPORATIONS
 (PERCENT CHANGE FROM SAME
 QUARTER A YEAR AGO)

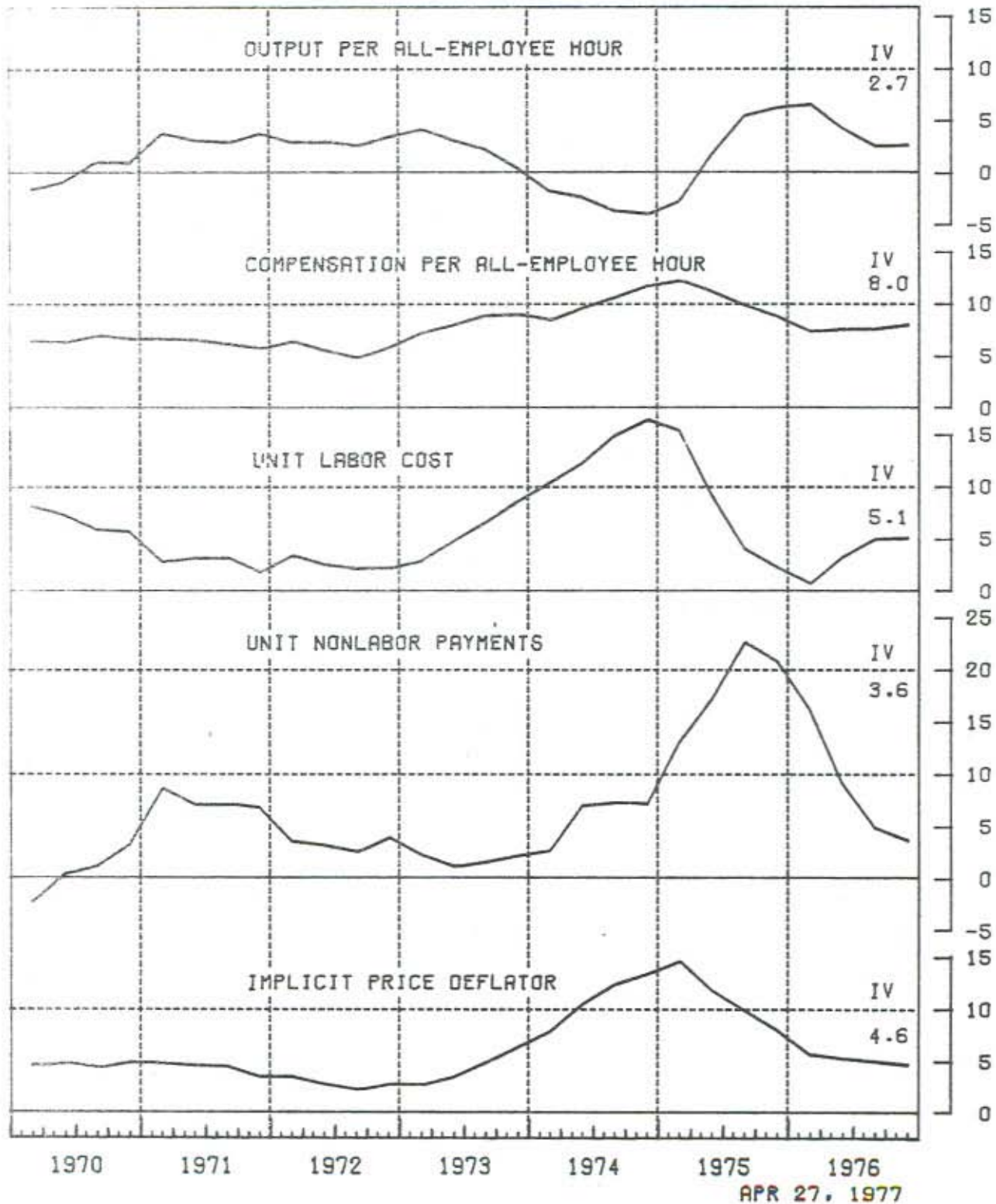


CHART 4.
 UNIT COSTS, UNIT PROFITS, AND PRICES
 NONFINANCIAL CORPORATIONS
 (PERCENT CHANGE FROM SAME
 QUARTER A YEAR AGO)

