

News

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Bureau of Labor Statistics

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PRODUCTIVITY AND COSTS

Private Business, Nonfarm Business, and Manufacturing Sectors Third Quarter 1978

Productivity in the private business sector increased at a seasonally adjusted annual rate of 4.5 percent in the third quarter of 1978, the Bureau of Labor Statistics of the U.S. Department of Labor reported today. This rise compares with a 1.2 percent increase in the second quarter and a 4.5 percent decline in the first quarter. The third quarter increase reflected a 3.8 percent increase in output and a 0.6 percent decline in hours and was the largest gain in output per hour since the third quarter of 1977.

In the nonfarm business sector, productivity increased 3.7 percent in the third quarter, compared with a 1.7 percent rise during the second quarter. Output rose 3.3 percent and hours decreased 0.4 percent (at annual rates) in the third period.

In manufacturing, productivity rose 10.0 percent in the third quarter, as output grew 8.7 percent and hours dropped 1.2 percent. This quarterly gain was the largest in manufacturing productivity in 3 years. During the second quarter, productivity increased 8.3 percent in this sector.

A summary of third quarter changes in productivity and costs appears in table A; details are found in tables 1-6.

The productivity and cost measures contained in this press release for the private business, nonfarm business, and manufacturing sectors are based on measures of employment and average weekly hours which were recently revised by BLS to incorporate the March 1977 benchmark data and to conform to the 1972 Standard Industrial Classification (SIC). Data for prior years based on the new measures are currently being developed. Requests for these data should be addressed to the Office of Productivity and Technology, Bureau of Labor Statistics, Washington, D.C. 20212.

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

Sector	Productivity	Hourly Compensation	Unit Labor Cost	Real Hourly Compensation	Output	Hours
Second Quarter 1978 to Third Quarter 1978						
<u>PRELIMINARY</u>						
Private business	4.5	9.8	5.1	N.A.	3.8	-0.6
Nonfarm business	3.7	8.9	5.0	N.A.	3.3	-0.4
Manufacturing	10.0	10.5	0.5	N.A.	8.7	-1.2
Durable	9.6	10.5	0.8	N.A.	12.1	2.3
Nondurable	10.6	9.3	-1.2	N.A.	3.7	-6.3
First Quarter 1978 to Second Quarter 1978						
<u>REVISED</u>						
Nonfinancial corporations	4.7	8.7	3.8	-2.0	15.2	10.1
Third Quarter 1977 to Third Quarter 1978						
<u>PRELIMINARY</u>						
Private business	0.3	9.1	8.8	N.A.	4.3	4.0
Nonfarm business	0.7	9.2	8.5	N.A.	4.7	4.0
Manufacturing	3.0	9.6	6.4	N.A.	6.5	3.4
Durable	3.0	9.5	6.4	N.A.	8.0	4.8
Nondurable	3.1	9.2	5.9	N.A.	4.3	1.1
Second Quarter 1977 to Second Quarter 1978						
<u>REVISED</u>						
Nonfinancial corporations	1.7	9.4	7.6	2.2	5.9	4.1

NOTE: The data in this table incorporates March 1977 benchmark data and revised SIC classifications of the labor input data in the private business, nonfarm business and manufacturing sectors for the third quarter and revised second quarter output measures in nonfinancial corporations.

Scheduling of the release of the Consumer Price Index for All Urban Consumers (CPI-U) precludes the use of real hourly compensation (hourly compensation adjusted for changes in the CPI-U) with preliminary productivity and cost measures. These will be published together with revised output and labor input measures with the next regular edition of Productivity and Costs, approximately 30 days after the preliminary measures.

Private Business Sector

Productivity advanced strongly in the third quarter of 1978 as output rose 3.8 percent and hours of all persons declined 0.6 percent (at seasonally adjusted annual rates). In the preceding quarter, output increased 10.5 percent, and hours rose 9.2 percent. The decline in hours was the first drop in a year; employment continued to rise--the 13th consecutive quarter of growth--but the length of the average workweek was cut back by a greater amount.

Hourly compensation, which includes wages and salaries as well as fringe benefits and employer contributions to employee benefit plans, increased 9.8 percent in the third quarter. In the second quarter, these costs increased 8.1 percent. Unit labor cost, which reflects changes in hourly compensation and productivity, increased 5.1 percent in the third quarter, the smallest increase since the third quarter of 1977. One quarter earlier, these costs rose 6.8 percent (annual rate).

The implicit price deflator, which shows the effects of changes in unit labor cost and unit nonlabor payments, increased 7.3 percent in the third quarter, a significant slowing from the 12.1 percent annual rate of increase in the second quarter. The large reduction in the rate of growth of the implicit price deflator when a more modest cutback occurred in the rise of unit labor cost reflects the larger drop in the rate of increase of unit nonlabor payments--the other component of the implicit price deflator. In the third quarter, these payments rose 12.2 percent, compared with a 24.8 percent rise in the second quarter. These payments include capital consumption allowances, profits, net interest, and indirect business taxes.

Nonfarm Business Sector

Productivity increased more slowly in the nonfarm business sector than in the private business sector as a whole in the third quarter. Productivity growth in the nonfarm sector was faster than in the private business sector in the first and second quarters of 1978, reflecting the productivity declines in the farm sector which occurred then. The 3.7 percent increase in nonfarm business productivity compares with a 1.7 percent increase in the second quarter.

Output rose at a slower rate in the third quarter than in the second (the same pattern that was observed in the private business sector) growing 3.3 percent in the third quarter, compared with an 11.6 percent annual rate in the second. Hours of all persons declined 0.4 percent in the third quarter, after having increased at a brisk 9.3 percent annual rate in the second quarter. The reduction in hours results from a decline in average weekly hours since employment continued to grow in the third quarter.

Hourly compensation increased 8.9 percent in the third quarter, compared with an 8.2 percent increase in the second quarter. Unit labor cost went up 5.0 percent--its smallest rise in a year--and the implicit price deflator rose 8.1 percent. In the second quarter, these measures increased 6.4 percent and 10.8 percent, respectively.

Manufacturing

Productivity increased 10.0 percent in manufacturing in the third quarter, the fastest rate of increase since the third quarter of 1975. Although productivity growth was faster than in the second quarter, output growth was at a slower rate and hours of all persons declined in the third quarter--the first drop in this series since the second quarter of 1976. Hourly compensation growth speeded up in the third quarter, posting a 10.5 percent gain compared with a 7.4 percent annual rate of increase in the second quarter. Although the third quarter increase in hourly compensation in the nondurable subsector was lower (9.3 percent, at annual rate) the increase for the manufacturing sector as a whole matched the growth in durables owing to differential hours movements in the component subsectors. Unit labor cost edged up 0.5 percent, after showing an 0.8 percent decline in the second quarter.

Non financial Corporations

The Bureau of Labor Statistics also released revised second quarter productivity and cost measures for the nonfinancial corporate sector today. This sector, which includes all corporations doing business in the United States with the exception of banks, stock and commodity brokers, finance and credit agencies, and insurance companies, showed a 4.7 percent increase in productivity in the second quarter, as output increased 15.2 percent and hours of all employees increased 10.1 percent. Previously, productivity had been reported to have increased 4.1 percent, on the strength of a 14.5 percent increase in output and a 10.1 percent rise in hours, based on preliminary data. Table B summarizes

TABLE 1. PRIVATE BUSINESS SECTOR, ALL PERSONS: PRODUCTIVITY,
HOURLY COMPENSATION, UNIT LABOR 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 COST	UNIT NON-LABOR PAYMENTS (3)	IMPLICIT PRICE DEFLATOR	
INDEXES 1967=100									
1977	I	117.9R	130.5	110.7R	207.5R	117.2R	176.0R	160.4R	170.6
	II	117.4R	132.5	112.9R	210.4R	116.4R	179.3R	164.0R	174.0
	III	118.9	134.2	112.9	215.3R	117.6R	181.1R	167.0	176.3
	IV	119.0R	135.5	113.9R	218.8R	118.1R	183.9R	167.8	178.4
	ANNUAL	118.2R	133.2	112.7	213.0R	117.4R	180.2R	164.7R	174.9
1978	I	117.6R	135.3	115.0	225.1	119.3	191.4	162.1P	181.3
	II	118.0R	138.7R	117.6R	229.6R	118.5	194.6R	171.3R	186.6R
	III	119.3P	140.0P	117.4P	235.0P	N.A. (13)	197.0P	176.3P	189.9P
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE (5)									
1977	I	2.5R	9.3	6.6R	7.9R	-0.3R	5.3	4.9R	5.2
	II	-1.7R	6.5	8.3R	5.8R	-2.7R	7.6R	9.5R	8.2
	III	5.1R	5.0	-0.1R	9.5R	4.3R	4.2R	7.4R	5.2
	IV	0.4R	4.0	3.7R	6.7R	1.9R	6.3	2.0R	4.9
	ANNUAL	1.6R	5.3	3.7R	8.1R	1.6R	6.4R	4.2R	5.7
1978	I	-4.5R	-0.6	4.0R	12.1R	4.0R	17.4	-13.1R	6.7
	II	1.2R	10.5R	9.2R	8.1R	-2.5R	6.8R	24.8R	12.1R
	III	4.5P	3.8P	-0.6P	9.8P	N.A. (13)	5.1P	12.2P	7.3P
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR (6)									
1977	I	2.2	4.4	2.2	8.7	2.7	6.4	2.3	5.0
	II	1.1R	5.0	3.9R	8.1	1.2R	6.9	3.6R	5.8
	III	1.5R	5.6	4.0R	8.0R	1.3R	6.5	5.0R	6.0
	IV	1.5R	6.2	4.6R	7.5R	0.7R	5.8R	5.9R	5.9
	ANNUAL	1.6R	5.3	3.7R	8.1R	1.6R	6.4R	4.2P	5.7
1978	I	-0.2R	3.7	3.9R	8.5R	1.8R	8.8	1.1R	6.3
	II	0.5R	4.6R	4.1R	9.1R	1.9R	8.5R	4.4R	7.2
	III	0.3P	4.3P	4.0P	9.1P	N.A. (13)	8.8P	5.6P	7.7P

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

OCTOBER 27, 1978
SOURCE: BUREAU OF LABOR STATISTICS

TABLE 2. NONFARM BUSINESS SECTOR, ALL PERSONS: PRODUCTIVITY,
HOURLY COMPENSATION, UNIT LABOR 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 COST	UNIT NON-LABOR PAYMENTS (3)	IMPLICIT PRICE DEFLATOR	
INDEXES 1967=100									
1977	I	115.6R	131.0	113.4R	203.9R	115.1R	176.4R	157.8R	170.0
	II	115.2R	133.0	115.5R	207.1R	114.5R	179.8R	161.7	173.6
	III	116.2R	134.6	115.9	211.2R	115.3R	181.7R	166.1	176.4
	IV	116.4	135.8	116.7	215.1R	116.1	184.8	165.1	178.1
	ANNUAL	115.8R	133.6	115.4R	209.3R	115.3R	180.7	162.7	174.6
1978	I	115.5R	136.1	117.8R	221.4R	117.3R	191.7R	159.2R	180.6
	II	115.9R	139.8R	120.6R	225.8R	116.6R	194.7R	167.1R	185.3R
	III	117.0P	141.0P	120.5P	230.6P	N.A. (13)	197.1P	173.1P	188.9P
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE (5)									
1977	I	2.4R	9.4	6.8R	8.3R	-0.0R	5.8	1.5P	4.4
	II	-1.4R	6.2	7.7R	6.5R	-2.1R	8.0R	10.3R	8.7
	III	3.7R	5.0	1.3R	8.1R	2.9R	4.2R	11.5P	6.5
	IV	0.5R	3.5	3.0R	7.6R	2.8R	7.1	-2.4R	4.0
	ANNUAL	1.3R	5.2	3.9R	8.1R	1.5R	6.7	4.3R	5.9
1978	I	-3.1R	0.7	3.9R	12.2R	4.0R	15.7R	-13.5R	5.8
	II	1.7R	11.6R	9.8	8.2R	-2.4R	6.4R	21.3R	10.8R
	III	3.7P	3.3P	-0.4P	8.9P	N.A. (13)	5.0P	15.2P	8.1P
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR (6)									
1977	I	2.3R	4.7	2.3R	8.7	2.7	6.3	2.7R	5.1
	II	0.7	4.8	4.1R	8.1	1.2R	7.3R	4.0R	6.2
	III	0.9R	5.4	4.4R	7.8R	1.1R	6.8R	5.5R	6.4
	IV	1.3R	6.0	4.7R	7.6R	0.9R	6.3	5.0R	5.9
	ANNUAL	1.3R	5.2	3.9R	8.1R	1.5R	6.7	4.3R	5.9
1978	I	-0.1R	3.8	3.9R	8.6R	1.9R	8.7	0.9R	6.2
	II	0.7	5.2R	4.5R	9.0R	1.8R	8.3R	3.4R	6.7
	III	0.7P	4.7P	4.0P	9.2P	N.A. (13)	8.5P	4.2P	7.1P

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

OCTOBER 27, 1978
SOURCE: BUREAU OF LABOR STATISTICS

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

YFAR AND QUARTER	OUTPUT PER ALL- EMPLOYEE HOUR	OUTPUT	EMPLOYEE HOURS	HOURLY COMPENSA- TION (1)	REAL HOURLY COMPEN- SATION(2)	UNIT LABOR COST	UNIT NON- LABOR COST (A)	TOTAL UNIT COST (9)	UNIT PRO- FITS (10)	IMPLICIT PRICE DEFLATOR	
INDEXES 1967=100											
1977	I	117.8	137.5	116.7	205.4	116.0	174.3	192.6	178.8	108.8	158.4
	II	118.6	140.5	118.5	204.7	115.9	176.8	193.1	180.8	120.1	171.8
	III	120.1	142.3	118.5	214.5	117.1	178.5	195.0	182.5	128.3	174.5
	IV	120.1	143.6	119.6	218.3	117.9	181.9	197.1	185.6	122.9	176.3
	ANNUAL	119.2	141.0	118.3	212.0	116.8	177.9	194.5	182.0	120.2	172.8
1978	I	119.3	143.6	120.4	224.8	119.1	188.5	201.1	191.5	104.5	178.6
	II	120.7R	148.8R	123.3	229.5R	118.5	190.2R	200.1R	192.6R	127.8R	183.0
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE (5)											
1977	I	3.5	9.9	6.2	8.7	0.3	5.0	-0.7	3.5	12.9	4.3
	II	2.7	9.2	6.3	8.7	-0.1	5.8	1.0	4.6	48.2	8.3
	III	5.3	5.2	-0.1	9.3	4.1	3.9	3.9	3.9	30.4	6.4
	IV	-0.2	3.6	3.9	7.5	2.7	7.7	4.3	6.8	-15.8	4.2
	ANNUAL	1.8	5.4	3.5	8.8	2.2	6.8	3.0	5.8	6.6	5.9
1978	I	-2.6	-0.0	2.7	12.4	4.2	15.3	8.5	13.6	-47.8	5.5
	II	4.7R	15.2R	10.1	8.7R	-2.0R	3.8R	-2.0R	2.3R	123.7R	10.2R
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR (6)											
1977	I	1.2	3.9	2.7	8.8	2.8	7.5	3.5	6.4	-5.3	5.2
	II	1.0	4.8	3.7	8.8	1.9	7.6	3.3	6.5	3.9	6.2
	III	2.1	5.9	3.7	8.9	2.1	6.6	3.0	5.6	11.9	6.3
	IV	2.8	7.0	4.1	8.5	1.7	5.6	2.1	4.7	16.4	5.8
	ANNUAL	1.8	5.4	3.5	8.8	2.2	6.8	3.0	5.8	6.6	5.9
1978	I	1.2	4.5	3.2	9.5	2.7	8.1	4.4	7.1	-4.0	6.1
	II	1.7R	5.9R	4.1	9.4	2.2	7.6R	3.6R	6.6R	6.4R	6.5

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED
P=PRELIMINARY

OCTOBER 27, 1978
SOURCE: BUREAU OF LABOR STATISTICS

TABLE 4. MANUFACTURING SECTOR: PRODUCTIVITY, 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 COST	
INDEXES 1967=100							
1977	I	123.7R	122.6	99.1R	205.6R	116.1R	166.3
	II	125.6R	126.6	100.7R	209.7R	115.9R	166.9
	III	127.6R	128.6	100.8R	214.3R	117.1R	168.0
	IV	127.5R	129.8	101.8R	218.9R	118.2R	171.7
	ANNUAL	126.1R	126.9	100.6R	212.2R	116.9R	168.3
1978	I	125.8R	129.7	103.1R	225.0R	119.2R	178.8
	II	128.4R	134.1R	104.5R	229.1R	118.3R	178.5R
	III	131.4P	136.9P	104.2P	234.9P	N.A. (13)	178.7P
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE (5)							
1977	I	-0.6	7.7	8.3	9.9	1.4R	10.5
	II	6.4R	13.7	6.8R	8.2R	-0.6R	1.6
	III	6.5R	6.6	0.1R	9.2R	3.9R	2.5R
	IV	-0.3	4.0	4.3	8.8	4.0R	9.1
	ANNUAL	2.3R	6.3	3.9R	8.8R	2.2R	6.3
1978	I	-5.1R	-0.5	4.9R	11.6R	3.5R	17.7
	II	8.3R	14.3R	5.6R	7.4R	-3.1R	-0.8R
	III	10.0P	8.7P	-1.2P	10.5P	N.A. (13)	0.5P
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR (6)							
1977	I	1.6R	4.0	2.4R	8.8R	2.8R	7.1
	II	1.9R	6.1	4.2R	8.3R	1.4R	6.2
	III	2.9R	7.1	4.1R	8.9R	2.1R	5.8
	IV	2.9R	7.9	4.8R	9.0R	2.2R	5.9
	ANNUAL	2.3R	6.3	3.9R	8.8R	2.2R	6.3
1978	I	1.8	5.8	4.0R	9.4R	2.7R	7.6
	II	2.2R	6.0R	3.7R	9.2R	2.0R	6.9R
	III	3.0P	6.5P	3.4P	9.6P	N.A. (13)	6.4P

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED
P=PRELIMINARY

OCTOBER 27, 1978
SOURCE: BUREAU OF LABOR STATISTICS

TABLE 5. Durable Manufacturing Sector: Productivity, Hourly Compensation, Unit Labor Cost, Seasonally Adjusted (11)

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 Cost
INDEXES 1967=100						
1977	I	117.8R	116.3	98.7R	207.0R	116.9R
	II	120.4R	121.0	100.6R	211.7R	117.0R
	III	121.8R	123.5	101.3R	216.3R	118.1R
	IV	121.5R	124.8	102.7R	221.4R	119.5R
	ANNUAL	120.4R	121.4	100.8R	214.2R	118.0R
1978	I	119.4R	124.4	104.2R	226.9R	120.2R
	II	122.6R	129.5R	105.7R	231.1R	119.3R
	III	125.5P	133.3P	106.2P	236.9P	N.A. (13)
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE (5)						
1977	I	-1.9	6.9	9.0R	11.1	2.6
	II	8.9R	17.1	7.6R	9.4R	0.5R
	III	5.0R	8.3	3.1R	9.0R	3.8R
	IV	-1.1R	4.5	5.7R	9.8R	4.9R
	ANNUAL	1.9R	7.1	5.2R	8.8R	2.2R
1978	I	-6.8R	-1.5	5.7R	10.4R	2.4R
	II	11.3R	17.7R	5.7R	7.5R	-3.0R
	III	9.6P	12.1P	2.3P	10.5P	N.A. (13)
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR (6)						
1977	I	1.1R	5.0	3.9R	8.2R	2.2R
	II	1.6R	6.9	5.2R	8.2R	1.3R
	III	2.0R	7.5	5.4R	9.0R	2.2R
	IV	2.6R	9.1	6.3R	9.8R	2.9R
	ANNUAL	1.9R	7.1	5.2R	8.8R	2.2R
1978	I	1.3R	6.9	5.5R	9.6R	2.9R
	II	1.9R	7.0R	5.1	9.2R	1.9
	III	3.0P	8.0P	4.8P	9.5P	N.A. (13)

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED
P=PRELIMINARY

OCTOBER 27, 1978
SOURCE: BUREAU OF LABOR STATISTICS

TABLE 6. NONDURABLE MANUFACTURING SECTOR: PRODUCTIVITY, HOURLY COMPENSATION, UNIT LABOR COST, SEASONALLY ADJUSTED(12)

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 COST
INDEXES 1967=100						
1977 I	133.1R	132.6	99.6R	203.4R	114.9R	152.8
II	134.2R	135.5	101.0R	206.4R	114.1	153.9
III	137.0	136.9	99.9	210.7	115.1	153.8
IV	137.3R	138.0	100.5R	214.1R	115.6R	155.9
ANNUAL	135.4	135.7	100.3	208.7	115.0	154.2
1978 I	136.4R	138.3	101.4R	221.0R	117.1R	162.1R
II	137.7R	141.5R	102.7R	224.9R	116.1R	163.3R
III	141.2P	142.8P	101.1P	230.0P	N.A.(13)	162.8P

PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)						
1977 I	1.3R	8.8	7.4	7.6	-0.7R	6.2
II	3.1R	9.0	5.7R	6.0	-2.6R	2.8
III	8.6R	4.1	-4.2R	8.5R	3.3R	-0.1
IV	1.0R	3.2	2.2R	6.7R	1.9R	5.6
ANNUAL	3.1	5.1	2.0	8.3	1.7	5.0
1978 I	-2.6R	1.1	3.7R	13.6R	5.4R	16.6
II	3.9R	9.4R	5.3R	7.2R	-3.3R	3.2R
III	10.6P	3.7P	-6.3P	9.3P	N.A.(13)	-1.2P

PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(6)						
1977 I	2.3	2.6	0.3	9.4	3.3	6.9
II	2.4	5.1	2.6	8.1	1.3	5.6
III	4.1R	6.6	2.4R	8.3R	1.5R	4.0
IV	3.5R	6.2	2.7R	7.2R	0.5R	3.6
ANNUAL	3.1	5.1	2.0	8.3	1.7	5.0
1978 I	2.5R	4.3	1.8R	8.7R	2.0R	6.0
II	2.6R	4.4R	1.7R	9.0R	1.8R	6.1R
III	3.1P	4.3P	1.1P	9.2P	N.A.(13)	5.9P

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED
P=PRELIMINARY

OCTOBER 27, 1978
SOURCE: BUREAU OF LABOR STATISTICS

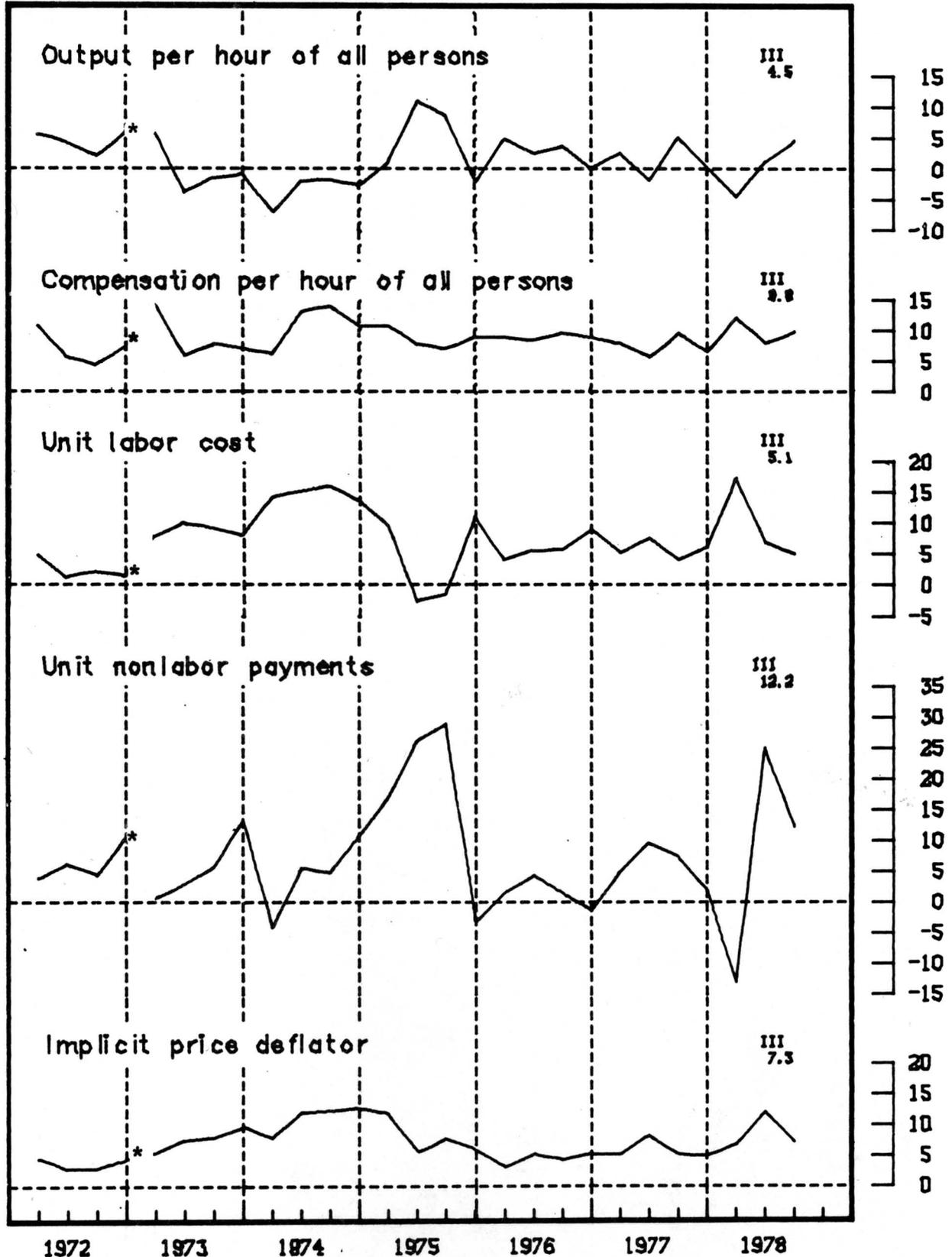
FOOTNOTES, TABLES 1-6

SOURCE: OUTPUT DATA FROM 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 INCLUDE AN ESTIMATE OF WAGES, SALARIES, AND SUPPLEMENTAL PAYMENTS FOR THE SELF-EMPLOYED.
- (2) COMPENSATION PER HOUR ADJUSTED FOR CHANGES IN THE CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS.
- (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 THE 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 COST INCLUDE DEPRECIATION, INTEREST, AND INDIRECT TAXES.
- (9) TOTAL UNIT COST IS THE SUM OF LABOR AND NONLABOR COSTS.
- (10) UNIT PROFITS INCLUDE CORPORATE PROFIT 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; 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; PRINTING AND PUBLISHING; CHEMICALS AND CHEMICAL PRODUCTS; PETROLEUM PRODUCTS; RUBBER AND PLASTIC PRODUCTS; FOODS; AND TOBACCO PRODUCTS.
- (13) SCHEDULING OF THE RELEASE OF THE NEW CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS (CPI-U) PRECLUDES THE USE OF REAL HOURLY COMPENSATION (HOURLY COMPENSATION ADJUSTED FOR QUARTERLY CHANGES IN THE CPI-U) WITH PRELIMINARY PRODUCTIVITY AND COST MEASURES. THESE WILL BE PUBLISHED TOGETHER WITH REVISED OUTPUT AND LABOR INPUT MEASURES WITH THE NEXT REGULAR EDITION OF PRODUCTIVITY AND COSTS, APPROXIMATELY 30 DAYS AFTER THE PRELIMINARY MEASURES.

Chart 1. Productivity, hourly compensation, unit costs and prices in the private business sector

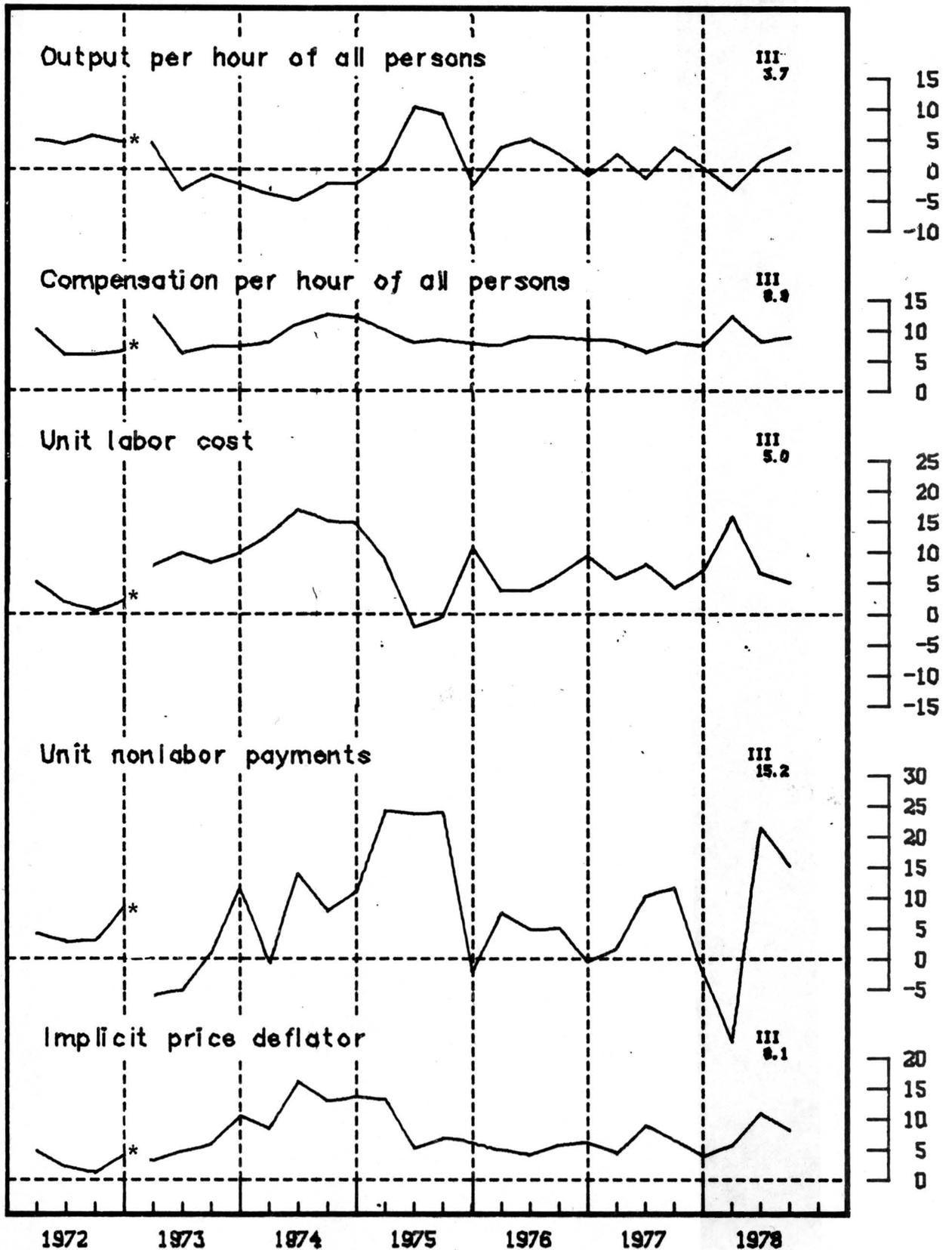
(percent change from preceding quarter at annual rate)



*Based on unrevised data

Chart 2. Productivity, hourly compensation, unit costs and prices in the nonfarm business sector

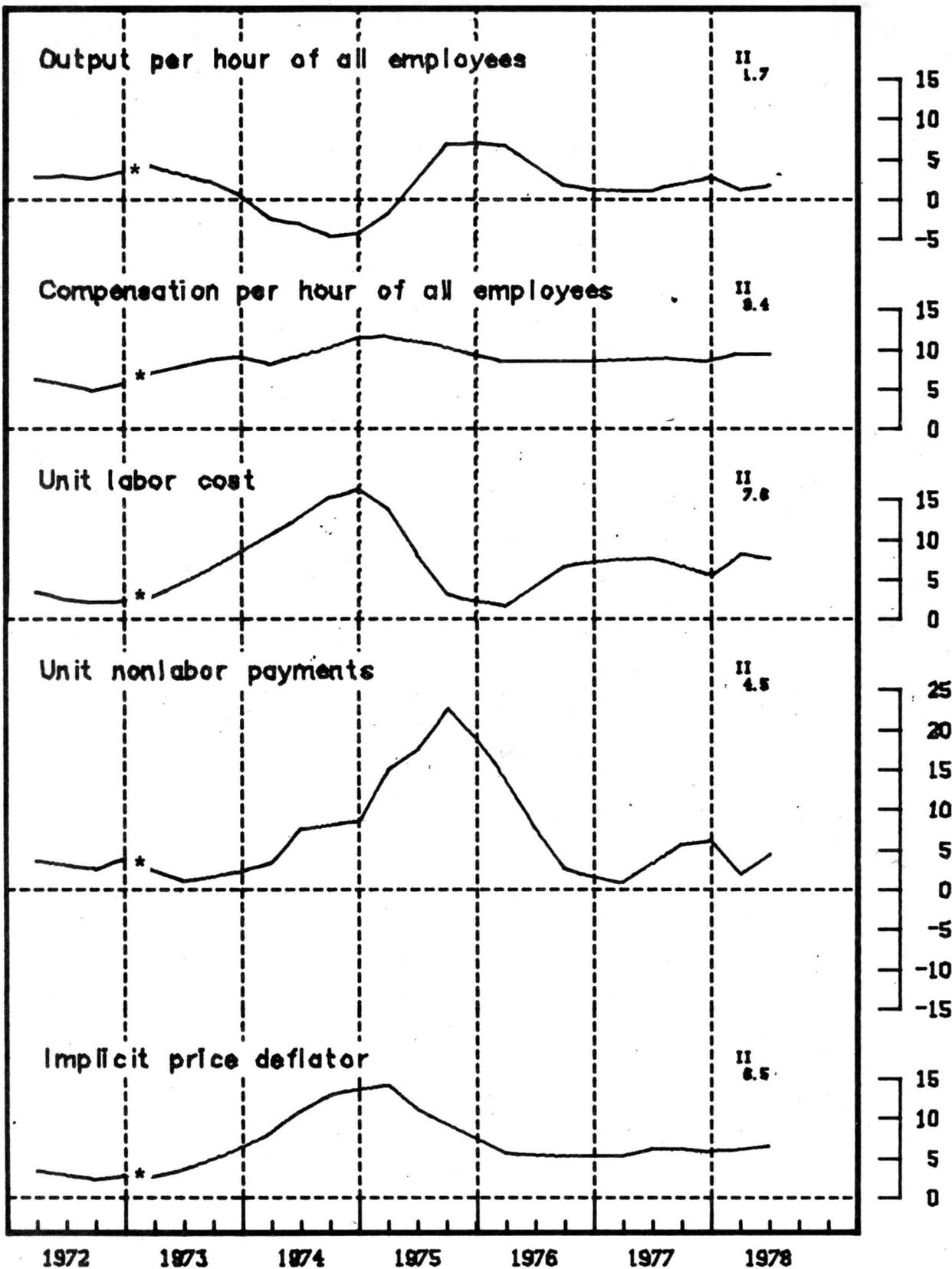
(percent change from preceding quarter at annual rate)



*Based on unrevised data

Chart 3. Productivity, hourly compensation, unit costs and prices in nonfinancial corporations

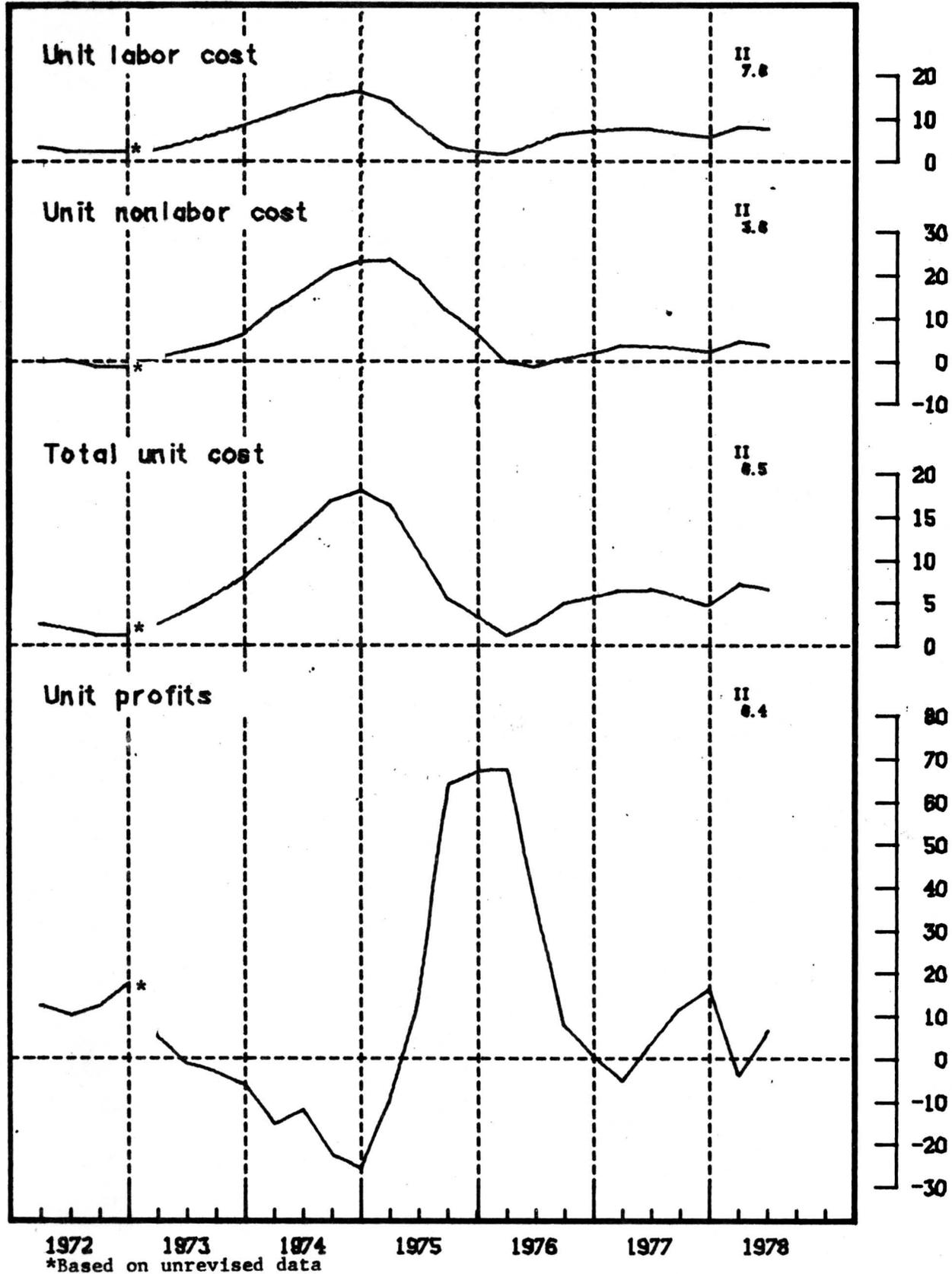
(percent change from same quarter a year ago)



*Based on unrevised data

Chart 4. Unit costs, unit profits, and prices in nonfinancial corporations

(percent change from same quarter a year ago)



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