

News

United States
Department
of Labor



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USDL 78-981
For Release: 10:00 A.M. E.S.T.
Wednesday, November 29, 1978

PRODUCTIVITY AND COSTS
Nonfinancial Corporate Sector
Third Quarter 1978

Productivity increased 1.3 percent at a seasonally adjusted annual rate in nonfinancial corporations in the third quarter, the Bureau of Labor Statistics of the U.S. Department of Labor reported today. During the second quarter, productivity increased 4.4 percent in this sector, which includes all corporations doing business in the United States with the exception of banks, stock and commodity brokers, and finance and insurance companies. The third quarter increase reflected a 1.5 percent increase in output and a 0.2 percent increase in hours of all employees. In the second quarter, output rose 15.2 percent and hours, 10.4 percent.

Revised third-quarter measures of productivity for the private business, nonfarm business, and manufacturing sectors were also released today. The revised measures show productivity increased 3.4 rather than 4.5 percent in the private business sector, 2.3 rather than 3.7 percent in the nonfarm business sector, and 10.4 rather than 10.0 percent in manufacturing. The third quarter measures of productivity and cost are summarized in table A; details appear in tables 1-6.

With this issue of Productivity and Costs, BLS completes the introduction of revised data for the private business and manufacturing sectors begun in the previous issue, USDL 78-883. The productivity and cost measures contained in this press release are based entirely on revised series which incorporate the 1972 Standard Industrial Classification (SIC), and the March 1977 benchmark for these sectors; revised data for the computation of measures for the nonfinancial corporate sector are also included here. Historical data for the nonfinancial corporate sector--to 1958--are currently being developed.

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>						
Nonfinancial corporations	1.3	9.5	8.1	0.8	1.5	0.2
<u>REVISED</u>						
Private business	3.4	10.4	6.7	1.6	2.9	-0.5
Nonfarm business	2.3	9.5	7.1	0.9	2.0	-0.3
Manufacturing	10.4	10.6	0.2	1.9	9.2	-1.1
Durable	10.0	10.5	0.5	1.8	12.5	2.3
Nondurable	11.2	9.7	-1.3	1.0	4.3	-6.2
Third Quarter 1977 to Third Quarter 1978						
<u>PRELIMINARY</u>						
Nonfinancial corporations	0.7	9.4	8.7	1.3	4.9	4.2
<u>REVISED</u>						
Private business	0.1	9.3	9.2	1.2	4.1	4.0
Nonfarm business	0.3	9.4	9.0	1.3	4.4	4.0
Manufacturing	3.1	9.6	6.3	1.5	6.6	3.4
Durable	3.1	9.5	6.3	1.4	8.1	4.9
Nondurable	3.2	9.3	5.8	1.2	4.5	1.2

Compensation and costs

Hourly compensation, which includes wages, salaries, and employer contributions to employee benefit plans and taxes, increased 9.5 percent in the third quarter. Real hourly compensation--compensation per hour adjusted for changes in the Consumer Price Index for All Urban Consumers--increased 0.8 percent, compared with a 2.3 percent decline in the second quarter. Unit labor cost, which is influenced by changes in productivity and hourly compensation, increased 8.1 percent in the third quarter, compared with a 3.8 percent increase during the second quarter (annual rates). During the first quarter, these costs rose 15.3 percent, reflecting a 12.5 percent rise in hourly compensation and a 2.5 percent drop in productivity.

Third-quarter measures of real hourly compensation, not available for the private business, nonfarm business, and manufacturing sectors in time for inclusion in the last issue of Productivity and Cost, are now available. In the private business sector, real hourly compensation increased 1.6 percent in the third quarter, compared with a 2.5 percent decline during the second quarter (annual rates). In the nonfarm business sector, real hourly compensation rose at a 0.9 percent annual rate, after posting a 2.4 percent decline one quarter earlier. In manufacturing, the increase in real hourly compensation was 1.9 percent in the third quarter, after declining 3.1 percent in the second quarter.

Unit profits rose 9.9 percent (annual rate) during the third quarter in the nonfinancial corporate sector, compared with a 123.6 percent increase in the second quarter. In the third quarter, the index of unit profits surpassed the previous peak (set in the third quarter of 1977). Aggregate profits (in contrast to unit profits) surpassed their previous peak during the second quarter of 1978.

The implicit price deflator, which shows the effect of changes in labor cost and nonlabor payments combined, increased 7.9 percent in the third quarter, compared with a 10.2 percent increase during the second quarter. The implicit price deflator--and its components--are shown in table B from 1973 forward.

Revised measures

Revised third-quarter productivity and cost movements for the private business, nonfarm business, and manufacturing sectors were also released today. Incorporating the most recent measures of output and hours for these sectors, the revised series show somewhat

Table B.
Indexes of Price, Cost and Profits
Nonfinancial Corporations
(1967=100)

Measure	1973	1974	1975	1976	1977				1978		
					I	II	III	IV	I	II	III
Implicit price deflator	125.8	140.2	154.9	163.2	168.4	171.8	174.5	176.3	178.6	183.0	186.5
Total unit cost	132.8	152.6	165.9	172.0	178.8	180.8	182.5	185.6	191.5	192.6	196.2
Unit labor cost	130.7	148.8	158.6	166.5	174.3	176.8	178.5	181.9	188.5	190.2	194.0
Unit nonlabor cost	139.2	164.4	188.5	188.8	192.6	193.1	195.0	197.1	201.1	200.1	203.3
Unit profits	85.6	69.5	91.8	112.7	108.8	120.1	128.3	122.9	104.5	127.8	130.8

smaller gains in productivity--and larger increases in hourly compensation and unit labor cost--than were previously reported for the private business and nonfarm business sectors, based on preliminary data. Table C shows the preliminary and revised measures.

Table C
 Preliminary and Revised Third Quarter Measures of Productivity and Costs
 Quarterly Change at Annual Rate
 (Seasonally Adjusted)

Measure	Private Business Sector		Nonfarm Business Sector		Manufacturing	
	Preliminary	Revised	Preliminary	Revised	Preliminary	Revised
Output per hour of all persons	4.5	3.4	3.7	2.3	10.0	10.4
Compensation per hour	9.8	10.4	8.9	9.5	10.5	10.6
Unit labor cost	5.1	6.7	5.0	7.1	0.5	0.2
Real compensation per hour	N.A.	1.6	N.A.	0.9	N.A.	1.9
Output	3.8	2.9	3.3	2.0	8.7	9.2
Hours	-0.6	-0.5	-0.4	-0.3	-1.2	-1.1

"Productivity Indexes for Selected Industries, 1978 Edition," BLS Bulletin 2002, has been prepared by the Division of Industry Productivity Studies and is now available. This 247-page bulletin contains annual indexes of output per employee hour, output, and employee hours for about 75 industries in the nonfarm sector. The indexes are available for most industries through 1977. BLS Bulletin 2002 can be ordered from the Superintendent of Documents, U. S. Government Printing Office, Washington, D. C. 20402 (Stock No. 029-001-00241-7), GPO Bookstores, or BLS Regional Offices listed below. The price is \$4.50. Make checks or money orders payable to the Superintendent of Documents.

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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	COMPENSA- TION PER HOUR (1)	REAL COMPENSA- TION PER HOUR (2)	UNIT LABOR COST	UNIT NON- LABOR PAY- MENTS (3)	IMPLICIT PRICE DEFLATOR
INDEXES 1967=100								
1977	I	117.9	130.5	110.7	207.5	117.2	176.0	170.6
	II	117.4	132.5	112.9	210.5R	116.4	179.3	174.0
	III	118.9	134.2	112.9	215.3	117.6	181.1	176.3
	IV	119.0	135.5	113.9	218.8	118.2R	183.9	178.4
	ANNUAL	118.2	133.2	112.6R	213.0	117.4	180.2	174.9
1978	I	117.6	135.3	115.0	225.2R	119.3	191.4	181.3
	II	118.0	138.7	117.6	229.6	118.6R	194.6	186.6
	III	119.0R	139.7R	117.4	235.3R	119.0	197.8R	190.0R
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE (5)								
1977	I	2.5	9.3	6.6	7.9	-0.3	5.3	5.2
	II	-1.7	6.5	8.3	5.8	-2.7	7.6	8.2
	III	5.1	5.0	-0.1	9.5	4.3	4.2	5.2
	IV	0.4	4.0	3.7	6.7	1.9	6.3	4.9
	ANNUAL	1.6	5.3	3.7	8.1	1.6	6.4	5.7
1978	I	-4.5	-0.6	4.0	12.1	4.0	17.4	6.7
	II	1.2	10.5	9.2	8.1	-2.5	6.8	12.1
	III	3.4R	2.9R	-0.5R	10.4R	1.6	6.7R	7.7R
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR (6)								
1977	I	2.2	4.4	2.2	8.7	2.7	6.4	5.0
	II	1.1	5.0	3.9	8.1	1.2	6.9	5.8
	III	1.5	5.6	4.0	8.0	1.3	6.5	6.0
	IV	1.5	6.2	4.6	7.5	0.7	5.8	5.9
	ANNUAL	1.6	5.3	3.7	8.1	1.6	6.4	5.7
1978	I	-0.2	3.7	3.9	8.5	1.8	8.8	6.3
	II	0.7	4.6	4.1	9.1	1.9	8.5	7.2
	III	1.1R	4.1R	4.0	9.3R	1.2	9.2R	7.8R

SEE FOOTNOTES FOLLOWING TABLE.
 REVISED
 REFLECTS ADJUSTMENTS

NOVEMBER 29, 1978
 SOURCE: BUREAU OF LABOR STATISTICS

TABLE 2. NONFARM BUSINESS SECTOR, ALL PERSONS: PRODUCTIVITY,
EMPLOY 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	115.6	131.0	113.3R	203.9	115.1	176.4	157.7R	170.0
	II	115.2	133.0	115.5	207.1	114.5	179.8	161.7	173.6
	III	116.2	134.6	115.8R	211.2	115.3	181.7	166.1	176.4
	IV	116.4	135.8	116.7	215.1	116.2R	184.8	165.1	178.1
	ANNUAL	115.8	133.6	115.4	209.3	115.3	180.8R	162.6R	174.6
1978	I	115.5	136.1	117.8	221.4	117.3	191.7	159.2	180.6
	II	116.0P	139.8	120.6	225.8	116.6	194.7	167.1	185.3
	III	116.6R	140.5R	120.5	231.0R	116.9	198.1R	171.7R	189.1R
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE (5)									
1977	I	2.4	9.4	6.8	8.3	-0.0	5.8	1.5	4.4
	II	-1.4	6.2	7.7	6.5	-2.1	8.0	10.3	8.7
	III	3.7	5.0	1.3	8.1	2.9	4.2	11.5	6.5
	IV	0.5	3.5	3.0	7.6	2.8	7.1	-2.4	4.0
	ANNUAL	1.3	5.2	3.9	8.1	1.5	6.7	4.3	5.9
1978	I	-3.1	0.7	3.9	12.2	4.0	15.7	-13.5	5.8
	II	1.7	11.6	9.8	8.2	-2.4	6.4	21.3	10.8
	III	2.3R	2.0R	-0.3R	9.5R	0.9	7.1R	11.6R	8.5R
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR (6)									
1977	I	2.3	4.7	2.3	8.7	2.7	6.3	2.7	5.1
	II	0.7	4.8	4.1	8.1	1.2	7.3	4.0	6.2
	III	0.9	5.4	4.4	7.8	1.1	6.8	5.5	6.4
	IV	1.3	6.0	4.7	7.6	0.9	6.3	5.0	5.9
	ANNUAL	1.3	5.2	3.9	8.1	1.5	6.7	4.3	5.9
1978	I	-0.1	3.8	3.9	8.6	1.9	8.7	0.9	6.2
	II	0.7	5.2	4.5	9.0	1.8	8.3	3.4	6.7
	III	0.3R	4.4R	4.0	9.4R	1.3	9.0R	3.4R	7.2R

SEE FOOTNOTES FOLLOWING TABLE 2.
R=REVISED
P=PRELIMINARY

NOVEMBER 29, 1978
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	EMPLOYEE HOURS	HOURLY COMPEN- TION (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											
1977	I	116.0R	137.5	118.5R	202.2R	114.1R	174.3	192.6	178.8	108.8	168.4
	II	116.5R	140.5	120.7R	205.9R	113.9R	176.8	193.1	180.8	120.1	171.8
	III	117.7R	142.3	120.9R	210.2R	114.8R	178.5	195.0	182.5	128.3	174.5
	IV	117.6R	143.6	122.1R	213.8R	115.5R	181.9	197.1	185.6	122.9	176.3
	ANNUAL	116.9R	141.0	120.6R	208.0R	114.6R	177.9	194.5	182.0	120.2	172.8
1978	I	116.9R	143.6	122.9R	220.2R	116.7R	188.5	201.1	191.5	104.5	178.6
	II	118.1R	148.8	126.0R	224.7R	116.0R	190.2	200.1	192.6	127.8	183.0
	III	118.5P	149.3P	126.0P	229.8P	116.3P	194.0P	203.3P	196.2P	130.8P	186.5P
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)											
1977	I	1.7R	9.9	8.1R	6.8R	-1.4R	5.0	-0.7	3.5	12.9	4.3
	II	1.7R	9.2	7.4R	7.7R	-1.0R	5.8	1.0	4.6	48.2	8.3
	III	4.4R	5.2	0.7R	8.5R	3.3R	3.9	3.9	3.9	30.4	6.4
	IV	-0.5R	3.6	4.2R	7.2R	2.4R	7.7	4.3	6.8	-15.8	4.2
	ANNUAL	1.2R	5.4	4.2R	8.1R	1.6R	6.8	3.0	5.8	6.6	5.9
1978	I	-2.5R	-0.0	2.5R	12.5R	4.3R	15.3	8.5	13.6	-47.8	5.5
	II	4.4R	15.2	10.4R	8.3R	-2.3R	3.8	-2.0	2.3	123.7	10.2
	III	1.3P	1.5P	0.2P	9.5P	0.8P	8.1P	6.5P	7.7P	9.9P	7.9P
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(6)											
1977	I	0.9R	3.9	2.9R	8.5R	2.5R	7.5	3.5	6.4	-5.3	5.2
	II	0.6R	4.8	4.2R	8.3R	1.4R	7.6	3.3	6.5	3.9	6.2
	III	1.3R	5.9	4.5R	8.0R	1.3R	6.6	3.0	5.6	11.9	6.3
	IV	1.4R	7.0	5.0R	7.5R	0.8R	5.6	2.1	4.7	16.4	5.8
	ANNUAL	1.2R	5.4	4.2R	8.1R	1.6R	6.8	3.0	5.8	6.6	5.9
1978	I	0.8R	4.5	3.7R	8.9R	2.2R	8.1	4.4	7.1	-4.0	6.1
	II	1.4R	5.9	4.4R	9.1R	1.9R	7.6	3.6	6.6	6.4	6.5
	III	0.7P	4.9P	4.2P	9.4P	1.3P	8.7P	4.3P	7.5P	1.9P	6.9P

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED

P=PRELIMINARY

NOVEMBER 29, 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	123.7	122.6	99.1	205.6	116.1	166.3
	II	125.6	126.6	100.7	209.7	116.0R	166.9
	III	127.6	128.6	100.8	214.4R	117.1	168.0
	IV	127.5	129.8	101.8	218.9	118.2	171.7
	ANNUAL	126.1	126.9	100.6	212.2	116.9	168.3
1978	I	125.9R	129.7	103.1	225.0	119.2	178.8
	II	128.4	134.1	104.5	229.1	118.3	178.5
	III	131.6R	137.1R	104.2	235.0R	118.8	178.6R
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE (5)							
1977	I	-0.6	7.7	8.3	9.9	1.4	10.5
	II	6.4	13.7	6.8	8.2	-0.6	1.6
	III	6.5	6.6	0.1	9.2	3.9	2.5
	IV	-0.3	4.0	4.3	8.8	4.0	9.1
	ANNUAL	2.3	6.3	3.9	8.8	2.2	6.3
1978	I	-5.1	-0.5	4.9	11.6	3.5	17.7
	II	8.3	14.3	5.6	7.4	-3.1	-0.8
	III	10.4R	9.2R	-1.1R	10.6R	1.9R	0.2R
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR (6)							
1977	I	1.6	4.0	2.4	8.8	2.8	7.1
	II	1.9	6.1	4.2	8.3	1.4	6.2
	III	2.9	7.1	4.1	8.9	2.1	5.8
	IV	2.9	7.9	4.8	9.0	2.2	5.9
	ANNUAL	2.3	6.3	3.9	8.8	2.2	6.3
1978	I	1.8	5.8	4.0	9.4	2.7	7.6
	II	2.2	6.0	3.7	9.2	2.0	6.9
	III	3.1R	6.6R	3.4	9.6	1.5	6.3R

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED

P=PRELIMINARY

NOVEMBER 29, 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	COMPENSA- TION PER HOUR (1)	REAL COMPENSA- TION PER HOUR (2)	UNIT LABOR COST	
INDEXES 1967=100							
1977	I	117.9R	116.3	98.7	207.1R	116.9	175.7
	II	120.4	121.0	100.5R	211.8R	117.1R	175.9
	III	121.9R	123.5	101.3	216.4R	118.2R	177.5
	IV	121.6R	124.8	102.7	221.5R	119.6R	182.2
	ANNUAL	120.5R	121.4	100.8	214.3R	118.0	177.9
1978	I	119.4	124.4	104.1R	227.0R	120.3R	190.1
	II	122.7R	129.5	105.6	231.2R	119.4R	188.4
	III	125.6R	133.4R	106.2	237.0R	119.9	188.7R
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE (5)							
1977	I	-1.9	6.9	9.0	11.1	2.6	13.2
	II	8.9	17.1	7.6	9.4	0.5	0.5
	III	5.0	8.3	3.1	9.0	3.8	3.8
	IV	-1.1	4.5	5.7	9.8	4.9	11.0
	ANNUAL	1.9	7.1	5.2	8.8	2.2	6.8
1978	I	-6.8	-1.5	5.7	10.4	2.4	18.5
	II	11.3	17.7	5.7	7.5	-3.0	-3.4
	III	10.0R	12.5R	2.3	10.5	1.8R	0.5R
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR (6)							
1977	I	1.1	5.0	3.9	8.2	2.2	7.0
	II	1.6	6.9	5.2	8.2	1.3	6.5
	III	2.0	7.5	5.4	9.0	2.2	6.8
	IV	2.6	9.1	6.3	9.8	2.9	7.0
	ANNUAL	1.9	7.1	5.2	8.8	2.2	6.8
1978	I	1.3	6.9	5.5	9.6	2.9	8.2
	II	1.9	7.0	5.1	9.2	1.9	7.1
	III	3.1R	8.1R	4.9R	9.5	1.4R	6.3R

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

NOVEMBER 29, 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	133.1	132.6	99.7R	203.4	114.8R	152.8
	II	134.1R	135.5	101.0	206.3R	114.1	153.9
	III	136.9R	136.9	100.0R	210.6R	115.0R	153.8
	IV	137.3	138.0	100.5	214.0R	115.6	155.9
	ANNUAL	135.3R	135.7	100.3	208.6R	115.0	154.2
1978	I	136.4	138.3	101.4	221.0	117.1	162.1
	II	137.7	141.5	102.8R	224.8R	116.1	163.3
	III	141.4R	143.0R	101.1	230.1R	116.4R	162.8
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)							
1977	I	1.3	8.8	7.4	7.6	-0.7	6.2
	II	3.1	9.0	5.7	6.0	-2.6	2.8
	III	8.6	4.1	-4.2	8.5	3.3	-0.1
	IV	1.0	3.2	2.2	6.7	1.9	5.6
	ANNUAL	3.1	5.1	2.0	8.3	1.7	5.0
1978	I	-2.6	1.1	3.8R	13.6	5.3R	16.6
	II	3.9	9.4	5.3	7.2	-3.3	3.2
	III	11.2R	4.3R	-6.2R	9.7R	1.0R	-1.3R
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	4.1	6.6	2.4	8.3	1.5	4.0
	IV	3.5	6.2	2.7	7.2	0.5	3.6
	ANNUAL	3.1	5.1	2.0	8.3	1.7	5.0
1978	I	2.5	4.3	1.8	8.7	2.0	6.0
	II	2.6	4.4	1.7	9.0	1.8	6.1
	III	3.2R	4.5R	1.2R	9.3R	1.2R	5.8R

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

NOVEMBER 29, 1978
SOURCE: BUREAU OF LABOR STATISTICS

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)

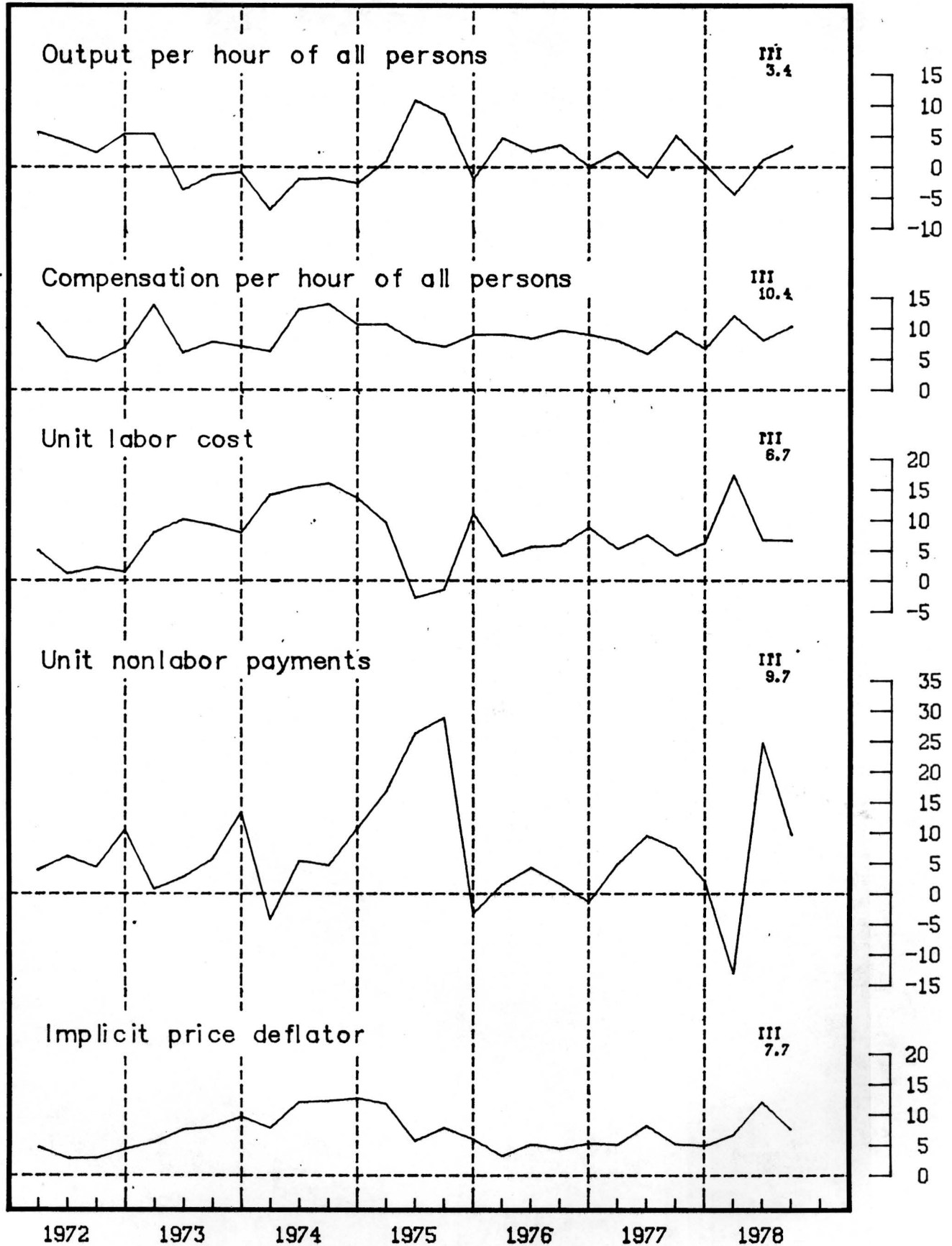


Chart 2. Productivity, hourly compensation, unit costs and prices in the nonfarm business sector

(percent change from preceding quarter at annual rate)

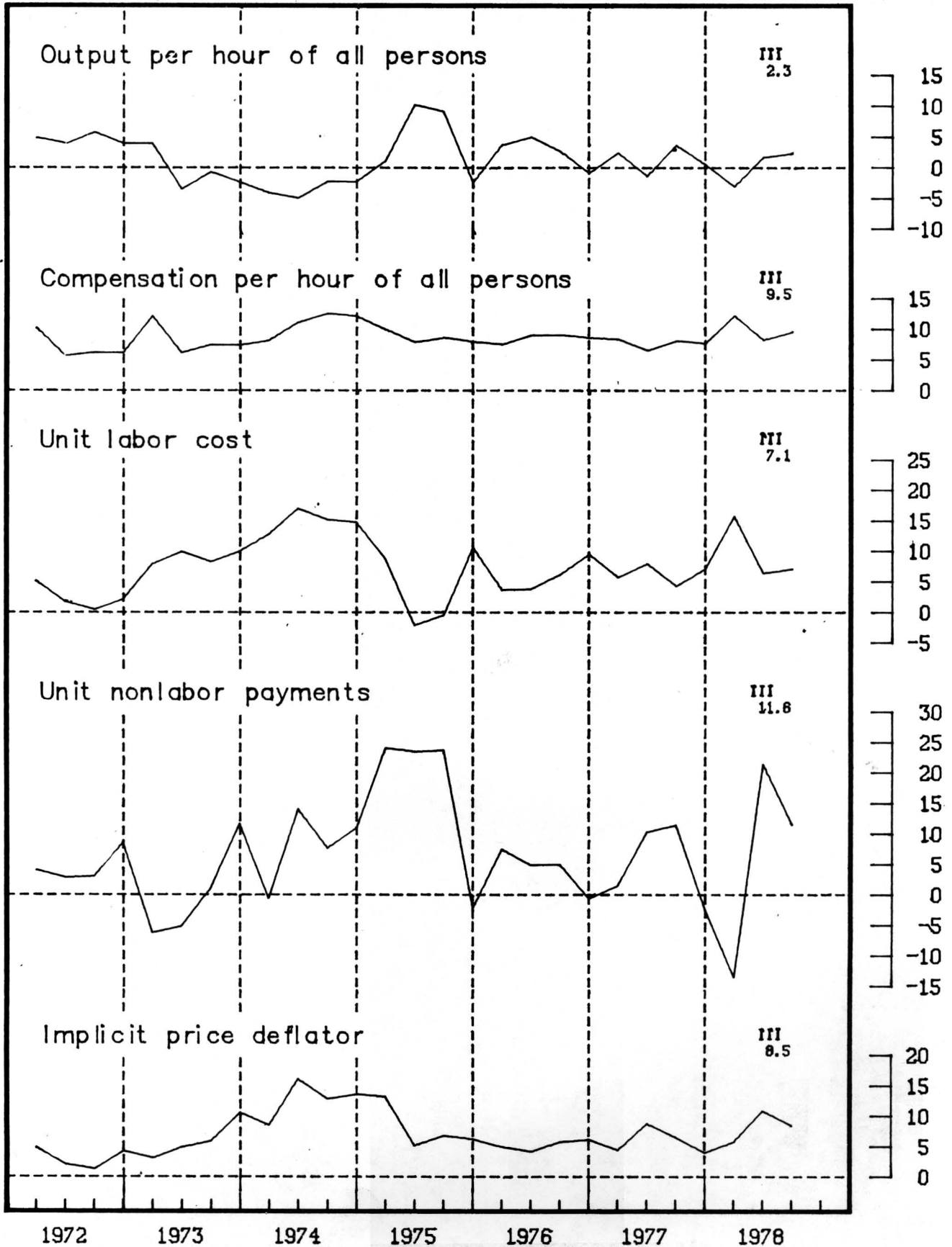
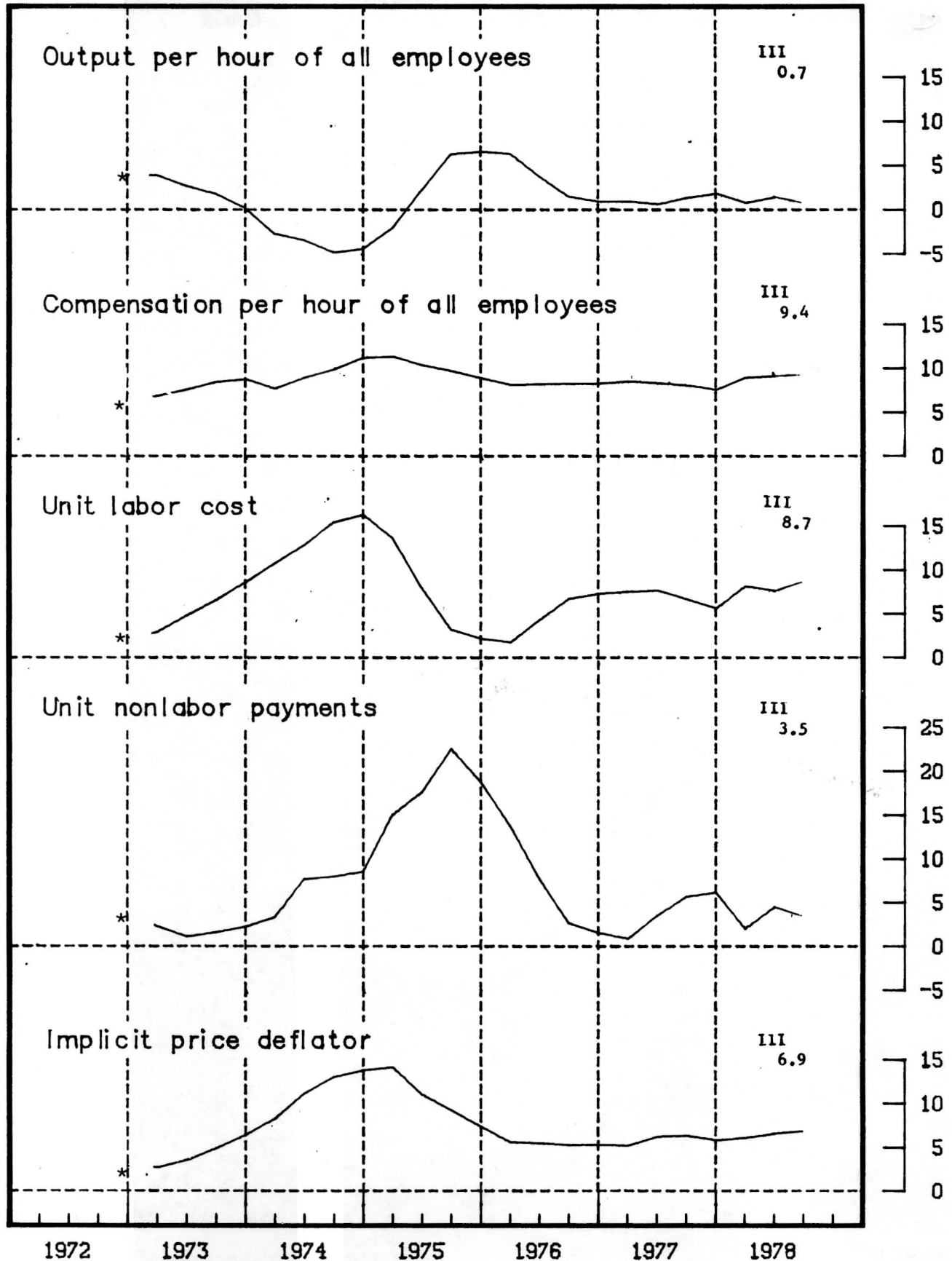


Chart 3. Productivity, hourly compensation, unit costs and prices in nonfinancial corporations

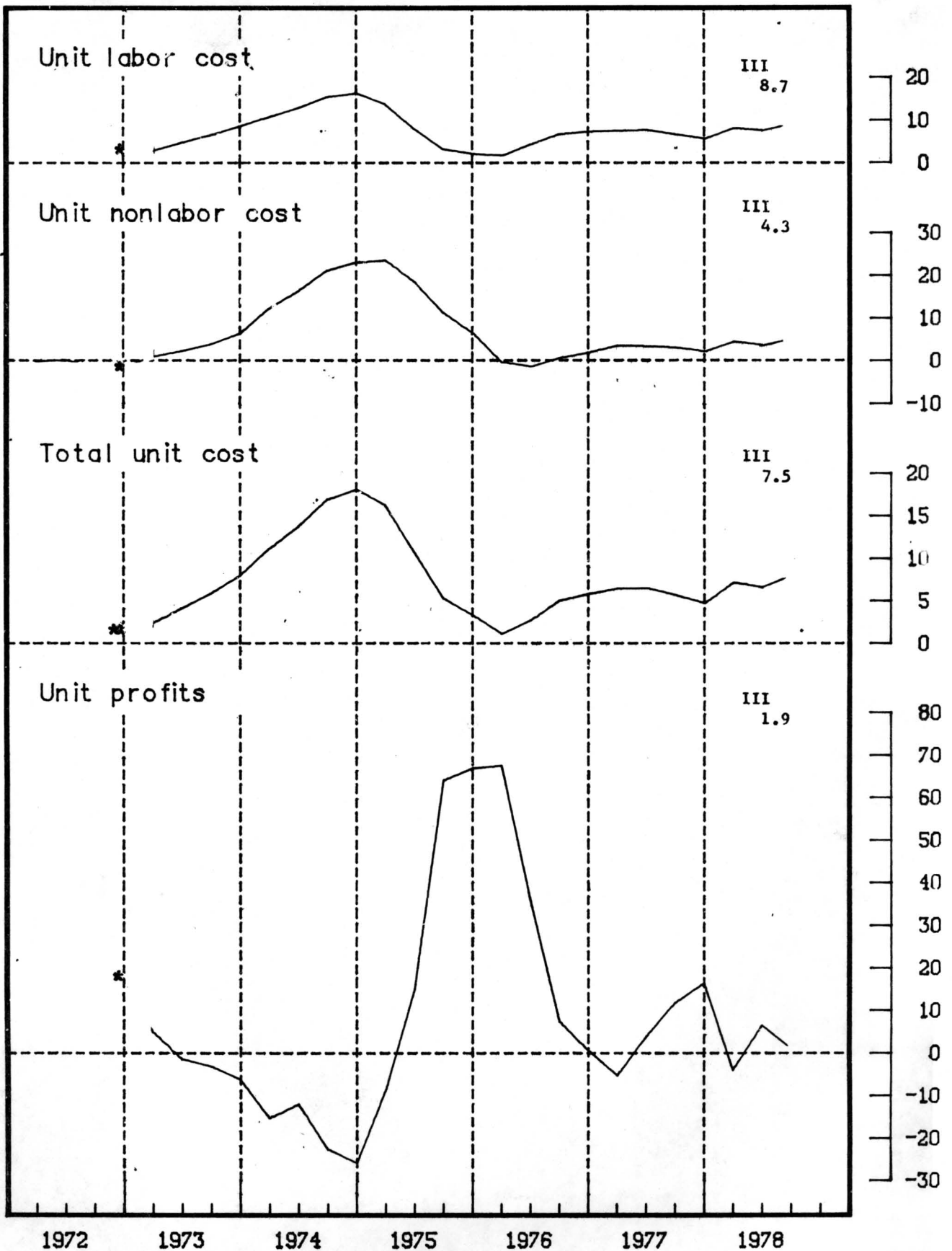
(percent change from same quarter a year ago)



* Data prior to 1972 are unrevised

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

(percent change from same quarter a year ago)



* Data prior to 1972 are unrevised