

News

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Lawrence Fulco (202) 523-9261
Kathryn Hoyle (202) 523-1913

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PRODUCTIVITY AND COSTS

Nonfinancial Corporate Sector Annual Data for 1978

Productivity in nonfinancial corporations increased 1.1 percent in 1978, according to preliminary data announced today by the Bureau of Labor Statistics of the U.S. Department of Labor. The rise reflected a 5.4 percent increase in output and a 4.2 percent rise in employee-hours. In 1977, productivity increased 1.2 percent. The nonfinancial corporate 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, accounts for about 68 percent of private business hours. A summary of annual movements in this sector appears in table A; further information is contained in table 3. Revised fourth quarter productivity and cost measures for the private business, nonfarm business, and manufacturing sectors were also announced today; a summary appears in table B and details in tables 1, 2, and 4-6.

Compensation and labor cost for nonfinancial corporations

Hourly compensation increased 9.3 percent in 1978 for all employees in the nonfinancial corporate sector, compared with an 8.1 percent increase during 1977. This measure, which includes the hourly cost to employers of wages and salaries as well as all fringe benefits and employer payments for employee benefit plans, posted the biggest gain since 1975. Unit labor cost, which reflects the interaction of changes in productivity and hourly compensation, increased 8.1 percent in 1978, the largest gain since 1974. During 1977, these costs gained 6.8 percent. The fast rise in these costs

Table A. Productivity and costs in nonfinancial corporations
Percent change from previous year

Measure	1974	1975	1976	1977	1978p
Output per all-employee hour	-3.8	3.1	3.1	1.2	1.1
Hourly compensation	9.4	9.9	8.3	8.1	9.3
Unit labor cost	13.8	6.6	5.0	6.8	8.1
Real hourly compensation	-1.4	0.7	2.4	1.6	1.5
Output	-3.5	-2.2	7.3	5.4	5.4
Hours	0.3	-5.1	-4.1	4.2	4.2
Unit nonlabor payments	6.8	18.7	6.0	4.1	4.1
Unit profits	-18.8	32.2	22.7	6.6	4.6

p=preliminary

coincided with the slowest rate of increase in productivity since 1974 and the acceleration of hourly compensation.

Real hourly compensation--hourly compensation adjusted for changes in the Consumer Price Index for All Urban Consumers (CPI-U)--rose 1.5 percent in 1978, compared with a 1.6 percent increase in 1977. Real hourly compensation rose more slowly--in spite of the faster gains in hourly compensation--because of a faster increase in the CPI-U.

Unit nonlabor cost, which includes capital consumption allowances, net interest, and indirect business taxes, increased 3.9 percent in 1978, compared with a 3.0 percent rise in 1977. Unit nonlabor payments (unit nonlabor cost plus unit profits) increased 4.1 percent in 1978, matching the increase of 1977.

Profits and prices for nonfinancial corporations

Profits per unit of output increased 4.6 percent in 1978, reflecting a 10.3 percent increase in profits and a 5.4 percent increase in output. In 1977, unit profits rose 6.6 percent. The increase in 1978 was the smallest annual gain since 1974.

The implicit price deflator--which reflects changes in unit labor cost, unit nonlabor cost, and unit profits--increased 6.8 percent in 1978, the largest rise in the deflator since 1975. A year ago, prices rose 5.9

Table B. Productivity and costs: percent change at annual rate
(Seasonally adjusted)

Sector	Productivity	Hourly Compensation	Unit Labor Cost	Real Hourly Compensation	Output	Hours
Third Quarter 1978 to Fourth Quarter 1978 Revised						
Private business	2.1	8.6	6.4	0.2	7.5	5.3
Nonfarm business	2.3	9.0	6.5	0.6	7.5	5.1
Manufacturing	1.8	9.7	7.7	1.2	7.8	5.9
Durable	0.1	10.3	10.1	1.7	8.9	8.8
Nondurable	4.5	7.6	3.0	-0.8	6.1	1.6
Fourth Quarter 1977 to Fourth Quarter 1978 Revised						
Private business	0.5	9.8	9.2	0.8	5.0	4.4
Nonfarm business	0.8	9.7	8.9	0.7	5.4	4.6
Manufacturing	3.7	9.8	5.9	0.8	7.7	3.8
Durable	3.4	9.7	6.0	0.7	9.2	5.6
Nondurable	4.3	9.5	5.0	0.5	5.3	1.0

percent in this sector. Table C shows the implicit price deflator and its components from 1969 forward.

Hours of all employees increased 4.2 percent in 1978, matching the rise of 1977. However, the gain in employment in 1978--4.5 percent--was a little larger than the employment gain a year earlier--4.4 percent. Average weekly hours declined 0.3 percent in both 1977 and 1978.

Revised fourth quarter measures for the business sector

The Bureau of Labor Statistics also released revised fourth quarter measures today for the business and manufacturing sectors. Reflecting the revised output and compensation measures prepared by the Bureau of Economic Analysis of the U.S. Department of Commerce and one additional month's data on employment and average weekly hours prepared by the BLS, revised productivity and cost measures show productivity increased 2.1 percent in the fourth quarter in the private business sector and 2.3 percent in the nonfarm business sector. These measures were the same as those published on January 26, based on preliminary data. In manufacturing, the revised measure shows a 1.8 percent productivity gain in the fourth quarter; previously, this increase was reported as 0.8 percent. Table D contains a comparison of the preliminary and revised fourth quarter measures of productivity and costs.

Table C. Indexes of prices, costs, and profits, nonfinancial corporations (1967=100)

Measure	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978p
Implicit price deflator	107.5	112.5	117.2	120.5	125.8	140.2	154.9	163.2	172.8	184.5
Total unit cost	110.8	119.9	124.3	126.3	132.8	152.6	165.9	172.0	182.0	194.7
Unit labor cost	109.9	117.4	120.6	123.7	130.7	148.8	158.6	166.5	177.9	192.3
Unit non-labor cost	113.3	127.8	135.6	134.6	139.2	164.4	188.5	188.8	194.5	202.1
Unit profits	88.8	69.8	76.9	87.1	85.6	69.5	91.8	112.7	120.2	125.7

P=Preliminary

Table D. Preliminary and revised measures, fourth quarter, 1978
Percent change from previous quarter at annual rate
(Seasonally adjusted)

Private business sector	Preliminary	Revised
Output per hour of all persons	2.1	2.1
Compensation per hour	8.7	8.6
Unit labor cost	6.5	6.4
Real compensation per hour	0.3	0.2
Output	7.1	7.5
Hours	5.0	5.3
Nonfarm business sector		
Output per hour of all persons	2.3	2.3
Compensation per hour	9.1	9.0
Unit labor cost	6.7	6.5
Real compensation per hour	0.6	0.6
Output	7.1	7.5
Hours	4.7	5.1
Manufacturing		
Output per hour of all persons	0.8	1.8
Compensation per hour	9.0	9.7
Unit labor cost	8.1	7.7
Real compensation per hour	0.6	1.2
Output	7.4	7.8
Hours	6.5	5.9
Durable		
Output per hour of all persons	-1.2	0.1
Compensation per hour	9.2	10.3
Unit labor cost	10.5	10.1
Real compensation per hour	0.8	1.7
Output	8.4	8.9
Hours	9.7	8.8
Nondurable		
Output per hour of all persons	4.2	4.5
Compensation per hour	7.6	7.6
Unit labor cost	3.3	3.0
Real compensation per hour	-0.7	-0.8
Output	5.9	6.1
Hours	1.7	1.6

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	160.3	170.6
II	117.4	132.5	112.9	210.5	116.4	179.3	164.0	174.0
III	118.9	134.2	112.9	215.3	117.6	181.1	167.0	176.3
IV	119.0	135.5	113.9	218.8	118.2	183.9	167.8	178.4
ANNUAL	118.2	133.2	112.6	213.0	117.4	180.2	164.7	174.9
1978 I	117.6	135.3	115.0	225.2	119.3	191.4	162.1	181.3
II	118.0	138.7	117.6	229.6	118.6	194.6	171.3	186.6
III	119.0	139.7	117.4	235.4	119.0	197.8	174.9	189.9
IV	119.6	142.3R	118.9	240.3	119.1	200.8R	179.5R	193.5R
ANNUAL	118.6R	139.0	117.2R	232.7R	119.1R	196.3	172.0R	187.9
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE (5)								
1977 I	2.5	9.3	6.6	7.9	-0.3	5.3	4.9	5.2
II	-1.7	6.5	8.3	5.8	-2.7	7.6	9.5	8.2
III	5.1	5.0	-0.1	9.5	4.3	4.2	7.4	5.2
IV	0.4	4.0	3.7	6.7	1.9	6.3	2.0	4.9
ANNUAL	1.6	5.3	3.7	8.1	1.6	6.4	4.2	5.7
1978 I	-4.5	-0.6	4.0	12.1	4.0	17.4	-13.1	6.7
II	1.2	10.5	9.2	8.1	-2.5	6.8	24.8	12.1
III	3.5	3.0	-0.4	10.4	1.7	6.7	8.8	7.3
IV	2.1	7.5R	5.3R	8.6R	0.2R	6.4R	10.8R	7.8R
ANNUAL	0.3R	4.4	4.1R	9.2R	1.5R	8.9	4.4R	7.5
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	1.1	5.0	3.9	8.1	1.2	6.9	3.6	5.8
III	1.5	5.6	4.0	8.0	1.3	6.5	5.0	6.0
IV	1.5	6.2	4.6	7.5	0.7	5.8	5.9	5.9
ANNUAL	1.6	5.3	3.7	8.1	1.6	6.4	4.2	5.7
1978 I	-0.2	3.7	3.9	8.5	1.8	8.8	1.1	6.3
II	0.5	4.6	4.1	9.1	1.9	8.5	4.4	7.2
III	0.1	4.1	4.0	9.3	1.2	9.2	4.8	7.7
IV	0.5	5.0R	4.4	9.8	0.8	9.2	6.9R	8.5R
ANNUAL	0.3R	4.4	4.1R	9.2R	1.5R	8.9	4.4R	7.5

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED

P=PRELIMINARY

FEBRUARY 27, 1979
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	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	115.6	131.0	113.3	203.9	115.1	176.4	157.7	170.0
II	115.2	133.0	115.5	207.1	114.5	179.8	161.7	173.6
III	116.2	134.6	115.8	211.2	115.3	181.7	166.1	176.4
IV	116.4	135.8	116.7	215.1	116.2	184.8	165.1	178.1
ANNUAL	115.8	133.6	115.4	209.3	115.3	180.8	162.6	174.6
1978 I	115.5	136.1	117.8	221.4	117.3	191.7	159.2	180.6
II	116.0	139.8	120.6	225.8	116.6	194.7	167.1	185.3
III	116.6	140.6	120.5	231.0	116.9	198.1	171.3	188.9
IV	117.3	143.2R	122.0R	236.1	117.0	201.2R	174.5R	192.1R
ANNUAL	116.4R	139.9	120.2R	228.7R	117.1R	196.5R	168.1R	186.8
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	2.3	2.1	-0.2	9.6	0.9	7.1	10.5	8.1
IV	2.3	7.5R	5.1R	9.0R	0.6	6.5R	7.7R	6.9R
ANNUAL	0.5R	4.7	4.2R	9.3R	1.5R	8.7R	3.3	7.0
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	0.3	4.4	4.1	9.4	1.3	9.0	3.1	7.1
IV	0.8	5.4R	4.6R	9.7R	0.7R	8.9	5.7R	7.9
ANNUAL	0.5R	4.7	4.2R	9.3R	1.5R	8.7R	3.3	7.0

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED

P=PRELIMINARY

FEBRUARY 27, 1979
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	115.7	137.5	118.8	201.6	113.9	174.3	192.6	178.8	108.8
	II	116.2	140.5	121.0	205.4	113.6	176.8	193.1	180.8	120.1
	III	117.4	142.3	121.2	209.6	114.5	178.5	195.0	182.5	128.3
	IV	117.3	143.6	122.4	213.3	115.2	181.9	197.1	185.6	122.9
	ANNUAL	116.6	141.0	120.9	207.5	114.3	177.9	194.5	182.0	120.2
1978	I	116.6	143.6	123.2	219.7	116.4	188.5	201.1	191.5	104.5
	II	117.8	148.8	126.3	224.1	115.7	190.2	200.1	192.6	127.8
	III	118.2	149.3	126.3	229.2	116.0	194.0	203.2	196.2	130.0
	IV	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	ANNUAL	117.9P	148.6P	126.0P	226.8P	116.1P	192.3P	202.1P	194.7P	125.7P
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)										
1977	I	1.7	9.9	8.1	6.8	-1.4	5.0	-0.7	3.5	12.9
	II	1.7	9.2	7.4	7.7	-1.0	5.8	1.0	4.6	48.2
	III	4.4	5.2	0.7	8.5	3.3	3.9	3.9	3.9	30.4
	IV	-0.5	3.6	4.2	7.2	2.4	7.7	4.3	6.8	-15.8
	ANNUAL	1.2	5.4	4.2	8.1	1.6	6.8	3.0	5.8	6.6
1978	I	-2.5	-0.0	2.5	12.5	4.3	15.3	8.5	13.6	-47.8
	II	4.4	15.2	10.4	8.3	-2.3	3.8	-2.0	2.3	123.6
	III	1.3	1.5	0.2	9.5	0.8	8.1	6.3	7.7	7.3
	IV	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	ANNUAL	1.1P	5.4P	4.2P	9.3P	1.5P	8.1P	3.9P	7.0P	4.6P
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(6)										
1977	I	0.9	3.9	2.4	8.5	2.5	7.5	3.5	6.4	-5.3
	II	0.6	4.8	4.2	8.3	1.4	7.6	3.3	6.5	3.9
	III	1.3	5.9	4.5	8.0	1.3	6.6	3.0	5.6	11.9
	IV	1.8	7.0	5.0	7.5	0.8	5.6	2.1	4.7	16.4
	ANNUAL	1.2	5.4	4.2	8.1	1.6	6.8	3.0	5.8	6.6
1978	I	0.8	4.5	3.7	8.9	2.2	8.1	4.4	7.1	-4.0
	II	1.4	5.9	4.4	9.1	1.9	7.6	3.6	6.6	6.4
	III	0.6	4.9	4.3	9.4	1.3	8.7	4.2	7.5	1.3
	IV	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	ANNUAL	1.1P	5.4P	4.2P	9.3P	1.5P	8.1P	3.9P	7.0P	4.6P

SEE FOOTNOTES FOLLOWING TABLE 6.

N.A.=NOT AVAILABLE

P=PRELIMINARY

FEBRUARY 27, 1979

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	116.0	166.9
III	127.6	128.6	100.8	214.4	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	125.9	129.7	103.1	225.0	119.2	178.8
II	128.4	134.1	104.5	229.1	118.3	178.5
III	131.7	137.2	104.2	234.9	118.8	178.4
IV	132.3R	139.8R	105.7R	240.4R	119.2R	181.7R
ANNUAL	129.1R	134.8	104.4R	232.5R	119.0	180.0R
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	10.8	9.6	-1.1	10.6	1.8	-0.2
IV	1.8R	7.8R	5.9R	9.7R	1.2R	7.7R
ANNUAL	2.4R	6.2R	3.7	9.5	1.7	7.0R
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	3.2	6.7	3.4	9.6	1.5	6.2
IV	3.7R	7.7R	3.8R	9.8R	0.8R	5.9
ANNUAL	2.4R	6.2R	3.7	9.5	1.7	7.0R

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED

P=PRELIMINARY

FEBRUARY 27, 1979
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	117.9	116.3	98.7	207.1	116.9	175.7
II	120.4	121.0	100.5	211.8	117.1	175.9
III	121.9	123.5	101.3	216.4	118.2	177.5
IV	121.6	124.8	102.7	221.5	119.6	182.2
ANNUAL	120.4R	121.4	100.8	214.3	118.0	177.9
1978 I	119.4	124.4	104.1	227.0	120.3	190.1
II	122.7	129.5	105.6	231.2	119.4	188.4
III	125.7	133.5	106.2	237.0	119.9	188.5
IV	125.7R	136.4R	108.5R	242.8R	120.4R	193.1R
ANNUAL	122.9R	130.5	106.2R	234.6R	120.1R	190.8R
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	7.8
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	10.2	12.8	2.3	10.4	1.7	0.2
IV	0.1R	8.9R	8.8R	10.3R	1.7R	10.1R
ANNUAL	2.1	7.5	5.3	9.5	1.7	7.3R
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	3.1	8.1	4.8	9.5	1.4	6.2
IV	3.4R	9.2R	5.6R	9.7R	0.7R	6.0R
ANNUAL	2.1	7.5	5.3	9.5	1.7	7.3R

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED

P=PRELIMINARY

FEBRUARY 27, 1979
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	COMPENSA- TION PER HOUR(1)	REAL COMPENSA- TION PER HOUR(2)	UNIT LABOR COST
INDEXES 1967=100							
1977	I	133.1	132.6	99.7	203.4	114.8	152.8
	II	134.1	135.5	101.0	206.3	114.1	153.9
	III	136.9	136.9	100.0	210.6	115.0	153.8
	IV	137.3	138.0	100.5	214.0	115.6	155.9
	ANNUAL	135.3	135.7	100.3	208.6	115.0	154.2
1978	I	136.4	138.3	101.4	221.0	117.1	162.1
	II	137.7	141.5	102.8	224.8	116.1	163.3
	III	141.6	143.2	101.1	230.1	116.4	162.5
	IV	143.1R	145.3	101.5R	234.3R	116.2	163.7R
	ANNUAL	139.3R	141.7R	101.7	227.7	116.5	163.4R
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	3.8	13.6	5.3	16.6
	II	3.9	9.4	5.3	7.2	-3.3	3.2
	III	11.8	4.9	-6.2	9.7	1.0	-1.9
	IV	4.5R	6.1R	1.6R	7.6	-0.8R	3.0R
	ANNUAL	3.0	4.4R	1.4	9.1	1.4	6.0R
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	3.4	4.6	1.2	9.3	1.2	5.7
	IV	4.3R	5.3	1.0R	9.5	0.5	5.0R
	ANNUAL	3.0	4.4R	1.4	9.1	1.4	6.0R

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED

P=PRELIMINARY

FEBRUARY 27, 1979
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)

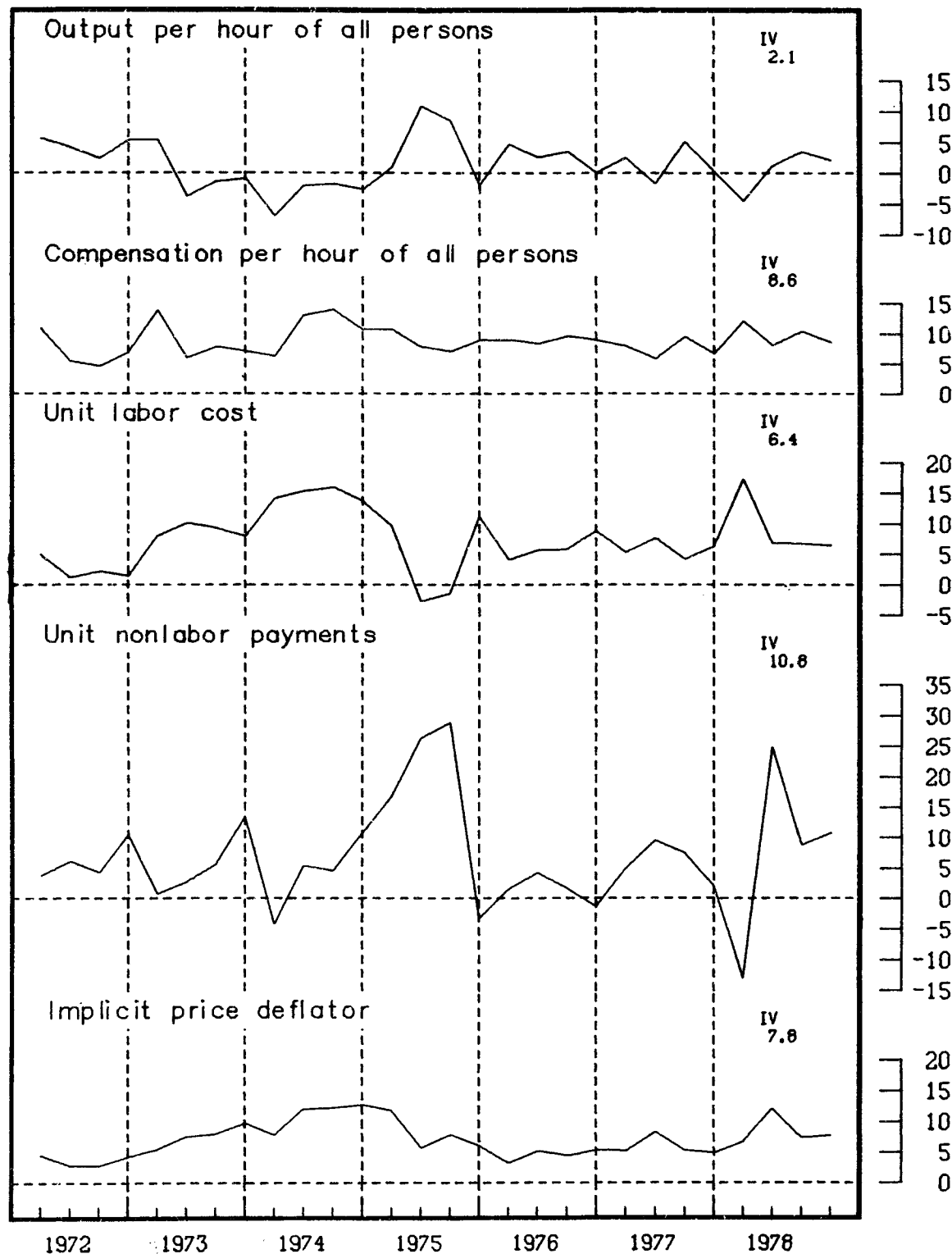


Chart 2. Productivity, hourly compensation, unit costs and prices in the nonfarm business sector

(percent change from preceding quarter at annual rate)

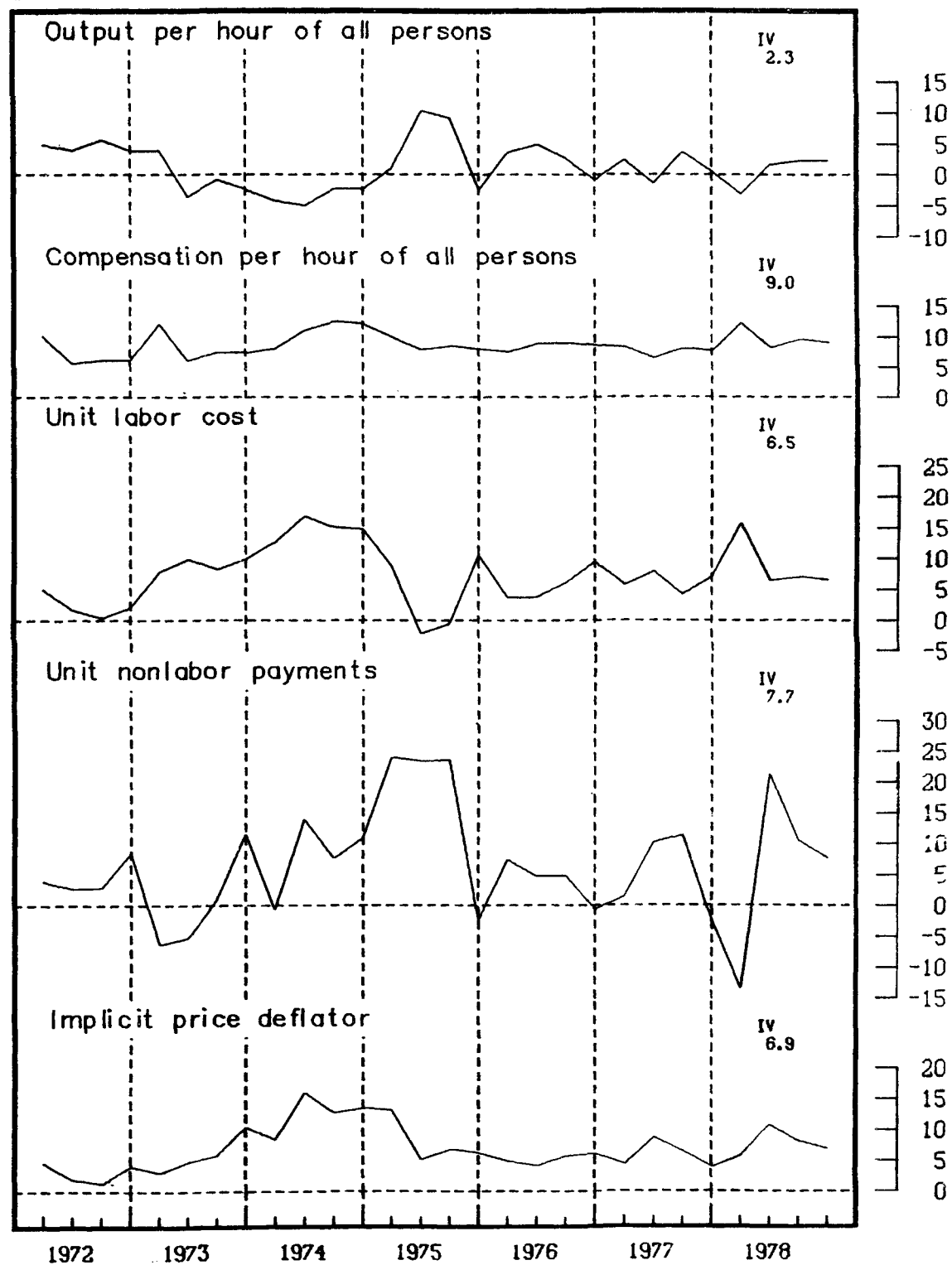


Chart 3. Productivity, hourly compensation, unit costs and prices in nonfinancial corporations

(percent change from same quarter a year ago)

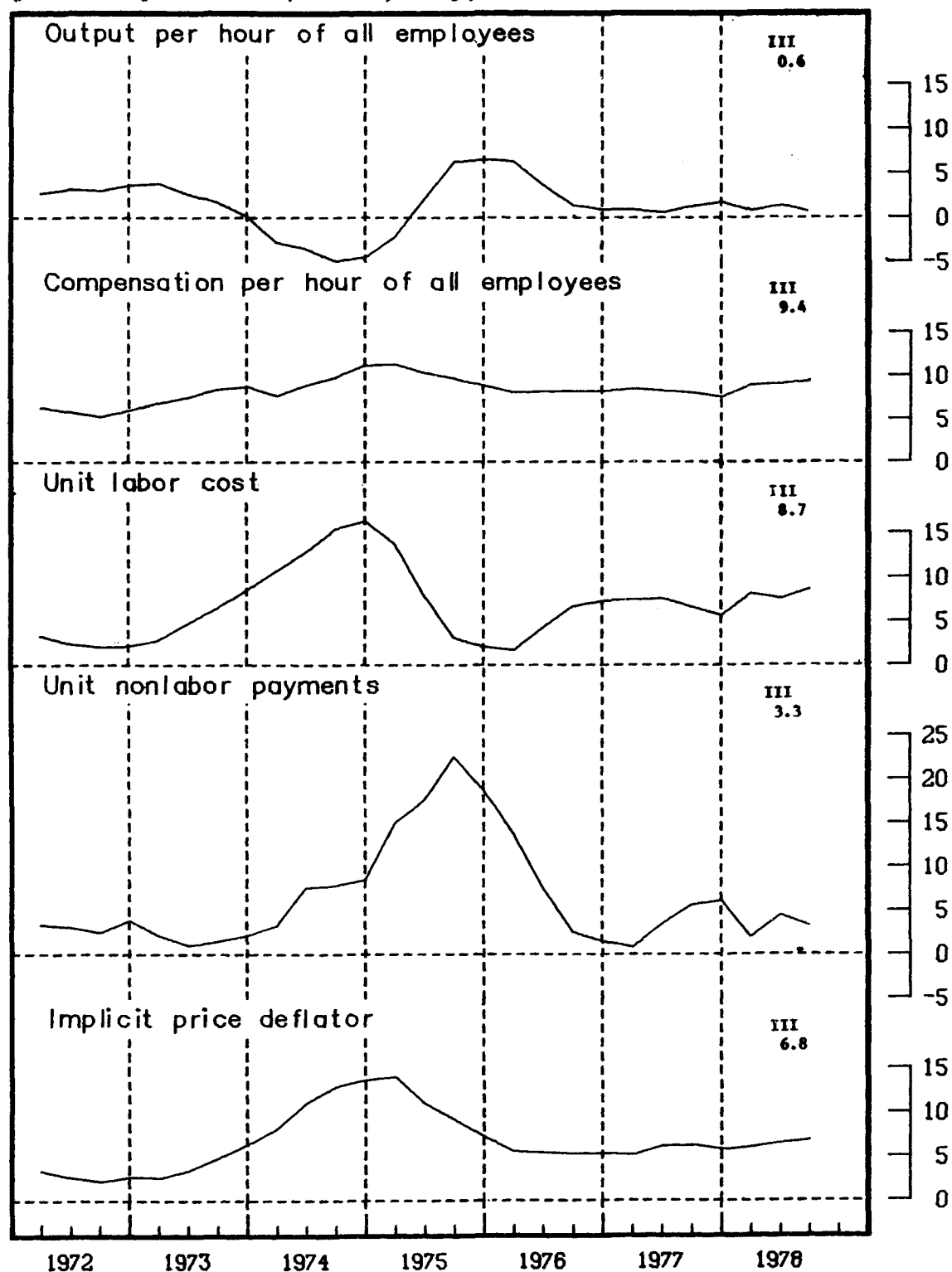


Chart 4. Unit costs, unit profits, and prices in nonfinancial corporations

(percent change from same quarter a year ago)

