

News

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PRODUCTIVITY AND COSTS

Private Business, Nonfarm Business, and Manufacturing Sectors, First Quarter 1979
(and data for Nonfinancial Corporations, Fourth Quarter 1978)

Productivity in the private business sector declined 4.5 percent (at a seasonally adjusted annual rate) in the first quarter of 1979, according to preliminary figures announced today by the Bureau of Labor Statistics of the U.S. Department of Labor. The decline, the first since the first quarter of 1978, was as large as the drop which occurred a year ago and reflected a 0.3 percent gain in output and a 5.0 percent increase in hours of all persons. In the fourth quarter of 1978, productivity increased 1.7 percent.

In the nonfarm business sector, productivity decreased 4.2 percent, as output increased 1.0 percent and hours gained 5.4 percent. This was also the first drop in nonfarm business productivity since the first quarter of 1978, and the largest decline since the second quarter of 1974.

In manufacturing, productivity fell 2.8 percent in the first quarter of 1979; output increased 5.2 percent and hours rose 8.3 percent. The decline was the first since the 5.1 percent drop in the first quarter of 1978 and was confined to the durables goods sector. In the fourth quarter of 1978, productivity increased 1.7 percent in manufacturing.

First quarter measures are summarized in table A; details are given in tables 1-6. Revised annual measures for nonfinancial corporations and measures for the fourth quarter of 1978 were also released today (table 3.)

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

Sector	Productivity	Hourly Compensation	Unit Labor Cost	Real Hourly Compensation	Output	Hours
Fourth Quarter 1978 to First Quarter 1979 <u>PRELIMINARY</u>						
Private business	-4.5	11.1	16.3	0.1	0.3	5.0
Nonfarm business	-4.2	10.2	15.0	-0.7	1.0	5.4
Manufacturing	-2.8	10.0	13.2	-0.9	5.2	8.3
Durable	-4.8	10.1	15.6	-0.8	4.6	9.8
Nondurable	0.2	9.3	9.0	-1.5	6.2	5.9
First Quarter 1978 to First Quarter 1979 <u>PRELIMINARY</u>						
Private business	0.4	9.5	9.1	-0.2	5.2	4.7
Nonfarm business	0.4	9.3	8.8	-0.5	5.4	5.0
Manufacturing	4.3	9.3	4.8	-0.4	9.2	4.7
Durable	3.8	9.4	5.4	-0.3	10.9	6.8
Nondurable	5.2	8.4	3.1	-1.2	6.8	1.5

Although the productivity measures in these press releases relate output to the hours of all persons engaged in each sector, they do not measure the specific contributions of labor, capital, or any other single factor of production. Rather they reflect the joint effects of many influences, including: new technology, capital investment, the level of output, capacity utilization, energy use, managerial skills, as well as the skills and efforts of the work force.

Private Business Sector

Productivity declined 4.5 percent in the private business sector in the first quarter of 1979, as output growth subsided markedly while hours of all persons continued to increase. During the fourth quarter of 1978, output rose 7.2 percent, and hours increased 5.3 percent. In the first 3 months of 1979, growth in output was only 0.3 percent but hours increased at a 5.0 percent annual rate. Employment growth actually accelerated during the first quarter, posting a 6.3 percent increase compared with a 4.4 percent rise during the fourth quarter of 1978.

Hourly compensation--which includes the hourly cost of wages and salaries, supplements, and employer contributions to employee benefit plans--increased 11.1 percent in the first quarter (annual rate), compared with an 8.7 percent increase one quarter earlier. Comparing the first quarter of 1979 with 1978 showed a 9.5 percent increase in hourly compensation during the period. The first quarter measures for both 1979 and 1978 reflect the added costs associated with increases in the tax rate and taxable earnings based for Social Security and the increases in the Federal minimum wage. (In 1978, unemployment insurance taxes also increased.) Similar changes in the tax law took effect in both periods; thus, the over-the-year movement may be more illustrative of the underlying change in hourly compensation than the annualized quarter-to-quarter change, since there will be no further increases in these taxes this year.

Real hourly compensation--which takes account of changes in compensation and changes in the Consumer Price Index for All Urban Consumers--rose 0.1 percent in the first quarter, compared with a decline of 0.5 percent in the fourth quarter of 1978.

Unit labor cost--which reflects the combined effects of changes in productivity and hourly compensation--increased 16.3 percent in the first quarter, the largest gain since the first quarter of 1978, when these costs increased 17.4 percent.

The implicit price deflator--which measures price increases in a specific sector and reflects changes in unit labor cost and unit nonlabor cost combined--increased 9.0 percent in the first quarter, compared with a 7.7 percent increase one quarter earlier.

Compared with the first quarter of 1978, productivity in the private business sector increased 0.4 percent, hourly compensation went up 9.5 percent, and unit labor cost gained 9.1 percent. Real hourly compensation decreased 0.2 percent over the period, and the implicit price deflator gained 9.0 percent.

Nonfarm Business Sector

The productivity decline in the nonfarm business sector was somewhat smaller than the drop in the private business sector as a whole because the latter includes the farm sector, where a larger productivity decline occurred in the first quarter. Productivity declined 4.2 percent in the nonfarm business sector during the first quarter, as output increased 1.0 percent and hours increased 5.4 percent. As in the private business sector, output growth was sharply reduced in the first quarter--1.0 percent, compared with a 7.2 percent increase one quarter earlier--but hours growth continued at a brisk pace--up 5.4 percent in the first quarter of 1979 and 5.1 percent in the fourth quarter of 1978. Employment growth also accelerated to a 7.0 percent annual rate of increase in the first quarter, compared with a 4.5 percent gain in the final quarter of 1978.

Hourly compensation increased 10.2 percent in the first quarter, and unit labor cost rose 15.0 percent. Both were the largest increases in a year. Real hourly compensation declined 0.7 percent in the first quarter. The implicit price deflator rose 7.6 percent in the nonfarm business sector, compared with a 7.1 percent gain in the fourth quarter of 1978.

Compared with the same quarter of 1978, productivity in the nonfarm business sector increased 0.4 percent (as hours gained 5.0 percent and output increased 5.4 percent), hourly compensation grew 9.3 percent over the year, and real hourly compensation decreased 0.5 percent. The implicit price deflator rose 8.4 percent over the period.

Manufacturing

The productivity decline in manufacturing was smaller than the declines in the broader sectors reported above and was confined to durable goods. The 2.8 percent productivity decline in manufacturing reflected a 5.2 percent increase in output and an 8.3 percent gain in hours of all persons. In nondurables, productivity edged up 0.2 percent on the strength of a 6.2 percent gain in output coupled with a 5.9 percent increase in hours. In durables, productivity declined at a 4.8 percent annual rate in the first quarter. Employment in manufacturing grew faster in the first quarter than in the fourth quarter of 1978--7.0 percent, compared with 4.5 percent during the fourth quarter.

Hourly compensation increased at a 10.0 percent annual rate in the first quarter, and coupled with the decline in productivity, was reflected in the 13.2 percent rise in unit labor costs. Real hourly compensation decreased 0.9 percent.

Compared with the first quarter of 1978, productivity increased 4.3 percent, hourly compensation rose 9.3 percent, and unit labor cost increased 4.8 percent. Output rose 9.2 percent over the 4-quarter period, and hours of all persons increased 4.7 percent.

Fourth Quarter Measures for Nonfinancial Corporations

Fourth quarter productivity and cost measures for the nonfinancial corporate sector were also released today, together with revised annual measures. See table B. Output per all-employee hour rose 2.2 percent in the fourth quarter, as output rose 8.1 percent and hours of all employees increased 5.8 percent. Hourly compensation rose 8.5 percent (but real hourly compensation declined 0.7 percent after adjusting for the change in the Consumer Price Index), and unit labor cost rose 6.1 percent. Unit nonlabor cost rose 1.7 percent, and unit profits increased 23.8 percent (annual rates). See table 3.

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

Item	3rd quarter 1978 to 4th quarter 1978 PRELIMINARY	4th quarter 1977 to 4th quarter 1978 PRELIMINARY	1978 Annual REVISED
Output per all-employee hour	2.2	1.3	1.1
Hourly compensation	8.5	9.7	9.3
Unit labor cost	6.1	8.3	8.2
Real hourly compensation	-0.7	0.6	1.5
Output	8.1	6.0	5.3
Hours	5.8	4.7	4.2
Unit profits	23.8	11.6	4.1

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-LAHOR PAY-MENTS(3)	IMPLICIT PRICE DEFLATOR	
INDEXES 1967=100									
1978	I	117.7R	135.3	115.0	225.3R	119.3	191.4	162.1	181.3
	II	118.0	138.7	117.5R	229.7R	118.7R	194.6	171.3	186.6
	III	119.1R	139.7	117.4	235.5R	119.1R	197.8	174.9	189.9
	IV	119.6	142.2R	118.9	240.4R	119.0R	201.1R	179.1R	193.5R
	ANNUAL	118.6	139.0	117.2	232.8R	119.2R	196.3	171.9R	187.9
1979	I	118.2P	142.3P	120.4P	246.8P	119.0P	208.8P	176.6P	197.7P
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)									
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	-1.9R	6.8	24.8	12.1
	III	3.5	3.0	-0.4	10.4	1.5R	6.7	8.8	7.3
	IV	1.7R	7.2R	5.3	8.7R	-0.5R	6.8R	9.8R	7.7R
	ANNUAL	0.3	4.4	4.1	9.2	1.5	9.0R	4.3R	7.5
1979	I	-4.5P	0.3P	5.0P	11.1P	0.1P	16.3P	-5.4P	9.0P
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(6)									
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	1.8R	8.5	4.4	7.2
	III	0.1	4.1	4.0	9.3	1.2	9.2	4.8	7.7
	IV	0.4R	4.9R	4.5R	5.8	0.7R	9.3R	6.7R	8.5
	ANNUAL	0.3	4.4	4.1	9.2	1.5	9.0R	4.3R	7.5
1979	I	0.4P	5.2P	4.7P	9.5P	-0.2P	9.1P	9.0P	9.8P

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED

P=PRELIMINARY

APRIL 30, 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								
1978	I	115.5	136.1	117.8	221.5R	117.3	191.7	180.6
	II	116.0	139.8	120.5R	225.9R	116.7R	194.7	185.3
	III	116.7R	140.6	120.5	231.1R	116.9	198.1	188.9
	IV	117.2R	143.0R	122.0	236.2R	116.9R	201.5R	192.2R
	ANNUAL	116.4	139.9	120.2	228.9R	117.1	196.6R	186.8
1979	I	116.0P	143.4P	123.6P	242.0P	116.7P	208.6P	195.8P
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)								
1978	I	-3.1	0.7	3.9	12.2	4.0	15.7	-13.5
	II	1.7	11.6	9.8	8.2	-1.8R	6.4	21.3
	III	2.3	2.1	-0.2	9.6	0.7R	7.1	10.5
	IV	1.9R	7.2R	5.1	9.1R	-0.1R	7.0R	7.4R
	ANNUAL	0.5	4.7	4.2	9.3	1.5	8.8R	3.3
1979	I	-4.2P	1.0P	5.4P	10.2P	-0.7P	15.0P	-7.4P
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(6)								
1978	I	-0.1	3.8	3.9	8.6	1.9	8.7	0.9
	II	0.7	5.2	4.5	9.0	1.8	8.3	3.4
	III	0.3	4.4	4.1	9.4	1.3	9.0	3.1
	IV	0.7R	5.3R	4.6	9.8R	0.7	9.0R	5.6R
	ANNUAL	0.5	4.7	4.2	9.3	1.5	8.8R	3.3
1979	I	0.4P	5.4P	5.8P	9.3P	-0.5P	8.8P	7.4P

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED

P=PRELIMINARY

APRIL 30, 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 COMPENSA- 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 (11)	
INDEXES 1967=100											
1977	I	115.7	137.5	118.8	201.7R	113.8M	174.3	192.6	178.8	108.8	168.4
	II	116.2	140.5	120.9R	205.5R	113.7M	176.8	193.1	180.8	120.1	171.8
	III	117.5R	142.3	121.1R	209.7R	114.6M	178.5	195.0	182.5	128.3	174.5
	IV	117.3	143.6	122.4	213.4R	115.1M	181.9	197.1	185.6	122.9	176.3
	ANNUAL	116.7R	141.0	120.8R	207.6R	114.4M	177.9	194.5	182.0	120.2	172.8
1978	I	116.6	143.6	123.1R	219.8R	116.3M	188.5	201.1	191.5	104.5	178.6
	II	117.9R	148.8	126.2R	224.2R	115.8M	190.2	200.1	192.6	127.8	183.0
	III	118.2	149.3	126.3	229.3R	116.0	194.0	203.2	196.2	130.0	186.4
	IV	118.9P	152.3P	128.1P	234.1P	115.8P	196.9P	204.1P	198.6P	137.2P	189.5P
	ANNUAL	117.9	148.5R	125.9R	226.9R	116.1	192.5R	202.2R	194.8R	125.1R	184.5
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)											
1977	I	1.7	9.9	8.1	6.8	-1.2M	5.0	-0.7	3.5	12.9	4.3
	II	1.7	9.2	7.4	7.7	-0.4M	5.8	1.0	4.6	48.2	8.3
	III	4.4	5.2	0.7	8.5	3.1M	3.9	3.9	3.9	30.4	6.4
	IV	-0.5	3.6	4.2	7.2	1.7M	7.7	4.3	6.8	-15.8	4.2
	ANNUAL	1.2	5.4	4.2	8.1	1.6	6.8	3.0	5.8	6.6	5.9
1978	I	-2.5	0.0	2.5	12.5	4.3	15.3	8.5	13.6	-47.8	5.5
	II	4.4	15.2	10.4	8.3	-1.7M	3.8	-2.0	2.3	123.6	10.2
	III	1.3	1.5	0.2	9.5	0.6M	8.1	6.3	7.7	7.3	7.6
	IV	2.2P	8.1P	5.8P	8.5P	-0.7P	6.1P	1.7P	5.0P	23.8P	6.8P
	ANNUAL	1.1	5.3H	4.2	9.3	1.5	8.2R	3.9	7.1R	4.1R	6.8
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(6)											
1977	I	0.9	3.9	2.9	8.5	2.5	7.5	3.5	6.4	-5.3	5.2
	II	0.6	4.8	4.2	8.3	1.4	7.6	3.3	6.5	3.9	6.2
	III	1.3	5.9	4.5	8.0	1.3	6.6	3.0	5.6	11.9	6.3
	IV	1.8	7.0	5.0	7.5	0.8	5.6	2.1	4.7	16.4	5.8
	ANNUAL	1.2	5.4	4.2	8.1	1.6	6.8	3.0	5.8	6.6	5.9
1978	I	0.8	4.5	3.7	8.9	2.2	8.1	4.4	7.1	-4.0	6.1
	II	1.4	5.9	4.4	9.1	1.8M	7.6	3.6	6.6	6.4	6.5
	III	0.6	4.9	4.3	9.4	1.2M	8.7	4.2	7.5	1.3	6.8
	IV	1.3P	6.0P	4.7P	9.7P	0.6P	8.3P	3.6P	7.1P	11.6P	7.5P
	ANNUAL	1.1	5.3R	4.2	9.3	1.5	8.2R	3.9	7.1R	4.1P	6.8

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED

P=PRELIMINARY

APRIL 30, 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							
1978	I	125.9	129.7	103.1	225.0	119.1R	178.8
	II	128.4	134.1	104.5	229.1	118.4R	178.5
	III	131.7	137.2	104.2	234.9	118.9R	178.4
	IV	132.3	139.9R	105.7	240.2R	118.9R	181.6R
	ANNUAL	129.2R	134.8	104.4	232.5	119.0	179.9R
1979	I	131.3P	141.7P	107.9P	246.0P	118.6P	187.3P
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE (5)							
1978	I	-5.1	-0.5	4.9	11.6	3.5	17.7
	II	8.3	14.3	5.6	7.4	-2.5R	-0.8
	III	10.8	9.6	-1.1	10.6	1.6R	-0.2
	IV	1.7R	8.0R	6.2R	9.3R	0.1R	7.5R
	ANNUAL	2.5R	6.3R	3.7	9.5	1.8R	6.9R
1979	I	-2.8P	5.2P	8.3P	10.0P	-0.9P	13.2P
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR (6)							
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	1.4R	6.2
	IV	3.7	7.7	3.9R	9.7R	0.7R	5.8R
	ANNUAL	2.5R	6.3R	3.7	9.5	1.8R	6.9R
1979	I	4.3P	9.2P	4.7P	9.3P	-0.4P	4.8P

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED

P=PRELIMINARY

APRIL 30, 1979

SOURCE: BUREAU OF LABOR STATISTICS

TABLE 5. DURABLE MANUFACTURING SECTOR: PRODUCTIVITY, HOURLY
COMPENSATION, UNIT LABOR COST, SEASONALLY ADJUSTED (1)

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							
1978	I	119.4	124.4	104.1	227.0	120.2R	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	125.5R	136.3R	108.6R	242.5R	120.0R	193.2R
	ANNUAL	123.0R	130.5	106.1R	234.6	120.1	190.8
1979	I	124.0P	137.9P	111.2P	248.4P	119.8P	200.3P
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE (5)							
1978	I	-6.8	-1.5	5.7	10.4	2.4	18.5
	II	11.3	17.7	5.7	7.5	-2.4R	-3.4
	III	10.2	12.8	2.3	10.4	1.5R	0.2
	IV	-0.5R	8.8R	9.4R	9.7R	0.4R	10.2R
	ANNUAL	2.1	7.5	5.3	9.5	1.7	7.3
1979	I	-4.8P	4.6P	9.8P	10.1P	-0.8P	15.6P
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR (6)							
1978	I	1.3	6.9	5.5	9.6	2.8R	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	3.3R	9.2	5.7R	9.5R	0.5R	6.0
	ANNUAL	2.1	7.5	5.3	9.5	1.7	7.3
1979	I	3.8P	10.9P	6.8P	9.4P	-0.3P	5.4P

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED
P=PRELIMINARY

APRIL 30, 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							
1978	I	136.4	138.3	101.4	221.0	117.0R	162.1
	II	137.7	141.5	102.8	224.8	116.2R	163.3
	III	141.6	143.2	101.1	230.1	116.4	162.5
	IV	143.4R	145.6R	101.5	234.4R	116.0R	163.4R
	ANNUAL	139.5R	141.9R	101.7	227.7	116.5	163.2R
1979	I	143.5P	147.8P	103.0P	239.6P	115.5P	167.0P
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)							
1978	I	-2.6	1.1	3.7R	13.6	5.4R	16.6
	II	3.9	9.4	5.3	7.2	-2.7R	3.2
	III	11.8	4.9	-6.2	9.7	0.8R	-1.9
	IV	5.2R	6.8R	1.5R	7.6	-1.5R	2.3R
	ANNUAL	3.1R	4.5R	1.4	9.1	1.4	5.9R
1979	I	0.2P	6.2P	5.9P	9.3P	-1.5P	9.0P
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(6)							
1978	I	2.5	4.3	1.8	8.6R	1.9R	6.0
	II	2.6	4.4	1.7	9.0	1.7R	6.1
	III	3.4	4.6	1.2	9.3	1.1R	5.7
	IV	4.5R	5.5R	1.0	9.5	0.5	4.8R
	ANNUAL	3.1R	4.5R	1.4	9.1	1.4	5.9R
1979	I	5.2P	6.8P	1.5P	8.4P	-1.2P	3.1P

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED

P=PRELIMINARY

APRIL 30, 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)

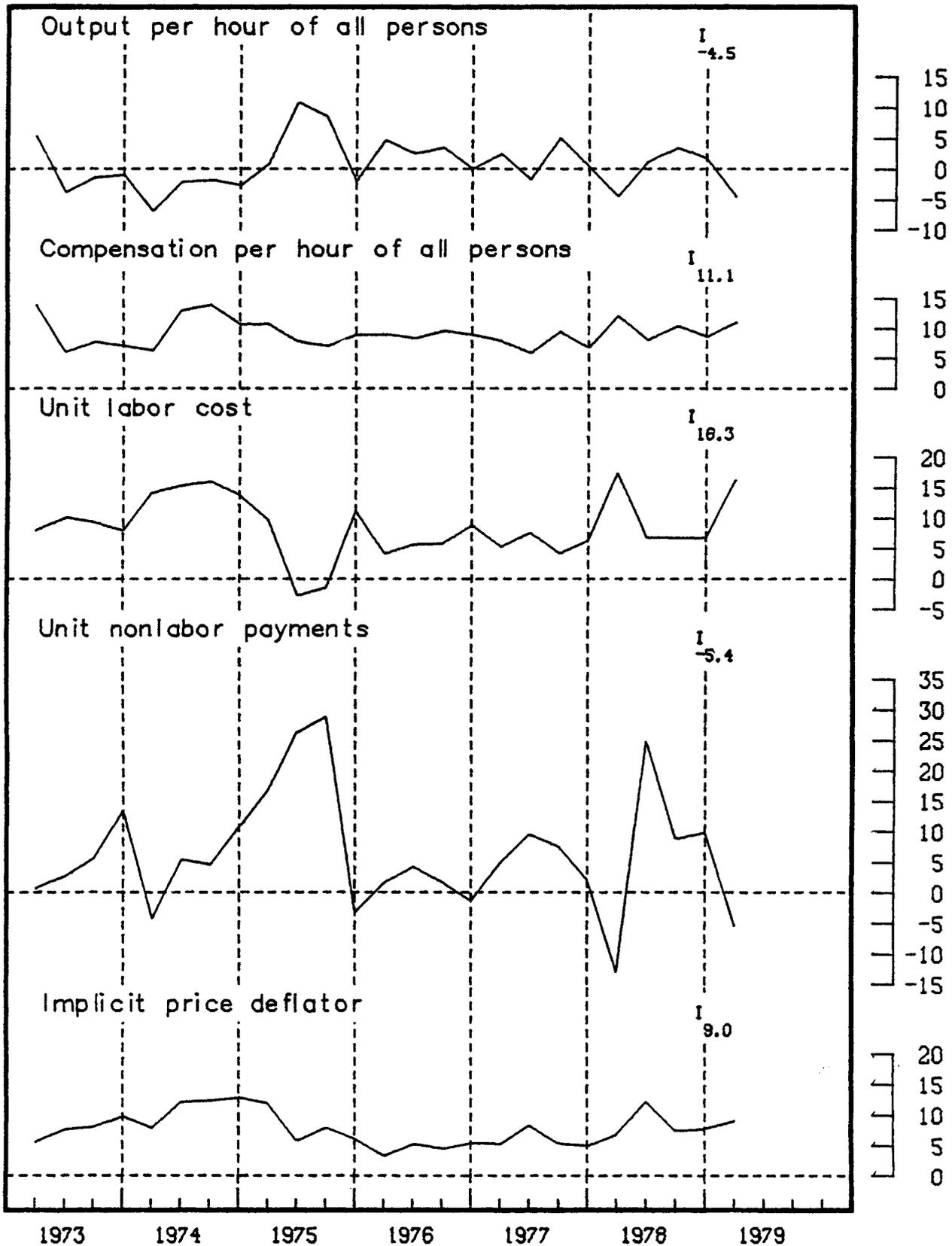


Chart 2. Productivity, hourly compensation, unit costs and prices in the nonfarm business sector

(percent change from preceding quarter at annual rate)

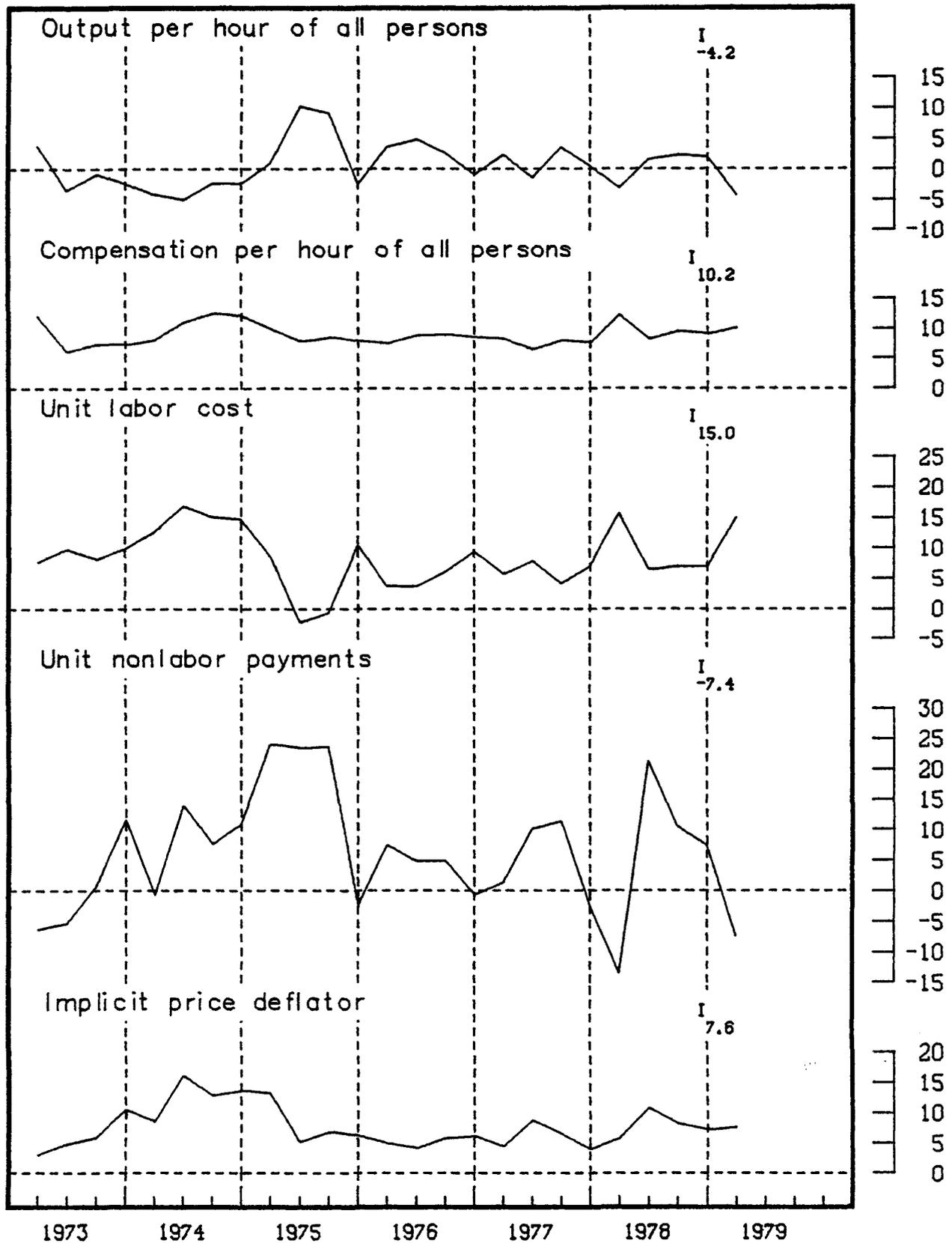


Chart 3. Productivity, hourly compensation, unit costs and prices in nonfinancial corporations

(percent change from same quarter a year ago)

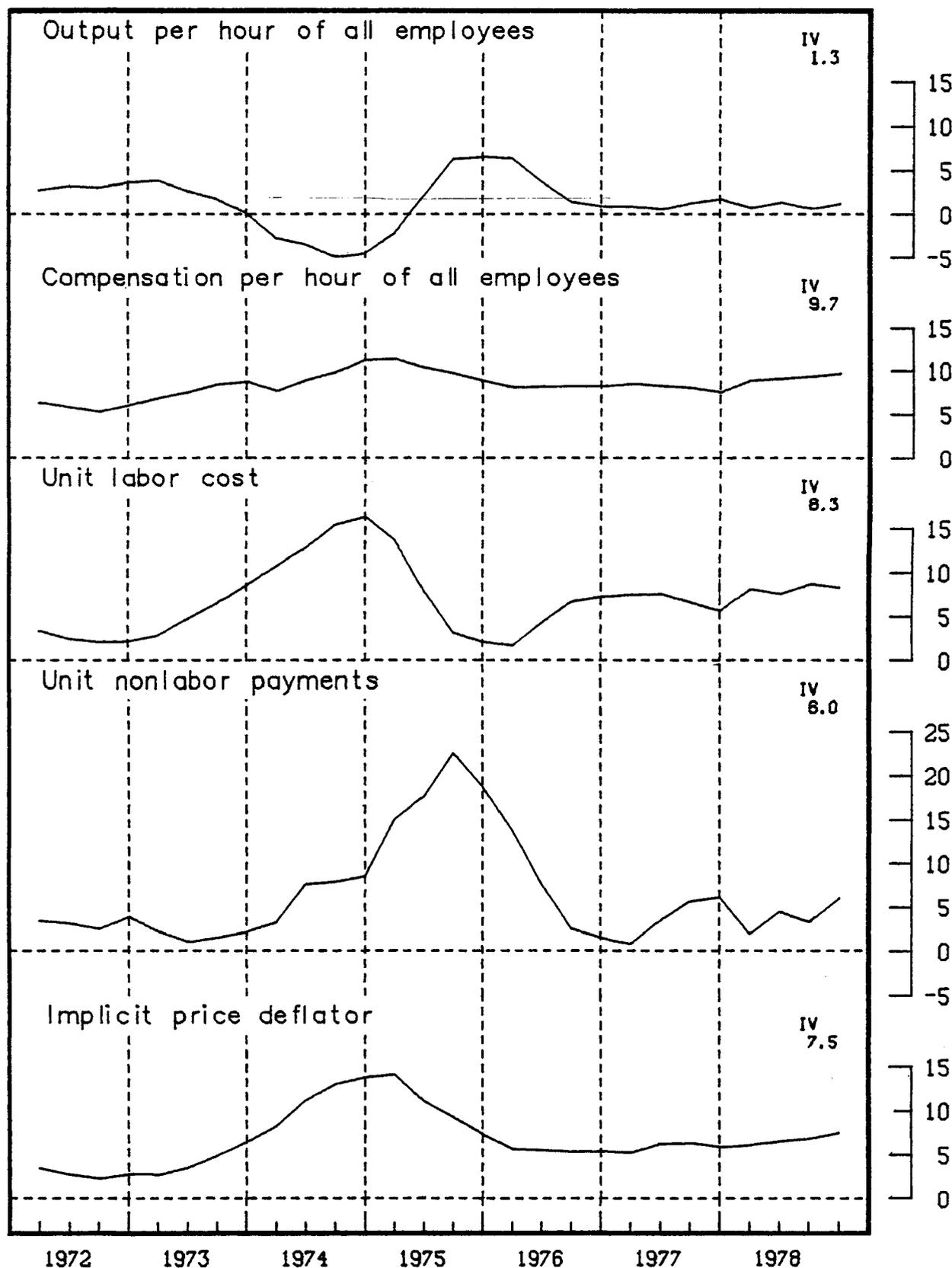


Chart 4. Unit costs, unit profits, and prices in nonfinancial corporations

(percent change from same quarter a year ago)

