

# News

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## PRODUCTIVITY AND COSTS

Private Business, Nonfarm Business, and Manufacturing Sectors

Third Quarter 1979

Productivity in the private business sector increased 0.1 percent at a seasonally adjusted annual rate in the third quarter of 1979, the Bureau of Labor Statistics of the U.S. Department of Labor reported today. The small increase followed a 2.2 percent decline in the second quarter and a 3.0 percent decline in the first. The third-quarter increase reflected a 2.5 percent increase in output and a 2.4 percent rise in hours of all persons.

In the nonfarm business sector, productivity increased 0.2 percent in the third quarter, following a 4.1 percent decline during the second quarter. Output rose 2.8 percent and hours increased 2.5 percent (annual rates) in the third quarter.

In manufacturing, productivity rose 3.2 percent in the third quarter, as output remained unchanged from second-quarter levels while hours of all persons declined at a 3.1 percent annual rate. During the second quarter, productivity had risen 2.9 percent, as output fell 0.9 percent and hours of all persons dropped at a 3.7 percent annual rate.

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 release are based on revised measures of employment and average weekly hours which incorporate the March benchmark. Data for 1977, the earliest year affected by these changes, are available on request from the Office of Productivity and Technology of the Bureau of Labor Statistics, Washington, D.C. 20212 (telephone 202 523-9261).

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

Sector	Productivity <sup>1/</sup>	Hourly compensation	Unit labor cost	Real hourly compensation	Output	Hours
Second Quarter 1979 to Third Quarter 1979 PRELIMINARY						
Private business	0.1	8.5	8.3	-3.9	2.5	2.4
Nonfarm business	0.2	8.2	7.9	-4.2	2.8	2.5
Manufacturing	3.2	8.0	4.6	-4.3	0.0	-3.1
Durable	-0.2	8.0	8.2	-4.4	-2.7	-2.5
Nondurable	8.6	7.9	-0.7	-4.5	4.1	-4.2
First Quarter 1979 to Second Quarter 1979 REVISED						
Nonfinancial corporations	2.8	8.0	11.2	-4.9	-2.6	0.3
Third Quarter 1978 to Third Quarter 1979 PRELIMINARY						
Private business	-1.2	9.4	10.7	-2.1	1.8	3.0
Nonfarm business	-1.6	8.8	10.6	-2.6	1.7	3.4
Manufacturing	1.4	9.4	7.8	-2.1	2.9	1.4
Durable	0.1	9.4	9.2	-2.1	2.4	2.2
Nondurable	3.4	9.1	5.5	-2.3	3.6	0.2
Second Quarter 1978 to Second Quarter 1979 REVISED						
Nonfinancial corporations	-0.5	8.9	9.4	-1.6	2.9	3.4

<sup>1/</sup> Although the productivity measures 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, and managerial skills, as well as the skills and efforts of the work force.

NOTE: The data in this table incorporate March 1978 benchmark data in the private business, nonfarm business, and manufacturing sectors for the third quarter and revised second quarter measures for nonfinancial corporations.

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Private Business Sector

Productivity showed little change in the third quarter of 1979 in the private business sector, as output and hours increases were similar. Output increased 2.5 percent while hours of all persons gained 2.4 percent. In the previous quarter, productivity, output, and hours all declined (table 1).

Hourly compensation, which includes wages and salaries as well as fringe benefits and employer contributions to employee benefit plans, increased at an 8.5 percent annual rate in the third period, the smallest quarterly gain all year. During the second quarter, hourly compensation increased 9.3 percent. Unit labor cost, which reflects changes in both productivity and hourly compensation, increased 8.3 percent in the third quarter, down from an 11.8 percent increase one quarter earlier.

Real hourly compensation--hourly compensation adjusted for changes in the Consumer Price Index for All Urban Consumers (CPI-U)--decreased 3.9 percent in the third quarter. In the second quarter, this series showed a 3.8 percent decline.

The implicit price deflator, which shows the effects of changes in unit labor cost and unit nonlabor payments, increased 8.4 percent in the third quarter, the smallest such gain since the 6.9 percent increase in the third quarter of 1978. In the second quarter, the deflator showed a 10.1 percent rise.

Nonfarm Business Sector

Productivity increased 0.2 percent in the nonfarm business sector in the third quarter, as output grew 2.8 percent and hours of all persons increased 2.5 percent. In the second quarter, productivity had declined at a 4.1 percent annual rate, as output dropped 3.6 percent and hours edged up 0.5 percent.

Hourly compensation increased 8.2 percent, compared with a 7.9 percent gain during the second quarter. After adjusting for the increase in the CPI-U, real hourly compensation decreased 4.2 percent in the third quarter. In the second quarter, it declined 5.0 percent (seasonally adjusted annual rates).

Unit labor cost increased 7.9 percent in the third quarter, the smallest rise all year. In the second quarter, these costs increased 12.5 percent.

The implicit price deflator for the nonfarm business sector showed a 9.3 percent increase in the third quarter, down from the 11.0 percent rate one quarter earlier.

Manufacturing

Productivity in manufacturing increased 3.2 percent in the third quarter, the largest increase in a year. The gain was attributed to a 3.1 percent reduction in hours; output showed no growth over second-quarter levels. The reduction in hours--the second successive decline--was the result of a 2.0 percent decline in employment and a 1.2 percent decrease in the length of the average workweek. In the second quarter, manufacturing productivity increased 2.9 percent, as output and hours both posted declines (-0.9 percent and -3.7 percent, respectively).

Hourly compensation increased 8.0 percent in the third quarter, compared with a 9.8 percent increase in the second quarter. This was the smallest quarterly gain in this series since the second quarter of 1978. Real hourly compensation decreased 4.3 percent in the third quarter; in the second quarter, this series showed a 3.4 percent decline.

Unit labor cost rose 4.6 percent, the smallest gain since the third quarter of 1978. In the second quarter, unit labor cost rose at a 6.7 percent annual rate.

Within the manufacturing sector, conflicting movements occurred in the durable and nondurable industries. While manufacturing productivity gained 3.2 percent in the third quarter, the growth was attributable entirely to nondurables; in durables, productivity declined 0.2 percent. This was the second drop in durable productivity this year, and resulted from a third-quarter decline in both output and hours (-2.7 percent and -2.5 percent, respectively). (See table 5.)

Nondurables, which account for about 39 percent of the manufacturing sector, showed an 8.6 percent productivity advance in the third quarter, the biggest quarterly increase since the 20.8 percent rise in the third quarter of 1975. Output in nondurables increased 4.1 percent in the third quarter, while hours decreased 4.2 percent (annual rates).

Nonfinancial 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 2.8 percent drop in productivity in the second quarter, as output declined 2.6 percent while hours of all employees increased 0.3 percent. Previously, productivity was reported down 3.3 percent, with output off 3.0 percent and hours up 0.3 percent, based on preliminary data.

Revised Labor Input Data

The monthly BLS Establishment Survey, which is the major source of labor input data for productivity and cost measures, recently incorporated the March 1978 benchmark data (noted on page 1). The measures in the charts and tables in this release are based on the revised series. Table B illustrates the effect of the benchmark revisions.

Table B. The Effect of the March 1978 Benchmark Revision  
Percent change from previous period at annual rate

Year and Quarter 1/	Private business		Nonfarm business		Manufacturing	
	Previous	Revised	Previous	Revised	Previous	Revised
Productivity						
1977 I	4.6	4.6	5.1	5.1	2.7	2.7
II	-1.7	-2.1	-1.5	-1.8	6.4	6.2
III	6.1	5.4	3.8	3.1	4.1	3.5
IV	-1.3	-2.0	-0.8	-1.5	-1.2	-1.9
Ann	2.1	1.9	1.8	1.6	3.3	3.1
1978 I	-0.8	-1.5	-0.2	-0.9	-5.7	-6.4
II	2.5	2.0	2.4	1.9	5.1	4.8
III	2.6	2.4	2.9	2.7	6.8	4.3
IV	0.8	0.3	1.3	0.8	2.0	2.0
Ann	1.1	0.5	1.1	0.5	1.1	0.6
1979 I	-2.8	-3.0	-3.0	-3.2	-2.3	-2.4
II	-2.4	-2.2	-4.3	-4.1	2.8	2.9
III	N.A	0.1	N.A	0.2	N.A	3.2
Hours of all persons						
1977 I	5.7	5.7	5.8	5.8	7.5	7.5
II	7.2	7.6	6.8	7.2	6.2	6.5
III	1.5	2.1	2.7	3.4	1.5	2.2
IV	3.8	4.6	3.2	4.0	4.1	4.8
Ann	3.7	3.9	3.9	4.1	3.9	4.1
1978 I	3.2	3.9	2.9	3.6	3.8	4.5
II	7.9	8.4	8.9	9.4	5.2	5.5
III	1.5	1.7	1.6	1.8	0.8	1.3
IV	5.6	6.1	5.4	5.9	5.9	5.9
Ann	4.1	4.7	4.2	4.8	3.7	4.3
1979 I	4.1	4.4	4.3	4.6	7.0	7.1
II	-0.7	-0.7	0.5	0.5	-3.8	-3.7
III	N.A	2.4	N.A	2.5	N.A	-3.1

1/ Data prior to 1977 not affected by this revision.

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	COMPEN- SATION PER HOUR(1)	REAL COMPEN- SATION PER HOUR(2)	UNIT LABOR COST	UNIT NON- LABOR PAY- MENTS(3)	IMPLICIT PRICE DEFLATOR	
----- INDEXES 1967=100 -----									
1978	I	118.4R	136.9	115.6R	224.2R	118.7R	189.4R	164.8R	180.9
	II	119.0R	140.3	117.9R	228.5R	118.1R	192.1R	173.9R	185.8
	III	119.7R	141.8	118.4R	233.6R	118.2R	195.7R	177.0R	188.9
	IV	119.8R	144.0	120.2R	238.4R	118.0R	199.0R	181.3R	192.9
	ANNUAL	119.2R	140.7	118.1R	231.2R	118.3R	194.0R	174.3R	187.2
1979	I	118.9R	144.4	121.5R	244.8R	118.0R	205.9R	180.8R	197.2
	II	118.2R	143.4R	121.3R	250.3R	116.9R	211.7R	183.7R	202.0
	III	118.3P	144.3P	122.0P	255.4P	115.7P	216.0P	187.5P	206.2P
----- PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5) -----									
1978	I	-1.5R	2.4	3.9R	10.9R	2.9R	12.6R	-8.6R	5.3
	II	2.0R	10.5	8.4R	7.9R	-2.1R	5.8	24.0R	11.2
	III	2.4R	4.2	1.7R	9.2R	0.3R	6.6	7.4	6.9
	IV	0.3R	6.4	6.1R	8.5R	-0.7R	8.1R	9.9R	8.7
	ANNUAL	0.5R	5.2	4.7R	8.5R	0.8R	8.0R	5.3R	7.1
1979	I	-3.0R	1.2	4.4R	11.1	0.1	14.6	-1.0R	9.3
	II	-2.2R	-2.9R	-0.7	9.3	-3.8	11.8R	6.5R	10.1R
	III	0.1P	2.5P	2.4P	8.5P	-3.9P	8.3P	8.6P	8.4P
----- PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(6) -----									
1978	I	-0.1R	4.4	4.5R	8.0R	1.3R	8.1	2.1R	6.1
	II	0.9R	5.7	4.7R	8.4R	1.2R	7.4R	5.6R	6.8
	III	0.2R	4.8	4.6R	8.5R	0.4R	8.3R	5.4R	7.4
	IV	0.8R	5.8	5.0R	9.1R	0.1R	8.3	7.5R	8.0
	ANNUAL	0.5R	5.2	4.7R	8.5R	0.8R	8.0R	5.3R	7.1
1979	I	0.4R	5.5	5.1R	9.2R	-0.6R	8.7R	9.7R	9.0
	II	-0.6R	2.2R	2.8R	9.5R	-1.0R	10.2R	5.6R	8.7
	III	-1.2P	1.8P	3.0P	9.4P	-2.1P	10.7P	5.9P	9.1P

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED

P=PRELIMINARY

OCTOBER 29, 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	COMPENSATION PER HOUR(1)	REAL COMPENSATION PER HOUR(2)	UNIT LABOR COST	UNIT NON-LABOR PAYMENTS(3)	IMPLICIT PRICE DEFLATOR	
INDEXES 1967=100									
1978	I	116.0R	137.3	118.4R	220.6R	116.8R	190.2R	161.1R	180.2
	II	116.5R	141.1	121.1R	224.6R	116.1R	192.7R	169.2R	184.7
	III	117.3R	142.7	121.6R	229.4R	116.1R	195.6R	173.0R	187.8
	IV	117.6R	145.0	123.4R	234.3R	116.0R	199.3R	176.1R	191.4
	ANNUAL	116.8R	141.5	121.1R	227.3R	116.3R	194.5R	169.9R	186.1
1979	I	116.6R	145.5	124.8R	240.2R	115.8R	206.0R	174.3R	195.1
	II	115.4R	144.2R	124.9R	244.8R	114.3R	212.1R	177.6R	200.3
	III	115.5P	145.2P	125.7P	249.6P	113.1P	216.2P	183.0P	204.8P
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)									
1978	I	-0.9R	2.7	3.6R	11.4R	3.3R	12.4R	-11.2R	4.4
	II	1.9R	11.5	9.4R	7.5R	-2.5R	5.4R	21.5R	10.2
	III	2.7R	4.5	1.8R	8.8R	0.0R	6.0	9.4R	7.0
	IV	0.8R	6.8	5.9R	8.8R	-0.4R	8.0	7.3R	7.8
	ANNUAL	0.5	5.4	4.8R	8.6R	0.9R	8.0R	3.7R	6.6
1979	I	-3.2R	1.2	4.6R	10.4R	-0.6R	14.0R	-4.0R	8.1
	II	-4.1R	-3.6R	0.5R	7.9R	-5.0R	12.5R	7.8R	11.0
	III	0.2P	2.8P	2.5P	8.2P	-4.2P	7.9P	12.6P	9.3P
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(6)									
1978	I	-0.3R	4.2	4.6R	8.1R	1.4R	8.4R	1.3R	6.1
	II	0.6R	5.7	5.1R	8.4R	1.2R	7.7R	3.7R	6.4
	III	0.5R	5.2	4.7R	8.7R	0.6R	8.1	3.5R	6.6
	IV	1.1R	6.3	5.2R	9.1R	0.1R	7.9R	6.1R	7.3
	ANNUAL	0.5	5.4	4.8R	8.6R	0.9R	8.0R	3.7R	6.6
1979	I	0.5R	5.9	5.4R	8.9R	-0.8R	8.3	8.2R	8.3
	II	-1.0R	2.2R	3.2R	9.0R	-1.5R	10.1	5.0R	8.5
	III	-1.6P	1.7P	3.4P	8.8P	-2.6P	10.6P	5.8P	9.0P

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

OCTOBER 29, 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											
1978	I	116.7R	144.7	124.1R	218.5R	115.7R	187.3	201.5	190.8	107.1	178.3
	II	117.8R	149.7	127.1R	222.3R	114.9R	188.7	200.8	191.6	129.2	182.3
	III	118.4R	151.4	127.8R	226.9R	114.8R	191.5	201.6	194.0	132.7	184.9
	IV	118.8R	154.2	129.8R	231.3R	114.5R	194.8	203.1	196.8	138.7	188.2
	ANNUAL	117.9R	150.0	127.2R	224.8R	115.0R	190.6	201.8	193.3	127.2	183.5
1979	I	118.1R	155.1	131.3R	237.4R	114.5R	201.0	206.5	202.3	130.3	191.6
	II	117.3R	154.1R	131.4R	242.1R	113.1R	206.4R	213.2R	208.0R	129.2R	196.3P
-----											
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)											
1978	I	-0.1R	3.6	3.8R	11.3R	3.2R	11.4	5.6	9.9	-40.8	3.6
	II	4.1R	14.5	10.0R	7.2R	-2.7R	2.9	-1.3	1.8	111.3	9.3
	III	2.0R	4.6	2.5R	8.4R	-0.4R	6.2	1.7	5.1	11.4	5.7
	IV	1.1R	7.6	6.4R	8.1R	-1.0R	6.9	2.9	5.9	19.5	7.3
	ANNUAL	1.0R	6.2	5.2R	8.3R	0.6R	7.3	3.9	6.4	3.7	6.1
1979	I	-2.1	2.5	4.6R	11.0R	0.0R	13.4	6.8	11.7	-22.1	7.6
	II	-2.8R	-2.6R	0.3	8.0R	-4.9R	11.2R	13.5R	11.8R	-3.4R	10.2R
-----											
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(6)											
1978	I	-0.1R	4.6	4.7R	7.9R	1.2R	8.0	5.5	7.3	-6.1	6.0
	II	1.2R	6.7	5.4R	8.1R	0.9R	6.8	4.3	6.2	4.7	6.0
	III	0.8R	6.1	5.2R	8.3R	0.2R	7.4	3.5	6.4	1.4	5.8
	IV	1.8R	7.5	5.6R	8.7R	-0.3R	6.8	2.2	5.6	13.6	6.4
	ANNUAL	1.0R	6.2	5.2R	8.3R	0.6R	7.3	3.9	6.4	3.7	6.1
1979	I	1.3R	7.2	5.8R	8.7R	-1.0R	7.3	2.5	6.1	21.7	7.5
	II	-0.5R	2.9R	3.4R	8.9R	-1.6R	9.4R	6.2R	8.6R	0.0R	7.7
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SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED

P=PRELIMINARY

OCTOBER 29, 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	125.7R	130.1	103.4R	223.2R	118.1R	177.5
	II	127.2R	133.4	104.8R	226.6R	117.1R	178.1
	III	129.2R	135.9	105.2R	231.4R	117.0R	179.1
	IV	129.8R	138.5	106.7R	236.5R	117.1R	182.2
	ANNUAL	128.0R	134.5	105.1R	229.5R	117.5R	179.4
1979	I	129.0R	140.1	108.5R	242.4R	116.9R	187.9
	II	130.0R	139.7	107.5R	248.2R	115.9R	190.9R
	III	131.0P	139.7P	106.7P	253.0P	114.6P	193.1P
-----							
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE (5)							
1978	I	-6.4R	-2.2	4.5R	10.7R	2.7R	18.2R
	II	4.8R	10.6	5.5R	6.3R	-3.5R	1.4
	III	6.3R	7.6	1.3R	8.7R	-0.1R	2.2
	IV	2.0	8.1	5.9	9.3	0.0R	7.1
	ANNUAL	0.6R	4.8	4.3R	8.3R	0.6R	7.7
1979	I	-2.4R	4.6	7.1R	10.3R	-0.6R	13.0
	II	2.9R	-0.9R	-3.7R	9.8R	-3.4R	6.7R
	III	3.2P	0.0P	-3.1P	8.0P	-4.3P	4.6P
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PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR (6)							
1978	I	0.2R	4.7	4.5R	8.1R	1.4R	7.9
	II	-0.1R	4.1	4.2R	8.0R	0.9R	8.1
	III	0.6R	4.6	4.0R	8.1R	0.0R	7.4
	IV	1.6R	5.9	4.3R	8.7R	-0.3R	7.1
	ANNUAL	0.6R	4.8	4.3R	8.3R	0.6R	7.7
1979	I	2.6R	7.7	4.9R	8.6R	-1.1R	5.9
	II	2.2R	4.8R	2.6R	9.5R	-1.0R	7.2R
	III	1.4P	2.9P	1.4P	9.4P	-2.1P	7.8P
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SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED

P=PRELIMINARY

OCTOBER 29, 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							
1978	I	118.9R	124.4	104.6P	224.5R	118.9R	188.8
	II	120.9R	128.3	106.1R	227.9R	117.8R	188.5
	III	122.5R	131.3	107.2R	232.5R	117.6R	189.9
	IV	122.8R	134.5	109.5R	237.9R	117.7R	193.7
	ANNUAL	121.3R	129.6	106.9R	230.8R	118.1R	190.4
1979	I	121.8R	136.2	111.8R	247.8R	117.5R	200.1R
	II	122.7R	135.4	110.3R	249.5R	116.5R	203.3
	III	122.6P	134.4P	109.6P	254.3P	115.2P	207.4P
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)							
1978	I	-8.7R	-3.6	5.7	9.7R	1.7R	20.2
	II	6.9R	13.3	5.9R	6.1R	-3.7R	-0.8
	III	5.1R	9.6	4.3R	8.3R	-0.4R	3.1
	IV	1.2P	10.0	8.7R	9.6R	0.4	8.3
	ANNUAL	0.0R	5.8	5.8R	8.0R	0.3R	7.9
1979	I	-3.2R	5.3	8.8R	10.3R	-0.6R	13.9
	II	2.9R	-2.5R	-5.2R	9.7R	-3.5R	6.6R
	III	-0.2P	-2.7P	-2.5P	8.0P	-4.4P	8.2P
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(6)							
1978	I	-0.5R	5.6	6.1R	7.8R	1.2R	8.3R
	II	-0.6R	5.0	5.6R	7.7R	0.5R	8.3
	III	0.2R	5.6	5.4R	7.7R	-0.3R	7.5
	IV	0.9R	7.1	6.1R	8.4R	-0.5R	7.4
	ANNUAL	0.0R	5.8	5.8R	8.0R	0.3R	7.9
1979	I	2.4R	9.5	6.9P	8.6R	-1.1R	6.0
	II	1.5R	5.5	4.0R	9.5P	-1.1R	7.9
	III	0.1P	2.4P	2.2P	9.4P	-2.1P	9.2P

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED

P=PRELIMINARY

OCTOBER 29, 1979

SOURCE: BUREAU OF LABOR STATISTICS



TABLE 6. NONDURABLE MANUFACTURING SECTOR: PRODUCTIVITY, HOURLY COMPENSATION, UNIT LABOR COST, SEASONALLY ADJUSTED (1P)

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	136.9R	139.3	101.7R	220.1R	116.5R	160.7
	II	137.5R	141.6	103.0R	223.6R	115.5R	162.6
	III	140.3R	143.2	102.1R	228.1R	115.4R	162.6P
	IV	141.4R	145.1	102.6R	232.4R	115.0R	164.3
	ANNUAL	139.0R	142.3	102.4R	226.1R	115.7R	162.7
1979	I	141.1R	146.3	103.7R	238.0R	114.8R	168.7
	II	142.1R	146.9R	103.4P	244.1P	114.0P	171.8R
	III	145.0P	148.3P	102.3P	248.8P	112.7P	171.5P
-----							
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE (5)							
1978	I	-2.7R	-0.1	2.7R	12.3R	4.1R	15.4
	II	1.7R	6.8	4.9R	6.5R	-3.3R	4.7
	III	8.2R	4.8	-3.2R	8.3R	-0.4R	0.1
	IV	3.4R	5.3	1.8R	7.8R	-1.3R	4.2
	ANNUAL	1.5R	3.4	1.9R	8.4R	0.7R	6.8
1979	I	-0.9R	3.4	4.4R	10.0R	-0.9R	11.0
	II	2.7R	1.5R	-1.2R	10.6R	-2.6R	7.7R
	III	8.6P	4.1P	-4.2P	7.9P	-4.5P	-0.7P
-----							
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR (6)							
1978	I	1.3R	3.4	2.1R	8.1R	1.4R	6.7
	II	0.6R	2.9	2.2R	8.2R	1.0R	7.5
	III	1.3R	3.2	1.9R	8.3R	0.3R	7.0
	IV	2.6R	4.1	1.5R	8.7R	-0.3R	6.0
	ANNUAL	1.5R	3.4	1.9R	8.4R	0.7R	6.8
1979	I	3.1R	5.1	1.9R	8.1R	-1.5R	4.9
	II	3.3R	3.7R	0.4R	9.2R	-1.3R	5.7R
	III	3.4P	3.6P	0.2P	9.1P	-2.3P	5.5P
-----							

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED  
P=PRELIMINARY

OCTOBER 29, 1979  
SOURCE: BUREAU OF LABOR STATISTICS

FOOTNOTES, TABLES 1-6

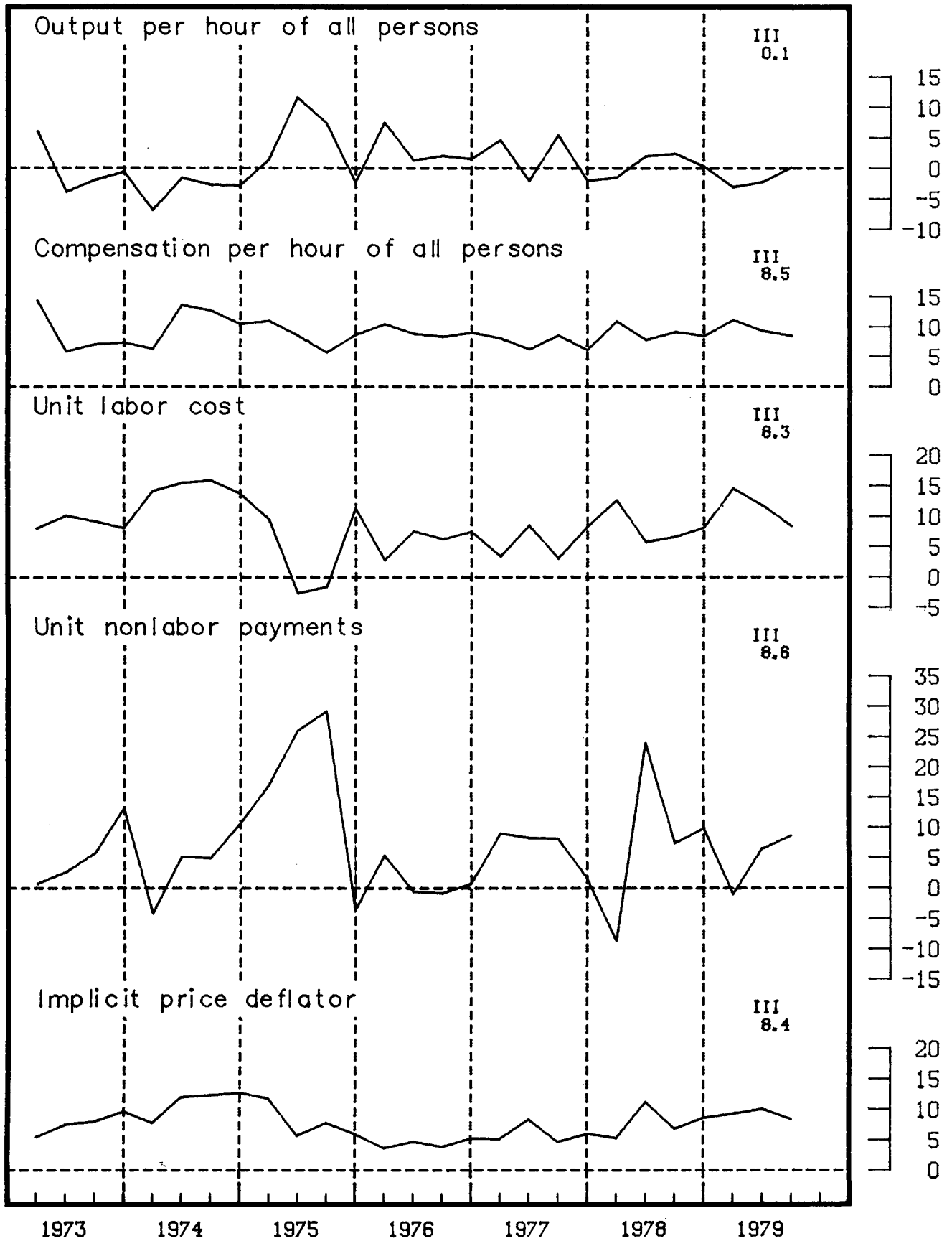
SOURCE: OUTPUT DATA FROM BUREAU OF ECONOMIC ANALYSIS, U.S. DEPARTMENT OF COMMERCE, AND THE FEDERAL RESERVE BOARD.  
COMPENSATION AND HOURS DATA FROM THE BUREAU OF LABOR STATISTICS, U.S. DEPARTMENT OF LABOR, AND THE BUREAU OF ECONOMIC ANALYSIS.

- (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, INVENTORY VALUATION, AND CAPITAL CONSUMPTION ADJUSTMENTS(IVA AND CCA).
- (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 MEASURE 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.

\*\*\*\*\*  
\* THE PRODUCTIVITY AND ASSOCIATED COST MEASURES IN THIS PRESS RELEASE DESCRIBE THE RELATIONSHIP \*  
\* BETWEEN OUTPUT IN REAL TERMS AND THE LABOR TIME INVOLVED IN ITS PRODUCTION. THEY SHOW THE \*  
\* CHANGES FROM PERIOD TO PERIOD IN THE AMOUNT OF LABOR TIME REQUIRED TO PRODUCE A UNIT OF OUTPUT. \*  
\* ALTHOUGH THESE MEASURES RELATE OUTPUT TO HOURS OF ALL PERSONS ENGAGED IN A SECTOR, THEY DO NOT \*  
\* MEASURE THE SPECIFIC CONTRIBUTIONS OF LABOR, CAPITAL, OR ANY OTHER FACTOR OF PRODUCTION. RATHER, \*  
\* THEY REFLECT THE JOINT CHANGES IN TECHNOLOGY; CAPITAL INVESTMENT; LEVEL OF OUTPUT; UTILIZATION \*  
\* OF CAPACITY; ENERGY AND MATERIALS; THE ORGANIZATION OF PRODUCTION; MANAGERIAL SKILLS; AND \*  
\* CHARACTERISTICS AND EFFORT OF THE WORK FORCE. \*  
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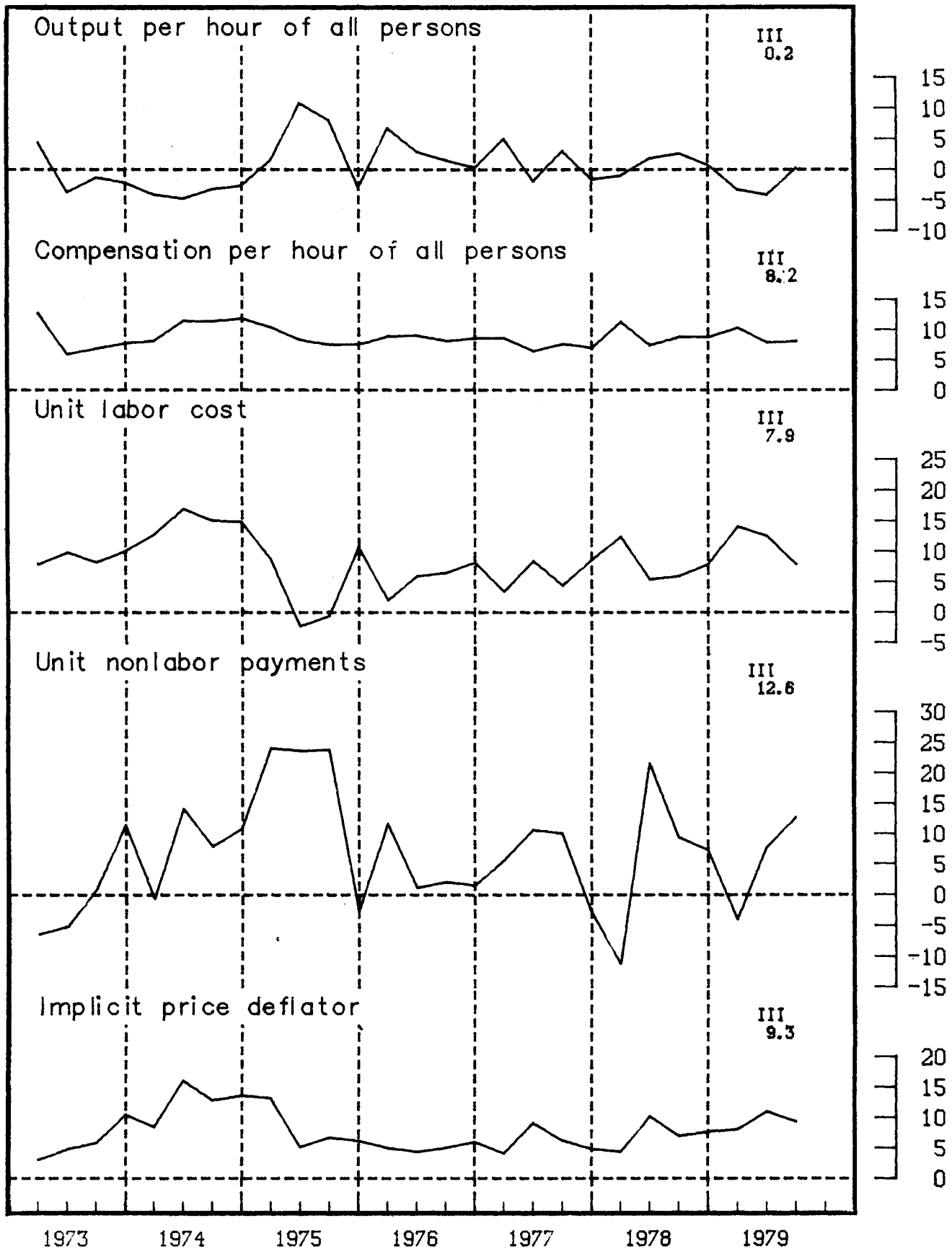
# Chart 1. Productivity, hourly compensation, unit costs and prices in the private business sector

(percent change from preceding quarter at annual rate)



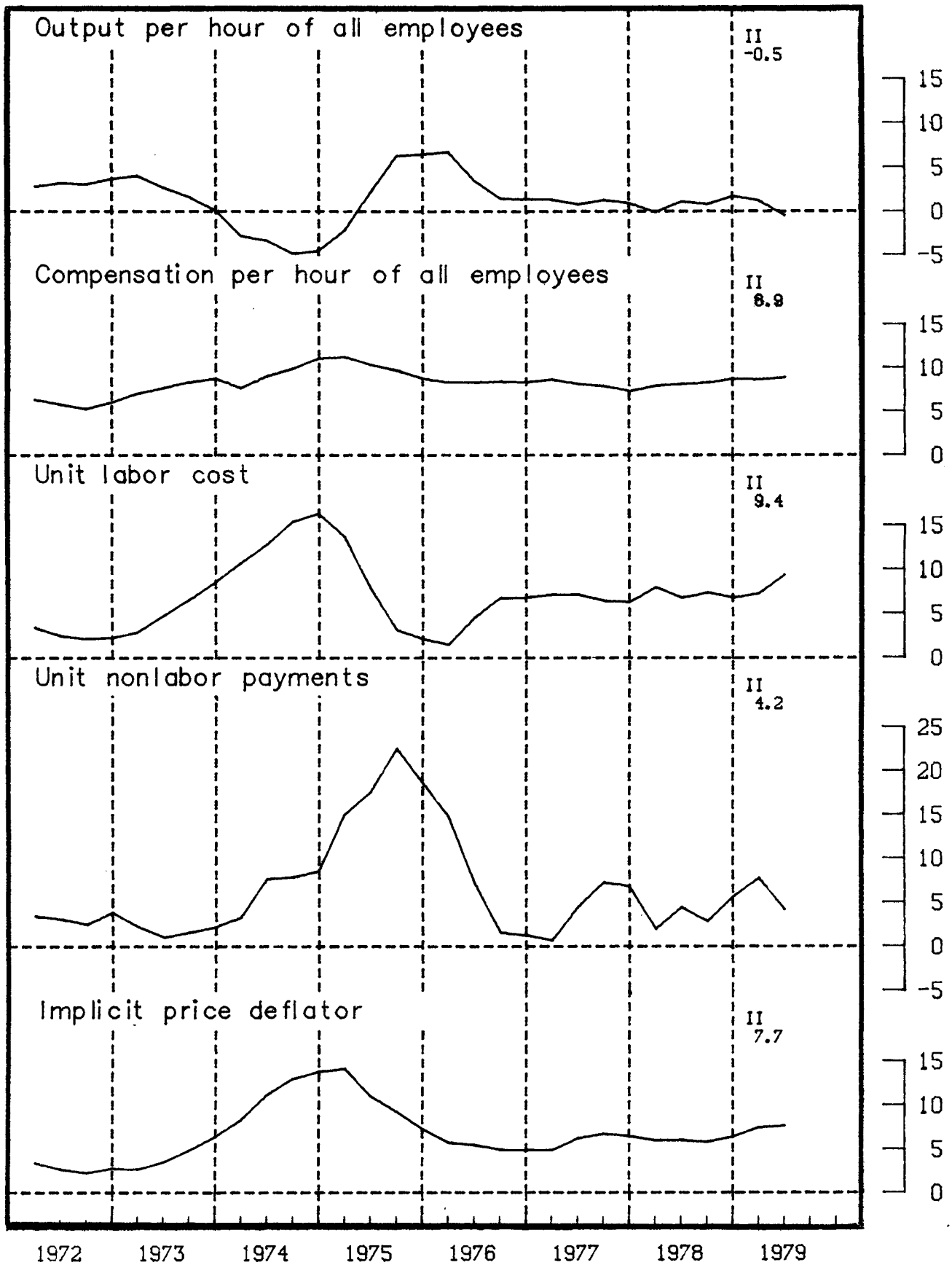
# Chart 2. Productivity, hourly compensation, unit costs and prices in the nonfarm business sector

(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)

