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PRODUCTIVITY AND COSTS

Nonfinancial Corporate Sector
Annual Data for 1979

Productivity in nonfinancial corporations decreased 0.4 percent in 1979, according to preliminary measures announced today by the Bureau of Labor Statistics of the U.S. Department of Labor. This was the first year productivity has declined in this sector since 1974 and only the third annual drop in the series, which begins in 1958. The decline reflected a 3.1 percent gain in output and a 3.5 percent increase in hours of all employees. Growth in output and hours were slower than in 1978, when gains of 6.2 percent and 5.2 percent respectively occurred. Thus productivity gained 1.0 percent in 1978. The nonfinancial corporate sector includes all corporations doing business in the United States, with the exception of banks, stock and commodity brokers, and finance and insurance agencies, and accounted for about 68 percent of the private business sector in 1979. A summary of annual changes in this sector appears in table A; details are given 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.

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

Measure	1975	1976	1977	1978	p1979
Output per all-employee hour	3.1	3.2	1.1	1.0	-0.4
Hourly compensation	10.0	8.3	8.0	8.3	8.9
Unit labor cost	6.6	4.9	6.8	7.3	9.3
Real hourly compensation	0.7	2.4	1.5	0.6	-2.1
Output	-2.2	7.4	5.5	6.2	3.1
Hours	-5.1	4.1	4.3	5.2	3.5
Unit nonlabor payments	18.7	5.8	4.9	3.8	5.4
Unit profits	32.2	22.1	9.4	3.7	0.9

p=preliminary

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

Sector	Productivity 1/	Hourly compensation	Unit labor cost	Real hourly compensation	Output	Hours
REVISED						
Third Quarter 1979 to Fourth Quarter 1979						
Private business	-0.6	7.2	7.8	-5.4	2.7	3.3
Nonfarm business	0.5	9.2	8.6	-3.6	2.5	1.9
Manufacturing	-1.3	8.4	9.9	-4.3	-1.1	0.3
Durable	-1.2	7.8	9.1	-4.8	-1.8	-0.6
Nondurable	-1.7	9.9	11.7	-3.0	0.1	1.8
1978 to 1979 Annual Average						
Private business	-0.9	9.3	10.3	-1.7	2.4	3.3
Nonfarm business	-1.1	8.9	10.2	-2.1	2.4	3.5
Manufacturing	1.8	9.2	7.3	-1.9	4.0	2.2
Durable	1.0	9.1	8.0	-2.0	4.2	3.2
Nondurable	3.1	9.0	5.8	-2.0	3.7	0.6
Fourth Quarter 1978 to Fourth Quarter 1979						
Private business	-1.8	9.1	11.1	-3.2	0.5	2.3
Nonfarm business	-2.0	9.0	11.3	-3.3	0.3	2.4
Manufacturing	0.6	9.2	8.5	-3.1	0.7	0.1
Durable	-0.4	8.9	9.4	-3.3	-0.4	0.0
Nondurable	2.2	9.6	7.3	-2.7	2.4	0.2

1/ 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.

Compensation and labor cost for nonfinancial corporations

Hourly compensation increased 8.9 percent in 1979 for all employees in the nonfinancial corporate sector, compared with an 8.3 percent increase during 1978. This measure includes the hourly cost to employers of wages and salaries as well as all fringe benefits and employer payments to employee benefit plans. Unit labor cost (compensation per unit of output) increased 9.3 percent in 1979, the largest increase since 1974 when a 13.8 percent increase occurred.

Real hourly compensation--which takes account of changes in the Consumer Price Index for All Urban Consumers (CPI-U)--declined 2.1 percent in 1979, compared with a 0.6 percent increase in 1978. This was the first decline since 1974.

Unit nonlabor cost, which includes capital consumption allowances, net interest, and indirect business taxes, increased 7.4 percent in 1979, compared with a 3.9 percent gain in 1978. This was the largest gain in these costs since 1975.

Profits and prices for nonfinancial corporations

Profits per unit of output edged up 0.9 percent in 1979, reflecting a 4.1 percent increase in profits and a 3.1 percent increase in output. In 1978, unit profit rose 3.7 percent. The 1979 gain was the smallest increase since 1974.

The implicit price deflator for the nonfinancial corporate sector--which reflects changes in unit labor cost, unit nonlabor cost, and unit profits--increased 8.0 percent in 1979, compared with a 6.1 percent rise in 1978. This was the largest increase in prices in this sector since 1975.

Revised fourth quarter measures for the business sectors

The Bureau of Labor Statistics also released revised fourth quarter measures today for the private business, nonfarm 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 later data on employment and average weekly hours prepared by BLS, revised productivity and cost measures show productivity declined 0.6 percent in the fourth quarter in the private business sector and increased 0.5 percent in the nonfarm business sector. On the basis of preliminary data these measures had been published as -1.6 percent and -0.4 percent respectively. In manufacturing, productivity declined 1.3 percent in the fourth quarter; preliminary data showed a 1.5 percent decline. Preliminary and revised measures are compared in table C.

Table C. Preliminary and revised measures, fourth quarter 1979
Percent change from previous quarter at annual rate
(Seasonally adjusted)

Private business sector	Preliminary	Revised
Output per hour of all persons	-1.6	-0.6
Compensation per hour	6.9	7.2
Unit labor cost	8.7	7.8
Real compensation per hour	-5.6	-5.4
Output	1.8	2.7
Hours	3.5	3.3
Nonfarm business sector		
Output per hour of all persons	-0.4	0.5
Compensation per hour	8.9	9.2
Unit labor cost	9.3	8.6
Real compensation per hour	-3.8	-3.6
Output	1.7	2.5
Hours	2.1	1.9
Manufacturing		
Output per hour of all persons	-1.5	-1.3
Compensation per hour	8.2	8.4
Unit labor cost	9.8	9.9
Real compensation per hour	-4.5	-4.3
Output	-1.0	-1.1
Hours	0.5	0.3
Durable		
Output per hour of all persons	-1.6	-1.2
Compensation per hour	7.5	7.8
Unit labor cost	9.2	9.1
Real compensation per hour	-5.1	-4.8
Output	-1.8	-1.8
Hours	-0.2	-0.6
Nondurable		
Output per hour of all persons	-1.5	-1.7
Compensation per hour	9.8	9.9
Unit labor cost	11.4	11.7
Real compensation per hour	-3.0	-3.0
Output	0.2	0.1
Hours	1.6	1.8

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(4)
INDEXES 1967=100								
1978 I	118.4	136.9	115.6	224.2	118.7	189.4	164.8	180.9
II	119.0	140.3	117.9	228.5	118.1	192.1	173.9	185.8
III	119.7	141.8	118.4	233.6	118.2	195.2	177.0	188.9
IV	119.8	144.0	120.2	238.4	118.0	199.0	181.3	192.9
ANNUAL	119.2	140.7	118.1	231.2	118.3	194.0	174.3	187.2
1979 I	118.9	144.4	121.5	244.8	118.0	205.9	180.8	197.2
II	118.2	143.4	121.3	250.3	116.9	211.7	183.7	202.0
III	117.8	143.8	122.0	255.6	115.8	217.0	185.6	206.1
IV	117.6R	144.7R	123.0R	260.1R	114.2	221.1R	189.0R	210.0
ANNUAL	118.1	144.1R	121.9R	252.8	116.3R	214.0R	184.6R	203.8
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)								
1978 I	-1.5	2.4	3.9	10.9	2.9	12.6	-8.6	5.3
II	2.0	10.5	8.4	7.9	-2.1	5.8	24.0	11.2
III	2.4	4.2	1.7	9.2	0.3	6.6	7.4	6.9
IV	0.3	6.4	6.1	8.5	-0.7	8.1	9.9	8.7
ANNUAL	0.5	5.2	4.7	8.5	0.8	8.0	5.3	7.1
1979 I	-3.0	1.2	4.4	11.1	0.1	14.6	-1.0	9.3
II	-2.2	-2.9	-0.7	9.3	-3.8	11.8	6.5	10.1
III	-1.3	1.1	2.4	8.8	-3.6	10.3	4.1	8.3
IV	-0.6R	2.7R	3.3R	7.2R	-5.4R	7.8R	7.7R	7.8
ANNUAL	-0.9	2.4R	3.3	9.3	-1.7R	10.3R	5.9R	8.9
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(6)								
1978 I	-0.1	4.4	4.5	8.0	1.3	8.1	2.1	6.1
II	0.9	5.7	4.7	8.4	1.2	7.4	5.6	6.8
III	0.2	4.8	4.6	8.5	0.4	8.3	5.4	7.4
IV	0.8	5.8	5.0	9.1	0.1	8.3	7.5	8.0
ANNUAL	0.5	5.2	4.7	8.5	0.8	8.0	5.3	7.1
1979 I	0.4	5.5	5.1	9.2	-0.6	8.7	9.7	9.0
II	-0.6	2.2	2.8	9.5	-1.0	10.2	5.6	8.7
III	-1.6	1.4	3.0	9.4	-2.0	11.2	4.8	9.1
IV	-1.8R	0.5R	2.3R	9.1R	-3.2	11.1R	4.3R	8.9
ANNUAL	-0.9	2.4R	3.3	9.3	-1.7R	10.3R	5.9R	8.9

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED

P=PRELIMINARY

FEB. 27, 1980

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(4)
INDEXES 1967=100								
1978	I	116.0	137.3	118.4	220.6	116.8	190.2	161.1
	II	116.5	141.1	121.1	224.6	116.1	192.7	169.2
	III	117.3	142.7	121.6	229.4	116.1	195.6	173.0
	IV	117.6	145.0	123.4	234.3	116.0	199.3	176.1
	ANNUAL	116.8	141.5	121.1	227.3	116.3	194.5	169.9
1979	I	116.6	145.5	124.8	240.2	115.8	206.0	174.3
	II	115.4	144.2	124.9	244.8	114.3	212.1	177.6
	III	115.0	144.6	125.7	249.9	113.2	217.3	180.5
	IV	115.1R	145.5R	126.3R	255.4R	112.2	221.8R	183.3
	ANNUAL	115.5	144.9R	125.4	247.6	113.9R	214.3R	178.8
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)								
1978	I	-0.9	2.7	3.6	11.4	3.3	12.4	-11.2
	II	1.9	11.5	9.4	7.5	-2.5	5.4	21.5
	III	2.7	4.5	1.8	8.8	0.0	6.0	9.4
	IV	0.8	6.8	5.9	8.8	-0.4	8.0	7.3
	ANNUAL	0.5	5.4	4.8	8.6	0.9	8.0	3.7
1979	I	-3.2	1.2	4.6	10.4	-0.6	14.0	-4.0
	II	-4.1	-3.6	0.5	7.9	-5.0	12.5	7.8
	III	-1.4	1.2	2.6	8.5	-3.9	10.1	6.6
	IV	0.5R	2.5R	1.9R	9.2R	-3.6	8.6R	6.4
	ANNUAL	-1.1R	2.4R	3.5R	8.9	-2.1R	10.2	5.2
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(6)								
1978	I	-0.3	4.2	4.6	8.1	1.4	8.4	1.3
	II	0.6	5.7	5.1	8.4	1.2	7.7	3.7
	III	0.5	5.2	4.7	8.7	0.6	8.1	3.5
	IV	1.1	6.3	5.2	9.1	0.1	7.9	6.1
	ANNUAL	0.5	5.4	4.8	8.6	0.9	8.0	3.7
1979	I	0.5	5.9	5.4	8.9	-0.8	8.3	8.2
	II	-1.0	2.2	3.2	9.0	-1.5	10.4	5.0
	III	-2.0	1.3	3.4	8.9	-2.5	11.1	4.3
	IV	-2.0R	0.3R	2.4	9.0R	-3.3	11.3R	4.1
	ANNUAL	-1.1R	2.4R	3.5R	8.9	-2.1R	10.2	5.2

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED

P=PRELIMINARY

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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	
INDEXES 1967=100											
1978	I	116.7	144.7	124.1	218.5	115.7	187.3	201.5	190.8	107.1	178.3
	II	117.8	149.7	127.1	222.3	114.9	188.7	200.8	191.6	129.2	182.3
	III	118.4	151.4	127.8	226.9	114.8	191.5	201.6	194.0	132.7	184.9
	IV	118.8	154.2	129.8	231.3	114.5	194.8	203.1	196.8	138.7	188.2
	ANNUAL	117.9	150.0	127.2	224.8	115.0	190.6	201.8	193.3	127.2	183.5
1979	I	118.1	155.1	131.3	237.4	114.5	201.0	206.5	202.3	130.3	191.6
	II	117.3	154.1	131.4	242.1	113.1	206.4	213.2	208.0	129.2	196.3
	III	117.2	154.3	131.7	247.1	112.0	210.8	220.5	213.2	127.5	200.4
	IV	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	ANNUAL	117.5P	154.7P	131.7P	244.7P	112.6P	208.3P	216.6P	210.3P	128.4P	198.2P
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)											
1978	I	-0.1	3.6	3.8	11.3	3.2	11.4	5.6	9.9	-40.8	3.6
	II	4.1	14.5	10.0	7.2	-2.7	2.9	-1.3	1.8	111.3	9.3
	III	2.0	4.6	2.5	8.4	-0.4	6.2	1.7	5.1	11.4	5.7
	IV	1.1	7.6	6.4	8.1	-1.0	6.9	2.9	5.9	19.5	7.3
	ANNUAL	1.0	6.2	5.2	8.3	0.6	7.3	3.9	6.4	3.7	6.1
1979	I	-2.1	2.5	4.6	11.0	0.0	13.4	6.8	11.7	-22.1	7.6
	II	-2.8	-2.6	0.3	8.0	-4.9	11.2	13.5	11.8	-3.4	10.2
	III	-0.2	0.6	0.9	8.6	-3.8	8.8	14.6	10.2	-5.3	8.6
	IV	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	ANNUAL	-0.4P	3.1P	3.5P	8.9P	-2.1P	9.3P	7.4P	8.8P	0.9P	8.0P
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(6)											
1978	I	-0.1	4.6	4.7	7.9	1.2	8.0	5.5	7.3	-6.1	6.0
	II	1.2	6.7	5.4	8.1	0.9	6.8	4.3	6.2	4.7	6.0
	III	0.8	6.1	5.2	8.3	0.2	7.4	3.5	6.4	1.4	5.8
	IV	1.8	7.5	5.6	8.7	-0.3	6.8	2.2	5.6	13.6	6.4
	ANNUAL	1.0	6.2	5.2	8.3	0.6	7.3	3.9	6.4	3.7	6.1
1979	I	1.3	7.2	5.8	8.7	-1.0	7.3	2.5	6.1	21.7	7.5
	II	-0.5	2.9	3.4	8.9	-1.6	9.4	6.2	8.6	0.0	7.7
	III	-1.0	1.9	3.0	8.9	-2.5	10.1	9.4	9.9	-3.9	8.4
	IV	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	ANNUAL	-0.4P	3.1P	3.5P	8.9P	-2.1P	9.3P	7.4P	8.8P	0.9P	8.0P

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED

P=PRELIMINARY

FEB. 27, 1980

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	125.7	130.1	103.4	223.2	118.1	177.5
II	127.2	133.4	104.8	226.6	117.1	178.1
III	129.2	135.9	105.2	231.4	117.0	179.1
IV	129.8	138.5	106.7	236.5	117.1	182.2
ANNUAL	128.0	134.5	105.1	229.5	117.5	179.4
1979 I	129.0	140.1	108.5	242.4	116.9	187.9
II	130.0	139.7	107.5	248.2	115.9	190.9
III	131.1	139.9	106.7	253.0	114.6	193.0
IV	130.6	139.5	106.8R	258.2R	113.4	197.6
ANNUAL	130.2	139.8	107.4	250.5	115.2R	192.4
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)						
1978 I	-6.4	-2.2	4.5	10.7	2.7	18.2
II	4.8	10.6	5.5	6.3	-3.5	1.4
III	6.3	7.6	1.3	8.7	-0.1	2.2
IV	2.0	8.1	5.9	9.3	0.0	7.1
ANNUAL	0.6	4.8	4.3	8.3	0.6	7.7
1979 I	-2.4	4.6	7.1	10.3	-0.6	13.0
II	2.9	-0.9	-3.7	9.8	-3.4	6.7
III	3.5	0.4	-2.9	8.1	-4.3	4.4
IV	-1.3R	-1.1R	0.3R	8.4R	-4.3R	9.9R
ANNUAL	1.8	4.0	2.2	9.2R	-1.9R	7.3R
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(6)						
1978 I	0.2	4.7	4.5	8.1	1.4	7.9
II	-0.1	4.1	4.2	8.0	0.9	8.1
III	0.6	4.6	4.0	8.1	0.0	7.4
IV	1.6	5.9	4.3	8.7	-0.3	7.1
ANNUAL	0.6	4.8	4.3	8.3	0.6	7.7
1979 I	2.6	7.7	4.9	8.6	-1.1	5.9
II	2.2	4.8	2.6	9.5	-1.0	7.2
III	1.5	3.0	1.5	9.4	-2.1	7.8
IV	0.6	0.7	0.1	9.2R	-3.1	8.5
ANNUAL	1.8	4.0	2.2	9.2R	-1.9R	7.3R

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED

P=PRELIMINARY

FEB. 27, 1980

SOURCE: BUREAU OF LABOR STATISTICS

TABLE S. 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	118.9	124.4	104.6	224.5	118.9	188.8
	II	120.9	128.3	106.1	227.9	117.8	188.5
	III	122.5	131.3	107.2	232.5	117.6	189.9
	IV	122.8	134.5	109.5	237.9	117.7	193.7
	ANNUAL	121.3	129.6	106.9	230.8	118.1	190.4
1979	I	121.8	136.2	111.8	243.8	117.5	200.1
	II	122.7	135.4	110.3	249.5	116.5	203.3
	III	122.7	134.6	109.7	254.3	115.2	207.3
	IV	122.3R	134.0	109.5R	259.1R	113.8	211.8R
	ANNUAL	122.4	135.0	110.3	251.7	115.8R	205.6
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)							
1978	I	-8.7	-3.6	5.7	9.7	1.7	20.2
	II	6.9	13.3	5.9	6.1	-3.7	-0.8
	III	5.1	9.6	4.3	8.3	-0.4	3.1
	IV	1.2	10.0	8.7	9.6	0.4	8.3
	ANNUAL	0.0	5.8	5.8	8.0	0.3	7.9
1979	I	-3.2	5.3	8.8	10.3	-0.6	13.9
	II	2.9	-2.5	-5.2	9.7	-3.5	6.6
	III	-0.1	-2.3	-2.2	8.0	-4.4	8.0
	IV	-1.2R	-1.8	-0.6R	7.8R	-4.8R	9.1R
	ANNUAL	1.0R	4.2	3.2	9.1R	-2.0R	8.0
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(6)							
1978	I	-0.5	5.6	6.1	7.8	1.2	8.3
	II	-0.6	5.0	5.6	7.7	0.5	8.3
	III	0.2	5.6	5.4	7.7	-0.3	7.5
	IV	0.9	7.1	6.1	8.4	-0.5	7.4
	ANNUAL	0.0	5.8	5.8	8.0	0.3	7.9
1979	I	2.4	9.5	6.9	8.6	-1.1	6.0
	II	1.5	5.5	4.0	9.5	-1.1	7.9
	III	0.2	2.5	2.3	9.4	-2.1	9.2
	IV	-0.4R	-0.4	0.0R	8.9R	-3.3R	9.4
	ANNUAL	1.0R	4.2	3.2	9.1R	-2.0R	8.0

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED

P=PRELIMINARY

FEB. 27, 1980

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	136.9	139.3	101.7	220.1	116.5	160.7
	II	137.5	141.6	103.0	223.6	115.5	162.6
	III	140.3	143.2	102.1	228.1	115.4	162.6
	IV	141.4	145.1	102.6	232.4	115.0	164.3
	ANNUAL	139.0	142.3	102.4	226.1	115.7	162.7
1979	I	141.1	146.3	103.7	238.0	114.8	168.7
	II	142.1	146.9	103.4	244.1	114.0	171.8
	III	145.2	148.5	102.3	248.9	112.7	171.4
	IV	144.6	148.6	102.8R	254.8	111.9R	176.2R
	ANNUAL	143.3	147.6	103.0	246.5	113.4R	172.1R
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)							
1978	I	-2.7	-0.1	2.7	12.3	4.1	15.4
	II	1.7	6.8	4.9	6.5	-3.3	4.7
	III	8.2	4.8	-3.2	8.3	-0.4	0.1
	IV	3.4	5.3	1.8	7.8	-1.3	4.2
	ANNUAL	1.5	3.4	1.9	8.4	0.7	6.8
1979	I	-0.9	3.4	4.4	10.0	-0.9	11.0
	II	2.7	1.5	-1.2	10.6	-2.6	7.7
	III	9.0	4.6	-4.1	8.1	-4.3	-0.9
	IV	-1.7R	0.1R	1.8R	9.9R	-3.0R	11.7R
	ANNUAL	3.1	3.7	0.6	9.0	-2.0R	5.8R
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(6)							
1978	I	1.3	3.4	2.1	8.1	1.4	6.7
	II	0.6	2.9	2.2	8.2	1.0	7.5
	III	1.3	3.2	1.9	8.3	0.3	7.0
	IV	2.6	4.1	1.5	8.7	-0.3	6.0
	ANNUAL	1.5	3.4	1.9	8.4	0.7	6.8
1979	I	3.1	5.1	1.9	8.1	-1.5	4.9
	II	3.3	3.7	0.4	9.2	-1.3	5.7
	III	3.5	3.7	0.2	9.1	-2.3	5.4
	IV	2.2R	2.4	0.2R	9.6	-2.7	7.3R
	ANNUAL	3.1	3.7	0.6	9.0	-2.0R	5.8R

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED

P=PRELIMINARY

FEB. 27, 1980

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 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 SKILL; AND *
 * CHARACTERISTICS AND EFFORT OF THE WORK FORCE. *

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

(percent change from preceding quarter at annual rate)

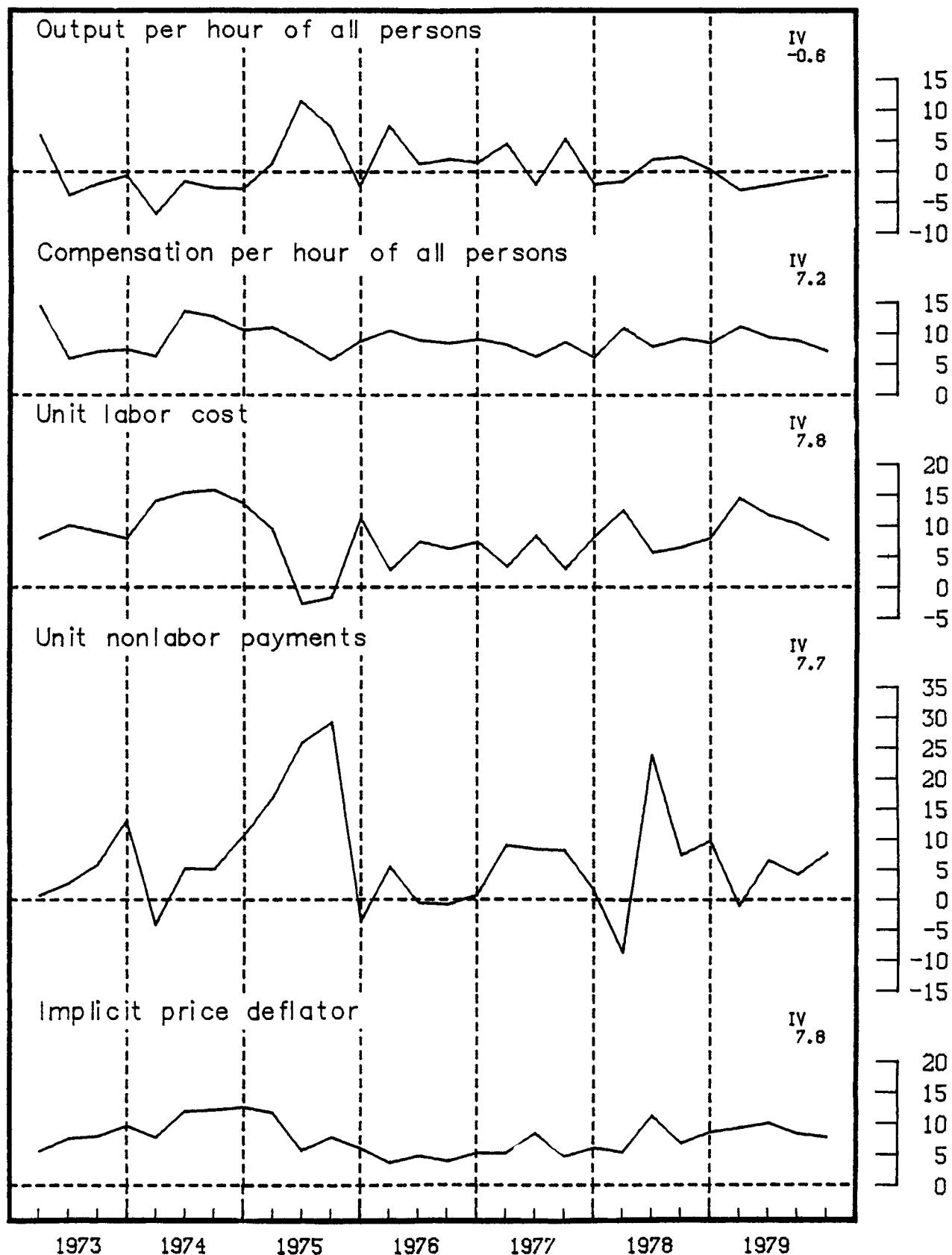


Chart 2. Productivity, hourly compensation, unit costs and prices in the nonfarm business sector

(percent change from preceding quarter at annual rate)

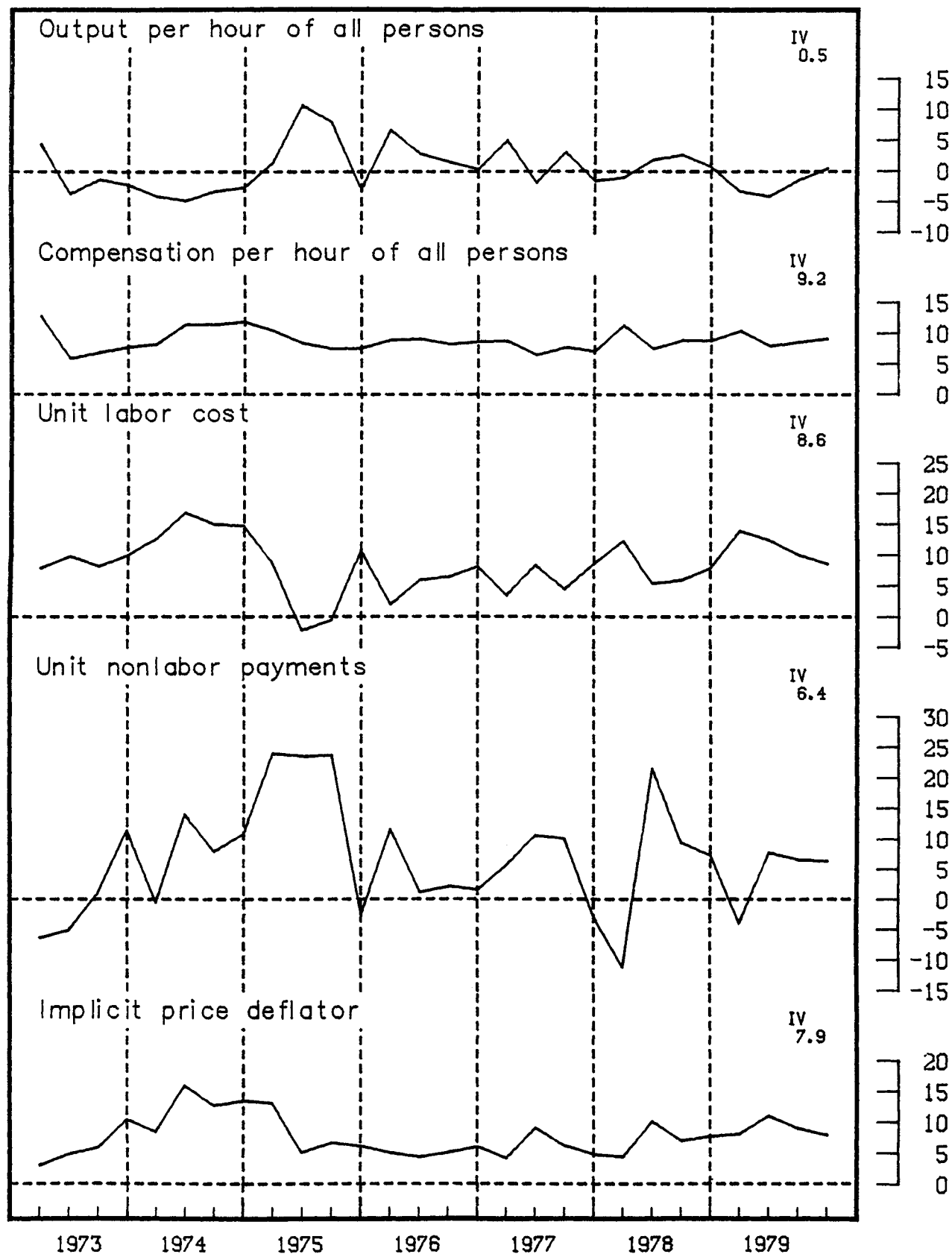


Chart 3. Productivity, hourly compensation, unit costs and prices in nonfinancial corporations

(percent change from same quarter a year ago)

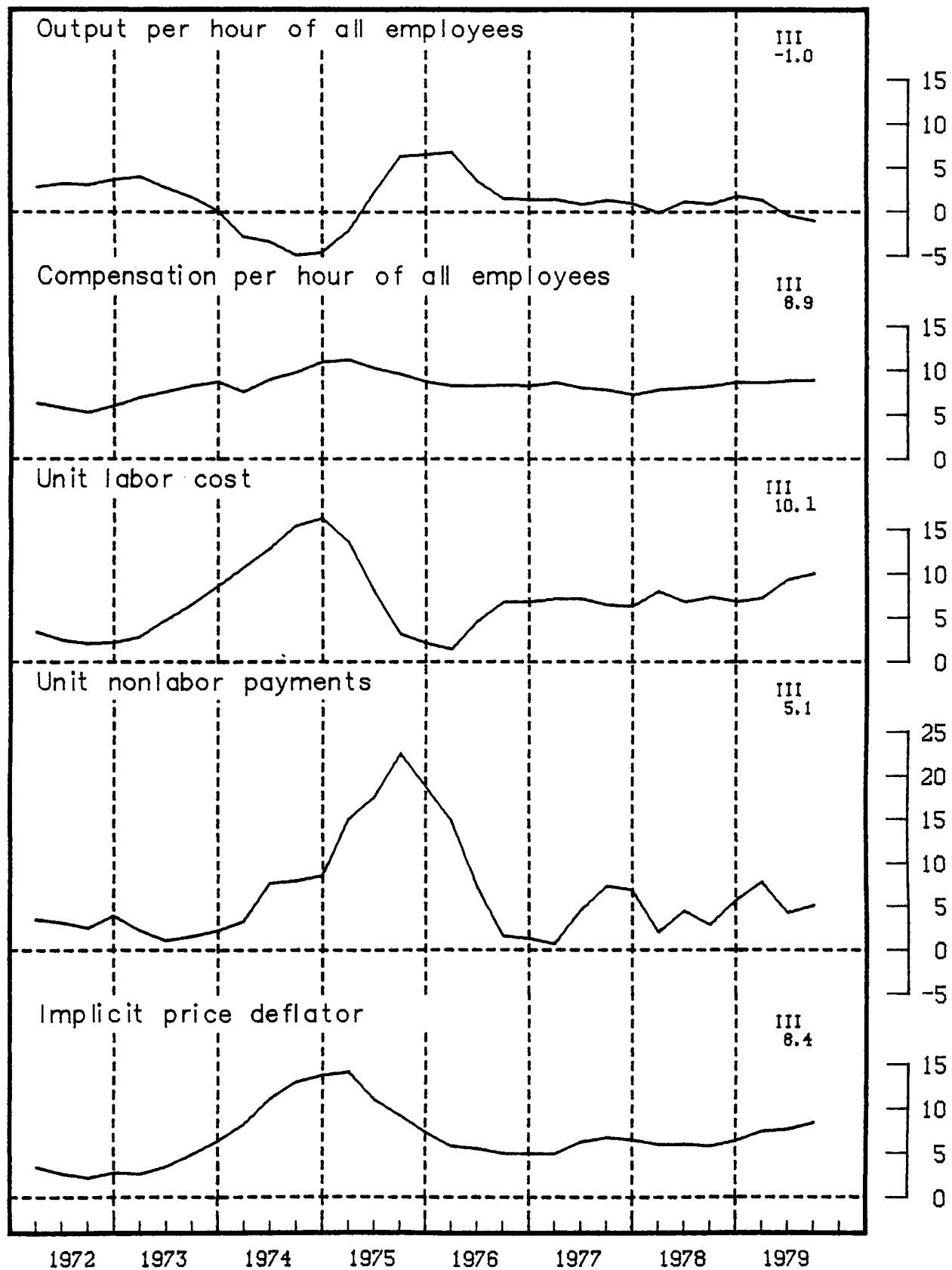


Chart 4. Unit costs, unit profits, and prices in nonfinancial corporations

(percent change from same quarter a year ago)

