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PRODUCTIVITY AND COSTS

Private Business, Nonfarm Business, and Manufacturing Sectors,
First Quarter 1980
(and data for Nonfinancial Corporations, Fourth Quarter 1979)

Productivity in the private business sector increased 0.6 percent (at a seasonally adjusted annual rate) in the first quarter of 1980, according to preliminary measures announced today by the Bureau of Labor Statistics of the U.S. Department of Labor. The increase reflected a 1.1 percent gain in output and a 0.5 percent increase in hours of all persons engaged in the private business sector. In the fourth quarter of 1979, productivity decreased 0.3 percent.

In the nonfarm business sector, productivity declined 0.2 percent as output rose 1.1 percent and hours of all persons increased 1.3 percent. In the fourth quarter, productivity increased 0.7 percent in this sector.

NOTE: With this press release, BLS incorporates three improvements in the productivity and cost series: (1) Average weekly hours for nonproduction workers have been reestimated using additional information. The new data have been introduced for the business, manufacturing, and nonfinancial corporate sector productivity and cost series for the full period covered in each case. Owing to the number of workers affected and to the size of the difference between the prior and current estimates, the effect is not great. (2) New seasonal factors for the Consumer Price Index for All Urban Consumers have been prepared by the Office of Prices and Living Conditions and are incorporated in this release. Only the quarterly real hourly compensation measures are affected, beginning in 1967. (3) Quarterly productivity and cost measures for the manufacturing sectors have been adjusted to conform with revised estimates of output for 1979. Copies of all revised historical series are available on request from the Office of Productivity and Technology, Bureau of Labor Statistics, Washington, D.C. 20212 (telephone (202) 523-9261).

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
PRELIMINARY						
Fourth Quarter 1979 to First Quarter 1980						
Private business	0.6	10.7	10.0	-5.3	1.1	0.5
Nonfarm business	-0.2	9.7	9.9	-6.2	1.1	1.3
Manufacturing	-1.9	9.8	11.9	-6.1	-1.1	0.8
Durable	-3.5	11.6	15.6	-4.6	-3.0	0.5
Nondurable	0.5	6.6	6.0	-8.9	1.8	1.3

PRELIMINARY						
First Quarter 1979 to First Quarter 1980						
Private business	-0.8	9.1	10.0	-4.5	0.5	1.3
Nonfarm business	-1.2	8.9	10.3	-4.6	0.3	1.6
Manufacturing	0.6	9.0	8.4	-4.5	-0.8	-1.4
Durable	-0.6	9.2	9.9	-4.3	-2.5	-1.9
Nondurable	2.4	8.8	6.3	-4.7	1.7	-0.7

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.

In manufacturing, productivity declined at a 1.9 percent annual rate; output fell 1.1 percent as hours edged up 0.8 percent. This was the second consecutive quarter of decline in manufacturing productivity; in the fourth quarter of 1979, it declined 1.3 percent.

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 1979 were also released today (See table B.)

Private Business Sector

Productivity increased 0.6 percent in the private business sector, compared with a 0.3 percent decline in the fourth quarter 1979. This was the first time productivity has increased since the fourth quarter of 1978. Output growth slowed--from a 2.8 percent increase in the fourth quarter of 1979 to a 1.1 percent gain in the first quarter of 1980 (annual rates)--and hours of all persons increased only 0.5 percent. In the fourth quarter of 1979, hours increased 3.2 percent. However, the reduction in the rate of growth of hours reflected a 2.1 percent decline in average weekly hours; employment growth in the sector continued to accelerate, showing a 2.7 percent gain in the first quarter 1980, compared with a 2.5 percent increase one quarter earlier.

Hourly compensation--which includes wages and salaries, supplements, and employer payments for social security and other employee benefit plans--increased 10.7 percent in the first quarter 1980, the first double-digit rise in a year. First-quarter increases in social security payments and an increase in the minimum wage were partly responsible for the increase. In the fourth quarter of 1979, hourly compensation increased 7.4 percent. Comparing the first quarter compensation--which includes the impact of the mandated increases--with the fourth quarter 1979 level shows a larger increase than

when the first quarters of 1979 and 1980 are compared--since a tax increase occurred each year. Hourly compensation increased 9.1 percent over the 4-quarter period, compared with the 10.7-percent annual rate from the fourth quarter 1979 to the first quarter 1980.

Real hourly compensation--which adjusts for increases in the Consumer Price Index for All Urban Consumers (CPI-U)--decreased 5.3 percent in the first quarter, compared with a 5.4 percent decrease in the fourth quarter of 1979. This was the eighth consecutive quarter of no growth of real hourly compensation in this sector. These declines erased the gains previously attained so that, in the first quarter of 1980, real hourly compensation was the same as it was in the fourth quarter of 1975.

Unit labor cost--which shows the effect of changes in hourly compensation and productivity--increased 10.0 percent in the first quarter 1980, compared with a 7.8 percent increase during the fourth quarter of 1979. Unit nonlabor payments--which consist of indirect business taxes, depreciation, net interest and profits--increased 9.4 percent in the first quarter.

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 9.8 percent in the first quarter 1980, compared with a 7.2 percent increase one quarter earlier.

Compared with the first quarter of 1979, productivity declined 0.8 percent as output rose 0.5 percent and hours increased 1.3 percent. Hourly compensation increased 9.1 percent over the 4-quarter span, while real hourly compensation declined 4.5 percent. Unit labor cost rose 10.0 percent, and the implicit price deflator went up 8.9 percent.

Nonfarm Business Sector

The productivity increase in the private business sector was partly the result of the large productivity gain which occurred in the farm sector in the first quarter 1980. In the nonfarm business sector, productivity declined 0.2 percent, reflecting a 1.1 percent advance in output coupled with a 1.3 percent increase in hours of all persons. During the fourth quarter of 1979, productivity increased 0.7 percent.

Hourly compensation gained 9.7 percent, and real hourly compensation dropped at a 6.2 percent annual rate. This was the biggest quarterly decline recorded in this series, which begins in 1947. Unit labor cost advanced 9.9 percent, and the implicit price deflator rose 11.0 percent, the largest rise since the second quarter of 1979. Employment advanced 2.9 percent, compared with gains of 2.0 percent which occurred in each of the preceding 3 quarters.

Compared with the first quarter of 1979, productivity declined 1.2 percent as output rose 0.3 percent and hours increased 1.6 percent. Hourly compensation increased 8.9 percent over the 4 quarters, while real hourly compensation declined 4.6 percent, owing to the bigger advance of the CPI-U. Unit labor cost rose 10.3 percent, and the implicit price deflator increased 9.6 percent.

Manufacturing

Productivity declined 1.9 percent in manufacturing in the first quarter, compared with a 1.3 percent drop in the fourth quarter of 1979. The first quarter decline reflected a 1.1 percent decline in output and a 0.8 percent increase in hours of all persons. Hourly compensation increased 9.8

percent--but declined 6.1 percent after allowing for the increase in the CPI-U. The decline in real hourly compensation was the largest since the first quarter of 1951. Unit labor cost went up 11.9 percent, the largest such increase in a year. In the fourth quarter of 1979, unit labor cost increased 10.0 percent.

The decline in manufacturing productivity reflected divergent movements in the durable and nondurable subsectors. In durables, productivity declined for the third consecutive quarter, dropping at a 3.5 percent annual rate in the first quarter. Output has declined for 4 quarters, but hours increased for the first time since the first quarter of 1979.

In nondurables, productivity edged higher, showing a 0.5 percent gain over the fourth quarter of 1979. Output grew 1.8 percent, and hours increased 1.3 percent. The decline in real hourly compensation in the first quarter of 1980 was larger in nondurables than in any other sector reported. The 8.9 percent decline was the eighth in a row, and real hourly compensation is lower in the first quarter of 1980 than at any time since the third quarter of 1974.

Compared with the first quarter of 1979, productivity increased 0.6 percent in all of manufacturing, as output fell 0.8 percent and hours declined 1.4 percent. Hourly compensation increased 9.0 percent, and unit labor cost rose 8.4 percent.

Fourth quarter measures for Nonfinancial Corporations

Fourth quarter 1979 productivity and cost measures were also announced today for the nonfinancial corporate sector, together with revised annual movements. (See table B.) Output per all-employee hour declined 0.5 percent in the fourth quarter and 0.4 percent for 1979 as a whole. Output increased

1.9 percent from the third to the fourth quarter, while hours of all employees increased 2.4 percent. Hourly compensation gained 8.3 percent--but dropped 4.6 percent when the rise in the CPI-U is taken into account. Unit labor cost went up 8.9 percent, unit nonlabor cost rose 10.6 percent, and unit profits decreased 10.4 percent. (See table 3.)

Table B. Percent change in productivity and costs at annual rates
Seasonally adjusted
Nonfinancial Corporations

ITEM	3rd quarter 1979 to 4th quarter 1979	4th quarter 1978 to 4th quarter 1979	1979 Annual
	PRELIMINARY	PRELIMINARY	REVISED
Output per all-employee hour	-0.5	-1.4	-0.4
Hourly compensation	8.3	9.0	8.9
Unit labor cost	8.9	10.6	9.3
Real hourly compensation	-4.6	-3.3	-2.1
Output	1.9	0.6	3.1
Hours	2.4	2.0	3.5
Unit profits	-10.4	-10.6	0.4

Productivity Indexes for Selected Industries, 1979 Edition



U.S. Department of Labor
Ray Marshall, Secretary
Bureau of Labor Statistics
Janet L. Norwood, Commissioner
December 1979

Bulletin 2054

"Productivity Indexes for Selected Industries, 1979 Edition," BLS Bulletin 2054, has been prepared by the Division of Industry Productivity Studies and is now available. This 190-page bulletin contains annual indexes of output per employee hour, output, and employee hours for about 88 industries in the nonfarm sector. The indexes are available for most industries through 1978. BLS Bulletin 2054 can be ordered from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402 (Stock No. 029-001-02429-1), GPO Bookstores, or BLS Regional Offices listed below. The price is \$5.50. 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(4)
INDEXES 1967=100								
1979 I	119.0R	144.4	121.4R	245.1R	118.0	205.9	180.8	197.2
II	118.4R	143.4	121.2R	250.6R	117.1R	211.7	183.6R	202.0
III	118.0R	143.8	121.9R	256.0R	115.9R	217.0	185.5R	206.1
IV	117.9R	144.8R	122.8R	260.6R	114.3R	221.1	188.2R	209.7R
ANNUAL	118.5R	144.1	121.8R	253.2R	116.4R	214.0	184.4R	203.8
1980 I	118.0P	145.2P	123.0P	267.3P	112.8P	226.5P	192.5P	214.7P
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)								
1979 I	-3.0	1.2	4.4	11.1	-0.1R	14.6	-1.0	9.3
II	-2.2	-2.9	-0.7	9.3	-3.1R	11.8	6.6R	10.1
III	-1.4R	1.1	2.5R	8.8	-4.0R	10.3	4.2R	8.3
IV	-0.3R	2.8R	3.2R	7.4R	-5.4	7.8	5.9R	7.2R
ANNUAL	-0.9	2.4	3.3	9.3	-1.7	10.3	5.8R	8.9
1980 I	0.6P	1.1P	0.5P	10.7P	-5.3P	10.0P	9.4P	9.8P
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(6)								
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	-1.7R	0.5	2.3	9.2R	-3.2	11.1	3.9R	8.7R
ANNUAL	-0.9	2.4	3.3	9.3	-1.7	10.3	5.8R	8.9
1980 I	-0.8P	0.5P	1.3P	9.1P	-4.5P	10.0P	6.5P	8.9P

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED

P=PRELIMINARY

APRIL 25, 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 OF ALL PERSONS	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									
1979	I	116.8R	145.5	124.6R	240.5R	115.8	206.0	174.5	195.1
	II	115.5R	144.2	124.8R	245.1R	114.6R	212.2R	177.6	200.3
	III	115.1R	144.6	125.6R	250.2R	115.3R	217.5	180.4R	204.7
	IV	115.4R	145.5	126.1R	255.9R	112.3R	221.8	182.5R	208.4R
	ANNUAL	115.7R	144.9	125.3R	248.0R	114.1R	214.4R	178.6R	202.1R
1980	I	115.3P	145.9P	126.5P	261.9P	110.5P	227.2P	188.4P	213.9P
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE (5)									
1979	I	-3.2	1.2	4.6	10.4	-0.7R	14.0	-3.9R	8.1
	II	-4.1	-3.6	0.5	7.9	-4.4R	12.5	7.8	11.0
	III	-1.4	1.2	2.6	8.5	-4.3R	10.1	6.6	9.0
	IV	0.7R	2.5	1.8R	9.4R	-3.6	8.6	4.6R	7.4R
	ANNUAL	-1.1	2.4	3.5	9.0R	-2.1	10.2	5.1R	8.6
1980	I	-0.2P	1.1P	1.3P	9.7P	-6.2P	9.9P	13.6P	11.0P
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR (6)									
1979	I	0.5	5.9	5.4	8.9	-0.9R	8.3	8.2	8.3
	II	-1.0	2.2	3.2	9.0	-1.5	10.1	5.0	8.5
	III	-2.0	1.3	3.4	8.9	-2.5	11.1	4.3	9.0
	IV	-2.0	0.3	2.4	9.0	-3.3	11.3	3.7R	8.9R
	ANNUAL	-1.1	2.4	3.5	9.0R	-2.1	10.2	5.1R	8.6
1980	I	-1.2P	0.3P	1.6P	8.9P	-4.6P	10.3P	8.1P	9.6P

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED

P=PRELIMINARY

APRIL 25, 1980

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 (4)	
INDEXES 1967=100											
1978	I	116.9R	144.7	123.8R	218.9R	115.8R	187.3	201.5	190.8	107.1	178.3
	II	118.1R	149.7	126.8R	222.8R	115.2R	188.7	200.8	191.6	129.2	182.3
	III	118.7R	151.4	127.6R	227.3R	115.0R	191.5	201.6	194.0	132.7	184.9
	IV	119.0R	154.2	129.6R	231.7R	114.6R	194.8	203.1	196.8	138.7	188.2
	ANNUAL	118.1R	150.0	127.0R	225.2R	115.3R	190.6	201.8	193.3	127.2	183.5
1979	I	118.4R	155.1	131.1R	237.9R	114.6R	201.0	206.5	202.3	130.3	191.6
	II	117.5R	154.1	131.1R	242.5R	115.3R	206.4	213.2	208.0	129.2	196.3
	III	117.4R	154.3	131.4R	247.6R	112.1R	210.8	220.5	213.2	127.5	200.4
	IV	117.3P	155.1P	132.2P	252.6P	110.8P	215.3P	226.1P	218.0P	124.0P	204.0P
	ANNUAL	117.7R	154.7	131.4R	245.2R	112.8R	208.4R	216.6	210.4R	127.8R	198.1R
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)											
1978	I	-0.2R	3.6	3.8	11.2R	3.3R	11.4	5.6	9.9	-40.8	3.6
	II	4.1	14.5	10.0	7.2	-2.1R	2.9	-1.3	1.8	111.3	9.3
	III	2.0	4.6	2.5	8.4	-0.8R	6.2	1.7	5.1	11.4	5.7
	IV	1.1	7.6	6.4	8.1	-1.3R	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	-0.1R	13.4	6.8	11.7	-22.1	7.6
	II	-2.9R	-2.6	0.3	8.0	-4.3R	11.2	15.5	11.8	-3.4	10.2
	III	-0.2	0.6	0.9	8.6	-4.3R	8.8	14.6	10.2	-5.3	8.6
	IV	-0.5P	1.9P	2.4P	8.3P	-4.6P	8.9P	10.6P	9.3P	-10.4P	7.3P
	ANNUAL	-0.4	3.1	3.5	8.9	-2.1	9.3	7.3R	8.8	0.4R	7.9R
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	0.8R	6.8	4.3	6.2	4.7	6.0
	III	0.8	6.1	5.3R	8.3	0.2	7.4	3.5	6.4	1.4	5.8
	IV	1.8	7.5	5.6	8.7	-0.2R	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	-1.1R	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	-1.4P	0.6P	2.0P	9.0P	-3.3P	10.6P	11.3P	10.8P	-10.6P	8.4P
	ANNUAL	-0.4	3.1	3.5	8.9	-2.1	9.3	7.3R	8.8	0.4R	7.9R

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED

P=PRELIMINARY

APRIL 25, 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							
1979	I	129.2R	139.8R	108.2R	243.2R	117.1R	188.2R
	II	130.0	139.4R	107.2R	248.9R	116.3R	191.4R
	III	131.0R	139.5R	106.4R	253.7R	114.9R	193.7R
	IV	130.6	139.0R	106.5R	259.0R	113.6R	196.3R
	ANNUAL	130.3R	139.4R	107.0R	251.3R	115.6R	192.9R
1980	I	130.0P	138.7P	106.7P	265.1P	111.8P	204.0P
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE (5)							
1979	I	-2.7R	4.2R	7.1	10.4R	-0.7R	13.4R
	II	2.5R	-1.3R	-3.7	9.8	-2.7R	7.1R
	III	3.2R	0.2R	-2.9	8.0R	-4.8R	4.7R
	IV	-1.3	-1.2R	0.1R	8.6R	-4.4R	10.0R
	ANNUAL	1.5R	3.7R	2.2	9.2	-1.9	7.6R
1980	I	-1.9P	-1.1P	0.8P	9.8P	-6.1P	11.9P
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR (6)							
1979	I	2.4R	7.5R	4.9	8.6	-1.1	6.1R
	II	1.8R	4.5R	2.6	9.5	-1.1R	7.5R
	III	1.1R	2.7R	1.5	9.3R	-2.1	8.1R
	IV	0.4R	0.5R	0.1	9.2	-3.2R	8.8R
	ANNUAL	1.5R	3.7R	2.2	9.2	-1.9	7.6R
1980	I	0.6P	-0.8P	-1.4P	9.0P	-4.5P	8.4P

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED

P=PRELIMINARY

APRIL 25, 1980

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							
1979	I	122.2R	136.1R	111.4R	244.7R	117.8R	200.3R
	II	123.0R	135.2R	110.0R	250.3R	117.0R	203.6R
	III	122.9R	134.4R	109.4R	255.1R	115.5R	207.0R
	IV	122.5R	133.7R	109.2R	260.0R	114.1R	212.3R
	ANNUAL	122.7R	134.9R	109.9R	252.6R	116.2R	205.9R
1980	I	121.4P	132.7P	109.3P	267.2P	112.7P	220.1P
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)							
1979	I	-3.3R	5.2R	8.8	10.3	-0.8R	14.0R
	II	2.6R	-2.7R	-5.2	9.6R	-2.9R	6.0R
	III	-0.3R	-2.4R	-2.1R	7.9R	-4.9R	8.2R
	IV	-1.2	-2.0R	-0.8R	7.9R	-5.0R	9.3R
	ANNUAL	0.8R	4.0R	3.2	9.0R	-2.0	8.2R
1980	I	-3.5P	-3.0P	0.5P	11.6P	-4.6P	15.6P
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(6)							
1979	I	2.3R	9.4R	6.9	8.6	-1.1	6.1R
	II	1.3R	5.3R	4.0	9.4R	-1.1	8.1R
	III	0.0R	2.3R	2.4R	9.3R	-2.1	9.3R
	IV	-0.6R	-0.5R	0.1R	8.9	-3.4R	9.5R
	ANNUAL	0.8R	4.0R	3.2	9.0R	-2.0	8.2R
1980	I	-0.6P	-2.5P	-1.9P	9.2P	-4.3P	9.9P

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED

P=PRELIMINARY

APRIL 25, 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							
1979	I	141.0R	145.9R	103.4R	238.6R	114.9R	169.2R
	II	141.8R	146.2R	103.1R	244.7R	114.4R	172.6R
	III	144.7R	147.7R	102.0R	249.5R	113.0R	172.4R
	IV	144.2R	147.7R	102.4R	255.6R	112.1R	177.3R
	ANNUAL	143.0R	146.9R	102.7R	247.2R	113.7R	172.9R
1980	I	144.4P	148.3P	102.7P	259.7P	109.5P	179.9P
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)							
1979	I	-1.6R	2.7R	4.4	10.0	-1.1R	11.8R
	II	2.2R	0.9R	-1.2	10.7R	-1.9R	6.3R
	III	8.6R	4.2R	-4.1	8.1	-4.7R	-0.5R
	IV	-1.5R	0.0R	1.5R	10.1R	-3.0	11.7
	ANNUAL	2.6R	3.2R	0.6	9.1R	-2.0	6.3R
1980	I	0.5P	1.8P	1.3P	6.6P	-8.9P	6.0P
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(6)							
1979	I	2.6R	4.6R	1.9	8.2R	-1.5	5.4R
	II	2.6R	3.2R	0.4	9.2	-1.3	6.2R
	III	2.9R	3.1R	0.2	9.1	-2.3	6.0R
	IV	1.8R	1.9R	0.1R	9.7R	-2.7	7.7R
	ANNUAL	2.6R	3.2R	0.6	9.1R	-2.0	6.3R
1980	I	2.4P	1.7P	-0.7P	8.8P	-4.7P	6.3P

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED

P=PRELIMINARY

APRIL 25, 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)

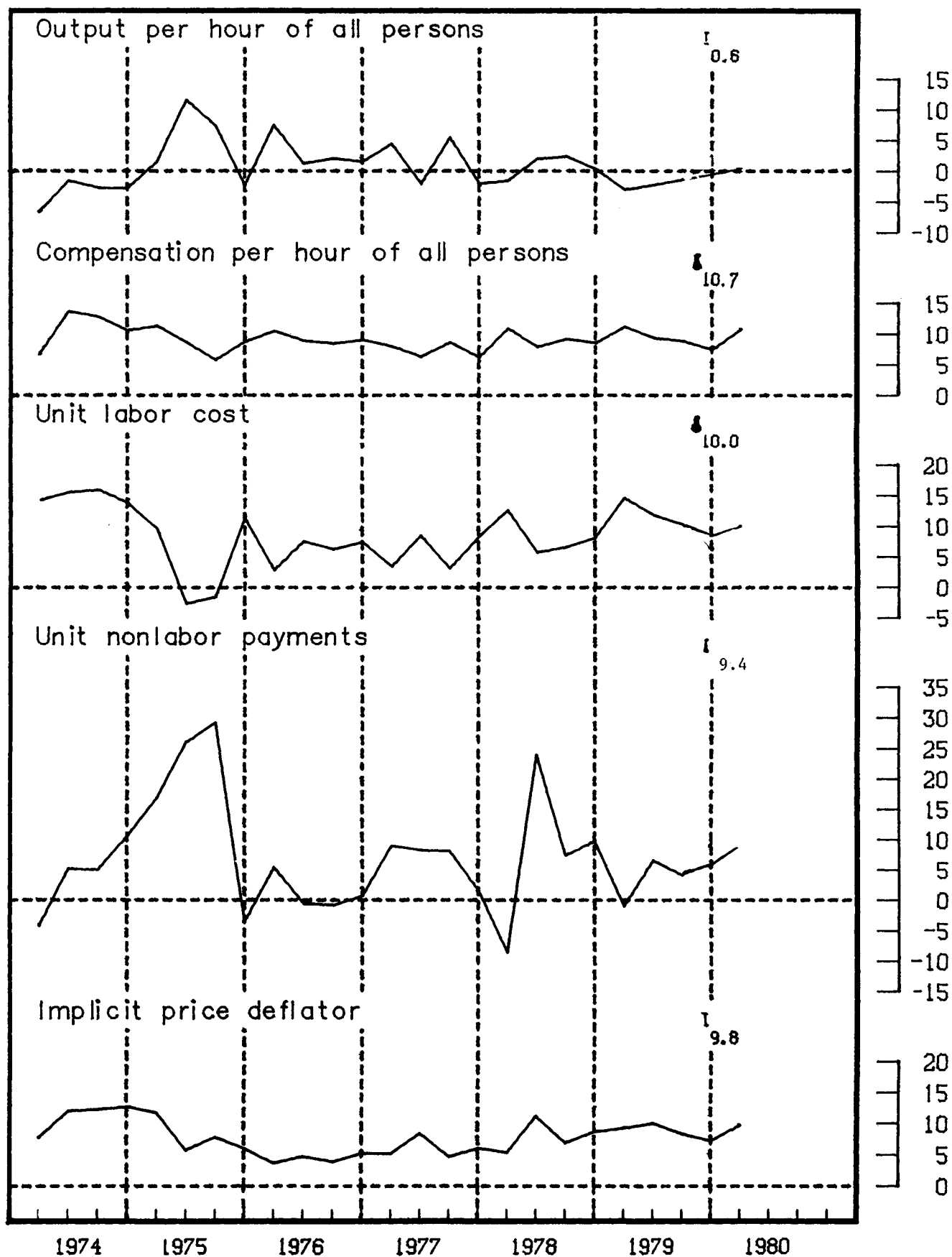


Chart 2. Productivity, hourly compensation, unit costs and prices in the nonfarm business sector

(percent change from preceding quarter at annual rate)

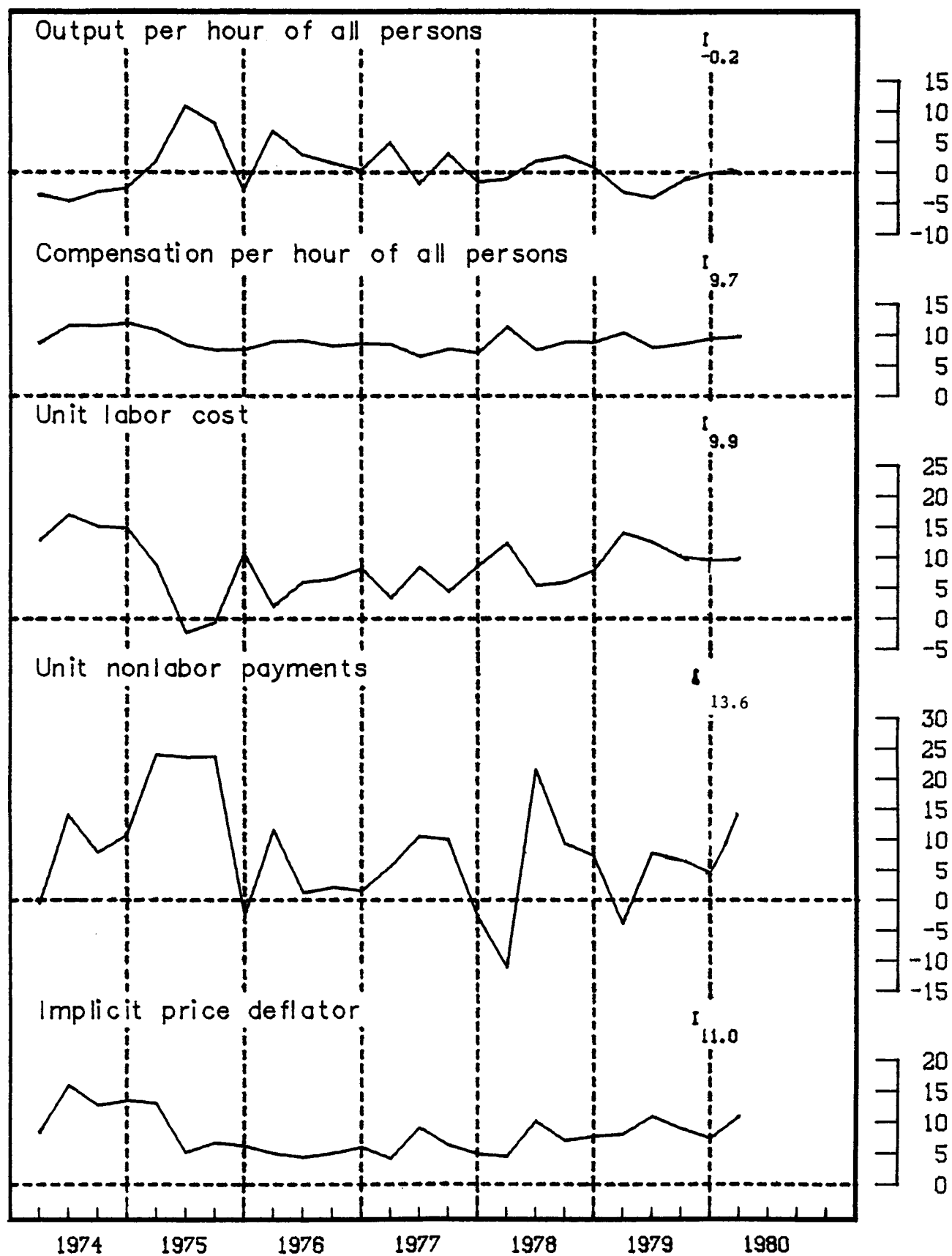


Chart 3. Productivity, hourly compensation, unit costs and prices in nonfinancial corporations

(percent change from same quarter a year ago)

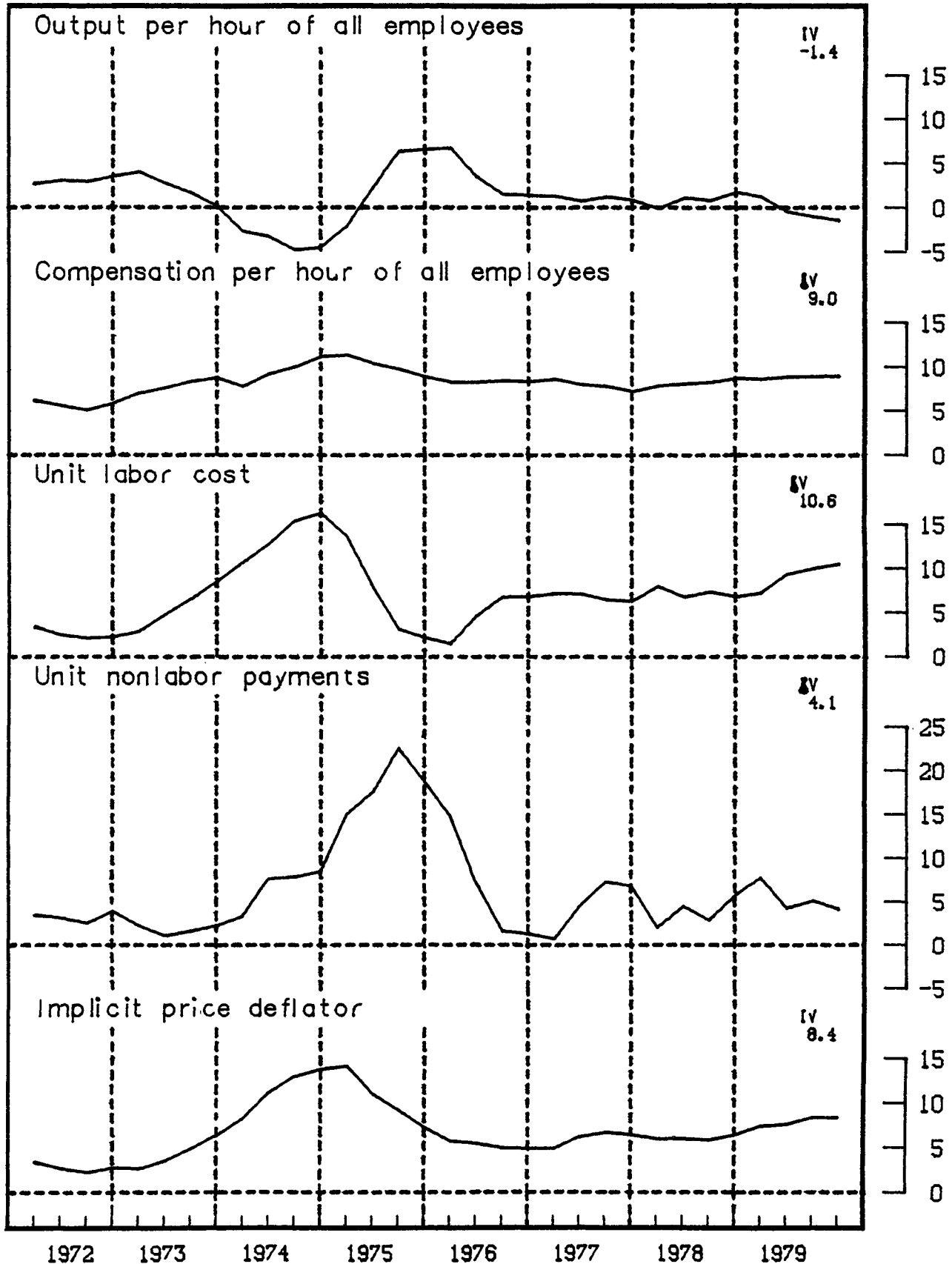


Chart 4. Unit costs, unit profits, and prices in nonfinancial corporations

(percent change from same quarter a year ago)

