

News

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PRODUCTIVITY AND COSTS

Nonfinancial Corporate Sector
Annual Data for 1980

Productivity, defined as output per employee hour, increased 0.3 percent in 1980 in the nonfinancial corporate sector, according to preliminary measures announced today by the Bureau of Labor Statistics of the U.S. Department of Labor. During 1979, productivity declined 0.1 percent in this sector. The productivity gain in 1980 reflected a 0.8 percent decline in output and a 1.1 percent fall in hours of all employees; during 1979, both output and hours increased. 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 two-thirds of the private business sector in 1980. A summary of annual changes 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.

Productivity and cost measures in this press release for the manufacturing sector reflect the incorporation of revised annual output levels for durable and nondurable manufacturing prepared by the Bureau of Economic Analysis of the U.S. Department of Commerce as part of the revisions of the national income and product accounts. Historical measures are available on request from the Office of Productivity and Technology, Bureau of Labor Statistics, Washington, D.C. 20212, telephone (202) 523-9261.

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.

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

Measure	1975	1976	1977	1978	1979	P1980
Output per employee hour	3.4	3.2	2.7	0.4	-0.1	0.3
Hourly compensation	10.1	8.2	8.1	8.2	9.6	9.9
Unit labor cost	6.5	4.9	5.3	7.8	9.7	9.6
Real hourly compensation	0.9	2.3	1.5	0.5	-1.5	-3.2
Output	-2.0	7.4	7.2	5.8	3.3	-0.8
Hours	-5.2	4.1	4.4	5.3	3.5	-1.1
Unit nonlabor payments	20.1	4.6	5.2	3.8	4.4	8.0
Unit profits	38.1	16.0	9.9	3.0	-3.9	-10.2

p=preliminary

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

Sector	Productivity	Hourly compensation	Unit labor cost	Real hourly compensation	Output	Hours
Revised Third Quarter 1980 to Fourth Quarter 1980						
Private business	-2.8	8.4	11.5	-3.4	5.2	8.2
Nonfarm business	-1.9	9.6	11.8	-2.3	5.4	7.5
Manufacturing	11.7	10.3	-1.3	-1.8	24.2	11.2
Durable	13.8	11.4	-2.2	-0.8	29.9	14.1
Nondurable	8.9	7.5	-1.3	-4.2	16.5	7.0
1979 to 1980 Annual Average						
Private business	-0.4	10.0	10.5	-3.1	-0.9	-0.5
Nonfarm business	-0.6	9.7	10.4	-3.3	-1.0	-0.4
Manufacturing	-0.5	10.5	11.0	-2.7	-4.6	-4.1
Durable	-1.4	11.0	12.5	-2.3	-6.7	-5.4
Nondurable	0.9	10.0	9.0	-3.1	-1.3	-2.2
Fourth Quarter 1979 to Fourth Quarter 1980						
Private business	-0.5	10.2	10.7	-2.0	-1.1	-0.6
Nonfarm business	-0.3	10.0	10.4	-2.2	-0.9	-0.6
Manufacturing	1.1	12.1	10.9	-0.3	-2.8	-3.9
Durable	0.8	13.2	12.4	0.7	-4.3	-5.1
Nondurable	1.6	10.5	8.8	-1.8	-0.4	-2.0

Compensation and labor cost for nonfinancial corporations

Hourly compensation increased 9.9 percent in 1980 for all employees in the nonfinancial corporate sector, compared with a 9.6 percent increase in 1979.

This measure includes the hourly cost to employers of wages and salaries as well as all fringe benefits, shift differentials, and employer payments to employee benefit plans. Unit labor cost (compensation per unit of output) increased 9.6 percent in 1980, compared with a 9.7 percent increase during 1979.

Real hourly compensation--compensation outlays adjusted for the increase in the Consumer Price Index for All Urban Consumers--declined 3.2 percent in 1980, the largest fall in this series which begins with data for 1958. This decline leaves real hourly compensation at its lowest level since 1974.

Unit nonlabor cost, which includes capital consumption allowances, net interest, and indirect business taxes, increased 15.7 percent in 1980, compared with an 8.2 percent rise during 1979.

Profits and prices for nonfinancial corporations

Profits per unit of output declined 10.2 percent during 1980, reflecting a 10.9 percent fall in profits and a 0.8 percent decline in output. Unit profits were lower in 1980 than at any time since 1975, and the decline was the largest 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 9.1 percent in 1980, compared with a 7.9 percent gain in 1979. This was the largest gain in the deflator since the 10.9 percent increase of 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 measure prepared by the Bureau of Economic Analysis of the U.S. Department of Commerce, revised productivity and cost measures show productivity declined 2.8 percent in the fourth quarter in the private business sector and declined 1.9 percent in the nonfarm business sector. On the basis of preliminary data, these measures had been published as -1.9 percent and -1.1 percent respectively. In manufacturing, productivity increased 11.7 percent in the fourth quarter; preliminary data showed a 10.6 percent gain. Preliminary and revised measures are compared in table C.

Table C. Preliminary and revised productivity and related measures,
Fourth quarter 1980
Percent change from previous quarter at annual rate
(Seasonally adjusted)

Private business sector	Preliminary	Revised
Output per hour of all persons	-1.9	-2.8
Compensation per hour	8.5	8.4
Unit labor cost	10.6	11.5
Real compensation per hour	-3.4	-3.4
Output	6.3	5.2
Hours	8.4	8.2
Nonfarm business sector		
Output per hour of all persons	-1.1	-1.9
Compensation per hour	9.6	9.6
Unit labor cost	10.9	11.8
Real compensation per hour	-2.3	-2.3
Output	6.5	5.4
Hours	7.7	7.5
Manufacturing		
Output per hour of all persons	10.6	11.7
Compensation per hour	10.1	10.3
Unit labor cost	-0.4	-1.3
Real compensation per hour	-1.9	-1.8
Output	23.8	24.2
Hours	11.9	11.2
Durable		
Output per hour of all persons	12.0	13.8
Compensation per hour	11.4	11.4
Unit labor cost	-0.5	-2.2
Real compensation per hour	-0.7	-0.8
Output	28.6	29.9
Hours	14.8	14.1
Nondurable		
Output per hour of all persons	9.0	8.9
Compensation per hour	7.0	7.5
Unit labor cost	-1.9	-1.3
Real compensation per hour	-4.7	-4.2
Output	17.3	16.5
Hours	7.6	7.0

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

(percent change from preceding quarter at annual rate)

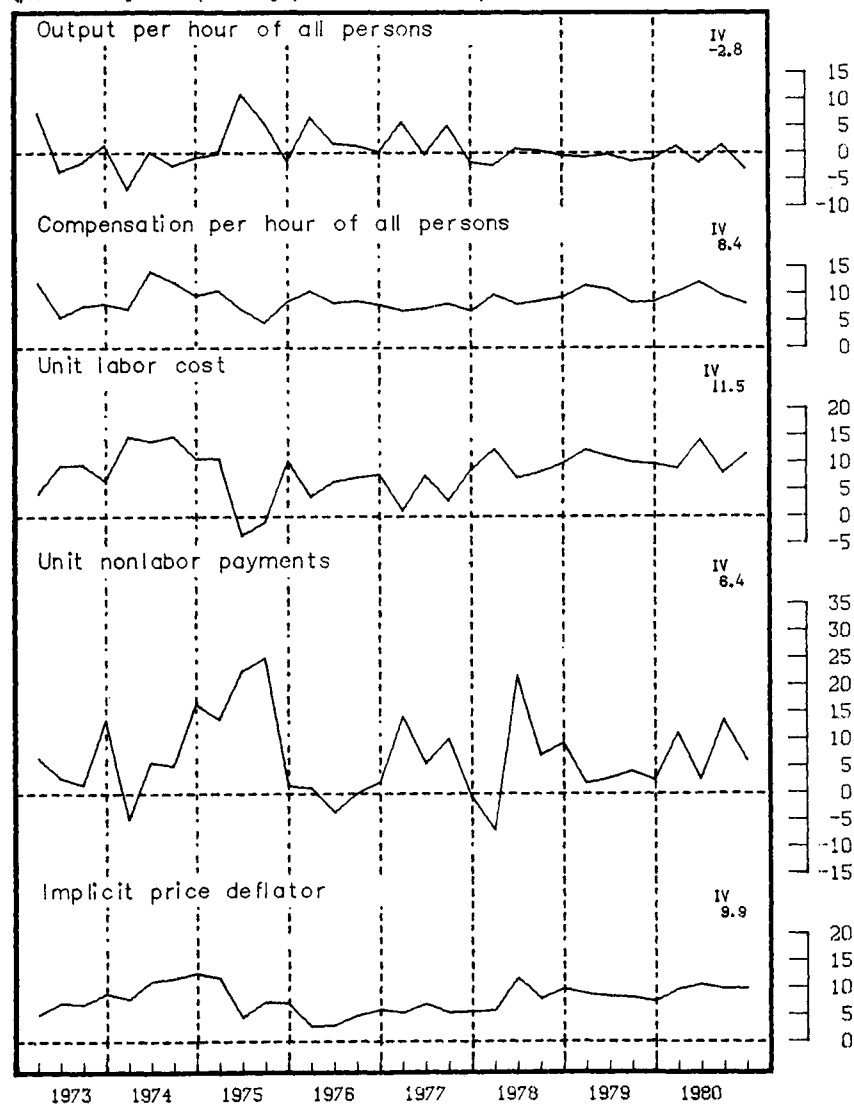


Chart 2. Productivity, hourly compensation, unit costs and prices in the nonfarm business sector

(percent change from preceding quarter at annual rate)

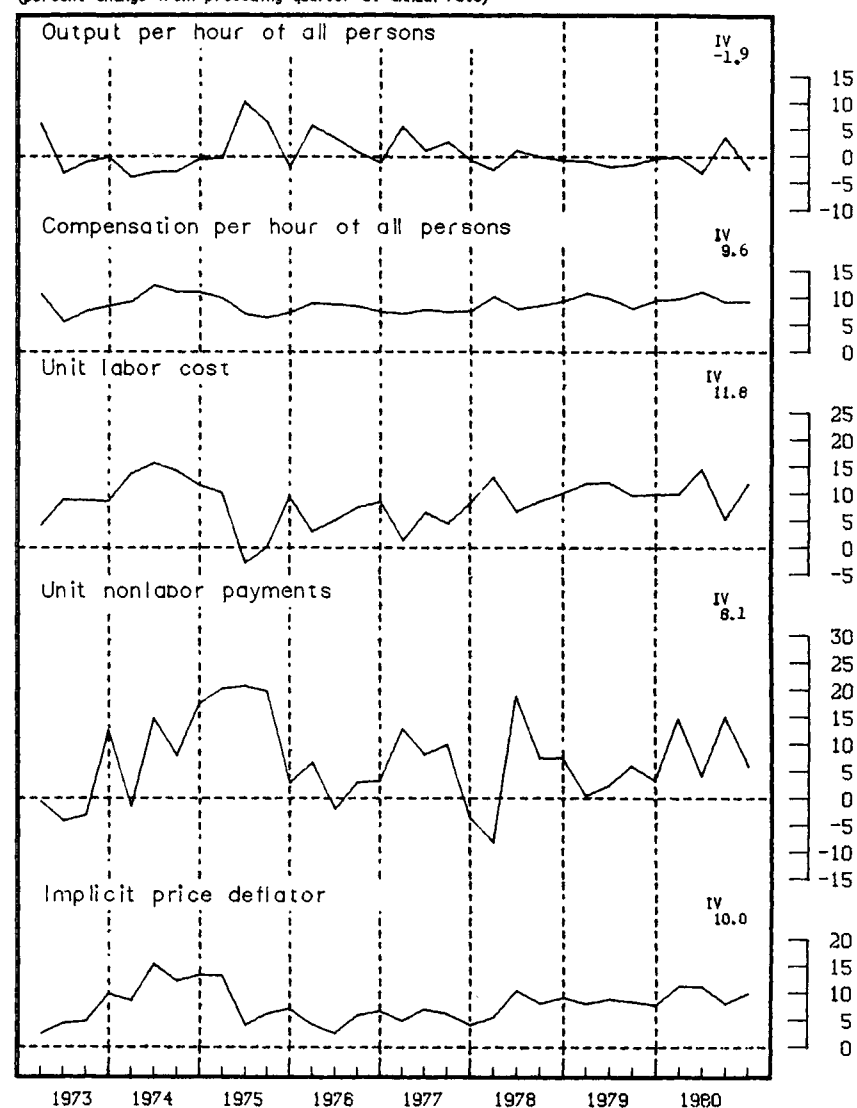


Chart 3. Productivity, hourly compensation, unit costs and prices in nonfinancial corporations

(percent change from same quarter a year ago)

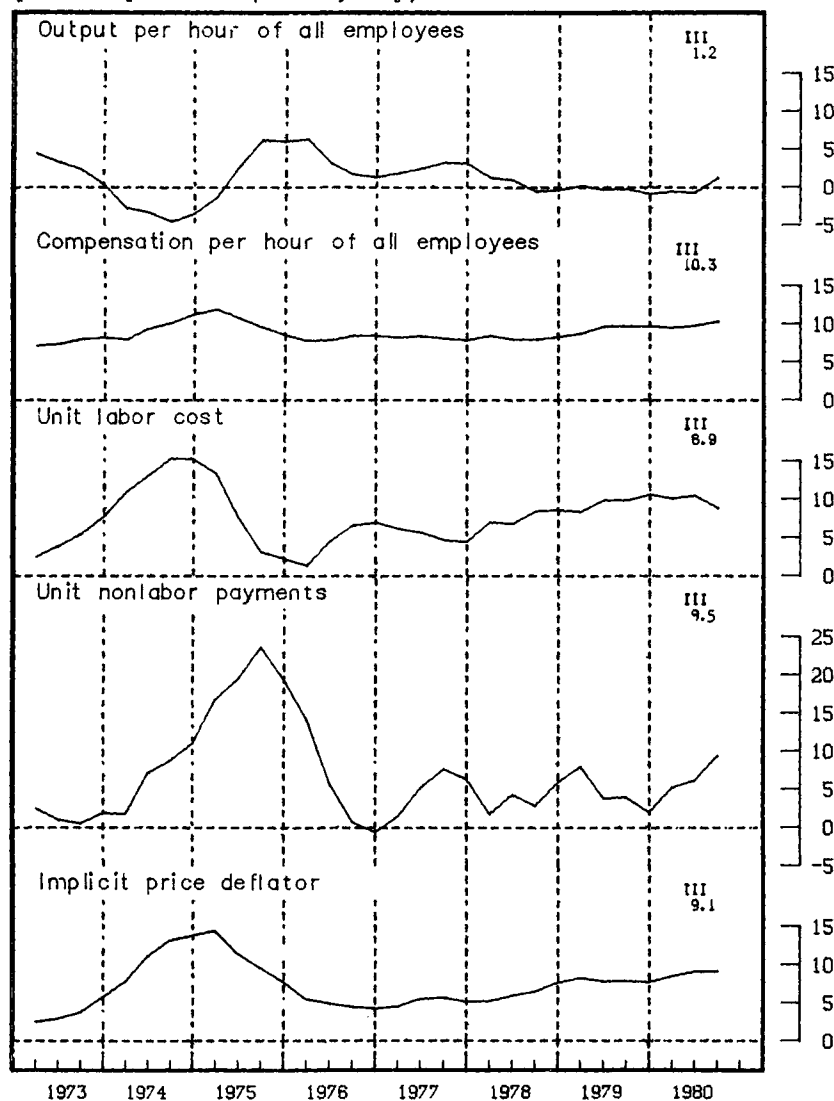


Chart 4. Unit costs, unit profits, and prices in nonfinancial corporations

(percent change from same quarter a year ago)

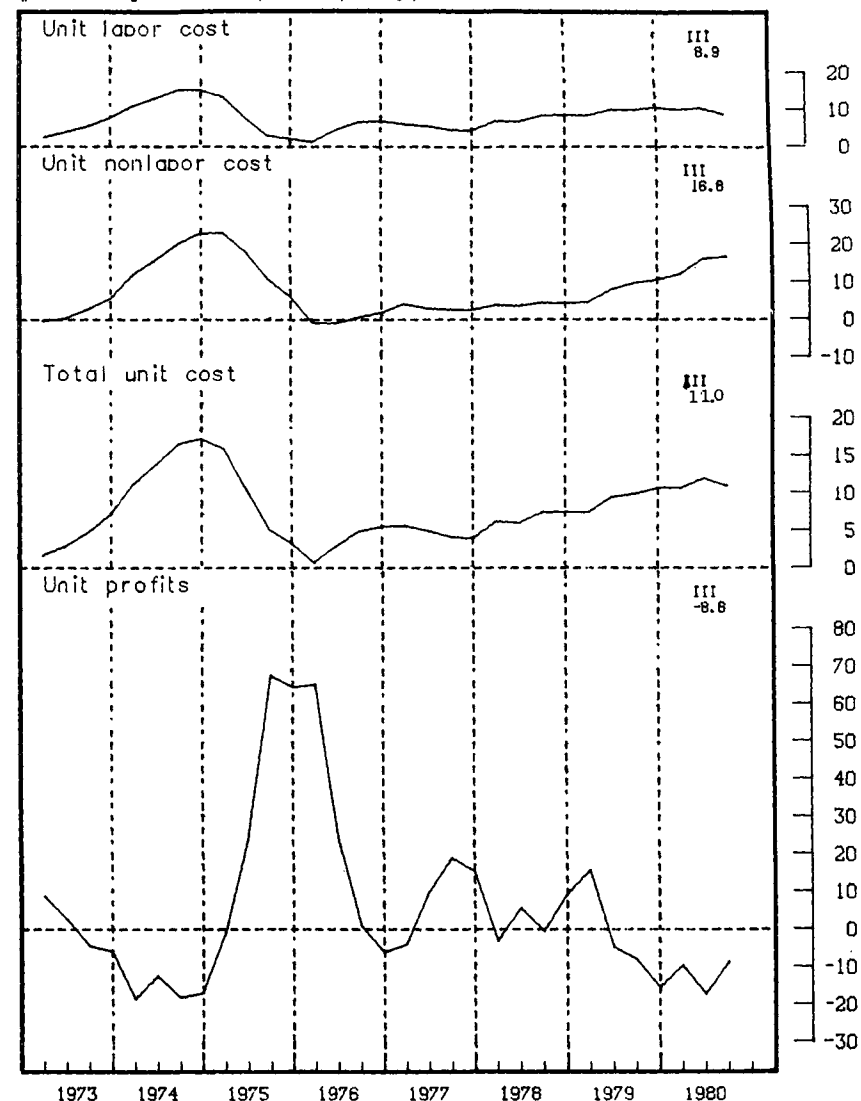


TABLE 1. PRIVATE BUSINESS SECTOR, ALL PERSONS: PRODUCTIVITY,
HOURLY COMPENSATION, UNIT LABOR COST, AND PRICES, SEASONALLY ADJUSTED

YEAR AND QUARTER		OUTPUT PER HOUR OF ALL PERSONS	OUTPUT	HOURS OF ALL PERSONS	COMPENSA- TION PER HOUR(1)	REAL COMPENSA- TION PER HOUR(2)	UNIT LABOR COST	UNIT NON- LABOR PAY- MENTS(3)	IMPLICIT PRICE DEFLATOR
INDEXES 1977=100									
1979	I	99.7	107.7	108.1	115.0	100.5	115.4	109.6	113.4
	II	99.6	107.1	107.5	118.0	100.1	118.5	110.4	115.8
	III	99.2	107.7	108.6	120.5	99.0	121.4	111.5	118.1
	IV	99.0	108.2	109.3	123.0	97.9	124.2	112.3	120.2
	ANNUAL	99.4	107.7	108.4	119.2	99.5	119.9	110.9	116.9
1980	I	99.3	108.7	109.5	126.0	96.5	127.0	115.3	123.0
	II	98.8	105.4	106.7	129.7	96.2	131.3	116.0	126.1
	III	99.2	105.7	106.5	132.8	96.8	133.9	119.8	129.1
	IV	98.5R	107.0R	108.7	135.5	95.9	137.6R	121.7	132.2R
	ANNUAL	99.0	106.7R	107.8	131.1	96.4	132.4	118.1R	127.6
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(S)									
1979	I	-0.8	4.0	4.8	11.6	0.3	12.4	1.9	8.8
	II	-0.2	-2.2	-2.0	10.9	-1.7	11.2	2.9	8.4
	III	-1.5	2.4	4.0	8.5	-4.4	10.1	4.2	8.2
	IV	-1.1	1.7	2.8	8.6	-4.4	9.8	2.6	7.4
	ANNUAL	-0.4	2.8	3.3	9.9	-1.2	10.4	5.5	8.8
1980	I	1.3	1.8	0.5	10.4	-5.6	9.0	11.3	9.7
	II	-1.3	-11.5	-9.9	12.2	-1.3	14.4	2.6	10.5
	III	1.5	1.1	-0.4	9.7	2.4	8.1	13.6	9.8
	IV	-2.8R	5.2R	8.2R	8.4R	-3.4R	11.5R	6.4R	9.9R
	ANNUAL	-0.4R	-0.9	-0.5	10.0	-3.1	10.5R	6.4R	9.2
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(S)									
1979	I	0.0	5.3	5.3	9.5	-0.3	9.5	9.9	9.6
	II	-0.2	2.4	2.6	10.2	-0.4	10.4	5.3	8.7
	III	-0.7	2.3	3.1	10.1	-1.5	10.9	4.6	8.8
	IV	-0.9	1.4	2.4	9.9	-2.5	10.9	2.9	8.2
	ANNUAL	-0.4	2.8	3.3	9.9	-1.2	10.4	5.5	8.8
1980	I	-0.4	0.9	1.3	9.6	-4.0	10.0	5.2	8.4
	II	-0.8	-1.6	-0.8	9.9	-3.9	10.8	5.1	9.0
	III	0.0	-1.9	-1.9	10.2	-2.3	10.3R	7.4	9.4
	IV	-0.5R	-1.1R	-0.6	10.2	-2.0	10.7R	8.4R	10.0R
	ANNUAL	-0.4R	-0.9	-0.5	10.0	-3.1	10.5R	6.4R	9.2

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED

P=PRELIMINARY

FEBRUARY 26, 1981

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 1977=100									
1979	I	99.5	107.9	108.4	114.9	100.4	115.4	107.1	112.6
	II	99.1	107.1	108.1	117.6	99.8	118.7	107.7	115.1
	III	98.7	107.8	109.2	119.9	98.6	121.5	109.3	117.4
	IV	98.6	108.2	109.7	122.7	97.7	124.4	110.2	119.7
	ANNUAL	99.0	107.7	108.8	118.8	99.2	120.0	108.5	116.2
1980	I	98.6	108.5	110.0	125.6	96.2	127.4	114.0	122.9
	II	97.9	105.1	107.3	129.0	95.7	131.8	115.2	126.3
	III	98.8	105.8	107.1	131.9	96.1	133.5	119.2	128.8
	IV	98.3R	107.2R	109.0R	135.0	95.6	137.3R	121.0R	131.9R
	ANNUAL	98.4R	106.7	108.4R	130.4	95.9	132.4	117.4R	127.4R
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)									
1979	I	-0.9	4.1	5.0	10.9	-0.2	11.9	0.4	8.1
	II	-1.9	-3.0	-1.1	10.0	-2.6	12.1	2.3	8.9
	III	-1.4	2.6	4.1	8.1	-4.7	9.7	5.9	8.5
	IV	-0.3	1.5	1.8	9.6	-3.5	9.9	3.3	7.8
	ANNUAL	-0.8	2.7	3.5	9.6	-1.5	10.4	4.8	8.6
1980	I	0.0	1.4	1.4	9.9	-6.0	9.9	14.6	11.3
	II	-3.0	-12.1	-9.4	11.2	-2.2	14.6	4.2	11.3
	III	3.8R	2.9	-0.9	9.3R	2.0	5.3	14.9	8.2
	IV	-1.9R	5.4R	7.5R	9.6	-2.3	11.8R	6.1R	10.0R
	ANNUAL	-0.6R	-1.0R	-0.4	9.7R	-3.3	10.4R	8.2R	9.7
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(6)									
1979	I	-0.1	5.5	5.5	9.2	-0.6	9.3	8.3	9.0
	II	-0.8	2.1	3.0	9.7	-0.8	10.7	4.3	8.6
	III	-1.2	2.2	3.4	9.6	-1.9	10.9	4.0	8.7
	IV	-1.1	1.3	2.4	9.6	-2.7	10.9	3.0	8.3
	ANNUAL	-0.8	2.7	3.5	9.6	-1.5	10.4	4.8	8.6
1980	I	-0.9	0.6	1.5	9.4	-4.2	10.4	6.4	9.1
	II	-1.2	-1.9	-0.7	9.7	-4.1	11.0	6.9	9.7
	III	0.1	-1.8	-1.9	10.0	-2.5	9.9	9.1	9.6
	IV	-0.3R	-0.9R	-0.6R	10.0R	-2.2	10.4R	9.8R	10.2R
	ANNUAL	-0.6R	-1.0R	-0.4	9.7R	-3.3	10.4R	8.2R	9.7

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

FEBRUARY 26, 1981
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 1977=100											
1979	I	100.6R	109.5	108.9	114.5R	100.1R	113.8	107.8	112.2	105.6	111.5
	II	100.6R	109.0	108.4	117.5R	99.6	116.8	111.2	115.3	100.7	113.7
	III	100.3R	109.4	109.1R	119.8	98.5R	119.5	114.6	118.2	97.5	115.9
	IV	99.7R	109.3	109.7	122.4R	97.5R	122.8	117.2	121.3	92.2	118.1
	ANNUAL	100.3R	109.3	109.0	118.6R	99.0	118.2	112.7	116.8	99.0	114.8
1980	I	100.0	109.9	110.0	125.3	95.9R	125.4	120.9	124.2	95.5	121.0
	II	99.8	106.8	107.0	128.9	95.6	129.1	129.3	129.2	83.4	124.1
	III	101.5	107.7	106.1	132.1	96.3	130.2	133.8	131.1	89.1	126.4
	IV	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	ANNUAL	100.6P	108.4P	107.8P	130.4P	95.9P	129.6P	130.4P	129.8P	88.9P	125.2P
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)											
1979	I	0.4R	5.6	5.2R	11.2R	0.0R	10.8	7.2	9.9	-11.8	7.3
	II	0.0R	-1.8	-1.8	10.9R	-1.7	10.9	13.0	11.4	-17.2	8.1
	III	-1.1	1.6	2.8	8.2	-4.6	9.5	12.8	10.3	-12.0	7.9
	IV	-2.4R	-0.4	2.1	8.9	-4.1	11.6	9.3	11.0	-20.2	7.8
	ANNUAL	-0.1R	3.3	3.5	9.6R	-1.5R	9.7	8.2	9.3	-3.9	7.9
1980	I	1.2R	2.2	1.0R	9.8R	-6.1R	8.6	13.5	9.8	15.3	10.3
	II	-0.5	-10.9	-10.5	12.0	-1.5	12.6	30.6	17.0	-41.9	10.5
	III	6.9R	3.4	-3.3R	10.3	3.0	3.2R	14.7	6.2	30.3	7.9
	IV	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	ANNUAL	0.3P	-0.8P	-1.1P	9.9P	-3.2P	9.6P	15.7P	11.2P	-10.2P	9.1P
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(6)											
1979	I	0.4R	6.4	6.1	8.8R	-0.9R	8.4	4.7	7.5	15.8	8.3
	II	-0.2	2.9	3.1R	9.8R	-0.8R	10.0	8.0	9.4	-4.6	7.9
	III	-0.1R	2.9	3.0R	9.8R	-1.7R	9.9	9.8	9.9	-7.9	7.9
	IV	-0.8R	1.2	2.0R	9.8R	-2.6R	10.7R	10.6	10.7	-15.4	7.8
	ANNUAL	-0.1R	3.3	3.5	9.6R	-1.5R	9.7	8.2	9.3	-3.9	7.9
1980	I	-0.6R	0.4	1.0R	9.5	-4.1	10.1	12.2	10.6	-9.5	8.5
	II	-0.7	-2.0	-1.3	9.7R	-4.1R	10.5	16.3	12.0	-17.2	9.1
	III	1.2R	-1.6	-2.8	10.3	-2.2	8.9	16.8	11.0	-8.6	9.1
	IV	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
	ANNUAL	0.3P	-0.8P	-1.1P	9.9P	-3.2P	9.6P	15.7P	11.2P	-10.2P	9.1P

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED

P=PRELIMINARY

FEBRUARY 26, 1981

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	101.4R	109.3R	107.7	114.5	100.1	112.9R
	II	102.3R	108.5R	106.1	118.5	100.5	115.9R
	III	101.9R	108.5R	106.5	119.7	98.4	117.5R
	IV	101.9R	108.3R	106.5	122.0	97.2	119.8R
	ANNUAL	101.9R	108.6R	106.6	118.7	99.1	116.5R
1980	I	101.7R	108.0R	106.2	125.0	95.7	122.9R
	II	100.5R	101.7R	101.2	129.6	96.1	128.9R
	III	100.2	99.7	99.5	133.5	97.3	133.2
	IV	103.0R	105.3R	102.1R	136.8	96.9R	132.8R
	ANNUAL	101.4R	103.7R	102.2	131.2	96.5	129.3R
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE (5)							
1979	I	-2.2R	3.5	5.8	11.3	0.1	13.7
	II	3.3R	-2.6R	-5.7	14.7	1.7	11.1R
	III	-1.6R	-0.1R	1.5	3.9	-8.4	5.6R
	IV	0.1R	-0.8R	-0.9	8.1	-4.8	8.0R
	ANNUAL	1.0R	3.1	2.1	9.7	-1.4	8.6R
1980	I	-0.7R	-1.0R	-0.3	10.1	-5.9	10.8R
	II	-4.6R	-21.4R	-17.6	15.5	1.6	21.1R
	III	-1.1R	-7.6R	-6.6	12.7	5.2	14.0R
	IV	11.7R	24.2R	11.2R	10.3R	-1.8R	-1.3R
	ANNUAL	-0.5R	-4.6R	-4.1	10.5	-2.7	11.0R
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR (6)							
1979	I	2.0R	7.2R	5.1	8.7	-1.0	6.6R
	II	1.7R	3.7R	2.0	10.9	0.2	9.1R
	III	0.2R	1.8R	1.7	9.7	-1.8	9.5R
	IV	-0.1R	0.0R	0.1	9.4	-2.9	9.6R
	ANNUAL	1.0R	3.1	2.1	9.7	-1.4	8.6R
1980	I	0.3R	-1.1R	-1.4	9.1	-4.4	8.8R
	II	-1.7R	-6.3R	-4.7	9.3	-4.4	11.2R
	III	-1.6R	-8.1R	-6.6	11.6	-1.1	13.4R
	IV	1.1R	-2.8R	-3.9R	12.1	-0.3	10.9R
	ANNUAL	-0.5R	-4.6R	-4.1	10.5	-2.7	11.0R

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED

P=PRELIMINARY

25/FEB/81

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	100.7R	111.7R	110.8	114.1	99.7	113.3R
	II	101.5R	110.3R	108.7	118.4	100.4	116.6R
	III	100.0R	109.5R	109.5	119.2	98.0	119.2R
	IV	100.1R	109.1R	108.9	121.3	96.6	121.1R
	ANNUAL	100.7R	110.2R	109.4	118.3	98.7	117.5R
1980	I	99.5R	104.3R	108.8	124.8	95.5	125.4R
	II	98.7R	100.7R	102.1	129.6	96.1	131.4R
	III	97.7	97.8R	100.1	133.7	97.4	136.8R
	IV	100.9R	104.4R	103.4R	137.3	97.2	136.1R
	ANNUAL	99.2R	102.8R	103.6	131.2R	96.5R	132.2R
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)							
1979	I	-4.4R	2.7R	7.4	11.3	0.1	16.4R
	II	3.2R	-4.6R	-7.6	15.9	2.7	12.3R
	III	-5.9R	-3.0R	3.0	2.8	-9.4	9.2R
	IV	0.5R	-1.5R	-2.0	7.2	-5.6	6.7R
	ANNUAL	-0.3R	2.8R	3.1	9.7	-1.4	10.1R
1980	I	-2.5R	-3.0R	-0.5	12.0	-4.2R	14.8R
	II	-3.4R	-25.0R	-22.4	16.5	2.5	20.6R
	III	-3.8R	-11.3R	-7.8	13.1	5.6	17.6R
	IV	13.8R	29.9R	14.1R	11.4	-0.8R	-2.2R
	ANNUAL	-1.4R	-6.7R	-5.4	11.0	-2.3R	12.5R
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(6)							
1979	I	1.4R	8.7R	7.3	8.7	-1.1	7.2R
	II	0.5R	3.8R	3.4	11.2	0.5	10.7R
	III	-1.8R	0.7R	2.6	9.8	-1.7	11.8R
	IV	-1.7R	-1.6R	0.1	9.2	-3.2	11.1R
	ANNUAL	-0.3R	2.8R	3.1	9.7	-1.4	10.1R
1980	I	-1.2R	-3.0R	-1.9	9.3	-4.2	10.7R
	II	-2.8R	-8.7R	-6.0	9.5	-4.3	12.7R
	III	-2.3R	-10.7R	-8.6	12.2	-0.6	14.8R
	IV	0.8	-4.3R	-5.1R	13.2	0.7	12.4R
	ANNUAL	-1.4R	-6.7R	-5.4	11.0	-2.3R	12.5R

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED

P=PRELIMINARY

25/FEB/81

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 1977=100							
1979	I	102.6R	105.7R	103.0	114.5	100.1	111.6R
	II	103.4	105.8	102.3	118.1	100.2	114.2
	III	104.9R	107.0R	102.0	119.7	98.4	114.2R
	IV	104.7R	107.1R	102.2	122.7	97.7	117.1R
	ANNUAL	103.9R	106.4R	102.4	118.7	99.1	114.3R
1980	I	105.3R	107.6R	102.3	124.6	95.4	118.4R
	II	103.4R	103.1R	99.7	129.3	95.8	125.0R
	III	104.1R	102.6R	98.6	133.1	97.0	127.8R
	IV	106.3	106.6R	100.2R	135.5R	95.9R	127.4R
	ANNUAL	104.8R	105.0R	100.2	130.5	96.0	124.6R
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)							
1979	I	1.5R	4.8R	3.2	10.7	-0.4	9.1R
	II	3.3R	0.6R	-2.6	13.2	-0.3	9.6R
	III	5.6R	4.5R	-1.0	5.7	-6.8	0.1R
	IV	-0.6R	0.2R	0.8	10.1	-3.0	10.7R
	ANNUAL	3.1R	3.6R	0.5	9.3	-1.8	6.0R
1980	I	2.1R	2.1R	0.0	6.6	-8.8	4.4R
	II	-6.9R	-15.7R	-9.5	15.7	1.7	24.3R
	III	2.8R	-2.0R	-4.7	12.4	4.9	9.3R
	IV	8.9R	16.5R	7.0R	7.5R	-4.2R	-1.3R
	ANNUAL	0.9	-1.3	-2.2	10.0	-3.1	9.0
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(6)							
1979	I	3.1R	4.9R	1.8	8.2	-1.5	5.0R
	II	3.5R	3.5R	-0.1	10.0	-0.6	6.2R
	III	3.3R	3.6R	0.2	9.3	-2.2	5.8R
	IV	2.4R	2.5R	0.1	9.9	-2.5	7.3R
	ANNUAL	3.1R	3.6R	0.5	9.3	-1.8	6.0R
1980	I	2.6R	1.9R	-0.7	8.9	-4.7	6.1R
	II	-0.1	-2.6	-2.5	9.4	-4.3	9.5R
	III	-0.7R	-4.1R	-3.4	11.1	-1.5	12.0R
	IV	1.6R	-0.4R	-2.0R	10.5R	-1.8R	8.8R
	ANNUAL	0.9	-1.3	-2.2	10.0	-3.1	9.0

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED

P=PRELIMINARY

FEBRUARY 26, 1981

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.

RELIABILITY: THE AVERAGE OF THE REVISIONS IN THE INDEX OF PRODUCTIVITY IN THE PRIVATE BUSINESS SECTOR, WITHOUT REGARD TO SIGN, BETWEEN THE FIRST AND THIRD PUBLISHED ESTIMATES IS 0.63 INDEX POINTS (0.53 PER CENT); THAT IS, IN ABOUT HALF OF THE CASES, THE ABSOLUTE VALUE OF THE REVISION FROM THE FIRST TO THE THIRD ESTIMATE OF THE INDEX--ABOUT 90 DAYS--WAS LESS THAN 0.63 POINTS (0.53 PERCENT). (CALCULATED ON THE BASIS OF DATA FOR THE JANUARY 1977 TO JULY 1980 PERIOD.)

- (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 INCLUDES 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; STONE, CLAY, & GLASS PRODUCTS; 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.

 * 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 EFFECTS OF MANY INFLUENCES, INCLUDING 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. *
