



Lawrence Fulco (202) 523-9261
Kathryn Hoyle (202) 523-1913

USDL 81-377
For Release 10:00 AM EDT
Thursday, July 30, 1981

PRODUCTIVITY AND COSTS

Private Business, Nonfarm Business, and Manufacturing Sectors
Second Quarter 1981

Productivity in the private business sector increased at a 1.1 percent annual rate during the second quarter of 1981, the Bureau of Labor Statistics of the U.S. Department of Labor reported today. The productivity increase was slower than the advance during the first quarter, and resulted from declines in output and hours. Output dropped 2.6 percent, and hours declined 3.7 percent. During the first quarter, productivity increased 4.6 percent as output rose 7.9 percent and hours increased 3.1 percent (annual rates).

In the nonfarm business sector, productivity declined 0.9 percent, as output dropped 3.5 percent and hours slipped 2.6 percent (annual rates). During the first quarter productivity rose 4.3 percent in this sector, as output and hours increased 7.9 percent and 3.5 percent, respectively.

The productivity and cost measures contained in this release are based on the latest measures of employment and average weekly hours compiled by the Bureau of Labor Statistics and are consistent with the March 1980 benchmark released July 2, 1981. Small changes resulted from the incorporation of this new information. Measures prior to the second quarter of 1979 were not affected. See appendix tables 1-6.

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: percent change at annual rate
(Seasonally adjusted)

Sector	Productivity	Hourly compensation	Unit labor cost	Real hourly compensation	Output	Hours
First quarter 1981 to second quarter 1981 <u>PRELIMINARY</u>						
Private business	1.1	10.3	9.2	3.1	-2.6	-3.7
Nonfarm business	-0.9	9.6	10.6	2.4	-3.5	-2.6
Manufacturing	4.2	10.4	6.0	3.2	3.2	-1.0
Durable	5.2	10.3	4.9	3.1	4.4	-0.7
Nondurable	2.8	10.5	7.6	3.3	1.4	-1.4
Fourth quarter 1980 to first quarter 1981 <u>REVISED</u>						
Nonfinancial corporations	6.3	11.4	4.8	0.0	11.5	4.8
Second quarter 1980 to second quarter 1981 <u>PRELIMINARY</u>						
Private business	1.5	10.1	8.5	.3	3.2	1.7
Nonfarm business	1.6	10.0	8.2	.2	3.5	1.8
Manufacturing	4.5	11.2	6.4	1.3	6.2	1.7
Durable	4.8	11.5	6.3	1.6	7.0	2.0
Nondurable	3.9	10.4	6.3	.6	5.1	1.1
First quarter 1980 to first quarter 1981 <u>REVISED</u>						
Nonfinancial corporations	3.1	10.8	7.4	-.5	2.6	-.5

In manufacturing, productivity increased at a 4.2 percent annual rate in the second quarter, as output increased 3.2 percent while hours of all persons engaged in manufacturing declined 1.0 percent. During the first quarter of 1981, productivity increased 3.2 percent as output rose 7.3 percent and hours increased 4.0 percent.

A summary of second-quarter changes, as well as revised first-quarter productivity and cost measure for nonfinancial corporations also reported today, appears in table A; details appear in tables 1-6.

Private business sector

The productivity advance in the private business sector slowed compared with the gains during the first quarter as output and hours both declined. The 1.1 percent productivity increase in the second quarter reflected declines in output and hours of 2.6 percent and 3.7 percent, respectively (annual rates). Farm productivity gains during the second quarter contributed to the increase. The decline in private business output was the first since the 11.5 percent drop during the second quarter of 1980, and the reduction in hours was the first since the 0.2 percent decline during the third quarter of 1980. The decline in hours during the second quarter was reflected in the decrease in both employment and average weekly hours. Although productivity increased during both the first and second quarters, the underlying movements in output and hours were in opposite directions.

Hourly compensation, which includes employer outlays for wages and salaries as well as payments for social security and other employee benefits, increased 10.3 percent during the second quarter, somewhat slower than the 11.8 percent increase during the first quarter. After allowing for the increase in the Consumer Price Index for All Urban Consumers (CPI-U), real hourly compensation grew 3.1 percent during the second quarter. One quarter earlier, real hourly compensation increased 0.4 percent; the second-quarter increase was the largest since the 5.1 percent gain during the second quarter of 1976 (annual rates) and partly reflects slower growth in the CPI-U.

Unit labor costs--which show the effect of changes in hourly compensation and productivity--increased 9.2 percent in the second quarter, compared with a 6.9 percent gain during the first quarter. Unit labor costs--compensation per unit of output--grew more rapidly during the second quarter in spite of the slowing of hourly compensation because of the larger reduction in productivity growth in this sector.

The implicit price deflator--which measures price change in a sector and reflects changes in unit labor costs and unit nonlabor costs combined--increased 5.9 percent in the second quarter, compared with a 10.0 percent increase during the first quarter. This was smallest price rise in this sector since the 5.8 percent increase during the first quarter of 1978.

Compared with the second quarter of 1980, productivity increased 1.5 percent, as output rose 3.2 percent and hours went up 1.7 percent. Hourly compensation gained 10.1 percent (0.3 percent after allowing for the rise in the CPI-U), and unit labor costs rose 8.5 percent. The implicit price deflator showed an 8.9 percent increase over the 4-quarter period.

Nonfarm business sector

Productivity declined in the nonfarm business sector by 0.9 percent during the second quarter of 1981, as output fell 3.5 percent and hours declined 2.6 percent. This was the first decline in nonfarm output since the 12.1 percent fall during the second quarter of last year, and the first drop in hours since the 0.7 percent falloff during the third quarter of 1980. During the first quarter, productivity increased 4.3 percent as output went up 7.9 percent and hours increased 3.5 percent (annual rates).

Hourly compensation increased 9.6 percent in the second quarter of 1981; compared with an 11.6 percent increase from the fourth quarter of 1980 to the first quarter of 1981. After adjusting for the rise in the CPI-U, real hourly compensation rose 2.4 percent in the second quarter, the largest gain since the 2.9 percent increase during the first quarter of 1978. Unit labor cost rose 10.6 percent in the second quarter, compared with a 7.0 percent rise during the first quarter. The implicit price deflator rose 6.0 percent in the second quarter, compared with an 11.0 percent annual rate of increase during the first quarter. This was the smallest quarterly rate of increase in this series since the 5.6 percent rise during the first quarter of 1978.

Compared with the second quarter of 1980, productivity increased 1.6 percent, output rose 3.5 percent, and hours increased 1.8 percent. Hourly compensation went up 10.0 percent (0.2 percent when the rise in the CPI-U is taken into account), and unit labor costs increased 8.2 percent. The implicit price deflator was 8.8 percent higher than a year earlier.

Manufacturing

Productivity increased 4.2 percent in the second quarter of 1980 in manufacturing, reflecting a 3.2 percent gain in output and a 1.0 percent decline in hours (seasonally adjusted annual rates). Productivity--and output growth--were more rapid among durable goods producers than among nondurable goods producers during the second quarter. During the first quarter of 1981, manufacturing productivity rose 3.2 percent.

Hourly compensation increased 10.4 percent during the second quarter, compared with an 11.1 percent rise one quarter earlier. After allowing for the rise in the CPI-U, real hourly compensation rose 3.2 percent, compared with a 0.3 percent decrease during the first quarter.

Revised measures

Revised first-quarter productivity and cost measures were also reported today for the nonfinancial corporate sector. Productivity increased 6.3 percent in the first quarter, as output increased 11.5 percent and employee-hours increased 4.8 percent. Hourly compensation increased 11.4 percent, and unit labor costs increased 4.8 percent. A comparison of these revised measures with preliminary series published May 27 is presented in table B.

Appendix tables 1-6 contain 1979 data affected by the revised labor input measures. As noted above, this new benchmark to the BLS establishment survey data affects productivity and cost measures beginning with the second quarter. Together with tables 1-6, this release contains all the changes introduced by the new labor input information.

In manufacturing, new estimates of output prepared by the Bureau of Economic Analysis of the U.S. Department of Commerce resulted in small changes in published measures beginning in 1979.

Table B.

Nonfinancial corporations: preliminary and revised first quarter measures of productivity and costs, quarterly change at seasonally adjusted annual rate.

Percent

Measure	Preliminary	Revised
Productivity	5.6	6.3
Output	10.8	11.5
Hours	4.9	4.8
Hourly compensation	11.2	11.4
Real hourly compensation	-.2	0.0
Unit labor costs	5.3	4.8
Unit profits	66.9	77.9
Implicit price deflator	10.7	10.4

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									
1980	I	99.5R	108.7	109.2R	126.4R	96.7R	127.0	115.2R	123.0
	II	99.1R	105.4	106.4R	130.1R	96.5R	131.3	116.0	126.1
	III	99.4R	105.7	106.3R	133.1R	96.9R	133.9	119.7R	129.1
	IV	99.1R	107.5	108.4R	135.9R	96.0R	137.0	122.7R	132.2
	ANNUAL	99.3R	106.8	107.5R	131.4R	96.6R	132.3	118.4	127.6
1981	I	100.3R	109.5R	109.2R	139.7R	96.1R	139.4	127.6R	135.4R
	II	100.5P	108.8P	108.2P	143.2P	96.8P	142.4P	127.3P	137.3P
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)									
1980	I	1.6R	1.8	0.2R	10.7R	-5.0R	9.0	11.2R	9.7
	II	-1.8R	-11.5	-9.9	12.3R	-0.7R	14.4	2.6	10.5
	III	1.3R	1.1	-0.2R	9.5R	1.6R	8.1	13.7R	9.8
	IV	-1.1R	6.9	8.1R	8.6R	-3.8R	9.8R	10.2R	9.9
	ANNUAL	-0.2R	-0.8	-0.6R	10.1R	-3.0R	10.3	6.7R	9.2
1981	I	4.6R	7.9R	3.1	11.8R	0.4R	6.9R	17.2R	10.0R
	II	1.1P	-2.6P	-3.7P	10.3P	3.1P	9.2P	-0.9P	5.9P
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(5)									
1980	I	-0.1R	0.9	1.0R	9.9R	-3.8R	10.0	5.1R	8.4
	II	-0.6R	-1.6	-1.0R	10.1R	-3.8R	10.8	5.1	9.0
	III	0.0	-1.9	-1.9	10.3R	-2.3	10.3	7.4	9.4
	IV	0.0R	-0.7	-0.7R	10.3R	-2.0R	10.3	9.3R	10.0
	ANNUAL	-0.2R	-0.8	-0.6R	10.1R	-3.0R	10.3	6.7R	9.2
1981	I	0.7R	0.8R	0.0R	10.5	-0.7	9.7R	10.8R	10.1
	II	1.5P	3.2P	1.7P	10.1P	0.3P	8.5P	9.8P	8.9P

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

JULY 30, 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	COMPENSATION PER HOUR(1)	REAL COMPENSATION PER HOUR(2)	UNIT LABOR COST	UNIT NON-LABOR PAYMENTS(3)	IMPLICIT PRICE DEFLATOR	
INDEXES 1977=100									
1980	I	98.9R	108.5	109.8R	126.0R	96.4R	127.4	113.9R	122.9
	II	98.2R	105.1	107.1R	129.4R	96.0R	131.8	115.1R	126.3
	III	99.0R	105.8	106.9R	132.3R	96.3R	133.6R	119.2	128.8
	IV	99.0R	107.7	108.8R	135.4R	95.6R	136.8	122.0R	131.9
	ANNUAL	98.8R	106.8	108.1R	130.8R	96.2R	132.4	117.5R	127.4
1981	I	100.0R	109.7	109.7R	139.1R	95.7R	139.1R	127.8R	135.3R
	II	99.8P	108.7P	109.0P	142.4P	96.3P	142.7P	126.6P	137.3P
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)									
1980	I	0.3R	1.4	1.1R	10.2R	-5.4R	9.9	14.6	11.3
	II	-2.9R	-12.1	-9.5R	11.3R	-1.6R	14.6	4.2	11.3
	III	3.6R	2.9	-0.7R	9.0R	1.2R	5.3	15.0R	8.2
	IV	-0.2R	7.1	7.3R	9.8R	-2.7R	10.1	9.9R	10.0
	ANNUAL	-0.3R	-0.9	-0.6R	9.9R	-3.2R	10.3	8.3	9.7
1981	I	4.3R	7.9R	3.5	11.6R	0.2R	7.0R	20.3R	11.0R
	II	-0.9P	-3.5P	-2.6P	9.6P	2.4P	10.6P	-3.6P	6.0P
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(6)									
1980	I	-0.7R	0.6	1.3R	9.7R	-4.0R	10.4	6.4	9.1
	II	-1.0R	-1.9	-0.9R	9.9R	-4.0R	11.0	6.9	9.7
	III	0.1	-1.8	-1.9	10.1R	-2.5	9.9	9.1	9.6
	IV	0.1	-0.5	-0.6R	10.1R	-2.2R	9.9	10.8	10.2
	ANNUAL	-0.3R	-0.9	-0.6R	9.9R	-3.2R	10.3	8.3	9.7
1981	I	1.1R	1.1R	0.0	10.4	-0.8	9.2	12.2R	10.1R
	II	1.6P	3.5P	1.8P	10.0P	0.2P	8.2P	10.0P	8.8P

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED
P=PRELIMINARY

JULY 30, 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 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 1977=100											
1980	I	100.2R	109.9	109.6R	125.7R	96.2R	125.4	120.9	124.2	95.5	121.0
	II	100.1R	106.8	106.7R	129.3R	95.9R	129.1	129.3	129.2	83.4	124.1
	III	101.8R	107.7	105.8R	132.5R	96.5R	130.2	133.8	131.1	89.1	126.4
	IV	101.8R	109.7	107.8R	135.5R	95.7R	133.1	136.9	134.1	92.4	129.5
	ANNUAL	101.0R	108.5	107.5R	130.7R	96.2R	129.4	130.2	129.7	90.2	125.2
1981	I	103.3R	112.8R	109.1R	139.2R	95.7R	134.7R	139.5R	136.0R	106.8R	132.7R
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)											
1980	I	1.5R	2.2	0.7R	10.2R	-5.4R	8.6	13.5	9.8	15.3	10.3
	II	-0.5	-10.9	-10.5	12.0R	-1.0	12.6	30.6	17.0	-41.9	10.5
	III	6.7R	3.4	-3.1R	10.2R	2.2R	3.2	14.7	6.2	30.3	7.9
	IV	0.0R	7.9	7.9R	9.4R	-3.1R	9.4	9.5	9.4	15.7	9.9
	ANNUAL	0.6R	-0.7	-1.3R	10.1R	-3.0R	9.5	15.6	11.0	-8.9	9.1
1981	I	6.3R	11.5R	4.8R	11.4R	0.0R	4.8R	7.9R	5.6R	77.9R	10.4R
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(6)											
1980	I	-0.3R	0.4	0.7R	9.8R	-3.9R	10.1	12.2	10.6	-9.5	8.5
	II	-0.5R	-2.0	-1.5R	9.9R	-3.9R	10.5	16.3	12.0	-17.2	9.1
	III	1.3R	-1.6	-2.8	10.3R	-2.2R	8.9	16.8	11.0	-8.6	9.1
	IV	1.9R	0.4	-1.5R	10.4R	-1.9R	8.4	16.8	10.5	0.3	9.6
	ANNUAL	0.6R	-0.7	-1.3R	10.1R	-3.0R	9.5	15.6	11.0	-8.9	9.1
1981	I	3.1R	2.6R	-0.5	10.8R	-0.5	7.4R	15.4R	9.5R	11.8R	9.7R

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED

P=PRELIMINARY

JULY 30, 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 HCUR(1)	REAL COMPENSA- TION PER HCUR(2)	UNIT LABOR COST	
INDEXES 1977=100							
1980	I	102.0R	108.0	105.9R	125.4R	95.9R	122.9
	II	100.8R	101.7	100.9R	130.0R	96.4R	129.0R
	III	100.5R	99.7	99.2R	133.9R	97.5R	133.3R
	IV	103.4P	105.2R	101.8R	137.3P	97.0R	132.8
	ANNUAL	101.7R	103.6R	101.9R	131.6R	96.8R	129.4
1981	I	104.2R	107.1R	102.8R	140.9R	96.9P	135.3R
	II	105.3P	108.0P	102.6P	144.5P	97.7P	137.2P
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)							
1980	I	-0.5R	-1.0	-0.6R	10.4R	-5.3R	10.9R
	II	-4.7R	-21.5R	-17.6	15.5	2.1	21.2R
	III	-1.2R	-7.6	-6.5R	12.7	4.5R	14.0
	IV	12.1R	24.4R	11.0R	10.5R	-2.2R	-1.5R
	ANNUAL	-0.3R	-4.6	-4.3R	10.7R	-2.5R	11.1R
1981	I	3.2R	7.3R	4.0R	11.1R	-0.3R	7.7R
	II	4.2P	3.2P	-1.0P	10.4P	3.2P	6.0P
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(6)							
1980	I	0.5R	-1.2R	-1.7R	9.4R	-4.2R	8.9R
	II	-1.5R	-6.3	-4.9R	9.6R	-4.3R	11.3R
	III	-1.5R	-8.2R	-6.7R	11.7R	-1.0R	13.4
	IV	1.2R	-2.8	-4.0R	12.2R	-0.3R	10.9R
	ANNUAL	-0.3R	-4.6	-4.3R	10.7P	-2.5R	11.1R
1981	I	2.2R	-0.8	-2.9R	12.4R	1.0R	10.0
	II	4.5P	6.2P	1.7P	11.2P	1.3P	6.4P

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED
P=PRELIMINARY

JULY 30, 1981
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 1977=100							
1980	I	99.8R	108.3	108.5R	125.1R	95.7R	125.3R
	II	99.0R	100.8R	101.9R	129.9R	96.4R	131.3R
	III	98.1R	97.8	99.8R	134.1R	97.6R	136.7R
	IV	101.4R	104.5R	103.1R	137.7R	97.3R	135.9R
	ANNUAL	99.6R	102.9R	103.3R	131.7R	96.8R	132.2R
1981	I	102.5R	106.7R	104.1R	141.4R	97.2R	138.0R
	II	103.8P	107.8P	103.9P	144.9P	98.0P	139.6P
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)							
1980	I	-2.2R	-2.9R	-0.8R	12.3R	-3.7R	14.8
	II	-3.4	-25.0	-22.4	16.5	2.9R	20.5R
	III	-3.5R	-11.2R	-8.0R	13.4R	5.2R	17.6
	IV	14.1R	30.1R	14.0R	11.3R	-1.4R	-2.5R
	ANNUAL	-1.1R	-6.6R	-5.6R	11.2R	-2.0R	12.5R
1981	I	4.4	8.5R	4.0	11.1R	-0.3	6.4R
	II	5.2P	4.4P	-0.7P	10.3P	3.1P	4.9P
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(6)							
1980	I	-0.9R	-3.0	-2.1R	9.6R	-4.1R	10.7
	II	-2.6R	-8.7	-6.2R	9.7R	-4.1R	12.6R
	III	-2.1R	-10.7	-8.8R	12.4R	-0.5R	14.7R
	IV	1.0R	-4.2R	-5.2R	13.3R	0.7R	12.2R
	ANNUAL	-1.1R	-6.6R	-5.6R	11.2R	-2.0R	12.5R
1981	I	2.7R	-1.5R	-4.1R	13.0R	1.6R	10.1R
	II	4.8P	7.0P	2.0P	11.5P	1.6P	6.3P

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED
P=PRELIMINARY

JULY 30, 1981
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							
1980	I	105.5R	107.5R	101.9R	125.0R	95.7R	118.6R
	II	103.5R	102.9R	99.4R	129.6R	96.2R	125.2R
	III	104.1	102.4R	98.4R	133.3R	97.1R	128.1R
	IV	106.5R	106.4R	99.9R	136.0R	96.1R	127.7R
	ANNUAL	104.9R	104.8R	99.9R	131.0R	96.3R	124.9R
1981	I	106.8R	107.8R	100.9R	139.6R	96.0R	130.7R
	II	107.6P	108.2P	100.6P	143.2P	96.8P	133.1P
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)							
1980	I	2.2R	1.9R	-0.3R	7.0R	-8.2R	4.7R
	II	-7.2R	-15.9R	-9.4R	15.6R	2.2	24.5R
	III	2.2R	-2.2R	-4.3R	11.9R	3.3R	9.5R
	IV	9.5R	16.5	6.4R	8.2R	-4.2R	-1.2
	ANNUAL	0.9	-1.5R	-2.4R	10.2R	-2.9R	9.3R
1981	I	1.4R	5.6R	4.1R	11.2R	-0.2R	9.6R
	II	2.8P	1.4P	-1.4P	10.5P	3.3P	7.6P
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(6)							
1980	I	2.7R	1.7R	-1.0R	9.2R	-4.4R	6.3R
	II	0.0R	-2.8R	-2.7R	9.7R	-4.1R	9.7R
	III	-0.9R	-4.3R	-3.5R	11.2R	-1.5	12.2R
	IV	1.5R	-0.6R	-2.1R	10.6R	-1.7R	9.0R
	ANNUAL	0.9	-1.5R	-2.4R	10.2R	-2.9R	9.3R
1981	I	1.3	0.3R	-1.0R	11.7R	0.4R	10.2R
	II	3.9P	5.1P	1.1P	10.4P	0.6P	6.3P

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED

P=PRELIMINARY

JULY 30, 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. *

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

(percent change from preceding quarter at annual rate)

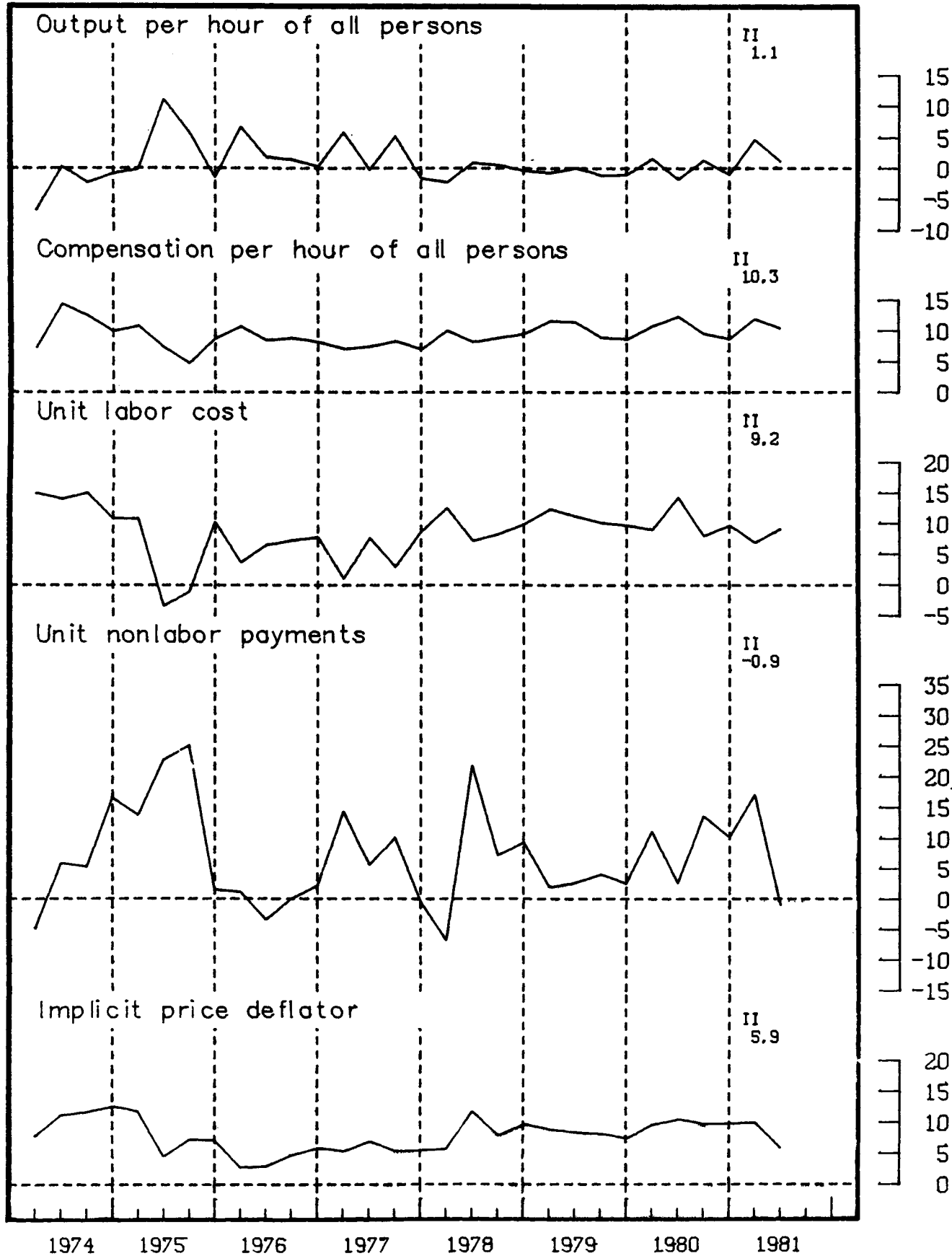


Chart 2. Productivity, hourly compensation, unit costs and prices in the nonfarm business sector

(percent change from preceding quarter at annual rate)

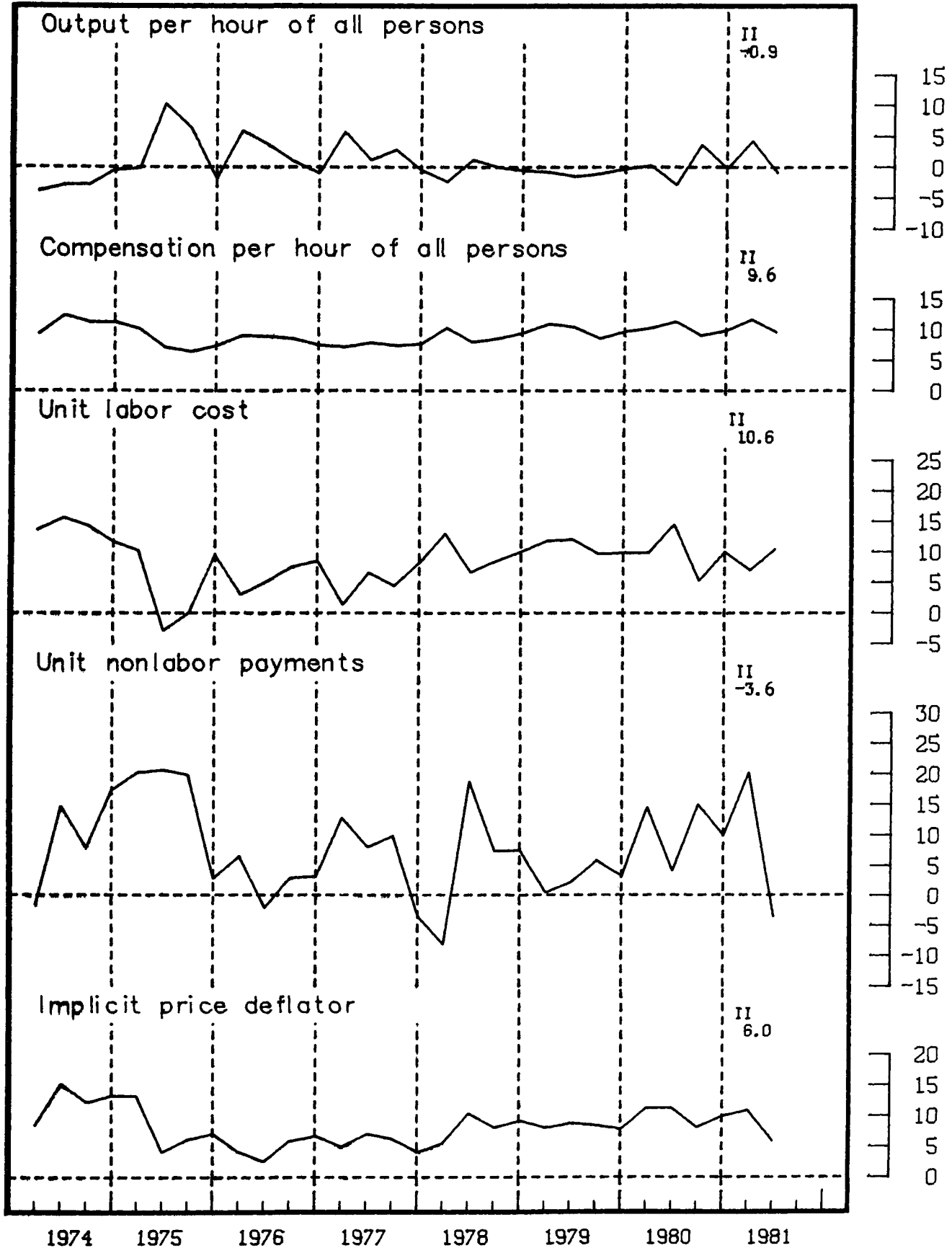


Chart 3. Productivity, hourly compensation, unit costs and prices in nonfinancial corporations

(percent change from same quarter a year ago)

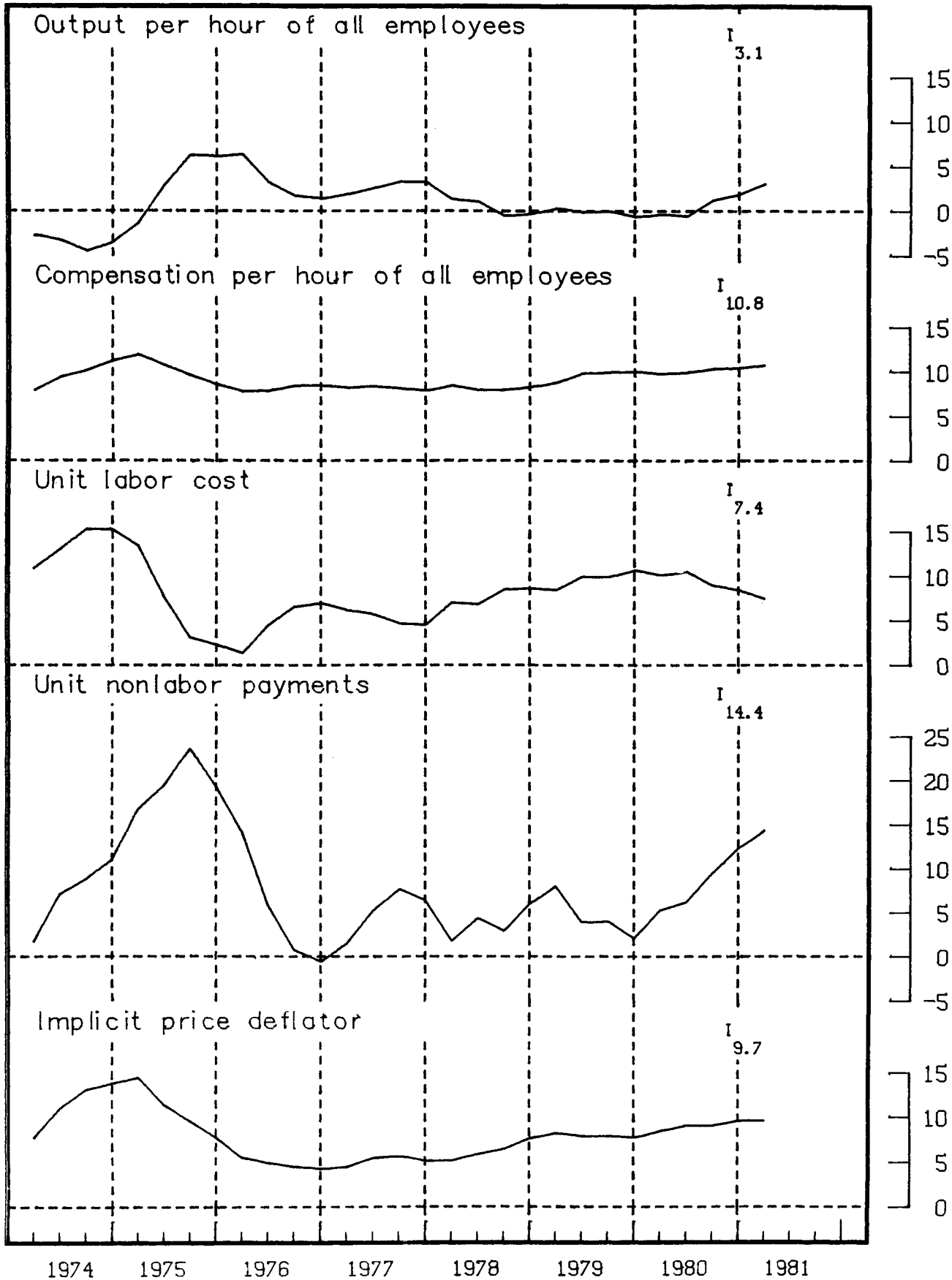
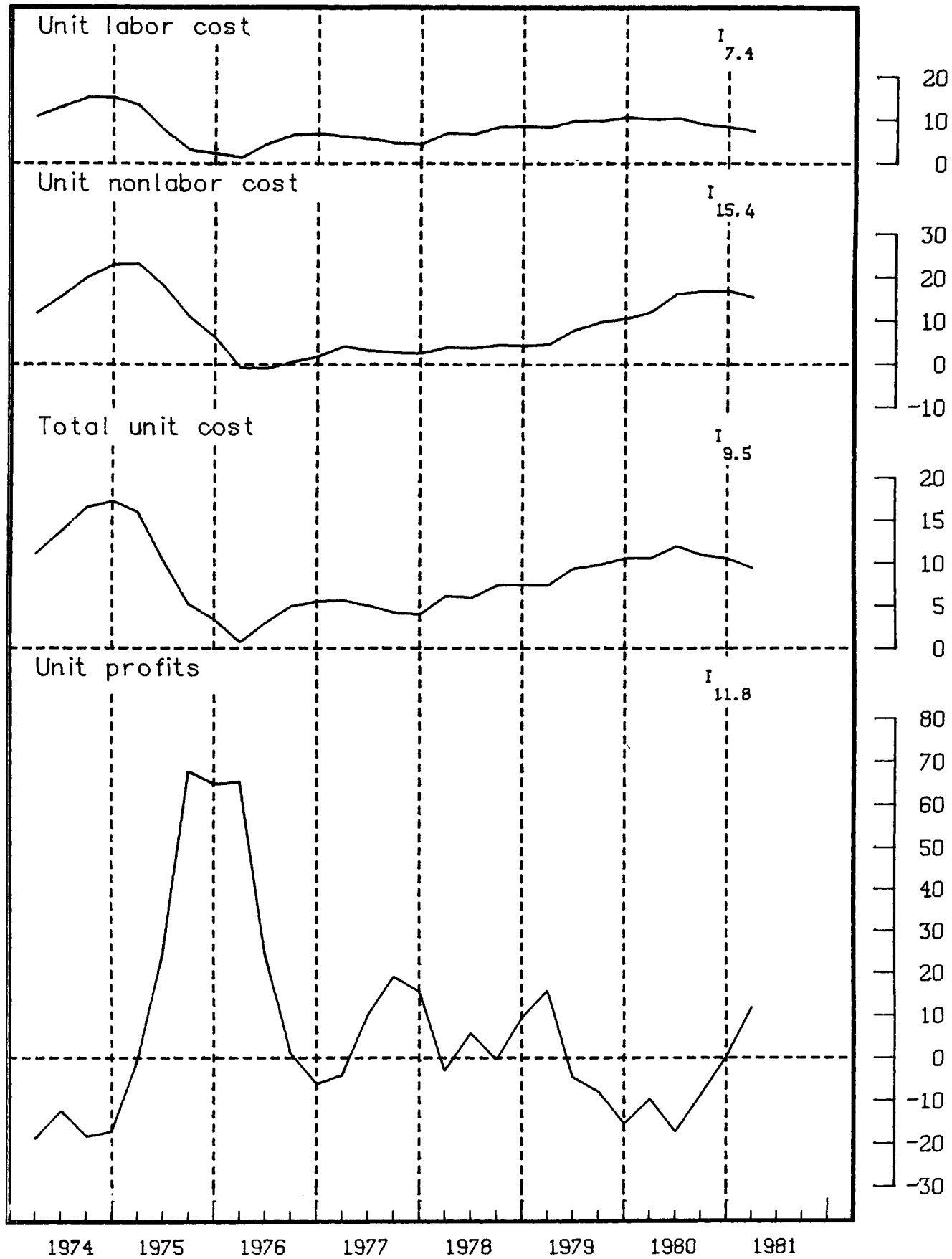


Chart 4. Unit costs, unit profits, and prices in nonfinancial corporations

(percent change from same quarter a year ago)



APPENDIX 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	100.6	115.4	109.6	113.4
	II	99.7	107.1	107.4	118.1	100.3	118.5	110.4	115.8
	III	99.4	107.7	108.4	120.7	99.2	121.4	111.5	118.1
	IV	99.1	108.2	109.1	123.2	98.0	124.3	112.2	120.2
	ANNUAL	99.5	107.7	108.2	119.3	99.6	119.9	110.9	116.9
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)									
1979	I	-0.8	4.0	4.8	11.6	1.1	12.4	1.9	8.8
	II	0.1	-2.2	-2.3	11.3	-1.0	11.2	2.8	8.4
	III	-1.2	2.4	3.6	8.9	-4.5	10.2	4.1	8.2
	IV	-1.0	1.7	2.8	8.6	-4.9	9.8	2.5	7.4
	ANNUAL	-0.3	2.8	3.1	10.1	-1.1	10.4	5.5	8.8
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(6)									
1979	I	0.0	5.3	5.3	9.5	-0.3	9.5	9.9	9.6
	II	-0.2	2.4	2.5	10.3	-0.3	10.5	5.3	8.7
	III	-0.6	2.3	2.9	10.3	-1.3	10.9	4.5	8.8
	IV	-0.7	1.4	2.2	10.1	-2.4	10.9	2.8	8.2
	ANNUAL	-0.3	2.8	3.1	10.1	-1.1	10.4	5.5	8.8

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED

P=PRELIMINARY

JULY 30, 1981

SOURCE: BUREAU OF LABOR STATISTICS

APPENDIX 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	108.0	117.7	100.0	118.7	107.7	115.1
	III	98.9	107.8	109.0	120.2	98.8	121.5	109.2	117.4
	IV	98.8	108.2	109.4	123.0	97.8	124.4	110.1	119.7
	ANNUAL	99.1	107.7	108.7	119.0	99.3	120.0	108.5	116.2
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)									
1979	I	-0.9	4.1	5.0	10.9	0.5	11.9	0.4	8.1
	II	-1.6	-3.0	-1.5	10.4	-1.8	12.1	2.2	8.9
	III	-1.1	2.6	3.7	8.6	-4.7	9.7	5.8	8.5
	IV	-0.2	1.5	1.8	9.7	-4.0	9.9	3.3	7.8
	ANNUAL	-0.7	2.7	3.4	9.7	-1.4	10.4	4.8	8.6
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(6)									
1979	I	-0.1	5.5	5.5	9.2	-0.5	9.3	8.3	9.0
	II	-0.8	2.1	2.9	9.8	-0.7	10.7	4.3	8.6
	III	-1.0	2.2	3.2	9.8	-1.7	11.0	4.0	8.7
	IV	-0.9	1.3	2.2	9.9	-2.5	10.9	2.9	8.3
	ANNUAL	-0.7	2.7	3.4	9.7	-1.4	10.4	4.8	8.6

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED

P=PRELIMINARY

JULY 30, 1981

SOURCE: BUREAU OF LABOR STATISTICS

APPENDIX 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 PRC- FITS (10)	IMPLICIT PRICE DEFLATOR	
INDEXES 1977=100											
1979	I	100.6	109.5	108.9	114.5	100.1	113.8	107.8	112.2	105.6	111.5
	II	100.7	109.0	108.3	117.6	99.9	116.8	111.2	115.3	100.7	113.7
	III	100.5	109.4	108.9	120.1	98.7	119.5	114.6	118.2	97.5	115.9
	IV	99.9	109.3	109.4	122.7	97.5	122.8	117.2	121.3	92.2	118.1
	ANNUAL	100.4	109.3	108.8	118.7	99.1	118.2	112.7	116.8	99.0	114.8
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)											
1979	I	0.4	5.6	5.2	11.2	0.7	10.8	7.2	9.9	-11.8	7.3
	II	0.4	-1.8	-2.2	11.4	-0.9	10.9	13.0	11.4	-17.2	8.1
	III	-0.8	1.6	2.4	8.6	-4.7	9.5	12.8	10.3	-12.0	7.9
	IV	-2.4	-0.4	2.0	9.0	-4.6	11.6	9.3	11.0	-20.2	7.8
	ANNUAL	0.0	3.3	3.3	9.7	-1.4	9.7	8.2	9.3	-3.9	7.9
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(6)											
1979	I	0.4	6.4	6.1	8.8	-0.9	8.4	4.7	7.5	15.8	8.3
	II	-0.1	2.9	3.0	9.9	-0.7	10.0	8.0	9.4	-4.6	7.9
	III	0.0	2.9	2.8	10.0	-1.5	9.9	9.8	9.9	-7.9	7.9
	IV	-0.6	1.2	1.8	10.0	-2.4	10.7	10.6	10.7	-15.4	7.8
	ANNUAL	0.0	3.3	3.3	9.7	-1.4	9.7	8.2	9.3	-3.9	7.9

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED
P=PRELIMINARY

JULY 30, 1981
SOURCE: BUREAU OF LABOR STATISTICS

APPENDIX 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 1977=100							
1979	I	101.5	109.3	107.7	114.5	100.2	112.9
	II	102.3	108.5	106.1	118.6	100.7	115.9
	III	102.0	108.5	106.4	119.8	98.5	117.5
	IV	102.1	108.3	106.0	122.3	97.2	119.8
	ANNUAL	102.0	108.6	106.5	118.8	99.2	116.5
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)							
1979	I	-2.2	3.5	5.8	11.3	0.8	13.7
	II	3.5	-2.6	-5.9	15.0	2.3	11.1
	III	-1.3	-0.1	1.2	4.2	-8.5	5.6
	IV	0.4	-0.9	-1.3	8.4	-5.1	8.0
	ANNUAL	1.1	3.1	2.0	9.8	-1.3	8.6
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(6)							
1979	I	2.0	7.2	5.1	8.7	-1.0	6.5
	II	1.7	3.7	2.0	11.0	0.3	9.1
	III	0.3	1.8	1.5	9.8	-1.7	9.5
	IV	0.1	-0.1	-0.1	9.7	-2.7	9.6
	ANNUAL	1.1	3.1	2.0	9.8	-1.3	8.6

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED
P=PRELIMINARY

JULY 30, 1981
SOURCE: BUREAU OF LABOR STATISTICS

APPENDIX 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 1977=100							
1979	I	100.7	111.7	110.8	114.1	99.8	113.3
	II	101.6	110.3	108.6	118.4	100.6	116.6
	III	100.1	109.5	109.4	119.3	98.1	119.2
	IV	100.4	109.1	108.7	121.5	96.6	121.1
	ANNUAL	100.7	110.2	109.3	118.4	98.8	117.5
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)							
1979	I	-4.4	2.7	7.4	11.3	0.8	16.4
	II	3.4	-4.6	-7.8	16.1	3.3	12.3
	III	-5.5	-3.0	2.7	3.1	-9.5	9.1
	IV	0.8	-1.5	-2.3	7.5	-5.9	6.6
	ANNUAL	-0.2	2.8	3.0	9.8	-1.3	10.1
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(6)							
1979	I	1.4	8.7	7.3	8.7	-1.0	7.2
	II	0.5	3.8	3.3	11.3	0.6	10.7
	III	-1.6	0.7	2.4	9.9	-1.6	11.8
	IV	-1.5	-1.6	-0.1	9.4	-3.0	11.1
	ANNUAL	-0.2	2.8	3.0	9.8	-1.3	10.1

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED

P=PRELIMINARY

JULY 30, 1981

SOURCE: BUREAU OF LABOR STATISTICS

APPENDIX 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	102.6	105.7	103.0	114.5	100.1	111.5
	II	103.5	105.9	102.2	118.2	100.4	114.1
	III	105.0	107.0	101.9	119.9	98.6	114.2
	IV	104.9	107.0	102.0	122.9	97.7	117.2
	ANNUAL	104.0	106.4	102.3	118.8	99.2	114.3
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)							
1979	I	1.6	4.8	3.2	10.7	0.3	9.0
	II	3.5	0.6	-2.8	13.5	0.9	9.6
	III	5.9	4.4	-1.3	6.0	-7.0	0.2
	IV	-0.4	0.0	0.4	10.6	-3.2	11.0
	ANNUAL	3.2	3.6	0.4	9.4	-1.7	6.0
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(6)							
1979	I	3.1	5.0	1.8	8.2	-1.5	5.0
	II	3.6	3.5	-0.1	10.0	-0.6	6.2
	III	3.4	3.5	0.1	9.4	-2.1	5.8
	IV	2.6	2.4	-0.1	10.1	-2.3	7.4
	ANNUAL	3.2	3.6	0.4	9.4	-1.7	6.0

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED
 P=PRELIMINARY

JULY 30, 1981
 SOURCE: BUREAU OF LABOR STATISTICS