



Lawrence FUIco (202) 523-9261
Kathryn Hoyle (202) 523-1913
Charles Wallace (202) 523-1208

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PRODUCTIVITY AND COSTS

Nonfinancial Corporate Sector
Third Quarter 1981

Productivity in nonfinancial corporations declined 0.6 percent in the third quarter of 1981 at a seasonally adjusted annual rate, the Bureau of Labor Statistics of the U.S. Department of Labor reported today. The decline, reflecting a 0.2 percent drop in output and a 0.4 percent increase in hours of all employees, followed 4 consecutive quarters of productivity increases. The last quarterly productivity decline in this sector was 0.5 percent in the second quarter of 1980. During the first 2 quarters of 1981, productivity advanced 6.3 percent and 2.2 percent, respectively. 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 companies, and accounts for about two-thirds of the private business sector.

BLS also reported revised third-quarter productivity in the private business, nonfarm business, and manufacturing sectors. The productivity declines in the business sectors are smaller in the revised measures, mainly because of changes in the output series. In manufacturing, the revised measures show slower productivity gains than had been reported on October 29, based on preliminary information. A summary of third-quarter productivity and cost measures appears in table A; details are found in 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 skill, as well as the skills and efforts of the work force.

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

Sector	Productivity	Hourly compensation	Unit labor cost	Real hourly compensation	Output	Hours
<u>PRELIMINARY</u>						
Second quarter 1981 to third quarter 1981						
Nonfinancial corporations	-0.6	9.0	9.6	-2.6	-0.2	0.4
<u>REVISED</u>						
Private business	-1.0	9.2	10.3	-2.4	-0.3	0.8
Nonfarm business	-1.6	9.3	11.1	-2.3	-1.3	0.3
Manufacturing	1.3	9.0	7.6	-2.7	0.0	-1.3
Durable	0.5	9.1	8.6	-2.5	-1.3	-1.8
Nondurable	2.4	8.7	6.2	-2.8	2.0	-0.4
<u>PRELIMINARY</u>						
Third quarter 1980 to third quarter 1981						
Nonfinancial corporations	1.9	9.8	7.7	-0.9	4.7	2.7
<u>REVISED</u>						
Private business	1.5	10.0	8.4	-0.7	3.5	2.0
Nonfarm business	0.9	10.1	9.1	-0.6	3.1	2.1
Manufacturing	4.7	10.3	5.3	-0.4	8.0	3.1
Durable	5.6	10.6	4.7	-0.2	9.5	3.8
Nondurable	3.6	9.7	5.9	-1.0	5.8	2.2

Compensation and costs

Hourly compensation, which includes wages and salaries, supplements to pay, employer contributions to employee benefit plans and taxes, and all other fringe benefits, increased at a 9.0 percent annual rate in the third quarter of 1981 (seasonally adjusted). One quarter earlier, compensation increased 9.3 percent. Real hourly compensation--which is adjusted for changes in the Consumer Price Index for All Urban Consumers (CPI-U)--declined 2.6 percent in the third quarter of 1981. This was the first decline in the series since the 3.1 percent drop in the fourth quarter of 1980.

Unit labor cost, which is influenced by changes in hourly compensation and productivity, increased 9.6 percent, the largest gain in unit labor cost since the 12.6 percent increase during the second quarter of 1980. During the preceding quarter of this year, unit labor cost rose 7.0 percent.

Unit profit rose 8.9 percent (seasonally adjusted annual rate) during the third quarter. During the first 2 quarters, unit profit increased 77.9 percent and fell 13.9 percent, respectively.

The implicit price deflator, which shows the effects of changes in unit labor cost, unit nonlabor cost, and unit profit, increased at a 10.2 percent annual rate, compared with increases of 10.4 percent and 6.2 percent, respectively, in the first 2 quarters of 1981.

Compared with the third quarter of last year, productivity increased 1.9 percent, output rose 4.7 percent, and hours of all employees increased 2.7 percent. Hourly compensation increased 9.8 percent--but fell 0.9 percent after allowing for the increase in the CPI-U. Unit labor cost increased 7.7 percent over the 12-month period, and unit profit increased 17.9 percent.

Revised measures

In the private business sector, productivity declined 1.0 percent and, in the nonfarm business sector, the decline was 1.6 percent, while, in manufacturing, productivity increased 1.3 percent (seasonally adjusted annual rates). These movements had been reported on October 29 as -1.9 percent, -2.2 percent, and 1.4 percent, respectively, based on preliminary information. The revisions in the productivity measure stem mainly from changes in the output estimates; hours revisions were smaller. See table B.

Table B.
Preliminary and revised third quarter measures of productivity and costs
Quarterly change at annual rate.
(Seasonally adjusted)

Measure	Private business sector		Nonfarm business sector		Manufacturing	
	Preliminary	Revised	Preliminary	Revised	Preliminary	Revised
Output per hour of all person	-1.9	-1.0	-2.2	-1.6	1.4	1.3
Compensation per hour	9.3	9.2	9.4	9.3	10.0	9.0
Unit labor cost	11.4	10.3	11.9	11.1	8.4	7.6
Real compensation per hour	-2.4	-2.4	-2.2	-2.3	-1.7	-2.7
Output	-1.2	-0.3	-1.9	-1.3	0.2	0.0
Hours	0.7	0.8	0.3	0.3	-1.3	-1.3

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	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	99.5	102.7	109.2	126.4	96.7	127.0	115.2	123.0
	II	99.1	105.4	106.4	130.1	96.5	131.3	116.0	126.1
	III	99.4	105.7	106.3	133.1	96.9	133.9	119.7	129.1
	IV	99.1	107.5	108.4	135.9	96.0	137.0	122.7	132.2
	ANNUAL	99.3	106.3	107.5	131.5	96.7	132.4	118.3	127.6
1981	I	100.3	109.5	109.2	139.7	96.1	139.4	127.6	135.4
	II	101.1	109.5	108.3	143.2	96.8	141.6	129.3	137.5
	III	100.9R	109.4R	106.5R	146.4	96.2R	145.1R	132.2R	140.8R
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)									
1980	I	1.6	1.8	0.2	10.7	-5.0	9.0	11.2	9.7
	II	-1.8	-11.5	-9.9	12.3	-0.7	14.4	2.6	10.5
	III	1.3	1.1	-0.2	9.5	1.6	8.1	13.7	9.8
	IV	-1.1	6.9	8.1	8.6	-3.8	9.8	10.2	9.9
	ANNUAL	-0.2	-0.8	-0.6	10.2	-3.0	10.4	6.6	9.2
1981	I	4.6	7.9	3.1	11.8	0.4	6.9	17.2	10.0
	II	3.5	-0.1	-3.5	10.4	3.2	6.6	5.3	6.2
	III	-1.0R	-0.3R	0.2R	9.2R	-2.4	10.3R	9.3R	10.0R
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(6)									
1980	I	-0.1	0.9	1.0	9.9	-3.8	10.0	5.1	8.4
	II	-0.6	-1.6	-1.0	10.1	-3.8	10.8	5.1	9.0
	III	0.0	-1.9	-1.9	10.3	-2.3	10.3	7.4	9.4
	IV	0.0	-0.7	-0.7	10.3	-2.0	10.3	9.3	10.0
	ANNUAL	-0.2	-0.3	-0.6	10.2	-3.0	10.4	6.6	9.2
1981	I	0.7	0.2	0.0	10.5	-0.7	9.7	10.8	10.1
	II	2.1	3.9	1.8	10.1	0.3	7.8	11.5	9.0
	III	1.5R	3.5R	2.0	10.0	-0.7	8.4R	10.4R	9.0

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED
P=PRELIMINARY

NOVEMBER 25, 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	98.9	108.5	109.8	126.0	96.4	127.4	113.9	122.9
	II	98.2	105.1	107.1	129.4	96.0	131.8	115.1	126.3
	III	99.0	105.8	106.9	132.3	96.3	133.6	119.2	128.8
	IV	99.0	107.7	108.8	135.4	95.6	136.8	122.0	131.9
	ANNUAL	98.8	106.8	108.1	130.8	96.2	132.4	117.6	127.4
1981	I	100.0	109.7	109.7	139.1	95.7	139.1	127.8	135.3
	II	100.4	109.4	109.0	142.4	96.3	141.9	128.7	137.5
	III	99.9R	109.1R	109.1	145.6	95.7	145.7R	131.9R	141.1
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)									
1980	I	0.3	1.4	1.1	10.2	-5.4	9.9	14.6	11.3
	II	-2.9	-12.1	-9.5	11.3	-1.6	14.6	4.2	11.3
	III	3.6	2.9	-0.7	9.0	1.2	5.3	15.0	8.2
	IV	-0.2	7.1	7.3	9.8	-2.7	10.1	9.9	10.0
	ANNUAL	-0.3	-0.9	-0.6	9.9	-3.2	10.3	8.4	9.7
1981	I	4.3	7.9	3.5	11.6	0.2	7.0	20.3	11.0
	II	1.4	-1.1	-2.5	9.6	2.4	8.1	3.0	6.5
	III	-1.6R	-1.3R	0.3	9.3R	-2.3R	11.1R	10.3R	10.9R
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(6)									
1980	I	-0.7	0.6	1.3	9.7	-4.0	10.4	6.4	9.1
	II	-1.0	-1.9	-0.9	9.9	-4.0	11.0	6.9	9.7
	III	0.1	-1.8	-1.9	10.1	-2.5	9.9	9.1	9.6
	IV	0.1	-0.5	-0.6	10.1	-2.2	9.9	10.8	10.2
	ANNUAL	-0.3	-0.9	-0.6	9.9	-3.2	10.3	8.4	9.7
1981	I	1.1	1.1	0.0	10.4	-0.8	9.2	12.2	10.1
	II	2.2	4.1	1.9	10.0	0.2	7.6	11.8	8.9
	III	0.9R	3.1R	2.1	10.1	-0.6	9.1R	10.7R	9.6

SEE FOOTNOTES FOLLOWING TABLE 5.

R=REVISED
P=PRELIMINARY

NOVEMBER 25, 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 PRC- FITS (10)	IMPLICIT PRICE DEFLATOR	
INDEXES 1977=100											
1980	I	100.2	109.9	109.6	125.7	96.2	125.4	120.9	124.2	95.5	121.0
	II	100.1	106.8	106.7	129.3	95.9	129.1	129.3	129.2	83.4	124.1
	III	101.3	107.7	105.8	132.5	96.5	130.2	133.3	131.1	89.1	126.4
	IV	101.8	109.7	107.8	135.5	95.7	133.1	136.9	134.1	92.4	129.5
	ANNUAL	101.0	108.5	107.5	130.7	96.2	129.4	130.2	129.7	90.2	125.2
1981	I	103.3	112.8	109.1	139.2	95.7	134.7	139.5	136.0	106.8	132.7
	II	103.9	112.8	108.6	142.3	96.2	137.0	143.6	133.7	102.8	134.7
	III	103.7P	112.7P	103.7P	145.4P	95.6P	140.2P	147.9P	142.2P	105.1P	138.0P
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)											
1980	I	1.5	2.2	0.7	10.2	-5.4	3.6	13.5	9.8	15.3	10.3
	II	-0.5	-10.9	-10.5	12.0	-1.0	12.6	30.6	17.0	-41.9	10.5
	III	6.7	3.4	-3.1	10.7	2.2	3.2	14.7	6.2	30.3	7.9
	IV	0.0	7.9	7.9	9.4	-3.1	9.4	9.5	9.4	15.7	9.9
	ANNUAL	0.6	-0.7	-1.3	10.1	-3.0	9.5	15.6	11.0	-8.9	9.1
1981	I	6.3	11.5	4.8	11.4	0.0	4.8	7.9	5.6	77.9	10.4
	II	2.2	0.1	-2.0	9.3	2.1	7.0	12.3	8.4	-13.9	6.2
	III	-0.6P	-0.2P	0.4P	9.0P	-2.6P	9.6P	12.3P	10.4P	8.9P	10.2P
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(6)											
1980	I	-0.3	0.4	0.7	9.8	-3.9	10.1	12.2	10.6	-9.5	9.5
	II	-0.5	-2.0	-1.5	9.9	-3.9	10.5	16.3	12.0	-17.2	9.1
	III	1.5	-1.6	-2.3	10.3	-2.2	9.9	15.3	11.0	-3.6	9.1
	IV	1.0	0.4	-1.5	10.4	-1.9	8.4	16.8	10.5	0.3	9.6
	ANNUAL	0.6	-0.7	-1.3	10.1	-3.0	9.5	15.6	11.0	-8.9	9.1
1981	I	3.1	2.6	-0.5	10.8	-0.5	7.4	15.4	9.5	11.3	9.7
	II	3.0	5.6	1.8	10.1	0.3	6.1	11.1	7.4	23.3	8.6
	III	1.0P	4.7P	2.7P	9.8P	-0.9P	7.7P	10.5P	8.4P	17.9P	9.2P

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED
P=PRELIMINARY

NOVEMBER 25, 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 1977=100							
1980	I	102.0	102.0	105.9	125.4	95.9	122.9
	II	100.7	101.6	100.9	130.0	96.4	129.1
	III	100.7	99.9	99.2	133.9	97.5	133.0
	IV	103.2	105.1	101.8	137.3	97.0	133.0
	ANNUAL	101.7	103.6	101.9	131.6	96.7	129.4
1981	I	104.1	107.0	102.8	140.9	96.9	135.4
	II	105.1	107.9	102.6	144.6	97.8	137.5
	III	105.5	107.9	102.3	147.7R	97.1P	140.1R
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)							
1980	I	-0.4	-1.0	-0.6	10.4	-5.3	10.9
	II	-4.9	-21.6	-17.6	15.5	2.1	21.4
	III	0.0	-6.6	-6.5	12.7	4.5	12.7
	IV	10.4	22.5	11.0	10.5	-2.2	0.1
	ANNUAL	-0.3	-4.6	-4.3	10.7	-2.5	11.0
1981	I	3.2	7.5	4.0	11.1	-0.3	7.5
	II	4.1	3.3	-0.7	10.3	3.5	6.4
	III	1.3R	0.0R	-1.3	9.0R	-2.7R	7.6R
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(6)							
1980	I	0.5	-1.2	-1.7	9.4	-4.2	8.9
	II	-1.8	-5.4	-4.9	9.6	-4.3	11.3
	III	-1.5	-7.9	-6.7	11.7	-1.0	13.2
	IV	1.1	-2.9	-4.0	12.2	-0.3	11.0
	ANNUAL	-0.3	-4.6	-4.3	10.7	-2.5	11.0
1981	I	2.1	-0.9	-2.9	12.4	1.0	10.2
	II	4.4	6.2	1.7	11.3	1.4	6.6
	III	4.7R	6.0R	3.1	10.3R	-0.4R	5.3R

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED

P=PRELIMINARY

NOVEMBER 25, 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	99.9	108.4	108.5	125.1	95.7	125.3
	II	99.9	100.7	101.9	129.9	96.4	131.4
	III	98.3	98.1	99.8	134.1	97.6	136.4
	IV	101.1	104.5	103.1	137.7	97.3	136.2
	ANNUAL	99.8	100.9	103.3	131.6	96.8	132.1
1981	I	100.2	108.4	104.1	141.4	97.2	138.3
	II	100.7	107.8	104.0	145.0	98.1	139.9
	III	107.8R	107.4R	103.5	148.2R	97.5R	142.8R
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)							
1980	I	-1.2	-2.8	-0.8	12.3	-3.7	14.4
	II	-5.1	-25.3	-22.4	16.5	2.9	21.1
	III	-2.4	-10.2	-9.0	13.4	5.2	16.2
	IV	12.0	27.8	14.0	11.3	-1.4	-0.7
	ANNUAL	-1.1	-6.5	-5.5	11.2	-2.1	12.5
1981	I	4.8	0.7	4.0	11.1	-0.3	6.3
	II	3.8	5.1	-0.5	10.7	3.5	4.8
	III	0.5R	-1.3R	-1.3	9.1R	-2.5R	8.6R
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(6)							
1980	I	-0.9	-3.0	-2.1	9.6	-4.1	10.6
	II	-2.6	-6.7	-6.2	9.7	-4.1	12.7
	III	-1.3	-10.5	-8.8	12.4	-0.5	14.5
	IV	0.0	-4.4	-5.2	13.3	0.7	12.4
	ANNUAL	-1.1	-6.5	-5.5	11.2	-2.1	12.5
1981	I	2.4	-1.8	-4.1	13.0	1.6	10.4
	II	4.0	7.0	2.1	11.6	1.7	6.5
	III	5.6R	0.5R	3.8R	10.6R	-0.2R	4.7R

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED

P=PRELIMINARY

NOVEMBER 25, 1981

SOURCE: BUREAU OF LABOR STATISTICS

TABLE 5. NONDUPABLE 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	105.3	107.4	101.9	125.0	95.7	113.7
	II	103.5	102.9	99.4	129.6	96.2	125.3
	III	104.3	102.6	98.4	133.3	97.1	127.8
	IV	106.4	106.3	99.9	136.0	96.1	127.8
	ANNUAL	104.9	104.8	99.9	131.0	96.3	124.8
1981	I	106.9	107.8	100.9	139.6	96.0	130.7
	II	107.4	108.1	100.6	143.2	96.9	133.4
	III	108.0R	108.9R	100.5	146.3R	96.2R	135.4R
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)							
1980	I	1.7	1.4	-0.3	7.0	-3.2	5.2
	II	-6.9	-15.7	-9.4	15.6	2.2	24.2
	III	3.4	-1.0	-4.3	11.9	3.8	8.2
	IV	8.3	15.3	6.4	8.2	-4.2	-0.1
	ANNUAL	0.9	-1.5	-2.4	10.2	-2.9	9.2
1981	I	1.7	5.3	4.1	11.2	-0.2	9.3
	II	2.0	0.8	-1.1	10.7	3.5	8.6
	III	2.4R	2.0R	-0.4	8.7R	-2.8R	6.2R
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(6)							
1980	I	2.6	1.6	-1.0	9.2	-4.4	6.4
	II	-0.1	-2.3	-2.7	9.7	-4.1	9.8
	III	-0.6	-4.1	-3.5	11.2	-1.5	11.9
	IV	1.5	-0.6	-2.1	10.6	-1.7	9.0
	ANNUAL	0.9	-1.5	-2.4	10.2	-2.9	9.2
1981	I	1.5	0.4	-1.0	11.7	0.4	10.1
	II	3.8	5.0	1.2	10.5	0.7	6.4
	III	3.6R	5.8R	2.2	9.7R	-1.0P	5.9R

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED
P=PRELIMINARY

NOVEMBER 25, 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:

BASED ON DATA COVERING THE PERIOD FROM THE FIRST QUARTER OF 1976 TO THE FIRST QUARTER OF 1981, THE PROBABILITY IS 0.95 THAT THE INTERVAL BETWEEN -2.0 AND 2.4 INDEX POINTS CONTAINS THE REVISION OF THE INDEX OF PRODUCTIVITY IN THE PRIVATE BUSINESS SECTOR FROM THE FIRST TO THE THIRD QUARTERLY PUBLICATION OF THE ESTIMATE.

- (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. *
