



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

USDL 82-27  
For Release 2:00 PM EST  
Thursday, January 28, 1982

## PRODUCTIVITY AND COSTS

Private Business, Nonfarm Business, and Manufacturing Sectors  
Fourth Quarter 1981  
and Annual Averages for 1981

Productivity in the private business sector declined 7.2 percent at a seasonally adjusted annual rate in the fourth quarter of 1981, the Bureau of Labor Statistics of the U.S. Department of Labor reported today. The decline reflected a 7.5 percent drop in output and a 0.2 percent decline in hours of all persons engaged in the sector. The decline in productivity was the largest in any quarter in the series (which begins with data for 1947), and the decline in output was the largest since the 11.5 percent drop in the second quarter of 1980.

Comparing the average for 1981 with the average for 1980, productivity rose 1.0 percent, the first year-to-year increase since 1977. See page 4 for annual changes based on comparison of averages of the 4 quarters in each year.

In the nonfarm business sector, labor productivity decreased 7.6 percent in the fourth quarter (seasonally adjusted annual rate), as output fell 8.4 percent and hours declined 0.9 percent. The nonfarm productivity decline during the fourth quarter was the largest in the series (which goes back to 1947) and the decline in output was the largest since the 12.1 percent drop during the second quarter of 1980. During the third quarter of 1981, productivity declined 1.8 percent.

In the manufacturing sector, productivity declined 11.3 percent in the fourth quarter of 1981 as output dropped 18.5 percent and hours fell 8.2 percent (annual rates). This was the steepest decline in manufacturing productivity since the 12.3 percent drop in the third quarter of 1959, and the decline in output was the largest since the 21.6 percent decline during the second quarter of 1980. During the third quarter of 1981, manufacturing productivity increased 1.2 percent.

Fourth-quarter and annual measures are summarized in table A; details are given in tables 1-6. Revised third-quarter measures for nonfinancial corporations were also released today (tables A and 3).

Note: Small changes in the hours series for the private business, nonfarm business, and manufacturing sectors beginning in 1979 are incorporated in this press release. These changes result from the scheduled inclusion of the latest information on average weekly hours. The changes typically caused revisions of 0.1 percent or less in the annual rates.

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.

-2-

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

Sector	Productivity	Hourly compensation	Unit labor cost	Real hourly compensation	Output	Hours
<b>PRELIMINARY</b>						
Third quarter 1981 to fourth quarter 1981						
Private business	-7.2	5.7	14.0	-1.9	-7.5	-0.2
Nonfarm business	-7.6	6.5	15.2	-1.2	-8.4	-0.9
Manufacturing	-11.3	7.5	21.1	-0.3	-18.5	-8.2
Durable	-12.2	7.8	22.8	0.0	-21.1	-10.2
Nondurable	-10.0	7.5	19.4	-0.3	-14.7	-5.1
1980 to 1981 annual averages						
Private business	1.0	10.0	8.9	-0.3	1.9	0.9
Nonfarm business	0.9	10.1	9.1	-0.3	1.8	0.9
Manufacturing	2.7	11.1	8.2	0.7	2.5	-0.1
Durable	3.2	11.5	8.1	1.0	2.8	-0.4
Nondurable	1.9	10.5	8.4	0.1	2.2	0.3
<b>Revised</b>						
Second quarter 1981 to third quarter 1981						
Nonfinancial corporations	-0.5	9.2	9.7	-2.5	-0.1	0.4
<b>PRELIMINARY</b>						
Fourth quarter 1980 to fourth quarter 1981						
Private business	-0.1	9.3	9.5	-0.2	-0.2	0.0
Nonfarm business	-1.0	9.3	10.4	-0.2	-0.9	0.1
Manufacturing	-0.8	9.8	10.6	0.2	-2.5	-1.7
Durable	-0.5	10.0	10.6	0.4	-2.9	-2.4
Nondurable	-1.1	9.6	10.9	0.1	-1.9	-0.8
<b>REVISED</b>						
Third quarter 1980 to third quarter 1981						
Nonfinancial corporations	2.0	9.8	7.7	-0.9	4.7	2.7

### Private business sector

Productivity declined in the second half of 1981 after posting the strongest 2-quarter gains since 1976-77. Output, however, increased only during the first quarter of 1981, and progressively larger declines occurred in the next 3 quarters.

Hours dropped in both the second and fourth quarters, but the second-quarter decrease (-3.6 percent) was more substantial than the fourth-quarter decline (-0.2 percent). Employment grew 1.2 percent during the year, compared with a 0.4 percent increase during 1980.

Hourly compensation, which measures the hourly cost of wages and salaries, supplements, employer contributions to employee-benefit plans, and social security, increased at an annual rate of 5.7 percent in the fourth quarter, the smallest rise since the 4.7 percent increase in the third quarter of 1975. One quarter earlier, hourly 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 1.9 percent in the fourth quarter, compared with a 2.3 percent decline during the third quarter.

Unit labor cost, which reflects changes in productivity and hourly compensation, increased at an annual rate of 14.0 percent in the fourth quarter of 1981, compared with a 10.6 percent increase one quarter earlier. The fourth quarter increase was the largest since the 14.4 percent gain in the second quarter of 1980.

The implicit price deflator, which reflects the impact of unit labor cost and unit nonlabor payments on sector prices, increased 7.5 percent during the fourth quarter of 1981, compared with a 10.4 percent increase one quarter earlier.

Over the 4-quarter span ended with fourth quarter of 1981, productivity declined 0.1 percent, as output fell 0.2 percent and hours showed no change. Hourly compensation rose 9.3 percent, but declined 0.2 percent after allowing for the rise in the CPI-U. Unit labor cost rose 9.5 percent, and the implicit price deflator rose 8.5 percent.

### Nonfarm business sector

Productivity declined 7.6 percent in the fourth quarter of 1981 and 1.8 percent in the third quarter. Paralleling the patterns in the private business sector, during the first half of the year productivity increases of 4.4 percent and 1.4 were recorded in this sector. Output grew strongly in the first quarter, but declined in each succeeding quarter. Hours increased in the first and third quarters, but declined during the second and fourth, with the larger drop in the second quarter.

Hourly compensation increased 6.5 percent in the fourth quarter, down from the 9.5 percent annual rate of growth during the third quarter. This was the smallest quarterly increase in hourly compensation since the 6.4 percent gain during the third quarter of 1975. After allowing for the increase in the CPI-U, real hourly compensation declined 1.2 percent in the fourth quarter, compared with a 2.2 percent drop during the third quarter. Unit labor cost rose 15.2 percent in the fourth quarter, the largest increase in this series since the 15.6 percent increase during the second quarter of 1974. One quarter earlier, unit labor cost rose 11.5 percent. The implicit price deflator rose 8.9 percent in the fourth quarter, compared with an 11.4 percent rise during the third quarter.

From the fourth quarter of 1980 to the fourth quarter of 1981, productivity declined 1.0 percent, as output slipped 0.9 percent and hours increased 0.1 percent. Hourly compensation rose 9.3 percent--but fell 0.2 percent after allowing for the rise in the CPI-U, and unit labor cost went up 10.4 percent. The implicit price deflator rose 9.4 percent over the 4-quarter span.

### Manufacturing

Productivity fell 11.3 percent in the fourth quarter in manufacturing, the first decline since the 0.1 percent drop during the third quarter of 1980 and the largest decrease since the third quarter of 1959. During the third quarter of 1981, productivity increased 1.2 percent. Output dropped 18.5 percent and hours fell 8.2 percent during the fourth quarter.

Hourly compensation increased at a 7.5 percent annual rate in the fourth quarter of 1981, the slowest increase since the 4.2 percent rise in the third quarter of 1979. During the third quarter of 1981, hourly compensation rose 9.3 percent. After allowing for the increase in the CPI-U, real hourly compensation fell 0.3 percent in the fourth quarter and 2.4 percent during the third. Compared with the fourth quarter of 1980, productivity fell 0.8 percent as output fell 2.5 percent and hours fell 1.7 percent. Hourly compensation rose 9.8 percent, but increased 0.2 percent after allowing for the rise in the CPI-U.

### Summary of annual average productivity and cost movements: 1981

Comparing the annual average for 1981 with the annual average for 1980, productivity increased 1.0 percent in the private business sector, after 3 years of continuous declines in this series. Productivity increased 2.1 percent in 1977, but declined 0.2 percent, 0.3 percent, and 0.2 percent in 1978, 1979, and 1980, respectively. Output grew in 1981 by 1.9 percent, and hours increased 0.9 percent. During 1980, these measures fell 0.8 percent and 0.6 percent, respectively. However, the rise in output reflected a 7.9 percent gain recorded in the first quarter; declines occurred during the remainder of the year.

During the 3-year period of productivity decline (1978-1980), productivity fell from an index level of 100 (in 1977) to 99.3 (in 1980). The 1.0 percent gain in private business productivity in 1981 brought the index level to 100.4, recouping all of the decline and bringing average annual productivity to a new high.

Hourly compensation increased 10.0 percent in 1981, compared with a 10.2 percent rise in the preceding year. This was the smallest annual rise in hourly compensation since the 8.4 percent increase during 1978. As is often the case, gains in hourly compensation were smaller in each succeeding quarter of the year during 1981; however, by the fourth quarter of 1981, the increase--at a 5.7 percent annual rate--was the slowest since the third quarter of 1975. Real hourly compensation declined 0.3 percent in 1981, compared with a 2.9 percent drop during 1980. Unit labor cost increased 8.9 percent during 1981, the smallest rise since the 8.6 percent gain during 1978. The implicit price deflator, a measure of price inflation in the private business sector, rose 9.2 percent during 1981, the same as the increase during 1980.

From 1980 to 1981, productivity in the nonfarm business sector increased 0.9 percent, the first increase since 1977. Output increased 1.8 percent during 1981, and hours of all persons went up 0.9 percent. During 1980, productivity declined 0.3 percent, output went down 0.9 percent, and hours fell 0.6 percent. The gain in productivity in 1981 followed declines of 0.2 percent in 1978, 0.7 percent in 1979, and 0.3 percent in 1980.

The 0.9 percent increase in hours of all persons reflected a 1.2 percent gain in employment and a 0.3 percent drop in average weekly hours. During 1980, employment grew 0.4 percent and the length of the average work week fell 1.0 percent.

In manufacturing, which accounts for about one-fourth of the persons engaged in private business, productivity increased 2.7 percent, compared with a 0.3 percent decline during 1980. Output grew by 2.5 percent in 1981, and hours of all persons decreased 0.1 percent. One year earlier, output and hours declined 4.6 percent and 4.4 percent, respectively. Productivity and output growth was faster among durables than among nondurables.

Hourly compensation increased 11.1 percent in 1981 in all of manufacturing compared with a 10.7 percent rise during 1980. The increase during 1981 was the largest since 1975, when an 11.9 percent gain occurred. Real hourly compensation in manufacturing rose 0.7 percent in 1981, compared with a 2.5 percent decline in 1980. Unit labor cost rose 8.2 percent in 1981, compared with an 11.0 percent increase during 1980.

The 0.1 percent decline in hours reflected a drop in sector employment in 1981; average weekly hours remained unchanged from the preceding year.

Table B contains annual changes in productivity, output, and hours since 1971.

# Nonfinancial corporations

The Bureau of Labor Statistics also reported revised measures for the third quarter for the nonfinancial corporate sector. In this sector, which includes all corporations doing business in the United States with the exception of banks, stock and commodity brokers, and finance and credit agencies, productivity declined 0.5 percent during the third quarter, as output fell 0.1 percent and hours of all employees increased 0.4 percent (annual rates). Previously, these changes had been reported as -0.6 percent, -0.2 percent, and 0.4 percent, based on preliminary information. (See table 3.)

Table B. Annual changes in productivity, output, and hours.

Year	Private Business			Nonfarm Business			Manufacturing		
	Productivity	Output	Hours	Productivity	Output	Hours	Productivity	Output	Hours
1971	3.6	3.0	-0.5	3.3	2.9	-0.4	6.1	2.2	-3.7
1972	3.5	6.6	3.0	3.7	6.9	3.1	5.0	9.6	4.3
1973	2.7	6.6	3.9	2.5	6.9	4.2	5.4	11.2	5.5
1974	-2.3	-1.9	0.4	-2.4	-1.9	0.4	-2.4	-4.2	-1.9
1975	2.3	-1.9	-4.1	2.1	-2.2	-4.2	2.9	-7.1	-9.7
1976	3.3	6.3	2.9	3.2	6.7	3.4	4.4	9.6	4.9
1977	2.1	6.3	4.0	2.0	6.4	4.3	2.4	6.7	4.2
1978	-0.2	4.7	4.9	-0.2	4.9	5.1	0.9	5.4	4.4
1979	-0.3	2.8	3.1	-0.7	2.7	3.4	1.1	3.1	2.0
1980	-0.2	-0.8	-0.6	-0.3	-0.9	-0.6	-0.3	-4.6	-4.4
1981	1.0	1.9	0.9	0.9	1.8	0.9	2.7	2.5	-0.1

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								
1980 I	98.9	108.5	109.7R	126.0	96.4	127.4	113.9	122.9
II	98.2	105.1	107.0R	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	95.7R	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	139.2R	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	99.9	109.0P	109.1	145.7R	95.8R	145.8R	132.2R	141.2R
IV	98.0P	106.7P	108.8P	148.0P	95.5P	151.0P	130.9P	144.3P
ANNUAL	99.7P	108.7P	109.1P	143.9P	95.9P	144.4P	129.2P	139.6P
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)								
1980 I	0.3	1.4	1.1	10.3R	-5.4	9.9	14.5R	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	4.4R	7.9	3.4R	11.7R	0.3R	7.0	20.3	11.0
II	1.4	-1.1	-2.5	9.6	2.5R	8.1	3.0	6.5
III	-1.8R	-1.4R	0.4R	9.5R	-2.2R	11.5R	11.3R	11.4R
IV	-7.6P	-8.4P	-0.9P	6.5P	-1.2P	15.2P	-4.0P	8.9P
ANNUAL	0.9P	1.8P	0.9P	10.1P	-0.3P	9.1P	10.4P	9.5P
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(6)								
1980 I	-0.6R	0.6	1.2R	9.7	-4.0	10.4	6.4	9.1
II	-1.0	-1.9	-0.9	9.9	-3.9R	11.0	6.9	9.7
III	0.2R	-1.8	-1.9	10.1	-2.5	9.9	9.1	9.6
IV	0.2R	-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	1.2R	1.1	-0.1R	10.5R	-0.7R	9.2	12.2	10.1
II	2.3R	4.1	1.3R	10.0	0.3R	7.6	11.8	8.9
III	0.9	3.0R	2.1	10.2R	-0.6	9.2R	10.9R	9.7P
IV	-1.0P	-0.9P	0.1P	9.3P	-0.2P	10.4P	7.3P	9.4P
ANNUAL	0.9P	1.8P	0.9P	10.1P	-0.3P	9.1P	10.4P	9.5P

SEE FOOTNOTES FOLLOWING TABLE 5.

R=REVISED

P=PRELIMINARY

JANUARY 28, 1982

SOURCE: BUREAU OF LABOR STATISTICS

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	99.5	108.7	109.2	126.4	96.7	127.0	115.2	123.0
II	99.1	105.4	106.4	130.1	96.6R	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	137.1R	122.7	132.2
ANNUAL	99.3	106.8	107.5	131.5	96.7	132.4	118.3	127.6
1981 I	100.3	109.5	109.2	139.8R	96.1	139.4	127.6	135.4
II	101.2R	109.5	108.2R	143.3R	96.9R	141.6	129.3	137.5
III	100.9	109.4	108.4R	146.5R	96.3R	145.2R	132.4R	140.9R
IV	99.0P	107.3P	108.4P	148.5P	95.8P	150.0P	130.6P	143.5P
ANNUAL	100.4P	108.9P	108.5P	144.6P	96.4P	144.1P	130.0P	139.3P
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)								
1980 I	1.6	1.8	0.2	10.8R	-4.9R	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	-2.9R	10.4	6.6	9.2
1981 I	4.7R	7.9	3.0R	11.9R	0.5R	6.9	17.1R	10.0
II	3.5	-0.1	-3.6R	10.4	3.2	6.6	5.3	6.2
III	-1.1R	-0.3	0.8	9.3R	-2.3R	10.6R	10.1R	10.4R
IV	-7.2P	-7.5P	-0.2P	5.7P	-1.9P	14.0P	-5.3P	7.5P
ANNUAL	1.0P	1.9P	0.9P	10.0P	-0.3P	8.9P	9.9P	9.2P
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	-0.8	-0.6	10.2	-2.9R	10.4	6.6	9.2
1981 I	0.8R	0.8	0.0	10.6R	-0.6R	9.7	10.8	10.1
II	2.1	3.9	1.7R	10.1	0.3	7.8	11.5	9.0
III	1.5	3.5	2.0	10.1R	-0.6R	8.5R	10.6R	9.1R
IV	-0.1P	-0.2P	0.0P	9.3P	-0.2P	9.5P	6.5P	8.5P
ANNUAL	1.0P	1.9P	0.9P	10.0P	-0.3P	8.9P	9.9P	9.2P

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED

P=PRELIMINARY

JANUARY 28, 1982

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	COMPENSATION PER HOUR(1)	REAL COMPENSATION PER HOUR(2)	UNIT LABOR COST
INDEXES 1977=100						
1980 I	102.0	108.0	105.9	125.4	96.0R	122.9
II	100.7	101.6	100.9	130.0	96.5R	129.0R
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	96.8R	129.4
1981 I	104.2R	107.0	102.7R	141.1R	97.1R	135.5R
II	105.2R	107.8R	102.5R	144.8R	97.9R	137.6R
III	105.5	107.8R	102.2R	148.0R	97.3R	140.3R
IV	102.4P	102.4P	100.0P	150.7P	97.2P	147.1P
ANNUAL	104.4P	106.3P	101.8P	146.2P	97.4P	140.0P
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)						
1980 I	-0.3R	-1.0	-0.7R	10.5P	-5.2R	10.8R
II	-4.9	-21.6	-17.6	15.5	2.1	21.4
III	-0.1R	-6.0	-6.5	12.7	4.5	12.9R
IV	10.3R	22.4R	11.0	10.5	-2.2	0.1
ANNUAL	-0.3	-4.6	-4.4R	10.7	-2.5	11.0
1981 I	3.8R	7.5	3.6R	11.6R	0.2R	7.5
II	4.1	5.3	-0.8R	10.8	3.5	6.5R
III	1.2R	-0.1R	-1.2R	9.3R	-2.4R	8.0R
IV	-11.3P	-18.5P	-8.2P	7.5P	-0.3P	21.1P
ANNUAL	2.7P	2.5P	-0.1P	11.1P	0.7P	8.2P
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(6)						
1980 I	0.5	-1.2	-1.7	9.5R	-4.2	8.9
II	-1.6	-6.4	-4.9	9.6	-4.2R	11.3
III	-1.2R	-7.9	-6.8R	11.8R	-1.0	13.2
IV	1.1	-2.9	-4.0	12.3R	-0.2R	11.0
ANNUAL	-0.3	-4.6	-4.4R	10.7	-2.5	11.0
1981 I	2.1	-0.9	-3.0R	12.5R	1.1R	10.2
II	4.5R	6.1R	1.6R	11.4R	1.5R	6.6
III	4.8R	7.9R	3.0R	10.5R	-0.2R	5.5R
IV	-0.8P	-2.5P	-1.7P	9.8P	0.2P	10.6P
ANNUAL	2.7P	2.5P	-0.1P	11.1P	0.7P	8.2P

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED

P=PRELIMINARY

JANUARY 28, 1982

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 COMPENSATION (1)	REAL HOURLY COMPENSATION(2)	UNIT LABOR COST	UNIT NON-LABOR COST(8)	TOTAL UNIT COST (9)	UNIT PROFITS (10)	IMPLICIT PRICE DEFULATOR
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	101.8	107.7	105.8	132.5	96.5	130.2	133.8	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	96.1	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	138.7	102.8	134.7
III	103.8R	112.8R	108.7	145.5R	95.6	140.2	147.7R	142.2	106.7R	138.2R
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)										
1980 I	1.5	2.2	0.7	10.2	-5.5	8.6	13.5	9.8	15.3	10.3
II	-0.5	-10.9	-10.5	12.0	-1.0	12.5	30.6	17.0	-41.9	10.5
III	6.7	3.4	-3.1	10.2	2.3	3.3	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	0.0P	4.8	7.9	5.6	77.9	10.4
II	2.2	0.1	-2.0	9.3	2.2	7.0	12.3	8.4	-13.9	6.2
III	-0.5R	-0.1R	0.4	9.2R	-2.5R	9.7R	11.8R	10.3R	15.7R	10.7R
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	8.5
II	-0.5	-2.0	-1.5	9.9	-4.0	10.5	16.3	12.0	-17.2	9.1
III	1.3	-1.6	-2.8	10.3	-2.2	8.9	16.8	10.9	-8.6	9.1
IV	1.9	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	15.3	9.5	11.8	9.7
II	3.8	5.6	1.8	10.1	0.3	6.1	11.1	7.4	23.3	8.6
III	2.0R	4.7	2.7	9.8	-0.9	7.7	10.3R	8.4	19.7R	9.3R

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED

P=PRELIMINARY

JANUARY 28, 1982

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	135.3	107.4	102.3R	125.0	95.7	118.7
II	133.4R	102.9	99.5R	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	95.7	127.8
ANNUAL	104.9	104.8	99.9	130.9P	96.3	124.8
1981 I	136.9	107.3	100.9	139.7R	96.1R	130.7
II	107.4	103.0R	100.6	143.3P	96.9	133.5R
III	108.0	108.5R	100.5	146.4P	96.2	135.6R
IV	105.2P	104.3P	99.1P	149.1P	96.2P	141.7P
ANNUAL	106.9P	107.1P	100.2P	144.7P	96.4P	135.3P
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)						
1980 I	1.7	1.4	-0.3	7.0	-8.2	5.2
II	-6.9	-15.7	-9.4	15.6	2.2	24.2
III	3.4	-1.1R	-4.3	11.9	3.8	8.3R
IV	8.2R	15.2R	6.4	3.2	-4.2	-0.1
ANNUAL	0.9	-1.5	-2.4	10.2	-2.9	9.2
1981 I	1.8R	5.8	3.9R	11.4R	0.0R	9.4R
II	1.9R	0.7R	-1.2R	10.8R	3.5	3.7R
III	2.3R	1.7R	-0.6R	8.9R	-2.7R	6.5R
IV	-10.0P	-14.7P	-5.1P	7.5P	-0.3P	19.4P
ANNUAL	1.9P	2.2P	0.3P	10.5P	0.1P	8.4P
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	-2.8	-2.7	9.7	-4.1	9.8
III	-0.6	-4.1	-3.5	11.2	-1.5	11.9
IV	1.4R	-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	1.1R	10.5	0.7	6.5R
III	3.5R	5.7R	2.1R	9.8R	-0.9R	6.1R
IV	-1.1P	-1.9P	-0.8P	9.6P	0.1P	10.9P
ANNUAL	1.9P	2.2P	0.3P	10.5P	0.1P	8.4P

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED

P=PRELIMINARY

JANUARY 28, 1982

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	125.2R	95.8R	125.2R
II	99.0R	100.7	101.8R	130.0R	96.5R	131.4
III	95.4R	98.1	99.7R	134.2P	97.7R	136.4
IV	101.2R	104.2R	103.0R	137.8R	97.4R	136.2
ANNUAL	99.7R	102.9	103.2R	131.7R	96.9P	132.1
1981 I	102.5R	106.4	103.9R	141.7R	97.4R	138.3
II	103.8R	107.7R	103.7R	145.3R	98.3R	140.0R
III	103.9R	107.4	103.3R	148.7R	97.7R	143.0R
IV	100.6P	101.2P	100.6P	151.5P	97.7P	150.6P
ANNUAL	102.8P	105.7P	102.8P	146.9P	97.9P	142.9P
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)						
1980 I	-1.6R	-2.6	-1.0R	12.5R	-3.5R	14.3R
II	-3.8	-25.3	-22.4	16.5	3.0R	21.1
III	-2.5R	-10.2	-8.0	13.4	5.2	16.3R
IV	11.9R	27.7R	14.1R	11.2R	-1.4	-0.6R
ANNUAL	-1.1	-6.6	-5.6	11.3P	-2.0P	12.5
1981 I	5.2R	8.7	3.4R	11.8R	0.3R	5.3
II	5.5R	5.0R	-0.5	10.7	3.5	4.9R
III	0.4R	-1.3	-1.7R	9.5R	-2.1P	9.1R
IV	-12.2P	-21.1P	-10.2P	7.8P	0.0P	22.3P
ANNUAL	3.2P	2.8P	-0.4P	11.5P	1.0P	8.1P
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(6)						
1980 I	-0.8R	-2.9R	-2.2R	9.7R	-4.0R	10.6
II	-2.6	-8.7	-6.3R	9.8R	-4.1	12.7
III	-1.8	-10.5	-8.2	12.4	-0.4R	14.5
IV	0.8	-4.5R	-5.2	13.4R	0.8R	12.5R
ANNUAL	-1.1	-6.6	-5.6	11.3R	-2.0R	12.5
1981 I	2.5R	-1.3	-4.2R	13.2P	1.7R	10.4
II	4.9R	6.9R	1.9R	11.8P	1.5R	6.5
III	5.7R	9.5	3.6R	10.3R	0.0R	4.0P
IV	-0.5P	-2.9P	-2.4P	10.0P	0.4P	10.6P
ANNUAL	3.2P	2.8P	-0.4P	11.5P	1.0P	8.1P

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED

P=PRELIMINARY

JANUARY 28, 1982

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. \*  
 \*\*\*\*\*