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USDL 82-76
For Release 2:00 PM EST
Monday, March 1, 1982

PRODUCTIVITY AND COSTS

Nonfinancial Corporate Sector Annual Data for 1981

Productivity, defined as output per employee hour, increased 2.5 percent in 1981 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 1980, productivity increased 0.6 percent in this sector. The productivity gain in 1981 reflected a 3.4 percent increase in output and a 0.9 percent increase in hours of all employees; during 1980, both output and hours declined. 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 about two-thirds of private business sector employment during 1981--about 55 million persons.

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 in tables 1, 2, and 4-6.

Compensation and labor cost for nonfinancial corporations

Hourly compensation increased 10.1 percent during 1981 for all employees in the nonfinancial corporate sector, the same as the increase during 1980. Hourly compensation has never increased faster than 10.1 percent in this series (which covers the 1958-forward period); annual increases of 10.1 percent were recorded during 1981, 1980, and 1975. This measure includes the 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 7.4 percent in 1981, compared with a 9.5 percent increase during 1980. The slower growth of unit labor cost in 1981 reflects productivity gains, since hourly compensation increased by equal amounts in both years.

Real hourly compensation--compensation outlays adjusted for changes in the Consumer Price Index for All Urban Consumers (CPI-U)--fell 0.3 percent during 1981, compared with a 3.0 percent decline during 1980. The slower decline in 1981 reflects slower rate of increase in the CPI-U.

Unit nonlabor cost, which includes capital consumption allowances, net interest, and indirect business taxes, increased 12.2 percent in 1981, compared with a 15.6 percent increase in 1980.

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.

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

Measure	1976	1977	1978	1979	1980	p1981
Output per employee hour	3.2	2.7	0.4	0.0	0.6	2.5
Hourly compensation	8.2	8.1	8.2	9.7	10.1	10.1
Unit labor cost	4.9	5.3	7.8	9.7	9.5	7.4
Real hourly compensation	2.3	1.5	0.5	-1.4	-3.0	-0.3
Output	7.4	7.2	5.8	3.3	-0.7	3.4
Hours	4.1	4.4	5.3	3.3	-1.3	0.9
Unit nonlabor payments	4.6	5.2	3.8	4.4	8.3	12.8
Unit profits	16.0	9.9	3.0	-3.9	-8.9	14.7

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 1981 to fourth quarter 1981						
Private business	-6.5	5.5	12.9	-2.1	-6.8	-0.2
Nonfarm business	-6.8	6.2	14.0	-1.5	-7.7	-1.0
Manufacturing	-11.0	7.4	20.7	-0.4	-18.5	-8.5
Durable	-11.9	7.6	22.1	-0.2	-21.1	-10.5
Nondurable	-9.8	7.8	19.6	0.0	-14.6	-5.3
1980 to 1981 annual averages						
Private business	1.1	10.0	8.8	-0.3	2.0	0.9
Nonfarm business	0.9	10.1	9.0	-0.3	1.9	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
Fourth quarter 1981 to fourth quarter 1981						
Private business	0.0	9.3	9.2	-0.2	0.0	0.0
Nonfarm business	-0.8	9.2	10.1	-0.2	-0.7	0.1
Manufacturing	-0.7	9.8	10.5	0.2	-2.5	-1.8
Durable	-0.5	9.9	10.4	0.3	-2.9	-2.5
Nondurable	-1.1	9.7	10.9	0.2	-1.9	-0.8

The implicit price deflator for the nonfinancial corporate sector--which reflects changes in unit labor cost, unit nonlabor cost, and unit profits--increased 9.2 percent in 1981, compared with a 9.1 percent gain during 1980. This was the largest price increase in this sector since the 10.9 percent increase of 1975.

Revised fourth quarter measures for the business sectors and manufacturing

The Bureau of Labor Statistics also released revised fourth quarter 1981 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, and the latest information on employment and average weekly hours from the BLS, the revised measures show productivity declined 6.5 percent in the fourth quarter in the private business sector and declined 6.8 percent in the nonfarm business sector. On the basis of preliminary data, these measures had been published as -7.2 percent and -7.6 percent, respectively. In manufacturing, productivity declined 11.0 percent in the fourth quarter; preliminary data showed a 11.3 percent decline. Preliminary and revised measures are compared in table C.

Table C. Preliminary and revised productivity and related measures,
Fourth quarter 1981
Percent change from previous quarter at annual rate
(Seasonally adjusted)

Private business sector	Preliminary	Revised
Output per hour of all persons	-7.2	-6.5
Compensation per hour	5.7	5.5
Unit labor cost	14.0	12.9
Real compensation per hour	-1.9	-2.1
Output	-7.5	-6.8
Hours	-0.2	-0.2
Nonfarm business sector		
Output per hour of all persons	-7.6	-6.8
Compensation per hour	6.5	6.2
Unit labor cost	15.2	14.0
Real compensation per hour	-1.2	-1.5
Output	-8.4	-7.7
Hours	-0.9	-1.0
Manufacturing		
Output per hour of all persons	-11.3	-11.0
Compensation per hour	7.5	7.4
Unit labor cost	21.1	20.7
Real compensation per hour	-0.3	-0.4
Output	-18.5	-18.5
Hours	-8.2	-8.5
Durable		
Output per hour of all persons	-12.2	-11.9
Compensation per hour	7.8	7.6
Unit labor cost	22.8	22.1
Real compensation per hour	0.0	-0.2
Output	-21.1	-21.1
Hours	-10.2	-10.5
Nondurable		
Output per hour of all persons	-10.0	-9.8
Compensation per hour	7.5	7.8
Unit labor cost	19.4	19.6
Real compensation per hour	-0.3	0.0
Output	-14.7	-14.6
Hours	-5.1	-5.3

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	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	96.6	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	137.1	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	139.3	96.1	139.4	127.6	135.4
II	101.2	109.5	108.2	143.3	96.9	141.6	129.3	137.5
III	100.9	109.4	108.4	146.5	96.3	145.2	132.4	140.9
IV	99.2R	107.5R	108.4	148.5	95.8	149.7R	132.5R	143.9R
ANNUAL	100.4	108.9	108.5	144.6	96.4	144.3R	130.5R	139.4R
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)								
1980 I	1.6	1.3	0.2	10.8	-4.9	9.0	11.2	9.7
II	-1.3	-11.5	-9.9	12.3	-0.7	14.4	2.6	10.5
III	1.3	1.1	-2.2	9.5	1.6	8.1	13.7	9.3
IV	-1.1	6.9	8.1	3.6	-3.3	9.3	10.2	9.9
ANNUAL	-0.2	-0.8	-0.6	10.2	-2.9	10.4	6.4	9.2
1981 I	4.7	7.9	3.0	11.9	0.5	6.9	17.1	10.0
II	3.5	-0.1	-3.5R	10.4	3.2	6.6	5.3	6.2
III	-1.1	-0.3	0.3	9.3	-2.3	10.6	10.1	10.4
IV	-6.5R	-5.3R	-0.2	5.5R	-2.1R	12.9R	0.0R	8.7R
ANNUAL	1.1R	2.0R	0.9	10.0	-0.3	8.3R	10.3R	9.3R
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(6)								
1980 I	-2.1	0.9	1.0	9.9	-3.3	10.0	5.1	5.4
II	-2.5	-1.6	-1.0	10.1	-3.8	10.5	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	-0.5	10.2	-2.9	10.4	5.4	9.2
1981 I	1.7	0.0	0.0	10.5	-0.6	9.7	10.3	10.1
II	2.1	3.9	1.7	10.1	0.3	7.2	11.5	3.0
III	1.5	3.5	2.0	10.1	-0.6	8.5	10.1	-1.1
IV	0.0R	0.0R	0.0	9.3	-0.3	9.0R	1.0R	-1.3R
ANNUAL	1.1R	2.0R	0.9	10.0	-0.3	8.3R	10.3R	9.3R

SEE FOOTNOTES FOLLOWING TABLE 6.

PRELIMINARY

MARCH 1, 1982
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								
1980 I	98.9	108.5	109.7	126.0	96.4	127.4	113.9	122.9
II	98.2	105.1	107.0	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	95.7	136.8	122.0	131.9
ANNUAL	98.9	106.8	108.1	130.8	96.2	132.4	117.6	127.4
1981 I	100.0	109.7	109.7	139.2	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	109.0	109.1	145.7	95.2	145.3	132.2	141.2
IV	99.2R	106.9R	108.8	147.9R	95.4R	150.6R	132.7R	144.6R
ANNUAL	99.7	108.8R	109.1	143.9	95.9	144.3R	130.3R	139.6
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)								
1980 I	0.3	1.4	1.1	10.3	-5.4	9.9	14.5	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	4.4	7.9	3.4	11.7	0.3	7.0	20.2R	11.0
II	1.4	-1.1	-2.5	9.6	2.5	8.1	3.0	6.5
III	-1.7R	-1.4	0.4	9.5	-2.2	11.5	11.3	11.4
IV	-6.3R	-7.7R	-1.0R	6.2R	-1.5R	14.0R	1.6R	10.0R
ANNUAL	0.9	1.9R	0.9	10.1	-0.3	9.3R	10.2R	9.6R
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(6)								
1980 I	-0.6	0.6	1.2	9.7	-4.7	10.4	5.4	9.1
II	-1.0	-1.9	-0.9	9.9	-3.9	11.0	6.9	9.7
III	0.0	-1.6	-1.9	10.1	-2.5	9.9	9.1	9.6
IV	0.2	-0.5	-0.6	10.1	-2.2	9.7	10.3	10.2
ANNUAL	-0.3	-0.9	-0.6	9.9	-3.2	10.3	8.4	9.7
1981 I	1.0	1.1	-0.1	10.5	-0.7	9.2	12.2	10.1
II	2.3	4.1	1.3	10.0	0.3	7.6	11.8	6.9
III	0.9	3.0	0.1	10.2	-0.6	9.2	10.9	9.7
IV	-1.3R	-0.7R	0.1	9.2R	-0.2	10.1R	3.2R	9.7R
ANNUAL	0.9	1.9R	0.9	10.1	-0.3	9.3R	10.2R	9.6R

SEE FOOTNOTES FOLLOWING TABLE 6.

PRELIMINARY

MARCH 1, 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 COMPEN- TION (1)	REAL HOURLY COMPEN- SATION(2)	UNIT LABOR COST	UNIT NON- LABOR COST(8)	TOTAL UNIT COST (9)	UNIT PRO- FIT(10)	IMPLICIT PRICE DEFLATOR
INDEXES 1977=100										
1980	I	103.2	109.9	109.6	125.7	96.2	125.4	120.9	124.2	95.5
	II	100.1	106.8	106.7	129.3	95.6	129.1	122.3	123.2	95.4
	III	101.8	107.7	105.8	132.6	96.5	130.2	133.8	131.1	99.1
	IV	101.8	109.7	107.8	135.5	95.7	133.1	136.9	134.1	92.4
	ANNUAL	101.0	108.5	107.5	130.7	96.2	129.4	130.2	129.7	90.2
1981	I	103.3	112.8	109.1	139.2	95.7	134.7	139.5	136.0	106.8
	II	103.9	112.8	108.6	142.3	96.2	137.0	143.6	138.7	102.3
	III	103.3	112.8	108.7	145.6	95.6	140.2	147.7	142.2	106.7
	IV	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	ANNUAL	103.5P	112.2P	108.5P	143.9P	95.9P	139.1P	146.1P	140.9P	103.4P
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)										
1980	I	1.5	2.7	0.7	10.2	-5.4R	8.6	13.5	9.8	15.3
	II	-0.5	-10.9	-10.5	12.0	-1.0	12.6	30.6	17.0	-41.9
	III	6.7	3.4	-3.1	10.2	2.2R	3.2P	14.7	6.2	30.3
	IV	0.0	7.9	7.9	9.4	-3.1	9.4	9.5	9.4	15.7
	ANNUAL	0.6	-0.7	-1.3	10.1	-3.0	9.5	15.6	11.0	-3.9
1981	I	6.3	11.5	4.8	11.4	0.0P	4.8	7.9	5.6	77.9
	II	2.2	0.1	-2.0	9.3	2.1R	7.0	12.3	8.4	-13.9
	III	-0.5	-0.1	0.4	9.2	-2.5	9.7	11.8	10.3	15.7
	IV	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	ANNUAL	2.5P	3.4P	0.9P	10.1P	-0.3P	7.4P	12.2P	8.7P	14.7P
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(6)										
1980	I	-0.3	0.4	0.7	9.0	-3.9	10.1	12.2	10.6	-9.5
	II	-0.5	-2.0	-1.5	9.9	-3.9R	10.5	16.3	12.0	-17.2
	III	1.3	-1.6	-2.5	10.3	-2.2	8.9	16.8	11.0R	-3.6
	IV	1.9	0.4	-1.5	10.4	-1.9	8.4	16.3	10.5	0.3
	ANNUAL	0.6	-0.7	-1.3	10.1	-3.0	9.5	15.6	11.0	-3.9
1981	I	3.1	7.6	-0.5	10.0	-0.5	7.4	15.4	9.5	11.8
	II	7.6	5.6	1.6	10.1	0.3	6.1	11.1	7.4	23.5
	III	0.0	4.7	0.7	9.3	-0.9	7.7	10.4	5.4	19.7
	IV	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	ANNUAL	2.5P	3.4P	0.9P	10.1P	-0.3P	7.4P	12.2P	8.7P	14.7P

SEE FOOTNOTES FOLLOWING TABLE 6.

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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	COMPEN- SATION PER HOUR(1)	REAL COMPEN- SATION PER HOUR(2)	UNIT LABOR COST
INDEXES 1977=100						
1980	I	102.0	108.0	105.8R	125.4	96.0
	II	102.7	101.6	100.9	130.0	96.5
	III	100.7	99.9	99.2	133.9	97.5
	IV	103.2	105.1	101.8	137.3	97.0
	ANNUAL	101.7	103.6	101.9	131.6	96.8
1981	I	104.2	107.0	102.7	141.1	97.1
	II	105.2	107.3	102.5	144.8	97.9
	III	105.5	107.8	102.2	148.0	97.3
	IV	102.5R	102.4	99.9R	150.7	97.2
	ANNUAL	104.5R	106.3	101.7R	146.2	97.4
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)						
1980	I	-0.3	-1.0	-0.7	10.5	-5.1R
	II	-4.9	-21.6	-17.6	15.5	2.1
	III	-0.1	-6.6	-6.6R	12.7	4.8P
	IV	10.3	22.4	11.0	10.5	-2.2
	ANNUAL	-0.3	-4.6	-4.4	10.7	-2.5
1981	I	7.2	7.5	3.6	11.6	0.2
	II	4.0R	3.3	-0.3	10.6	3.5
	III	1.2	-0.1	-1.2	9.3	-2.4
	IV	-11.0R	-18.5	-8.5R	7.4P	-0.4R
	ANNUAL	2.7	2.5	-0.1	11.1	0.7
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(6)						
1980	I	0.5	-1.2	-1.7	9.5	-4.2
	II	-1.6	-6.4	-4.9	9.6	-4.2
	III	-1.2	-7.9	-8.8	11.8	-1.0
	IV	1.1	-2.9	-4.0	12.3	-0.2
	ANNUAL	-0.3	-4.5	-4.4	10.7	-2.5
1981	I	2.1	-0.9	-3.0	12.5	1.1
	II	4.3	0.1	1.6	11.4	1.5
	III	4.3	7.9	3.0	10.5	-0.2
	IV	-0.7P	-2.5	-1.9R	9.5	0.0P
	ANNUAL	2.7	2.5	-0.1	11.1	0.7

SEE FOOTNOTES FOLLOWING TABLE 6.

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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	108.4R	125.2	95.8	125.2
	II	99.0	100.7	101.8	130.0	96.5	131.4
	III	98.4	98.1	99.7	134.2	97.7	136.4
	IV	101.2	104.2	103.0	137.8	97.4	136.2
	ANNUAL	99.7	102.9	103.2	131.7	96.9	132.1
1981	I	102.5	106.4	103.9	141.7	97.4	138.3
	II	103.8	107.7	103.7	145.3	98.3	140.0
	III	103.9	107.4	103.3	143.7	97.7	143.0
	IV	100.7R	101.2	100.5R	151.4R	97.7	150.4R
	ANNUAL	102.8	105.7	102.8	146.9	97.9	142.8R
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)							
1980	I	-1.6	-2.6	-1.0	12.5	-3.4R	14.3
	II	-3.8	-25.3	-22.4	16.5	3.0	21.1
	III	-2.5	-10.2	-8.0	13.4	5.2	16.3
	IV	11.9	27.7	14.1	11.2	-1.4	-0.6
	ANNUAL	-1.1	-6.6	-5.6	11.3	-2.0	12.5
1981	I	5.2	8.7	3.4	11.8	0.3	6.3
	II	5.5	5.0	-0.5	10.7	3.5	4.9
	III	0.4	-1.3	-1.7	9.5	-2.1	9.1
	IV	-11.9R	-21.1	-10.5R	7.6R	-0.2R	22.1R
	ANNUAL	3.2	2.8	-0.4	11.5	1.0	8.1
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(6)							
1980	I	-0.8	-2.9	-2.2	9.7	-4.0	10.6
	II	-2.6	-8.7	-6.3	9.8	-4.1	12.7
	III	-1.8	-10.5	-8.8	12.4	-0.4	14.5
	IV	0.8	-4.5	-5.2	13.4	0.8	12.5
	ANNUAL	-1.1	-6.6	-5.6	11.3	-2.0	12.5
1981	I	2.5	-1.8	-4.2	13.2	1.7	10.4
	II	4.0	6.9	1.9	11.8	1.9	6.5
	III	5.7	9.5	3.6	10.8	0.0	8.0
	IV	-0.5	-2.9	-2.5R	9.9R	0.3R	10.4R
	ANNUAL	3.2	2.8	-0.4	11.5	1.0	8.1

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED

R=PRELIMINARY

MARCH 1, 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	105.3	107.4	102.0	125.0	95.7	118.7
	II	103.4	102.9	99.5	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	130.9	96.3	124.8
1981	I	106.9	107.8	100.9	139.7	96.1	130.7
	II	107.4	108.0	100.6	143.3	96.9	133.5
	III	108.0	108.5	100.5	146.4	96.2	135.6
	IV	105.2	104.3	99.1	149.2R	96.2	141.8R
	ANNUAL	106.9	107.1	100.2	144.7	96.4	135.3
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	-1.1	-4.3	11.9	3.8	8.3
	IV	8.2	15.2	6.4	8.2	-4.2	-0.1
	ANNUAL	0.9	-1.5	-2.4	10.2	-2.9	9.2
1981	I	1.8	5.8	3.9	11.4	0.0	9.4
	II	1.9	0.7	-1.1R	10.7R	3.5	8.7
	III	2.3	1.7	-0.6	8.9	-2.7	5.5
	IV	-9.8R	-14.6R	-5.3R	7.8R	0.0R	19.6R
	ANNUAL	1.9	2.2	0.3	10.5	0.1	8.4
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	9.6
	III	-0.6	-4.1	-3.5	11.2	-1.5	11.9
	IV	1.4	-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	1.1	10.5	0.7	4.7
	III	3.5	5.7	2.1	9.8	-0.9	5.1
	IV	-1.1	-1.9	-0.8	9.7R	0.0R	10.3
	ANNUAL	1.9	2.2	0.3	10.5	1.1	6.4

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED

P=PRELIMINARY

MARCH 1, 1982

SOURCE: BUREAU OF LABOR STATISTICS

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. *
