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PRODUCTIVITY AND COSTS: Third Quarter 1982

According to preliminary measures, productivity (output per hour of all persons) increased during the third quarter in all of the sectors of the economy for which the Bureau of Labor Statistics of the U.S. Department of Labor prepares quarterly measures. However, the gains in productivity reflected declines in hours and employment. Output advanced in the business, nonfarm business, and nondurable goods sectors, but declined in durable goods manufacturing. Hours declined in every sector.

The broadest measure, covering the business sector as a whole, showed that productivity advanced at a 4.0 percent annual rate, an increase greater than any since the 5.6 percent gain during the first quarter of 1981. Productivity is now at an all-time high in this sector, surpassing the previous peak set 1 year ago.

Other third-quarter productivity measures showed increases at these annual rates:

3.6 percent in the nonfarm business sector,
7.1 percent in manufacturing as a whole,
6.4 percent in durable goods manufacturing, and,
7.9 percent in nondurable goods manufacturing.

All of these measures --which are preliminary-- are summarized in table A and appear in detail in tables 1-5. In addition to productivity, the measures include output, hours, hourly compensation, and unit labor cost, as changed from the previous quarter and the same quarter of the previous year. All measures are seasonally adjusted annual rates.

A revised estimate of the productivity of nonfinancial corporations shows a second-quarter increase at a 2.9 percent annual rate. The revised measure for nonfinancial corporations is summarized in table B and appears in detail in table 6.

Table A. Productivity and costs: preliminary third quarter 1982 measures
(Seasonally adjusted annual rates)

Sector	Productivity	Percent change from preceding quarter			Real hourly compensation	Unit labor cost
		Output	Hours	Hourly compensation		
Business	4.0	1.4	-2.5	6.2	-1.3	2.1
Nonfarm business	3.6	0.7	-2.8	6.6	-0.9	2.9
Manufacturing	7.1	-1.9	-8.5	6.5	-1.1	-0.6
Durable	6.4	-5.5	-11.2	8.0	0.4	1.5
Nondurable	7.9	3.3	-4.3	4.7	-2.7	-3.0
Percent change from same quarter a year ago						
Business	0.3	-2.5	-2.9	6.9	1.1	6.6
Nonfarm business	0.3	-2.5	-2.9	6.9	1.1	6.6
Manufacturing	-0.8	-10.1	-9.4	8.7	2.8	9.6
Durable	-1.5	-12.9	-11.5	9.2	3.2	10.9
Nondurable	0.1	-6.1	-6.1	8.6	2.7	8.5

Business sector

A modest increase in output coupled with a larger decline in hours resulted in a gain in third-quarter productivity. (Also reflected is a gain in farm productivity.) The 4.0 percent productivity increase in the business sector reflected 1.4 percent gain in output, the largest increase since the 1.9 percent during the third quarter of 1981, coupled with a 2.5 percent decline in hours of all persons (table 1). The index (1977=100) of productivity reached 101.3 in the third quarter, the highest level ever recorded in this series, which begins with data for 1947. The previous peak of 101.0 was set during the third quarter of 1981.

The decline in hours resulted from a 1.7 percent fall in employment and a 0.8 percent decline in average weekly hours. This was the fourth consecutive quarterly decline in employment in this sector.

Hourly compensation, which includes employer outlays for wages and salaries as well as payments for social security, private pension and health plans, and other employee benefits, increased at a 6.2 percent annual rate. This was the slowest rate of increase in hourly compensation since the 6.1 percent gain in the second quarter of 1977. During the second quarter of 1982, hourly compensation had risen at a 6.9 percent annual rate.

Real hourly compensation, which is adjusted for the increase in the Consumer Price Index for All Urban Consumers (CPI-U), declined 1.3 percent in the third quarter compared with a 2.2 percent gain during the second quarter.

Unit labor cost --which shows the effect of changes in hourly compensation and productivity-- increased 2.1 percent, compared with a 5.5 percent gain during the second quarter. This was the smallest increase in unit labor cost since the 1.7 percent decline during the first quarter of 1977.

The implicit price deflator --which measures price change in a sector and reflects changes in both unit labor cost and unit nonlabor payments-- increased at a 5.0 percent annual rate in the third quarter, compared with a 4.3 percent gain during the second quarter. This was the fastest gain in prices in the business sector year.

Nonfarm business sector

The 3.6 percent gain in nonfarm business productivity was the largest increase in this sector since the 4.9 percent gain during the first quarter of 1981 (table 2). The index of nonfarm business productivity stood at 100.3 (1977=100) compared with an all-time peak of 100.8 first attained during the second quarter of 1978, and regained 2 quarters later.

Output increased less in the nonfarm business sector than in the more comprehensive business sector discussed above, partly reflecting the omission of farm output from this sector. Nonfarm business output increased 0.7 percent, and hours of all persons fell 2.8 percent (seasonally adjusted annual rates). Employment and average weekly hours both declined.

Hourly compensation increased 6.6 percent in the nonfarm business sector during the third quarter. Hourly compensation in real terms declined 0.9 percent, after allowing for the rise in the CPI-U. During the second quarter, hourly compensation rose 6.1 percent, and real hourly compensation increased 1.4 percent. Unit labor cost rose 2.9 percent, compared with a 5.2 percent increase during the second quarter. This was the smallest increase in this measure since the 1.1 percent gain during the first quarter of 1977.

The implicit price deflator rose 5.5 percent, compared with a 4.0 percent increase one quarter earlier (seasonally adjusted annual rates).

Manufacturing

In manufacturing, productivity rose 7.1 percent as output fell 1.9 percent and hours dropped 8.5 percent. Both output and hours have declined for the past 5 quarters (table 3). The gain in productivity was the largest since the 14.0 percent jump in the fourth quarter of 1980, when output rose 22.2 percent and hours advanced 7.2 percent. Employment fell 7.7 percent and average weekly hours declined 0.8 percent during the third quarter of 1982. Hourly compensation increased 6.5 percent --the smallest gain since the 4.3 percent increase during the second quarter of 1978-- while real hourly compensation decreased 1.1 percent. Unit labor cost fell at a 0.6 percent annual rate, compared with a 6.9 percent increase during the second quarter. This was the first decline in these costs since the 3.9 percent drop in the fourth quarter of 1980. The drop in total manufacturing output was confined to the durable goods sector, where output fell at a 5.5 percent annual rate. On the other hand, nondurable goods output rose 3.3 percent, the first rise in output in this sector since the 1.4 percent rise in the third quarter of 1981 (tables 4, 5).

Revised measures

Revised second-quarter productivity and cost measures were also reported today for the nonfinancial corporate sector (table 6). Productivity increased at a 2.9 percent annual rate in the second quarter; output slipped 0.4 percent and hours of all employees declined 3.2 percent (annual rates). Hourly compensation rose 6.4 percent, and unit labor cost increased 3.4 percent. A comparison of these revised measures with preliminary values published August 26 is presented in table B.

Table B.

Nonfinancial corporations: Preliminary and revised second-quarter productivity and cost measures, quarterly change at seasonally adjusted annual rate.

Percent

Measure	Preliminary	Revised
Productivity	2.3	2.9
Output	-1.0	-0.4
Hours	-3.2	-3.2
Hourly compensation	6.4	6.4
Real hourly compensation	1.7	1.7
Unit labor cost	4.0	3.4
Unit profits	-16.0	-16.7
Implicit price deflator	4.4	3.8

Business sector output is equal to gross national product less the rest-of-the world sector, general government, output of paid employees of private households and nonprofit institutions, rental value of owner-occupied dwellings, the statistical discrepancy in computing the national income accounts. Business output has accounted for about 77 percent of gross national product recent years. Corresponding exclusions are also made in employment.

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 effect 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 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								
1981 I	100.7	109.1	108.3	140.0	96.2	139.0	131.8	136.5
II	100.7	109.1	108.3	142.5	96.4	141.5	133.4	138.8
III	101.0	109.6	108.5	145.6	95.7	144.2	137.4	141.9
IV	100.2	107.8	107.5	148.2	95.6	147.9	138.3	144.6
ANNUAL	100.7	108.9	108.2	144.1	96.0	143.1	135.2	140.4
1982 I	100.0	106.3	106.3	150.9	96.5	150.9	136.4	146.0
II	100.3	106.4	106.1	153.4	97.1	152.9R	137.0R	147.5R
III	101.3P	106.8P	105.4P	155.7P	96.8P	153.7P	140.8P	149.3P
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)								
1981 I	5.6	7.9	2.1	11.7	0.2	5.7	25.0	11.6
II	0.0	-0.1	-0.1	7.5	0.5	7.5	4.9	6.6
III	1.1	1.9	0.8	9.0	-2.6	7.8	12.5	9.3
IV	-2.9	-6.4	-3.6	7.4	-0.4	10.6	2.9	8.0
ANNUAL	1.8	2.5	0.7	9.6	-0.7	7.7	13.3	9.5
1982 I	-1.0	-5.5	-4.5	7.3	3.9	8.4	-5.4	3.8
II	1.4R	0.6R	-0.8	6.9	2.2	5.5R	1.7R	4.3R
III	4.0P	1.4P	-2.5P	6.2P	-1.3P	2.1P	11.5P	5.0P
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(6)								
1981 I	1.4	1.1	-0.4	10.5	-0.7	8.9	13.7	10.4
II	2.5	4.1	1.6	9.7	-0.1	6.9	14.8	9.4
III	2.2	4.1	1.9	9.4	-1.3	7.1	13.9	9.2
IV	0.9	0.7	-0.2	8.9	-0.6	7.9	11.0	8.9
ANNUAL	1.8	2.5	0.7	9.6	-0.7	7.7	13.3	9.5
1982 I	-0.7	-2.6	-1.9	7.8	0.3	8.6	3.5	6.9
II	-0.4	-2.4R	-2.1	7.6	0.8R	8.1	2.7R	6.3R
III	0.3P	-2.5P	-2.9P	6.9P	1.1P	6.6P	2.5P	5.2P

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED

P=PRELIMINARY

OCTOBER 28, 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									
1981	I	100.4	109.2	108.8	139.5	96.0	139.0	131.5	136.5
	II	100.0	109.0	109.0	142.0	96.0	141.9	132.8	138.9
	III	100.0	109.1	109.1	145.1	95.4	145.1	136.7	142.3
	IV	99.1	107.1	108.1	147.7	95.3	149.0	138.4	145.5
	ANNUAL	99.9	108.6	108.7	143.6	95.7	143.8	134.8	140.8
1982	I	99.2	106.0	106.8	150.4	96.3	151.6	136.7	146.6
	II	99.4R	106.1R	106.7	152.7R	96.6	153.5R	137.2R	148.1R
	III	100.3P	106.3P	106.0P	155.1P	96.4P	154.6P	140.9P	150.1P
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)									
1981	I	4.9	7.2	2.2	11.8	0.4	6.6	24.9	12.1
	II	-1.3	-0.8	0.5	7.1	0.1	8.6	4.0	7.1
	III	-0.3	0.3	0.6	9.0	-2.6	9.3	12.1	10.2
	IV	-3.5	-7.1	-3.7	7.3	-0.5	11.2	5.1	9.2
	ANNUAL	1.4	2.2	0.7	9.7	-0.7	8.1	13.1	9.7
1982	I	0.6	-4.2	-4.7	7.7	4.3	7.1	-4.6	3.3
	II	0.8R	0.6R	-0.1	6.1R	1.4	5.2R	1.3R	4.0R
	III	3.6P	0.7P	-2.8P	6.6P	-0.9P	2.9P	11.3P	5.5P
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(6)									
1981	I	1.7	1.2	-0.4	10.6	-0.6	8.8	14.1	10.4
	II	2.5	4.2	1.6	9.8	0.0	7.1	13.8	9.2
	III	1.6	3.6	2.0	9.4	-1.2	7.7	13.6	9.6
	IV	-0.1	-0.2	-0.1	8.3	-0.6	8.9	11.2	9.6
	ANNUAL	1.4	2.2	0.7	9.7	-0.7	8.1	13.1	9.7
1982	I	-1.1	-3.0	-1.9	7.8	0.3	9.0	4.0	7.4
	II	-0.6R	-2.6R	-2.0	7.5	0.6	8.2R	3.3R	6.6R
	III	0.3P	-2.5P	-2.9P	6.9P	1.1P	6.6P	3.1P	5.5P

SEE FOOTNOTES FOLLOWING TABLE 6.
R=REVISED

OCTOBER 28, 1982

TABLE 3. 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							
1981	I	105.2	106.7	101.5	142.6	98.0	135.5
	II	105.0	107.5	102.4	144.9	97.9	138.0
	III	105.0	107.4	102.3	147.3	96.8	140.3
	IV	102.8	102.0	99.2	150.7	97.2	146.6
	ANNUAL	104.5	105.9	101.3	146.4	97.5	140.0
1982	I	102.1	98.2	96.2	154.7	99.0	151.5
	II	102.3R	97.0R	94.8	157.6	99.7	154.0R
	III	104.1P	96.5P	92.7P	160.1P	99.5P	153.8P
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)							
1981	I	6.3	6.9	0.5	12.7	1.2	6.0
	II	-0.7	2.8	3.6	6.6	-0.4	7.3
	III	-0.1	-0.4	-0.3	6.8	-4.6	6.8
	IV	-8.2	-18.7	-11.4	9.6	1.6	19.4
	ANNUAL	2.8	2.3	-0.5	10.2	-0.2	7.2
1982	I	-2.4	-13.8	-11.7	11.1	7.6	13.9
	II	0.8R	-5.1R	-5.9R	7.8	3.1	6.9R
	III	7.1P	-1.9P	-8.5P	6.5P	-1.1P	-0.6P
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(6)							
1981	I	2.6	-1.0	-3.5	12.2	0.8	9.3
	II	4.5	5.8	1.2	10.7	0.9	5.9
	III	4.7	7.5	2.7	8.9	-1.7	4.0
	IV	-0.8	-2.9	-2.1	8.9	-0.6	9.8
	ANNUAL	2.8	2.3	-0.5	10.2	-0.2	7.2
1982	I	-2.9	-8.0	-5.2	8.5	1.0	11.7
	II	-2.5R	-9.8R	-7.4	8.8	1.8	11.6R
	III	-0.8P	-10.1P	-9.4P	8.7P	2.8P	9.6P

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED

P=PRELIMINARY

OCTOBER 28, 1982

SOURCE: BUREAU OF LABOR STATISTICS

TABLE 4. 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							
1981	I	104.2	107.0	102.7	142.7	98.2	137.0
	II	104.0	108.2	104.0	144.7	97.9	139.2
	III	103.7	107.8	103.9	147.2	96.7	142.0
	IV	101.5	101.6	100.0	151.0	97.4	148.7
	ANNUAL	103.4	106.1	102.6	146.5	97.6	141.6
1982	I	100.3	96.8	96.5	154.8	99.1	154.3
	II	100.5R	95.2R	94.7R	157.7	99.8	156.9R
	III	102.1P	93.9P	92.0P	160.7P	99.9P	157.4P
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)							
1981	I	8.2	8.0	-0.2	12.8	1.3	4.3
	II	-0.7	4.5	5.3	5.7	-1.2	6.5
	III	-1.3	-1.6	-0.3	6.9	-4.5	8.3
	IV	-8.0	-21.1	-14.2	10.9	2.9	20.5
	ANNUAL	3.2	2.5	-0.6	10.5	0.1	7.1
1982	I	-4.9	-17.5	-13.2	10.3	6.8	15.9
	II	0.9R	-6.4R	-7.2R	7.7	2.9	6.7R
	III	6.4P	-5.5P	-11.2P	8.0P	0.4P	1.5P
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(6)							
1981	I	3.0	-1.7	-4.6	12.7	1.3	9.5
	II	4.8	6.7	1.8	11.0	1.1	5.9
	III	5.4	9.1	3.5	9.0	-1.6	3.4
	IV	-0.6	-3.2	-2.6	9.1	-0.4	9.7
	ANNUAL	3.2	2.5	-0.6	10.5	0.1	7.1
1982	I	-3.8	-9.5	-6.0	8.4	0.9	12.7
	II	-3.4R	-12.0	-8.9	8.9	1.9	12.7R
	III	-1.5P	-12.9P	-11.5P	9.2P	3.2P	10.9P

SEE FOOTNOTES FOLLOWING TABLE 6.

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TABLE 5. 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							
1981	I	106.7	106.4	99.7	141.8	97.5	132.9
	II	106.5	106.5	99.9	144.4	97.7	135.6
	III	107.0	106.9	99.8	146.7	96.5	137.1
	IV	104.6	102.6	98.1	149.6	96.5	143.1
	ANNUAL	106.2	105.6	99.4	145.6	97.0	137.1
1982	I	104.9	100.4	95.7	154.3	98.8	147.2
	II	105.1R	99.6R	94.8	157.5R	99.7	150.0R
	III	107.1P	100.4P	93.7P	159.4P	99.0P	148.8P
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)							
1981	I	3.5	5.2	1.6	12.8	1.2	9.0
	II	-0.7	0.3	1.0	7.6	0.6	8.3
	III	1.8	1.4	-0.4	6.5	-4.8	4.6
	IV	-8.8	-15.1	-6.9	8.2	0.3	18.5
	ANNUAL	2.2	1.9	-0.3	9.6	-0.7	7.3
1982	I	1.1	-8.3	-9.3	13.2	9.6	12.0
	II	0.7R	-3.2R	-3.9R	8.5R	3.8	7.8R
	III	7.9P	3.3P	-4.3P	4.7P	-2.7P	-3.0P
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(6)							
1981	I	2.0	0.1	-1.8	11.5	0.2	9.4
	II	4.2	4.6	0.4	10.0	0.2	5.6
	III	3.7	5.3	1.5	8.4	-2.2	4.5
	IV	-1.1	-2.4	-1.2	8.7	-0.7	10.0
	ANNUAL	2.2	1.9	-0.3	9.6	-0.7	7.3
1982	I	-1.7	-5.6	-4.0	8.8	1.3	10.8
	II	-1.4R	-6.5R	-5.2	9.1	2.1	10.6R
	III	0.1P	-6.1P	-6.1P	8.6P	2.7P	8.5P

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED

P=PRELIMINARY

OCTOBER 28, 1982

SOURCE: BUREAU OF LABOR STATISTICS

TABLE 6. NONFINANCIAL CORPORATIONS: PRODUCTIVITY, HOURLY COMPENSATION
UNIT LABOR COST, UNIT PROFITS, AND PRICES, SEASONALLY ADJUSTED

YEAR AND QUARTER	OUTPUT PER ALL- EMPLOYEE HOUR	CUTFLT	EMPLOYEE HOURS	HOURLY COMPENSA- TION (1)	REAL HOURLY COMPEN- SATION(2)	UNIT LABOR COST	UNIT NON- LABOR COST(8)	TOTAL UNIT COST (9)	UNIT PRO- FITS (10)	IMPLICIT PRICE DEFLATOR	
INDEXES 1977=100											
1981	I	102.8	111.0	107.9	140.4	96.5	136.5	143.4	138.3	104.7	134.5
	II	102.7	111.1	108.1	142.7	96.5	138.9	149.6	141.7	98.8	136.8
	III	102.8	111.5	108.5	145.7	95.8	141.7	153.1	144.7	105.2	140.2
	IV	102.2	109.4	107.0	148.6	95.9	145.4	159.6	149.1	97.6	143.2
	ANNUAL	102.7	110.7	107.9	144.4	96.2	140.6	151.4	143.4	101.6	138.6
1982	I	102.3	107.9	105.4	151.7	97.1	148.3	161.8	151.8	86.1	144.3
	II	103.1R	107.8R	104.6	154.1	97.5	149.5R	166.0R	153.8R	82.3R	145.6R
PERCENT CHANGE FROM PREVIOUS QUARTER AT ANNUAL RATE(5)											
1981	I	4.7	7.4	2.6	12.4	0.9	7.4	8.0	7.5	79.5	12.3
	II	-0.4	0.6	0.9	6.9	-0.1	7.3	18.5	10.2	-20.8	7.1
	III	0.3	1.5	1.2	8.5	-3.0	8.2	9.8	8.6	28.4	10.2
	IV	-2.3	-7.5	-5.3	8.3	0.5	10.9	17.8	12.8	-25.9	8.9
	ANNUAL	1.8	2.4	0.6	9.7	-0.6	7.8	14.3	9.5	15.6	10.0
1982	I	0.5	-5.2	-5.7	8.6	5.2	8.1	5.7	7.4	-39.4	3.0
	II	2.9R	-0.4R	-3.2	6.4	1.7	3.4R	10.7R	5.4R	-16.7R	3.8R
PERCENT CHANGE FROM CORRESPONDING QUARTER OF PREVIOUS YEAR(6)											
1981	I	2.1	1.0	-1.0	10.7	-0.5	8.5	16.9	10.6	14.9	11.0
	II	2.9	4.4	1.4	9.8	0.1	6.7	14.2	8.7	20.7	9.6
	III	1.7	4.1	2.4	9.2	-1.4	7.5	12.9	8.9	19.7	9.7
	IV	0.6	0.3	-0.2	9.0	-0.5	8.4	13.4	9.8	7.9	9.6
	ANNUAL	1.8	2.4	0.6	9.7	-0.6	7.8	14.3	9.5	15.6	10.0
1982	I	-0.5	-2.7	-2.3	8.1	0.6	8.6	12.8	9.7	-17.8	7.3
	II	0.3R	-3.0R	-3.3	8.0	1.0	7.6R	10.9R	8.5R	-16.7R	6.4R

SEE FOOTNOTES FOLLOWING TABLE 6.

R=REVISED

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 of 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 business sector from the first to the third quarterly publication of the estimate.

- (1) Wages and salaries of the 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, and 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.

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 goods and services produced per hour. 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.
