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PRODUCTIVITY AND COSTS

Revised Data for

Business, Nonfarm Business, and Manufacturing Sectors and
Preliminary Measures for the Nonfinancial Corporate Sector
Third Quarter 1983

Productivity, as measured by output per hour of all persons, increased at a 3.5 percent seasonally adjusted annual rate in the business sector in the third quarter of 1983, according to the latest measures announced today by the Bureau of Labor Statistics of the U.S. Department of Labor (table A). This increase in productivity reflected a 9.0 percent increase in output and a 5.3 percent increase in hours. Productivity increased 5.2 percent in the nonfinancial corporate sector, according to preliminary measures announced today for this sector (table B).

The following tabulation shows the revised average annual rates of change in productivity for the third quarter of 1983:

- 3.5 percent for the business sector,
- 3.1 percent for the nonfarm business sector,
- 11.6 percent for manufacturing as a whole,
- 11.3 percent for durable goods manufacturing, and
- 12.1 percent for nondurables.

All of the third quarter measures are summarized in tables A and B and appear in detail in tables 1-6.

Business sector

Productivity advanced at a 3.5 percent seasonally adjusted annual rate in the third quarter of 1983 in the business sector, reflecting a 9.0 percent gain in output and a 5.3 percent increase in hours of all persons. During the second quarter, productivity rose 5.4 percent, as output and hours rose 12.2 percent and 6.5 percent, respectively (table 1).

Hourly compensation--which includes employer expenditures for wages and salaries, supplements, payments for social security, private pension and health plans, and other employee benefits--increased 5.3 percent during the third quarter, compared with a 3.5 percent increase during the second quarter. Unit labor cost, which reflects the combined effect of changes in productivity and hourly compensation, registered a 1.8 percent increase during the third quarter, compared with a 1.8 percent decline during the second quarter.

Table A. Productivity and costs: Revised third quarter 1983 measures
(Seasonally adjusted annual rates)

Sector	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor cost
Percent change from preceding quarter						
Business	3.5	9.0	5.3	5.3	0.5	1.8
Nonfarm business	3.1	9.8	6.5	4.2	-0.5	1.1
Manufacturing	11.6	22.7	10.0	2.6	-2.1	-8.1
Durable	11.3	26.5	13.6	2.6	-2.1	-7.8
Nondurable	12.1	17.6	4.9	1.6	-3.0	-9.3
Percent change from same quarter a year ago						
Business	3.5	5.6	2.0	5.0	2.3	1.4
Nonfarm business	3.6	5.7	2.0	5.3	2.6	1.6
Manufacturing	7.4	11.1	3.5	4.9	2.2	-2.3
Durable	7.9	11.7	3.5	4.8	2.1	-2.9
Nondurable	6.7	10.3	3.4	5.1	2.4	-1.5

Real hourly compensation--which takes into account changes in the Consumer Price Index for All Urban Consumers (CPI-U)--increased 0.5 percent, compared with a 0.7 percent decline during the second quarter. The implicit price deflator, which reflects changes in unit labor cost and unit nonlabor payments, increased 2.5 percent in the third quarter, compared with a 3.3 percent increase during the second quarter.

Nonfarm business

Productivity increased at a 3.1 percent annual rate in the nonfarm business sector during the third quarter as output rose 9.8 percent and hours of all persons engaged in the sector increased 6.5 percent (seasonally adjusted annual rates). During the second quarter, nonfarm business productivity rose 6.6 percent (table 2).

Hourly compensation increased 4.2 percent during the third quarter, compared with a 4.3 percent increase during the second quarter. After allowing for the increase in the CPI-U, real hourly compensation declined 0.5 percent, compared with a 0.1 percent rise during the second quarter. Unit labor cost increased 1.1 percent, compared with a 2.1 percent decline one quarter earlier. The 6.5 percent increase in hours reflected a 5.5 percent gain in employment and a 1.0 percent increase in the length of the average work week. This was the largest employment gain in this sector since an identical increase occurred during the first quarter of 1979. The implicit price deflator increased more slowly in the nonfarm business sector in the third quarter than in the second quarter of 1983.

Manufacturing

Output per hour of all persons engaged in the manufacture of durable and nondurable goods increased 11.6 percent during the third quarter, compared with a 9.0 percent increase during the second quarter (table 3). The rate of increase in output also continued to accelerate in the third quarter, with a gain of 22.7 percent recorded (seasonally adjusted annual rate). Hours rose 10.0 percent in the third quarter. During the second quarter, manufacturing productivity increased 9.0 percent as output rose 21.2 percent and hours 11.1 percent.

Hourly compensation rose a modest 2.6 percent, but declined 2.1 percent after allowing for the change in the CPI-U. Unit labor cost fell 8.1 percent. This was the largest decline in unit labor cost since the third quarter of 1975 (when an 11.8 percent drop occurred).

Although productivity grew faster among nondurable goods manufacturers, output and hours increased faster in durables (tables 4, 5).

Nonfinancial corporations

Productivity in nonfinancial corporations increased at a seasonally adjusted annual rate of 5.2 percent during the third quarter, reflecting gains in output and all-employee hours of 11.3 percent and 5.7 percent, respectively (seasonally adjusted annual rates). See table B. During the second quarter, output per all-employee hour rose 6.5 percent in this sector. Although the gain in productivity was smaller than during the second quarter, the third quarter increase combined with the 3.9 percent gain in hourly compensation produced a 1.3 percent drop in unit labor cost, the second consecutive quarterly drop in

Table B. Productivity and cost in nonfinancial corporations:
Preliminary third-quarter 1983 measures
(Seasonally adjusted annual rate)

Sector	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor cost	Unit profit
PRELIMINARY							
Second quarter 1983 to third quarter 1983							
Nonfinancial corporations	5.2	11.3	5.7	3.9	-0.8	-1.3	70.7
Third quarter 1982 to third quarter 1983							
Nonfinancial corporations	3.9	5.8	1.9	4.5	1.9	0.6	44.1

this important cost measure (table 6). The second- and third-quarter declines in unit labor cost were the first recorded since 1975, when drops also occurred during the second and third quarters.

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.

Hourly compensation declined 0.8 percent when adjusted for the increase in the CPI-U, compared with a 1.2 percent decline during the second quarter.

Unit nonlabor payments rose 11.4 percent and include capital consumption allowances, net interest, indirect business taxes, and profits. Unit profit rose at a 70.7 percent annual rate during the third quarter, compared with a 104.7 percent rise during the third quarter. The index level of unit profit presently stands at the highest level in the series (which covers the period since 1958), and the increase so far recorded in 1983 is the largest for any 3 consecutive quarters.

The implicit price deflator for the nonfinancial corporate sector rose 2.9 percent in the third quarter, compared with a 2.5 percent gain during the previous quarter.

Preliminary and revised measures for business, nonfarm business, and manufacturing

The latest output and labor input measures resulted in smaller productivity gains than had been reported on October 27, based on preliminary data. As can be seen in table C, opposite revisions in output and hours resulted in smaller productivity gains, which in turn affected movements in unit labor cost.

Table C. Preliminary and revised productivity and related measures, third quarter 1983
Percent change from previous quarter at annual rate
(Seasonally adjusted)

Sector	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor cost
Business:						
Preliminary	4.8	10.0	5.0	5.6	0.8	0.8
Revised	3.5	9.0	5.3	5.3	0.5	1.8
Nonfarm Business:						
Preliminary	5.0	11.4	6.1	4.5	-0.3	-0.5
Revised	3.1	9.8	6.5	4.2	-0.5	1.1
Manufacturing:						
Preliminary	12.1	22.5	9.3	3.1	-1.6	-8.0
Revised	11.6	22.7	10.0	2.6	-2.1	-8.1

TECHNICAL NOTES

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, and the statistical discrepancy in computing the national income accounts. Corresponding exclusions are also made in labor inputs. Business output has accounted for about 77 percent of gross national product in recent years.

Total manufacturing measures are computed by summing series prepared for the durable and nondurable goods sectors.

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. 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.

Manufacturing output has accounted for about 24 percent of gross national product in recent years.

Nonfinancial corporate output is equal to gross national product less the rest-of-the-world sector, general government, unincorporated business, output of paid employees of private households and nonprofit institutions, rental value of owner-occupied dwellings, the output of corporations engaged in banking, finance, stock and commodity trading, and credit and insurance agencies, and the statistical discrepancy in computing the national income accounts. Nonfinancial corporate output has accounted for about 59 percent of gross national product in recent years.

The productivity and associated cost measures in this news 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 the characteristics and effort of the work force.

Table 1. 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(4)
Indexes 1977=100									
1982	I	101.1	107.2	106.0	151.6	97.1	149.9	137.0	145.5
	II	100.7	106.9	106.2	153.9	97.4	152.9	137.0	147.5
	III	101.1	106.6	105.4	156.5	97.1	154.7	136.3	148.5
	IV	101.9	106.0	104.0	158.7	98.0	155.6	137.4	149.4
	ANNUAL	101.2	106.7	105.4	155.1	97.4	153.3	136.9	147.7
1983	I	102.5	107.1	104.5	160.7	99.4	156.9	140.8	151.5
	II	103.8	110.2	106.2	162.1	99.2	156.2	145.8	152.7
	III	104.7r	112.6r	107.6r	164.2r	99.4	156.9r	147.3r	153.6r
Percent change from previous quarter at annual rate(5)									
1982	I	-0.4	-6.3	-6.0	9.4	6.3	9.8	-8.8	3.4
	II	-1.6	-1.0	0.6	6.4	1.1	8.1	-0.1	5.5
	III	1.7	-1.1	-2.7	6.7	-1.0	5.0	-2.0	2.7
	IV	3.3	-2.3	-5.4	5.7	3.7	2.3	3.2	2.6
	ANNUAL	-0.1	-2.8	-2.7	7.7	1.5	7.9	0.5	5.4
1983	I	2.0	4.2	2.1	5.4	5.8	3.3	10.5	5.5
	II	5.4	12.2	6.5	3.5	-0.7	-1.8	15.0	3.3
	III	3.5r	9.0r	5.3r	5.3r	0.5r	1.8r	3.9r	2.5r
Percent change from corresponding quarter of previous year(6)									
1982	I	0.6	-1.8	-2.4	8.5	0.8	7.9	4.4	6.7
	II	-0.4	-2.6	-2.2	8.2	1.3	8.7	2.7	6.7
	III	-1.1	-4.1	-3.0	7.5	1.6	8.7	-2.6	4.9
	IV	0.7	-2.7	-3.4	7.1	2.5	6.3	-2.0	3.5
	ANNUAL	-0.1	-2.8	-2.7	7.7	1.5	7.9	0.5	5.4
1983	I	1.3	-0.1	-1.4	6.1	2.4	4.7	2.8	4.1
	II	3.1	3.1	0.0	5.3	1.9	2.2	6.5	3.5
	III	3.5r	5.6r	2.0r	5.0	2.3r	1.4r	8.1r	3.5

See footnotes following table 6.

r=revised

p=preliminary

November 30, 1983

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(4)
Indexes 1977=100								
1982 I	100.0	106.5	106.5	151.3	96.9	151.3	136.4	146.4
II	99.9	106.7	106.8	153.5	97.1	153.6	137.7	148.3
III	100.4	106.5	106.0	156.1	96.9	155.4	136.5	149.1
IV	100.8	105.4	104.6	158.3	97.8	157.1	137.2	150.5
ANNUAL	100.2	106.3	106.0	154.7	97.1	154.4	137.0	148.6
1983 I	101.7	106.7	104.9	161.0	99.5	158.3	140.7	152.4
II	103.3	110.0	106.5	162.7	99.6	157.4	145.9	153.6
III	104.1r	112.6r	108.2r	164.4r	99.4r	157.9r	147.9r	154.6
Percent change from previous quarter at annual rate(5)								
1982 I	0.1	-6.2	-6.2	10.0	6.8	9.9	-8.5	3.7
II	-0.4	0.8	1.2	5.8	0.5	6.2	3.7	5.4
III	2.3	-0.6	-2.9	7.2	-0.6	4.7	-3.4	2.2
IV	1.3	-4.1	-5.3	5.8	3.7	4.4	2.0	3.7
ANNUAL	-0.1	-2.8	-2.7	7.8	1.6	7.9	1.4	5.8
1983 I	3.7	4.9	1.2	6.8	7.2	3.0	10.6	5.3
II	6.6	13.2	6.2	4.3	0.1	-2.1	15.7	3.2
III	3.1r	9.8r	6.5r	4.2r	-0.5r	1.1r	5.6r	2.5
Percent change from corresponding quarter of previous year(6)								
1982 I	-0.1	-2.5	-2.4	8.6	0.9	8.7	4.7	7.4
II	-0.3	-2.5	-2.2	8.2	1.3	8.5	4.2	7.1
III	-0.6	-3.6	-3.0	7.6	1.7	8.3	-1.3	5.2
IV	0.8	-2.6	-3.4	7.2	2.6	6.3	-1.6	3.7
ANNUAL	-0.1	-2.8	-2.7	7.8	1.6	7.9	1.4	5.8
1983 I	1.7	0.2	-1.5	6.4	2.7	4.6	3.1	4.1
II	3.4	3.1	-0.3	6.0	2.6	2.5	6.0	3.6
III	3.6r	5.7r	2.0r	5.3	2.6r	1.6r	8.4r	3.7

Table 3. Manufacturing sector: Productivity, hourly compensation, and 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						
1982 I	105.1	100.2	95.4	155.1	99.4	147.6
II	105.3	99.5	94.5	157.1	99.4	149.1
III	107.8	99.5	92.3	159.6	99.1	148.1
IV	108.1	97.2	89.9	161.4	99.7	149.3
ANNUAL	106.5	99.1	93.0	158.2	99.3	148.5
1983 I	110.2	100.1	90.9	165.5	102.3	150.2
II	112.6	105.0	93.3	166.4	101.8	147.8
III	115.7r	110.6r	95.5r	167.4r	101.3r	144.7
Percent change from previous quarter at annual rate(5)						
1982 I	2.8	-11.2	-13.7	13.1	9.8	9.9
II	0.8	-2.9	-3.7	5.1	-0.2	4.3
III	9.6	0.0	-8.7	6.5	-1.2	-2.8
IV	1.2	-9.0	-10.0	4.5	2.5	3.3
ANNUAL	1.2	-6.9	-8.0	8.5	2.2	7.2
1983 I	8.0	12.7	4.3	10.7	11.1	2.5
II	9.0	21.2	11.1	2.1	-2.1	-6.4
III	11.6r	22.7r	10.0r	2.6r	-2.1r	-8.1r
Percent change from corresponding quarter of previous year(6)						
1982 I	0.0	-6.1	-6.2	9.6	1.8	9.5
II	-0.1	-7.7	-7.6	8.8	1.9	8.9
III	1.6	-8.0	-9.4	8.6	2.6	6.9
IV	3.5	-5.9	-9.1	7.3	2.7	3.6
ANNUAL	1.2	-6.9	-8.0	8.5	2.2	7.2
1983 I	4.8	-0.1	-4.7	6.7	3.0	1.8
II	6.9	5.6	-1.2	5.9	2.5	-0.9
III	7.4r	11.1	3.5r	4.9r	2.2r	-2.3

See footnotes following table 6.

r=revised

p=preliminary

November 30, 1983

Source: Bureau of Labor Statistics

Table 4. Durable manufacturing sector: Productivity, hourly compensation, and unit labor cost, seasonally adjusted(11)

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						
1982 I	103.7	99.3	95.7	154.7	99.1	149.1
II	104.2	98.3	94.3	156.7	99.1	150.4
III	106.8	97.6	91.4	159.5	99.0	149.4
IV	107.2	94.0	87.7	161.0	99.5	150.3
ANNUAL	105.4	97.3	92.3	157.9	99.1	149.8
1983 I	109.4	97.4	89.0	165.4	102.3	151.1
II	112.1	102.8	91.7	166.1	101.6	148.1
III	115.2r	109.0	94.7r	167.1r	101.1r	145.1
Percent change from previous quarter at annual rate(5)						
1982 I	0.1	-14.6	-14.7	11.1	7.9	11.0
II	1.8	-4.0	-5.7	5.4	0.1	3.5
III	10.4	-2.5	-11.7	7.4	-0.4	-2.7
IV	1.4	-14.2	-15.4	3.8	1.8	2.4
ANNUAL	0.8	-9.1	-9.9	8.2	2.0	7.3
1983 I	8.7	15.5	6.3	11.3	11.8	2.4
II	10.3	24.0	12.4	1.6	-2.5	-7.9
III	11.3r	26.5	13.6r	2.6r	-2.1r	-7.8r
Percent change from corresponding quarter of previous year(6)						
1982 I	-0.5	-7.5	-7.0	9.2	1.4	9.8
II	-0.5	-9.7	-9.2	8.5	1.6	9.1
III	1.5	-10.3	-11.6	8.6	2.6	7.0
IV	3.4	-9.0	-12.0	6.9	2.3	3.4
ANNUAL	0.8	-9.1	-9.9	8.2	2.0	7.3
1983 I	5.5	-1.9	-7.0	7.0	3.2	1.4
II	7.6	4.6	-2.8	6.0	2.5	-1.5
III	7.9r	11.7	3.5r	4.8r	2.1r	-2.9

Table 5. Nondurable manufacturing sector: Productivity, hourly compensation, and unit labor cost, seasonally adjusted(12)

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						
1982 I	107.2	101.7	94.8	155.9	99.9	145.4
II	107.0	101.3	94.7	157.8	99.8	147.5
III	109.2	102.3	93.7	160.2	99.4	146.7
IV	109.4	101.9	93.2	163.0	100.7	149.0
ANNUAL	108.2	101.8	94.1	159.2	99.9	147.1
1983 I	111.3	104.1	93.6	166.6	103.0	149.8
II	113.2	108.4	95.7	167.6	102.6	148.1
III	116.5	112.8r	96.9r	168.3r	101.8r	144.5r
Percent change from previous quarter at annual rate(5)						
1982 I	6.9	-6.0	-12.0	17.0	13.6	9.4
II	-0.7	-1.4	-0.6	5.2	-0.1	6.0
III	8.4	3.8	-4.2	6.0	-1.7	-2.2
IV	0.7	-1.2	-1.9	7.3	5.2	6.6
ANNUAL	1.7	-3.6	-5.2	9.6	3.3	7.8
1983 I	7.1	8.8	1.7	9.2	9.6	2.0
II	7.3	17.3	9.3	2.5	-1.6	-4.5
III	12.1r	17.6r	4.9r	1.6r	-3.0r	-9.3r
Percent change from corresponding quarter of previous year(6)						
1982 I	0.9	-4.1	-5.0	10.5	2.7	9.6
II	0.5	-4.7	-5.2	9.9	2.8	9.3
III	1.6	-4.4	-6.0	9.4	3.4	7.6
IV	3.7	-1.3	-4.8	8.8	4.1	4.9
ANNUAL	1.7	-3.6	-5.2	9.6	3.3	7.8
1983 I	3.8	2.4	-1.3	6.9	3.2	3.0
II	5.8	7.0	1.1	6.2	2.8	0.4
III	6.7	10.3r	3.4r	5.1r	2.4r	-1.5r

See footnotes following table 6.

r=revised
p=preliminary

November 30, 1983
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	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 deflator (4)
Indexes 1977=100										
1982 I	102.4	108.6	106.0	151.7	97.2	148.1	158.9	150.9	90.8	144.0
II	102.3	108.1	105.7	153.7	97.2	150.2	161.2	153.1	90.3	145.9
III	103.2	108.0	104.6	156.1	96.9	151.1	161.3	153.8	91.2	146.6
IV	103.4	106.4	102.9	158.1	97.7	152.9	165.9	156.3	83.0	147.9
ANNUAL	102.8	107.8	104.8	154.8	97.2	150.6	161.8	153.5	88.9	146.1
1983 I	104.3	107.6	103.2	160.4	99.2	153.9	164.7	156.7	96.1	149.7
II	105.9	111.3	105.1	161.6	98.9	152.5	163.1	155.3	115.0	150.7
III	107.3p	114.3p	106.5p	163.1p	98.7p	152.1p	161.0p	154.4p	131.4p	151.7p
Percent change from previous quarter at annual rate(5)										
1982 I	0.9	-6.5	-7.3	10.9	7.7	9.9	6.1	8.8	-42.2	3.6
II	-0.5	-1.8	-1.2	5.4	0.1	6.0	6.0	6.0	-2.1	5.4
III	3.8	-0.5	-4.1	6.4	-1.3	2.4	0.1	1.8	3.8	1.9
IV	0.6	-6.0	-6.5	5.4	3.4	4.8	11.9	6.7	-31.4	3.6
ANNUAL	0.5	-3.4	-3.8	7.8	1.6	7.3	8.3	7.6	-14.6	5.7
1983 I	3.4	4.6	1.2	6.0	6.4	2.5	-2.8	1.0	79.9	5.1
II	6.5	14.6	7.6	2.9	-1.2	-3.4	-3.8	-3.5	104.7	2.5
III	5.2p	11.3p	5.7p	3.9p	-0.8p	-1.3p	-5.2p	-2.4p	70.7p	2.9p
Percent change from corresponding quarter of previous year(6)										
1982 I	0.6	-2.2	-2.8	8.7	1.0	8.1	11.7	9.0	-11.8	7.2
II	0.1	-3.2	-3.3	8.2	1.3	8.1	9.7	8.5	-9.9	7.0
III	0.2	-4.3	-4.5	7.6	1.7	7.4	6.2	7.1	-16.1	5.0
IV	1.2	-3.7	-4.8	7.0	2.4	5.7	6.0	5.8	-20.3	3.6
ANNUAL	0.5	-3.4	-3.8	7.8	1.6	7.3	8.3	7.6	-14.6	5.7
1983 I	1.8	-1.0	-2.7	5.8	2.1	3.9	3.7	3.8	5.8	4.0
II	3.6	2.9	-0.6	5.2	1.7	1.5	1.2	1.4	27.3	3.3
III	3.9p	5.8p	1.9p	4.5p	1.9p	0.6p	-0.2p	0.4p	44.1p	3.5p

See footnotes following table 6.

r=revised
p=preliminary

November 30, 1983

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 second quarter of 1983, the probability is 0.95 that the interval between -1.8 and 2.1 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.

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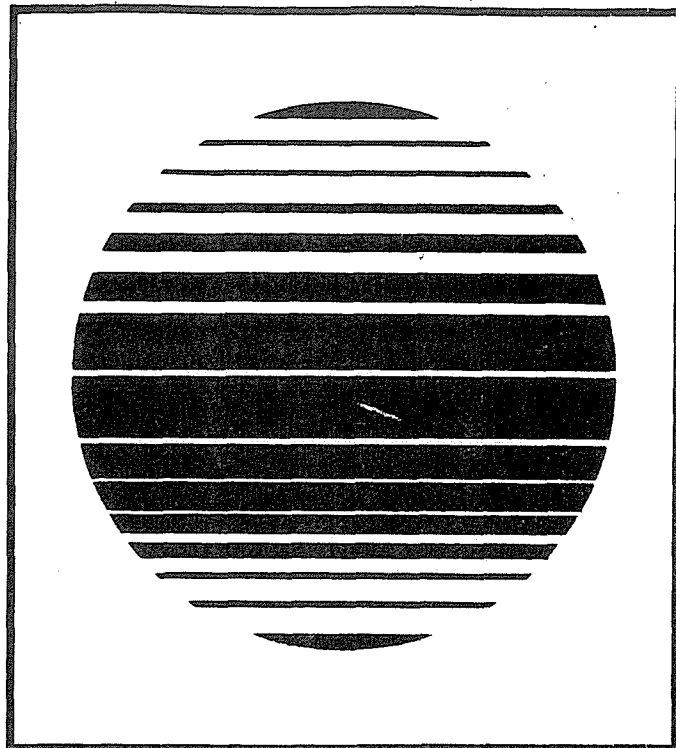
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