

# News

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## PRODUCTIVITY AND COSTS

Fourth Quarter  
and Annual Averages, 1983

Productivity, measured by output per hour of all persons, increased at a 2.2 percent seasonally adjusted annual rate during the fourth quarter of 1983 in the business sector, according to preliminary measures announced today by the Bureau of Labor Statistics of the U.S. Department of Labor (table A). Output advanced 5.3 percent and hours of all persons engaged in the sector rose 3.0 percent. Comparing the annual averages for 1983 and 1982, productivity increased 2.6 percent in the business sector, the largest annual average advance since 1976 (when the increase was 3.3 percent). Output rose 4.0 percent from 1982 to 1983, while hours increased 1.4 percent.

The following tabulation shows productivity increases in the fourth quarter at these annual rates for the major sectors:

2.2 percent for the business sector,  
1.0 percent for the nonfarm business sector,  
5.7 percent for manufacturing as a whole,  
6.8 percent for durable goods manufacturing, and  
4.2 percent for nondurables.

All of these measures are summarized in table A and appear in detail in tables 1-5.

## MOVEMENTS FROM THE THIRD TO THE FOURTH QUARTER OF 1983

### Business sector

The 2.2 percent increase in productivity from the third to the fourth quarter resulted from a 5.3 percent rise in output and a 3.0 percent increase in hours of all persons (table 1). Growth in output and hours continued, but at a slower pace than in the second and third quarters. The increase in hours reflected a 3.6 percent gain in employment and a 0.6 percent shortening of the average work week during the fourth quarter.

Hourly compensation, which includes wages and salaries, supplements, and employer contributions to employee-benefit plans, increased 7.1 percent. This was the largest increase in 1983 and reflects a modest nonfarm gain and a large increase in the farm sector. Unit labor costs, which reflect the relationship between changes in hourly compensation and productivity, rose 4.8 percent. This was the largest increase in these costs since the third quarter of 1982.

Real hourly compensation--hourly compensation adjusted for changes in the Consumer Price Index for All Urban Consumers (CPI-U)--increased 2.2 percent in the fourth quarter (annual rate). During the second and third quarters, this series declined (table 1).

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

Sector	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs
Percent change from preceding quarter						
Business	2.2	5.3	3.0	7.1	2.2	4.8
Nonfarm business	1.0	6.0	5.0	4.5	-0.2	3.5
Manufacturing	5.7	12.1	6.1	3.6	-1.2	-2.0
Durable	6.8	15.0	7.7	2.7	-2.0	-3.8
Nondurable	4.2	8.2	3.8	4.6	-0.2	0.3
Percent change from same quarter a year ago						
Business	2.8	7.4	4.5	4.9	1.5	2.0
Nonfarm business	3.5	8.3	4.7	4.9	1.5	1.3
Manufacturing	8.7	17.2	7.8	4.7	1.3	-3.7
Durable	9.3	20.2	9.9	4.5	1.2	-4.4
Nondurable	7.9	13.1	4.8	4.5	1.1	-3.2
Annual percent change, 1982 - 1983						
Business	2.6	4.0	1.4	5.2	1.9	2.5
Nonfarm business	3.1	4.4	1.2	5.6	2.3	2.4
Manufacturing	6.6	7.9	1.2	5.6	2.3	-0.9
Durable	7.2	7.9	0.7	5.6	2.3	-1.5
Nondurable	5.8	7.9	2.0	5.7	2.4	-0.1

The implicit price deflator for the business sector --which reflects changes in unit labor costs and unit nonlabor payments-- increased at a 3.7 percent annual rate during the fourth quarter. During the third quarter, prices of the goods and services which make up the output of the business sector rose 3.3 percent.

#### Nonfarm business

Productivity increased at a 1.0 percent annual rate in the nonfarm business sector. The fourth quarter increases in output and hours, 6.0 percent and 5.0 percent respectively, were larger than those in the business sector as a whole. During the third quarter, productivity increased 2.3 percent, and output and hours both grew more rapidly than in the final quarter (table 2).

Nonfarm hourly compensation increased 4.5 percent in the fourth quarter, and unit labor costs rose 3.5 percent. Real hourly compensation declined for the second straight quarter, although the fourth-quarter drop (-0.2 percent) was smaller than the falloff during the third quarter (-0.9 percent). The implicit price deflator increased at a 3.3 percent annual rate during the fourth quarter, matching the third-quarter gain.

### Manufacturing

Productivity increased 5.7 percent in manufacturing, reflecting gains of 12.1 percent in output and 6.1 percent in hours. Although these increases are substantial, they represent a slowing from the third-quarter pace (table 3).

Hourly compensation rose at a 3.6 percent annual rate during the fourth quarter, somewhat faster than during the third quarter. Unit labor costs declined at a 2.0 percent annual rate, compared with an 8.4 percent decline in the third quarter. The smaller fourth quarter decline reflects the slowdown in productivity growth and the faster increase in hourly compensation. Unit labor costs also declined during the second quarter in manufacturing, marking the first 3-quarter drop since 1970-71. Real hourly compensation declined at a 1.2 percent annual rate in the fourth quarter; declines occurred during the second and third quarters as well. The more volatile durable goods sector, which accounts for nearly three-fifths of manufacturing output, saw faster gains in output, hours, and productivity in the fourth quarter (tables A, 4, and 5).

### SUMMARY OF ANNUAL PRODUCTIVITY AND COST MOVEMENTS: 1983

#### Business sector

From 1982 to 1983, productivity increased 2.6 percent in the business sector, reflecting a 4.0 percent increase in output and a 1.4 percent rise in hours of all persons engaged in the sector. From 1981 to 1982, productivity fell 0.1 percent, as output and hours both declined (by -2.8 percent and -2.7 percent, respectively). These annual changes are computed by comparing the average levels for each year and are not the same as fourth-quarter to fourth-quarter comparisons. Both may be found in tables A and 1.

Hourly compensation growth moderated (up 5.2 percent in 1983, compared with a 7.7 percent gain in 1982) and, combined with the increase in productivity, resulted in the slower rise in unit labor costs for the year. In 1983, these costs rose 2.5 percent, compared with 7.9 percent in 1982. The 2.5 percent increase was the smallest since 1965. Real hourly compensation increased 1.9 percent in 1983, the largest gain since 1976, and the implicit price deflator rose 3.7 percent in 1983, the smallest rise since 1972.

Nonfarm business

Productivity advanced 3.1 percent in the nonfarm business sector in 1983, which reflects a 4.4 percent rise in output and a 1.2 percent increase in hours of all persons (table 2). The increase in productivity was the largest since 1976 when it rose 3.2 percent. Compensation per hour increased 5.6 percent in 1983, the smallest gain since 1967. Unit labor costs, which account for about two-thirds of the value of output, rose 2.4 percent in 1983. This was the smallest increase since 1965. Real hourly compensation increased 2.3 percent in 1983, partly reflecting slower growth of the CPI-U in 1983.

Manufacturing

Productivity in manufacturing increased 6.6 percent in 1983, the fastest increase in 20 years. (Productivity went up 7.2 percent in 1963.) Output rose 7.9 percent, the largest gain since 1976 (when it rose 9.6 percent), while hours increased only 1.2 percent.

Hourly compensation increased 5.6 percent in 1983, the smallest such gain since 1972. Unit labor costs declined 0.9 percent for 1983. This year was the first during which unit labor costs declined in manufacturing since 1965 (when it dropped 1.1 percent). Real hourly compensation in manufacturing rose 2.3 percent in 1983, about the same as in 1982 (table 3).

Nonfinancial corporations: Third quarter 1983

The Bureau of Labor Statistics also reported revised measures for the third quarter of 1983 for the nonfinancial corporate sector. As can be seen in table B, productivity advanced more slowly from the second to the third quarter than was reported on November 30, 1983, based on preliminary measures. Changes in productivity and costs in this sector for 1982 and 1983 are shown in table 6.

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

Item	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs	Unit profits	Implicit price deflator
Preliminary	5.2	11.3	5.7	3.9	-0.8	-1.3	70.7	2.9
Revised	4.2	11.1	6.6	3.0	-1.7	-1.1	71.0	3.1

#### 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.

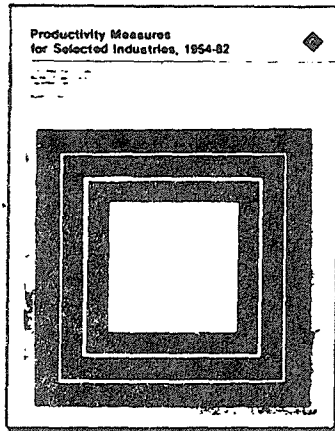
The productivity and associated cost measures in this news release describe the relationship between output in real terms and the labor time involved in its production. They show the changes from period to period in the amount of goods and services produced per hour. Although these measures relate output 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.

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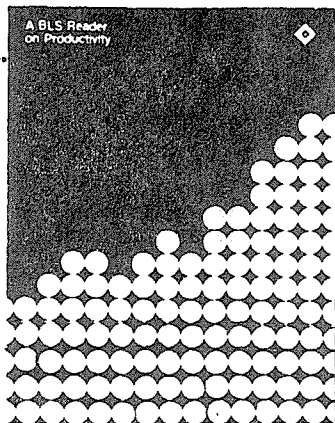
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Table 1. Business sector: Productivity, hourly compensation, unit labor cost, and prices, seasonally adjusted

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 costs	Unit non-labor payments(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	103.9r	110.4r	106.2	162.1	99.2	156.0r	145.7r	152.5r
	III	104.2r	112.4r	107.9r	163.6r	98.9r	156.9	147.6r	153.8r
	IV	104.8p	113.9p	108.7p	166.4p	99.5p	158.8p	148.1p	155.2p
	ANNUAL	103.8p	111.0p	106.9p	163.1p	99.2p	157.1p	145.6p	153.2p
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	5.9r	12.7r	6.5	3.5	-0.7	-2.2r	14.4r	2.8r
	III	1.2r	7.8r	6.5r	3.6r	-1.1r	2.3r	5.4r	3.3r
	IV	2.2p	5.3p	3.0p	7.1p	2.2p	4.8p	1.5p	3.7p
	ANNUAL	2.6p	4.0p	1.4p	5.2p	1.9p	2.5p	6.4p	3.7p
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	3.2r	3.2r	0.0	5.3	1.9	2.1r	6.3r	3.4r
	III	3.1r	5.5r	2.3r	4.5r	1.9r	1.4	8.3r	3.6r
	IV	2.8p	7.4p	4.5p	4.9p	1.5p	2.0p	7.9p	3.8p
	ANNUAL	2.6p	4.0p	1.4p	5.2p	1.9p	2.5p	6.4p	3.7p

See footnotes following table 6.  
r=revised  
p=preliminary

January 30, 1984  
Source: Bureau of Labor Statistics

Table 2. Nonfarm business sector: Productivity, hourly compensation, unit labor cost, and prices, seasonally adjusted

Year and quarter	Output per hour of all persons	Output of all persons	Hours of all persons	Compensation per hour(1)	compensation per hour(2)	Unit labor costs	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	103.5r	110.2r	106.5	162.7	99.6	157.2r	145.7r	153.4r
	III	104.0r	112.5r	108.2	164.2r	99.3r	157.8r	148.3r	154.7r
	IV	104.3p	114.2p	109.5p	166.0p	99.3p	159.2p	149.4p	155.9p
	ANNUAL	103.4p	110.9p	107.3p	163.5p	99.4p	158.1p	146.1p	154.1p
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	7.1r	13.7r	6.2	4.3	0.1	-2.6r	15.2r	2.7r
	III	2.3r	8.9r	6.4r	3.8r	-0.9r	1.5r	7.3r	3.3r
	IV	1.0p	6.0p	5.0p	4.5p	-0.2p	3.5p	2.9p	3.3p
	ANNUAL	3.1p	4.4p	1.2p	5.6p	2.3p	2.4p	6.7p	3.7p
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	3.6r	3.3r	-0.3	6.0	2.6	2.3r	5.9r	3.4r
	III	3.6	5.7	2.0	5.2r	2.5r	1.5r	8.7r	3.7
	IV	3.5p	8.3p	4.7p	4.9p	1.5p	1.3p	8.9p	3.6p
	ANNUAL	3.1p	4.4p	1.2p	5.6p	2.3p	2.4p	6.7p	3.7p

See footnotes following table 6.  
r=revised  
p=preliminary

January 30, 1984  
Source: Bureau of Labor Statistics



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 costs	
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	115.9r	110.7r	95.5	167.5r	101.3	144.5r
	IV	117.5p	113.9p	96.9p	169.0p	101.0p	143.8p
	ANNUAL	113.6p	106.9p	94.2p	167.1p	101.6p	147.1p
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	12.2r	23.2r	9.8r	2.7r	-1.9r	-8.4r
	IV	5.7p	12.1p	6.1p	3.6p	-1.2p	-2.0p
	ANNUAL	6.6p	7.9p	1.2p	5.6p	2.3p	-0.9p
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	7.5r	11.2r	3.5	4.9	2.3r	-2.4r
	IV	8.7p	17.2p	7.8p	4.7p	1.3p	-3.7p
	ANNUAL	6.6p	7.9p	1.2p	5.6p	2.3p	-0.9p

See footnotes following table 6.  
r=revised  
p=preliminary

January 30, 1984  
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 costs	
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	115.2	109.1r	94.6r	167.2r	101.1	145.1
	IV	117.1p	112.9p	96.4p	168.3p	100.6p	143.7p
	ANNUAL	113.0p	105.0p	93.0p	166.7p	101.4p	147.6p
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	11.5r	26.6r	13.5r	2.8r	-1.9r	-7.9r
	IV	6.8p	15.0p	7.7p	2.7p	-2.0p	-3.8p
	ANNUAL	7.2p	7.9p	0.7p	5.6p	2.3p	-1.5p
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	7.9	11.7	3.5	4.8	2.1	-2.9
	IV	9.3p	20.2p	9.9p	4.5p	1.2p	-4.4p
	ANNUAL	7.2p	7.9p	0.7p	5.6p	2.3p	-1.5p

See footnotes following table 6.  
r=revised  
p=preliminary

January 30, 1984  
Source: Bureau of Labor Statistics

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 costs	
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	116.8r	113.1r	96.8r	168.4r	101.9r	144.2r
	IV	118.0p	115.3p	97.7p	170.3p	101.8p	144.3p
	ANNUAL	114.4p	109.8p	95.9p	168.2p	102.3p	147.0p
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	13.2r	18.6r	4.7r	1.8r	-2.8r	-10.1r
	IV	4.2p	8.2p	3.8p	4.6p	-0.2p	0.3p
	ANNUAL	5.8p	7.9p	2.0p	5.7p	2.4p	-0.1p
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	7.0r	10.6r	3.4	5.1	2.5r	-1.7r
	IV	7.9p	13.1p	4.8p	4.5p	1.1p	-3.2p
	ANNUAL	5.8p	7.9p	2.0p	5.7p	2.4p	-0.1p

See footnotes following table 6.

r=revised  
p=preliminary

January 30, 1984  
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 costs	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	107.0r	114.3	106.8r	162.8r	98.5r	152.1	161.2r	154.5r	131.5r	151.8r
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	4.2r	11.1r	6.6r	3.0r	-1.7r	-1.1r	-4.7r	-2.1r	71.0r	3.1r
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	3.7r	5.8	2.1r	4.3r	1.7r	0.6	-0.1r	0.4	44.2r	3.6r

See footnotes following table 6.

r=revised  
p=preliminary

January 30, 1984

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.