

# News

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## PRODUCTIVITY AND COSTS

Revised Annual and Fourth Quarter Data for  
Business, Nonfarm Business, Manufacturing, and  
Preliminary 1984 Annual Measures for Nonfinancial Corporations

The Bureau of Labor Statistics of the U.S. Department of Labor today reported revised productivity data--as measured by output per hour of all persons--for the fourth quarter of 1984 and the year as a whole. Based on more complete information than was available on January 29 when preliminary measures were announced, the revised measures show these seasonally adjusted annual rates of productivity change in the fourth quarter for major sectors of the economy are:

- 3.8 percent in the business sector,
- 2.9 percent in the nonfarm business sector,
- 0.9 percent in manufacturing,
- 0.7 percent in durable goods manufacturing, and
- 1.2 percent in nondurables goods manufacturing.

Fourth quarter measures are summarized in table A and appear in detail in tables 1 through 5. The productivity gain in 1984 over 1983 (as measured by annual averages) was 3.2 percent in business, 2.7 percent in nonfarm business, and 4.6 percent in manufacturing, according to revised measures. Preliminary measures announced today indicate that nonfinancial corporate sector productivity increased 2.3 percent in 1984 (tables B, C).

### Business

Productivity increased at a 3.8 percent seasonally adjusted annual rate in the fourth quarter of 1984 in the business sector, as output increased 5.5 percent and hours of all persons engaged in the sector rose 1.6 percent. This was a marked improvement over the third quarter when productivity only rose 0.6 percent and output and hours also advanced more slowly (table 1).

Hourly compensation increased 4.4 percent in the fourth quarter. This measure, which includes wages, salaries, supplements, and all employer payments for employee-benefit plans, increased by the same amount in the third quarter. Unit labor costs, which reflect changes in productivity and hourly compensation, increased 0.6 percent in the fourth quarter, compared with a 3.7 percent rise during the third quarter.

Real hourly compensation, which takes into account changes in the Consumer Price Index for All Urban Consumers (CPI-U), increased 0.8 percent in the fourth quarter, a somewhat larger advance than the 0.7 percent increase during the third quarter.

Table A. Productivity and costs: Revised fourth quarter 1984 measures.  
(Seasonally adjusted annual rates)

Sector	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs
REVISED						
Percent change from preceding quarter						
Business	3.8	5.5	1.6	4.4	0.8	0.6
Nonfarm business	2.9	5.2	2.2	3.7	0.2	0.8
Manufacturing	-0.9	-0.2	0.7	5.2	1.6	6.2
Durable	-0.7	1.5	2.3	4.8	1.2	5.6
Nondurable	-1.2	-2.8	-1.6	5.5	1.9	6.8
Percent change from same quarter a year ago						
Business	3.3	7.4	4.0	4.2	0.1	0.8
Nonfarm business	2.5	6.6	4.0	4.3	0.2	1.7
Manufacturing	3.5	7.1	3.4	4.5	0.4	0.9
Durable	4.3	9.9	5.3	4.1	0.0	-0.2
Nondurable	2.3	3.0	0.7	4.8	0.7	2.4

The implicit price deflator, which is a measure of price change for the goods and services which comprise business output, increased 2.2 percent in the fourth quarter, compared with a 3.6 percent gain during the third period.

#### Nonfarm business

Nonfarm business productivity increased 2.9 percent in the fourth quarter as output rose 5.2 percent and hours increased 2.2 percent. Productivity had declined in this sector during the third quarter (-1.1 percent) as output posted a smaller advance than hours (0.7 percent and 1.8 percent, respectively). See table 2.

Hourly compensation increased at a 3.7 percent annual rate in the fourth quarter, about the same rate of increase as the second and third quarters. Unit labor costs rose only 0.8 percent in the fourth quarter, compared with a 4.7 percent increase during the third quarter. Real hourly compensation increased 0.2 percent in the fourth quarter compared with a 0.1 percent decline in the third quarter. The implicit price deflator for nonfarm business output increased 2.9 percent in the fourth quarter, compared with a 4.2 percent rise during the third quarter.

Manufacturing

Productivity declined at a 0.9 percent annual rate during the fourth quarter in manufacturing as hours increased while output slipped. During the third quarter, productivity posted a 7.4 percent advance in this sector. Although productivity growth slowed in the fourth quarter, hourly compensation gains accelerated; during the fourth quarter, it increased 5.2 percent, compared with a 3.7 percent rise during the third quarter. Real hourly compensation increased 1.6 percent in the fourth quarter. Unit labor costs increased at a 6.2 percent annual rate, in marked contrast to the 3.4 percent decline during the third quarter (table 3).

Productivity declines also took place in the durable and nondurable sub-sectors, but for different reasons. In durables, output and hours grew, but hours increased faster than output. In nondurables, output and hours fell, but hours fell less than output. In both cases productivity declined (tables 4,5).

Nonfinancial corporations

The Bureau of Labor Statistics also reported the annual change in productivity and related measures for the nonfinancial corporate sector for 1984 (table B). According to preliminary measures, productivity increased 2.3 percent in 1984 as output increased 9.0 percent and all-employee hours increased 6.6 percent.

Table B. Annual changes in productivity, output, and hours, 1974-84.

Measure	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984
Business											
Productivity	-2.4	2.2	3.3	2.4	0.5	-1.2	-0.5	1.9	0.2	2.7	3.2
Output	-2.0	-2.0	6.4	6.6	5.5	2.3	-1.2	2.5	-2.6	4.4	8.8
Hours	0.4	-4.1	3.0	4.1	4.9	3.5	-0.7	0.6	-2.8	1.6	5.4
Nonfarm business											
Productivity	-2.5	2.0	3.2	2.2	0.6	-1.5	-0.7	1.5	0.2	3.5	2.7
Output	-2.0	-2.2	6.7	6.7	5.7	2.2	-1.4	2.1	-2.6	5.0	8.6
Hours	0.5	-4.1	3.4	4.4	5.1	3.7	-0.6	0.6	-2.8	1.5	5.7
Manufacturing											
Productivity	-2.4	2.9	4.5	2.5	0.9	0.7	0.2	3.1	2.1	4.3	4.6
Output	-4.2	-7.1	9.6	6.9	5.3	2.7	-4.4	2.5	-6.4	5.2	11.7
Hours	-1.9	-9.7	4.9	4.3	4.4	2.1	-4.5	-0.6	-8.3	0.9	6.7
Nonfinancial corporations											
Productivity	-3.7	2.9	2.9	1.8	0.8	-0.2	-0.9	1.9	1.0	3.3	p2.3
Output	-3.2	-2.0	7.4	6.7	6.3	3.5	-1.9	2.8	-2.9	4.5	p9.0
Hours	0.5	-4.7	4.4	4.9	5.5	3.7	-1.0	0.9	-3.9	1.2	p6.6

This was the largest output gain since 1959 in this sector, and the increase in hours was the largest in the series, which begins with data for 1958. Hourly compensation increased 3.4 in 1984, but declined 0.8 percent when the increase in the CPI-U is taken into account. This was the smallest increase in hourly compensation since 1965 (when a 3.2 percent increase occurred). Unit labor costs rose 1.1 percent in 1984, compared with a 0.8 percent gain in 1983. Employment rose 5.7 percent in 1984 in these corporations, among the largest gains ever recorded in the series (increases of 5.8 percent and 5.7 percent occurred in 1978 and 1966, respectively).

Unit profits increased 26.2 percent in 1984, compared with a 38.5 percent gain in 1983.

#### Revised measures

The latest productivity measures for the fourth quarter of 1984 show greater gains in business and nonfarm business and a larger decline in manufacturing than had been reported on January 29, based on preliminary data then available (table C).

Revised annual hours of all persons and related measures for business differ from preliminary measures announced last month. These revisions also correct an error resulting from the understatement of employment in agricultural services, which represent about 365,000 jobs out of a business total of more than 84 million. Quarterly measures, which are independently computed from seasonally-adjusted monthly data, were not affected by this omission.

New seasonal adjustment factors for the Consumer Price Index are also introduced with these measures. Affecting real hourly compensation in all sectors, these new factors incorporate more recent experience, and are reflected in quarterly changes beginning with the first quarter of 1980.

Table C. Preliminary and revised productivity and related measures, fourth quarter 1984.

Sector	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs
Quarterly percent change from third quarter						
Business:						
Preliminary	2.6	4.3	1.6	4.1	0.3	1.5
Revised	3.8	5.5	1.6	4.4	0.8	0.6
Nonfarm business:						
Preliminary	1.7	3.9	2.2	3.5	-0.3	1.8
Revised	2.9	5.2	2.2	3.7	0.2	0.8
Manufacturing:						
Preliminary	-0.6	0.2	0.8	4.6	0.7	5.3
Revised	-0.9	-0.2	0.7	5.2	1.6	6.2
Annual percent change from 1983						
Business:						
Preliminary	3.6	8.8	5.0	4.7	0.4	1.1
Revised	3.2	8.8	5.4	4.2	0.0	1.0
Nonfarm business:						
Preliminary	3.1	8.5	5.2	4.6	0.3	1.5
Revised	2.7	8.6	5.7	4.1	-0.1	1.4
Manufacturing:						
Preliminary	4.7	11.7	6.7	3.6	-0.6	-1.0
Revised	4.6	11.7	6.7	3.6	-0.6	-1.0

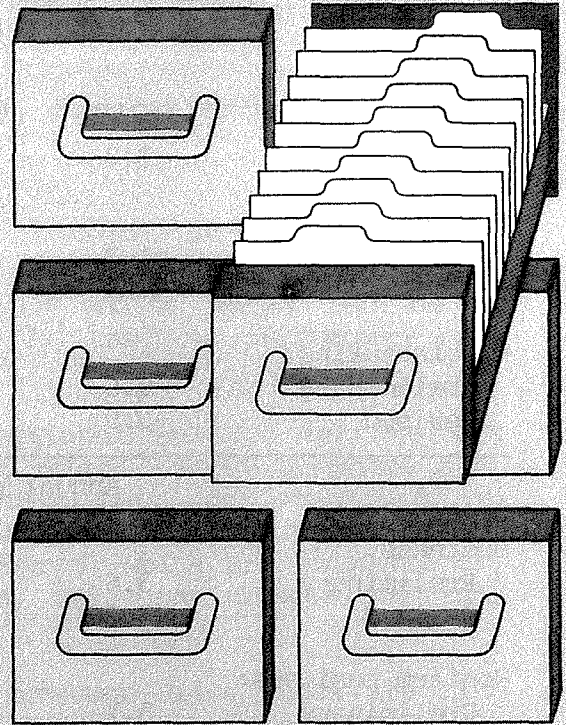
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#### TECHNICAL NOTES

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 metals; 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, chemical 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: 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									
1983	I	102.2	106.9	104.7	160.2	99.0	156.8	139.8	151.0
	II	103.6	110.1	106.2	161.0	98.5	155.4	144.6	151.7
	III	104.3	112.5	107.9	161.8	97.9r	155.1	147.9	152.7
	IV	104.7	114.7	109.5	164.2	98.4	156.8	149.1	154.2
	ANNUAL	103.7	111.0	107.1	161.7	98.4	156.0	145.5	152.4
1984	I	105.7	117.8	111.4	166.7	98.6	157.7	151.6	155.6
	II	107.0	121.0	113.0	167.5	98.2	156.5	157.2	156.7
	III	107.2	121.5	113.4	169.3	98.3r	158.0	158.5	158.1
	IV	108.2r	123.2r	113.8	171.1r	98.5	158.2r	160.6r	159.0r
	ANNUAL	107.0r	120.9r	112.9r	168.6r	98.4r	157.5r	157.1r	157.4r
Percent change from previous quarter at annual rate(5)									
1983	I	2.1	4.4	2.2	4.4	4.0r	2.2	10.2	4.6
	II	5.9	12.4	6.1	2.2	-2.1	-3.5	14.5	1.9
	III	2.8	9.3	6.4	2.0	-2.2r	-0.8	9.5	2.5
	IV	1.4	7.8	6.2	6.1	1.9r	4.6	3.1	4.1
	ANNUAL	2.7	4.4	1.6	4.3	1.1	1.6	6.3	3.0
1984	I	4.0	11.4	7.2	6.2	0.8r	2.1	7.0	3.7
	II	4.9	11.2	6.0	1.9	-1.8	-2.9	15.4	2.9
	III	0.6	1.8	1.2	4.4	0.7r	3.7	3.4	3.6
	IV	3.8r	5.5r	1.6	4.4r	0.8r	0.6r	5.5r	2.2r
	ANNUAL	3.2r	8.8	5.4r	4.2r	0.0r	1.0r	8.0r	3.2
Percent change from corresponding quarter of previous year(6)									
1983	I	1.2	-0.2	-1.4	5.8	2.1	4.5	1.3	3.5
	II	3.3	3.4	0.1	4.6	1.3	1.3	5.5	2.6
	III	3.4	6.1	2.6	3.3	0.6r	-0.1	8.9	2.7
	IV	3.1	8.4	5.2	3.7	0.4r	0.6	9.2	3.3
	ANNUAL	2.7	4.4	1.6	4.3	1.1r	1.6	6.3	3.0
1984	I	3.5	10.2	6.5	4.1	-0.4	0.6	8.4	3.0
	II	3.3	9.9	6.4	4.0	-0.3	0.7	8.7	3.3
	III	2.7	8.0	5.1	4.6	0.4	1.9	7.1	3.6
	IV	3.3r	7.4r	4.0r	4.2r	0.1	0.8r	7.8r	3.1r
	ANNUAL	3.2r	8.8	5.4r	4.2r	0.0r	1.0r	8.0r	3.2

See footnotes following table 6.

r=revised  
p=preliminary

February 28, 1985

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	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									
1983	I	101.6	106.7	105.1	160.1	99.0	157.6	140.6	151.9
	II	103.6	110.4	106.5	161.5	98.8	155.9	146.4	152.7
	III	104.1	112.7	108.2	162.4	98.3	155.9	149.4	153.8
	IV	104.4	115.2	110.3	164.0	98.3r	157.1	151.4	155.2
	ANNUAL	103.4	111.2	107.5	162.0	98.6	156.6	147.0	153.4
1984	I	105.2	118.0	112.3	166.5	98.4r	158.3	152.2	156.3
	II	106.6	121.0	113.6	168.0	98.4r	157.6	156.8	157.3
	III	106.3	121.3	114.1	169.5	98.4r	159.5	158.0	159.0
	IV	107.0r	122.8r	114.7	171.0r	98.5r	159.8r	160.8r	160.1r
	ANNUAL	106.3r	120.8r	113.6r	168.7r	98.4r	158.8r	157.1r	158.2r
Percent change from previous quarter at annual rate(5)									
1983	I	4.4	6.0	1.5	5.7	5.3r	1.3	12.7	4.6
	II	8.1	14.3	5.7	3.5	-0.8	-4.2	17.8	2.2
	III	2.1	8.7	6.5	2.2	-2.0r	0.1	8.4	2.7
	IV	1.0	9.1	8.0	4.1	0.0r	3.0	5.3	3.7
	ANNUAL	3.5	5.0	1.5	4.9	1.6	1.4	7.4	3.2
1984	I	2.9	10.3	7.2	6.1	0.7r	3.1	2.3	2.8
	II	5.5	10.6	4.8	3.7	0.0	-1.7	12.5	2.8
	III	-1.1	0.7	1.8	3.6	-0.1r	4.7	3.1	4.2
	IV	2.9r	5.2r	2.2	3.7r	0.2r	0.8r	7.3r	2.9r
	ANNUAL	2.7r	8.6r	5.7r	4.1r	-0.1r	1.4r	6.8r	3.1
Percent change from corresponding quarter of previous year(6)									
1983	I	1.8	0.3	-1.5	6.0	2.4	4.1	2.7	3.7
	II	4.3	4.1	-0.2	5.4	2.0	1.1	6.5	2.8
	III	3.9	6.3	2.3	4.1	1.5	0.2	9.2	3.0
	IV	3.9	9.5	5.4	3.9	0.6	0.0	10.9	3.3
	ANNUAL	3.5	5.0	1.5	4.9	1.6	1.4	7.4	3.2
1984	I	3.5	10.6	6.9	4.0	-0.5	0.4	8.3	2.9
	II	2.9	9.7	6.6	4.0	-0.3	1.1	7.1	3.0
	III	2.1	7.6	5.4	4.4	0.2	2.3	5.7	3.4
	IV	2.5r	6.6r	4.0	4.3r	0.2	1.7r	6.2r	3.2r
	ANNUAL	2.7r	8.6r	5.7r	4.1r	-0.1r	1.4r	6.8r	3.1

See footnotes following table 6.

r=revised  
p=preliminary

February 28, 1985  
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 cost	
Indexes 1977=100							
1983	I	109.1	98.4	90.2	162.7	100.6	149.1
	II	110.8	102.4	92.4	163.0	99.6r	147.0
	III	113.4	107.2	94.6	163.5	98.9r	144.1
	IV	113.1	109.6	96.9	164.6	98.6	145.5
	ANNUAL	111.6	104.4	93.5	163.4	99.4	146.4
1984	I	114.2	113.0	98.9	167.1	98.8r	146.4
	II	115.3	115.4	100.1	168.3	98.6r	146.0
	III	117.4	117.4	100.0	169.9	98.7	144.7
	IV	117.1r	117.4r	100.2	172.1r	99.1r	146.9r
	ANNUAL	116.8r	116.6	99.8	169.4r	98.8	145.0r
Percent change from previous quarter at annual rate(5)							
1983	I	4.8	7.3	2.4	4.2	3.8r	-0.5
	II	6.4	17.1	10.0	0.6	-3.6r	-5.5
	III	9.7	20.5	9.8	1.3	-2.9r	-7.7
	IV	-1.0	9.1	10.2	2.9	-1.2r	3.9
	ANNUAL	4.3	5.2	0.9	3.4	0.2	-0.8
1984	I	3.7	12.9	8.8	6.2	0.8r	2.3
	II	4.0	8.9	4.6	2.9	-0.8	-1.1
	III	7.4	7.1	-0.2	3.7	0.1r	-3.4
	IV	-0.9r	-0.2r	0.7r	5.2r	1.6r	6.2r
	ANNUAL	4.6r	11.7	6.7	3.6	-0.6	-1.0
Percent change from corresponding quarter of previous year(6)							
1983	I	3.4	-2.2	-5.4	5.5	1.8	2.0
	II	4.3	2.4	-1.8	3.6	0.3	-0.6
	III	4.3	7.6	3.1	2.3	-0.3	-1.9
	IV	4.9	13.4	8.1	2.2	-1.0	-2.6
	ANNUAL	4.3	5.2	0.9	3.4	0.2	-0.8
1984	I	4.7	14.8	9.7	2.7	-1.7	-1.9
	II	4.1	12.7	8.3	3.3	-1.0	-0.7
	III	3.5	9.5	5.8	3.9	-0.3r	0.4
	IV	3.5r	7.1r	3.4	4.5r	0.4r	0.9r
	ANNUAL	4.6r	11.7	6.7	3.6	-0.6	-1.0

See footnotes following table 6.

r=revised

p=preliminary

February 28, 1985

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							
1983	I	108.5	95.6	88.1	162.2	100.2r	149.5
	II	110.8	100.1	90.4	162.2	99.2	146.5
	III	113.5	105.7	93.2	162.5	98.4	143.2
	IV	113.1	109.0	96.4	163.4	97.9r	144.4
	ANNUAL	111.5	102.6	92.0	162.5	98.9	145.8
1984	I	115.1	113.9	98.9	165.8	98.1	144.0
	II	116.0	116.5	100.4	167.0	97.8r	144.0
	III	118.2	119.3	101.0	168.1	97.6r	142.2
	IV	118.0r	119.8r	101.5	170.0r	97.9r	144.1
	ANNUAL	117.6r	118.1r	100.4	167.8r	97.9r	142.7
Percent change from previous quarter at annual rate(5)							
1983	I	7.2	10.7	3.3	3.9	3.5r	-3.1
	II	8.7	20.5	10.9	0.1	-4.1	-7.9
	III	10.2	24.2	12.8	0.8	-3.3r	-8.5
	IV	-1.2	13.2	14.6	2.1	-2.0r	3.3
	ANNUAL	5.6	5.7	0.1	3.1	-0.1	-2.3
1984	I	7.2	18.9	10.9	6.1	0.8r	-1.0
	II	3.1	9.5	6.2	2.8	-0.9r	-0.2
	III	7.9	10.2	2.1	2.6	-1.0r	-4.8
	IV	-0.7r	1.5r	2.3	4.8r	1.2r	5.6r
	ANNUAL	5.5r	15.1r	9.1	3.2r	-1.0r	-2.1
Percent change from corresponding quarter of previous year(6)							
1983	I	4.7	-3.8	-8.1	5.5	1.8	0.7
	II	5.7	1.8	-3.7	3.4	0.1	-2.2
	III	5.5	8.5	2.9	1.8	-0.8	-3.5
	IV	6.1	17.0	10.3	1.7	-1.5r	-4.2
	ANNUAL	5.6	5.7	0.1	3.1	-0.1	-2.3
1984	I	6.1	19.2	12.3	2.2	-2.2	-3.7
	II	4.7	16.3	11.1	2.9	-1.4r	-1.7
	III	4.2	12.9	8.4	3.4	-0.8r	-0.7
	IV	4.3r	9.9r	5.3	4.1r	0.0r	-0.2
	ANNUAL	4.6r	11.7	6.7	3.6	-0.6	-1.0

See footnotes following table 6.

r=revised

p=preliminary

February 28, 1985

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 cost	
Indexes 1977=100							
1983	I	110.0	102.6	93.3	164.5	101.7	149.6
	II	110.9	105.7	95.3	165.1	101.0	148.8
	III	113.3	109.5	96.6	165.7	100.3	146.2
	IV	113.2	110.5	97.6	167.1	100.1	147.6
	ANNUAL	111.9	107.1	95.7	165.6	100.7	148.0
1984	I	112.8	111.7	99.0	169.5	100.2r	150.2
	II	114.3	113.8	99.5	170.6	100.0	149.2
	III	116.2	114.6	98.6	172.7	100.3r	148.7
	IV	115.8r	113.8r	98.2r	175.0r	100.8	151.1r
	ANNUAL	115.7r	114.3r	98.9	171.9r	100.3	148.6r
Percent change from previous quarter at annual rate(5)							
1983	I	1.5	2.8	1.3	4.5	4.1	2.9
	II	3.4	12.5	8.8	1.4	-2.9r	-1.9
	III	9.0	15.3	5.8	1.4	-2.7r	-7.0
	IV	-0.6	3.4	4.0	3.4	-0.7r	4.0
	ANNUAL	2.4	4.4	2.0	4.1	0.9	1.7
1984	I	-1.3	4.4	5.8	5.8	0.5r	7.2
	II	5.5	8.0	2.4	2.7	-1.0	-2.6
	III	6.5	2.6	-3.7	5.1	1.4r	-1.4
	IV	-1.2r	-2.8r	-1.6r	5.5r	1.9r	6.8r
	ANNUAL	3.4r	6.8r	3.3	3.8	-0.4	0.4r
Percent change from corresponding quarter of previous year(6)							
1983	I	1.4	0.1	-1.4	6.2	2.5	4.7
	II	2.2	3.1	0.9	4.5	1.1	2.2
	III	2.7	6.2	3.5	3.2	0.6	0.6
	IV	3.3	8.4	4.9	2.7	-0.6	-0.6
	ANNUAL	2.4	4.4	2.0	4.1	0.9	1.7
1984	I	2.6	8.8	6.1	3.0	-1.4	0.4
	II	3.1	7.7	4.5	3.3	-1.0r	0.2
	III	2.5	4.6	2.1	4.3	0.1	1.7
	IV	2.3r	3.0r	0.7	4.8	0.7r	2.4r
	ANNUAL	3.4r	6.8r	3.3	3.8	-0.4	0.4r

See footnotes following table 6.

r=revised  
p=preliminary

February 28, 1985

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											
1983	I	104.0	107.5	103.4	159.2	98.4	153.1	167.0	156.7	92.5	149.4
	II	105.8	111.4	105.2	160.6	98.2	151.7	165.1	155.2	111.8	150.2
	III	107.2	114.7	106.9	161.8	97.9r	150.9	164.4	154.4	126.6	151.2
	IV	107.2	117.0	109.2	162.6	97.4	151.7	163.3	154.7	135.9	152.6
	ANNUAL	106.1	112.6	106.2	161.0	97.9	151.8	164.9	155.2	117.2	150.9
1984	I	108.1	120.2	111.2	164.8	97.5	152.5	162.0	155.0	143.2	153.6
	II	108.9	123.1	113.1	165.8	97.2	152.3	162.8	155.0	151.1	154.6
	III	108.2	123.1	113.8	167.1	97.1	154.5	165.9	157.5	145.3	156.1
	IV	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	ANNUAL	108.5p	122.8p	113.2p	166.6p	97.2p	153.6p	164.4p	156.4p	148.0p	155.4p
Percent change from previous quarter at annual rate(5)											
1983	I	3.2	4.4	1.2	3.9	3.5	0.7	-4.1	-0.7	124.6	4.7
	II	7.5	15.1	7.1	3.5	-0.8	-3.7	-4.5	-3.9	112.8	2.3
	III	5.3	12.4	6.7	3.1	-1.1r	-2.1	-1.7	-2.0	64.8	2.8
	IV	-0.2	8.4	8.6	2.0	-2.1r	2.1	-2.6	0.8	32.6	3.6
	ANNUAL	3.3	4.5	1.2	4.2	0.9	0.8	0.1	0.6	38.5	3.1
1984	I	3.6	11.6	7.7	5.7	0.4r	2.0	-3.2	0.6	23.4	2.7
	II	2.8	9.8	6.8	2.4	-1.3	-0.4	2.0	0.2	23.8	2.6
	III	-2.5	0.2	2.8	3.2	-0.4r	5.9	8.0	6.5	-14.5	3.9
	IV	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	ANNUAL	2.3p	9.0p	6.6p	3.4p	-0.8p	1.1p	-0.3p	0.7p	26.2p	3.0p
Percent change from corresponding quarter of previous year(6)											
1983	I	1.8	-1.1	-2.8	5.4	1.7	3.5	3.3	3.5	3.5	3.5
	II	3.7	3.1	-0.6	4.6	1.2r	0.9	0.5	0.8	28.7	2.7
	III	3.8	6.3	2.4	3.6	1.0	-0.2	0.0	-0.2	46.3	3.0
	IV	3.9	10.0	5.9	3.1	-0.1r	-0.8	-3.2	-1.5	79.8	3.3
	ANNUAL	3.3	4.5	1.2	4.2	0.9	0.8	0.1	0.6	38.5	3.1
1984	I	4.0	11.8	7.5	3.6	-0.9	-0.4	-3.0	-1.1	54.8	2.8
	II	2.9	10.5	7.5	3.3	-1.0	0.4	-1.4	-0.1	35.2	2.9
	III	0.9	7.4	6.4	3.3	-0.9r	2.4	0.9	2.0	14.7	3.2
	IV	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	ANNUAL	2.3p	9.0p	6.6p	3.4p	-0.8p	1.1p	-0.3p	0.7p	26.2p	3.0p

See footnotes following table 6.

r=revised  
p=preliminary

February 28, 1985

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 1984, the probability is 0.95 that the interval between -1.8 and 2.0 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) Quarterly changes: percent change compounded at annual rate from the original data rather than index numbers. Annual changes: percent change between annual average levels.
- (6) Quarterly changes: current quarter divided by comparable quarter a year ago. Annual changes: percent change between annual average levels.
- (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.