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PRODUCTIVITY AND COSTS

Revised First-Quarter Measures for
Business, Nonfarm Business and Manufacturing and
Preliminary 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 first quarter of 1986. Based on information now available, the seasonally-adjusted annual rates of productivity change in the first quarter were:

- 2.5 percent in the business sector,
- 3.6 percent in the nonfarm business sector,
- 2.2 percent in manufacturing,
- 2.0 percent in durable goods manufacturing, and
- 2.5 percent in nondurable goods manufacturing.

First-quarter measures are summarized in table A and appear in detail in tables 1 through 5. Productivity rose in all the above sectors in the first quarter and, combined with moderate gains in hourly compensation, contributed to falling unit labor costs. In nonfinancial corporations, however, productivity declined 0.2 percent in the first quarter, as output rose 3.0 percent and all-employee hours increased 3.2 percent (tables B and 6).

Business

Productivity increased at a 2.5 percent annual rate during the first quarter of 1986 in the business sector, as output rose 4.2 percent and hours of all persons engaged in the sector increased 1.7 percent (seasonally adjusted annual rates). During the fourth quarter of 1985, productivity declined 3.9 percent, as output grew more slowly than hours (table 1). The increase in output during the first 3 months of 1986 was the largest since the second quarter of 1984 (when output rose at a 7.5 percent annual rate).

Hourly compensation increased at a 1.4 percent annual rate during the first quarter of 1986, the smallest quarterly gain in this series since 1969 (when it also rose 1.4 percent in the first quarter). This measure includes wages and salaries, supplements, employer contributions to employee-benefit plans, and taxes. Unit labor costs, which reflect changes in hourly compensation and productivity, declined at a 1.0 percent annual rate during the first quarter, the largest decline since the second quarter of 1983. During the fourth quarter of 1985, these costs rose at a 7.5 percent annual rate.

Table A. Productivity and costs: Revised first quarter 1986 measures
(Seasonally adjusted annual rates)

| Sector | Productivity | Output | Hours | Hourly compensation | Real hourly compensation | Unit labor costs |
|---|--------------|--------|-------|---------------------|--------------------------|------------------|
| Percent change from preceding quarter | | | | | | |
| Business | 2.5 | 4.2 | 1.7 | 1.4 | 0.0 | -1.0 |
| Nonfarm business | 3.6 | 4.5 | 0.9 | 2.2 | 0.7 | -1.4 |
| Manufacturing | 2.2 | 2.3 | 0.1 | 1.0 | -0.5 | -1.2 |
| Durable | 2.0 | 0.7 | -1.2 | 0.7 | -0.8 | -1.3 |
| Nondurable | 2.5 | 4.8 | 2.2 | 1.9 | 0.4 | -0.7 |
| Percent change from same quarter a year ago | | | | | | |
| Business | 0.2 | 2.4 | 2.1 | 3.4 | 0.3 | 3.1 |
| Nonfarm business | 0.0 | 2.5 | 2.5 | 3.0 | -0.1 | 3.0 |
| Manufacturing | 2.6 | 2.4 | -0.2 | 2.8 | -0.3 | 0.2 |
| Durable | 2.6 | 1.6 | -1.0 | 3.4 | 0.3 | 0.8 |
| Nondurable | 2.7 | 3.6 | 0.9 | 2.0 | -1.1 | -0.7 |

Real hourly compensation, which takes into account changes in the Consumer Price Index for All Urban Consumers (CPI-U), was unchanged in the first quarter, compared with a 0.9 percent decline in the fourth quarter of 1985.

The implicit price deflator for the business sector, which reflects changes in unit labor costs and unit nonlabor payments, increased 1.9 percent in the first quarter.

Nonfarm business

Productivity increased 3.6 percent in the nonfarm business sector during the first quarter of 1986, as output rose 4.5 percent and hours of all persons—employees, proprietors, and unpaid family workers—increased only 0.9 percent. While the increase in output was the largest since the second quarter of 1984, the gain in nonfarm hours was the smallest since 1982, partly reflecting a sharp drop in proprietor hours from high fourth-quarter levels. During the fourth quarter of 1985, productivity declined 4.1 percent in this sector as proprietor hours increased (table 2).

Hourly compensation increased 2.2 percent in the first quarter, but rose only 0.7 percent when the change in the CPI-U is taken into account. Unit labor costs declined 1.4 percent, compared with a 7.6 percent rise during the fourth quarter of 1985. This was the first quarter during which these costs declined since the third quarter of 1983.

The implicit price deflator for the nonfarm business sector rose 2.6 percent in the first quarter, compared with a 1.8 percent increase one quarter earlier.

Manufacturing

Productivity increased at a 2.2 percent seasonally adjusted annual rate in manufacturing in the first quarter of 1986, as output rose 2.3 percent and hours of all persons increased 0.1 percent.

Hourly compensation of manufacturing workers increased 1.0 percent during the first quarter, but declined 0.5 percent when the increase in consumer prices is taken into account. Unit labor costs fell at a 1.2 percent annual rate, compared with a 4.6 percent increase during the fourth quarter of 1985.

Both durable and nondurable goods industries experienced productivity increases in the first quarter (tables 4 and 5). Output increased in both subsectors; hours of all persons increased in nondurables but declined in durable goods manufacturing.

Nonfinancial corporations

Preliminary first-quarter 1986 measures of productivity and costs were also announced today for the nonfinancial corporate sector (tables B and 6). Output per all-employee hour declined 0.2 percent from the fourth quarter of

Table B. Nonfinancial corporations: Preliminary first-quarter productivity and cost measures

Quarterly change at seasonally adjusted annual rates
Percent

| Period | Productivity | Output | Hours | Hourly compensation | Real hourly compensation | Unit labor costs | Unit profits | Implicit price deflator |
|-------------------|--------------|--------|-------|---------------------|--------------------------|------------------|--------------|-------------------------|
| 1985 IV to 1986 I | -0.2 | 3.0 | 3.2 | 1.3 | -0.2 | 1.6 | 8.6 | 2.5 |
| 1985 I to 1986 I | 0.0 | 2.4 | 2.4 | 2.7 | -0.4 | 2.7 | 5.6 | 2.5 |

1985 to the first quarter of 1986, as output increased 3.0 percent and hours of all employees increased 3.2 percent (table 6). Productivity has declined in 3 of the last 4 quarters in these corporations. The sector includes all corporations doing business in the United States, except banks, stock and commodity brokers, and finance and insurance agencies. Output grew more slowly than in the more comprehensive nonfarm business sector reported above. However, employee hours (there are no self-employed) in nonfinancial corporations rose much more rapidly, contributing to the productivity decline experienced in this sector.

Hourly compensation increased 1.3 percent (the smallest quarterly increase since 1965), but declined 0.2 percent when the rise in the CPI-U is taken into account. Real hourly compensation has also declined in 3 of the last 4 quarters. Unit labor costs rose 1.6 percent, unit nonlabor costs increased 2.7 percent, and unit profits rose 8.6 percent (table 6). The implicit deflator for nonfinancial corporate output increased 2.5 percent in the fourth quarter.

Table C shows indexes of the implicit price deflator for the nonfinancial corporate output and related series from 1977 forward. Changes in price reflect changes in total unit costs and unit profits. Total unit costs consist of unit labor costs and unit nonlabor costs.

Table C. Prices, costs, and profits in nonfinancial corporations
Index, 1977 = 100

| Period | Implicit price deflator | Total unit costs | Unit labor costs | Unit nonlabor costs | Unit profit |
|--------|-------------------------------|------------------------|------------------------|---------------------------|----------------|
| 1977 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| 1978 | 106.6 | 107.3 | 107.8 | 105.7 | 102.0 |
| 1979 | 115.4 | 118.2 | 119.0 | 115.8 | 94.5 |
| 1980 | 127.6 | 133.4 | 132.3 | 136.7 | 85.2 |
| 1981 | 141.7 | 147.7 | 143.8 | 159.1 | 98.1 |
| 1982 | 149.8 | 159.5 | 153.8 | 176.4 | 78.5 |
| 1983 | 153.7 | 160.0 | 154.5 | 176.2 | 107.5 |
| 1984 | 158.1 | 161.2 | 156.4 | 175.3 | 135.6 |
| 1985 | 163.0 | 165.7 | 161.7 | 177.8 | 142.7 |
| 1985 I | 161.3 | 164.4 | 160.0 | 177.6 | 138.3 |
| II | 162.6 | 165.8 | 161.5 | 178.6 | 139.1 |
| III | 163.6 | 165.5 | 161.5 | 177.2 | 150.2 |
| IV | 164.4 | 167.2 | 163.7 | 177.8 | 143.1 |
| 1986 I | 165.4 | 168.0 | 164.3 | 179.0 | 146.1 |

Revised measures

Preliminary and revised productivity and cost measures for the first quarter are compared in table D for the business and manufacturing sectors. The revised output measures show somewhat larger increases than had been reported on April 28, based on preliminary information then available. Hours of labor input also have been revised upwards.

In manufacturing, new preliminary annual output levels for 1985 reported by the Bureau of Economic Analysis of the U.S. Department of Commerce on May 20 are introduced with this release. As a result, several quarterly productivity changes in 1984 and 1985 were revised somewhat (0.2 percentage points or less).

Table D. Preliminary and revised productivity and related measures, first quarter 1986

Percent change from previous quarter
(Seasonally adjusted annual rates)

| Sector | Productivity | Output | Hours | Hourly compensation | Real hourly compensation | Unit labor costs |
|--------------------------|--------------|--------|-------|---------------------|--------------------------|------------------|
| Business: | | | | | | |
| Preliminary | 2.3 | 3.8 | 1.4 | 1.7 | 0.2 | -0.6 |
| Revised | 2.5 | 4.2 | 1.7 | 1.4 | 0.0 | -1.0 |
| Nonfarm business: | | | | | | |
| Preliminary | 3.4 | 4.0 | 0.6 | 2.4 | 0.9 | -1.0 |
| Revised | 3.6 | 4.5 | 0.9 | 2.2 | 0.7 | -1.4 |
| Manufacturing: | | | | | | |
| Preliminary | 2.4 | 2.4 | 0.0 | 0.9 | -0.5 | -1.4 |
| Revised | 2.2 | 2.3 | 0.1 | 1.0 | -0.5 | -1.2 |

Next release date

The next release of productivity and cost measures is scheduled for 10:00 AM EDT Wednesday, July 30, 1986. Released at that time will be preliminary second-quarter measures for business, nonfarm business, and manufacturing and revised first-quarter measures for nonfinancial corporations.

TECHNICAL NOTES

Business sector output is equal to gross national product in constant 1982 dollars, 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 these 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 in constant 1982 dollars, 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 sectors: 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 | | | | | | | | |
| 1985 I | 105.3 | 121.2 | 115.1 | 172.4 | 98.5 | 163.8 | 157.6 | 161.6 |
| II | 105.5 | 121.9 | 115.6 | 174.3 | 98.5 | 165.2 | 158.2 | 162.7 |
| III | 105.9 | 122.6 | 115.8 | 176.1 | 98.9 | 166.3 | 158.6 | 163.5 |
| IV | 104.9 | 122.8 | 117.1 | 177.6 | 98.7 | 169.3 | 156.2 | 164.6 |
| ANNUAL | 105.3 | 122.1 | 115.9 | 175.0 | 98.6 | 166.2 | 157.7 | 163.1 |
| 1986 I | 105.5 | 124.0r | 117.6r | 178.2r | 98.7r | 168.9r | 159.1r | 165.4 |
| Percent change from previous quarter at annual rate(5) | | | | | | | | |
| 1985 I | 1.0 | 3.6 | 2.5 | 4.8 | 1.5 | 3.7 | -0.9 | 2.1 |
| II | 0.8 | 2.3 | 1.5 | 4.4 | 0.4 | 3.5 | 1.4 | 2.8 |
| III | 1.6 | 2.5 | 0.9 | 4.2 | 1.6 | 2.5 | 1.1 | 2.0 |
| IV | -3.9 | 0.4 | 4.5 | 3.4 | -0.9 | 7.5 | -5.8 | 2.7 |
| ANNUAL | 0.1 | 2.6 | 2.5 | 4.0 | 0.4 | 3.9 | 0.7 | 2.8 |
| 1986 I | 2.5r | 4.2r | 1.7r | 1.4r | 0.0r | -1.0r | 7.7r | 1.9r |
| Percent change from corresponding quarter of previous year | | | | | | | | |
| 1985 I | 0.3 | 3.5 | 3.1 | 3.8 | 0.2 | 3.4 | 2.7 | 3.2 |
| II | -0.1 | 2.2 | 2.3 | 4.1 | 0.4 | 4.1 | 0.9 | 3.0 |
| III | 0.5 | 2.5 | 2.0 | 4.1 | 0.7 | 3.6 | 0.8 | 2.6 |
| IV | -0.1 | 2.2 | 2.3 | 4.2 | 0.7 | 4.3 | -1.1 | 2.4 |
| ANNUAL | 0.1 | 2.6 | 2.5 | 4.0 | 0.4 | 3.9 | 0.7 | 2.8 |
| 1986 I | 0.2 | 2.4r | 2.1r | 3.4 | 0.3 | 3.1r | 1.0r | 2.4 |

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

May 29, 1986
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 | | | | | | | | |
| 1985 I | 104.1 | 121.1 | 116.3 | 172.1 | 98.3 | 165.3 | 158.8 | 163.0 |
| II | 104.2 | 121.8 | 116.9 | 173.7 | 98.2 | 166.8 | 160.2 | 164.5 |
| III | 104.3 | 122.6 | 117.5 | 175.0 | 98.3 | 167.8 | 161.4 | 165.5 |
| IV | 103.2 | 122.7 | 118.9 | 176.4 | 98.0 | 170.9 | 157.7 | 166.3 |
| ANNUAL | 103.9 | 122.0 | 117.5 | 174.2 | 98.1 | 167.7 | 159.5 | 164.8 |
| 1986 I | 104.1 | 124.1r | 119.2r | 177.3r | 98.2r | 170.3r | 161.9r | 167.4 |
| Percent change from previous quarter at annual rate(5) | | | | | | | | |
| 1985 I | 1.0 | 3.6 | 2.6 | 4.7 | 1.4 | 3.6 | 1.0 | 2.7 |
| II | 0.2 | 2.3 | 2.1 | 3.8 | -0.2 | 3.6 | 3.7 | 3.7 |
| III | 0.4 | 2.6 | 2.1 | 2.8 | 0.3 | 2.4 | 2.9 | 2.6 |
| IV | -4.1 | 0.6 | 4.8 | 3.2 | -1.0 | 7.6 | -8.7 | 1.8 |
| ANNUAL | -0.3 | 2.6 | 2.9 | 3.7 | 0.1 | 3.9 | 2.1 | 3.3 |
| 1986 I | 3.6r | 4.5r | 0.9r | 2.2r | 0.7r | -1.4r | 10.9r | 2.6r |
| Percent change from corresponding quarter of previous year | | | | | | | | |
| 1985 I | 0.1 | 3.4 | 3.3 | 3.7 | 0.1 | 3.6 | 4.1 | 3.8 |
| II | -0.4 | 2.2 | 2.6 | 3.8 | 0.1 | 4.2 | 2.5 | 3.6 |
| III | 0.1 | 2.6 | 2.5 | 3.6 | 0.3 | 3.6 | 2.4 | 3.2 |
| IV | -0.6 | 2.2 | 2.9 | 3.7 | 0.1 | 4.3 | -0.4 | 2.7 |
| ANNUAL | -0.3 | 2.6 | 2.9 | 3.7 | 0.1 | 3.9 | 2.1 | 3.3 |
| 1986 I | 0.0 | 2.5r | 2.5r | 3.0r | -0.1r | 3.0r | 2.0r | 2.7 |

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

May 29, 1986
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 (6) | Hours of all persons | Compensation per hour(1) | Real compensation per hour(2) | Unit labor cost |
|--|--------|--------------------------------|------------|----------------------|--------------------------|-------------------------------|-----------------|
| Indexes 1977=100 | | | | | | | |
| 1985 | I | 120.0r | 119.9r | 99.9 | 174.3 | 99.5 | 145.3r |
| | II | 121.8r | 120.5r | 98.9 | 176.1 | 99.5 | 144.5r |
| | III | 122.8r | 121.4r | 98.9 | 177.3 | 99.6 | 144.4r |
| | IV | 122.4r | 122.0r | 99.6 | 178.8 | 99.4 | 146.0r |
| | ANNUAL | 121.8r | 121.0r | 99.3 | 176.6 | 99.5 | 145.0r |
| 1986 | I | 123.1r | 122.7r | 99.7 | 179.2 | 99.3 | 145.6 |
| Percent change from previous quarter at annual rate(5) | | | | | | | |
| 1985 | I | 1.5r | 1.1r | -0.5 | 6.1 | 2.8 | 4.5r |
| | II | 6.2r | 2.1r | -3.9 | 4.0 | 0.0 | -2.0 |
| | III | 3.3r | 3.1 | -0.1 | 2.7 | 0.2 | -0.5 |
| | IV | -1.1 | 1.9 | 3.1 | 3.5 | -0.8 | 4.6r |
| | ANNUAL | 2.8r | 2.6r | -0.2 | 4.4 | 0.8 | 1.6r |
| 1986 | I | 2.2r | 2.3r | 0.1r | 1.0r | -0.5 | -1.2r |
| Percent change from corresponding quarter of previous year | | | | | | | |
| 1985 | I | 2.8r | 4.0 | 1.2 | 4.6 | 1.0 | 1.7r |
| | II | 3.4r | 2.6r | -0.8 | 4.7 | 1.0 | 1.3r |
| | III | 2.5r | 1.7r | -0.8 | 4.3 | 0.9 | 1.8r |
| | IV | 2.4 | 2.0 | -0.4 | 4.1 | 0.5 | 1.6r |
| | ANNUAL | 2.8r | 2.6r | -0.2 | 4.4 | 0.8 | 1.6r |
| 1986 | I | 2.6 | 2.4r | -0.2r | 2.8 | -0.3 | 0.2 |

See footnotes following table 6.

r=revised

p=preliminary

May 29, 1986

Source: Bureau of Labor Statistics

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

| Year and quarter | | Output per hour of all persons | Output (6) | Hours of all persons | Compensation per hour(1) | Real compensation per hour(2) | Unit labor cost |
|--|--------|--------------------------------|------------|----------------------|--------------------------|-------------------------------|-----------------|
| Indexes 1977=100 | | | | | | | |
| 1985 | I | 121.8r | 123.1r | 101.1 | 172.6 | 98.6 | 141.7r |
| | II | 123.6r | 123.6r | 100.0 | 174.3 | 98.5 | 141.0r |
| | III | 124.7r | 124.4r | 99.7 | 175.9 | 98.8 | 141.0r |
| | IV | 124.4r | 124.9r | 100.4 | 178.1 | 99.0 | 143.2r |
| | ANNUAL | 123.6r | 124.0r | 100.3 | 175.2 | 98.7 | 141.7r |
| 1986 | I | 125.0r | 125.1r | 100.1 | 178.4 | 98.8 | 142.8r |
| Percent change from previous quarter at annual rate(5) | | | | | | | |
| 1985 | I | 3.5r | 2.3r | -1.2 | 6.7 | 3.4 | 3.1r |
| | II | 6.1r | 1.5r | -4.3 | 3.9 | -0.1 | -2.1r |
| | III | 3.6r | 2.4r | -1.1 | 3.7 | 1.2 | 0.2r |
| | IV | -1.2r | 1.6r | 2.8 | 5.2 | 0.9 | 6.5r |
| | ANNUAL | 3.6r | 3.6r | 0.0 | 4.6 | 1.0 | 0.9r |
| 1986 | I | 2.0 | 0.7r | -1.2r | 0.7r | -0.8 | -1.3 |
| Percent change from corresponding quarter of previous year | | | | | | | |
| 1985 | I | 4.2r | 6.6r | 2.3 | 4.3 | 0.7 | 0.1r |
| | II | 4.4r | 4.2r | -0.2 | 4.5 | 0.8 | 0.2r |
| | III | 3.0r | 2.0r | -1.0 | 4.6 | 1.2 | 1.5r |
| | IV | 3.0r | 2.0r | -1.0 | 4.9 | 1.3 | 1.9r |
| | ANNUAL | 3.6r | 3.6r | 0.0 | 4.6 | 1.0 | 0.9r |
| 1986 | I | 2.6r | 1.6r | -1.0 | 3.4 | 0.3 | 0.8r |

See footnotes following table 6.

r=revised

p=preliminary

May 29, 1986

Source: Bureau of Labor Statistics

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

| Year and quarter | | Output per hour of all persons | Output (6) | Hours of all persons | Compensation per hour(1) | Real compensation per hour(2) | Unit labor cost |
|--|--------|--------------------------------|------------|----------------------|--------------------------|-------------------------------|-----------------|
| Indexes 1977=100 | | | | | | | |
| 1985 | I | 117.2r | 115.0r | 98.2 | 176.9 | 101.0 | 151.0r |
| | II | 119.0r | 115.9r | 97.4 | 178.8 | 101.1 | 150.3r |
| | III | 119.8r | 117.1r | 97.7 | 179.3 | 100.7 | 149.6r |
| | IV | 119.5r | 117.8r | 98.5 | 179.5 | 99.8 | 150.2r |
| | ANNUAL | 118.9r | 116.4r | 98.0 | 178.6 | 100.6 | 150.3r |
| 1986 | I | 120.3r | 119.2r | 99.1 | 180.4 | 99.9 | 150.0r |
| Percent change from previous quarter at annual rate(5) | | | | | | | |
| 1985 | I | -1.5r | -0.9r | 0.6 | 5.3 | 2.0 | 6.9r |
| | II | 6.4r | 2.9r | -3.3 | 4.4 | 0.3 | -1.9r |
| | III | 2.8r | 4.3r | 1.4 | 1.2 | -1.3 | -1.6r |
| | IV | -1.0r | 2.4r | 3.4 | 0.5 | -3.6 | 1.5r |
| | ANNUAL | 1.5r | 0.9r | -0.5 | 4.1 | 0.5 | 2.6r |
| 1986 | I | 2.5r | 4.8r | 2.2 | 1.9r | 0.4 | -0.7r |
| Percent change from corresponding quarter of previous year | | | | | | | |
| 1985 | I | 0.6r | 0.2r | -0.4 | 4.8 | 1.2 | 4.2r |
| | II | 1.9r | 0.2r | -1.6 | 4.9 | 1.2 | 2.9r |
| | III | 1.8r | 1.2r | -0.6 | 3.9 | 0.5 | 2.1r |
| | IV | 1.6r | 2.2r | 0.5 | 2.8 | -0.7 | 1.2r |
| | ANNUAL | 1.5r | 0.9r | -0.5 | 4.1 | 0.5 | 2.6r |
| 1986 | I | 2.7r | 3.6r | 0.9 | 2.0 | -1.1 | -0.7r |

See footnotes following table 6.

r=revised

p=preliminary

May 29, 1986

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 (7) | Total unit cost (8) | Unit profits (9) | Implicit price deflator (4) |
|--|------------------------------|--------|----------------|-------------------------|------------------------------|-----------------|-------------------------|---------------------|------------------|-----------------------------|
| Indexes 1977=100 | | | | | | | | | | |
| 1985 | I | 105.8 | 123.2 | 116.4 | 169.4 | 96.7 | 160.0 | 177.6 | 164.4 | 138.3 |
| | II | 105.8 | 123.7 | 117.0 | 170.8 | 96.6 | 161.5 | 178.6 | 165.8 | 139.1 |
| | III | 106.5 | 124.9 | 117.3 | 172.0 | 96.6 | 161.5 | 177.2 | 165.5 | 150.2 |
| | IV | 105.9 | 125.2 | 118.2 | 173.3 | 96.3 | 163.7 | 177.8 | 167.2 | 143.1 |
| | ANNUAL | 105.9 | 124.3 | 117.3 | 171.3 | 96.5 | 161.7 | 177.8 | 165.7 | 142.7 |
| 1986 | I | 105.8p | 126.1p | 119.2p | 173.9p | 96.3p | 164.3p | 179.0p | 168.0p | 146.1p |
| Percent change from previous quarter at annual rate(5) | | | | | | | | | | |
| 1985 | I | 0.1 | 3.2 | 3.0 | 3.4 | 0.2 | 3.2 | -0.8 | 2.1 | 7.2 |
| | II | -0.2 | 1.9 | 2.2 | 3.5 | -0.5 | 3.8 | 2.4 | 3.4 | 2.2 |
| | III | 2.8 | 3.8 | 1.0 | 2.8 | 0.2 | 0.0 | -3.2 | -0.9 | 36.0 |
| | IV | -2.4 | 0.9 | 3.3 | 3.0 | -1.2 | 5.5 | 1.5 | 4.4 | -17.5 |
| | ANNUAL | -0.2 | 2.8 | 3.0 | 3.1 | -0.4 | 3.3 | 1.4 | 2.8 | 5.3 |
| 1986 | I | -0.2p | 3.0p | 3.2p | 1.3p | -0.2p | 1.6p | 2.7p | 1.9p | 8.6p |
| Percent change from corresponding quarter of previous year | | | | | | | | | | |
| 1985 | I | -0.3 | 3.6 | 3.9 | 3.1 | -0.4 | 3.5 | 3.0 | 3.3 | 4.0 |
| | II | -0.9 | 2.2 | 3.1 | 3.2 | -0.5 | 4.1 | 2.7 | 3.7 | 0.0 |
| | III | 0.4 | 2.9 | 2.5 | 3.1 | -0.2 | 2.7 | 0.1 | 2.0 | 11.8 |
| | IV | 0.1 | 2.5 | 2.4 | 3.2 | -0.3 | 3.1 | 0.0 | 2.2 | 5.3 |
| | ANNUAL | -0.2 | 2.8 | 3.0 | 3.1 | -0.4 | 3.3 | 1.4 | 2.8 | 5.3 |
| 1986 | I | 0.0p | 2.4p | 2.4p | 2.7p | -0.4p | 2.7p | 0.8p | 2.2p | 5.6p |

See footnotes following table 6.

r=revised
p=preliminary

May 29, 1986

Source: Bureau of Labor Statistics

SOURCES: 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: Productivity and cost measures are regularly revised as more complete information becomes available. Preliminary results are published 30 days after the close of the reference period; revisions appear 30 days later, and second revisions after an additional 60 days. In the business sector, the probability is 0.95 that the third publication (second revision) of a quarterly index of output per hour of all persons will differ from the preliminary value by between -1.7 and +1.9 index points. This interval is based on the performance of this measure between the first quarter of 1976 and the second quarter of 1985.

Footnotes, Tables 1-6

- (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) Unit nonlabor payments include profits, capital consumption allowances, interest, rental income of persons, 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 manufacturing output measures are based on the index of industrial production prepared monthly by the Board of Governors of the Federal Reserve adjusted by BLS to annual manufacturing output levels (gross product originating) from the National Income and Product Accounts prepared by the Bureau of Economic Analysis of the U.S. Department of Commerce.
- (7) Unit nonlabor cost includes capital consumption allowances, interest, rental income of persons, and indirect taxes.
- (8) Total unit cost is the sum of labor and nonlabor costs.
- (9) Unit profits include corporate profits with inventory valuation and capital consumption adjustments.