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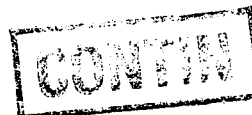
Bureau of Labor Statistics

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PRODUCTIVITY AND COSTS Second Quarter 1986



The Bureau of Labor Statistics of the U.S. Department of Labor today reported preliminary productivity data--as measured by output per hour of all persons--for the second quarter of 1986. The seasonally-adjusted annual rates of productivity change in the second quarter were:

- 1.6 percent in the business sector,
- 1.7 percent in the nonfarm business sector,
- 1.9 percent in manufacturing,
- 0.4 percent in durable goods manufacturing, and
- 4.5 percent in nondurable goods manufacturing.

Second-quarter measures are summarized in table A and appear in detail in tables 1 through 5.

Business

Productivity increased at an 1.6 percent annual rate during the second quarter of 1986 in the business sector, as output rose 1.3 percent and hours of all persons engaged in the sector declined 0.3 percent (seasonally adjusted annual rates). This was the first decline in hours since the trough of the business cycle (the fourth quarter of 1982), when a 3.4 percent decline was recorded. During the first quarter of 1986, productivity had increased 3.3 percent (table 1).

Hourly compensation increased at a 2.7 percent annual rate during the second quarter of 1986, close to a 2.5 percent gain during the previous 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, increased at a 1.1 percent annual rate during the second quarter, compared with a 0.7 percent decline during the first quarter.

Real hourly compensation, which takes into account changes in the Consumer Price Index for All Urban Consumers (CPI-U), rose at a 4.5 percent annual rate during the second quarter, the largest quarterly gain since the first quarter of 1982 (when a 6.5 percent increase occurred). The large rise in real hourly compensation partly reflected a 1.7 percent decrease in the CPI-U, the largest quarterly drop since 1949.

The implicit price deflator for business output, which reflects changes in unit labor costs and unit nonlabor payments, increased 1.4 percent in the second quarter, the smallest increase in this series since 1970.

Table A. Productivity and costs: Preliminary second 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	1.6	1.3	-0.3	2.7	4.5	1.1
Nonfarm business	1.7	1.7	0.0	2.2	3.9	0.5
Manufacturing	1.9	-1.5	-3.4	1.9	3.6	0.0
Durable	0.4	-4.2	-4.5	1.5	3.2	1.1
Nondurable	4.5	2.8	-1.6	2.8	4.5	-1.6
Percent change from same quarter a year ago						
Business	1.2	2.8	1.5	3.3	1.7	2.1
Nonfarm business	1.1	2.9	1.8	3.1	1.4	1.9
Manufacturing	1.9	1.7	-0.1	3.1	1.4	1.2
Durable	1.9	0.9	-1.0	3.7	2.0	1.7
Nondurable	1.8	3.1	1.3	2.3	0.6	0.4

Nonfarm business

Productivity increased 1.7 percent in the nonfarm business sector during the second quarter of 1986, as output rose 1.7 percent and hours of all persons --employees, proprietors, and unpaid family workers-- were unchanged. This was the first quarter in which hours failed to increase since the expansion phase of the current business cycle began in the first quarter of 1983. During the first quarter of 1986, productivity had increased 4.3 percent in this sector (table 2).

Hourly compensation increased 2.2 percent in the second quarter, but rose 3.9 percent when the decline in the CPI-U was taken into account. Unit labor costs increased 0.5 percent, compared with a 1.2 percent drop during the first quarter of 1986.

The implicit price deflator for nonfarm business output rose 1.1 percent in the second quarter, compared with a 2.3 percent increase one quarter earlier. This was the smallest increase recorded in this series since 1967.

Manufacturing

Productivity increased at a 1.9 percent seasonally adjusted annual rate in manufacturing in the second quarter of 1986, as output declined 1.5 percent and hours of all persons dropped 3.4 percent. This was the first quarterly decline in manufacturing output since the fourth quarter of 1982 (when the decline was at a 7.1 percent annual rate). Hours last declined in this sector in the third quarter of 1985 (by 0.1 percent) and, in the second quarter of that year, declined at a 4.2 percent annual rate. Although output and hours both declined in the second quarter of 1986, productivity grew more rapidly than during the first quarter (table 3).

Hourly compensation of manufacturing workers increased 1.9 percent during the second quarter, but increased 3.6 percent when the decline in consumer prices was taken into account. Unit labor costs were unchanged in the second quarter, compared with a 0.6 percent increase during the first quarter of 1986.

Both durable and nondurable goods industries experienced productivity increases in the second quarter, but growth was much greater among nondurable goods producers (tables 4 and 5). Hours of all persons declined in both subsectors.

Revised measures

The productivity and cost measures contained in this news release are based on the latest measures of hours and output available. Revised output and compensation measures prepared by the Bureau of Economic Analysis (BEA) of the U.S. Department of Commerce are reflected in the productivity and cost measures in this release. These revisions were published on July 22 by BEA as part of the regular revision cycle of the national income and product accounts and cover the last 3 years. See appendix tables 1-6.

In addition, recent information on employment and average weekly hours of all persons engaged in these sectors is also incorporated in productivity and cost measures at this time. Historical tables are available on request from the Bureau of Labor Statistics, Office of Productivity and Technology, Washington, D.C. 20212, (202) 523-9261.

Productivity and cost measures on diskettes formatted for use on IBM-compatible microcomputers using LOTUS 1-2-3 are also available. For ordering information, contact BLS Data Diskettes, Room 2127, 441 G Street NW, Washington, D.C. 20212, (202) 523-1090.

Next release date

The next release of productivity and cost measures is scheduled for 10:00 AM EDT, Wednesday, August 27, 1986. Released at that time will be preliminary second-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 nonprofit institutions, output of paid employees of private households, 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 nondurables 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, food, 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 dwelling, 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 contribution 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									
1985	I	105.7r	121.3r	114.8r	172.3r	98.4r	163.1r	158.3r	161.4r
	II	106.4r	122.3r	115.0r	174.5r	98.7r	164.0r	160.0r	162.6r
	III	107.3r	123.5r	115.2r	176.4r	99.1r	164.4r	161.4r	163.4r
	IV	106.4r	123.8r	116.4r	178.0r	99.0r	167.3r	159.6r	164.6
	ANNUAL	106.4r	122.7r	115.3r	175.3r	98.8r	164.8r	159.7r	163.0r
1986	I	107.3r	125.3r	116.8r	179.1r	99.2r	167.0r	162.2r	165.3r
	II	107.7p	125.7p	116.7p	180.3p	100.3p	167.4p	163.0p	165.9p
Percent change from previous quarter at annual rate(5)									
1985	I	0.9r	3.6	2.6r	4.2r	1.0r	3.3r	1.6r	2.7r
	II	2.7r	3.3r	0.6r	5.1r	1.0r	2.4r	4.2r	3.0r
	III	3.4r	4.1r	0.7r	4.4r	1.8r	1.0r	3.7r	1.9r
	IV	-3.2r	1.0r	4.3r	3.8r	-0.5r	7.2r	-4.3r	3.0r
	ANNUAL	1.0r	3.3r	2.2r	4.3r	0.7r	3.2r	2.2r	2.9r
1986	I	3.3r	4.7r	1.4r	2.5r	1.0r	-0.7r	6.6r	1.8r
	II	1.6p	1.3p	-0.3p	2.7p	4.5p	1.1p	2.1p	1.4p
Percent change from corresponding quarter of previous year									
1985	I	0.8r	3.8r	3.0r	3.9r	0.3r	3.1r	2.7	3.0r
	II	0.8r	2.8r	2.0r	4.5r	0.7r	3.6r	2.0r	3.1r
	III	1.7r	3.4r	1.7r	4.4r	1.0r	2.6r	2.8r	2.7r
	IV	0.9r	3.0r	2.1r	4.4r	0.8r	3.4r	1.2r	2.7r
	ANNUAL	1.0r	3.3r	2.2r	4.3r	0.7r	3.2r	2.2r	2.9r
1986	I	1.5r	3.3r	1.8r	3.9r	0.8r	2.4r	2.5r	2.4
	II	1.2p	2.8p	1.5p	3.3p	1.7p	2.1p	1.9p	2.0p

See footnotes following table 6.

r=revised

p=preliminary

July 30, 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	104.4r	121.1	116.0r	172.1	98.2r	164.8r	158.9r	162.7r
	II	104.9r	122.1r	116.4r	174.0r	98.4r	165.9r	160.8r	164.1r
	III	105.4r	123.3r	116.9r	175.4r	98.5r	166.3r	163.0r	165.2r
	IV	104.5r	123.6r	118.2r	177.0r	98.4r	169.3r	160.3r	166.2r
	ANNUAL	104.8r	122.5r	116.9r	174.6r	98.4r	166.7r	160.6r	164.6r
1986	I	105.6r	125.1r	118.5r	178.3r	98.8r	168.8r	163.9r	167.1r
	II	106.1p	125.6p	118.4p	179.3p	99.7p	169.1p	164.8p	167.6p
Percent change from previous quarter at annual rate(5)									
1985	I	0.3r	3.2r	2.9r	3.9r	0.7r	3.6	2.5r	3.2r
	II	1.8r	3.0r	1.2r	4.6r	0.5r	2.7r	4.7r	3.4r
	III	2.2r	4.0r	1.8r	3.2r	0.7r	1.0r	5.7r	2.6
	IV	-3.5r	1.0r	4.6r	3.7r	-0.6r	7.4r	-6.6r	2.4r
	ANNUAL	0.5r	3.0r	2.6r	4.0r	0.4r	3.5r	2.9r	3.3
1986	I	4.3r	5.1r	0.8r	3.1r	1.6r	-1.2r	9.3r	2.3r
	II	1.7p	1.7p	0.0p	2.2p	3.9p	0.5p	2.3p	1.1p
Percent change from corresponding quarter of previous year									
1985	I	0.5r	3.6r	3.1r	3.9r	0.3r	3.4r	3.7r	3.5r
	II	0.2r	2.5r	2.3r	4.2r	0.5r	4.0r	2.8r	3.6
	III	1.0r	3.1r	2.1r	4.0r	0.6r	3.0r	3.7r	3.2
	IV	0.2r	2.8r	2.6r	3.9r	0.3r	3.7r	1.5r	2.9r
	ANNUAL	0.5r	3.0r	2.6r	4.0r	0.4r	3.5r	2.9r	3.3
1986	I	1.2r	3.3r	2.1r	3.6r	0.5r	2.5r	3.1r	2.7
	II	1.1p	2.9p	1.8p	3.1p	1.4p	1.9p	2.5p	2.1p

See footnotes following table 6.

r=revised

p=preliminary

July 30, 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	119.3r	118.8r	99.6r	173.8r	99.2r	145.7r
	II	121.7r	119.9r	98.5r	175.6r	99.3r	144.3r
	III	123.0r	121.2r	98.5r	178.1r	100.0r	144.8r
	IV	122.9r	121.9r	99.1r	179.3r	99.7r	145.8r
	ANNUAL	121.7r	120.4r	98.9r	176.7r	99.5	145.1r
1986	I	123.4r	122.4r	99.3r	180.2r	99.8r	146.1r
	II	124.0p	122.0p	98.4p	181.1p	100.7p	146.1p
Percent change from previous quarter at annual rate(5)							
1985	I	3.9r	3.2r	-0.6r	5.5r	2.2r	1.5r
	II	8.2r	3.7r	-4.2r	4.3r	0.3r	-3.6r
	III	4.4r	4.3r	-0.1	5.6r	3.0r	1.2r
	IV	-0.3r	2.4r	2.7r	2.8r	-1.4r	3.0r
	ANNUAL	4.4r	3.8r	-0.5r	5.0r	1.4r	0.6r
1986	I	1.4r	1.9r	0.4r	2.1r	0.6r	0.6r
	II	1.9p	-1.5p	-3.4p	1.9p	3.6p	0.0p
Percent change from corresponding quarter of previous year							
1985	I	4.0r	4.8r	0.8r	5.1r	1.4r	1.1r
	II	5.2r	4.0r	-1.2r	5.3r	1.6r	0.1r
	III	4.4r	3.2r	-1.2r	5.3r	1.9r	0.9r
	IV	4.0r	3.4r	-0.6r	4.5r	1.0r	0.5r
	ANNUAL	4.4r	3.8r	-0.5r	5.0r	1.4r	0.6r
1986	I	3.4r	3.1r	-0.3r	3.7r	0.6r	0.3r
	II	1.9p	1.7p	-0.1p	3.1p	1.4p	1.2p

See footnotes following table 6.

r=revised

p=preliminary

July 30, 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	121.4r	122.6r	100.9r	172.0r	98.2r	141.6r
	II	124.4r	124.1r	99.8r	173.2r	97.9r	139.2r
	III	126.3r	125.6r	99.5r	176.5r	99.2r	139.8r
	IV	126.4r	126.4r	100.0r	178.0r	98.9r	140.8r
	ANNUAL	124.6r	124.7r	100.1r	174.9r	98.5r	140.3r
1986	I	126.7r	126.5r	99.9r	178.9r	99.1r	141.2r
	II	126.8p	125.2p	98.7p	179.6p	99.9p	141.6p
Percent change from previous quarter at annual rate(5)							
1985	I	8.2r	7.2r	-0.9r	6.1r	2.8r	-1.9r
	II	10.2r	5.1r	-4.6r	3.0r	-1.0r	-6.5r
	III	6.1r	4.9r	-1.1	7.8r	5.1r	1.6r
	IV	0.5r	2.7r	2.2r	3.3r	-0.9r	2.9r
	ANNUAL	6.8r	6.6r	-0.2r	5.0r	1.4r	-1.7r
1986	I	0.9r	0.3r	-0.6r	2.2r	0.7r	1.2r
	II	0.4p	-4.2p	-4.5p	1.5p	3.2p	1.1p
Percent change from corresponding quarter of previous year							
1985	I	6.5r	8.7r	2.0r	4.8r	1.1r	-1.6r
	II	7.8r	7.4r	-0.4r	4.8r	1.1r	-2.8r
	III	6.7r	5.4r	-1.2r	5.6r	2.1r	-1.1r
	IV	6.2r	5.0r	-1.1r	5.0r	1.5r	-1.1r
	ANNUAL	6.8r	6.6r	-0.2r	5.0r	1.4r	-1.7r
1986	I	4.3r	3.2r	-1.1r	4.1r	0.9r	-0.3r
	II	1.9p	0.9p	-1.0p	3.7p	2.0p	1.7p

See footnotes following table 6.

r=revised

p=preliminary

July 30, 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	116.0r	113.2r	97.6r	176.5r	100.8r	152.1r
	II	117.5r	113.6r	96.7r	179.4r	101.5r	152.7r
	III	118.0r	114.5r	97.0r	180.4r	101.3r	152.8r
	IV	117.6r	115.1r	97.9r	181.3r	100.8r	154.1r
	ANNUAL	117.3r	114.1r	97.3r	179.4r	101.0r	152.9r
1986	I	118.3r	116.4r	98.3r	182.2r	100.9r	154.0r
	II	119.6p	117.2p	98.0p	183.5p	102.1p	153.4p
Percent change from previous quarter at annual rate(5)							
1985	I	-2.6r	-2.8r	-0.2r	4.4r	1.2r	7.2r
	II	5.2r	1.5r	-3.5r	6.9r	2.8r	1.7r
	III	1.8r	3.3r	1.5r	2.1r	-0.4r	0.3r
	IV	-1.4r	1.9r	3.4	1.9r	-2.3r	3.4r
	ANNUAL	0.7r	-0.3r	-1.0r	5.0r	1.4r	4.3r
1986	I	2.4r	4.5r	2.0r	2.2r	0.7r	-0.2r
	II	4.5p	2.8p	-1.6p	2.8p	4.5p	-1.6p
Percent change from corresponding quarter of previous year							
1985	I	0.1r	-0.9r	-1.0r	5.3r	1.7r	5.2r
	II	1.2r	-1.1r	-2.3r	6.1r	2.3r	4.8r
	III	0.9r	-0.3r	-1.1r	4.9r	1.5r	4.0r
	IV	0.7r	1.0r	0.3r	3.8r	0.3r	3.1r
	ANNUAL	0.7r	-0.3r	-1.0r	5.0r	1.4r	4.3r
1986	I	2.0r	2.8r	0.8r	3.3r	0.2r	1.3r
	II	1.8p	3.1p	1.3p	2.3p	0.6p	0.4p

See footnotes following table 6.

r=revised

p=preliminary

July 30, 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	106.0r	123.1r	116.1r	169.9r	97.0r	160.3r	178.5r	164.9r	129.3r	160.6r
II	106.5r	124.2r	116.6r	171.6r	97.0r	161.1r	179.8r	165.8	130.2r	161.6r
III	107.8r	126.0r	116.8r	173.1r	97.2r	160.5r	178.3r	165.0r	141.7r	162.2r
IV	107.0r	126.1r	117.8r	174.5r	97.0r	163.0r	179.8r	167.2	131.2r	162.9r
ANNUAL	106.8r	124.8r	116.9r	172.3r	97.0r	161.2r	179.1r	165.8r	133.1r	161.8r
1986 I	106.9r	126.9r	118.7r	175.4r	97.1r	164.0r	181.1r	168.3r	131.7r	164.0r
Percent change from previous quarter at annual rate(5)										
1985 I	0.8r	3.2	2.4r	3.8r	0.6r	3.0r	2.2r	2.8r	-3.6r	2.2r
II	2.2r	3.7r	1.4r	4.2r	0.2r	2.0r	3.0r	2.3r	3.0r	2.3r
III	4.9r	5.9r	1.0	3.4r	0.9r	-1.4r	-3.3r	-1.9r	40.1r	1.7r
IV	-2.8r	0.5r	3.4r	3.3r	-0.9r	6.3r	3.3r	5.5r	-26.4r	1.7r
ANNUAL	1.2r	3.7r	2.5r	3.9r	0.3r	2.7r	2.6r	2.7r	-0.2r	2.4r
1986 I	-0.5r	2.6r	3.1r	2.0r	0.5r	2.5r	3.1r	2.7r	1.3r	2.5
Percent change from corresponding quarter of previous year										
1985 I	0.6r	4.1r	3.5r	3.8r	0.2r	3.2r	4.3r	3.5r	-3.8r	2.7r
II	0.6r	3.1r	2.5r	4.1r	0.4r	3.5r	3.9r	3.6r	-5.9r	2.6r
III	2.2r	4.2r	2.0r	3.9r	0.5r	1.6r	1.1r	1.5r	8.7r	2.2r
IV	1.2r	3.3r	2.1r	3.7r	0.2r	2.4r	1.3r	2.1r	0.6r	2.0r
ANNUAL	1.2r	3.7r	2.5r	3.9r	0.3r	2.7r	2.6r	2.7r	-0.2r	2.4r
1986 I	0.9r	3.2r	2.2r	3.2r	0.2r	2.3r	1.5r	2.1r	1.8r	2.1r

See footnotes following table 6.

r=revised

p=preliminary

July 30, 1986

Source: Bureau of Labor Statistics

Appendix 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	101.9r	106.2r	104.2r	159.9r	98.8r	156.8r	141.0r	151.2r
	II	103.5r	109.2r	105.5r	160.9r	98.4r	155.5r	146.6r	152.3r
	III	103.0r	110.8r	107.5r	161.5r	97.7r	156.8r	147.3r	153.4r
	IV	103.8r	113.6r	109.4r	163.6r	98.0r	157.7r	150.6r	155.2r
	ANNUAL	103.0r	109.9r	106.7r	161.5r	98.2r	156.8r	146.3r	153.0r
1984	I	104.9r	116.9r	111.4r	165.9r	98.1r	158.2r	154.1r	156.7r
	II	105.6r	119.0r	112.7r	167.1r	97.9r	158.3r	156.7r	157.7r
	III	105.5r	119.5r	113.3r	169.0r	98.1r	160.2r	157.0r	159.0r
	IV	105.5r	120.2r	114.0r	170.6r	98.2r	161.7r	157.7r	160.3r
	ANNUAL	105.3r	118.8r	112.8r	168.1r	98.1r	159.7r	156.3r	158.5r
Percent change from previous quarter at annual rate(5)									
1983	I	3.9r	4.9r	1.0r	3.9r	3.7r	0.1r	7.8r	2.5r
	II	6.1r	11.7r	5.3r	2.6r	-1.6r	-3.3r	16.9r	3.1r
	III	-1.6r	5.9r	7.7r	1.6r	-2.6r	3.3r	1.9r	2.8r
	IV	2.8r	10.4r	7.3r	5.3r	1.1r	2.4r	9.4r	4.8r
	ANNUAL	2.7r	4.2r	1.5r	4.2r	1.0r	1.5r	7.1r	3.3r
1984	I	4.4r	12.2r	7.4r	5.7r	0.5r	1.2r	9.6r	4.0r
	II	2.6r	7.5r	4.8r	2.8r	-0.8r	0.2r	7.1r	2.6r
	III	-0.3r	1.7r	2.1r	4.6r	0.8r	5.0r	0.6r	3.4r
	IV	-0.1r	2.5r	2.6r	3.8r	0.1r	3.9r	1.7r	3.2r
	ANNUAL	2.3r	8.1r	5.7r	4.1r	-0.1r	1.8r	6.8r	3.5r
Percent change from corresponding quarter of previous year									
1983	I	2.1r	0.2r	-1.9r	5.7r	2.0r	3.5r	4.4r	3.8r
	II	3.3r	3.1r	-0.2r	4.6r	1.2r	1.3r	7.6r	3.4r
	III	2.8r	5.4r	2.6r	3.2r	0.6r	0.4r	7.6r	2.7r
	IV	2.7r	8.2r	5.3r	3.4r	0.1r	0.6r	8.9r	3.3r
	ANNUAL	2.7r	4.2r	1.5r	4.2r	1.0r	1.5r	7.1r	3.3r
1984	I	2.9r	10.0r	6.9r	3.8r	-0.7r	0.9r	9.3r	3.7r
	II	2.0r	9.0r	6.8r	3.8r	-0.4r	1.8r	6.9r	3.5r
	III	2.4r	7.9r	5.4r	4.6r	0.4r	2.2r	6.6r	3.7r
	IV	1.6r	5.9r	4.2r	4.2r	0.2r	2.6r	4.7r	3.3r
	ANNUAL	2.3r	8.1r	5.7r	4.1r	-0.1r	1.8r	6.8r	3.5r

See footnotes following table 6.
r=revised

July 30, 1986

Source: Bureau of Labor Statistics

Appendix 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	100.9r	105.8r	104.8r	159.9r	98.8r	158.5r	141.4r	152.5r
	II	102.7r	109.2r	106.3r	160.9r	98.4r	156.6r	148.0r	153.6r
	III	102.9r	111.4r	108.3r	161.7r	97.8r	157.1r	151.1r	155.0r
	IV	103.3r	114.1r	110.5r	163.4r	97.9r	158.2r	152.3r	156.2r
	ANNUAL	102.4r	110.1r	107.5r	161.5r	98.2r	157.7r	148.1r	154.3r
1984	I	103.9r	116.9r	112.5r	165.6r	97.9r	159.4r	153.2r	157.2r
	II	104.6r	119.1r	113.8r	166.9r	97.8r	159.5r	156.4r	158.4r
	III	104.4r	119.5r	114.5r	168.7r	98.0r	161.5r	157.2r	160.0r
	IV	104.3r	120.2r	115.2r	170.4r	98.1r	163.3r	157.9r	161.4r
	ANNUAL	104.3r	118.8r	114.0r	167.9r	98.0r	161.0r	156.1r	159.3r
Percent change from previous quarter at annual rate(5)									
1983	I	5.0r	6.3r	1.2r	4.4r	4.1r	-0.6r	10.5r	2.9r
	II	7.3r	13.4r	5.7r	2.3r	-1.9r	-4.7r	19.8r	2.8r
	III	0.8r	8.5r	7.6r	2.0r	-2.2r	1.2r	8.7r	3.7r
	IV	1.3r	9.8r	8.4r	4.4r	0.1r	3.0r	3.4r	3.1r
	ANNUAL	3.3r	4.9r	1.6r	4.3r	1.1r	1.1r	8.6r	3.5r
1984	I	2.4r	10.2r	7.6r	5.4r	0.3r	3.0r	2.3r	2.7r
	II	2.9r	7.7r	4.7r	3.2r	-0.4r	0.3r	8.6r	3.1r
	III	-0.7r	1.6r	2.3r	4.3r	0.4r	5.1r	2.1r	4.0r
	IV	-0.4r	2.2r	2.6r	4.2r	0.5r	4.6r	1.9r	3.7r
	ANNUAL	1.8r	8.0r	6.0r	4.0r	-0.3r	2.1r	5.4r	3.2r
Percent change from corresponding quarter of previous year									
1983	I	2.2r	0.4r	-1.7r	5.8r	2.1r	3.5r	4.7r	3.9r
	II	3.6r	3.6r	-0.1r	4.8r	1.4r	1.2r	8.7r	3.6
	III	3.8r	6.6r	2.7r	3.4r	0.8r	-0.4r	10.5r	3.1r
	IV	3.6r	9.5r	5.7r	3.3r	0.0r	-0.3r	10.4r	3.1r
	ANNUAL	3.3r	4.9r	1.6r	4.3r	1.1r	1.1r	8.6r	3.5r
1984	I	2.9r	10.5r	7.3r	3.5r	-0.9r	0.6r	8.3r	3.1r
	II	1.8r	9.0r	7.1r	3.8r	-0.5r	1.9r	5.7r	3.2r
	III	1.5r	7.3r	5.7r	4.3r	0.1r	2.8r	4.1r	3.3r
	IV	1.0r	5.4r	4.3r	4.3r	0.2r	3.2r	3.7r	3.4r
	ANNUAL	1.8r	8.0r	6.0r	4.0r	-0.3r	2.1r	5.4r	3.2r

See footnotes following table 6.
r=revised

July 30, 1986
Source: Bureau of Labor Statistics

Appendix 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							
1983	I	110.0r	99.2r	90.3r	161.9r	100.1r	147.3r
	II	111.2r	102.7r	92.4r	161.8r	99.0r	145.6r
	III	113.5r	107.3r	94.6r	162.4r	98.2r	143.1r
	IV	113.3r	109.6r	96.8r	163.6r	97.9r	144.3r
	ANNUAL	112.0r	104.7r	93.5r	162.4r	98.8r	145.0
1984	I	114.7r	113.3r	98.8r	165.4r	97.8r	144.1r
	II	115.7r	115.3r	99.7r	166.8r	97.8r	144.2r
	III	117.8r	117.4r	99.7r	169.1r	98.2r	143.5r
	IV	118.2r	117.9r	99.7r	171.5r	98.7r	145.1r
	ANNUAL	116.6r	116.0r	99.5r	168.2r	98.1r	144.2r
Percent change from previous quarter at annual rate(5)							
1983	I	9.8r	12.2r	2.3r	3.2r	3.0r	-5.9r
	II	4.5r	14.7r	9.7r	-0.2r	-4.3r	-4.5r
	III	8.5r	19.1r	9.8r	1.3r	-2.9r	-6.6r
	IV	-0.5r	9.1r	9.6r	3.0r	-1.2r	3.5r
	ANNUAL	5.8r	6.4r	0.6r	3.1r	-0.1r	-2.5r
1984	I	5.2r	14.3r	8.6r	4.6r	-0.5	-0.6r
	II	3.3r	7.1r	3.8r	3.4r	-0.2r	0.2r
	III	7.5r	7.4r	-0.1r	5.6r	1.6r	-1.8r
	IV	1.3r	1.6r	0.2r	5.9r	2.1r	4.5r
	ANNUAL	4.1r	10.8r	6.4r	3.6r	-0.7r	-0.5r
Percent change from corresponding quarter of previous year							
1983	I	5.6r	-0.8r	-6.1r	5.3r	1.6r	-0.3r
	II	5.8r	3.9r	-1.8r	3.3r	0.0r	-2.3r
	III	5.9r	9.2r	3.1r	2.0r	-0.6r	-3.7r
	IV	5.5r	13.7r	7.8r	1.8r	-1.4r	-3.5r
	ANNUAL	5.8r	6.4r	0.6r	3.1r	-0.1r	-2.5r
1984	I	4.4r	14.2r	9.4r	2.1r	-2.2r	-2.1r
	II	4.0r	12.3r	7.9r	3.1r	-1.2r	-0.9r
	III	3.8r	9.4r	5.4r	4.1r	-0.1r	0.3r
	IV	4.3r	7.5r	3.1r	4.9r	0.8r	0.5r
	ANNUAL	4.1r	10.8r	6.4r	3.6r	-0.7r	-0.5r

See footnotes following table 6.
r=revised

July 30, 1986
Source: Bureau of Labor Statistics

Appendix 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							
1983	I	106.8r	94.2r	88.2r	161.3r	99.7r	151.1r
	II	108.7r	98.3r	90.5r	160.9r	98.4r	148.1r
	III	111.6r	104.0r	93.2r	161.3r	97.6r	144.5r
	IV	111.9r	107.8r	96.3r	162.3r	97.2r	145.0r
	ANNUAL	109.8r	101.1r	92.0r	161.5r	98.2r	147.0r
1984	I	114.0r	112.8r	98.9r	164.1r	97.1r	144.0r
	II	115.4r	115.6r	100.2r	165.3r	96.9r	143.3r
	III	118.3r	119.1r	100.7r	167.2r	97.1r	141.4r
	IV	119.1r	120.5r	101.2r	169.4r	97.5r	142.3r
	ANNUAL	116.7r	117.0r	100.2r	166.6r	97.2r	142.7r
Percent change from previous quarter at annual rate(5)							
1983	I	13.2r	17.1r	3.4r	3.0r	2.7r	-9.1r
	II	7.4r	18.8r	10.6r	-0.8r	-5.0r	-7.6r
	III	11.3r	25.2r	12.5r	1.0r	-3.2r	-9.3r
	IV	1.0r	15.2r	14.0r	2.4r	-1.8r	1.3r
	ANNUAL	7.7r	7.7r	0.0	2.8r	-0.4r	-4.5r
1984	I	7.6r	19.8r	11.4r	4.7r	-0.4r	-2.7r
	II	4.9r	10.4r	5.3r	2.9r	-0.7r	-1.9r
	III	10.5r	12.8r	2.1r	4.7r	0.8r	-5.3r
	IV	2.7r	4.5r	1.8r	5.4r	1.7r	2.7r
	ANNUAL	6.3r	15.7r	8.9r	3.2r	-1.1r	-2.9r
Percent change from corresponding quarter of previous year							
1983	I	6.6r	-2.6r	-8.7r	5.3r	1.6r	-1.2r
	II	7.5r	3.6r	-3.6r	3.1r	-0.2r	-4.0r
	III	8.3r	11.5r	2.9r	1.5r	-1.0r	-6.3r
	IV	8.1r	19.0r	10.1r	1.3r	-1.9r	-6.3r
	ANNUAL	7.7r	7.7r	0.0	2.8r	-0.4r	-4.5r
1984	I	6.8r	19.7r	12.1r	1.8r	-2.6r	-4.7r
	II	6.1r	17.5r	10.7r	2.7r	-1.5r	-3.2r
	III	5.9r	14.5r	8.1r	3.6r	-0.5r	-2.2r
	IV	6.4r	11.8r	5.1r	4.4r	0.3r	-1.8r
	ANNUAL	6.3r	15.7r	8.9r	3.2r	-1.1r	-2.9r

See footnotes following table 6.
r=revised

July 30, 1986
Source: Bureau of Labor Statistics

Appendix 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							
1983	I	114.4r	106.8r	93.3r	163.9r	101.3r	143.3r
	II	114.7r	109.2r	95.2r	164.2r	100.4r	143.2r
	III	116.1r	112.1r	96.6r	164.7r	99.7r	141.9r
	IV	115.3r	112.4r	97.5r	166.0r	99.4r	143.9r
	ANNUAL	115.2r	110.1r	95.6r	164.7r	100.2r	143.1r
1984	I	115.9r	114.2r	98.6r	167.5r	99.1r	144.6r
	II	116.1r	114.9r	99.0r	169.2r	99.2r	145.7r
	III	117.0r	114.8r	98.1r	171.9r	99.8r	146.9r
	IV	116.8r	114.0r	97.6r	174.6r	100.5r	149.4r
	ANNUAL	116.5r	114.5r	98.3r	170.8r	99.7r	146.6r
Percent change from previous quarter at annual rate(5)							
1983	I	5.5r	6.2r	0.6	3.4r	3.1r	-2.0r
	II	0.9r	9.5r	8.5r	0.6r	-3.5r	-0.3r
	III	4.8r	11.2r	6.1r	1.3r	-2.9r	-3.4r
	IV	-2.5r	1.0r	3.6r	3.1r	-1.1r	5.8r
	ANNUAL	3.1r	4.8r	1.6r	3.7r	0.5	0.6r
1984	I	1.9r	6.7r	4.7r	3.8r	-1.2r	1.8r
	II	0.9r	2.4r	1.5r	4.0r	0.4r	3.1r
	III	3.1r	-0.3r	-3.3r	6.5r	2.6r	3.3r
	IV	-0.8r	-2.9r	-2.2r	6.3r	2.6r	7.2r
	ANNUAL	1.2r	4.0r	2.8r	3.7r	-0.6r	2.5r
Percent change from corresponding quarter of previous year							
1983	I	4.0r	1.6r	-2.3r	6.0r	2.3r	2.0r
	II	3.3r	4.2r	0.9r	4.0r	0.6r	0.6r
	III	2.8r	6.2r	3.4r	2.7r	0.1r	-0.1r
	IV	2.1r	6.9r	4.6r	2.1r	-1.1r	0.0r
	ANNUAL	3.1r	4.8r	1.6r	3.7r	0.5	0.6r
1984	I	1.3r	7.0r	5.7r	2.2r	-2.2r	0.9r
	II	1.3r	5.3r	4.0r	3.0r	-1.2r	1.8r
	III	0.8r	2.4r	1.6r	4.4r	0.1r	3.5r
	IV	1.3r	1.4r	0.1r	5.2r	1.1r	3.8r
	ANNUAL	1.2r	4.0r	2.8r	3.7r	-0.6r	2.5r

See footnotes following table 6.

r=revised

July 30, 1986

Source: Bureau of Labor Statistics

Appendix 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											
1983	I	102.2r	106.2r	103.9r	158.7r	98.1r	155.3r	177.0r	160.8r	86.7r	151.9r
	II	103.5r	109.4r	105.7r	159.2r	97.4r	153.8r	174.8r	159.1r	107.6r	153.0r
	III	103.9r	111.9r	107.7r	159.9r	96.8r	153.9r	174.4r	159.1r	119.1r	154.3r
	IV	104.5r	115.1r	110.1r	161.7r	96.8r	154.8r	171.4r	159.0r	128.6r	155.3r
	ANNUAL	103.5r	110.6r	106.9r	159.9r	97.3r	154.5r	174.3r	159.5r	110.9r	153.7r
1984	I	105.3r	118.2r	112.3r	163.6r	96.8r	155.4r	171.1r	159.4r	134.4r	156.4r
	II	105.9r	120.5r	113.7r	164.8r	96.6r	155.7r	173.1r	160.1r	138.5r	157.5r
	III	105.5r	120.9r	114.6r	166.6r	96.7r	157.9r	176.4r	162.6r	11986	
	IV	105.8r	122.1r	115.5r	168.3r	96.8r	159.1r	177.5r	163.8r	11986	
	ANNUAL	105.6r	120.4r	114.0r	165.9r	96.8r	157.0r	174.6r	161.5r	133.4r	158.1r
Percent change from previous quarter at annual rate(5)											
1983	I	5.9r	7.1r	1.1r	4.0r	3.7r	-1.8r	-8.8r	-3.8r	121.2r	1.3r
	II	5.3r	12.6r	6.9r	1.4r	-2.8r	-3.7r	-4.8r	-4.0r	137.5r	2.8r
	III	1.6r	9.7r	8.0r	1.8r	-2.4r	0.2r	-1.0r	-0.2r	49.7r	3.5r
	IV	2.1r	11.6r	9.4r	4.5r	0.2r	2.4r	-6.7r	-0.2r	35.9r	2.8r
	ANNUAL	3.2r	4.7r	1.5r	3.6r	0.4r	0.4r	-1.2r	0.0r	41.4r	2.6r
1984	I	3.3r	11.5r	7.9r	4.9r	-0.2	1.6	-0.5r	1.0r	19.4r	2.7r
	II	2.3r	7.8r	5.4r	3.0r	-0.6r	0.7r	4.6r	1.7r	12.7r	2.8r
	III	-1.6r	1.3r	3.0r	4.3r	0.4r	6.0r	7.9r	6.5r	-21.5r	3.3r
	IV	1.1r	4.2r	3.1r	4.1r	0.4r	3.0r	2.5r	2.9r	0.4r	2.6r
	ANNUAL	2.0r	8.8r	6.7r	3.7r	-0.5r	1.7r	0.1r	1.3r	20.2r	2.9r
Percent change from corresponding quarter of previous year											
1983	I	2.4r	-0.5r	-2.8r	5.0r	1.3r	2.5r	2.5r	2.5r	5.2r	2.7r
	II	3.2r	3.0r	-0.2r	3.9r	0.5r	0.6r	-0.4r	0.4r	35.8r	2.6r
	III	3.2r	6.2r	2.9r	2.7r	0.1r	-0.5r	-1.3r	-0.7r	47.0r	2.4r
	IV	3.7r	10.2r	6.3r	2.9r	-0.4r	-0.8r	-5.4r	-2.1r	80.8r	2.6
	ANNUAL	3.2r	4.7r	1.5r	3.6r	0.4r	0.4r	-1.2r	0.0r	41.4r	2.6r
1984	I	3.1r	11.3r	8.0r	3.1r	-1.3r	0.1r	-3.3r	-0.9r	55.0r	3.0r
	II	2.3r	10.1r	7.7r	3.5r	-0.8r	1.2r	-1.0r	0.6r	28.6r	3.0r
	III	1.5r	8.0r	6.4r	4.2r	0.0r	2.6r	1.2r	2.2r	9.5r	2.9r
	IV	1.2r	6.1r	4.8r	4.1r	0.0r	2.8r	3.6r	3.0r	1.5r	2.9r
	ANNUAL	2.0r	8.8r	6.7r	3.7r	-0.5r	1.7r	0.1r	1.3r	20.2r	2.9r

See footnotes following table 6.

r=revised

July 30, 1986

Source: Bureau of Labor Statistics

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: 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.