

News

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PRODUCTIVITY AND COSTS

Revised Fourth-Quarter and 1986 Annual Data for
Business, Nonfarm Business, and Manufacturing,
and Preliminary 1986 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 and year of 1986. Based on more complete information than was available earlier, the revised productivity changes were:

	Fourth quarter	1985- 1986
Business sector.....	-2.8	0.7
Nonfarm business sector.....	-2.2	0.7
Manufacturing.....	-0.1	2.7
Durable goods manufacturing.....	0.6	2.7
Nondurable goods manufacturing..	-1.2	2.8

Productivity advanced slowly in the business and nonfarm business sectors when 1986 is compared with 1985, reflecting moderate growth during the first half of the year and declines in the third and fourth quarters. Productivity growth in these two sectors in 1986 was similar to the 1985 experience. In manufacturing, productivity growth was more rapid than in the broader sectors, but was nonetheless smaller than the preceding year's increase. These revised annual measures are virtually the same as the preliminary movements published last month.

Fourth-quarter measures are summarized in table A and appear in detail in tables 1 through 5. Preliminary 1986 annual measures for nonfinancial corporations announced today indicate productivity showed no change over 1985 (tables B and 6).

THIRD TO FOURTH QUARTER CHANGES, 1986

Business

Productivity fell at a 2.8 percent annual rate from the third to the fourth quarter of 1986 in the business sector, the second consecutive quarterly decline. Output rose 1.7 percent, but hours of all persons engaged in the sector increased 4.6 percent (seasonally-adjusted annual rates). The

See page 5 for new release dates for
Productivity and Costs in 1987.

Table A. Productivity and costs: Revised fourth 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	-2.8	1.7	4.6	2.1	-0.6	5.0
Nonfarm business	-2.2	1.9	4.3	2.7	0.0	5.1
Manufacturing	-0.1	3.3	3.4	2.1	-0.6	2.2
Durable	0.6	3.2	2.5	3.0	0.4	2.4
Nondurable	-1.2	3.4	4.6	0.6	-2.0	1.9
Percent change from same quarter a year ago						
Business	0.1	2.2	2.0	2.6	1.2	2.4
Nonfarm business	0.5	2.5	2.0	2.6	1.2	2.1
Manufacturing	2.3	2.2	-0.1	2.3	1.0	0.0
Durable	1.8	0.6	-1.2	2.6	1.3	0.8
Nondurable	3.2	4.8	1.5	2.1	0.7	-1.1

increase in hours reflected the largest gain in business employment and the only increase in average weekly hours of the year. During the third quarter of 1986, productivity had fallen 0.4 percent, as output increased 2.0 percent and hours of all persons increased 2.4 percent (table 1).

From the fourth quarter of 1985 to the fourth quarter of 1986, productivity edged upward 0.1 percent, as output rose 2.2 percent and hours of all persons increased 2.0 percent. Hourly compensation increased 2.6 percent, but rose only 1.2 percent in real terms. Unit labor costs increased 2.4 percent, and the implicit price deflator rose 1.5 percent.

Hourly compensation increased at a 2.1 percent annual rate during the fourth quarter of 1986, compared with a 2.9 percent gain during the third 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 5.0 percent annual rate during the fourth quarter, compared with a 3.3 percent increase during the third quarter.

Real hourly compensation, which takes into account the increase in the Consumer Price Index for All Urban Consumers (CPI-U), declined 0.6 percent in the fourth quarter. Real hourly compensation increased 0.4 percent in the third quarter of 1986, partly reflecting slowly rising consumer prices.

The implicit price deflator for the business sector, which reflects changes in unit labor costs and unit nonlabor payments, declined 0.5 percent in the fourth quarter, the first drop in nearly 20 years.

Nonfarm business

Productivity also declined in the second half of 1986 in the nonfarm business sector, dropping 2.2 percent during the fourth quarter. Output rose 1.9 percent during the quarter, and hours of all persons--employees, proprietors, and unpaid family workers--increased 4.3 percent (table 2). Over the 4 quarters ended with the last quarter of 1986, nonfarm productivity increased 0.5 percent, as output and hours rose 2.5 percent and 2.0 percent, respectively. As in the more comprehensive business sector, nonfarm employment and average weekly hours posted their best performance of 1986 during the October-December period.

Hourly compensation increased 2.7 percent in the fourth quarter, but was unchanged when the increase in the CPI-U was taken into account. Unit labor costs increased 5.1 percent in the fourth quarter.

The implicit price deflator for nonfarm business output declined at a 0.4 percent annual rate in the fourth quarter, compared with a 3.6 percent increase one quarter earlier. This was the first quarter these prices failed to rise since 1967.

Manufacturing

Productivity declined at a 0.1 percent seasonally-adjusted annual rate in manufacturing in the final quarter of 1986, compared with a 3.6-percent increase during the third quarter. Output rose 3.3 percent, and hours of all persons increased 3.4 percent. Although the productivity decline was the first since the fourth quarter of 1985, increases in output and hours were the largest of 1986. During the third quarter of 1986, output had risen 2.9 percent, but hours declined 0.6 percent (table 3). Manufacturing productivity was 2.3 percent higher in the fourth quarter of 1986 than in the same quarter of the preceding year; output rose 2.2 percent, while hours fell 0.1 percent.

Productivity grew in durables while declining in nondurables, but output and hours increased in both subsectors. Output grew more slowly among durable goods industries (tables 4 and 5).

Hourly compensation of all manufacturing workers increased 2.1 percent during the fourth quarter, but most of the gain was attributable to durables. When the increase in consumer prices is taken into account, real hourly compensation declined 0.6 percent. Unit labor costs increased at a 2.2 percent annual rate, compared with an 1.1 percent decrease during the third quarter of 1986. This was the only quarter during which manufacturing unit labor costs rose this year.

ANNUAL CHANGES, 1985-1986

Nonfinancial corporations

The Bureau of Labor Statistics also reported the annual change in productivity and related measures for nonfinancial corporations for 1986.

Table B. Annual changes in productivity and related measures, 1977-1986

Measure	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
Nonfinancial corporations:										
Productivity.....	1.6	0.6	-0.8	-0.7	0.6	0.7	3.2	2.0	1.2	0.0
Output.....	6.5	6.1	2.8	-1.8	1.6	-3.0	4.7	8.8	3.7	1.8
Hours.....	4.8	5.5	3.7	-1.0	1.0	-3.7	1.5	6.7	2.5	1.8
Hourly compensation..	7.7	8.4	9.5	10.4	9.3	7.7	3.6	3.7	3.9	2.4
Real hourly comp.....	1.2	0.7	-1.6	-2.7	-1.0	1.5	0.4	-0.5	0.3	0.5
Unit labor costs.....	6.0	7.8	10.4	11.2	8.7	6.9	0.4	1.7	2.7	2.4
Unit nonlabor cost...	4.0	5.7	9.6	18.0	16.4	10.9	-1.2	0.1	2.6	1.2
Total unit cost.....	5.5	7.3	10.2	12.9	10.7	8.0	0.0	1.3	2.7	2.1
Unit profit.....	11.8	2.0	-7.3	-9.9	15.2	-20.0	41.4	20.2	-0.2	0.0
Implicit price def...	6.2	6.6	8.2	10.7	11.0	5.7	2.6	2.9	2.4	1.9

According to preliminary measures, productivity was unchanged in 1986, as output and hours of all employees both gained 1.8 percent. Hourly compensation rose 2.4 percent in 1986 (the smallest rise in this series which begins with 1959) and increased only 0.5 percent when the rise in the CPI-U is taken into account. Unit labor costs rose 2.4 percent, unit nonlabor cost rose 1.2 percent, and unit profits were unchanged from 1985 levels. Annual changes from 1977 to 1986 are shown in table B.

REVISED FOURTH QUARTER 1986 MEASURES

The Bureau of Labor Statistics also reported revised measures for the fourth quarter of 1986 for the business, nonfarm business, and manufacturing sectors (table C). Productivity performed somewhat more poorly in the fourth quarter than had been reported on February 2, 1987, based on preliminary information then available.

Table C. Preliminary and revised productivity and related measures, fourth 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	2.1	4.5	2.4	-0.4	4.9
Revised	-2.8	1.7	4.6	2.1	-0.6	5.0
Nonfarm business:						
Preliminary	-1.7	2.4	4.2	3.1	0.2	4.9
Revised	-2.2	1.9	4.3	2.7	0.0	5.1
Manufacturing:						
Preliminary	0.2	3.8	3.7	2.1	-0.7	1.9
Revised	-0.1	3.3	3.4	2.1	-0.6	2.2

NEXT RELEASE DATE

The next issue of Productivity and Costs is scheduled for release at 10:00 AM EDT, Monday, May 4, 1987, and will contain measures for nonfinancial corporations, business, nonfarm business, and manufacturing.

The Department of Commerce recently announced that release of national income and product accounts data will be delayed in order to incorporate more accurate trade measures. This delay will affect the availability of productivity and cost measures. The following tabulation shows new release dates for productivity and cost measures for the remainder of 1987.

Reference period	Preliminary measures	Revised measures
1987:		
First quarter	May 4	June 2
Second quarter	August 3	August 31
Third quarter	November 2	December 3

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 nonprofit institutions, output of paid employees of private households, 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	105.7	121.3	114.8	172.3	98.4	163.1	158.3	161.4
	II	106.4	122.3	115.0	174.5	r98.6	164.0	160.0	162.6
	III	107.3	123.5	115.2	176.4	r99.0	164.4	161.4	163.4
	IV	106.4	123.8	116.4	178.0	99.0	167.3	159.6	164.6
	ANNUAL	106.4	122.7	115.3	175.3	98.8	164.8	159.7	163.0
1986	I	107.3	125.3	116.8	179.1	99.2	167.0	162.2	165.3
	II	107.4	125.4	116.7	180.4	r100.2	168.0	161.9	165.8
	III	107.3	126.0	117.4	181.7	100.4	169.3	163.4	167.2
	IV	r106.6	r126.5	118.7	r182.6	r100.2	r171.4	r159.1	r167.0
	ANNUAL	107.1	125.8	117.5	180.9	100.0	168.9	r161.6	r166.3
Percent change from previous quarter at annual rate(5)									
1985	I	0.9	3.6	2.6	4.2	r0.9	3.3	1.6	2.7
	II	2.7	3.3	0.6	5.1	r0.5	2.4	4.2	3.0
	III	3.4	4.1	0.7	4.4	r2.0	1.0	3.7	1.9
	IV	-3.2	1.0	4.3	3.8	r-0.1	7.2	-4.3	3.0
	ANNUAL	1.0	3.3	2.2	4.3	0.7	3.2	2.2	2.9
1986	I	3.3	4.7	1.4	2.5	r0.9	-0.7	6.6	1.8
	II	0.5	0.3	-0.2	2.8	r4.2	2.3	-0.7	1.2
	III	-0.4	2.0	2.4	2.9	r0.4	3.3	3.7	3.4
	IV	r-2.8	r1.7	r4.6	r2.1	r-0.6	r5.0	r-10.2	r-0.5
	ANNUAL	0.7	2.5	1.9	3.2	r1.2	2.5	r1.2	2.1
Percent change from corresponding quarter of previous year									
1985	I	0.8	3.8	3.0	3.9	0.3	3.1	2.7	3.0
	II	0.8	2.8	2.0	4.5	0.7	3.6	2.0	3.1
	III	1.7	3.4	1.7	4.4	1.0	2.6	2.8	2.7
	IV	0.9	3.0	2.1	4.4	0.8	3.4	1.2	2.7
	ANNUAL	1.0	3.3	2.2	4.3	0.7	3.2	2.2	2.9
1986	I	1.5	3.3	1.8	3.9	0.8	2.4	2.5	2.4
	II	1.0	2.5	1.6	3.4	1.7	2.4	1.2	2.0
	III	0.0	2.0	2.0	3.0	1.3	3.0	1.2	2.4
	IV	r0.1	r2.2	2.0	r2.6	r1.2	2.4	r-0.3	r1.5
	ANNUAL	0.7	2.5	1.9	3.2	r1.2	2.5	r1.2	2.1

See footnotes following table 6.

r=revised

p=preliminary

March 2, 1987

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	104.4	121.1	116.0	172.1	r98.3	164.8	158.9	162.7
	II	104.9	122.1	116.4	174.0	r98.3	165.9	160.8	164.1
	III	105.4	123.3	116.9	175.4	98.5	166.3	163.0	165.2
	IV	104.5	123.6	118.2	177.0	98.4	169.3	160.3	166.2
	ANNUAL	104.8	122.5	116.9	174.6	98.4	166.7	160.6	164.6
1986	I	105.6	125.1	118.5	178.3	98.8	168.8	163.9	167.1
	II	105.7	125.3	118.5	179.3	r99.7	169.6	163.7	167.5
	III	105.7	126.1	119.4	180.4	r99.6	170.7	165.9	169.0
	IV	r105.1	r126.7	120.6	r181.6	r99.6	r172.8	r161.4	r168.8
	ANNUAL	105.5	125.8	119.3	179.9	99.4	170.5	r163.7	r168.1
Percent change from previous quarter at annual rate(5)									
1985	I	0.3	3.2	2.9	3.9	r0.6	3.6	2.5	3.2
	II	1.8	3.0	1.2	4.6	r0.0	2.7	4.7	3.4
	III	2.2	4.0	1.8	3.2	r0.9	1.0	5.7	2.6
	IV	-3.5	1.0	4.6	3.7	r-0.2	7.4	-6.6	2.4
	ANNUAL	0.5	3.0	2.6	4.0	0.4	3.5	2.9	3.3
1986	I	4.3	5.1	0.8	3.1	r1.5	-1.2	9.3	2.3
	II	0.5	0.6	0.1	2.3	r3.6	1.8	-0.6	1.0
	III	-0.3	2.6	2.9	2.3	r-0.1	2.6	5.5	3.6
	IV	r-2.2	r1.9	r4.3	r2.7	r0.0	r5.1	r-10.2	r-0.4
	ANNUAL	0.7	r2.7	2.0	3.0	1.1	2.3	r1.9	2.2
Percent change from corresponding quarter of previous year									
1985	I	0.5	3.6	3.1	3.9	0.3	3.4	3.7	3.5
	II	0.2	2.5	2.3	4.2	0.5	4.0	2.8	3.6
	III	1.0	3.1	2.1	4.0	0.6	3.0	3.7	3.2
	IV	0.2	2.8	2.6	3.9	0.3	3.7	1.5	2.9
	ANNUAL	0.5	3.0	2.6	4.0	0.4	3.5	2.9	3.3
1986	I	1.2	3.3	2.1	3.6	0.5	2.5	3.1	2.7
	II	0.8	2.7	1.8	3.1	1.4	2.2	1.8	2.1
	III	0.2	2.3	2.1	2.8	1.2	2.6	1.7	2.3
	IV	r0.5	r2.5	2.0	r2.6	r1.2	r2.1	r0.7	r1.6
	ANNUAL	0.7	r2.7	2.0	3.0	1.1	2.3	r1.9	2.2

See footnotes following table 6.

r=revised
p=preliminaryMarch 2, 1987
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	119.3	118.8	99.6	173.8	99.2	145.7
	II	121.7	119.9	98.5	175.6	r99.2	144.3
	III	123.0	121.2	98.5	178.1	100.0	144.8
	IV	122.9	121.9	99.1	179.3	99.7	145.8
	ANNUAL	121.7	120.4	98.9	176.7	99.5	145.1
1986	I	123.7	122.8	99.3	180.2	99.8	145.7
	II	124.7	122.7	98.4	181.4	r100.8	145.5
	III	125.8	123.6	98.2	182.5	r100.8	145.1
	IV	r125.8	r124.6	r99.0	183.5	100.7	r145.9
	ANNUAL	125.0	123.4	98.7	181.9	100.5	145.5
Percent change from previous quarter at annual rate(5)							
1985	I	3.9	3.2	-0.6	5.5	r2.1	1.5
	II	8.2	3.7	-4.2	4.3	r-0.2	-3.6
	III	4.4	4.3	-0.1	5.6	r3.2	1.2
	IV	-0.3	2.4	2.7	2.8	r-1.1	3.0
	ANNUAL	4.4	3.8	-0.5	5.0	1.4	0.6
1986	I	2.6	3.0	0.4	2.1	r0.5	-0.5
	II	3.2	-0.4	-3.5	2.7	r4.1	-0.5
	III	3.6	2.9	-0.6	2.4	r0.0	-1.1
	IV	r-0.1	r3.3	r3.4	2.1	r-0.6	r2.2
	ANNUAL	2.7	2.5	-0.2	3.0	1.0	r0.3
Percent change from corresponding quarter of previous year							
1985	I	4.0	4.8	0.8	5.1	1.4	1.1
	II	5.2	4.0	-1.2	5.3	r1.5	0.1
	III	4.4	3.2	-1.2	5.3	1.9	0.9
	IV	4.0	3.4	-0.6	4.5	1.0	0.5
	ANNUAL	4.4	3.8	-0.5	5.0	1.4	0.6
1986	I	3.7	3.4	-0.3	3.7	0.6	0.0
	II	2.5	2.3	-0.2	3.3	1.6	0.8
	III	2.3	2.0	-0.3	2.5	0.8	0.2
	IV	r2.3	r2.2	-0.1	2.3	1.0	r0.0
	ANNUAL	2.7	2.5	-0.2	3.0	1.0	r0.3

See footnotes following table 6.

r=revised
p=preliminary

March 2, 1987

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	121.4	122.6	100.9	172.0	98.2	141.6
	II	124.4	124.1	99.8	173.2	r97.8	139.2
	III	126.3	125.6	99.5	176.5	r99.1	139.8
	IV	126.4	126.4	100.0	178.0	r99.0	140.8
	ANNUAL	124.6	124.7	100.1	174.9	98.5	140.3
1986	I	127.1	126.9	99.9	178.9	99.1	140.8
	II	127.4	125.7	98.7	180.2	r100.1	141.4
	III	128.6	126.2	98.2	181.3	r100.1	141.0
	IV	r128.7	r127.2	r98.8	182.6	100.2	141.8
	ANNUAL	127.9	r126.5	98.9	180.7	99.9	141.3
Percent change from previous quarter at annual rate(5)							
1985	I	8.2	7.2	-0.9	6.1	r2.7	-1.9
	II	10.2	5.1	-4.6	3.0	r-1.5	-6.6
	III	6.1	4.9	-1.1	7.8	r5.4	1.6
	IV	0.5	2.7	2.2	3.3	r-0.5	2.8
	ANNUAL	6.8	6.6	-0.2	5.0	1.4	-1.7
1986	I	2.1	1.5	-0.6	2.2	r0.6	0.1
	II	1.0	-3.8	-4.8	2.8	r4.1	1.7
	III	3.7	1.8	-1.8	2.5	r0.0	-1.2
	IV	r0.6	r3.2	r2.5	r3.0	r0.4	2.4
	ANNUAL	2.7	1.5	r-1.2	3.3	1.4	0.7
Percent change from corresponding quarter of previous year							
1985	I	6.5	8.7	2.0	4.8	1.1	-1.7
	II	7.9	7.4	-0.4	4.8	r1.0	-2.8
	III	6.8	5.4	-1.2	5.6	2.1	-1.1
	IV	6.2	5.0	-1.1	5.0	1.5	-1.1
	ANNUAL	6.8	6.6	-0.2	5.0	1.4	-1.7
1986	I	4.7	3.5	-1.1	4.1	0.9	-0.6
	II	2.4	1.3	-1.1	4.0	r2.4	1.6
	III	1.8	0.5	-1.3	2.7	1.0	0.9
	IV	r1.8	r0.6	r-1.2	2.6	1.3	0.8
	ANNUAL	2.7	1.5	r-1.2	3.3	1.4	0.7

See footnotes following table 6.

r=revised
p=preliminary

March 2, 1987

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	116.0	113.2	97.6	176.5	100.8	152.1
	II	117.5	113.6	96.7	179.4	r101.3	152.7
	III	118.0	114.5	97.0	180.4	101.3	152.8
	IV	117.6	115.1	97.9	181.3	100.8	154.1
	ANNUAL	117.3	114.1	97.3	179.4	101.0	152.9
1986	I	118.6	116.7	98.3	182.2	100.9	153.6
	II	120.7	118.2	97.9	183.5	r102.0	152.1
	III	121.7	119.6	98.2	184.8	102.1	151.8
	IV	r121.4	r120.6	99.3	185.0	101.6	r152.5
	ANNUAL	r120.6	r118.7	98.5	183.9	101.6	r152.5
Percent change from previous quarter at annual rate(5)							
1985	I	-2.6	-2.8	-0.2	4.4	r1.1	7.2
	II	5.2	1.5	-3.5	6.9	r2.3	1.7
	III	1.8	3.3	1.5	2.1	r-0.2	0.3
	IV	-1.4	1.9	3.4	1.9	r-1.9	3.4
	ANNUAL	0.7	-0.3	-1.0	5.0	1.4	4.3
1986	I	3.5	5.6	2.0	2.2	r0.6	-1.3
	II	7.0	5.3	-1.6	2.9	r4.2	-3.9
	III	3.6	4.8	1.2	2.7	r0.3	-0.9
	IV	r-1.2	r3.4	4.6	0.6	r-2.0	r1.9
	ANNUAL	r2.8	4.1	1.2	2.5	0.6	r-0.3
Percent change from corresponding quarter of previous year							
1985	I	0.1	-0.9	-1.0	5.3	1.7	5.2
	II	1.2	-1.1	-2.3	6.1	2.3	4.8
	III	0.9	-0.3	-1.1	4.9	1.5	4.0
	IV	0.7	1.0	0.3	3.8	0.3	3.1
	ANNUAL	0.7	-0.3	-1.0	5.0	1.4	4.3
1986	I	2.2	3.1	0.8	3.3	0.2	1.0
	II	2.7	4.0	1.3	2.3	0.6	-0.4
	III	3.1	4.4	1.2	2.4	0.8	-0.7
	IV	r3.2	r4.8	1.5	2.1	r0.7	r-1.1
	ANNUAL	r2.8	4.1	1.2	2.5	0.6	r-0.3

See footnotes following table 6.

r=revised
p=preliminary

March 2, 1987

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	106.0	123.1	116.1	169.9	97.0	160.3	178.5	164.9	129.3	160.6
	II	106.5	124.2	116.6	171.6	r96.9	161.1	179.8	165.8	130.2	161.6
	III	107.8	126.0	116.8	173.1	97.2	160.5	178.3	165.0	141.7	162.2
	IV	107.0	126.1	117.8	174.5	97.0	163.0	179.8	167.2	131.2	162.9
	ANNUAL	106.8	124.8	116.9	172.3	97.0	161.2	179.1	165.8	133.1	161.8
1986	I	106.9	126.9	118.7	175.4	97.1	164.0	181.1	168.3	131.7	164.0
	II	106.8	126.6	118.5	176.1	r97.8	164.8	179.9	168.6	132.3	164.3
	III	106.9	127.0	118.8	176.8	97.7	165.4	182.6	169.8	135.8	165.7
	IV	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	ANNUAL	p106.9	p127.1	p118.9	p176.5	p97.5	p165.1	p181.3	p169.2	p133.2	p164.9
Percent change from previous quarter at annual rate(5)											
1985	I	0.8	3.2	2.4	3.8	r0.5	3.0	2.2	2.8	-3.6	2.2
	II	2.2	3.7	1.4	4.2	r-0.3	2.0	3.0	2.3	3.0	2.3
	III	4.9	5.9	1.0	3.4	r1.1	-1.4	-3.3	-1.9	40.1	1.7
	IV	-2.8	0.5	3.4	3.3	r-0.5	6.3	3.3	5.5	-26.4	1.7
	ANNUAL	1.2	3.7	2.5	3.9	0.3	2.7	2.6	2.7	-0.2	2.4
1986	I	-0.5	2.6	3.1	2.0	r0.4	2.5	3.1	2.7	1.3	2.5
	II	-0.3	-1.1	-0.8	1.6	r2.9	1.9	-2.7	0.6	2.0	0.7
	III	0.2	1.3	1.2	1.8	r-0.6	1.6	6.1	2.8	11.0	3.6
	IV	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	ANNUAL	p0.0	p1.8	p1.8	p2.4	p0.5	p2.4	p1.2	p2.1	p0.0	p1.9
Percent change from corresponding quarter of previous year											
1985	I	0.6	4.1	3.5	3.8	0.2	3.2	4.3	3.5	-3.8	2.7
	II	0.6	3.1	2.5	4.1	0.4	3.5	3.9	3.6	-5.9	2.6
	III	2.2	4.2	2.0	3.9	0.5	1.6	1.1	1.5	8.7	2.2
	IV	1.2	3.3	2.1	3.7	0.2	2.4	1.3	2.1	0.6	2.0
	ANNUAL	1.2	3.7	2.5	3.9	0.3	2.7	2.6	2.7	-0.2	2.4
1986	I	0.9	3.2	2.2	3.2	r0.1	2.3	1.5	2.1	1.8	2.1
	II	0.3	2.0	1.7	2.6	r1.0	2.3	0.0	1.7	1.6	1.7
	III	-0.9	0.8	1.7	2.2	0.5	3.1	2.4	2.9	-4.2	2.1
	IV	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	ANNUAL	p0.0	p1.8	p1.8	p2.4	p0.5	p2.4	p1.2	p2.1	p0.0	p1.9

See footnotes following table 6.

r=revised
p=preliminary

March 2, 1987
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 -1.9 and +2.0 index points. This interval is based on the performance of this measure between the first quarter of 1976 and the second quarter of 1986

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.