

News

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PRODUCTIVITY AND COSTS Second Quarter 1987

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 1987. The seasonally-adjusted annual rates of productivity change in the second quarter were:

- 1.3 percent in the business sector,
- 1.4 percent in the nonfarm business sector,
- 3.3 percent in manufacturing,
- 2.9 percent in durable goods manufacturing, and
- 4.2 percent in nondurable goods manufacturing.

Second-quarter results show faster productivity advances than during the first quarter, as growth in hours slowed more than output. Hourly compensation and unit labor costs grew more rapidly than during the first quarter, and declines in real hourly compensation were smaller. Second-quarter measures are summarized in table A and appear in detail in tables 1 through 5.

Business

Productivity increased at a 1.3 percent annual rate during the second quarter of 1987 in the business sector, as output rose 3.0 percent and hours of all persons engaged in the sector increased 1.7 percent (seasonally adjusted annual rates). During the first quarter of 1987, productivity had increased 0.5 percent (table 1). Although productivity grew more rapidly in the April-June period, output and hours increases were smaller than during the first quarter.

Hourly compensation increased at a 3.2 percent annual rate during the second quarter of 1987, compared with a 1.4 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 1.9 percent annual rate during the second quarter, compared with a 0.9 percent increase during the first quarter.

Real hourly compensation, which takes into account changes in the Consumer Price Index for All Urban Consumers (CPI-U), declined at a 1.7 percent annual rate during the second quarter. During the first quarter, this measure declined at a 3.7 percent annual rate.

The implicit price deflator for business output, which reflects changes in unit labor costs and unit nonlabor payments, increased 3.7 percent in the first and second quarters. Last year, this deflator rose 2.1 percent.

Table A. Productivity and costs: Preliminary second quarter 1987 measures
(Seasonally adjusted annual rates)

Sector	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs
Percent change from preceding quarter						
Business	1.3	3.0	1.7	3.2	-1.7	1.9
Nonfarm business	1.4	3.2	1.8	2.9	-1.9	1.5
Manufacturing	3.3	1.7	-1.5	1.8	-2.9	-1.4
Durable	2.9	0.4	-2.4	1.4	-3.4	-1.4
Nondurable	4.2	3.9	-0.3	2.8	-2.0	-1.4
Percent change from same quarter a year ago						
Business	0.3	2.8	2.5	2.8	-1.0	2.4
Nonfarm business	0.3	2.9	2.6	2.7	-1.1	2.4
Manufacturing	2.8	3.0	0.2	1.4	-2.3	-1.3
Durable	3.5	2.7	-0.7	1.1	-2.6	-2.3
Nondurable	1.8	3.5	1.6	2.1	-1.6	0.3

Nonfarm business

Productivity increased 1.4 percent in the nonfarm business sector during the second quarter of 1987, as output rose 3.2 percent and hours of all persons --employees, proprietors, and unpaid family workers--increased 1.8 percent. During the first quarter of 1987, productivity had increased 0.4 percent in this sector (table 2). As in the more comprehensive business sector, growth in output and hours slowed in the second quarter.

Hourly compensation increased 2.9 percent in the second quarter, but real hourly compensation fell 1.9 percent when the increase in the CPI-U was taken into account. During the first quarter, the comparable changes were 1.1 percent and -3.9 percent, respectively. Unit labor costs increased 1.5 percent, compared with a 0.8 percent rise during the first quarter of 1987.

The implicit price deflator for nonfarm business output rose 2.1 percent in the second quarter, compared with a 3.4 percent increase one quarter earlier.

Manufacturing

Productivity increased at a 3.3 percent seasonally adjusted annual rate in manufacturing in the second quarter of 1987, as output increased 1.7 percent and hours of all persons dropped 1.5 percent. Output growth slowed and hours declined in the second quarter of 1987, but productivity grew more rapidly than during the first quarter (table 3).

Hourly compensation of manufacturing workers increased 1.8 percent during the second quarter, compared with a 1.0 percent decline during the first quarter. Real hourly compensation declined 2.9 percent when the increase in the CPI-U was taken into account. During the first quarter, real hourly compensation fell at a 6.0 percent annual rate. No increase has occurred in manufacturing real hourly compensation in a year. Unit labor costs were down (1.4 percent annual rate) in the second quarter, compared with a 3.9 percent decline during the first quarter of 1987.

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

Revised measures

The productivity and cost measures contained in this news release for business, nonfarm business, manufacturing, and nonfinancial corporations are based on the latest measures of output and hours available. Revised quarterly and annual 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 for business, nonfarm business, and nonfinancial corporations. These new values were published by BEA on July 24 as part of the regular revision cycle of the national income and product accounts and affect the last 3 years. For manufacturing, revised quarterly changes in output and related measures were computed by BLS to take into account the new annual output levels from BEA for 1984-1986. 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 BLS Office of Productivity and Technology, Division of Productivity Research, Washington, D.C. 20212; (202) 523-9261.

Productivity and cost measures also are available on diskettes formatted for use on IBM-compatible microcomputers using LOTUS 1-2-3. For ordering information, contact BLS Data Diskettes, 441 G Street NW, Room 2127, 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, Monday, August 31, 1987**. Preliminary second-quarter measures for nonfinancial corporations will be released at that time.

BLS Productivity and Cost Measures

Measures of productivity change for major sectors of the U.S. economy:

- Productivity and cost measures for U.S. business, nonfarm business, and manufacturing every quarter.
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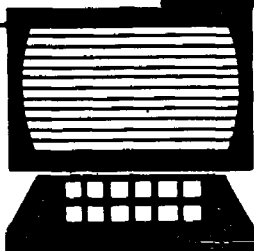


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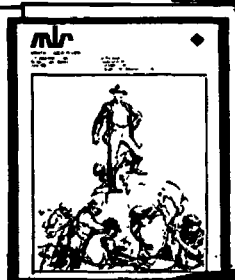
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Quarterly productivity and related indexes are available on diskettes. For information, call the Office of Publications, Bureau of Labor Statistics (202) 523-7827.



Monthly Labor Review:

Occasional articles discuss the full range of BLS productivity findings. Tables present up-to-date measures in every issue. Subscription available from Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, for \$16 a year; \$4.75 single copy.



Telephone:

For additional information about measures summarized in the news release, call Division of Productivity Research (202) 523-9261.

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									
1986	I	r109.5	r127.3	r116.3	r180.7	r100.1	r165.0	r163.1	r164.3
	II	r109.7	r127.5	r116.3	r182.2	r101.3	r166.2	r163.9	r165.4
	III	r109.6	r128.1	r116.9	r183.6	r101.4	r167.5	r165.7	r166.9
	IV	r109.6	r129.0	r117.8	r185.2	r101.6	r169.0	r162.4	r166.7
	ANNUAL	r109.5	r128.0	r116.9	r182.8	r101.0	r166.9	r163.8	r165.8
1987	I	r109.7	r130.2	r118.7	r185.8	r100.7	r169.4	r166.0	r168.2
	II	p110.0	p131.1	p119.2	p187.3	p100.3	p170.2	p168.8	p169.7
Percent change from previous quarter at annual rate(5)									
1986	I	r5.8	r6.4	r0.5	r3.2	r1.6	r-2.5	r7.5	r0.9
	II	r0.6	r0.7	r0.1	r3.5	r4.8	r2.8	r2.1	r2.6
	III	r-0.3	r1.8	r2.1	r3.0	r0.5	3.3	r4.5	r3.7
	IV	r-0.1	r3.0	r3.1	r3.6	r0.9	r3.7	r-7.7	r-0.5
	ANNUAL	r1.9	r3.3	r1.4	r3.9	r2.0	r2.0	r2.2	2.1
1987	I	r0.5	r3.5	r3.0	r1.4	r-3.7	r0.9	r9.0	r3.7
	II	p1.3	p3.0	p1.7	p3.2	p-1.7	p1.9	p7.1	p3.7
Percent change from corresponding quarter of previous year									
1986	I	r2.8	r4.2	r1.3	r4.8	r1.7	r1.9	r2.8	r2.2
	II	r2.3	r3.4	r1.1	r4.4	r2.7	r2.1	r2.2	r2.1
	III	r1.3	r2.7	r1.5	r3.7	r2.0	r2.4	r2.4	2.4
	IV	r1.5	r2.9	r1.4	r3.3	r1.9	r1.8	r1.4	r1.7
	ANNUAL	r1.9	r3.3	r1.4	r3.9	r2.0	r2.0	r2.2	2.1
1987	I	r0.2	r2.3	r2.1	r2.8	r0.6	r2.7	r1.8	r2.3
	II	<u>p0.3</u>	p2.8	p2.5	p2.8	p-1.0	p2.4	p3.0	p2.6

See footnotes following table 6.

r=revised
p=preliminary

August 3, 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									
1986	I	r107.7	r126.9	r117.9	r180.0	r99.7	r167.2	r164.7	r166.4
	II	r107.7	r127.1	r118.0	r181.3	r100.8	r168.4	r165.2	r167.3
	III	r107.5	r127.6	r118.7	r182.6	r100.9	r169.8	r167.0	r168.8
	IV	r107.5	r128.5	r119.6	r184.4	r101.2	r171.5	r163.9	r168.8
	ANNUAL	r107.5	r127.5	r118.6	r182.0	r100.6	r169.3	r165.2	r167.8
1987	I	r107.6	r129.7	r120.6	r184.9	r100.2	r171.8	r167.4	r170.3
	II	p108.0	p130.8	p121.1	p186.2	p99.7	p172.5	p168.7	p171.1
Percent change from previous quarter at annual rate(5)									
1986	I	r6.6	r6.4	r-0.2	r3.9	r2.3	r-2.6	r10.0	r1.6
	II	r0.1	0.6	r0.6	r2.9	r4.2	r2.8	r1.3	r2.3
	III	r-0.6	r1.7	r2.3	r2.8	r0.4	r3.5	r4.2	r3.7
	IV	r0.0	r2.9	r2.9	r4.0	r1.3	r4.0	r-7.2	r0.0
	ANNUAL	r1.6	r3.2	r1.6	r3.9	r1.9	r2.2	r2.4	r2.3
1987	I	r0.4	r3.8	r3.4	r1.1	r-3.9	r0.8	r8.8	r3.4
	II	p1.4	p3.2	p1.8	p2.9	p-1.9	p1.5	p3.2	p2.1
Percent change from corresponding quarter of previous year									
1986	I	r2.3	r4.0	r1.7	r4.5	r1.4	r2.2	r3.2	r2.6
	II	r1.9	r3.3	r1.4	r4.1	r2.5	2.2	r2.3	r2.3
	III	r1.1	r2.6	r1.6	r3.6	r1.9	r2.5	r2.2	r2.4
	IV	r1.5	r2.9	r1.4	r3.4	r2.0	r1.9	r1.9	r1.9
	ANNUAL	r1.6	r3.2	r1.6	r3.9	r1.9	r2.2	r2.4	r2.3
1987	I	r-0.1	r2.2	r2.3	r2.7	r0.5	r2.8	r1.6	r2.4
	II	p0.3	p2.9	p2.6	p2.7	p-1.1	p2.4	p2.1	p2.3

See footnotes following table 6.

r=revised
p=preliminary

August 3, 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							
1986	I	r127.6	r125.2	r98.1	r181.0	r100.3	r141.9
	II	r128.3	r125.1	r97.5	r182.1	r101.2	r142.0
	III	r129.4	r126.1	r97.5	r183.1	r101.2	r141.5
	IV	r129.9	r127.2	r97.9	r184.3	r101.2	r141.9
	ANNUAL	r128.8	r125.9	r97.8	r182.7	r100.9	r141.8
1987	I	r130.8	r128.4	r98.1	r183.9	r99.6	r140.6
	II	p131.9	p128.9	p97.7	p184.7	p98.9	p140.1
Percent change from previous quarter at annual rate(5)							
1986	I	r4.9	r3.6	r-1.3	r1.8	r0.2	r-3.0
	II	r2.3	r-0.1	r-2.3	r2.5	r3.8	r0.2
	III	r3.6	r3.2	r-0.4	r2.2	r-0.2	r-1.3
	IV	r1.4	r3.4	r2.0	r2.7	r0.0	r1.3
	ANNUAL	r3.7	r2.8	r-0.9	r3.3	r1.3	r-0.4
1987	I	r3.0	r3.8	r0.8	r-1.0	-6.0	r-3.9
	II	p3.3	p1.7	p-1.5	p1.8	p-2.9	p-1.4
Percent change from corresponding quarter of previous year							
1986	I	r5.0	r3.7	r-1.3	r4.4	r1.3	r-0.5
	II	r3.4	r2.5	r-0.9	r3.4	r1.8	r0.0
	III	3.3	r2.4	r-0.9	r2.9	r1.2	r-0.4
	IV	r3.0	r2.5	r-0.5	2.3	r0.9	r-0.7
	ANNUAL	r3.7	r2.8	r-0.9	r3.3	r1.3	r-0.4
1987	I	r2.5	r2.5	r0.0	r1.6	-0.7	r-1.0
	II	p2.8	p3.0	p0.2	p1.4	p-2.3	p-1.3

See footnotes following table 6.

r=revised

p=preliminary

August 3, 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							
1986	I	r135.3	r133.7	r98.8	r179.9	r99.7	r132.9
	II	r135.9	r133.1	r98.0	r180.8	r100.5	r133.1
	III	r137.5	r134.1	r97.5	r181.6	r100.3	r132.0
	IV	r138.4	r135.4	r97.8	r183.1	r100.5	r132.3
	ANNUAL	r136.8	r134.1	r98.0	r181.4	r100.2	r132.6
1987	I	r139.6	r136.6	r97.8	r182.2	r98.7	r130.5
	II	p140.6	p136.7	p97.2	p182.8	p97.9	p130.0
Percent change from previous quarter at annual rate(5)							
1986	I	r7.0	r4.4	r-2.4	r1.2	r-0.4	r-5.4
	II	r1.5	-1.7	r-3.2	r1.9	r3.3	r0.4
	III	r5.0	r3.2	r-1.7	r1.7	r-0.7	r-3.1
	IV	r2.6	3.8	r1.1	r3.4	r0.7	r0.8
	ANNUAL	r5.2	r3.2	r-1.8	r3.4	1.4	r-1.7
1987	I	r3.6	r3.6	r0.0	r-1.9	r-6.8	r-5.3
	II	p2.9	p0.4	p-2.4	p1.4	p-3.4	p-1.4
Percent change from corresponding quarter of previous year							
1986	I	r7.1	r5.0	r-2.0	r4.9	r1.8	-2.0
	II	r4.9	3.0	r-1.8	r3.6	r2.0	r-1.2
	III	r4.6	r2.6	r-1.9	r2.8	r1.1	r-1.7
	IV	r4.0	2.4	r-1.5	r2.1	r0.7	r-1.9
	ANNUAL	r5.2	r3.2	r-1.8	r3.4	1.4	r-1.7
1987	I	r3.2	2.2	r-0.9	r1.3	r-0.9	r-1.8
	II	p3.5	p2.7	p-0.7	p1.1	p-2.6	p-2.3

See footnotes following table 6.

r=revised

p=preliminary

August 3, 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							
1986	I	r115.8	r112.5	r97.2	r182.7	r101.2	r157.8
	II	r116.9	r113.3	r96.9	r184.3	r102.4	r157.7
	III	r117.3	r114.2	r97.3	r185.8	r102.7	r158.4
	IV	r117.1	r114.9	r98.1	r186.5	r102.4	r159.3
	ANNUAL	r116.8	r113.7	r97.4	r184.8	r102.1	r158.3
1987	I	r117.8	r116.1	r98.6	r186.9	r101.2	r158.7
	II	p119.0	p117.2	p98.5	p188.1	p100.7	p158.1
Percent change from previous quarter at annual rate(5)							
1986	I	r1.7	r2.3	r0.5	r3.2	r1.6	r1.4
	II	r3.9	r2.8	r-1.0	r3.6	r5.0	r-0.2
	III	r1.5	r3.1	r1.6	r3.4	r0.9	r1.9
	IV	r-0.6	r2.7	r3.3	r1.5	r-1.1	r2.1
	ANNUAL	r1.5	r1.9	r0.5	r3.3	r1.3	r1.8
1987	I	r2.1	4.1	r1.9	r0.7	r-4.4	r-1.4
	II	p4.2	p3.9	p-0.3	p2.8	p-2.0	p-1.4
Percent change from corresponding quarter of previous year							
1986	I	r1.5	r1.3	r-0.2	r3.7	r0.6	r2.2
	II	r1.2	r1.6	r0.4	r3.2	r1.6	r1.9
	III	r1.4	r2.0	r0.6	r3.3	r1.6	r1.8
	IV	r1.6	r2.7	r1.1	r2.9	r1.6	r1.3
	ANNUAL	r1.5	r1.9	r0.5	r3.3	r1.3	r1.8
1987	I	r1.7	r3.2	r1.4	r2.3	r0.1	r0.6
	II	p1.8	p3.5	p1.6	p2.1	p-1.6	p0.3

See footnotes following table 6.

r=revised

p=preliminary

August 3, 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										
1986 I	r109.8	r129.1	r117.6	r177.2	r98.2	r161.5	r180.7	r166.3	r129.7	r161.9
II	r109.7	r128.8	r117.4	r178.4	r99.1	r162.6	r180.6	r167.2	r129.5	r162.7
III	r109.9	r129.3	r117.6	r179.5	r99.2	r163.2	r184.2	r168.5	r130.6	r164.0
IV	r110.5	r130.4	r118.0	r181.0	r99.3	r163.8	r183.2	r168.7	r127.7	r163.8
ANNUAL	r109.9	r129.4	r117.7	r178.9	r98.9	r162.8	r182.2	r167.7	r129.3	r163.1
1987 I	r109.7	r130.9	r119.3	r180.8	r98.0	r164.8	r184.1	r169.7	r132.2	r165.2
Percent change from previous quarter at annual rate(5)										
1986 I	r3.3	r4.4	r1.0	r3.5	r1.8	r0.1	r3.0	r0.9	r3.0	r1.1
II	r-0.2	r-0.9	r-0.6	r2.6	r4.0	r2.9	r-0.2	r2.0	r-0.5	r1.8
III	r0.9	r1.6	r0.7	r2.5	r0.0	r1.5	r8.2	r3.3	r3.3	r3.3
IV	r2.1	r3.4	r1.3	r3.5	r0.8	r1.3	r-2.3	r0.3	r-8.5	r-0.5
ANNUAL	r1.6	r2.6	r1.0	r3.5	r1.6	r1.9	r2.2	2.0	r-3.4	r1.5
1987 I	r-2.9	r1.5	r4.6	r-0.5	r-5.5	r2.5	r2.2	r2.4	r14.7	r3.5
Percent change from corresponding quarter of previous year										
1986 I	r2.6	r4.1	r1.4	r4.3	r1.2	r1.6	r1.8	r1.7	r-1.7	r1.3
II	r1.8	r2.7	r0.8	r3.9	r2.2	r2.0	r1.0	1.7	r-2.1	r1.4
III	r0.7	r1.5	r0.8	r3.3	r1.6	r2.6	r3.8	2.9	r-8.4	r1.7
IV	r1.5	r2.1	r0.6	r3.0	r1.6	r1.5	r2.1	r1.6	r-0.8	r1.4
ANNUAL	r1.6	r2.6	r1.0	r3.5	r1.6	r1.9	r2.2	2.0	r-3.4	r1.5
1987 I	r0.0	r1.4	r1.5	r2.0	r-0.2	r2.1	r1.9	r2.0	r1.9	r2.0

See footnotes following table 6.

r=revised

p=preliminary

August 3, 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.

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.									
1984	I	r105.1	r117.1	111.4	r165.8	98.1	r157.8	r154.2	r156.5
	II	105.6	r119.1	r112.8	r166.9	r97.8	r158.0	r156.9	r157.6
	III	105.5	r119.7	r113.4	r168.7	r98.0	r159.9	r156.6	r158.7
	IV	r105.9	r120.8	114.0	r170.3	r98.1	r160.8	r157.9	r159.8
	ANNUAL	r105.6	r119.2	r112.9	r168.0	r98.0	r159.1	r156.5	r158.2
1985	I	r106.5	r122.2	r114.7	r172.4	r98.5	r161.9	r158.7	r160.8
	II	r107.2	r123.3	115.0	r174.6	98.6	r162.8	r160.4	r162.0
	III	r108.2	r124.7	115.2	r177.0	r99.4	r163.6	r161.8	r163.0
	IV	r107.9	r125.3	r116.1	r179.3	r99.7	r166.1	r160.2	r164.0
	ANNUAL	r107.5	r123.9	r115.2	r175.9	r99.1	r163.6	r160.3	r162.4
Percent change from previous quarter at annual rate(5)									
1984	I	r5.3	r12.9	r7.3	r5.6	0.3	r0.3	r9.5	r3.4
	II	r2.1	r7.3	r5.1	r2.7	r-1.3	r0.6	r7.3	r2.9
	III	r-0.4	r1.9	r2.3	r4.4	r0.8	r4.8	r-0.8	r2.8
	IV	r1.5	r3.5	r2.1	3.8	r0.4	r2.3	r3.4	r2.7
	ANNUAL	r2.5	r8.4	5.7	4.1	r-0.2	r1.5	r6.9	r3.3
1985	I	r2.2	r4.8	r2.5	r5.1	r1.7	r2.8	r2.0	r2.5
	II	r2.9	r3.8	r1.0	5.1	r0.6	r2.2	r4.4	3.0
	III	r3.7	r4.4	0.7	r5.7	r3.3	r1.9	r3.5	r2.5
	IV	r-1.0	r2.2	r3.2	r5.1	r1.2	r6.2	r-4.0	r2.5
	ANNUAL	r1.8	r4.0	r2.1	r4.7	r1.1	r2.8	r2.4	r2.7
Percent change from corresponding quarter of previous year									
1984	I	r3.1	r10.2	6.9	3.8	-0.7	r0.6	r9.4	r3.5
	II	r2.1	r9.1	6.8	3.8	-0.5	r1.6	r7.1	3.5
	III	r2.5	r8.1	r5.5	r4.5	r0.3	r2.0	r6.3	r3.5
	IV	r2.1	r6.3	4.2	r4.1	r0.0	r2.0	r4.8	r3.0
	ANNUAL	r2.5	r8.4	5.7	4.1	r-0.2	r1.5	r6.9	r3.3
1985	I	r1.3	r4.4	3.0	r4.0	r0.4	r2.6	r2.9	r2.7
	II	r1.5	r3.5	2.0	r4.6	r0.9	r3.0	r2.2	r2.7
	III	r2.5	r4.1	r1.6	r4.9	r1.5	r2.3	r3.3	2.7
	IV	r1.9	r3.8	r1.8	r5.3	r1.7	r3.3	r1.4	r2.6
	ANNUAL	r1.8	r4.0	r2.1	r4.7	r1.1	r2.8	r2.4	r2.7

See footnotes following table 6.
r=revised

Source: Bureau of Labor Statistics
August 3, 1987

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								
1984 I	r104.1	r117.1	r112.4	165.6	r98.0	r159.0	153.2	r157.0
II	r104.7	r119.3	r113.9	r166.8	r97.7	r159.3	r156.5	r158.3
III	r104.6	r119.8	114.5	r168.6	97.9	r161.2	r156.9	r159.7
IV	r104.8	r120.7	115.2	r170.2	r98.0	r162.4	r158.5	r161.0
ANNUAL	r104.6	r119.2	114.0	r167.8	r97.9	r160.4	r156.4	r159.0
1985 I	r105.2	r122.0	r115.9	r172.2	r98.4	r163.6	r159.5	r162.2
II	r105.7	r123.1	116.4	r174.1	98.3	r164.7	r161.5	r163.6
III	r106.4	r124.3	116.9	r176.2	r98.9	r165.7	r163.4	r164.9
IV	r105.9	r124.9	r117.9	r178.3	r99.2	r168.3	r160.8	r165.7
ANNUAL	r105.8	r123.6	r116.8	r175.2	r98.7	r165.6	r161.3	r164.1
Percent change from previous quarter at annual rate(5)								
1984 I	r3.4	r11.1	r7.4	r5.5	r0.2	r2.1	r2.1	r2.1
II	r2.4	r7.6	r5.2	r3.0	r-1.0	r0.7	r9.0	r3.5
III	r-0.6	r1.8	r2.4	4.3	0.7	r4.9	r0.9	r3.5
IV	r1.0	r3.1	r2.1	r3.9	r0.6	r2.9	r4.1	r3.3
ANNUAL	r2.1	r8.3	6.0	r3.9	-0.3	r1.8	r5.5	r3.0
1985 I	r1.5	r4.3	r2.8	r4.8	r1.4	r3.2	r2.7	r3.0
II	r1.7	r3.4	r1.7	r4.5	r-0.1	2.7	r5.0	r3.5
III	r2.6	r4.1	r1.5	r4.9	r2.5	r2.2	r4.9	r3.2
IV	r-1.6	r2.0	r3.6	r4.9	r0.9	r6.6	r-6.3	r2.0
ANNUAL	r1.2	r3.6	r2.5	r4.4	r0.8	r3.2	r3.2	p3.2
Percent change from corresponding quarter of previous year								
1984 I	r3.2	r10.7	7.3	3.5	-0.9	r0.3	8.3	r2.9
II	r2.0	r9.2	7.1	r3.7	r-0.6	r1.7	r5.8	r3.1
III	r1.6	r7.5	r5.8	4.3	0.1	r2.6	r3.8	r3.0
IV	r1.5	r5.8	4.3	r4.2	r0.1	r2.6	r4.0	r3.1
ANNUAL	r2.1	r8.3	6.0	r3.9	-0.3	r1.8	r5.5	r3.0
1985 I	r1.1	r4.2	3.1	r4.0	r0.4	r2.9	r4.1	r3.3
II	r0.9	r3.2	r2.2	r4.4	r0.6	r3.4	r3.2	r3.3
III	r1.7	r3.8	r2.0	r4.5	r1.1	r2.8	r4.2	r3.3
IV	r1.0	r3.5	r2.4	r4.8	r1.2	3.7	1.5	2.9
ANNUAL	r1.2	r3.6	r2.5	r4.4	r0.8	r3.2	r3.2	r3.2

See footnotes following table 6.
p=preliminary

August 3, 1987
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							
1984	I	r116.2	r114.6	r98.6	r165.6	r97.9	r142.4
	II	r117.1	r116.8	r99.8	r166.6	r97.6	r142.3
	III	r119.1	r118.9	r99.8	r168.7	r97.9	r141.7
	IV	r120.0	r119.6	99.7	r171.1	r98.5	r142.5
	ANNUAL	r118.1	r117.5	99.5	r168.0	r98.0	r142.2
1985	I	r121.5	r120.7	r99.4	r173.3	r99.0	r142.7
	II	r124.0	r122.1	98.5	r176.1	r99.5	r142.0
	III	r125.2	r123.2	r98.3	r178.0	r99.9	r142.1
	IV	r126.0	r124.1	r98.4	r180.2	r100.2	r143.0
	ANNUAL	r124.2	r122.5	r98.7	r176.9	r99.6	r142.4
Percent change from previous quarter at annual rate(5)							
1984	I	r8.9	r17.5	r8.0	r5.0	r-0.3	r-3.6
	II	r3.1	r7.9	r4.6	r2.6	r-1.4	r-0.5
	III	r6.9	r7.1	r0.2	r5.1	r1.4	r-1.7
	IV	r3.2	r2.7	r-0.6	r5.8	r2.4	r2.5
	ANNUAL	r5.5	r12.2	6.4	r3.4	r-0.8	r-1.9
1985	I	r4.9	r3.7	r-1.2	r5.3	r1.9	r0.3
	II	r8.5	4.6	r-3.6	r6.7	r2.0	r-1.7
	III	r4.1	r3.5	r-0.5	r4.3	r1.9	r0.2
	IV	r2.6	r2.9	r0.4	r5.1	r1.1	r2.4
	ANNUAL	r5.1	r4.3	r-0.8	r5.3	r1.6	r0.2
Percent change from corresponding quarter of previous year							
1984	I	r6.0	r15.8	r9.3	r2.2	r-2.1	r-3.5
	II	r5.6	r14.0	r8.0	r3.0	r-1.3	r-2.5
	III	r5.0	r10.8	r5.6	r3.9	r-0.3	r-1.0
	IV	r5.5	r8.7	r3.0	r4.6	r0.5	r-0.8
	ANNUAL	r5.5	r12.2	6.4	r3.4	r-0.8	r-1.9
1985	I	r4.5	r5.3	0.8	r4.7	r1.1	r0.1
	II	r5.9	r4.5	r-1.3	r5.7	r1.9	r-0.2
	III	r5.2	r3.6	r-1.5	r5.5	r2.0	r0.3
	IV	r5.0	r3.7	r-1.2	r5.3	r1.7	r0.3
	ANNUAL	r5.1	r4.3	r-0.8	r5.3	r1.6	r0.2

See footnotes following table 6.
r=revised

August 3, 1987
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							
1984	I	r117.1	r115.6	r98.8	r164.3	r97.2	r140.3
	II	r119.1	r119.5	r100.3	r165.2	r96.7	r138.6
	III	r122.2	r123.3	r100.9	r166.9	r96.9	r136.6
	IV	r123.8	r125.2	r101.1	r169.1	r97.3	r136.5
	ANNUAL	r120.6	r120.9	100.2	r166.4	r97.1	r138.0
1985	I	r126.3	r127.2	r100.7	r171.4	r97.9	r135.7
	II	r129.6	r129.2	99.8	r174.4	r98.5	r134.6
	III	r131.5	r130.7	r99.4	r176.6	r99.2	r134.3
	IV	r133.1	r132.2	r99.4	r179.4	r99.8	r134.8
	ANNUAL	r130.1	r129.9	r99.8	r175.4	r98.8	r134.9
Percent change from previous quarter at annual rate(5)							
1984	I	r14.7	r27.0	r10.7	r5.1	r-0.2	r-8.4
	II	r7.3	r14.1	r6.3	r2.1	r-1.9	r-4.9
	III	r10.6	r13.3	r2.4	r4.3	r0.7	r-5.7
	IV	r5.5	r6.4	r0.9	r5.3	r1.9	r-0.1
	ANNUAL	r9.8	r19.6	8.9	r3.1	-1.1	r-6.1
1985	I	r8.4	r6.8	r-1.5	r5.7	r2.3	r-2.4
	II	r10.6	6.4	r-3.8	r7.1	r2.5	r-3.1
	III	r6.1	r4.6	r-1.5	r5.1	r2.7	r-1.0
	IV	r4.9	4.8	r-0.1	r6.4	r2.4	r1.4
	ANNUAL	r7.9	r7.4	r-0.4	r5.4	r1.8	r-2.3
Percent change from corresponding quarter of previous year							
1984	I	r10.3	r23.5	r12.0	r1.9	r-2.5	r-7.7
	II	r10.2	r22.2	r10.8	r2.6	r-1.6	r-6.9
	III	r9.4	r18.5	r8.3	r3.5	r-0.7	r-5.5
	IV	r9.5	r14.9	r5.0	r4.2	r0.1	r-4.8
	ANNUAL	r9.8	r19.6	8.9	r3.1	-1.1	r-6.1
1985	I	r7.9	r10.1	2.0	r4.4	r0.7	r-3.3
	II	r8.7	r8.2	r-0.5	r5.6	r1.8	r-2.9
	III	r7.6	r6.0	r-1.5	r5.8	r2.4	r-1.7
	IV	r7.5	5.6	r-1.7	r6.1	r2.5	r-1.3
	ANNUAL	r7.9	r7.4	r-0.4	r5.4	r1.8	r-2.3

See footnotes following table 6.

r=revised

August 3, 1987
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							
1984	I	r115.0	r113.2	r98.5	r167.7	r99.2	r145.9
	II	r114.1	r112.9	99.0	r169.0	r99.0	r148.2
	III	r114.3	r112.3	r98.2	r171.5	r99.5	r150.0
	IV	r114.2	r111.4	97.6	r174.1	r100.2	r152.5
	ANNUAL	r114.4	r112.4	98.3	r170.6	r99.5	r149.1
1985	I	r114.0	r111.0	r97.4	r176.1	r100.5	r154.4
	II	r115.4	r111.5	r96.6	r178.6	r100.8	r154.7
	III	r115.6	r111.9	r96.8	r180.0	r101.0	r155.6
	IV	r115.3	r111.9	r97.1	r181.2	100.8	r157.2
	ANNUAL	r115.1	r111.6	r97.0	r178.9	r100.8	r155.5
Percent change from previous quarter at annual rate(5)							
1984	I	r0.7	r4.8	r4.0	r4.2	r-1.0	r3.4
	II	r-3.1	r-1.0	r2.2	r3.2	r-0.8	r6.5
	III	r0.9	r-2.2	r-3.1	r5.9	r2.2	r4.9
	IV	r-0.5	r-3.2	r-2.7	r6.2	r2.8	r6.8
	ANNUAL	r-0.7	r2.1	2.8	r3.5	r-0.7	r4.2
1985	I	r-0.5	r-1.2	r-0.7	r4.6	r1.2	r5.2
	II	r5.1	r1.5	r-3.4	r5.9	r1.2	r0.8
	III	r0.7	r1.7	r0.9	r3.1	r0.8	r2.4
	IV	r-1.3	r-0.1	r1.2	r2.9	r-1.0	r4.2
	ANNUAL	r0.6	r-0.8	r-1.4	r4.9	r1.3	4.3
Percent change from corresponding quarter of previous year							
1984	I	r0.2	r5.7	r5.6	r2.3	r-2.1	r2.1
	II	r-0.8	r3.2	4.0	r2.9	r-1.3	r3.8
	III	r-1.5	r0.2	r1.7	r4.1	r-0.1	r5.7
	IV	r-0.5	r-0.4	0.1	r4.9	r0.8	r5.4
	ANNUAL	r-0.7	r2.1	2.8	r3.5	r-0.7	r4.2
1985	I	r-0.8	r-1.9	r-1.1	r5.0	r1.3	r5.9
	II	r1.2	r-1.3	r-2.5	r5.7	r1.9	r4.4
	III	r1.2	r-0.3	r-1.5	r5.0	1.5	r3.7
	IV	r1.0	r0.4	r-0.5	r4.1	r0.6	r3.1
	ANNUAL	r0.6	r-0.8	r-1.4	r4.9	r1.3	4.3

See footnotes following table 6.

r=revised

August 3, 1987
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										
1984	I	r105.6	r118.4	r112.1	r163.7	96.8	r155.0	r170.1	r158.8	r135.9
	II	r106.1	r120.7	113.7	164.8	96.5	r155.3	r172.1	r159.5	157.5
	III	r105.8	r121.2	114.6	r166.5	96.7	r157.4	r175.4	r161.9	r133.7
	IV	r106.4	r122.7	r115.3	r168.1	r96.8	r158.0	r176.8	r162.8	r134.2
	ANNUAL	r106.0	r120.7	r113.9	r165.8	r96.7	r156.5	r173.6	r160.8	r136.5
1985	I	r107.0	r124.0	r115.9	169.9	97.0	r158.9	r177.5	r163.6	r132.0
	II	r107.7	r125.4	r116.4	r171.8	r97.0	r159.5	r178.7	r164.3	r132.2
	III	r109.2	r127.4	r116.6	r173.8	r97.6	r159.1	r177.5	r163.7	r142.5
	IV	r108.9	r127.7	r117.3	r175.7	r97.7	r161.4	r179.4	r166.0	r128.7
	ANNUAL	r108.2	r126.1	r116.5	r172.8	r97.4	r159.7	r178.3	r164.4	r133.9
Percent change from previous quarter at annual rate(5)										
1984	I	r4.3	r12.1	r7.5	4.9	-0.4	r0.6	r-3.0	r-0.4	r24.8
	II	r2.0	r7.9	r5.8	r2.8	r-1.2	0.7	r4.8	r1.8	r20.7
	III	r-1.2	r1.9	r3.2	r4.2	r0.5	r5.5	7.9	r6.2	r-22.4
	IV	r2.3	r4.9	r2.6	r4.0	r0.6	r1.6	r3.4	r2.1	r1.6
	ANNUAL	r2.4	r9.1	r6.6	3.7	-0.5	r1.3	r-0.4	r0.8	r23.1
1985	I	r2.2	r4.2	r2.0	r4.4	r1.0	r2.2	r1.5	r2.0	r-6.5
	II	r2.8	r4.7	r1.8	r4.4	r-0.2	r1.5	r2.8	r1.8	r0.9
	III	r5.7	r6.5	r0.7	r4.7	r2.3	r-1.0	r-2.7	r-1.4	r34.7
	IV	r-1.3	r0.9	r2.2	r4.6	r0.7	r6.0	r4.2	5.5	r-33.4
	ANNUAL	r2.1	r4.4	r2.3	r4.2	r0.6	r2.1	r2.7	r2.2	r-1.9
Percent change from corresponding quarter of previous year										
1984	I	r3.3	r11.5	r7.9	r3.2	-1.3	r-0.2	r-3.9	r-1.2	r56.7
	II	r2.5	r10.3	r7.6	3.5	-0.8	r1.0	r-1.6	r0.3	r32.3
	III	r1.8	r8.3	6.4	r4.1	-0.1	r2.3	r0.6	r1.8	r12.3
	IV	r1.8	r6.6	r4.7	r4.0	r-0.1	r2.1	r3.2	r2.4	r4.4
	ANNUAL	r2.4	r9.1	r6.6	3.7	-0.5	r1.3	r-0.4	r0.8	r23.1
1985	I	r1.3	r4.7	r3.4	3.8	0.2	r2.5	r4.4	r3.0	r-2.9
	II	r1.5	r3.9	r2.4	r4.2	r0.5	r2.7	3.9	r3.0	r-7.1
	III	r3.3	r5.1	r1.8	r4.4	r0.9	r1.1	r1.2	r1.1	r6.6
	IV	r2.3	r4.1	r1.7	r4.5	r1.0	r2.1	r1.4	r1.9	r-4.1
	ANNUAL	r2.1	r4.4	r2.3	r4.2	r0.6	r2.1	r2.7	r2.2	r-1.9

See footnotes following table 6.

r=revised

p=preliminary

August 3, 1987

Source: Bureau of Labor Statistics