

News

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PRODUCTIVITY AND COSTS

Fourth-Quarter and Annual Averages 1987
Business, Nonfarm Business, and Manufacturing
and 1987 Annual Averages 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 1987. Based on more complete information than was available earlier, the revised productivity changes were:

	Fourth quarter	1986- 1987
Business sector.....	-0.2	1.0
Nonfarm business sector.....	0.3	0.9
Manufacturing.....	0.2	3.3
Durable goods manufacturing.....	2.0	3.9
Nondurable goods manufacturing..	-3.1	2.5

Productivity advanced slowly in the business and nonfarm business sectors when 1987 is compared with 1986, reflecting stronger growth in mid-year and weaker gains in the first and fourth quarters. In manufacturing, productivity growth was more rapid than in the broader sectors, but was nonetheless slower than the preceding year's increase. The revised annual measures are quite similar to preliminary movements published last month. The fourth-quarter revisions mainly reflect upward revisions in output measures (table C).

Fourth-quarter measures are summarized in table A and appear in detail in tables 1 through 5. Preliminary 1987 annual measures for nonfinancial corporations, announced today, indicate productivity increased 0.4 percent over 1986 (tables B and 6).

Table A. Productivity and costs: Revised fourth-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	-0.2	5.4	5.6	3.1	-0.5	3.3
Nonfarm business	0.3	5.6	5.3	3.4	-0.2	3.1
Manufacturing	0.2	7.0	6.8	2.1	-1.5	1.8
Durable	2.0	9.9	7.7	2.2	-1.4	0.1
Nondurable	-3.1	2.1	5.4	1.7	-1.9	4.9
Percent change from same quarter a year ago						
Business	1.6	4.6	2.9	2.9	-1.5	1.3
Nonfarm business	1.6	4.7	3.1	2.8	-1.6	1.2
Manufacturing	3.4	5.8	2.4	1.1	-3.2	-2.2
Durable	3.8	6.0	2.1	0.7	-3.5	-3.0
Nondurable	2.6	5.5	2.8	1.7	-2.6	-0.8

FOURTH QUARTER CHANGES 1987

Business

Productivity fell at a -0.2 percent annual rate from the third to the fourth quarter of 1987 in the business sector, the only decline of the year. Output rose 5.4 percent, and hours of all persons engaged in the sector increased 5.6 percent (seasonally-adjusted annual rates). The increase in hours reflected the largest gain in business employment and average weekly hours since 1984. During the third quarter of 1987, productivity had risen 4.7 percent, as output increased 6.3 percent and hours of all persons increased only 1.5 percent (table 1).

Hourly compensation increased at a 3.1 percent annual rate during the fourth quarter of 1987, compared with a 3.8 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 3.3 percent annual rate during the fourth quarter, compared with a 0.9 percent decline 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 0.5 percent in the fourth quarter. Real hourly compensation failed to rise in any quarter of 1987.

The implicit price deflator for the business sector, which reflects changes in unit labor costs and unit nonlabor payments, increased 1.9 percent in the fourth quarter, compared with a 2.5 percent increase in the third quarter. Price increases decelerated in the second through fourth quarters of 1987.

Nonfarm business

Productivity increased 0.3 percent in the fourth quarter in nonfarm businesses. Output rose 5.6 percent and hours of all persons--employees, proprietors, and unpaid family workers--increased 5.3 percent (table 2). As in the more comprehensive business sector, nonfarm employment and average weekly hours posted their best performance since 1984 during the October-December 1987 period.

Hourly compensation increased 3.4 percent in the fourth quarter, but was down 0.2 percent when the increase in the CPI-U was taken into account. Unit labor costs increased 3.1 percent in the fourth quarter. One quarter earlier, these costs declined 0.6 percent.

The implicit price deflator for nonfarm business output rose at a 1.9 percent annual rate in the fourth quarter, compared with a 2.7 percent increase one quarter earlier.

Manufacturing

Productivity increased at a 0.2 percent seasonally-adjusted annual rate in manufacturing in the final quarter of 1987, compared with a 3.7-percent increase during the third quarter. In the fourth quarter, output rose 7.0 percent and hours increased 6.8 percent. Although the productivity gain was the smallest since the fourth quarter of 1981 (when it declined 4.1 percent), increases in output and hours were strong. During the third quarter of 1987, output had risen 7.6 percent, and hours rose 3.8 percent (table 3).

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

Hourly compensation of all manufacturing workers increased 2.1 percent during the fourth quarter, but gains were larger in durables. When the increase in consumer prices is taken into account, real hourly compensation declined 1.5 percent, the sixth decline in succession. Unit labor costs increased at a 1.8 percent annual rate, compared with an 2.3 percent decrease during the third quarter of 1987. This was the only quarter during which manufacturing unit labor costs rose this year.

ANNUAL CHANGES, 1986-1987

Nonfinancial corporations

The Bureau of Labor Statistics also reported annual productivity and related indexes for nonfinancial corporations for 1987. Productivity rose 0.4 percent in 1987, as output rose 2.7 percent and hours of all employees gained 2.3 percent. Hourly compensation rose 2.1 percent in 1987 (the smallest rise in this series, which begins with 1958) and fell 1.5 percent when the rise in the CPI-U is taken into account (the largest decline since the 2.7 percent drop in 1980). Unit labor costs rose 1.7 percent, unit nonlabor costs rose 2.2 percent, and unit profits were 6.5 percent higher than 1986 levels. Annual changes from 1978 to 1987 are shown in table B.

Table B. Annual changes in productivity and related measures, 1978-1987.

Measure	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987
Nonfinancial corporations:										
Productivity.....	0.6	-0.8	-0.7	0.6	0.7	3.2	2.4	2.1	1.6	0.4
Output.....	6.1	2.8	-1.8	1.6	-3.0	4.7	9.1	4.4	2.6	2.7
Hours.....	5.5	3.7	-1.0	1.0	-3.7	1.5	6.6	2.3	1.0	2.3
Hourly compensation..	8.4	9.5	10.4	9.3	7.7	3.6	3.7	4.2	3.5	2.1
Real hourly comp.....	0.8	-1.6	-2.7	-0.9	1.5	0.4	-0.6	0.7	1.6	-1.5
Unit labor costs.....	7.8	10.4	11.2	8.7	6.9	0.4	1.3	2.1	1.9	1.7
Unit nonlabor cost...	5.7	9.6	18.0	16.4	10.9	-1.2	-0.4	2.7	2.2	2.2
Total unit cost.....	7.3	10.2	12.9	10.7	8.0	0.0	0.8	2.2	2.0	1.9
Unit profit.....	2.0	-7.3	-9.9	15.2	-20.0	41.4	23.1	-1.9	-3.4	6.5
Implicit price def...	6.6	8.2	10.7	11.0	5.7	2.6	2.8	1.8	1.5	2.3

REVISED MEASURES

Revised and previous measures for the fourth quarter of 1987 for the business, nonfarm business, and manufacturing sectors are compared in table C. Productivity performed somewhat better in the fourth quarter than had been reported on February 4, 1988, based on information then available. Annual movements were virtually the same as previously published.

All measures of real hourly compensation incorporate the new seasonal adjustment factors and re-indexed values of the Consumer Price Index for All Urban Consumers announced by the BLS on February 26, 1988.

Table C. Previous and revised productivity and related measures,
fourth quarter and annual averages, 1987
(Seasonally-adjusted annual rates)

Sector	Productivity	Output	Hours	Hourly compensation	Real hourly compensation	Unit labor costs
Percent change, third to fourth quarter 1987						
Business:						
Previous	-0.7	4.8	5.6	3.1	-0.5	3.9
Revised	-0.2	5.4	5.6	3.1	-0.5	3.3
Nonfarm business:						
Previous	-0.2	5.1	5.3	3.4	-0.1	3.7
Revised	0.3	5.6	5.3	3.4	-0.2	3.1
Manufacturing:						
Previous	0.1	7.0	6.9	2.1	-1.4	2.0
Revised	0.2	7.0	6.8	2.1	-1.5	1.8
Percent change, 1986 to 1987						
Business:						
Previous	0.9	3.4	2.4	2.9	-0.7	2.0
Revised	1.0	3.4	2.4	2.9	-0.7	1.9
Nonfarm business:						
Previous	0.8	3.4	2.6	2.8	-0.8	2.0
Revised	0.9	3.5	2.6	2.8	-0.8	1.9
Manufacturing:						
Previous	3.3	4.3	1.0	1.3	-2.2	-1.9
Revised	3.3	4.3	0.9	1.3	-2.2	-1.9

NEXT RELEASE DATE

The next issue of Productivity and Costs is scheduled for release at 10:00 AM EDT, Monday, May 2, 1988, and will contain measures for nonfinancial corporations, business, nonfarm business, and manufacturing.

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 dwellings, the output of corporations engaged in banking, finance, stock and commodity trading, and credit and insurance agencies, and the statistical discrepancy in computing the national income accounts. Nonfinancial corporate output has accounted for about 59 percent of gross national product in recent years.

The productivity and associated cost measures in this news release describe the relationship between output in real terms and the labor time involved in its production. They show the changes from period to period in the amount of goods and services produced per hour. Although these measures relate output to hours of all persons engaged in a sector, they do not measure the specific 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	109.5	127.3	116.3	180.7	100.1	165.0	163.1	164.3
II	109.7	127.5	116.3	182.2	101.3	166.2	163.9	165.4
III	109.6	128.1	116.9	183.6	r101.5	167.5	165.7	166.9
IV	109.6	129.0	117.8	185.2	r101.7	169.0	162.4	166.7
ANNUAL	109.5	128.0	116.9	182.8	r101.1	166.9	163.8	165.8
1987 I	109.7	130.2	118.7	185.8	100.7	169.4	166.0	168.2
II	110.1	131.1	119.1	187.3	100.3	170.2	168.6	169.6
III	111.3	133.1	119.6	189.1	100.3	169.8	172.2	170.7
IV	r111.3	r134.9	121.2	190.5	100.2	r171.2	r171.9	r171.5
ANNUAL	r110.6	132.3	119.7	188.2	r100.4	170.2	r169.7	170.0
Percent change from previous quarter at annual rate(5)								
1986 I	5.8	6.4	0.5	3.2	1.6	-2.5	7.5	0.9
II	0.6	0.7	0.1	3.5	r4.9	2.8	2.1	2.6
III	-0.3	1.8	2.1	3.0	r0.6	3.3	4.5	3.7
IV	-0.1	3.0	3.1	3.6	r0.8	3.7	-7.7	-0.5
ANNUAL	1.9	3.3	1.4	3.9	2.0	2.0	2.2	2.1
1987 I	0.5	3.5	3.0	1.4	r-3.8	0.9	9.0	3.7
II	1.4	3.0	1.6	3.3	r-1.5	1.8	6.4	3.4
III	4.7	6.3	1.5	3.8	r0.0	-0.9	8.8	2.5
IV	r-0.2	r5.4	5.6	3.1	-0.5	r3.3	r-0.5	r1.9
ANNUAL	r1.0	3.4	2.4	2.9	-0.7	r1.9	r3.6	2.5
Percent change from corresponding quarter of previous year								
1986 I	2.8	4.2	1.3	4.8	1.7	1.9	2.8	2.2
II	2.3	3.4	1.1	4.4	2.7	2.1	2.2	2.1
III	1.3	2.7	1.5	3.7	2.0	2.4	2.4	2.4
IV	1.5	2.9	1.4	3.3	r2.0	1.8	1.4	1.7
ANNUAL	1.9	3.3	1.4	3.9	2.0	2.0	2.2	2.1
1987 I	0.2	2.3	2.1	2.8	0.6	2.7	1.8	2.3
II	0.4	2.8	2.5	2.8	-1.0	2.4	2.8	2.6
III	1.6	3.9	2.3	3.0	-1.1	1.4	3.9	2.3
IV	r1.6	r4.6	2.9	2.9	-1.5	r1.3	r5.8	r2.9
ANNUAL	r1.0	3.4	2.4	2.9	-0.7	r1.9	r3.6	2.5

See footnotes following table 6.
r=revised

March 3, 1988
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	107.7	126.9	117.9	180.0	r99.8	167.2	164.7	166.4
II	107.7	127.1	118.0	181.3	100.8	168.4	165.2	167.3
III	107.5	127.6	118.7	182.6	100.9	169.8	167.0	168.8
IV	107.5	128.5	119.6	184.4	101.2	171.5	163.9	168.8
ANNUAL	107.5	127.5	118.6	182.0	100.6	169.3	165.2	167.8
1987 I	107.6	129.7	120.6	184.9	100.2	171.8	167.4	170.3
II	108.0	130.7	121.1	186.3	99.7	172.5	169.2	171.4
III	109.1	132.7	121.7	187.9	r99.7	172.2	173.0	172.5
IV	r109.2	r134.6	123.2	189.5	99.6	r173.5	r172.9	r173.3
ANNUAL	r108.5	131.9	121.6	187.1	99.8	r172.5	r170.7	r171.9
Percent change from previous quarter at annual rate(5)								
1986 I	6.6	6.4	-0.2	3.9	2.3	-2.6	10.0	1.6
II	0.1	0.6	0.6	2.9	r4.3	2.8	1.3	2.3
III	-0.6	1.7	2.3	2.8	r0.5	3.5	4.2	3.7
IV	0.0	2.9	2.9	4.0	1.3	4.0	-7.2	0.0
ANNUAL	1.6	3.2	1.6	3.9	r2.0	2.2	2.4	2.3
1987 I	0.4	3.8	3.4	1.1	r-4.1	0.8	8.8	3.4
II	1.4	3.2	1.7	3.0	-1.8	1.5	4.6	2.6
III	4.2	6.3	2.0	3.6	-0.3	-0.6	9.3	2.7
IV	r0.3	r5.6	5.3	3.4	r-0.2	r3.1	r-0.4	r1.9
ANNUAL	r0.9	r3.5	2.6	2.8	-0.8	r1.9	r3.3	2.4
Percent change from corresponding quarter of previous year								
1986 I	2.3	4.0	1.7	4.5	1.4	2.2	3.2	2.6
II	1.9	3.3	1.4	4.1	2.5	2.2	2.3	2.3
III	1.1	2.6	1.6	3.6	1.9	2.5	2.2	2.4
IV	1.5	2.9	1.4	3.4	r2.1	1.9	1.9	1.9
ANNUAL	1.6	3.2	1.6	3.9	r2.0	2.2	2.4	2.3
1987 I	-0.1	2.2	2.3	2.7	r0.4	2.8	1.6	2.4
II	0.3	2.9	2.6	2.7	r-1.1	2.4	2.4	2.4
III	1.5	4.0	2.5	2.9	-1.2	1.4	3.6	2.2
IV	r1.6	r4.7	3.1	2.8	-1.6	r1.2	r5.5	r2.6
ANNUAL	r0.9	r3.5	2.6	2.8	-0.8	r1.9	r3.3	2.4

See footnotes following table 6.
r=revised

March 3, 1988

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	127.6	125.2	98.1	181.0	100.3	141.9
	II	128.4	125.3	97.5	182.1	r101.3	141.8
	III	129.3	126.0	97.5	183.1	101.2	141.7
	IV	129.8	127.1	97.9	184.3	101.2	142.0
	ANNUAL	128.8	125.9	97.8	182.7	r101.0	141.8
1987	I	130.8	128.4	98.1	183.9	99.6	140.5
	II	132.9	129.9	97.7	184.8	98.9	139.0
	III	134.1	132.3	98.7	185.4	98.3	138.2
	IV	r134.2	r134.6	100.3	186.3	r98.0	138.9
	ANNUAL	133.0	131.3	98.7	185.1	98.7	139.1
Percent change from previous quarter at annual rate(5)							
1986	I	4.8	3.5	-1.3	1.8	0.2	-2.8
	II	2.6	0.2	-2.3	2.5	3.8	-0.1
	III	2.7	2.3	-0.4	2.2	r-0.1	-0.5
	IV	1.7	3.7	2.0	2.7	r-0.1	0.9
	ANNUAL	3.7	2.8	-0.9	3.3	r1.4	-0.4
1987	I	3.2	4.0	0.8	-1.0	r-6.1	-4.1
	II	6.4	4.7	-1.6	2.0	r-2.7	-4.2
	III	3.7	7.6	3.8	1.3	r-2.4	-2.3
	IV	r0.2	7.0	r6.8	2.1	r-1.5	r1.8
	ANNUAL	3.3	4.3	r0.9	1.3	-2.2	-1.9
Percent change from corresponding quarter of previous year							
1986	I	5.2	3.8	-1.3	4.4	1.3	-0.7
	II	3.5	2.5	-0.9	3.4	1.8	-0.1
	III	3.2	2.3	-0.9	2.9	1.2	-0.3
	IV	2.9	2.4	-0.5	2.3	r1.0	-0.6
	ANNUAL	3.7	2.8	-0.9	3.3	r1.4	-0.4
1987	I	2.5	2.5	0.0	1.6	-0.7	-1.0
	II	3.5	3.7	0.2	1.5	-2.3	-2.0
	III	3.7	5.0	1.2	1.2	r-2.9	-2.4
	IV	r3.4	5.8	2.4	1.1	-3.2	-2.2
	ANNUAL	3.3	4.3	r0.9	1.3	-2.2	-1.9

See footnotes following table 6.
r=revised

March 3, 1988
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	135.3	133.6	98.8	179.9	99.7	133.0
	II	136.0	133.2	98.0	180.8	100.5	132.9
	III	137.5	134.1	97.5	181.6	r100.4	132.1
	IV	138.4	135.3	97.8	183.1	100.5	132.3
	ANNUAL	136.8	134.1	98.0	181.4	r100.3	132.6
1987	I	139.9	136.9	97.8	182.2	98.7	130.2
	II	141.7	137.8	97.2	182.9	r98.0	129.1
	III	143.0	140.1	98.0	183.4	97.3	128.3
	IV	143.7	143.5	99.9	184.4	r97.0	128.4
	ANNUAL	142.1	139.6	98.2	183.3	r97.8	129.0
Percent change from previous quarter at annual rate(5)							
1986	I	6.7	4.1	-2.4	1.2	-0.4	-5.2
	II	2.1	-1.1	-3.2	1.9	3.3	-0.2
	III	4.4	2.7	-1.7	1.7	r-0.6	-2.6
	IV	2.6	3.8	1.1	3.4	0.7	0.8
	ANNUAL	5.2	3.2	-1.8	3.4	r1.5	-1.7
1987	I	4.5	4.5	0.0	-1.9	r-6.9	-6.1
	II	5.3	2.8	-2.4	1.6	-3.1	-3.5
	III	3.6	7.0	3.3	1.1	r-2.6	-2.4
	IV	2.0	r9.9	7.7	2.2	-1.4	r0.1
	ANNUAL	3.9	4.1	0.2	1.1	-2.5	-2.7
Percent change from corresponding quarter of previous year							
1986	I	7.3	5.2	-2.0	4.9	1.8	-2.2
	II	4.9	3.0	-1.8	3.6	2.0	-1.2
	III	4.5	2.5	-1.9	2.8	1.1	-1.6
	IV	4.0	2.4	-1.5	2.1	0.7	-1.8
	ANNUAL	5.2	3.2	-1.8	3.4	r1.5	-1.7
1987	I	3.4	2.4	-0.9	1.3	r-1.0	-2.1
	II	4.2	3.4	-0.7	1.2	-2.5	-2.9
	III	4.0	4.5	0.5	1.0	-3.0	-2.8
	IV	3.8	6.0	2.1	0.7	-3.5	-3.0
	ANNUAL	3.9	4.1	0.2	1.1	-2.5	-2.7

See footnotes following table 6.

r=revised

March 3, 1988

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	116.0	112.7	97.2	182.7	101.2	157.5
	II	117.0	113.4	96.9	184.3	r102.5	157.5
	III	117.0	113.9	97.3	185.8	102.7	158.8
	IV	117.1	114.9	98.1	186.5	102.4	159.3
	ANNUAL	116.8	113.7	97.4	184.8	r102.2	158.3
1987	I	117.4	115.8	98.6	186.9	r101.3	159.1
	II	119.9	118.1	98.5	188.2	r100.8	156.9
	III	121.1	120.6	99.6	189.0	r100.3	156.1
	IV	r120.1	121.2	r100.9	189.8	99.8	r158.0
	ANNUAL	r119.7	118.9	99.4	r188.4	100.5	157.5
Percent change from previous quarter at annual rate(5)							
1986	I	1.8	2.3	0.5	3.2	1.6	1.4
	II	3.6	2.5	-1.0	3.6	5.0	0.0
	III	0.1	1.7	1.6	3.4	r1.0	3.3
	IV	0.4	3.6	3.3	1.5	-1.1	1.2
	ANNUAL	1.5	1.9	0.5	3.3	r1.4	1.8
1987	I	1.1	3.1	1.9	0.7	r-4.5	-0.5
	II	8.7	8.2	-0.5	2.8	r-1.9	-5.4
	III	3.9	8.8	4.7	1.7	-2.0	-2.1
	IV	r-3.1	2.1	r5.4	r1.7	r-1.9	r4.9
	ANNUAL	2.5	4.6	2.0	2.0	-1.6	-0.5
Percent change from corresponding quarter of previous year							
1986	I	1.8	1.6	-0.2	3.7	0.6	1.9
	II	1.3	1.7	0.4	3.2	1.6	1.8
	III	1.3	1.8	0.6	3.3	1.6	2.0
	IV	1.4	2.5	1.1	2.9	1.6	1.5
	ANNUAL	1.5	1.9	0.5	3.3	r1.4	1.8
1987	I	1.3	2.7	1.4	2.3	r0.0	1.0
	II	2.5	4.1	1.6	2.1	r-1.7	-0.4
	III	3.5	5.9	2.3	1.7	-2.4	-1.7
	IV	r2.6	5.5	r2.8	r1.7	r-2.6	r-0.8
	ANNUAL	2.5	4.6	2.0	2.0	-1.6	-0.5

See footnotes following table 6.

r=revised

March 3, 1988

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	109.8	129.1	117.6	177.2	98.2	161.5	180.7	166.3	129.7	161.9
II	109.7	128.8	117.4	178.4	r99.2	162.6	180.6	167.2	129.5	162.7
III	109.9	129.3	117.6	179.5	99.2	163.2	184.2	168.5	130.6	164.0
IV	110.5	130.4	118.0	181.0	r99.4	163.8	183.2	168.7	127.7	163.8
ANNUAL	109.9	129.4	117.7	178.9	98.9	162.8	182.2	167.7	129.3	163.1
1987 I	109.7	130.9	119.3	180.8	98.0	164.8	184.1	169.7	132.2	165.2
II	109.9	131.6	119.8	182.0	r97.5	165.6	186.6	170.9	132.9	166.3
III	110.8	133.7	120.6	183.3	97.2	165.5	187.3	171.0	142.1	167.5
IV	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
ANNUAL	110.3	132.9	120.5	182.7	97.5	165.6	186.3	170.8	137.7	166.8
Percent change from previous quarter at annual rate(5)										
1986 I	3.3	4.4	1.0	3.5	1.8	0.1	3.0	0.9	3.0	1.1
II	-0.2	-0.9	-0.6	2.6	4.0	2.9	-0.2	2.0	-0.5	1.8
III	0.9	1.6	0.7	2.5	r0.1	1.5	8.2	3.3	3.3	3.3
IV	2.1	3.4	1.3	3.5	r0.7	1.3	-2.3	0.3	-8.5	-0.5
ANNUAL	1.6	2.6	1.0	3.5	1.6	1.9	2.2	2.0	-3.4	1.5
1987 I	-2.9	1.5	4.6	-0.5	r-5.6	2.5	2.2	2.4	14.7	3.5
II	0.7	2.2	1.6	2.6	r-2.1	2.0	5.4	2.9	2.1	2.8
III	3.3	6.4	3.0	2.9	-0.9	-0.4	1.5	0.1	30.7	2.8
IV	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
ANNUAL	0.4	2.7	2.3	2.1	-1.5	1.7	2.2	1.9	6.5	2.3
Percent change from corresponding quarter of previous year										
1986 I	2.6	4.1	1.4	4.3	1.2	1.6	1.8	1.7	-1.7	1.3
II	1.8	2.7	0.8	3.9	2.2	2.0	1.0	1.7	-2.1	1.4
III	0.7	1.5	0.8	3.3	1.6	2.6	3.8	2.9	-8.4	1.7
IV	1.5	2.1	0.6	3.0	r1.7	1.5	2.1	1.6	-0.8	1.4
ANNUAL	1.6	2.6	1.0	3.5	1.6	1.9	2.2	2.0	-3.4	1.5
1987 I	0.0	1.4	1.5	2.0	-0.2	2.1	1.9	2.0	1.9	2.0
II	0.2	2.2	2.0	2.0	-1.7	1.8	3.3	2.2	2.6	2.3
III	0.8	3.4	2.6	2.1	-2.0	1.3	1.7	1.4	8.8	2.1
IV	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
ANNUAL	0.4	2.7	2.3	2.1	-1.5	1.7	2.2	1.9	6.5	2.3

See footnotes following table 6.

r=revised

N.A.=Not Available

March 3, 1988

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. The measures are first 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 initial value by between -2.0 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 1987.

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. For nonfinancial corporations, rental income of persons is zero by definition.
- (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.

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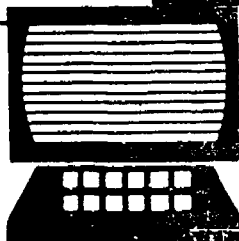


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