

News

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PRODUCTIVITY AND COSTS Second Quarter 1988

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 1988. The seasonally-adjusted annual rates of productivity change in the second quarter were:

- 2.2 percent in the business sector,
- 1.7 percent in the nonfarm business sector,
- 3.5 percent in manufacturing,
- 3.8 percent in durable goods manufacturing, and
- 2.6 percent in nondurable goods manufacturing.

The productivity declines in the business and nonfarm business sectors were the first since 1986. Although output continued to advance, even faster increases in hours of all persons engaged in these sectors were reflected in productivity declines. On the other hand, although manufacturing output was also up strongly, hours expanded relatively little, and productivity advanced. Second-quarter measures are summarized in table A and appear in detail in tables 1 through 5.

Business

Productivity declined at a 2.2 percent annual rate during the second quarter of 1988 in the business sector, as output rose 3.5 percent and hours of all persons engaged in the sector increased 5.9 percent (seasonally adjusted annual rates). This was the first decline in business productivity since 1986 (appendix table 1). During the first quarter of 1988, productivity had increased 3.5 percent (table 1). Although productivity declined in the April-June period, hours increases were the largest since the first quarter of 1984. In the second quarter of 1988, employment rose 4.8 percent and average weekly hours increased 1.1 percent.

Hourly compensation increased at a 4.7 percent annual rate during the second quarter of 1988, compared with a 3.7 percent gain during the previous quarter. This measure includes wages and salaries, supplements, employer

Table A. Productivity and costs: Preliminary second quarter 1988 measures (Seasonally adjusted annual rates)

| Sector | Productivity | Output | Hours | Hourly compensation | Real hourly compensation | Unit labor costs |
|---|--------------|--------|-------|---------------------|--------------------------|------------------|
| Percent change from preceding quarter | | | | | | |
| Business | -2.2 | 3.5 | 5.9 | 4.7 | -0.1 | 7.0 |
| Nonfarm business | -1.7 | 4.7 | 6.5 | 4.1 | -0.6 | 5.9 |
| Manufacturing | 3.5 | 5.4 | 1.8 | 2.9 | -1.8 | -0.6 |
| Durable | 3.8 | 7.4 | 3.5 | 1.4 | -3.2 | -2.3 |
| Nondurable | 2.6 | 2.1 | -0.5 | 5.2 | 0.4 | 2.5 |
| Percent change from same quarter a year ago | | | | | | |
| Business | 1.4 | 5.3 | 3.9 | 4.8 | 0.8 | 3.3 |
| Nonfarm business | 1.6 | 5.7 | 4.1 | 4.6 | 0.7 | 3.0 |
| Manufacturing | 2.8 | 6.3 | 3.4 | 3.1 | -0.7 | 0.3 |
| Durable | 3.3 | 7.2 | 3.8 | 3.1 | -0.8 | -0.2 |
| Nondurable | 1.9 | 4.8 | 2.9 | 3.2 | -0.7 | 1.3 |

contributions to employee-benefit plans, and taxes. Unit labor costs, which reflect changes in hourly compensation and productivity, increased at a 7.0 percent annual rate during the second quarter, compared with a 0.2 percent increase during the first quarter. The second-quarter increase was the largest since 1982 (when a 7.2 percent jump occurred in the third quarter).

Real hourly compensation, which takes into account changes in the Consumer Price Index for All Urban Consumers (CPI-U), declined at a 0.1 percent annual rate during the second quarter. During the first quarter, this measure had increased at a 0.3 percent annual rate.

The implicit price deflator for business output, which reflects changes in unit labor costs and unit nonlabor payments, increased 3.9 percent in the second quarter, compared with a 1.0 percent rise in the first quarter.

Nonfarm business

Productivity declined 1.7 percent in the nonfarm business sector during the second quarter of 1988, as output rose 4.7 percent and hours of all persons—employees, proprietors, and unpaid family workers—increased 6.5 percent. This was the first productivity decline since 1986 (appendix table 2), and the largest gain in hours since 1984, when they rose 7.7 percent during the first quarter. During the first quarter of 1988, productivity had increased 3.4 percent in this sector (table 2). As in the more comprehensive business sector, growth in output slowed and hours growth accelerated in the second quarter.

Hourly compensation increased 4.1 percent in the second quarter, but fell 0.6 percent when the increase in the CPI-U was taken into account. During the first quarter the comparable changes were 3.5 percent and 0.1 percent, respectively. Unit labor costs increased 5.9 percent, compared with a 0.1 percent rise during the first quarter of 1988. The increase in these costs was the largest since 1986 (when they rose 6.1 percent in the fourth quarter).

The implicit price deflator for nonfarm business output rose 3.8 percent in the second quarter, compared with a 0.6 percent increase one quarter earlier.

Manufacturing

Productivity increased at a 3.5 percent seasonally adjusted annual rate in manufacturing in the second quarter of 1988, as output increased 5.4 percent and hours of all persons increased 1.8 percent. Productivity, output, and hours all grew faster in the second quarter of 1988 than in the first (table 3).

Hourly compensation of manufacturing workers increased 2.9 percent during the second quarter, compared with a 5.4 percent increase during the first quarter. Real hourly compensation declined 1.8 percent in the second quarter when the increase in consumer prices was taken into account. During the first quarter, this measure rose at a 2.0 percent annual rate. Only one increase has occurred in manufacturing real hourly compensation in the past 6 quarters. Unit labor costs were down at a 0.6 percent annual rate in the second quarter, compared with a 2.2 percent increase during the first quarter of 1988.

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

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 27 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 1985-1987. 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 \$35. 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, Thursday, September 1, 1988. Preliminary second-quarter measures for nonfinancial corporations will be released at that time.

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 non-profit 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 accounted for 80 percent of gross national product in 1987. The nonfarm business sector, which also excludes farming, accounted for about 78 percent of gross national product in 1987.

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 accounted for about 22 percent of gross national product in 1987.

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 accounted for about 59 percent of gross national product in 1987.

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 | | | | | | | | | |
| 1987 | I | r109.9 | r130.5 | r118.8 | r187.3 | r101.5 | r170.5 | r165.6 | r168.7 |
| | II | r110.6 | r132.2 | r119.5 | r189.0 | r101.2 | r170.8 | r168.7 | r170.1 |
| | III | r111.7 | r134.3 | r120.3 | r191.1 | r101.4 | r171.1 | r171.5 | r171.2 |
| | IV | r111.8 | r136.2 | r121.8 | r194.0 | r102.0 | r173.5 | r168.9 | r171.9 |
| | ANNUAL | r111.0 | r133.3 | r120.1 | r190.4 | r101.5 | r171.5 | r168.7 | r170.5 |
| 1988 | I | r112.8 | r138.0 | r122.3 | r195.8 | r102.1 | r173.5 | r170.0 | r172.3 |
| | II | 112.2 | 139.2 | 124.1 | 198.0 | 102.0 | 176.5 | 169.2 | 173.9 |
| Percent change from previous quarter at annual rate(5) | | | | | | | | | |
| 1987 | I | r0.3 | r3.7 | r3.4 | r2.5 | r-2.8 | r2.2 | r4.6 | r3.0 |
| | II | r2.7 | r5.3 | r2.5 | r3.6 | r-1.2 | r0.8 | r7.9 | r3.2 |
| | III | r3.9 | r6.6 | r2.6 | r4.6 | r0.8 | r0.7 | r6.7 | r2.8 |
| | IV | r0.6 | r5.7 | r5.1 | r6.2 | r2.4 | r5.6 | r-5.8 | r1.4 |
| | ANNUAL | r0.8 | r3.6 | r2.8 | r4.0 | r0.3 | r3.1 | r2.3 | r2.8 |
| 1988 | I | r3.5 | 5.5 | r1.9 | r3.7 | r0.3 | r0.2 | r2.5 | r1.0 |
| | II | -2.2 | 3.5 | 5.9 | 4.7 | -0.1 | 7.0 | -1.8 | 3.9 |
| Percent change from corresponding quarter of previous year | | | | | | | | | |
| 1987 | I | r-0.6 | r1.6 | r2.2 | r3.8 | r1.5 | r4.4 | r0.7 | r3.1 |
| | II | r0.2 | r3.1 | r2.9 | r3.8 | r0.0 | r3.6 | r2.1 | r3.1 |
| | III | r1.5 | r4.5 | r3.0 | r3.9 | r-0.3 | r2.3 | r2.9 | r2.5 |
| | IV | r1.9 | r5.3 | r3.4 | r4.2 | r-0.2 | r2.3 | r3.2 | r2.6 |
| | ANNUAL | r0.8 | r3.6 | r2.8 | r4.0 | r0.3 | r3.1 | r2.3 | r2.8 |
| 1988 | I | r2.7 | r5.8 | r3.0 | r4.5 | r0.5 | r1.8 | r2.7 | r2.1 |
| | II | 1.4 | 5.3 | 3.9 | 4.8 | 0.8 | 3.3 | 0.3 | 2.3 |

See footnotes following table 6.

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August 4, 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 | | | | | | | | | |
| 1987 | I | r107.8 | r130.1 | r120.7 | r186.4 | r101.0 | r172.9 | r167.2 | r170.9 |
| | II | r108.6 | r131.9 | r121.5 | r187.9 | r100.6 | r173.0 | r169.8 | r171.9 |
| | III | r109.6 | r134.1 | r122.3 | r190.0 | r100.8 | r173.3 | 173.0 | r173.2 |
| | IV | r109.9 | r136.0 | r123.8 | r192.9 | r101.4 | r175.6 | r170.9 | r174.0 |
| | ANNUAL | r109.0 | r133.0 | r122.1 | r189.4 | r101.0 | r173.8 | r170.2 | r172.5 |
| 1988 | I | r110.8 | r137.9 | r124.4 | r194.6 | r101.5 | r175.7 | r171.6 | r174.2 |
| | II | 110.3 | 139.5 | 126.4 | 196.6 | 101.3 | 178.2 | 171.4 | 175.8 |
| Percent change from previous quarter at annual rate(5) | | | | | | | | | |
| 1987 | I | r0.0 | r4.0 | r4.0 | r2.1 | r-3.2 | r2.1 | r5.7 | r3.3 |
| | II | r3.2 | r5.7 | r2.5 | r3.4 | r-1.4 | r0.2 | r6.5 | r2.3 |
| | III | r3.7 | r6.8 | r2.9 | r4.5 | r0.6 | r0.7 | r7.7 | r3.1 |
| | IV | r0.9 | r5.9 | r4.9 | r6.4 | r2.6 | r5.4 | r-4.8 | r1.8 |
| | ANNUAL | 0.8 | r3.8 | r3.0 | r3.8 | r0.2 | r3.1 | r2.3 | r2.8 |
| 1988 | I | r3.4 | r5.6 | r2.1 | r3.5 | r0.1 | r0.1 | r1.6 | r0.6 |
| | II | -1.7 | 4.7 | 6.5 | 4.1 | -0.6 | 5.9 | -0.3 | 3.8 |
| Percent change from corresponding quarter of previous year | | | | | | | | | |
| 1987 | I | r-0.8 | r1.6 | r2.4 | r3.7 | r1.4 | r4.5 | r0.6 | r3.1 |
| | II | r0.2 | r3.2 | r3.0 | r3.7 | r-0.1 | r3.5 | r1.9 | r3.0 |
| | III | 1.5 | r4.7 | r3.2 | r3.7 | r-0.4 | r2.2 | r2.9 | r2.5 |
| | IV | r1.9 | r5.6 | r3.6 | r4.1 | r-0.4 | r2.1 | r3.6 | r2.6 |
| | ANNUAL | 0.8 | r3.8 | r3.0 | r3.8 | r0.2 | r3.1 | r2.3 | r2.8 |
| 1988 | I | r2.8 | r6.0 | r3.1 | r4.4 | r0.5 | r1.6 | r2.6 | 1.9 |
| | II | 1.6 | 5.7 | 4.1 | 4.6 | 0.7 | 3.0 | 1.0 | 2.3 |

See footnotes following table 6.
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August 4, 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 | | | | | | | |
| 1987 | I | r130.0 | r127.2 | r97.8 | r185.9 | r100.8 | r143.1 |
| | II | r131.7 | r128.7 | 97.7 | r186.3 | r99.7 | r141.4 |
| | III | r132.8 | r131.1 | r98.8 | r187.2 | r99.3 | r141.0 |
| | IV | r133.2 | r133.5 | r100.2 | r188.2 | r99.0 | r141.3 |
| | ANNUAL | r132.0 | r130.1 | r98.6 | r186.9 | r99.7 | r141.7 |
| 1988 | I | r134.3 | r135.0 | r100.6 | r190.7 | r99.4 | r142.1 |
| | II | 135.4 | 136.8 | 101.0 | 192.1 | 99.0 | 141.9 |
| Percent change from previous quarter at annual rate(5) | | | | | | | |
| 1987 | I | r3.6 | r4.1 | r0.5 | r1.4 | r-3.8 | r-2.1 |
| | II | r5.5 | r4.9 | r-0.6 | r0.7 | r-4.0 | r-4.6 |
| | III | r3.2 | r7.8 | r4.4 | r2.1 | r-1.7 | r-1.1 |
| | IV | r1.3 | r7.5 | r6.1 | 2.1 | -1.5 | r0.8 |
| | ANNUAL | r3.4 | r4.3 | r0.9 | r2.1 | r-1.5 | r-1.2 |
| 1988 | I | r3.2 | r4.6 | r1.3 | r5.4 | r2.0 | r2.2 |
| | II | 3.5 | 5.4 | 1.8 | 2.9 | -1.8 | -0.6 |
| Percent change from corresponding quarter of previous year | | | | | | | |
| 1987 | I | r2.7 | r2.4 | r-0.3 | r2.7 | r0.4 | r0.0 |
| | II | r3.6 | r3.7 | r0.1 | r2.3 | r-1.4 | r-1.2 |
| | III | r3.7 | r5.1 | r1.4 | r2.0 | r-2.1 | r-1.7 |
| | IV | r3.4 | r6.0 | r2.6 | r1.6 | r-2.7 | r-1.8 |
| | ANNUAL | r3.4 | r4.3 | r0.9 | r2.1 | r-1.5 | r-1.2 |
| 1988 | I | r3.3 | r6.2 | r2.8 | r2.6 | r-1.3 | r-0.7 |
| | II | 2.8 | 6.3 | 3.4 | 3.1 | -0.7 | 0.3 |

See footnotes following table 6.
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August 4, 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 | | | | | | | |
| 1987 | I | r136.6 | r133.3 | r97.6 | r184.9 | r100.2 | r135.3 |
| | II | r138.1 | r134.2 | 97.2 | r184.4 | r98.8 | r133.5 |
| | III | r139.1 | r136.5 | r98.2 | r185.3 | r98.3 | r133.2 |
| | IV | r140.0 | r139.9 | r99.9 | r186.2 | r97.9 | r133.0 |
| | ANNUAL | r138.5 | r136.0 | 98.2 | r185.2 | r98.8 | r133.7 |
| 1988 | I | r141.3 | r141.3 | r100.0 | r189.5 | r98.8 | r134.1 |
| | II | 142.7 | 143.9 | 100.9 | 190.1 | 98.0 | 133.3 |
| Percent change from previous quarter at annual rate(5) | | | | | | | |
| 1987 | I | r4.7 | r4.5 | r-0.2 | r1.3 | r-3.9 | r-3.2 |
| | II | r4.4 | r2.8 | r-1.5 | r-1.0 | r-5.6 | r-5.1 |
| | III | r2.9 | r7.0 | r4.0 | r2.0 | r-1.7 | r-0.9 |
| | IV | r2.6 | r10.2 | r7.3 | r1.9 | r-1.7 | r-0.7 |
| | ANNUAL | r3.8 | r4.0 | 0.2 | r1.8 | r-1.8 | r-1.9 |
| 1988 | I | r3.8 | 4.3 | r0.4 | r7.1 | r3.6 | r3.2 |
| | II | 3.8 | 7.4 | 3.5 | 1.4 | -3.2 | -2.3 |
| Percent change from corresponding quarter of previous year | | | | | | | |
| 1987 | I | r3.3 | r2.1 | r-1.2 | r2.6 | r0.3 | r-0.8 |
| | II | r4.1 | r3.3 | r-0.8 | r2.0 | r-1.7 | r-2.0 |
| | III | r3.8 | r4.5 | r0.6 | r1.7 | r-2.4 | r-2.1 |
| | IV | r3.7 | r6.1 | r2.3 | r1.1 | r-3.2 | r-2.5 |
| | ANNUAL | r3.8 | r4.0 | 0.2 | r1.8 | r-1.8 | r-1.9 |
| 1988 | I | r3.4 | r6.0 | r2.5 | r2.5 | r-1.4 | r-0.9 |
| | II | 3.3 | 7.2 | 3.8 | 3.1 | -0.8 | -0.2 |

See footnotes following table 6.
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August 4, 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 | | | | | | | |
| 1987 | I | r120.1 | r118.0 | r98.2 | r188.0 | r101.9 | r156.4 |
| | II | r122.4 | r120.5 | r98.4 | r189.7 | r101.6 | r155.0 |
| | III | r123.5 | r123.1 | r99.7 | r190.8 | r101.2 | r154.5 |
| | IV | r123.2 | r124.0 | r100.7 | r191.9 | r100.9 | r155.8 |
| | ANNUAL | r122.3 | r121.4 | r99.3 | r190.1 | r101.4 | r155.4 |
| 1988 | I | r123.9 | r125.6 | r101.4 | r193.2 | r100.8 | r156.0 |
| | II | 124.7 | 126.2 | 101.3 | 195.7 | 100.9 | 157.0 |
| Percent change from previous quarter at annual rate(5) | | | | | | | |
| 1987 | I | r1.9 | r3.4 | r1.5 | r1.6 | r-3.6 | r-0.2 |
| | II | r7.6 | r8.5 | r0.8 | r3.8 | r-1.0 | r-3.6 |
| | III | r3.8 | r9.0 | r5.1 | r2.4 | r-1.4 | r-1.3 |
| | IV | r-1.1 | r3.1 | r4.2 | r2.2 | r-1.4 | r3.4 |
| | ANNUAL | r2.8 | r4.9 | 2.0 | r2.8 | r-0.8 | r0.0 |
| 1988 | I | r2.3 | r5.1 | r2.7 | r2.9 | r-0.5 | r0.6 |
| | II | 2.6 | 2.1 | -0.5 | 5.2 | 0.4 | 2.5 |
| Percent change from corresponding quarter of previous year | | | | | | | |
| 1987 | I | r1.8 | r2.9 | r1.1 | r3.2 | r0.9 | r1.4 |
| | II | r2.9 | r4.4 | r1.5 | r3.1 | r-0.7 | r0.2 |
| | III | r3.6 | r6.2 | r2.5 | r2.6 | r-1.5 | r-1.0 |
| | IV | r3.0 | r6.0 | 2.9 | r2.5 | r-1.9 | r-0.5 |
| | ANNUAL | r2.8 | r4.9 | 2.0 | r2.8 | r-0.8 | r0.0 |
| 1988 | I | r3.1 | r6.4 | r3.2 | r2.8 | r-1.1 | r-0.3 |
| | II | 1.9 | 4.8 | 2.9 | 3.2 | -0.7 | 1.3 |

See footnotes following table 6.

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August 4, 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 | | | | | | | | | | |
| 1987 I | r110.1 | r131.3 | 119.3 | r182.9 | r99.1 | r166.2 | r180.8 | r169.9 | r128.5 | r164.9 |
| II | r110.9 | r133.3 | r120.2 | r184.3 | r98.7 | r166.1 | r182.6 | r170.3 | r129.8 | r165.4 |
| III | r112.2 | r136.1 | r121.3 | r186.1 | r98.7 | r165.9 | r183.0 | r170.2 | r136.4 | r166.1 |
| IV | r112.2 | r137.7 | r122.8 | r188.5 | r99.1 | r168.1 | r183.6 | r172.0 | r128.3 | r166.7 |
| ANNUAL | r111.3 | r134.6 | r120.9 | r185.5 | r98.9 | r166.6 | r182.5 | r170.6 | r130.8 | r165.8 |
| 1988 I | r113.3 | r140.1 | r123.6 | r189.9 | r99.0 | r167.5 | r183.4 | r171.5 | r132.5 | r166.9 |
| Percent change from previous quarter at annual rate(5) | | | | | | | | | | |
| 1987 I | r-1.0 | r2.9 | r4.0 | r1.6 | r-3.6 | r2.6 | r2.5 | r2.6 | r-3.5 | r2.0 |
| II | r3.1 | r6.1 | r2.9 | r2.9 | r-1.8 | r-0.2 | r4.1 | r1.0 | r3.9 | r1.2 |
| III | r4.7 | r8.8 | r4.0 | r4.1 | r0.3 | r-0.6 | r0.8 | r-0.2 | r21.9 | r1.7 |
| IV | r-0.1 | r4.7 | r4.8 | r5.2 | r1.5 | r5.3 | r1.3 | r4.2 | r-21.5 | r1.5 |
| ANNUAL | r1.5 | r4.3 | r2.7 | r3.4 | r-0.3 | 1.8 | r2.3 | r1.9 | r-1.2 | r1.6 |
| 1988 I | r4.3 | r7.2 | r2.8 | r3.0 | r-0.4 | r-1.2 | r-0.3 | r-1.0 | r13.8 | r0.3 |
| Percent change from corresponding quarter of previous year | | | | | | | | | | |
| 1987 I | r0.5 | r2.0 | 1.5 | r3.3 | r1.0 | r2.8 | r2.3 | r2.6 | r-3.8 | 2.0 |
| II | r1.5 | r3.9 | r2.4 | r3.2 | r-0.6 | r1.7 | r3.2 | r2.1 | r-2.2 | r1.7 |
| III | r2.3 | r5.6 | r3.2 | r3.3 | r-0.9 | r0.9 | r1.5 | r1.1 | r2.0 | r1.2 |
| IV | r1.6 | r5.6 | r3.9 | r3.4 | r-1.0 | r1.8 | r2.2 | r1.9 | r-1.1 | r1.6 |
| ANNUAL | r1.5 | r4.3 | r2.7 | r3.4 | r-0.3 | 1.8 | r2.3 | r1.9 | r-1.2 | r1.6 |
| 1988 I | r3.0 | r6.7 | r3.6 | r3.8 | r-0.1 | r0.8 | r1.5 | r1.0 | r3.1 | r1.2 |

See footnotes following table 6.
r=revised

August 4, 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.

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 | | | | | | | | |
| 1985 I | 106.7 | 122.4 | 114.7 | 172.5 | 98.5 | 161.6 | 158.7 | 160.6 |
| II | 107.5 | 123.7 | 115.0 | 174.2 | 98.4 | 162.0 | 161.1 | 161.7 |
| III | 108.3 | 124.8 | 115.3 | 176.4 | 99.1 | 163.0 | 162.1 | 162.6 |
| IV | 108.5 | 125.9 | 116.1 | 178.8 | 99.4 | 164.8 | 161.6 | 163.7 |
| ANNUAL | 107.7 | 124.2 | 115.3 | 175.5 | 98.8 | 162.9 | 160.9 | 162.2 |
| 1986 I | 110.5 | 128.4 | 116.2 | 180.4 | 100.0 | 163.3 | 164.5 | 163.7 |
| II | 110.4 | 128.2 | 116.1 | 182.0 | 101.2 | 164.9 | 165.2 | 165.0 |
| III | 110.0 | 128.5 | 116.8 | 184.0 | 101.7 | 167.3 | 166.6 | 167.0 |
| IV | 109.8 | 129.3 | 117.8 | 186.2 | 102.2 | 169.6 | 163.7 | 167.5 |
| ANNUAL | 110.1 | 128.6 | 116.8 | 183.1 | 101.2 | 166.3 | 165.0 | 165.8 |
| Percent change from previous quarter at annual rate(5) | | | | | | | | |
| 1985 I | 2.9 | 5.7 | 2.7 | 5.2 | 1.6 | 2.2 | 1.8 | 2.0 |
| II | 3.1 | 4.0 | 0.9 | 4.0 | -0.4 | 0.9 | 6.2 | 2.7 |
| III | 2.8 | 3.7 | 0.9 | 5.3 | 2.9 | 2.4 | 2.6 | 2.5 |
| IV | 0.7 | 3.6 | 2.9 | 5.4 | 1.3 | 4.7 | -1.1 | 2.6 |
| ANNUAL | 2.1 | 4.2 | 2.1 | 4.5 | 0.9 | 2.4 | 2.8 | 2.5 |
| 1986 I | 7.7 | 8.3 | 0.6 | 3.7 | 2.1 | -3.7 | 7.3 | 0.1 |
| II | -0.4 | -0.8 | -0.4 | 3.7 | 5.1 | 4.1 | 1.7 | 3.2 |
| III | -1.4 | 0.9 | 2.3 | 4.4 | 2.0 | 5.8 | 3.4 | 5.0 |
| IV | -0.8 | 2.5 | 3.4 | 4.8 | 2.1 | 5.7 | -6.7 | 1.1 |
| ANNUAL | 2.2 | 3.5 | 1.3 | 4.3 | 2.4 | 2.1 | 2.5 | 2.3 |
| Percent change from corresponding quarter of previous year | | | | | | | | |
| 1985 I | 1.6 | 4.6 | 3.0 | 4.0 | 0.4 | 2.4 | 3.0 | 2.6 |
| II | 1.8 | 3.8 | 1.9 | 4.4 | 0.6 | 2.5 | 2.7 | 2.6 |
| III | 2.6 | 4.2 | 1.6 | 4.6 | 1.2 | 1.9 | 3.5 | 2.5 |
| IV | 2.4 | 4.3 | 1.8 | 5.0 | 1.4 | 2.5 | 2.3 | 2.5 |
| ANNUAL | 2.1 | 4.2 | 2.1 | 4.5 | 0.9 | 2.4 | 2.8 | 2.5 |
| 1986 I | 3.5 | 4.9 | 1.3 | 4.6 | 1.5 | 1.0 | 3.7 | 2.0 |
| II | 2.7 | 3.7 | 1.0 | 4.5 | 2.9 | 1.8 | 2.6 | 2.1 |
| III | 1.6 | 3.0 | 1.3 | 4.3 | 2.6 | 2.6 | 2.8 | 2.7 |
| IV | 1.2 | 2.7 | 1.5 | 4.2 | 2.8 | 2.9 | 1.3 | 2.3 |
| ANNUAL | 2.2 | 3.5 | 1.3 | 4.3 | 2.4 | 2.1 | 2.5 | 2.3 |

See footnotes following table 6.
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August 4, 1988
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 | | | | | | | | |
| 1985 I | 105.4 | 122.3 | 116.0 | 172.3 | 98.4 | 163.4 | 159.2 | 161.9 |
| II | 106.0 | 123.4 | 116.4 | 173.7 | 98.2 | 164.0 | 161.7 | 163.2 |
| III | 106.4 | 124.4 | 116.9 | 175.7 | 98.7 | 165.1 | 163.9 | 164.7 |
| IV | 106.5 | 125.5 | 117.9 | 177.9 | 99.0 | 167.1 | 162.7 | 165.5 |
| ANNUAL | 106.1 | 123.9 | 116.8 | 174.9 | 98.5 | 164.9 | 161.9 | 163.8 |
| 1986 I | 108.6 | 128.1 | 117.9 | 179.8 | 99.6 | 165.5 | 166.1 | 165.7 |
| II | 108.4 | 127.8 | 117.9 | 181.2 | 100.7 | 167.1 | 166.6 | 167.0 |
| III | 108.0 | 128.1 | 118.6 | 183.1 | 101.2 | 169.5 | 168.1 | 169.0 |
| IV | 107.8 | 128.8 | 119.5 | 185.4 | 101.8 | 172.1 | 164.9 | 169.5 |
| ANNUAL | 108.2 | 128.2 | 118.5 | 182.3 | 100.8 | 168.6 | 166.4 | 167.8 |
| Percent change from previous quarter at annual rate(5) | | | | | | | | |
| 1985 I | 2.1 | 5.2 | 3.0 | 4.9 | 1.4 | 2.7 | 1.5 | 2.3 |
| II | 2.0 | 3.7 | 1.6 | 3.5 | -1.0 | 1.4 | 6.5 | 3.2 |
| III | 1.7 | 3.3 | 1.6 | 4.5 | 2.2 | 2.8 | 5.5 | 3.7 |
| IV | 0.2 | 3.5 | 3.4 | 5.1 | 1.0 | 4.9 | -2.9 | 2.1 |
| ANNUAL | 1.4 | 3.9 | 2.5 | 4.2 | 0.6 | 2.8 | 3.5 | 3.0 |
| 1986 I | 8.4 | 8.5 | 0.0 | 4.3 | 2.7 | -3.8 | 8.8 | 0.4 |
| II | -0.8 | -0.8 | 0.0 | 3.2 | 4.6 | 4.0 | 1.2 | 3.0 |
| III | -1.5 | 0.8 | 2.4 | 4.3 | 1.9 | 5.9 | 3.6 | 5.1 |
| IV | -0.9 | 2.4 | 3.3 | 5.1 | 2.3 | 6.1 | -7.5 | 1.2 |
| ANNUAL | 2.0 | 3.5 | 1.5 | 4.2 | 2.3 | 2.2 | 2.8 | 2.4 |
| Percent change from corresponding quarter of previous year | | | | | | | | |
| 1985 I | 1.3 | 4.4 | 3.1 | 4.0 | 0.4 | 2.7 | 4.0 | 3.2 |
| II | 1.2 | 3.4 | 2.2 | 4.2 | 0.4 | 2.9 | 3.4 | 3.1 |
| III | 1.8 | 3.8 | 2.0 | 4.2 | 0.8 | 2.4 | 4.5 | 3.1 |
| IV | 1.5 | 3.9 | 2.4 | 4.5 | 0.9 | 2.9 | 2.6 | 2.8 |
| ANNUAL | 1.4 | 3.9 | 2.5 | 4.2 | 0.6 | 2.8 | 3.5 | 3.0 |
| 1986 I | 3.0 | 4.7 | 1.6 | 4.4 | 1.2 | 1.3 | 4.4 | 2.3 |
| II | 2.3 | 3.6 | 1.2 | 4.3 | 2.6 | 1.9 | 3.1 | 2.3 |
| III | 1.5 | 3.0 | 1.4 | 4.2 | 2.6 | 2.7 | 2.6 | 2.7 |
| IV | 1.2 | 2.7 | 1.4 | 4.2 | 2.9 | 3.0 | 1.4 | 2.4 |
| ANNUAL | 2.0 | 3.5 | 1.5 | 4.2 | 2.3 | 2.2 | 2.8 | 2.4 |

See footnotes following table 6.

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August 4, 1988

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 | | | | | | | |
| 1985 | I | 121.1 | 120.3 | 99.4 | 174.0 | 99.4 | 143.7 |
| | II | 123.6 | 121.7 | 98.5 | 175.3 | 99.0 | 141.8 |
| | III | 124.6 | 122.6 | 98.4 | 177.0 | 99.4 | 142.1 |
| | IV | 125.3 | 123.3 | 98.4 | 179.4 | 99.8 | 143.2 |
| | ANNUAL | 123.6 | 122.0 | 98.7 | 176.4 | 99.3 | 142.7 |
| 1986 | I | 126.6 | 124.2 | 98.1 | 181.1 | 100.3 | 143.0 |
| | II | 127.2 | 124.1 | 97.6 | 182.0 | 101.2 | 143.2 |
| | III | 128.0 | 124.8 | 97.4 | 183.6 | 101.5 | 143.4 |
| | IV | 128.8 | 125.9 | 97.7 | 185.3 | 101.7 | 143.8 |
| | ANNUAL | 127.7 | 124.7 | 97.7 | 183.0 | 101.2 | 143.3 |
| Percent change from previous quarter at annual rate(5) | | | | | | | |
| 1985 | I | 3.9 | 2.5 | -1.3 | 7.0 | 3.5 | 3.1 |
| | II | 8.5 | 4.7 | -3.4 | 2.9 | -1.6 | -5.2 |
| | III | 3.3 | 2.8 | -0.4 | 3.9 | 1.7 | 0.6 |
| | IV | 2.5 | 2.5 | 0.0 | 5.7 | 1.6 | 3.2 |
| | ANNUAL | 4.6 | 3.8 | -0.8 | 5.0 | 1.4 | 0.3 |
| 1986 | I | 4.0 | 2.8 | -1.2 | 3.7 | 2.0 | -0.3 |
| | II | 1.8 | -0.2 | -2.0 | 2.2 | 3.5 | 0.3 |
| | III | 2.8 | 2.1 | -0.7 | 3.5 | 1.2 | 0.7 |
| | IV | 2.5 | 3.7 | 1.2 | 3.7 | 1.0 | 1.2 |
| | ANNUAL | 3.3 | 2.3 | -1.0 | 3.7 | 1.9 | 0.5 |
| Percent change from corresponding quarter of previous year | | | | | | | |
| 1985 | I | 4.1 | 4.9 | 0.7 | 5.1 | 1.5 | 0.9 |
| | II | 5.5 | 4.1 | -1.3 | 5.2 | 1.4 | -0.3 |
| | III | 4.6 | 3.1 | -1.4 | 4.9 | 1.5 | 0.3 |
| | IV | 4.5 | 3.1 | -1.3 | 4.9 | 1.3 | 0.4 |
| | ANNUAL | 4.6 | 3.8 | -0.8 | 5.0 | 1.4 | 0.3 |
| 1986 | I | 4.5 | 3.2 | -1.3 | 4.0 | 0.9 | -0.5 |
| | II | 2.9 | 2.0 | -0.9 | 3.9 | 2.2 | 0.9 |
| | III | 2.8 | 1.8 | -1.0 | 3.8 | 2.1 | 0.9 |
| | IV | 2.8 | 2.1 | -0.7 | 3.3 | 1.9 | 0.5 |
| | ANNUAL | 3.3 | 2.3 | -1.0 | 3.7 | 1.9 | 0.5 |

See footnotes following table 6.
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August 4, 1988
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 | | | | | | | |
| 1985 | I | 125.0 | 125.9 | 100.7 | 172.7 | 98.6 | 138.2 |
| | II | 127.8 | 127.5 | 99.8 | 173.5 | 98.0 | 135.7 |
| | III | 129.2 | 128.5 | 99.4 | 175.5 | 98.6 | 135.8 |
| | IV | 130.4 | 129.5 | 99.3 | 178.6 | 99.3 | 136.9 |
| | ANNUAL | 128.1 | 127.9 | 99.8 | 175.0 | 98.6 | 136.6 |
| 1986 | I | 132.2 | 130.5 | 98.7 | 180.3 | 99.9 | 136.4 |
| | II | 132.6 | 130.0 | 98.0 | 180.8 | 100.5 | 136.3 |
| | III | 133.9 | 130.7 | 97.6 | 182.2 | 100.7 | 136.0 |
| | IV | 135.1 | 131.8 | 97.6 | 184.2 | 101.2 | 136.4 |
| | ANNUAL | 133.5 | 130.8 | 98.0 | 181.9 | 100.6 | 136.3 |
| Percent change from previous quarter at annual rate(5) | | | | | | | |
| 1985 | I | 5.6 | 4.0 | -1.5 | 8.8 | 5.2 | 3.0 |
| | II | 9.5 | 5.4 | -3.7 | 1.8 | -2.5 | -7.0 |
| | III | 4.5 | 3.1 | -1.4 | 4.8 | 2.4 | 0.2 |
| | IV | 3.7 | 3.2 | -0.5 | 7.2 | 3.1 | 3.4 |
| | ANNUAL | 6.2 | 5.8 | -0.4 | 5.2 | 1.6 | -1.0 |
| 1986 | I | 5.6 | 3.2 | -2.2 | 3.9 | 2.2 | -1.6 |
| | II | 1.3 | -1.8 | -3.0 | 1.2 | 2.5 | -0.1 |
| | III | 4.1 | 2.3 | -1.7 | 3.2 | 0.9 | -0.9 |
| | IV | 3.3 | 3.6 | 0.2 | 4.5 | 1.8 | 1.1 |
| | ANNUAL | 4.2 | 2.3 | -1.8 | 3.9 | 2.0 | -0.3 |
| Percent change from corresponding quarter of previous year | | | | | | | |
| 1985 | I | 6.5 | 8.6 | 2.0 | 5.1 | 1.5 | -1.3 |
| | II | 7.1 | 6.5 | -0.5 | 5.0 | 1.2 | -1.9 |
| | III | 5.8 | 4.3 | -1.4 | 5.1 | 1.7 | -0.6 |
| | IV | 5.8 | 3.9 | -1.8 | 5.6 | 2.0 | -0.2 |
| | ANNUAL | 6.2 | 5.8 | -0.4 | 5.2 | 1.6 | -1.0 |
| 1986 | I | 5.8 | 3.7 | -2.0 | 4.4 | 1.3 | -1.3 |
| | II | 3.7 | 1.9 | -1.8 | 4.2 | 2.6 | 0.5 |
| | III | 3.6 | 1.7 | -1.9 | 3.8 | 2.2 | 0.2 |
| | IV | 3.6 | 1.8 | -1.7 | 3.2 | 1.8 | -0.4 |
| | ANNUAL | 4.2 | 2.3 | -1.8 | 3.9 | 2.0 | -0.3 |

See footnotes following table 6.

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August 4, 1988

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 | | | | | | | |
| 1985 | I | 115.1 | 112.0 | 97.3 | 175.8 | 100.4 | 152.8 |
| | II | 117.0 | 113.0 | 96.6 | 177.9 | 100.5 | 152.0 |
| | III | 117.4 | 113.7 | 96.8 | 179.1 | 100.6 | 152.6 |
| | IV | 117.6 | 114.1 | 97.0 | 180.5 | 100.4 | 153.5 |
| | ANNUAL | 116.7 | 113.2 | 97.0 | 178.3 | 100.4 | 152.7 |
| 1986 | I | 118.1 | 114.7 | 97.1 | 182.1 | 100.9 | 154.3 |
| | II | 118.9 | 115.4 | 97.0 | 184.0 | 102.3 | 154.7 |
| | III | 119.2 | 115.9 | 97.2 | 186.0 | 102.8 | 156.0 |
| | IV | 119.6 | 117.0 | 97.9 | 187.2 | 102.8 | 156.5 |
| | ANNUAL | 118.9 | 115.8 | 97.3 | 184.8 | 102.2 | 155.4 |
| Percent change from previous quarter at annual rate(5) | | | | | | | |
| 1985 | I | 1.1 | 0.1 | -1.0 | 4.1 | 0.6 | 3.0 |
| | II | 6.9 | 3.7 | -3.0 | 4.8 | 0.3 | -2.0 |
| | III | 1.4 | 2.4 | 1.0 | 2.8 | 0.5 | 1.4 |
| | IV | 0.6 | 1.3 | 0.7 | 3.2 | -0.8 | 2.6 |
| | ANNUAL | 2.1 | 0.7 | -1.4 | 4.5 | 0.9 | 2.4 |
| 1986 | I | 1.7 | 2.2 | 0.5 | 3.7 | 2.0 | 1.9 |
| | II | 3.0 | 2.5 | -0.4 | 4.2 | 5.6 | 1.2 |
| | III | 1.0 | 1.8 | 0.9 | 4.4 | 2.0 | 3.4 |
| | IV | 1.3 | 3.9 | 2.6 | 2.6 | -0.1 | 1.4 |
| | ANNUAL | 1.9 | 2.3 | 0.4 | 3.7 | 1.8 | 1.7 |
| Percent change from corresponding quarter of previous year | | | | | | | |
| 1985 | I | 0.4 | -0.7 | -1.2 | 4.8 | 1.2 | 4.4 |
| | II | 2.8 | 0.4 | -2.4 | 5.2 | 1.4 | 2.3 |
| | III | 2.7 | 1.2 | -1.4 | 4.4 | 1.1 | 1.7 |
| | IV | 2.4 | 1.9 | -0.6 | 3.7 | 0.2 | 1.2 |
| | ANNUAL | 2.1 | 0.7 | -1.4 | 4.5 | 0.9 | 2.4 |
| 1986 | I | 2.6 | 2.4 | -0.2 | 3.6 | 0.5 | 1.0 |
| | II | 1.6 | 2.1 | 0.4 | 3.5 | 1.8 | 1.8 |
| | III | 1.5 | 2.0 | 0.4 | 3.9 | 2.2 | 2.3 |
| | IV | 1.7 | 2.6 | 0.9 | 3.7 | 2.4 | 2.0 |
| | ANNUAL | 1.9 | 2.3 | 0.4 | 3.7 | 1.8 | 1.7 |

See footnotes following table 6.
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August 4, 1988
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 compensa- tion (1) | Real hourly compen- sation(2) | Unit labor cost | Unit non- labor cost(7) | Total unit cost (8) | Unit pro- fits (9) | Implicit price deflator (4) | |
|--|--|--------|-------------------|------------------------------------|--|-----------------------|----------------------------------|------------------------------|-----------------------------|--------------------------------------|-------|
| Indexes 1977=100 | | | | | | | | | | | |
| 1985 | I | 107.3 | 124.3 | 115.9 | 170.1 | 97.1 | 158.5 | 174.9 | 162.6 | 129.3 | 158.6 |
| | II | 107.3 | 124.9 | 116.4 | 171.3 | 96.8 | 159.7 | 176.5 | 164.0 | 129.5 | 159.8 |
| | III | 108.1 | 126.2 | 116.7 | 173.1 | 97.3 | 160.1 | 175.3 | 163.9 | 140.8 | 161.2 |
| | IV | 108.0 | 126.7 | 117.3 | 175.3 | 97.5 | 162.3 | 176.3 | 165.8 | 132.4 | 161.8 |
| | ANNUAL | 107.7 | 125.5 | 116.6 | 172.5 | 97.1 | 160.2 | 175.8 | 164.1 | 133.0 | 160.4 |
| 1986 | I | 109.5 | 128.8 | 117.6 | 177.1 | 98.1 | 161.7 | 176.7 | 165.5 | 133.7 | 161.7 |
| | II | 109.3 | 128.3 | 117.3 | 178.5 | 99.2 | 163.3 | 176.9 | 166.7 | 132.7 | 162.6 |
| | III | 109.6 | 128.9 | 117.6 | 180.2 | 99.6 | 164.3 | 180.3 | 168.4 | 133.6 | 164.2 |
| | IV | 110.3 | 130.4 | 118.1 | 182.2 | 100.1 | 165.1 | 179.6 | 168.8 | 129.7 | 164.1 |
| | ANNUAL | 109.7 | 129.1 | 117.7 | 179.5 | 99.2 | 163.6 | 178.4 | 167.3 | 132.4 | 163.2 |
| Percent change from previous quarter at annual rate(5) | | | | | | | | | | | |
| 1985 | I | 3.6 | 5.5 | 1.9 | 4.7 | 1.2 | 1.1 | -4.3 | -0.4 | -13.8 | -1.8 |
| | II | -0.2 | 1.7 | 1.9 | 3.0 | -1.4 | 3.2 | 3.6 | 3.3 | 0.7 | 3.1 |
| | III | 3.3 | 4.3 | 1.0 | 4.2 | 1.9 | 0.9 | -2.7 | -0.1 | 39.7 | 3.3 |
| | IV | -0.5 | 1.7 | 2.2 | 5.1 | 1.0 | 5.6 | 2.4 | 4.7 | -22.0 | 1.6 |
| | ANNUAL | 1.6 | 4.0 | 2.3 | 4.0 | 0.5 | 2.4 | 1.2 | 2.1 | -2.6 | 1.6 |
| 1986 | I | 5.7 | 6.6 | 0.8 | 4.3 | 2.6 | -1.4 | 1.0 | -0.8 | 4.0 | -0.3 |
| | II | -0.8 | -1.7 | -0.9 | 3.2 | 4.5 | 4.0 | 0.3 | 3.0 | -3.0 | 2.4 |
| | III | 1.2 | 2.1 | 0.8 | 3.8 | 1.5 | 2.6 | 8.0 | 4.0 | 2.9 | 3.9 |
| | IV | 2.6 | 4.6 | 2.0 | 4.6 | 1.9 | 2.0 | -1.6 | 1.0 | -11.2 | -0.2 |
| | ANNUAL | 1.8 | 2.8 | 1.0 | 4.0 | 2.2 | 2.2 | 1.5 | 2.0 | -0.5 | 1.7 |
| Percent change from corresponding quarter of previous year | | | | | | | | | | | |
| 1985 | I | 1.6 | 5.0 | 3.3 | 3.9 | 0.3 | 2.2 | 2.9 | 2.4 | -4.8 | 1.6 |
| | II | 1.1 | 3.5 | 2.4 | 4.0 | 0.2 | 2.9 | 2.6 | 2.8 | -9.0 | 1.5 |
| | III | 2.2 | 4.1 | 1.8 | 4.0 | 0.6 | 1.7 | 0.0 | 1.2 | 5.4 | 1.6 |
| | IV | 1.5 | 3.3 | 1.7 | 4.2 | 0.7 | 2.7 | -0.3 | 1.9 | -1.4 | 1.5 |
| | ANNUAL | 1.6 | 4.0 | 2.3 | 4.0 | 0.5 | 2.4 | 1.2 | 2.1 | -2.6 | 1.6 |
| 1986 | I | 2.1 | 3.6 | 1.5 | 4.1 | 1.0 | 2.0 | 1.0 | 1.8 | 3.4 | 1.9 |
| | II | 1.9 | 2.7 | 0.8 | 4.2 | 2.5 | 2.2 | 0.2 | 1.7 | 2.4 | 1.7 |
| | III | 1.4 | 2.1 | 0.7 | 4.1 | 2.4 | 2.6 | 2.9 | 2.7 | -5.1 | 1.9 |
| | IV | 2.2 | 2.9 | 0.7 | 4.0 | 2.6 | 1.8 | 1.9 | 1.8 | -2.0 | 1.4 |
| | ANNUAL | 1.8 | 2.8 | 1.0 | 4.0 | 2.2 | 2.2 | 1.5 | 2.0 | -0.5 | 1.7 |

See footnotes following table 6.
r=revised

August 4, 1988
Source: Bureau of Labor Statistics