

DATA ANALYTICS PROJECT

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PRODUCTIVITY AND COMPENSATION TRENDS

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INTRODUCTION

- Productivity: Measures output per hour of work, with higher values indicating more efficient labor use, often driven by technology, skills, and process improvements.
- Hourly Compensation: The average wages paid per hour, reflecting changes in economic conditions, labor market dynamics, and inflation.
- Significance: This analysis sheds light on labor economics by examining how economic growth or recessions affect productivity and compensation, the link between productivity and wages, and the impact of labor policies over time.

DATASET OVERVIEW



- Year: The specific year for each record, enabling analysis of trends over time.
- Net Productivity per Hour Worked: Measures labor efficiency as output per hour, shown as a decimal.
- Average Compensation of Production and Nonsupervisory Workers: Average wages for non-managerial production workers, reflecting wage trends in this group.
- Average Compensation: Overall average pay across all worker roles, offering a broad view of compensation trends.
- Median Compensation: The middle value of all compensation figures, providing a central measure less influenced by outliers.
- Men Median Compensation: The median pay for male workers, allowing gender pay comparisons.
- Women Median Compensation: The median pay for female workers, highlighting gender-based pay differences.
- Data Coverage (1948-2021): A 74-year dataset capturing productivity and compensation trends through various economic periods, including post-WWII growth and technological advances.

ANALYSIS FOCUS



- Productivity Trends: Investigates how productivity per hour has changed over time, identifying significant growth or decline.
- Compensation Patterns: Examines wage trends for production and nonsupervisory workers, reflecting economic conditions and labor market shifts.
- Productivity-Compensation Relationship: Explores whether productivity increases have led to corresponding wage increases, assessing labor policy effectiveness.
- Historical Context: Considers the broader economic periods over the 74-year data span, providing context for the trends observed.

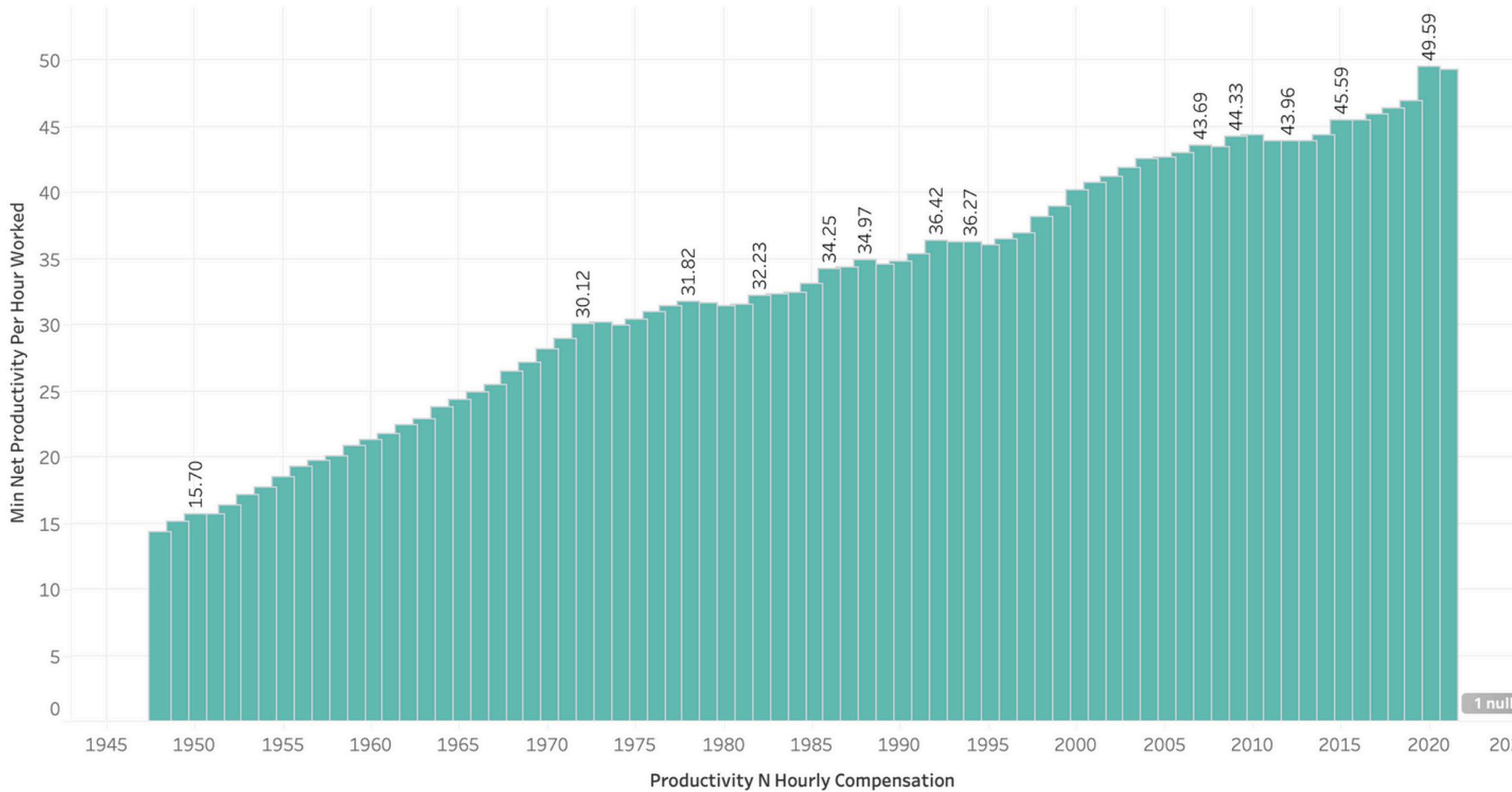


MAXIMUM PRODUCTIVITY & COMPENSATION INSIGHTS

- Maximum Compensation: The top average wage recorded, indicating the best-paying period for workers.
- Correlation: Examines if peak productivity aligns with peak compensation, providing insights into how productivity impacts wages.
- Strategic Insight: Use these benchmarks to guide future strategies in technology, training, and fair compensation.

MAXIMUM PRODUCTIVITY & COMPENSATION DASHBOARD

Maximum Productivity and Compensation Analysis (1948-2021)





KEY INSIGHTS AND TRENDS

These insights reveal significant trends in productivity and compensation, shedding light on historical labor market changes.

- **Rising Productivity:** Productivity per hour increased over time, reflecting enhanced efficiency due to technological and skill advancements.
- **Stagnant Wages:** Average compensation for production and nonsupervisory workers didn't keep pace with productivity, suggesting wage stagnation despite higher output.
- **Gender Disparities:** Men's median compensation was consistently higher than women's, highlighting ongoing gender wage gaps.
- **Economic Impact:** Recessions led to slower productivity growth and stagnating or falling wages, showing how economic downturns affect workers.

RECOMMENDATIONS

ENHANCE WAGE GROWTH THROUGH PRODUCTIVITY GAINS

- Encourage policies to align wage growth with productivity improvements.
- The analysis showed that productivity often rose without a similar increase in compensation, leading to potential income inequality and lower morale.
- Ensuring wages keep pace with productivity can boost worker motivation and reduce disparities.

ADDRESS WAGE DISPARITIES AND PROMOTE INCLUSIVE GROWTH

- Address wage disparities to ensure that economic growth benefits everyone.
- The data shows wage stagnation despite economic growth, highlighting the need to tackle disparities, especially among gender groups and low-wage workers, to promote inclusive growth.

STRENGTHEN SOCIAL SAFETY NETS

- Strengthen social safety nets to protect workers during downturns.
- Economic downturns and low productivity growth can cause job losses and financial instability.
- Enhancing support systems like unemployment benefits and healthcare can help buffer these impacts.

ENCOURAGE LONG-TERM ECONOMIC PLANNING

- Promote long-term economic planning to balance productivity and compensation for sustainable growth.
- Short-term policies may create imbalances. Long-term planning ensures stable and sustainable economic growth.

SUMMARY

01

- Productivity Growth: Significant rise over the years, peaking recently.
- Compensation Trends: Often lagged behind productivity increases, indicating wage stagnation.

02

- Economic Disparities: Gaps between productivity and compensation can lead to income inequality.
- Policy Recommendations: Align wage growth with productivity, address wage disparities, and enhance social safety nets.

03

- Align Wage Growth with Productivity
- Address Wage Disparities
- Enhance Social Safety Nets
- Promote Long-Term Economic Planning

Q & A



I welcome your questions and feedback. Please feel free to ask about any aspect of the presentation or the project

THANK YOU

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