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Macro Roundup Article

Headline: Post-Pandemic Productivity Dynamics in the United States

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Tweet: Data processing and media-related sectors with high technology investment and work-from-home potential saw annual productivity growth of nearly 10% from Q4 '19 to Q4 '23, while productivity in construction and wholesale trade fell by over 2%.

Summary: We study U.S. labor productivity growth and its drivers since the COVID-19 pandemic. Labor productivity experienced large swings since 2020, due to both compositional and within-industry effects, but has since returned to its pre-pandemic trend. Industry-level panel regressions show that measures of labor market churn are associated with higher productivity growth both in the cross-section and over time. Sectors with higher investment in digitalization, particularly in teleworkable industries, also experience higher productivity growth on average. There has also been an increase in business formation since the pandemic, but its impact on productivity dynamics will likely need more time to be reflected in the data.

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Primary Topic: Growth

Topics: Academic paper, Business Cycle, Database, GDP, Growth, Important!, Investment, Productivity, Weekly

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