

Macro Roundup Article

Headline: [From Strength To Strength](#)

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Tweet: Growth in the US has outpaced growth in other advanced peer economies. In 1990, the US accounted for 40% of the nominal GDP of the G7, today it accounts for 58%. @TheEconomist

Summary: America's \$25.5trn in GDP last year represented 25% of the world's total—almost the same share as it had in 1990. On that measure China's share is now 18%. In 1990 America accounted for 40% of the nominal GDP of the G7, a group of the world's seven biggest advanced economies, including Japan and Germany. Today it accounts for 58%. In PPP terms the increase was smaller, but still significant: from 43% of the G7's GDP in 1990 to 51% now. America's outperformance has translated into wealth for its people. Income per person in America was 24% higher than in western Europe in 1990 in PPP terms; today it is about 30% higher. It was 17% higher than in Japan in 1990; today it is 54% higher. America's labour-force participation rate has been falling this century, largely because of men dropping out of the workforce. But this American oddity is not large enough to make up for the country's advantage in raw numbers. Even with lower participation, the past three decades have seen America's labour force grow by 30%. In Europe the number is 13%, in Japan, just 7%. America's working-age population—those between 25 and 64—rose from 127m in 1990 to 175m in 2022, an increase of 38%. Contrast that with western Europe, where the working-age population rose just 9% during that period, from 94m to 102m.

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