

Macro Roundup Article

Headline: Labor Productivity Is Popping

Article Link: https://www.richmondfed.org/research/national_economy/macro_minute/2024/labor_productivity_is_popping_20240213

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Tweet: From 2010-2019 labor productivity growth averaged 1.3%/year. In 2023 labor productivity grew by 2.7% helping to dampen the inflationary impact of strong wage growth. @RichFedResearch

Summary: Labor productivity (measured as output per hour worked) rose 0.8% quarter over quarter in the fourth quarter and is up 2.7% year over year, as seen in Figure 2 below. This growth in productivity has been robust compared to recent history. In the decade before the pandemic (2010-2019), productivity rose at average paces of 0.3% quarter over quarter and 1.3% year over year. Figure 2 also shows that productivity growth is volatile and can swing from positive to negative even in nonrecessionary quarters. Nevertheless, the past three quarters have seen robust productivity growth. Related: Productivity in the World Economy During and After the Pandemic and US Oil and Gas Boom Doesn't Feel Like One to Workers and It Wasn't AI: How Fiscal Supports, Supply Chain Healing, & Full Employment Explain Exceptional Productivity In 2023

Primary Topic: Business Cycle

Topics: Business Cycle, GDP, Government/NGO, Investment, Productivity, Weekly

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