

Macro Roundup Article

Headline: [The Strange and Awful Path of Productivity in the U.S. Construction Sector](#)

Article Link: <https://www.nber.org/papers/w30845>

Author(s)	Austan Goolsbee and Chad Syverson
Publication	National Bureau of Economic Research
Publication Date	January 17, 2023

Tweet: Value-added/full-time employee in the US construction sector was ~40% lower in 2020 than in 1970; had construction productivity grown at 1% a year, aggregate US labor productivity would have been 10% higher. @Austan_Goolsbee @ChadSyverson @nberpubs

Summary: Figure 1 shows indices of U.S. construction sector labor productivity and TFP from 1950 to 2020. For comparison, it also plots the same indices for the overall economy. Throughout the 1950s and well into the 1960s, both measures of construction sector productivity grew steadily. Indeed, they outpaced their whole-economy counterparts during that period. By 1970, however, the construction sector's labor productivity and TFP had both begun to fall. By 2020, while aggregate labor productivity and TFP were 290 percent and 230 percent higher than in 1950, both measures of construction productivity had fallen below their 1950 values. This is stunningly bad productivity performance for a major sector. Construction labor productivity fell at an average rate of about 1% per year from 1970-2020. Had it instead grown at the (relatively modest) rate of 1% per year, aggregate labor productivity (and plausibly, income per capita) being about 10% higher than it actually was.

Related Articles: nan

Primary Topic: Investment

Topics: Academic paper, Data, Database, Factoid, Investment, Productivity, Weekly

PDF File URL: <https://www.edwardconard.com/wp-content/uploads/2023/01/w30845.pdf>

Permalink: <https://www.edwardconard.com/macro-roundup/value-added-full-time-employee-in-the-us-construction-sector-was-40-lower-in-2020-than-in-1970-had-construction-productivity-grown-at-1-a-year-aggregate-us-labor-productivity-would-have-been-10-high?view=detail>

Featured Image

Link: <https://www.edwardconard.com/wp-content/uploads/2023/01/Construction-Productivity-.png>