

Macro Roundup Article

Headline: [What Politicians Should Say about Productivity Growth](#)

Article

Link: <https://www.aei.org/economics/what-politicians-should-say-about-productivity-growth/>

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Tweet: US nonfarm business sector real output per hour grew at a 1.5% annual rate from Q4 2019 to Q1 2024, well under the 2.1% average from 1947-2024. @JimPethokoukis recommends that politicians “substantially step up investments in human capital.”

Summary: Productivity growth occurs when an economy can generate more output from the same amount of inputs, more from fewer inputs, or even the same output from fewer inputs. In other words, an economy becomes more productive when a worker can produce more output in the same amount of time due to factors such as technological advancements, better equipment, improved skills, or more efficient processes. Steven Kamin, an AEI senior fellow and former economist at the Federal Reserve [recommends] “substantially step up investments in human capital. Ultimately, our ability to compete and thrive in a global knowledge economy will depend on the training, intelligence, and creativity of our workforce. But even though the United States ranks near the top of the OECD in per capita income, it ranks very much in the middle of the pack when it comes to public spending on education as well as test scores in math and science.”

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Primary Topic: Investment

Topics: Database, Education, Important!, Investment, Op-Ed/Blog Post, Productivity, Workforce

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