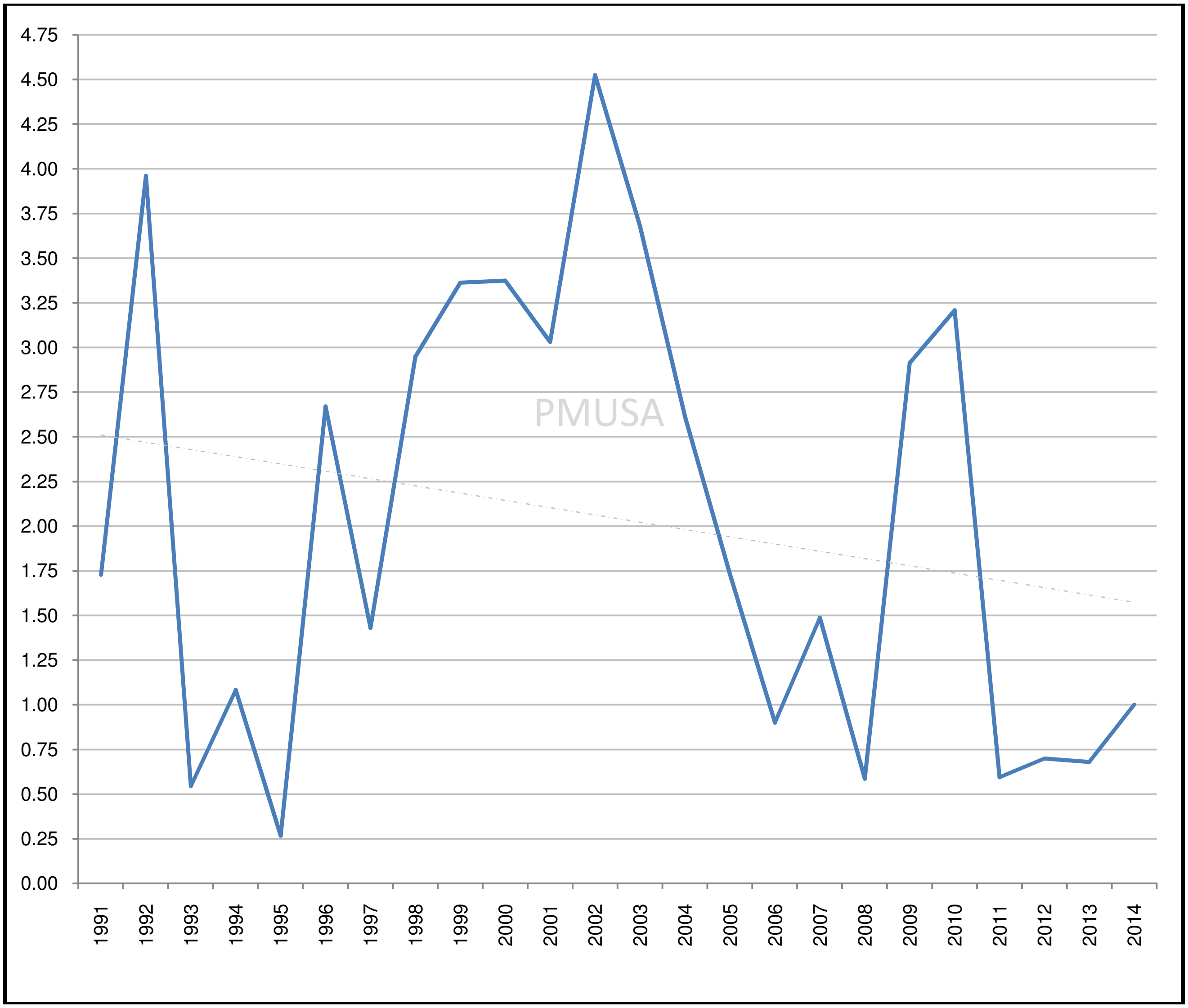
AVERAGE QUARTERLY LABOR PRODUCTIVITY PER YEAR 1991-2014
(PERCENT CHANGE)



(Source: Bureau of Labor Statistics)

Labor productivity is a measure of output per hour for nonfarm businesses derived by dividing total economic output adjusted for inflation by total hours worked. The trend in labor productivity over the past 23 is clearly lower. Intuitively one would expect more robust changes in labor productivity over this time period given the rise of the internet and mobile devices. Labor force changes related to immigration and worsening education outcomes have constrained productivity which is most evident from 2011-2014. Notice how productivity spikes during periods of high unemployment due to recession; 1991-1992, 2000-2002, and 2008-2010. Marginal output in the short-run doesn't fall as quickly as hours worked due to layoffs resulting in higher labor productivity. High levels of low skilled immigration, ongoing challenges in America's public education system, and U.S. trade policy should all be forces that continue to constrain quarterly labor productivity gains within recent ranges of 1-3 percent through 2015. Average labor productivity, output per person, has been the driving force of America's economic success since the early 1880's. *Labor productivity is released quarterly.*

2015 (%)

Q1	Q2	Q3	Q4
-1.9	.4	.6	