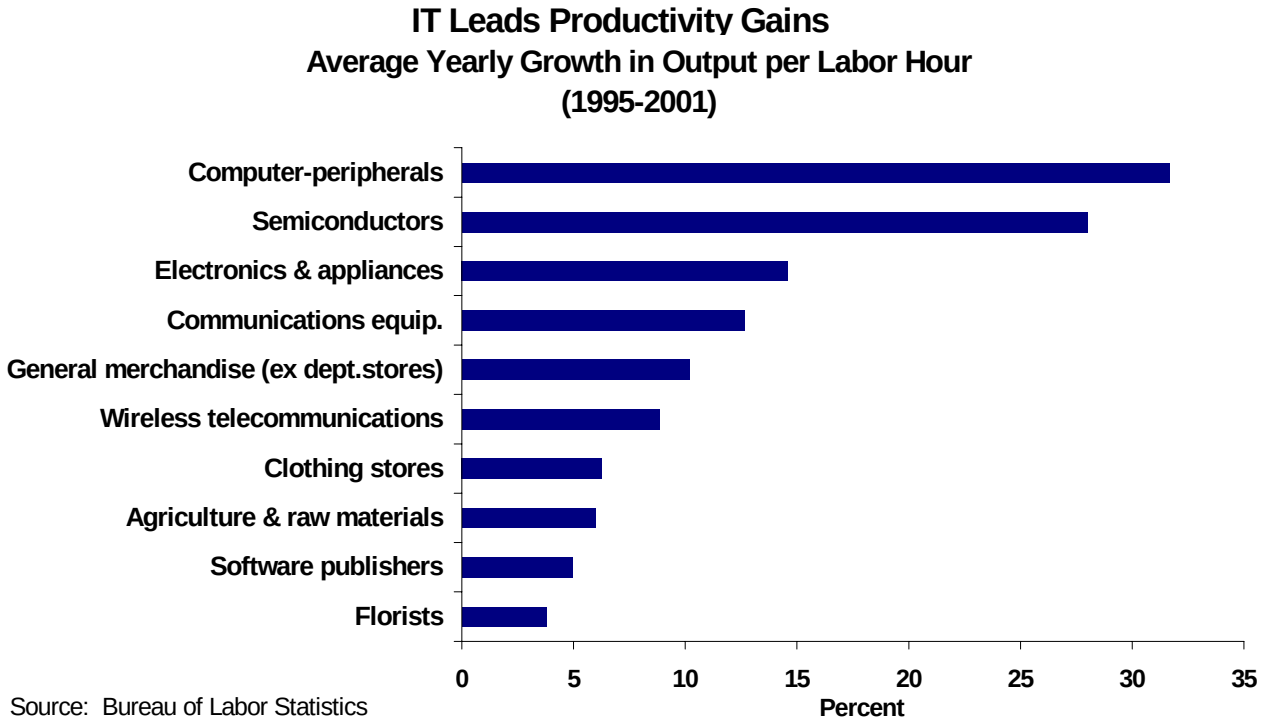
IN SHORT

IT Leads the U.S. Productivity Growth

Although economists continue to debate the causes of the resurgence, it is clear that the IT sector has contributed to the strengthening of productivity growth. The contribution of IT comes from increased efficiency in producing IT products and from increased use of IT equipment and software in non-IT sectors, including retail trade and agriculture. But IT is not the whole story. Innovations in workplace practices, employee training, and incentive-based pay programs also have been sources of productivity growth.



Source: Bureau of Labor Statistics

For more information see Shaping the Economy: Innovation and Productivity, FRBSF Annual Report 2004 and Workplace Practices and the New Economy, FRBSF Economic Letter 2004-10..

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