State-level Labor Productivity
BLS publishes for the first time a state-level labor productivity series

About the measures
- **Output Source**: GDP by State (BEA)
- **Hours Sources**: Current Employment Statistics (BLS), National Compensation Survey (BLS), Current Population Survey (BLS)
- **Labor Compensation Sources**: Personal Income by State (BEA), Regional Price Parities by State (BEA), Consumer Price Index (BLS)

Next Publication
- The measures will be extended through 2019 in June 2020.

Where did labor productivity grow the fastest?
Over the current business cycle (2007-2017), labor productivity growth varied substantially across the nation. Labor productivity grew the fastest in:
- North Dakota (3.1%)
- California (1.7%)
- Oregon (1.7%)
- Washington (1.7%)

Labor productivity grew the slowest in:
- Louisiana (-0.7%)
- Connecticut (-0.5%)
- Wyoming (0.1%)

Contributions to national productivity growth

A state’s contribution to national productivity growth can be calculated by weighting its productivity growth by its share of national value-added output.

California with 1.7% growth made the largest contribution to national productivity growth (1.3%) during the 2007-17 period, followed by Texas and New York.

The compensation-productivity gap

Over the 2007-17 period, nonfarm business sector labor productivity for the nation grew at an average rate of 1.3% per year while real hourly compensation only grew at an average rate of 0.5% per year.

During this period, 32 states saw labor productivity increase faster than real hourly compensation, including four states (New York, North Dakota, Oregon, and Pennsylvania) where the difference was 1% or greater.

Labor productivity and ICT-producing industries

Over the postrecession period (2009-2017), there is a positive correlation (r = 0.35) between state-level labor productivity growth and the share of the state’s output in the ICT-producing sector.

Eight of the top 10 states in terms of their ICT-producing sector share saw labor productivity growth exceed the median of all states (0.7%).

**Annual dispersion in state productivity growth**

The range of state-level labor productivity growth rates varies year to year. Over the ten-year period, dispersion was greatest during and right after the Great Recession.

The **largest range** (16.5%) occurred in 2009: 13.8% (Alaska) to -2.7% (D.C).

The **smallest range** (4.2%) occurred in 2017: 2.0% (Montana) to -2.2% (Arkansas).