



House Budget Committee

SOUNDING THE ALARM: Biden's Lack-Luster Productivity

President Biden's sluggish economy has led to a collapse in labor productivity.

What This Means: Labor productivity is a measure of the efficiency of output of workers and contributes significantly to overall economic growth. We want to see higher labor productivity because it leads to improved standards of living since workers and families can consume more goods and services at affordable prices.

Why This Collapse is Concerning: When President Biden took office, labor productivity [was growing at nearly 6% year-over-year](#). But due to Biden's reckless spending, barrage of new regulations, and a looming recession, productivity collapsed to -2.5% in the second quarter of 2022, only recovering slightly to -0.8% in the first quarter of 2023.

In other words: 2022 was the greatest yearly decline in productivity growth on record.

Republican Growth vs. Democrat Decline: Under the Trump Administration, labor productivity growth averaged 2.3 percent.

The last four quarters have all shown negative growth—this is the first time this has happened since the 1970's. Worst yet, total labor productivity has fallen 1.8 percent since President Biden took office—the largest two-year decline on record.

The stark decline in productivity growth is shown in the figure below:

