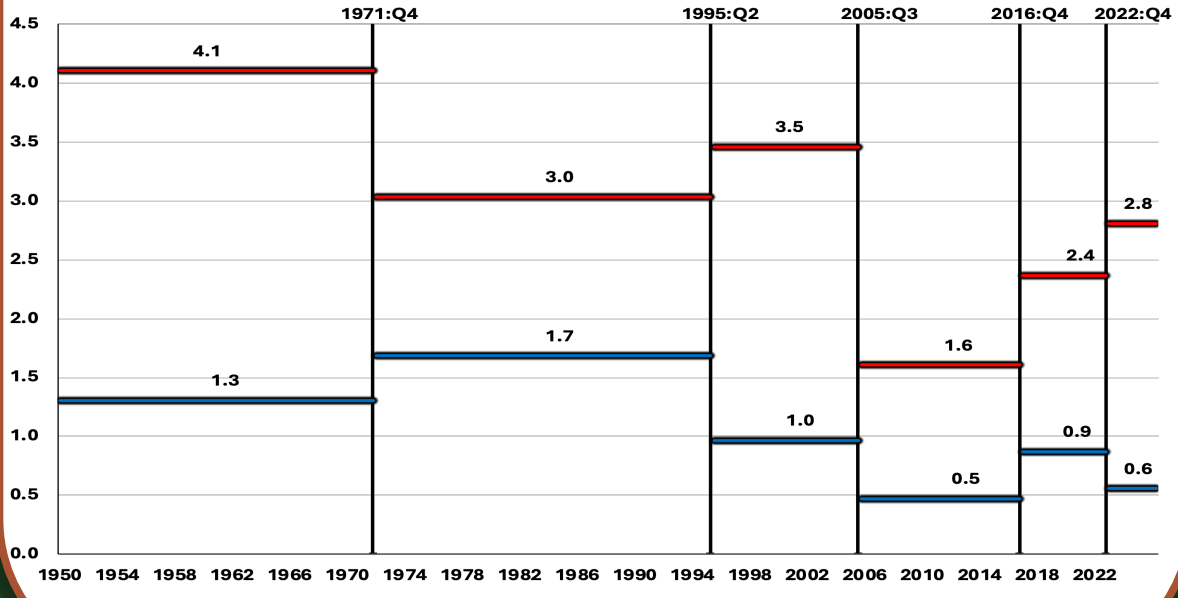
Potential Output and Business Sector Productivity Growth (incl. 9/30 GDP revisions)

Robert J. Gordon

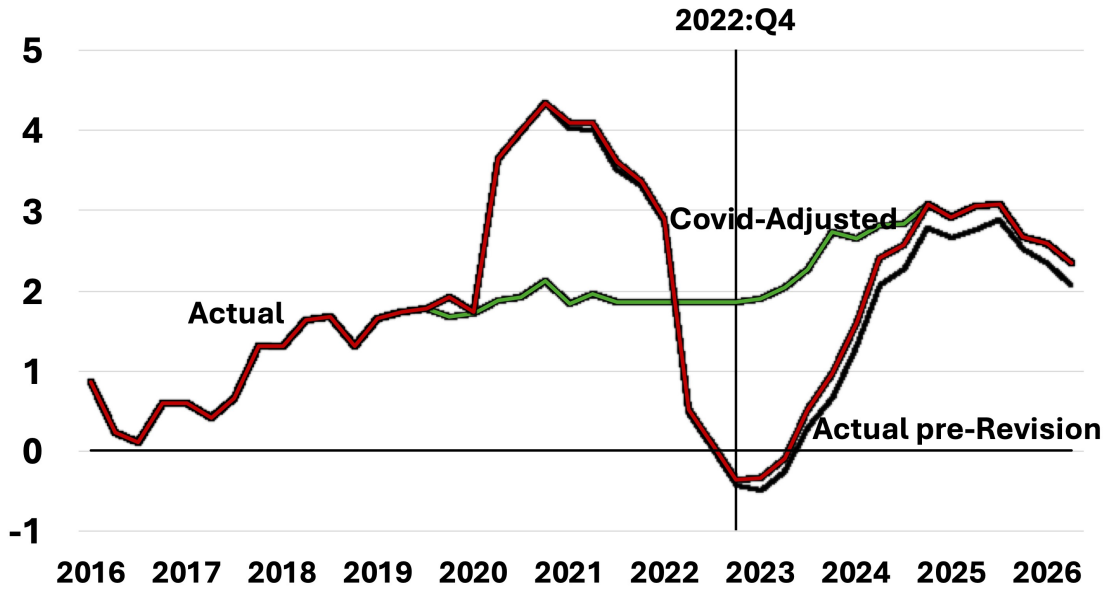
Academic Advisory Council, Chicago Fed,

October 16, 2026

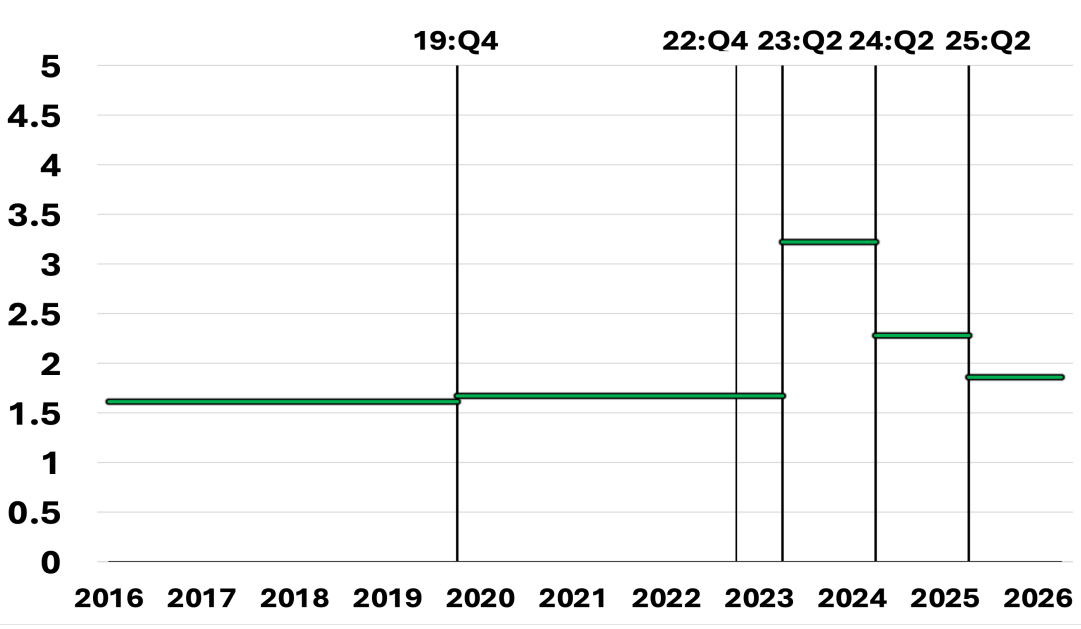
Growth Rates of GDP (red) And Hours (blue), 1950-2026



NFPB Y/H, 8-Qtr Mvg Avg Growth, w/ & w/o Covid Adj, 2016-26



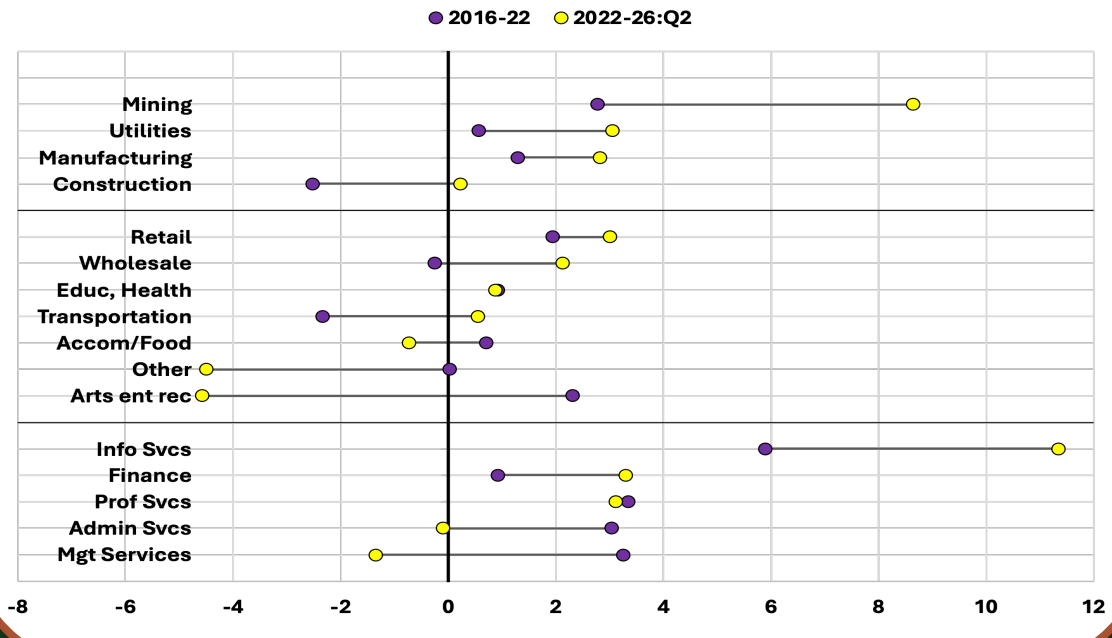
NFPB Productivity, Interval Avg Growth, 2016-26



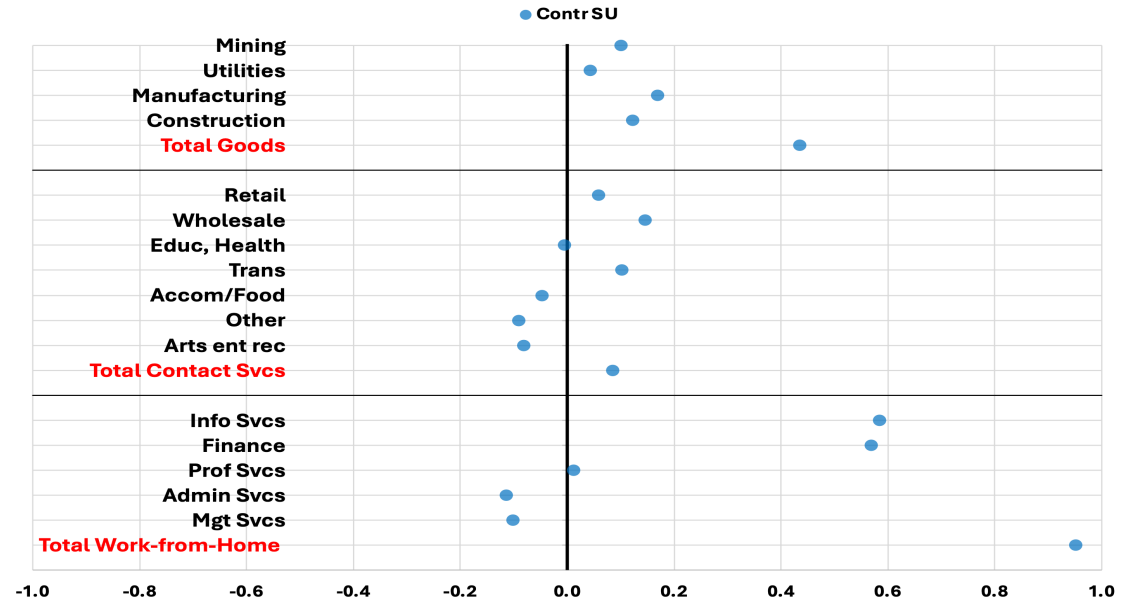
Quarterly Data for 17 Industries, The 3 Groups with Avg 2019 Y/H

Table 7. Industries Listed by Industry Group, Ranked by 2019:Q4 Real Value Added per Hour		
Goods	**Contact Services**	**Work-at-home Services**
Mining (311.1)	Wholesale trade (92.9)	Information (235.4)
Utilities (246.1)	Arts, entertainment, and recreation (70.0)	Finance, insurance, real estate, rental, and leasing (208.5)
Nondurable goods (102.6)	Transportation and warehousing (49.7)	Management of companies and enterprises (90.6)
Durable goods (72.9)	Retail trade (45.9)	Professional, scientific, and technical services (83.8)
Construction (43.9)	Educational services, health care, and social assistance (40.0)	Administrative and waste management services (35.1)
	Other services, except government (37.8)	
	Accommodation and food services (27.2)	

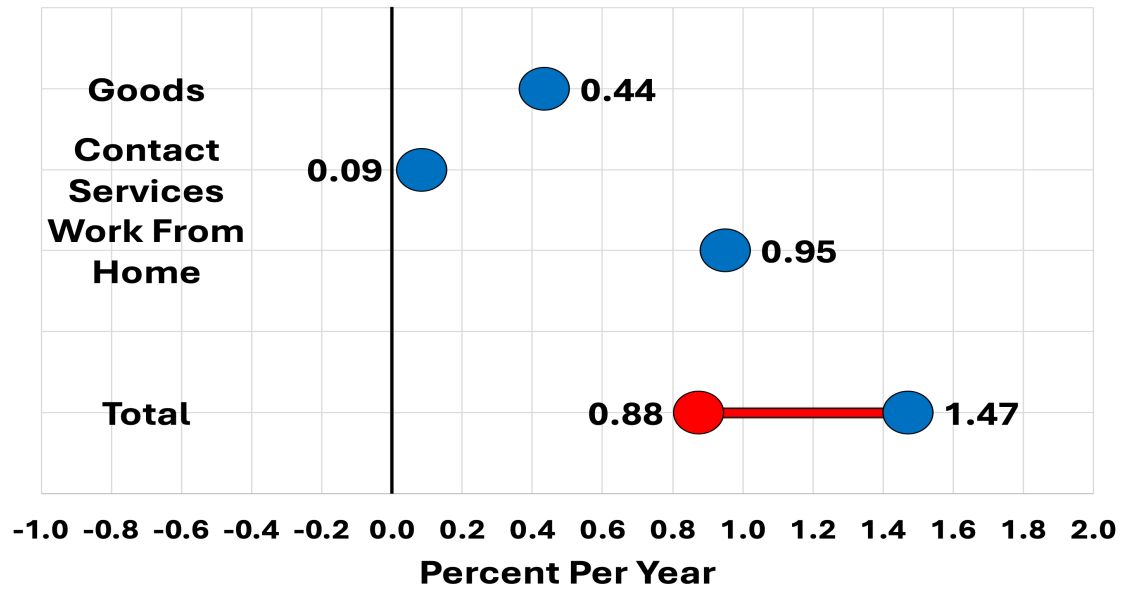
Industry Y/H Growth, 2016-22 (purple), 2022-26 (yellow)



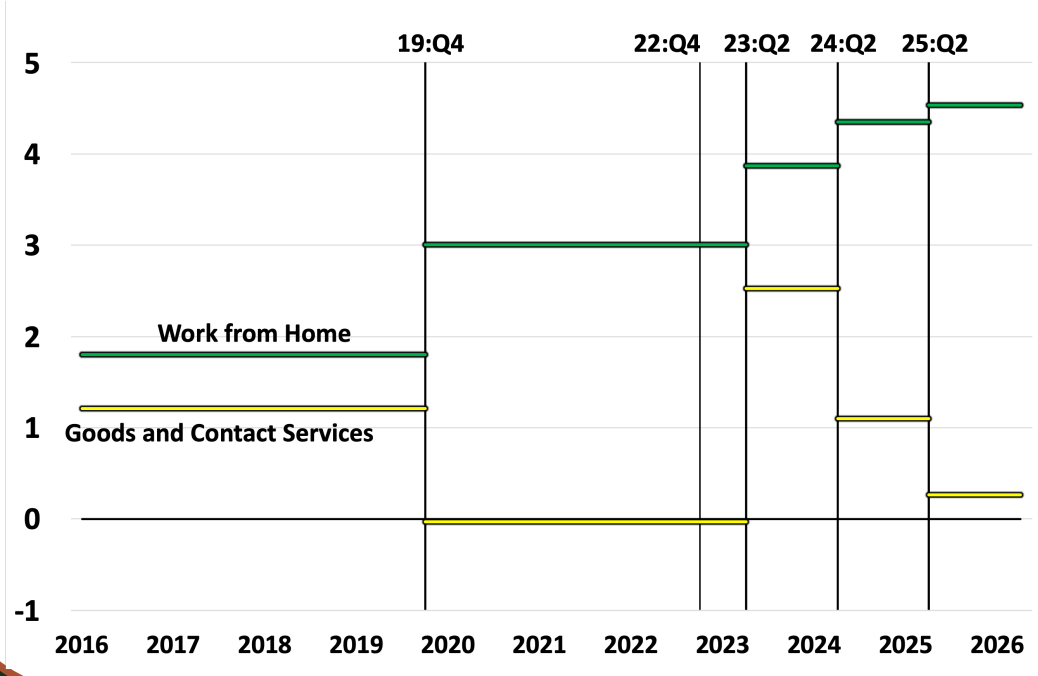
Output-Wtd Contributions to Acceleration (16-22 to 22-26)



Output-Wtd Contributions (blue) Vs. Total Actual Growth (red)



Interval Growth Rates: Work from Home Pulls Away from the Rest of the Economy



Characteristics of Industry Groups from Highest to Lowest AI Adoption

		Total	Information Services	Work from Home Minus Info Services	Goods and Contact Services
AI Adoption (%)	2025	38	55	41	27
Output Share (%)	2006	100	4	37	59
	2026	100	9	40	50
Hours Share (%)	2006	100	3	24	73
	2026	100	2	25	73
Output per Hour ($)	2006	71	95	107	55
	2026	89	380	144	63
Ratio of Productivity to that of Contact Services	2006	147	197	221	115
	2026	168	716	271	118