The Impact of COVID on Productivity and Potential Output

Comments by Janice Eberly
Kellogg School of Management, Northwestern University

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Global Financial Crisis:
Raw TFP and Utilization both fall
=> adjusted TFP eventually rises as utilization rises slowly in recovery

COVID-19:
Raw TFP and Utilization both fall, then both rise
=> Adjusted TFP rises as utilization rises more slowly in 2021
Global Financial Crisis:
Raw TFP and Utilization both fall
=> adjusted TFP eventually rises as utilization rises slowly in recovery

COVID-19:
Raw TFP and Utilization both fall, then both rise
=> Adjusted TFP eventually rises as utilization falls quickly in recovery

Figure 2
Changes in TFP, utilization, and TFP adjusted for utilization (quarterly)
Figure 4: Labor: Impact of Covid-19 on employees, May 2020

Figure 5