

Cleveland Fed District Data Brief

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SORCE Insights: Tracking Productivity in the Fourth District

The Cleveland Fed's latest edition of the Survey of Regional Conditions and Expectations (SORCE), administered during February 5–12, 2026, included a set of special questions focused on worker productivity among Fourth District firms. This *District Data Brief* discusses the top-line results from these questions.

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Topics [State and local economies](#), [Labor economics](#)

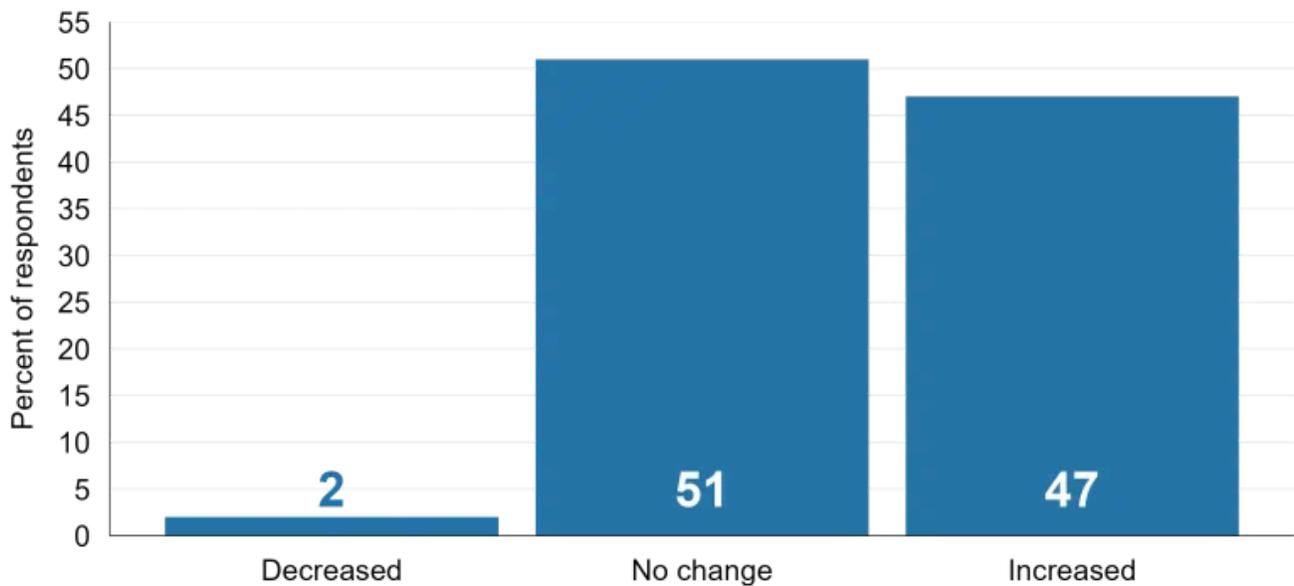
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The Cleveland Fed's latest edition of the Survey of Regional Conditions and Expectations (SORCE), administered during February 5–12, 2026, included a set of special questions alongside the standard question set that informs the [SORCE indexes](#). These special questions focused on the productivity of firms' workers. If respondents reported that their worker productivity had changed over the past year, they were then asked to identify the factors behind these changes.

The share of respondents who reported no change in worker productivity over the past year (51 percent) was similar to the share who reported an increase (47 percent). A much smaller share of respondents reported a decrease in worker productivity (2 percent) during this period.

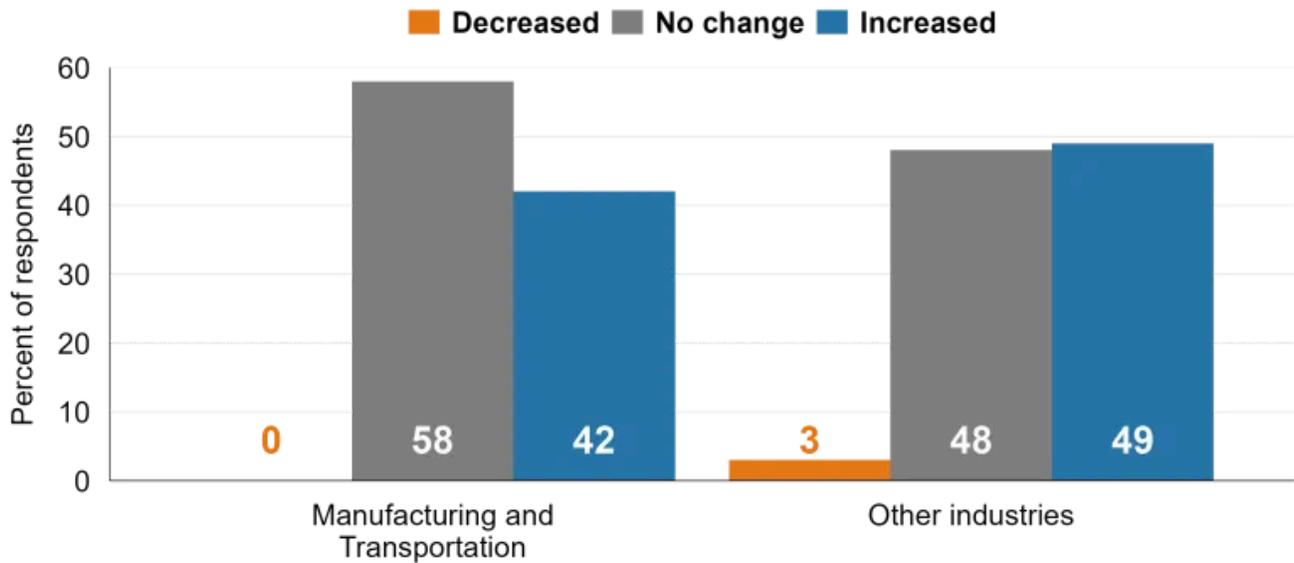
Compared with a year ago, how has the productivity of your workers (output per hour worked) changed, on average? (n = 172)



Source: Cleveland Fed SORCE

A more detailed analysis reveals that a clear majority (58 percent) of respondents in the manufacturing and transportation industries said their worker productivity had not changed over the past year, while 42 percent said it had increased. No respondents in this industry group reported a decrease in worker productivity over the past year.

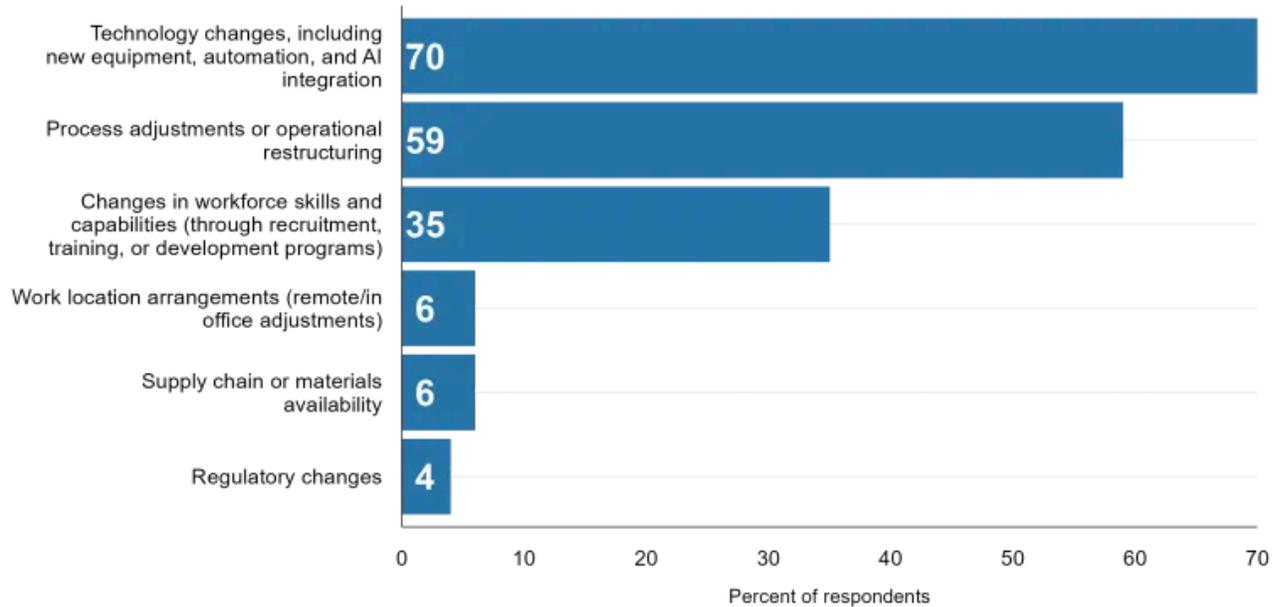
Looking at firms outside the manufacturing and transportation industries, the shares of respondents who reported an increase or no change in worker productivity over the past year were nearly even (49 percent and 48 percent, respectively). Three percent of respondents in this industry group reported that their worker productivity had decreased.



Source: Cleveland Fed SORCE

If a respondent reported changes in their worker productivity, they were then asked about the factors driving these changes. Among those who reported higher worker productivity, 70 percent said technology changes were responsible for at least some of this increase. The next most cited factor was process adjustments or operational restructuring (59 percent), followed by changes in workforce skills and capabilities (35 percent). A smaller share of respondents said work location arrangements (6 percent), supply chain or materials availability issues (6 percent), and regulatory changes (4 percent) were at least partially responsible for increases in worker productivity. Eleven percent of respondents cited factors other than those displayed in the chart below (counted but not shown).

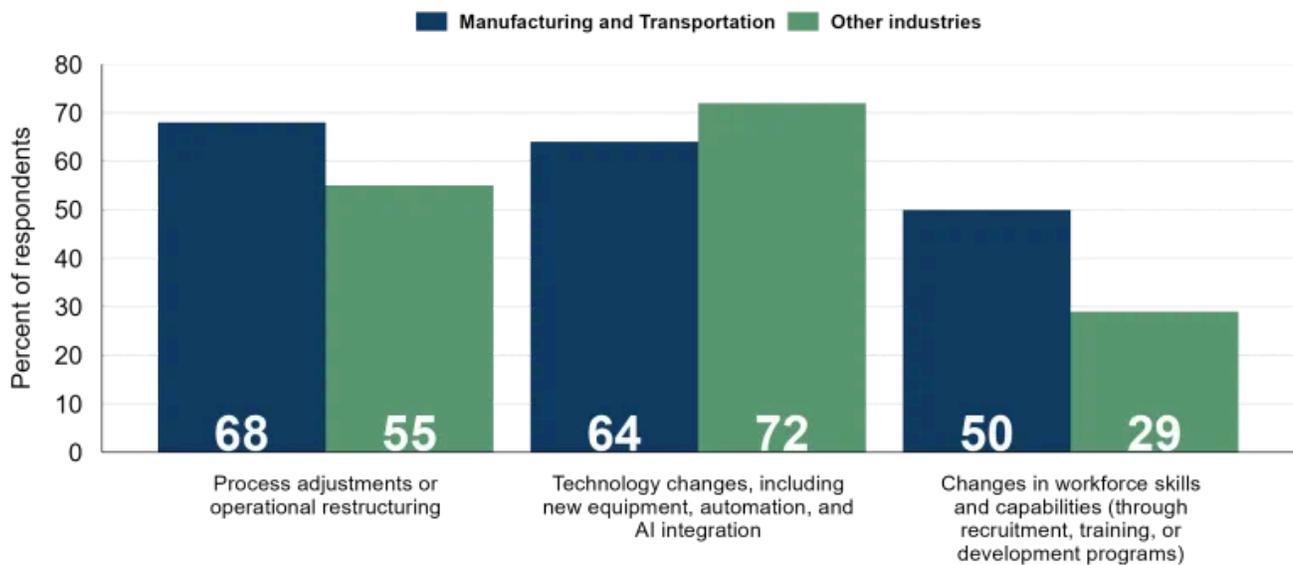
Which factors have most significantly contributed to changes in the productivity of your workers over the past 12 months? (Select all that apply) [Firms reporting an increase in productivity, n = 80]



Source: Cleveland Fed SORCE

Of the small number of respondents who reported a decline in worker productivity, one cited changes in technology, another cited supply chain or materials availability issues, and another cited changes in both technology and workforce skills as factors behind the decreased productivity.

By industry, respondents from manufacturing and transportation who reported higher productivity most frequently attributed this increase to process adjustments or operational restructuring (68 percent), while respondents from other industries most commonly cited technology changes (72 percent) as the factor driving this increase. Manufacturing and transportation respondents cited changes in workforce skills and capabilities much more frequently than did respondents from other industries (50 percent versus 29 percent, respectively). Overall, respondents from manufacturing and transportation and those from other industries most commonly cited the above three factors (displayed in the chart below) to explain their higher productivity.



Source: Cleveland Fed SORCE

The Cleveland Fed’s Research Department gathers and analyzes timely economic information from businesses and community contacts to inform our Beige Book contribution and to prepare for Federal Open Market Committee (FOMC) meetings. One way we obtain this information is through the Survey of Regional Conditions and Expectations (SORCE), a business conditions survey sent to firms across the Fourth District, which comprises Ohio, western Pennsylvania, eastern Kentucky, and the northern panhandle of West Virginia. The SORCE is administered eight times per year. In addition to the set of standard questions asked during each round of the survey, the Cleveland Fed routinely asks a set of “special questions” to explore timely issues that may be impacting businesses across the Fourth District. The SORCE Insights *District Data Briefs* share the results from the “special questions.” For more information on SORCE, visit <https://clevelandfed.org/SORCE>.

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