

## Where's the pay off? Tech Returns Decline

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*Editor's Note: Values are relative. One person's fish is another person's poisson.*

([NY Times](#) [1]) - A new economic index paints a disheartening picture for technophiles — at least the ones inside corporate America.

The [Shift Index](#) [2], developed by the Silicon Valley research unit of the consulting firm Deloitte, tracks a wide range of measures of economic performance, going back to 1965. But two numbers really jump out. The return on assets for United States companies has dropped by 75 percent over that span, while labor productivity has more than doubled.

Here is why that looks unsettling. For the last two decades at least, the biggest additions to the asset base of corporations have been in information technology — computer hardware and software. By the early 1990s, technology spending had risen to half of all private business investment, and that pace has kept up since. (Also, the asset measure understates the total technology investment, because it does not include spending on services.)

So those assets that are producing, proportionately, less and less profit are more and more technology assets. But if the corporate sector isn't seeing the benefit in profits, the economy as a whole has become more efficient — and competitive. That's what the figures on labor productivity, which has more than doubled, tell us.

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