

# Productivity



**We've found the key to productivity. It's Fred, down in the shop. He makes stuff.**

- SSEF6 The student will explain how productivity, economic growth, and future standards of living are influenced by investment in factories, machinery, new technology, and the health, education, and training of people.

# What is productivity?

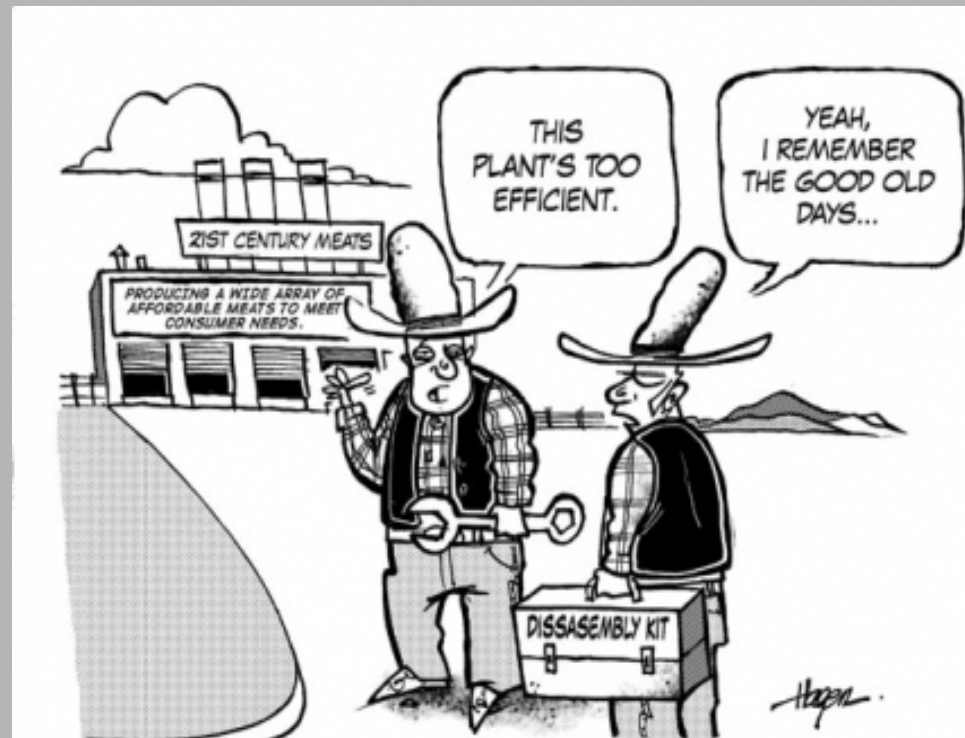
- Rate that goods and services are produced
- **Inputs** – all resources that go into producing a good
- **Output** – amount of good or service produced



# What is productivity?

- So.....
- Productivity equals

How many outputs  
You get per inputs



# How can productivity be increased?



- **Investment** – using resources now to gain greater benefits later
- Examples??
- Stock Market, Retirement Funds

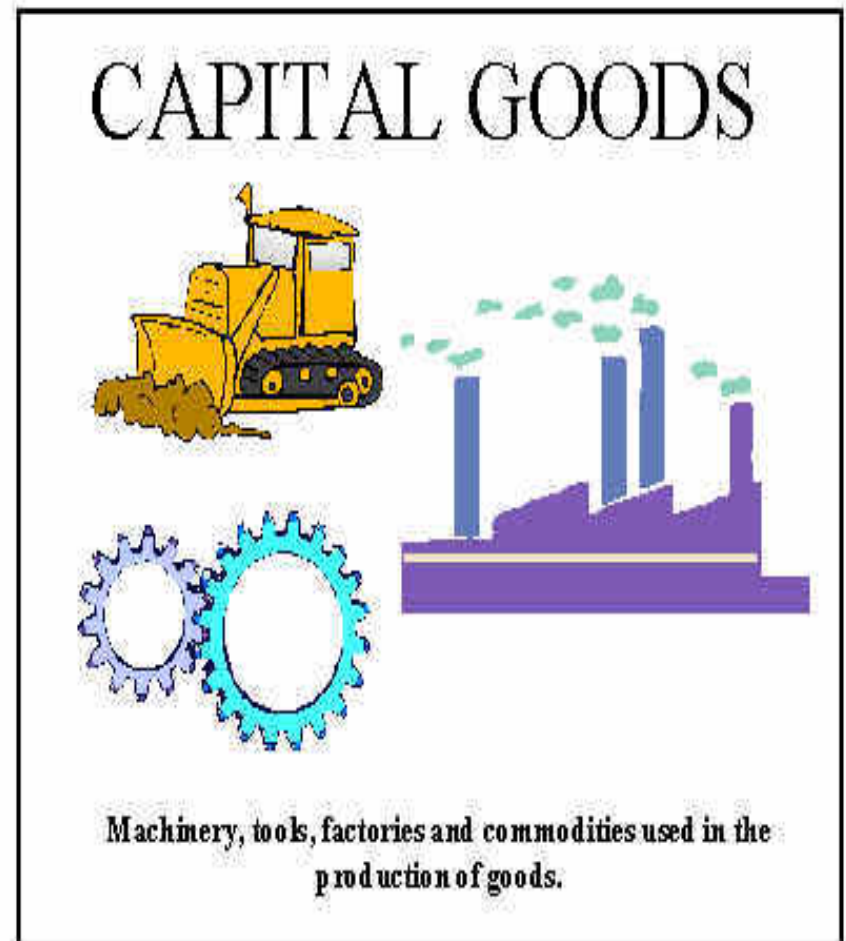
# How can productivity be increased?



- **Capital Investment** - investment in capital goods and human capital

# How can productivity be increased?

- **Capital Goods** – products that make other goods or provide services
- Examples??



# How can productivity be increased?

- **Human Capital** – investment in people
- Examples??
- Training for job, tuition for school, health insurance





# What does investment in human capital lead to?

- **Standard of Living** – measure of wealth (**GDP**)
- Educated employees tend to have a higher standard of living



# Mystery Nations Revealed

- A = Argentina
- Per capita GDP - \$12,900
- Life Expectancy – 75.26 years
- Literacy rate: 96.2%
- Infant Mortality 17.75/1000
- Population – 37m



# Mystery Nations Revealed

- B = Japan
- Per capita GDP - \$24,900
- Life Expectancy – 80.8 years
- Literacy rate: 99%
- Infant Mortality 3.88/1000
- Population – 127m



# Mystery Nations Revealed

- C = Nigeria
- Per capita GDP - \$950
- Life Expectancy – 51.07 years
- Literacy rate: 57.1%
- Infant Mortality 73.34/1000
- Population – 127m



# Mystery Nations Revealed

- D = Russia
- Per capita GDP - \$7700
- Life Expectancy – 67.34 years
- Literacy rate: 98%
- Infant Mortality 20.05/1000
- Population – 145m



# Mystery Nations Revealed

- E = Singapore
- Per capita GDP - \$26,500
- Life Expectancy – 83.35 years
- Literacy rate: 93.5%
- Infant Mortality 3.62/1000
- Population – 4m



# Mystery Nations Revealed

- In order of wealth it would be:
- E, B, A, D, C

# USA?

- America
- Per capita GDP - \$47,400
- Life Expectancy – 78.24 years
- Literacy rate: 99%
- Infant Mortality 6.14/1000
- Population – 310m

