The Growth of the American Economy

**Performance:**
What has been the long term performance?
What measures do we use?
  - Income, real income, real income per capita
  - See chart Ca-c in HSUS
International comparisons
Ups and downs—business cycles and long swings, booms and busts

**Interjection:**
Why we must have the super rich for growth—see Hayek, the Constitution of Liberty (not on reserve or on reading list) if you want more on this. Ties back to main theme on the importance of technological change.

**Sources of growth:**
More of the same old physical capital? Not really--do the math.
More inputs per person? Not really in the modern era
  - Labor inputs
    - Participation rate
    - Hours worked per worker

**Key:** Technological change
About 60 percent of all women are in the labor force, compared with nearly 75 percent of all men. (The participation rate is the share of the population 16 years and older working or seeking work.)

The long-term increase in the female labor force largely reflects the greater frequency of paid work among mothers.

The slow long-term decline in work activity among men reflects, in part, the trend to earlier retirement.

Women now account for 47 percent of the labor force, up from 40 percent in 1975.

**DID YOU KNOW?**
Among married-couple families where both the wife and the husband work, about one-fifth of the wives earn more than their husbands.