

# ECONOMIC GROWTH

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September 21, 2005

# ANNOUNCEMENTS

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- Homework due (two folders)
  - OUTLINE FOR TODAY
    - Comparative Statistics
      - Changes in Savings/Investment Rates
      - Changes in Depreciation
    - Introducing Population Growth in the Solow Model
    - Implications of the Solow Model
    - Introducing Technological Progress
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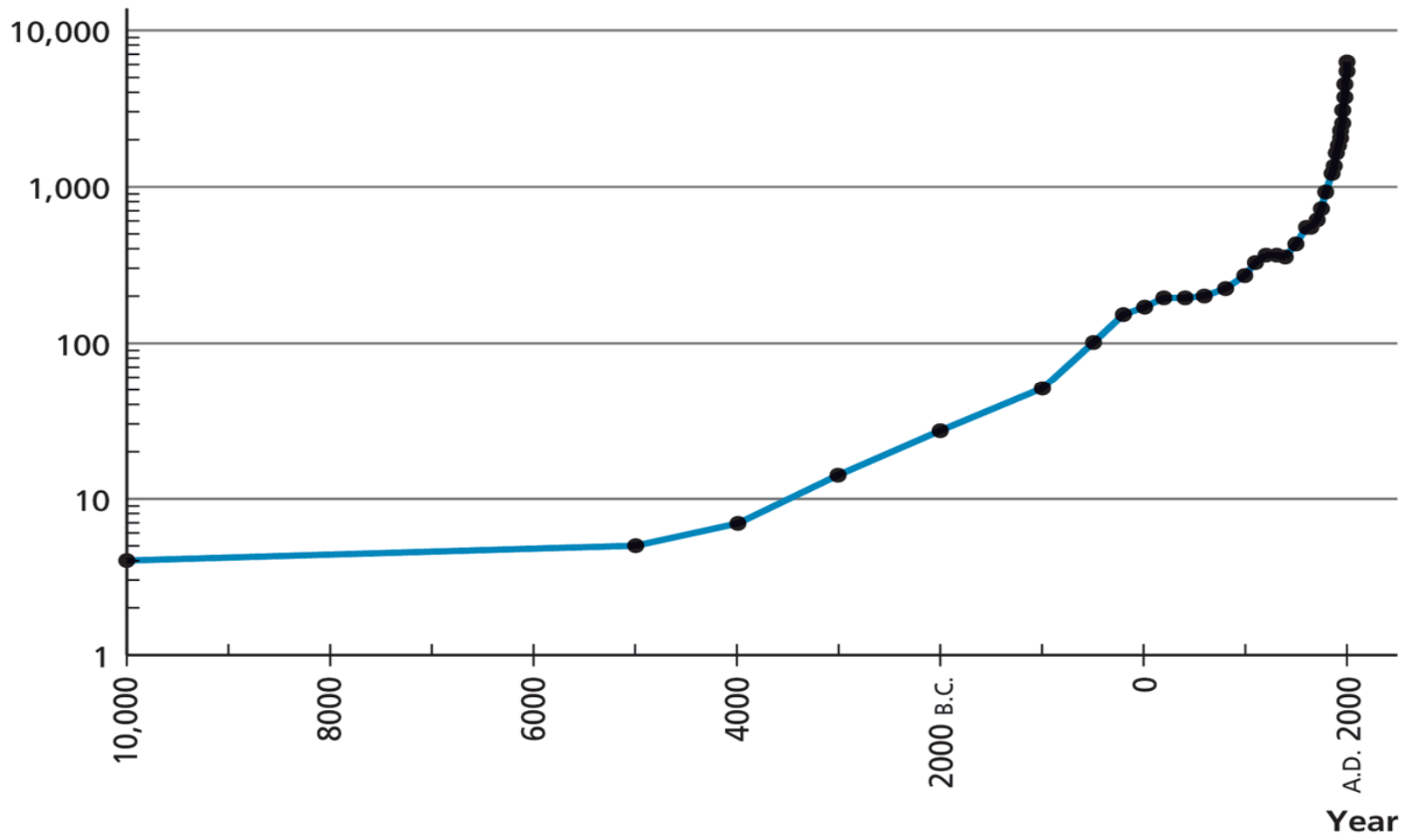
# Evolution of Labor

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- ❑ People are born and people die... what's the big deal?
  - ❑ It determines the amount of resources that can be produced and must be produced (people working, feeding people)
  - ❑ Think: for two countries with the same level of total GDP, would you rather live in a country with 2 people or 2 million people
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# World Population, 10,000 B.C. to A.D. 2000

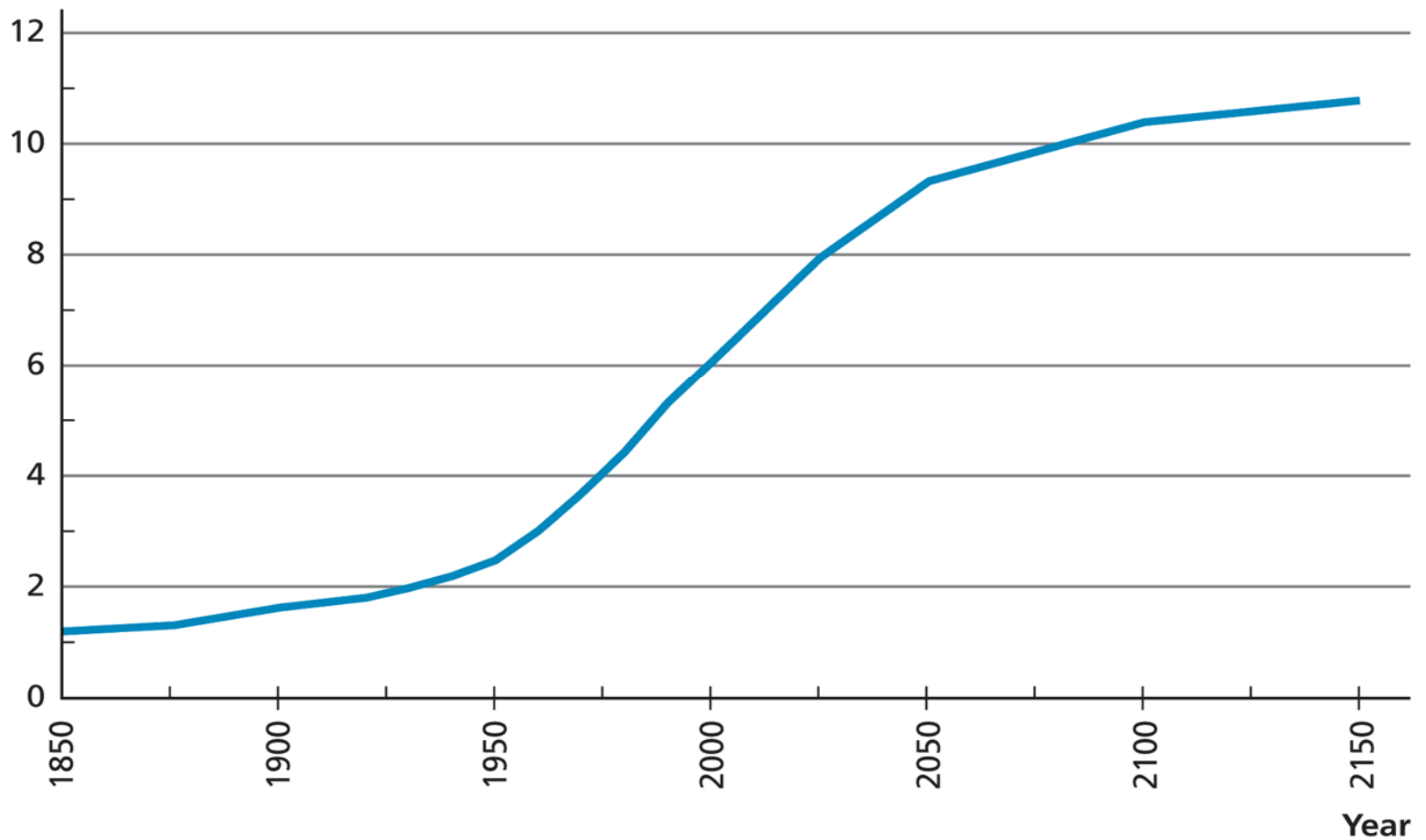
Population (in millions, ratio scale)



Source: Kremer (1993).

## World Population, 1850–2150

Population (billions)



Source: United Nations Population Division (2000).

# Relationship Between Income per Capita and Population Growth

Population growth rate, 1960–2000 (% per year)

