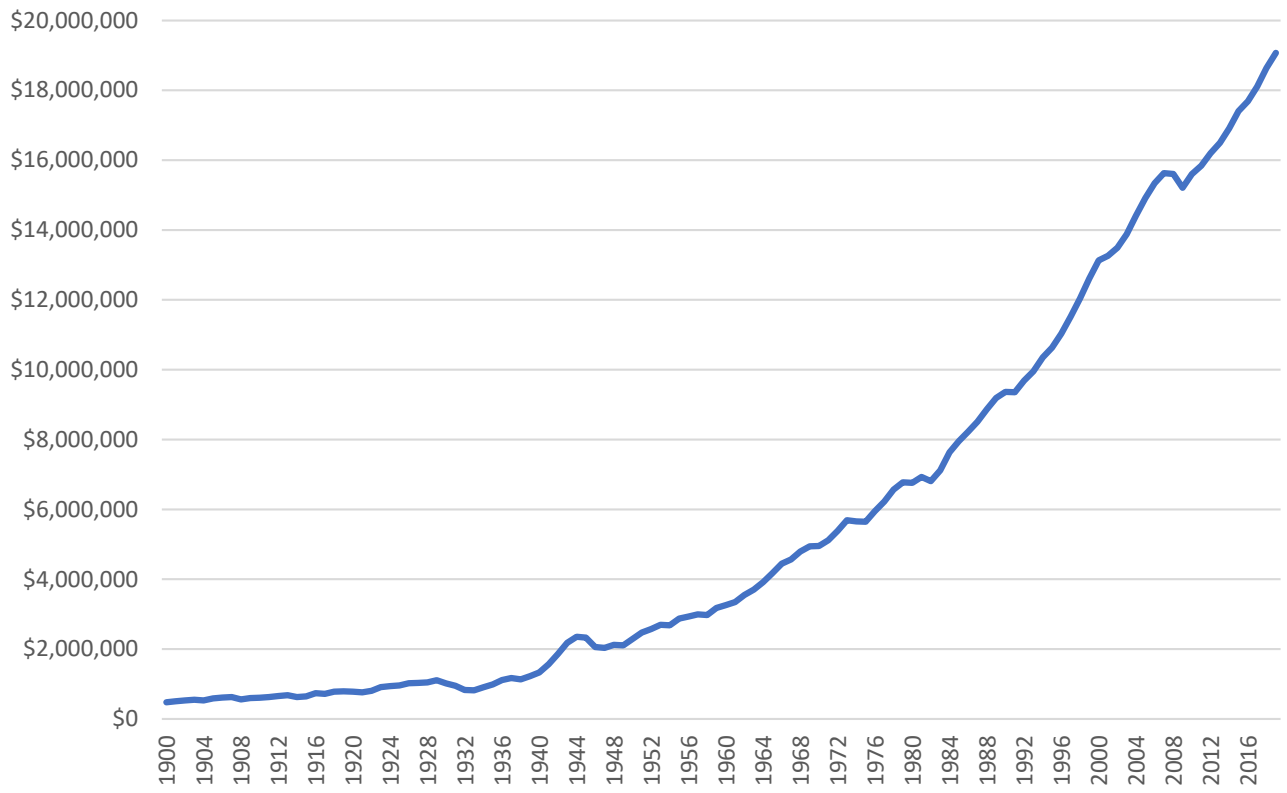


FIGURE 30



SOURCE: Louis Johnston and Samuel H. Williamson, “What Was the U.S. GDP Then?” MeasuringWorth, 2020
URL: <http://www.measuringworth.org/usgdp/>. All values expressed in 2012 prices.

Real Output of the U.S. Economy, 1900–2019

impact of these events is dwarfed by the expansion of the size of the overall economy.

At the level of the overall economy, what we can consume is limited by what we produce. One reason for the rising level of production historically has been the growth in population. More people can produce more output. But output has grown much faster than population. Since 1900, the U.S. population has increased by a factor of more than four. Combining this information with the data in Figure 30 implies the average output per person has increased by a factor of nine. Figure 31 illustrates the growth of output per person. Economists refer to this quantity as output (GDP) **per capita**. The term “per capita” is a Latin phrase literally meaning “per head,” which is commonly used to denote averages calculated for an entire population.

While average output per capita provides an indication of what the typical person can consume, economists are also interested in changes in what the average person can produce. The economy’s total output divided by the total number of workers employed is called **average labor productivity**. This is a measure of how much the typical worker can produce. The second (higher) line in Figure 31 shows the history of average labor productivity since 1900.

The average output per person in the U.S. economy in 2019 was over \$65,000. To put this figure in perspective, Figure 32 compares total output and output per person in the United States to a selection of other countries around the world. The range of variation in production per person is remarkably large. Despite having a population nearly five times as large as the United States, China’s total production is only