Productivity

Introduction

If you live in a city, you probably don't often think about the big changes that have taken place on U.S. farms. For example:

In 1950, the average U.S. corn farmer was able to harvest 39 bushels of corn from an acre of land. By the year 2009, that number had increased to 164.9 bushels.

Sources: National Agriculture Statistics Service http://www.nass.usda.gov
Productivity Growth in U.S., USDA Economic Research Service http://www.ers.usda.gov/publications/EB9/eb9.pdf

In 1950, the average amount of milk per cow was 5,314 pounds per year, but by 2009, this had increased to 20,848 pounds per year.

On average, each farmer in the year 2000 produced 12 times as much farm output per hour as farmers did in 1950.

Sources: National Agricultural Statistics Service
http://www.nass.usda.gov

Productivity Growth in U.S.,
USDA Economic Research Service
http://www.ers.usda.gov/publications/EB9/eb9.pdf

Technology has affected every area of productive resources. Productive resources are natural (soil, climate, minerals), human (people performance, mental and physical work), and capital (buildings, machinery and tools).

Look at how technology and education have affected productive resources:

Natural resources. Fertilizers, herbicides and insecticides, irrigation and crop rotation have increased the yield per acre of land.

Human resources. Farmers are educated today to use techniques and equipment that were unknown 100 years ago.

Capital resources. High-tech tools and machinery increase the output that farmers can expect from their fields and herds.

All these improvements mean more products for consumers: more steaks, hot dogs, pizzas, and, yes, more broccoli too. Increased productivity means that our standard of living is higher.

What does this have to do with the millions of people who don't live on farms? And what does it have to do with you?

Technology has not only affected farmers. Think about how your life has changed in the past few years because of new and improved tools. You can type a report quicker on a computer than on a typewriter; you can do research on the Internet at home without having to go to the library; you can order books and music CDs on-line instead of driving all the way to the mall.

That makes you more productive: you can accomplish the same amount of work in less time and with less effort. Someday you'll be able to use your new productivity and your improved human capital to get a better job, earn a higher income, and enjoy a higher standard of living for yourself and your family.

Vocabulary

Capital resources: Man-made goods that are produced for the purpose of producing more goods and services.

Human capital: Knowledge, skills, experience, and attitude that help a person do a better job.

Productivity: The amount of output per unit of input; e.g., if 5 workers can produce 25 gizmos in one day, the productivity per day is 5 gizmos per worker.

Wages: Income earned from working.

NAME: _____ CLASS PERIOD: _____

The Whole Story

A couple of years ago, Mike and Chris started a summer business.

It all started in February when the guys were talking about how they might earn some money. They were both 12, so they knew getting a job in a store or fast food place was out of the question because of their age. They decided to go into business for themselves.

After examining all the types of work typically done by boys their age, they decided to go into the grass-mowing business.

Chris went to work immediately. February and March are too early to cut grass, but he knew it wasn't too soon to start lining up customers. He printed flyers and went for long neighborhood walks, placing the flyers on the doorknob of every house he saw. He hung flyers on signs and trees. He placed ads in local papers and on bulletin boards at all the local stores.

When summer arrived, Mike and Chris had enough work to keep them busy 20 hours a week.

They cut grass all around the neighborhood. Chris even contacted Yolanda, the owner of the neighborhood ball field, and arranged to cut the field every Wednesday morning. The ball field was a good account; Chris had negotiated with Yolanda to get a fee of $16.00 per hour ($8.00 per person).

Week after week, Mike and Chris cut the grass at the ball field. They had identical lawn mowers, began cutting at the same time, and finished in two hours. However, at the end of each two-hour work session, Mike had cut three-fourths of the field while Chris had cut only one-fourth. Yolanda commended Mike for his productivity.

It may have been that Mike was simply a better worker than Chris; however, there may have been other differences that affected the boys' productivity.

A: What skills did Chris have that Mike maybe did not have?

_____

_____

B: Was Mike really more productive than Chris was? Why or why not?

_____

_____

NAME: _____ CLASS PERIOD: _____

Career Search

Choose a career that interests you.

For example, you might be curious about a career in web design, biological research, public relations, or health care. Even though your first full-time job may seem a long way off, it's never too early to begin to prepare. Find two articles from a popular magazine, a website, or newspaper that feature a career that interests you. You may substitute an interview with someone currently in your career choice for one of the articles. Use the information in the articles and interview to answer the following questions. Attach a copy of the articles or interview to this sheet.

On what career are you focusing?

_____

What do you find interesting about this career?

_____

_____

What capital resources might someone use in this career?

_____

_____

In what ways does the use of these capital resources help the worker to be more productive?

_____

What skills are required of someone in this career?

_____

What level of education would you need to acquire the skills for this career?

_____

What subjects, in particular, would you need to study?

_____

What is the average annual salary for someone in this career?

_____