Economics Reading Guide

Chapters 6 128-147

Points 15

Due 10/13

1. What is the relationship between poverty and human capital? 129-130
2. Pick one of the author’s examples from pages 130 – 131 and explain what it says about human capital.
3. Why is the lump of labor fallacy important? 132

1. What is productivity and why is it so important? Why is America so productive? (135-136)
2. How does the productivity of American workers compare to workers in other countries?

(136-137)

1. Does increasing the productivity of India have an effect on the United States economy? Explain (138-139)
2. What factors increase productivity growth? (139)
3. What factors can reduce productivity? (139)
4. Discuss Thomas Malthus and the Industrial Revolution? (140)
5. Describe the statistics on income inequality that the author uses on page 141.
6. Why is this inequality happening? (141-143) It is extremely important that you understand this.
7. What are the two arguments that some economists have used in arguing that inequality is not something that we should care about. (143)
8. Summarize the paragraph that begins at the bottom of page 144 and finishes in the middle of page 145. These are very important ideas
9. What is the correlation between a nation’s economic wealth and its supply of human capital? Explain. 134-135