

Chapter 6 Project

The Macroeconomic Perspective

Purpose

In this chapter, you learned about how GDP helps with measuring the size of the economy. When evaluating economic statistics, there is a significant difference between nominal and real measurements, which refer to whether inflation has distorted a given statistic.

It is also common to use GDP as a measure of economic welfare or standard of living. The level of GDP per capita captures some of what we mean by the phrase *standard of living*, which is a broader term than GDP.

The purpose of this exercise is to illustrate an application of a macroeconomic perspective and understand the building blocks that lead to increased GDP per capita.

Directions

This exercise has two parts. In the first, you will be reflecting on prompts prior to the assignment.

In the second, you will be comparing the United States with another country to understand the building blocks that lead to increased GDP per capita.

Part 1 - Pre-Assignment Reflection

In Chapter 6, you learned about how GDP is a rough estimate, but useful. Even though GDP does not measure the standard of living with any exactness, it does measure production well and signify when a country is materially better or worse off in terms of jobs and incomes.

Answer the following questions using clear, detailed, and complete thoughts. Include at least three sentences per question; one sentence should provide evidence (e.g., from the textbook, notes, etc.) to support your thoughts.

1. What does “educational attainment” mean to you?
2. What does “health improvement” mean to you?
3. Describe two examples of environmental protections used in the U.S. today.
4. Illustrate an example of increased GDP per capita that you learned in Chapter 6.

Part 2 - Researching Building Blocks of Increased GDP per Capita

In Chapter 6, you also learned that there are building blocks, or factors, that lead to increased GDP per capita. GDP per capita is not the most accurate measure of the standard of living, but it does measure production and indicate improvements and growth in the economy that allow an economist to estimate the nation’s standard of living.

1. Choose a country to compare to the U.S. Think of how your chosen country has increased its GDP per capita.
2. Research and describe specific ways your chosen country improved each factor that can lead to increased GDP per capita.
 - This portion should be a minimum of three sentences for each factor. You must provide evidence from the text, notes, or a credible external source. If you use an external source, remember to cite it.
3. Compare the improvements in your chosen country to the improvements and economy of the U.S.

If you have trouble, refer to Lesson 6.4 to refresh your understanding of the factors that can lead to increased GDP per capita.

 Checklist**Part 1**

- Write the pre-assignment reflection.
- Include three sentences per prompt.
- Use one sentence to include evidence.

Part 2

- Choose a country besides the U.S. to compare the factors of increased GDP per capita.
- Discuss and research improvements in each factor.
- Include three sentences per factor.
- Provide evidence for each.
- Compare how the U.S. and the chosen country vary in the factors of increased GDP per capita.