

### Measuring Economic Performance

- **Productivity**
  - The average level of output per worker per hour
- **Economic indicators**
  - Gross domestic product (GDP)
    - The total value of all goods and services produced by all people within the boundaries of a country during a one-year period

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### Measuring Economic Performance (cont'd)

- **Economic indicators (cont'd)**
  - Inflation
    - A general rise in the level of prices
  - Deflation
    - A general decrease in the level of prices

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### Measuring Economic Performance (cont'd)

- **Economic indicators (cont'd)**
  - Unemployment rate
    - The percentage of a nation's labor force unemployed at any time
  - Consumer price index (CPI)
    - A monthly index that measures the changes in prices of a fixed basket of goods purchased by a typical consumer in an urban area
  - Producer price index (PPI)
    - An index that measures prices that producers receive for their finished goods

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### Common Measures Used to Evaluate a Nation's Economic Health

- **Balance of trade**
  - The total value of a nation's exports minus the total value of its imports over a specific period of time
- **Bank credit**
  - A statistic that measures the lending activity of commercial financial institutions
- **Corporate profits**
  - The total amount of profits made by corporations over selected time periods

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