

Figure 7.9 Diminishing Returns

■ Normally after some point, if you are expanding production, the additional workers that you hire do not add as much to total output as the previous workers that you hired. Eventually, adding more workers will not produce additional output.

Economic Analysis

Using Tables If you start with 12 workers and hire 6 more, by how many units will your additional output decrease?



Diminishing Marginal Returns

Number of Workers	Additional Output
11	1,000
12	900
13	800
14	700
15	600
16	500
17	400
18	300
19	200
20	100
21	0