



Understanding Economic Indicators

THE WEALTH AND HEALTH OF NATIONS

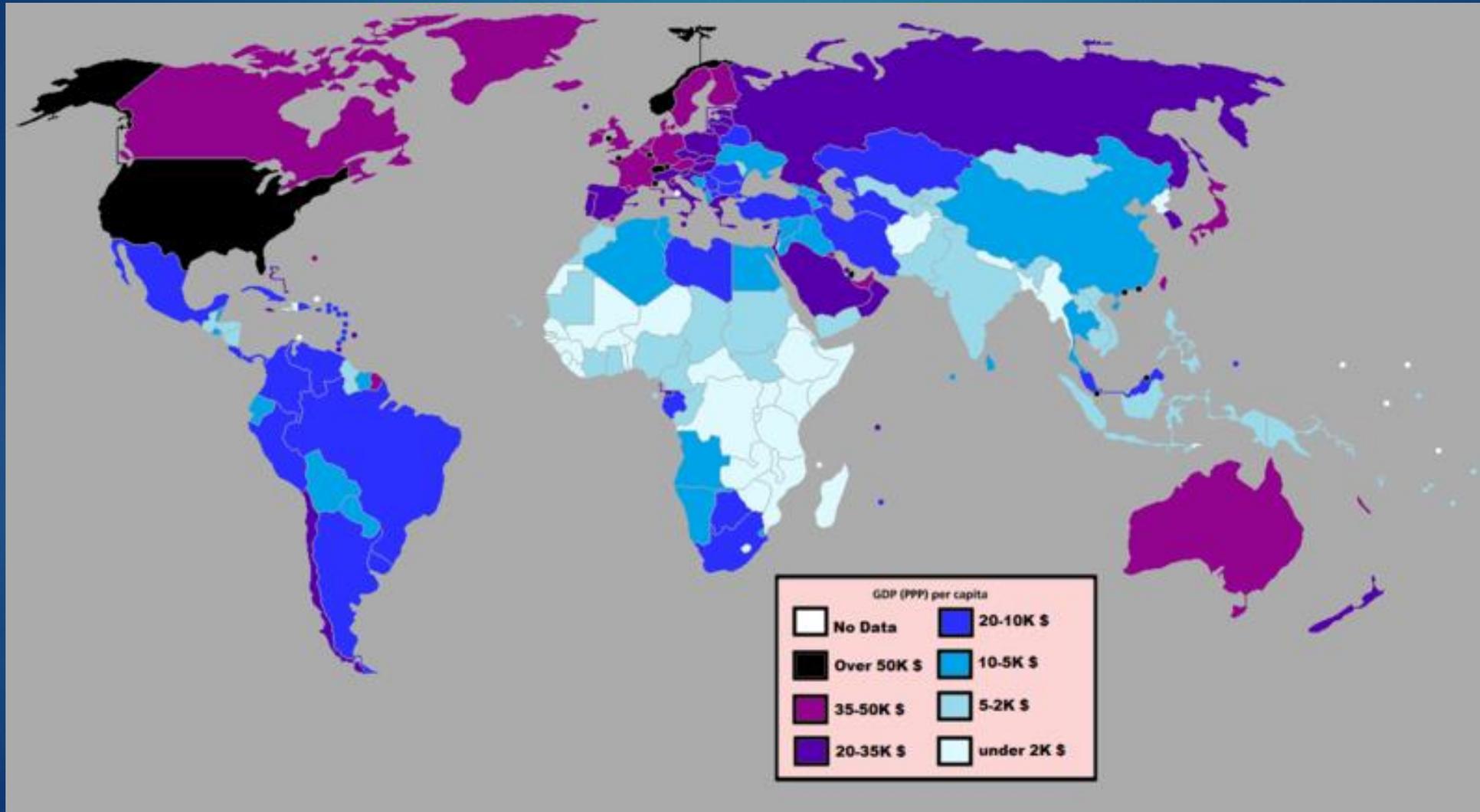
EASTERN HEMISPHERE STUDIES

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GDP Per Capita

- ▶ GDP = Gross Domestic Product
- ▶ Gross domestic product is used to measure a nation's wealth.
- ▶ GDP is the dollar value of all the goods and services that a nation produces in one year.
- ▶ GDP is always given in dollars.
- ▶ Per capita = per person.
- ▶ GDP per capita is the nation's GDP divided by its total population.
- ▶ Because some countries have large populations (and therefore a lot of producers) and some countries don't, GDP per capita is a fairer way to compare countries than just regular GDP

GDP Per Capita

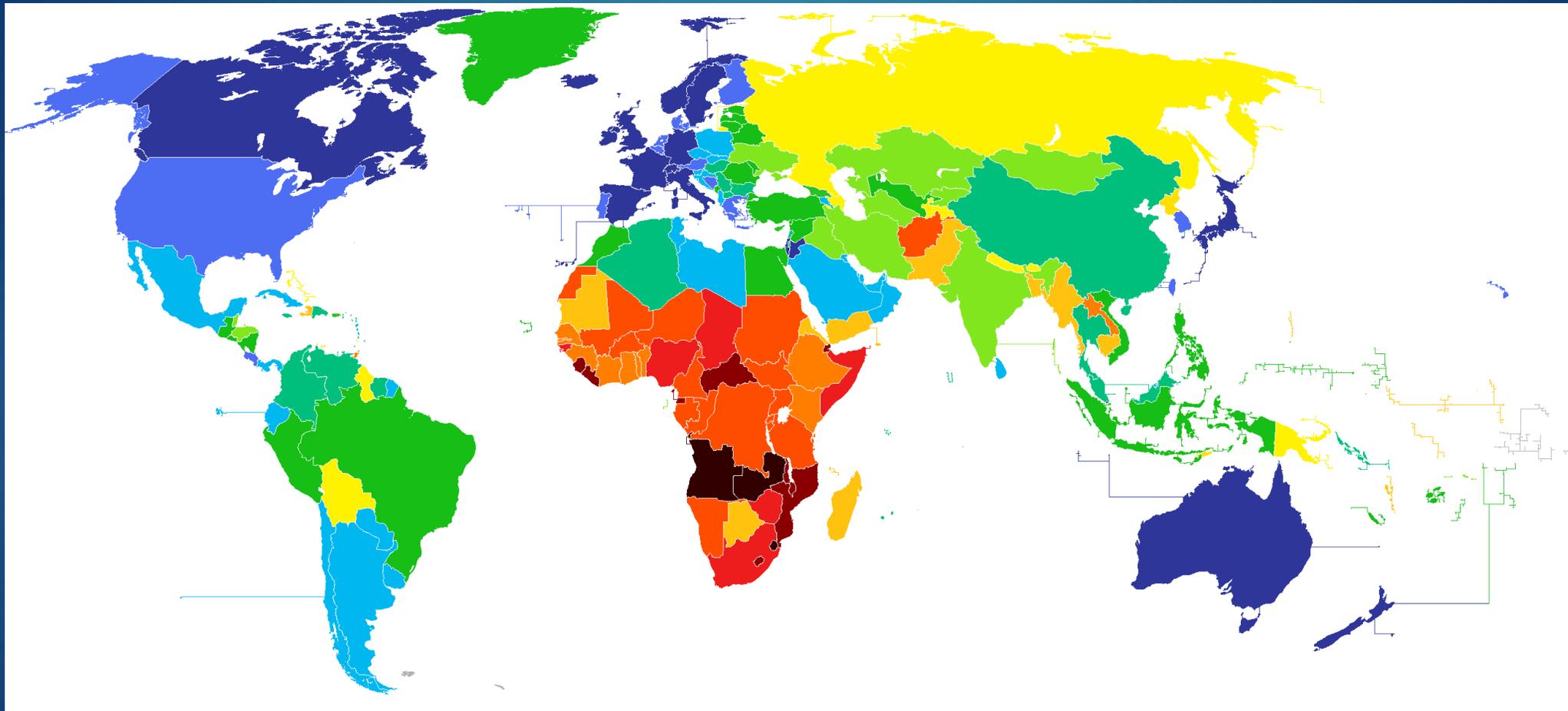


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Life Expectancy at Birth

- ▶ Life expectancy is the number of years a person can reasonably expect to live to.
- ▶ Life expectancy varies depending on the year in which you are born.
- ▶ Due to medical advancements, people born more recently usually have a longer life expectancy.
- ▶ Because life expectancy is an average, a particular person may die before or after their expected survival.

Life Expectancy at Birth

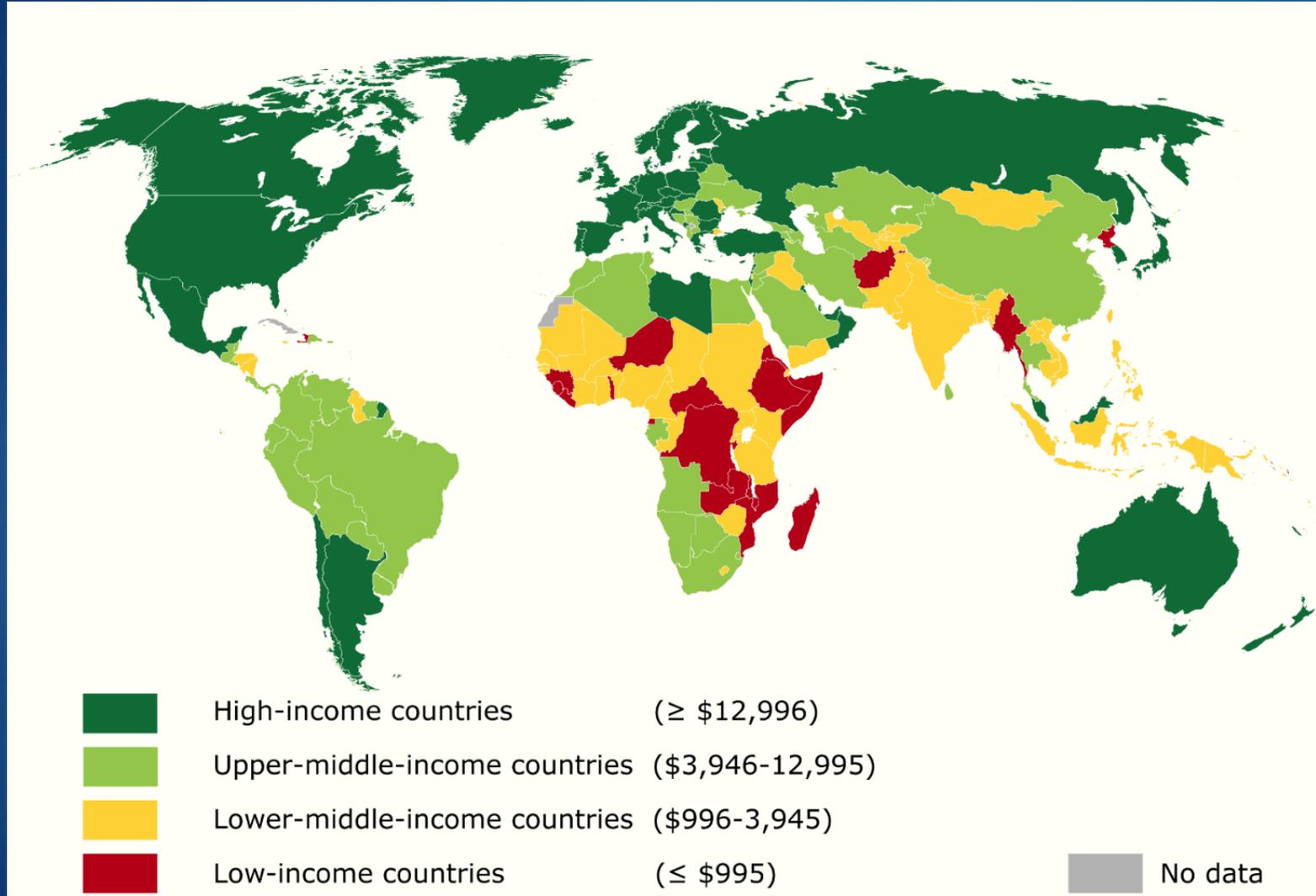


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Income Per Capita

- ▶ Income is the amount of money people earn through work or investing.
- ▶ Per capita = per person.
- ▶ GNI = Gross National Income
- ▶ Gross national income is the income of all citizens of a nation added together.
- ▶ Income per capita is the GNI divided by total population.
- ▶ Remember that in any nation, some people will be very rich and some people will be very poor. Income per capita is just the average.

Income Per Capita



2011
United Nations
Development Program

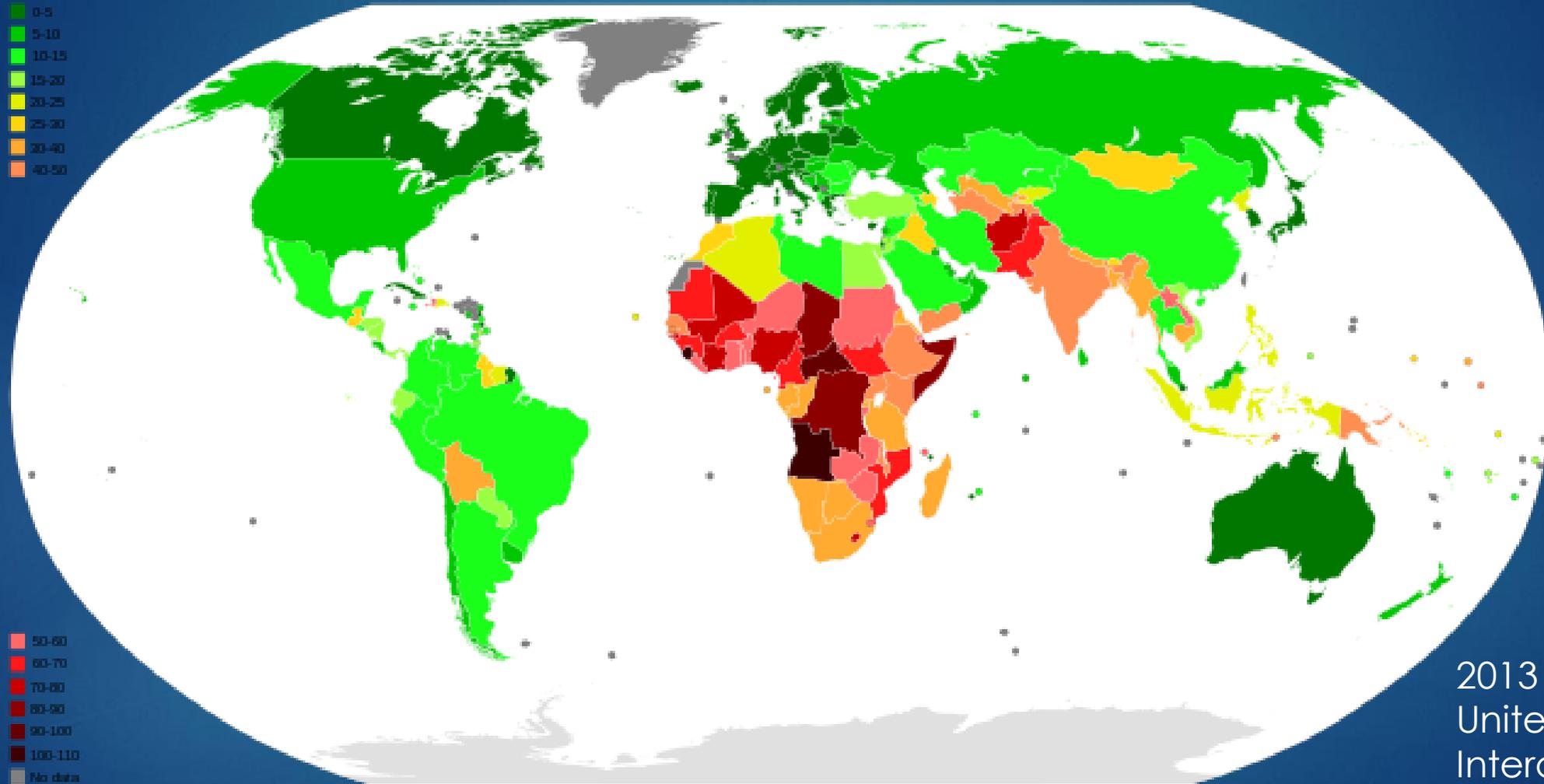
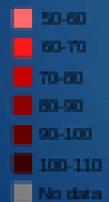
Economic Sectors

- ▶ A nation's productivity (its GDP) can be divided into economic sectors: agriculture, industry, and services.
- ▶ The agriculture sector refers to GDP that is generated by farming, fishing, and forestry.
- ▶ The industry sector refers to GDP that is generated mining, manufacturing goods in factories, energy production, and construction.
- ▶ The services sector refers to GDP that is generated by government activities, communications, transportation, finance/banking, and all other private economic activities that do not produce goods.
- ▶ Economic sectors are shown in percents.
- ▶ Most advanced economies have GDPs that are largely generated by services.
- ▶ Less advanced economies have GDPs that are largely generated by agriculture.

Infant Mortality

- ▶ An infant is defined as a baby before its first birthday.
- ▶ Mortality means death.
- ▶ Infant mortality is the number of infants who die before reaching the age of one year out of every 1000 babies born live.
- ▶ Stillbirths are not included in this statistic.

Infant Mortality



2013
United Nations
Interagency Group
for Child Mortality
Estimation

Percent of Underweight Children



- ▶ This indicator refers to the percent of children under the age of 5 that are considered to be underweight.
- ▶ This indicator tells you about the nutritional status of a nation. If many children are underweight, they are not getting the proper nutrition.
- ▶ Children who suffer from poor nutrition and malnourishment are at greater risk for contracting diseases or even dying.

United Nations Human Development Index

- ▶ UNHDI for short!
- ▶ This statistic was created by the United Nations in order to rank countries.
- ▶ The statistic is a composite, meaning that it is made up of multiple economic indicators.
- ▶ The indicators used to determine HDI are life expectancy, income, and indicators related to education.
- ▶ The highest HDI that a nation can have is 1.
- ▶ The highest current HDI that any nation has is Norway, with .944.
- ▶ Niger has the lowest, with .348.