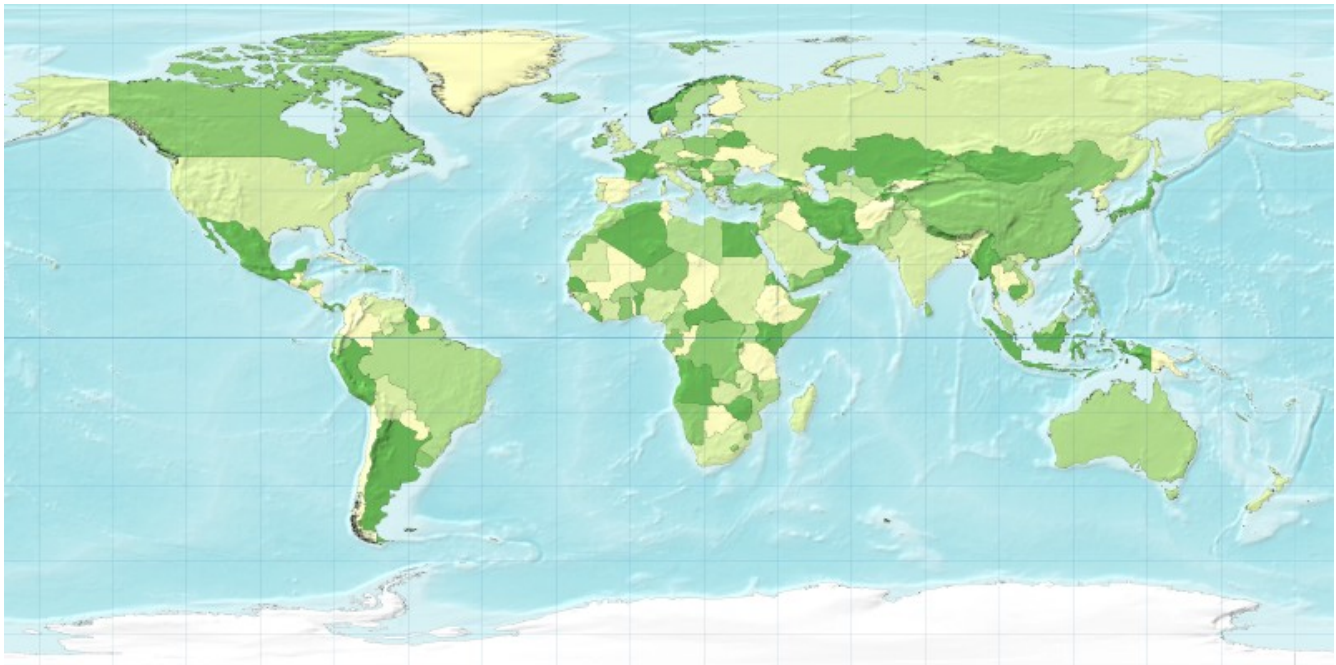


Macroeconomics Lecture 1

The big concepts of macroeconomics

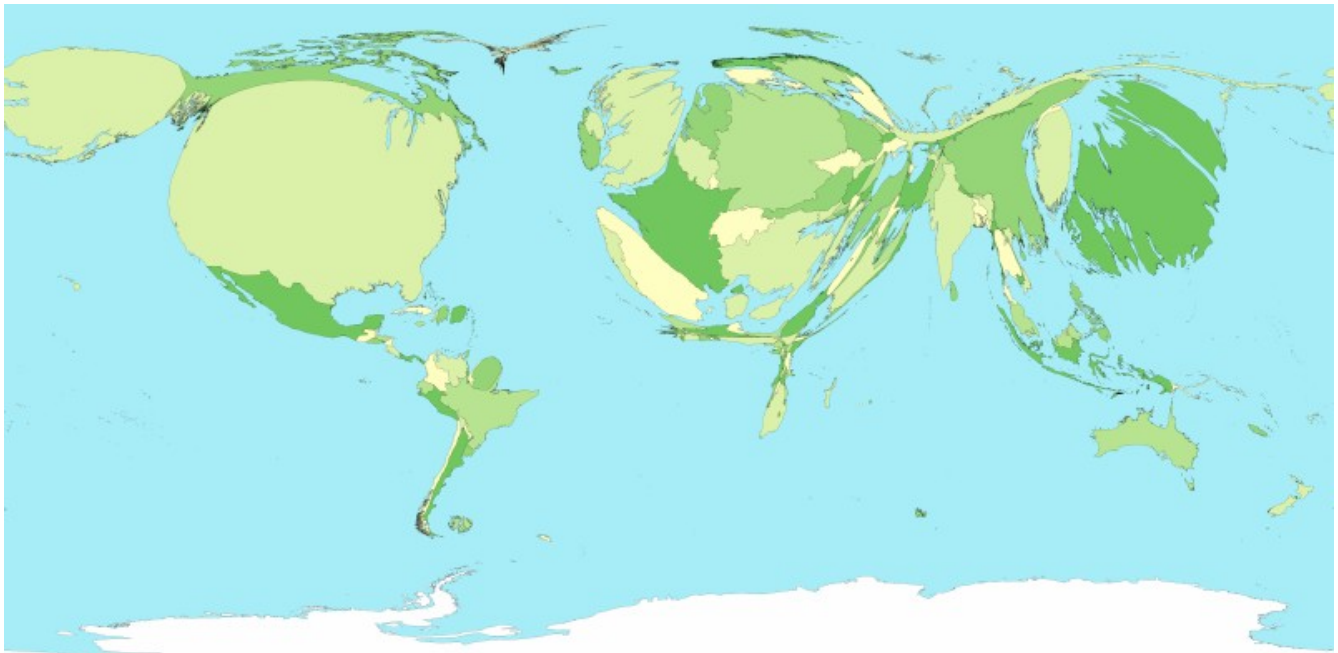
1. National wealth and GDP
2. Economic growth
3. Unemployment and business cycles
4. Inflation
5. Savings and investment
6. Government economic policy

National wealth and GDP



World political map, produced by Mark Newman, Umichigan: <http://www-personal.umich.edu/~mejn/cartograms/>

MACROECONOMICS VERSION



World cartogram: areas distorted so they're proportional to relative GDP. Mark Newman, *ibid.*

REFERENCE: POPULATION



Economic Growth and Innovation

Change in Rank over Time

See Wikipedia for more: https://en.wikipedia.org/wiki/List_of_regions_by_past_GDP_%28PPP%29

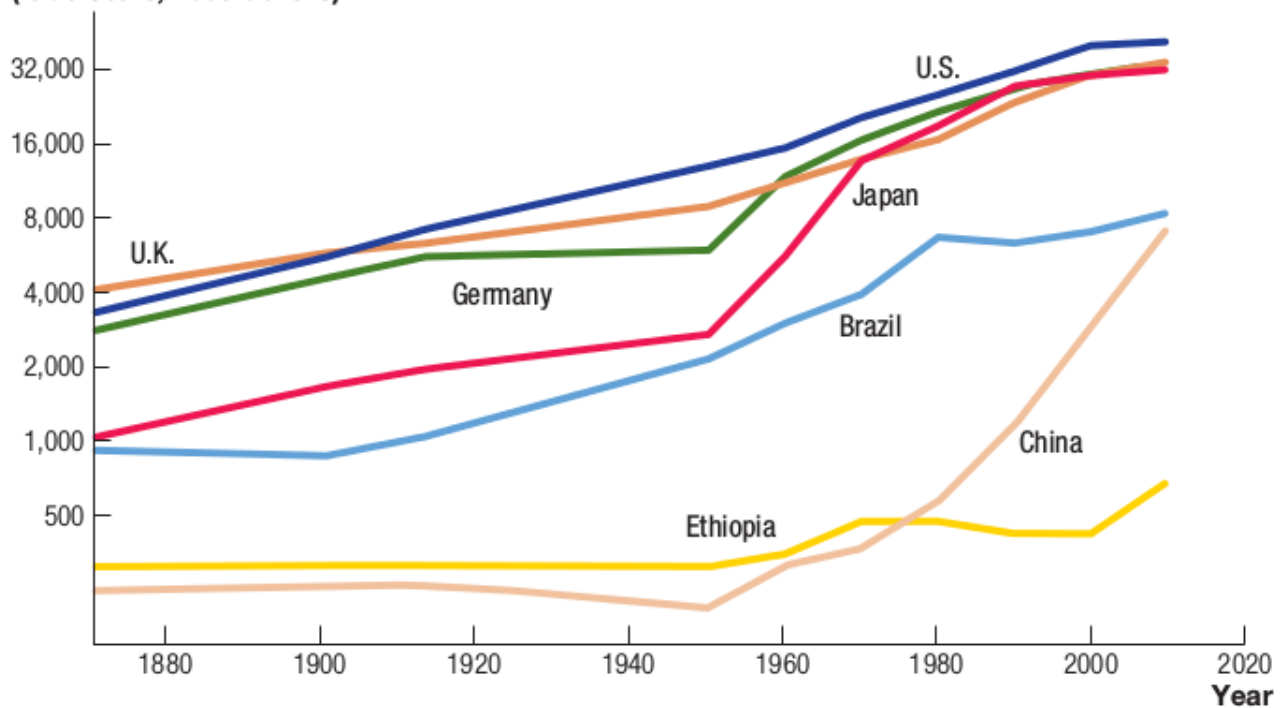
Top 5 Countries by GDP at various historical snapshots

1500	1870	1973	2015
<i>China</i>	<i>China</i>	USA	<i>China</i>
India	India	USSR	USA
Italy	UK	Japan	India
France	USA	Germany	Japan
USSR	USSR	<i>China</i>	Germany

FIGURE 1.1

Per Capita GDP in Seven Countries, 1870–2010

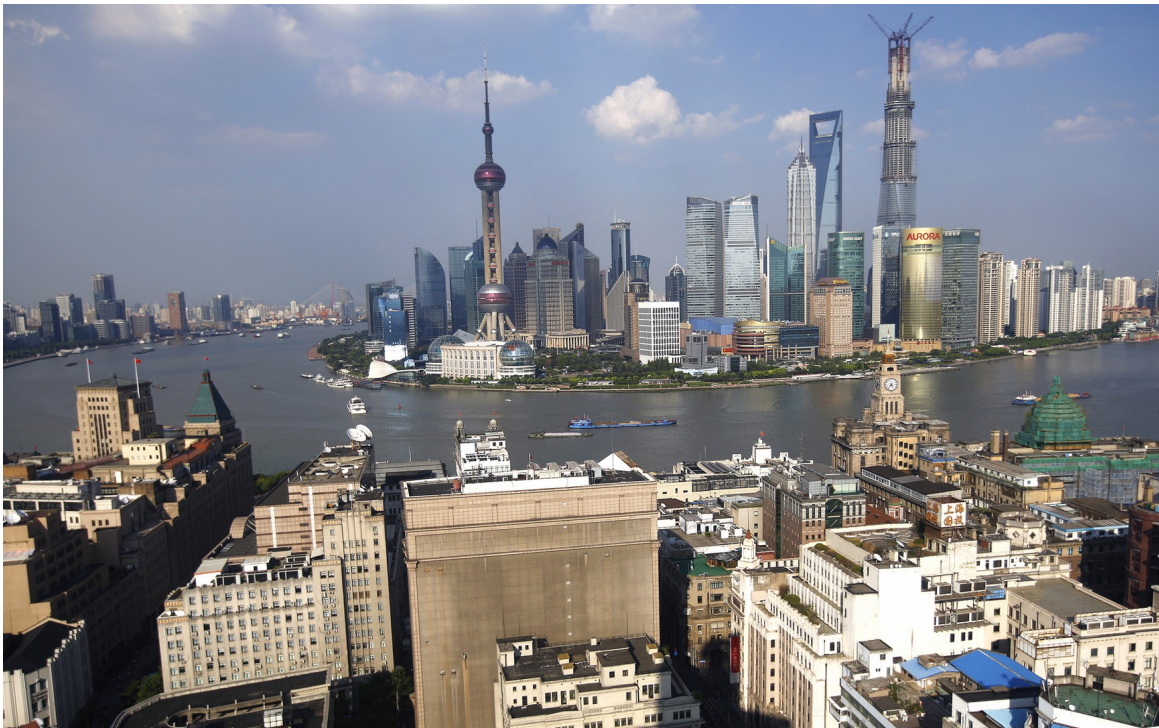
Per capita GDP
(ratio scale, 2005 dollars)



Source: Angus Maddison, "Statistics on World Population, GDP and Per Capita GDP, 1 AD–2006 AD," and Penn World Tables, Version 7.1.



Shanghai, 1987 (source: <http://www.theatlantic.com/photo/2013/08/26-years-of-growth-shanghai-then-and-now/100569/>)



Shanghai, 2013 (source: *ibid*)

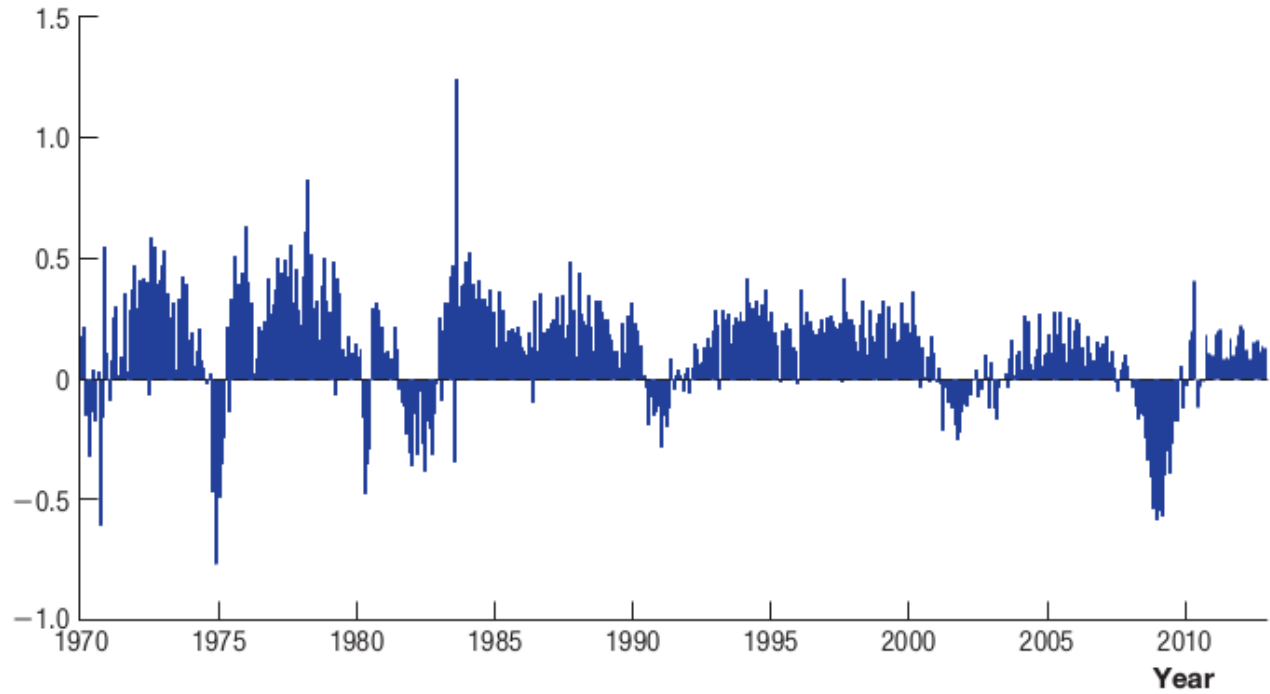
<http://www.theatlantic.com/photo/2013/08/26-years-of-growth-shanghai-then-and-now/100569/>

Unemployment and Business Cycles

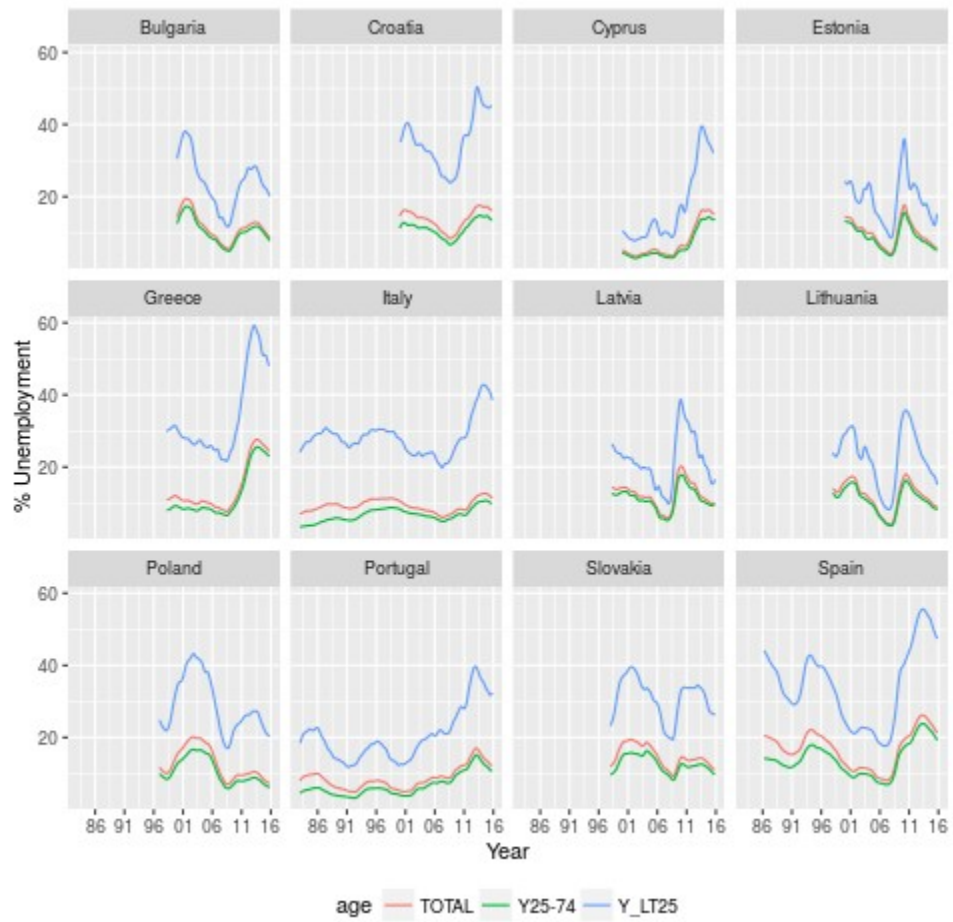
FIGURE 1.2

Changes in U.S. Employment

Monthly change in
employment (percent)



Source: Federal Reserve Economic Data (FRED), courtesy of the Federal Reserve Bank of St. Louis.

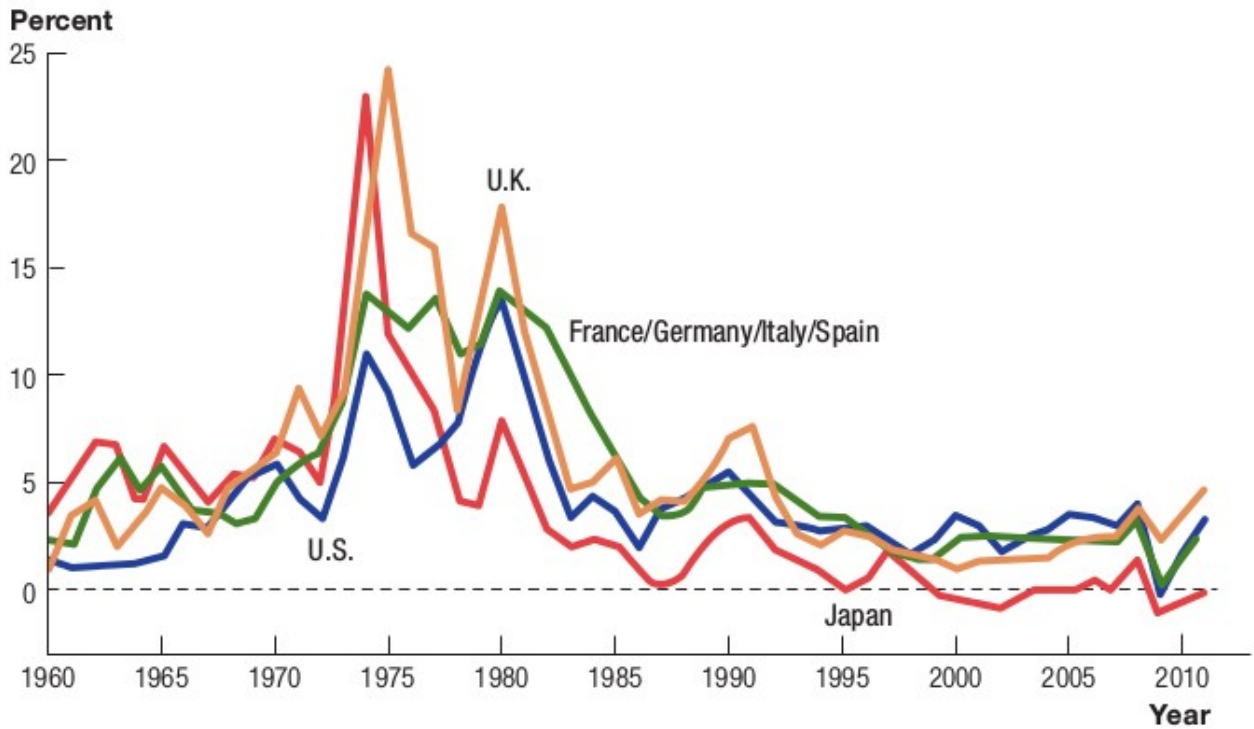


Source: <http://www.tuicool.com/articles/EZbU7z>

Inflation

FIGURE 1.3

Inflation Rates in Certain Rich Countries



Source: OECD Main Economic Indicators. The inflation rate measures the percentage change in the overall price level.





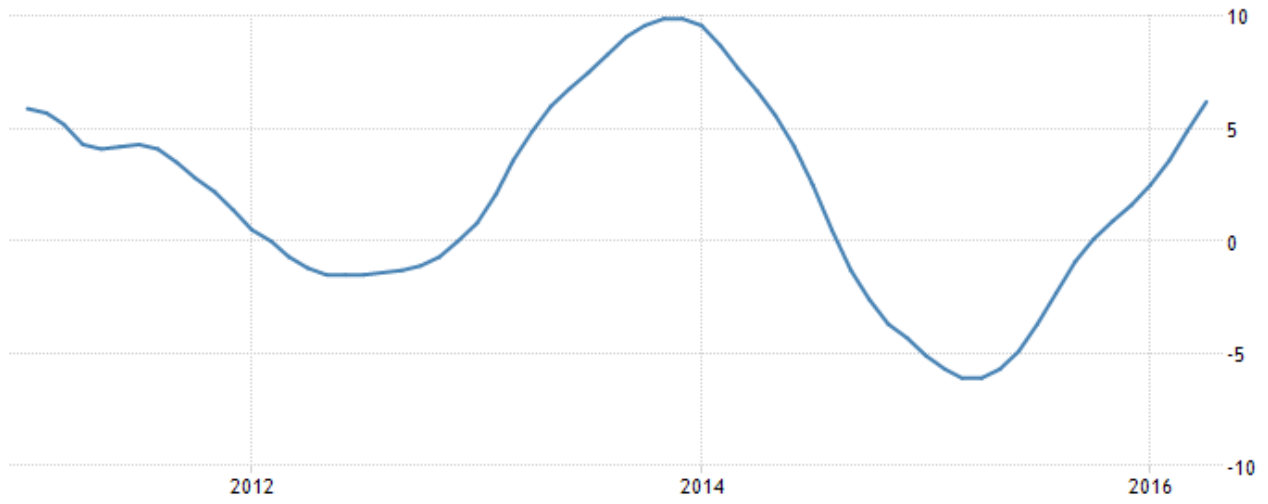
Make America Hyperinflate Again

Savings and Investment



Source: Yahoo! Finance

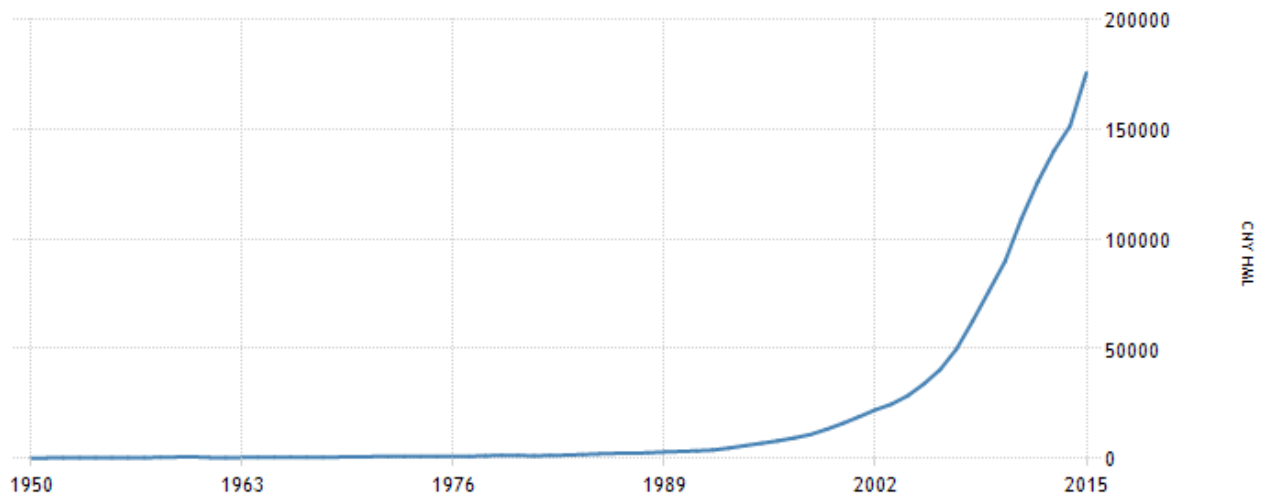
CHINA NEWLY BUILT HOUSE PRICES YOY CHANGE



SOURCE: WWW.TRADINGECONOMICS.COM | NATIONAL BUREAU OF STATISTICS OF CHINA

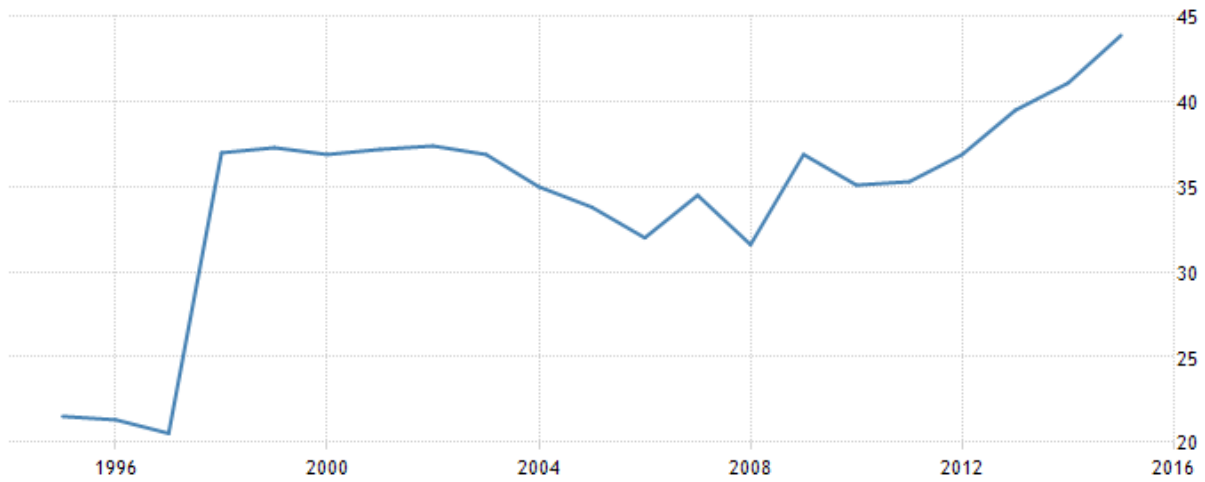
Government Economic Policy

CHINA GOVERNMENT SPENDING



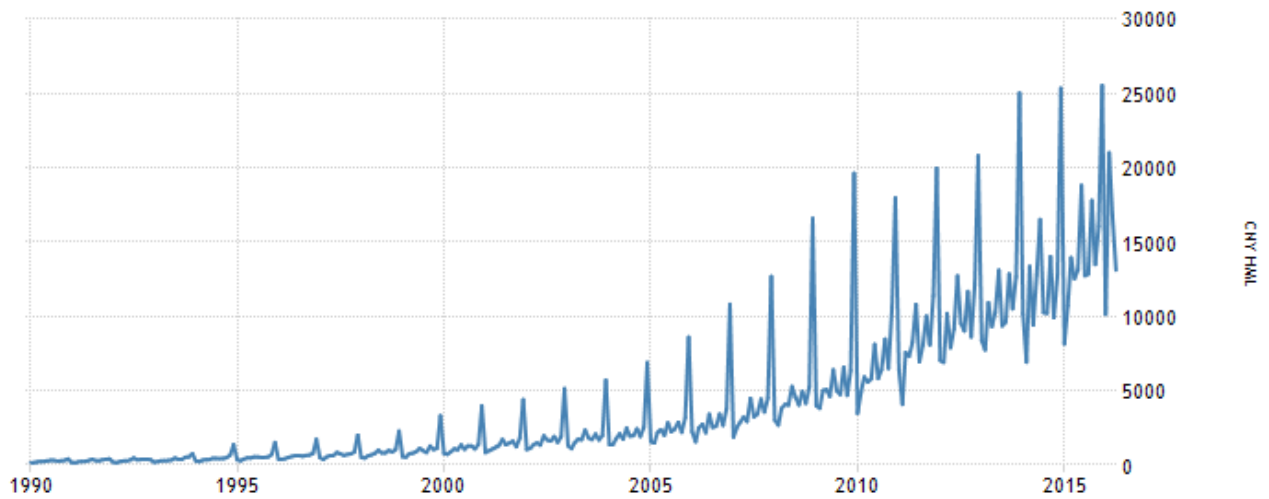
SOURCE: WWW.TRADINGECONOMICS.COM | NATIONAL BUREAU OF STATISTICS OF CHINA

CHINA GOVERNMENT DEBT TO GDP



SOURCE: WWW.TRADINGECONOMICS.COM | IMF

CHINA FISCAL EXPENDITURE



SOURCE: WWW.TRADINGECONOMICS.COM | NATIONAL BUREAU OF STATISTICS OF CHINA