

$MP_{L2}$



$L_2$

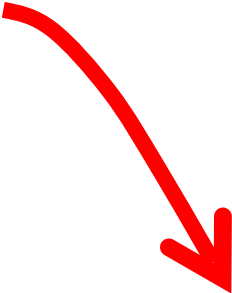
MP<sub>L1</sub>



L<sub>1</sub>



$MP_{\text{Labor}}$  Eventually  
Decrease











As we bring in more  
workers (L)

To Increase Production in the Short Run

**MP<sub>L3</sub>**



**L<sub>3</sub>**

# Diminishing Returns to Labor

MP<sub>L</sub>



**Labor**

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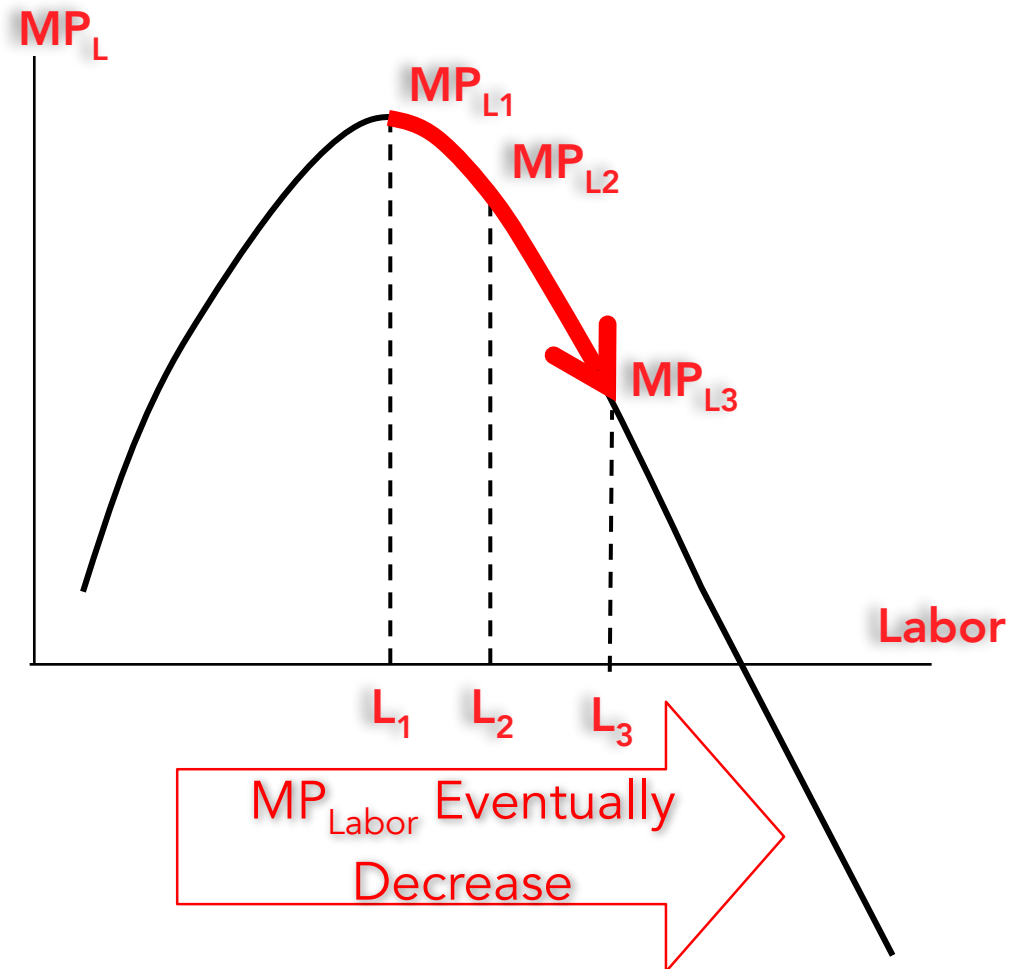


# To Increase Production in the Short Run

As we bring in more  
workers (L)



Diminishing Returns  
to Labor



What happens as we give more tools to workers?