

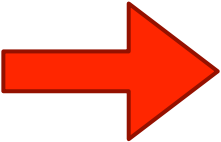




Hiring more workers is still beneficial:

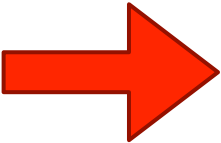
• New workers produce additional units

💡 New workers still improve the productivity of other workers but the increase in productivity slows down as the plant begins to get crowded



New workers make previous
workers a bit more productive

What happens as we hire more workers?




Marginal Product Decrease

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 Marginal Product **Decrease**

