

Measuring Total Production

The Incomes Approach

Total Production *is always equal* to Total Incomes



If we know
Total Incomes

Land

Labor

Entrepreneurship

Capital

Rent

Wage

Profit

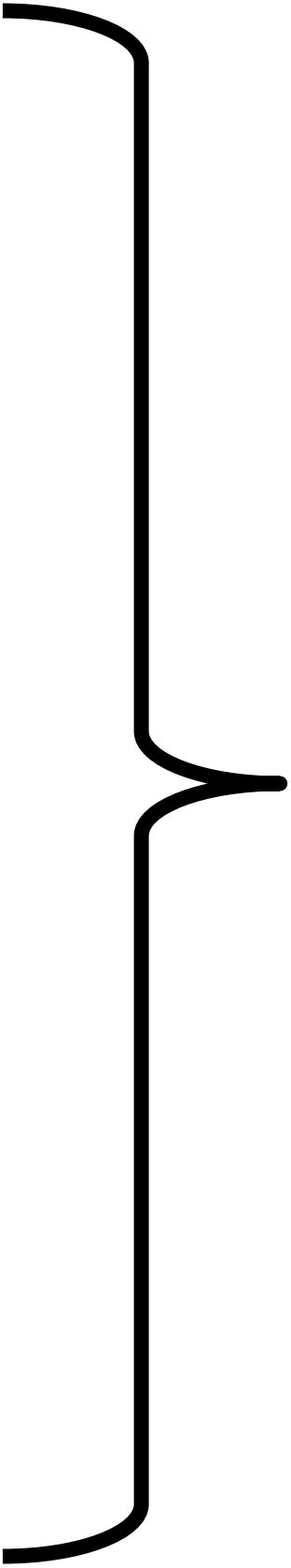
Interest

A large, solid red oval shape that serves as the background for the text.

**Total
Income**



**Total
Production**



Add

Total

Incomes



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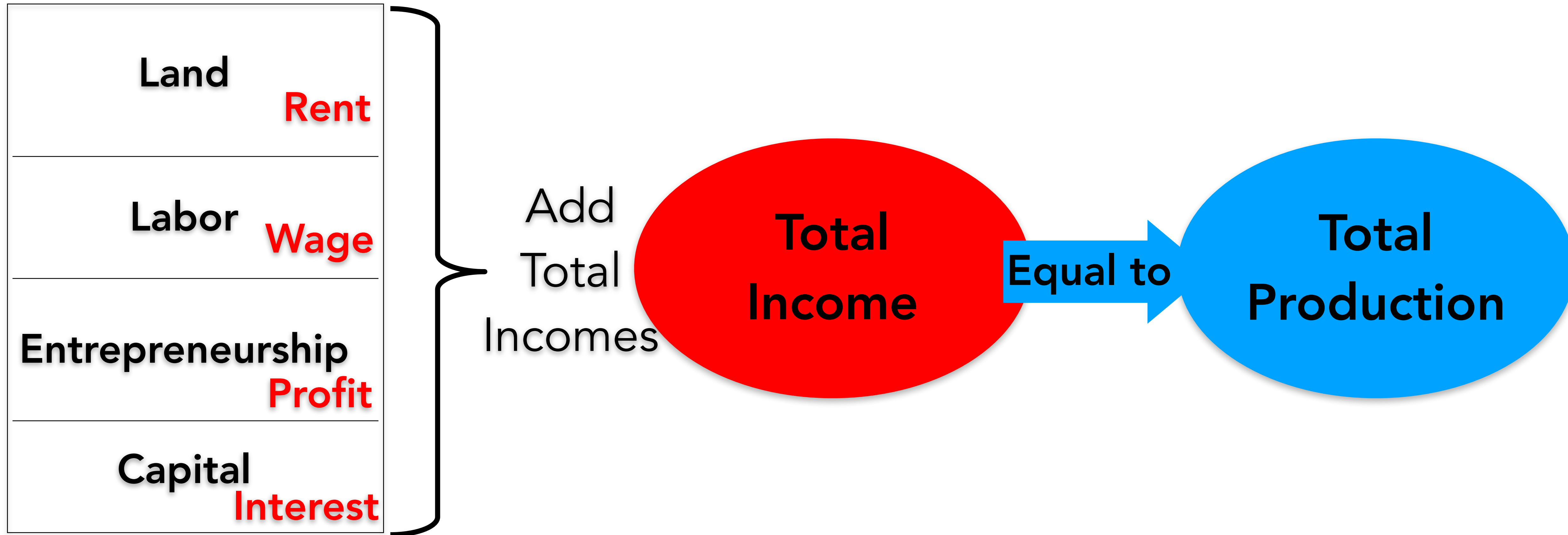


GDP

Measuring Total Production

The **Incomes** Approach

GDP



$$\text{GDP} = \text{Rental Income} + \text{Wages} + \text{Profits} + \text{Interest Income}$$

The **Incomes** Approach

$$\text{GDP} = \text{Rental Income} + \text{Wages} + \text{Profits} + \text{Interest Income}$$