







5







12





2





5



Worker #1

7



Worker #1



6



Worker #2

21





3



Total Product  
(TP)

**Labor**



6

Worker #1

7



Worker #2

7



Worker #3

M



a

**r**

g



n

a



**p**



**r**



d

u

C

†



M



P



[REDACTED]

[REDACTED]



n

C

**r**





a

S

e



n



u





p

u





**b**

**S**

e

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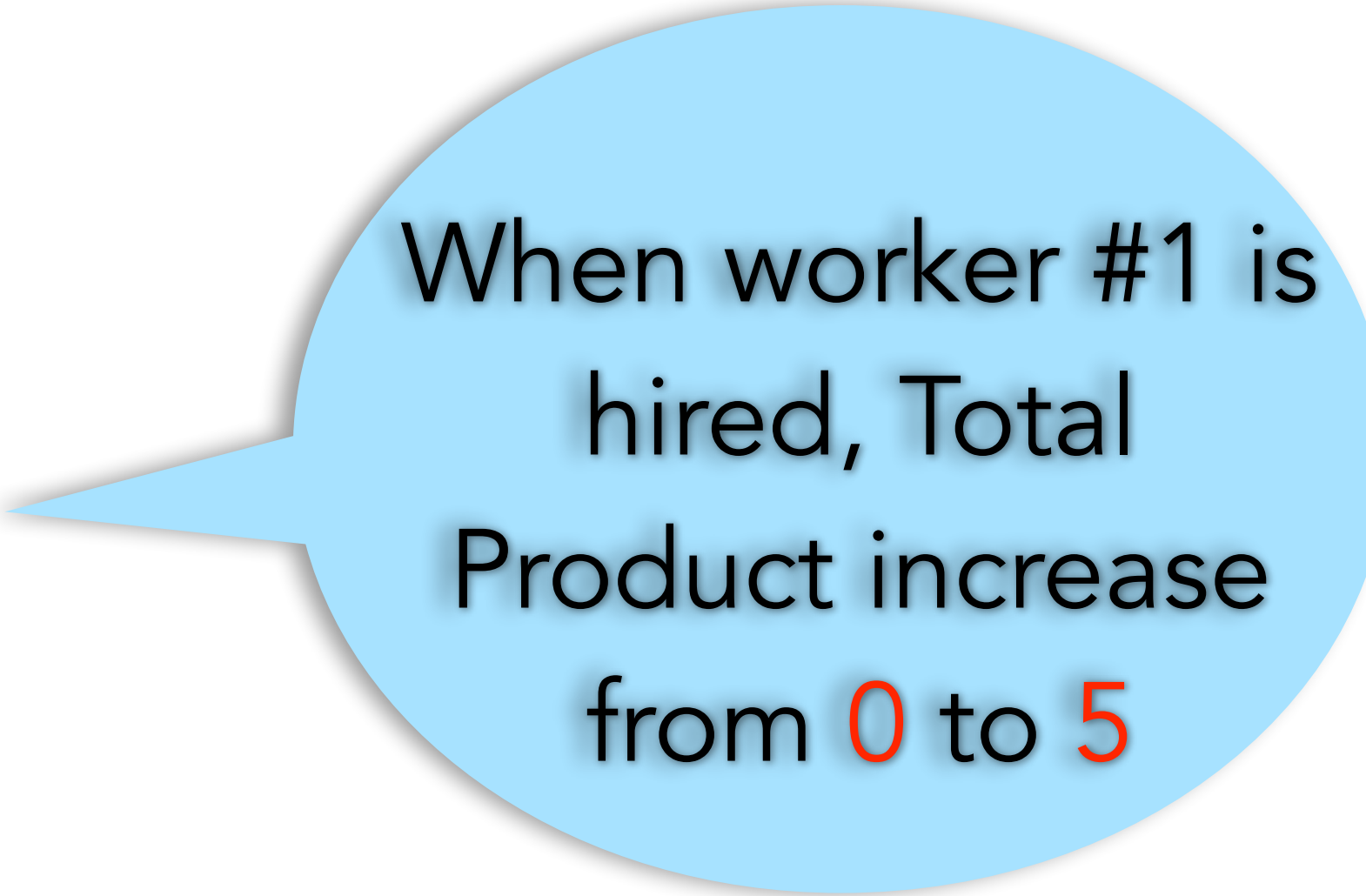
**r**

e

d







When worker #1 is  
hired, Total  
Product increase  
from 0 to 5

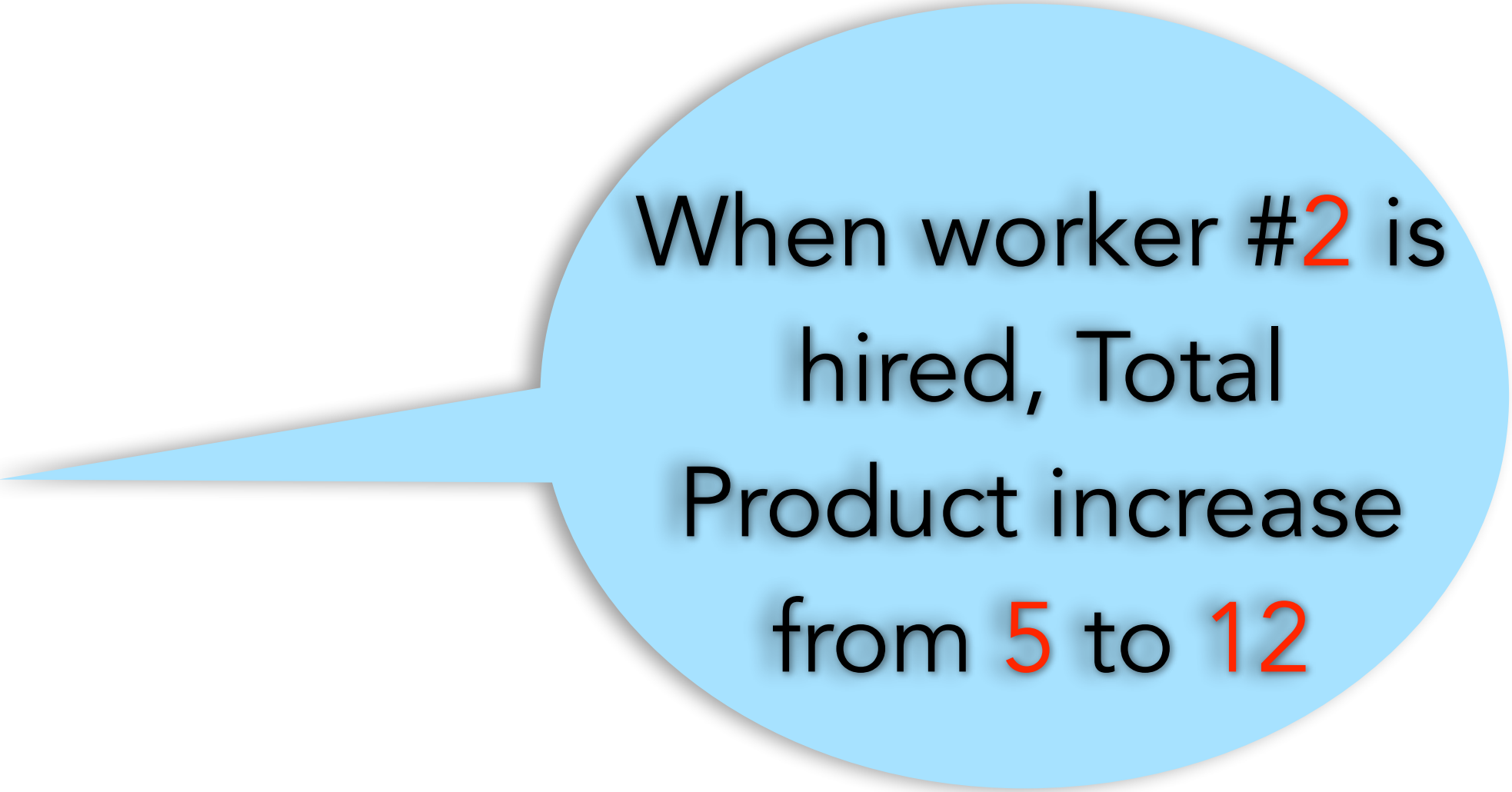
MP for worker

#1 = 5 units

$MP=5$



Worker #1



When worker #2 is  
hired, Total  
Product increase  
from 5 to 12

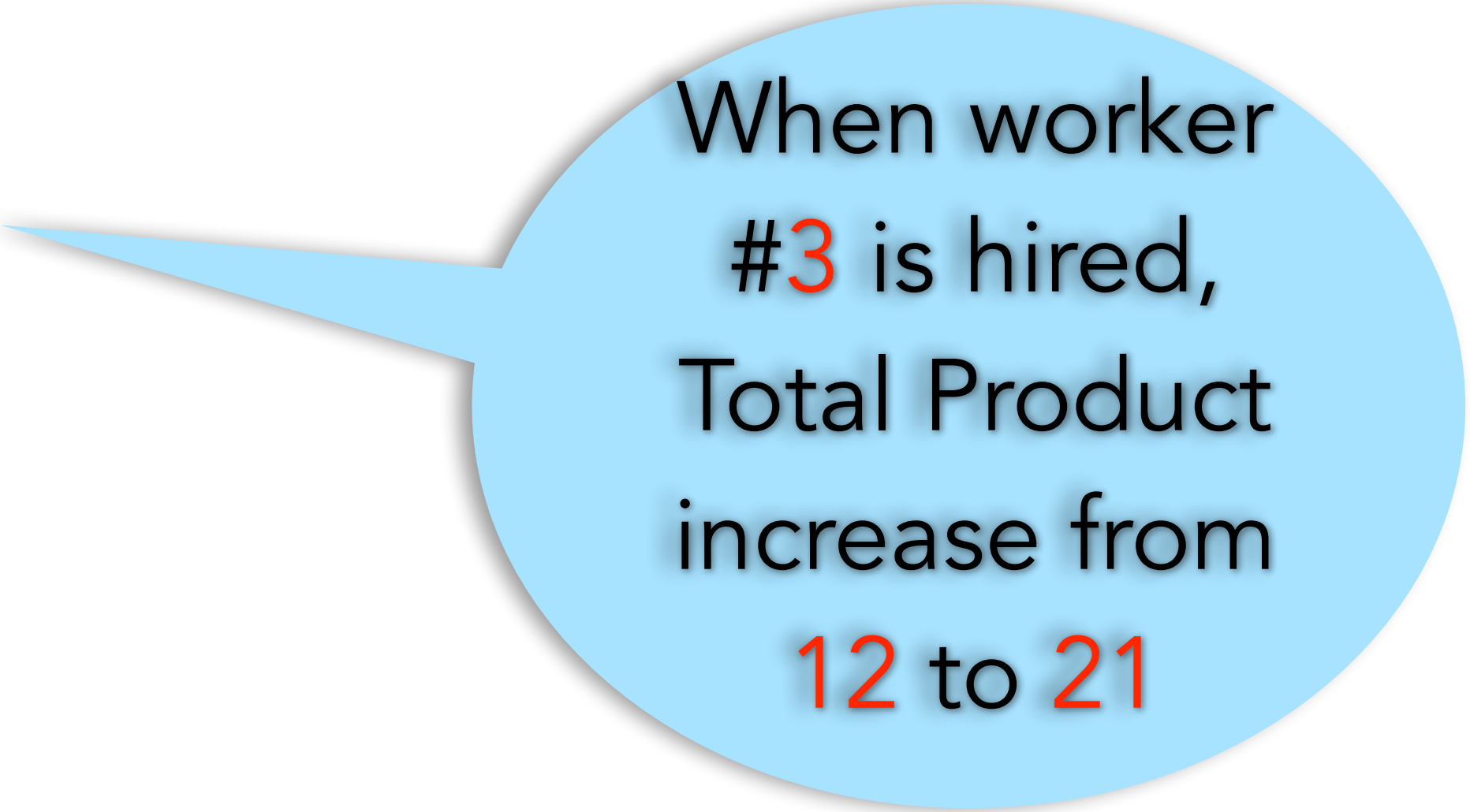
MP for worker

#2 = 7 units

$MP=7$



Worker #2



When worker  
#3 is hired,  
Total Product  
increase from  
12 to 21



MP for worker

#3 = 9 units

$MP=9$



Worker #3

# Workers	Total Product
0	0
1	5
2	12
3	21







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# Marginal Product

-

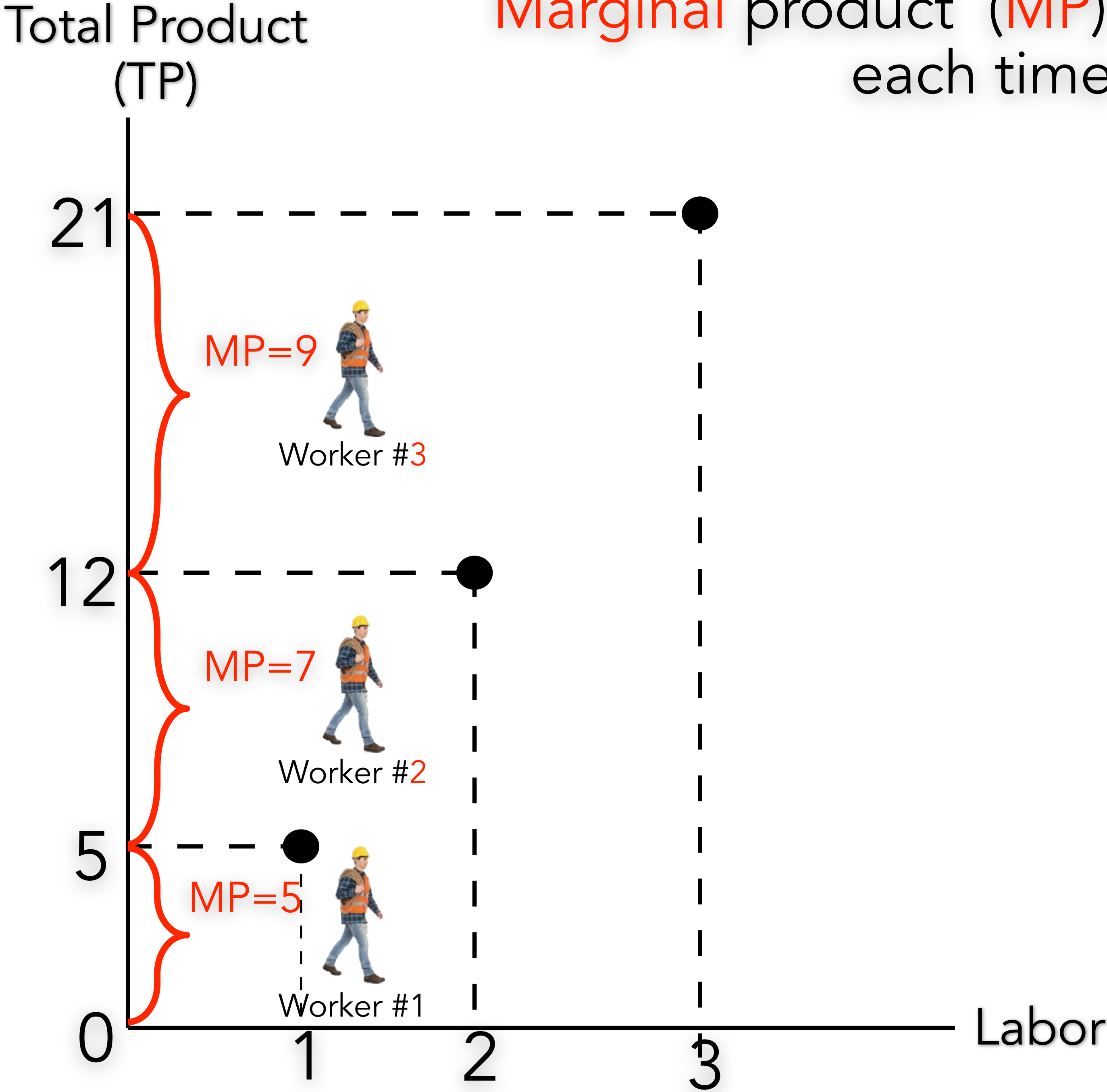
$$5 - 0 = 5$$

$$12 - 5 = 7$$

$$21 - 12 = 9$$

Marginal product (MP) = increase in output observed  
each time a worker is hired

Marginal product (MP) = increase in output observed each time a worker is hired



# Workers	Total Product	Marginal Product = Change in TP
0	0	-
1	5	$5 - 0 = 5$
2	12	$12 - 5 = 7$
3	21	$21 - 12 = 9$

What happens as we hire more workers?