

Interpreting Income Per Capita

A. Statistical Problems

- a. Index number
- b. Base year

B. Measurement Problems

- a. Non-market production
- b. Leisure
- c. Quality changes
- d. Relative price changes and new goods
- e. Intermediate goods
- f. Externalities

C. Conceptual Problems

- a. Structural changes
 - 1. rural to urban
 - 2. family to factory
 - 3. agricultural to non-agricultural
 - 4. Europe to America
- b. Work as a good
- c. What determines wants?
 - 1. happiness surveys
 - 2. relative income

D. Death as a good

E. Lifetime income

- a. Life expectancy
- b. Disease