



# Economics Made Easy

## What is output?

**Output** is the amount of goods or services created or produced, such as the number of shirts made or number of meals served. The change in the number of shirts made one year compared with the number made the previous year is called the **growth in output**.

The **value of output** is measured as the revenue or income a producer receives from selling their goods or services. This revenue approach lets us combine different goods and services—such cars and car repairs—into a single measure.

BLS tracks the growth in output over time to determine how effectively businesses are using inputs. If the growth in output is greater than the growth in inputs, then **productivity** increases.

### Glossary

**Output** — the amount of goods or services made.

**Productivity** — measure of how efficiently inputs are converted into output.

**Prices** — the dollar amount at which goods or services are purchased.



### In the news

Many news articles cover issues with supply and demand of goods or services. Those stories provide insight into why output data are changing.

## Calculate the output!

[Beth owns and runs her own business making birdhouses](#) she sells for \$22 each. At the end of the year, her total sales were \$20,020. How many birdhouses did she sell?

$$\text{Number of birdhouses} = \frac{\$20,020 \text{ total birdhouse sales}}{\$22 \text{ per house}} = 910 \text{ birdhouses}$$

BLS takes total revenue reported by businesses with available price data to calculate output. It's important to use the latest data as prices change over time.

