



# OFF THE NEWS



**Bill Gates**

## Bill Gates on Robert Gordon

“As [economist Robert] Gordon acknowledges many times, we don’t have a good tool for measuring the impact of innovation on people’s lives. Like other economists, Gordon uses something called Total Factor Productivity (TFP), which is meant to capture efficiency due to innovation. TFP is based on GDP but takes into account the hours we work and the equipment we use.

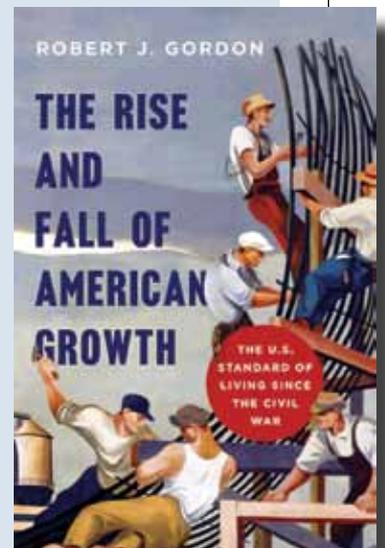
“The truth is, while economic measurements like TFP can be useful for understanding the impact of a tractor or a refrigerator, they are much less useful for understanding the impact of Wikipedia or Airbnb.

“How do you calculate the value of millions of pages of free information at your fingertips? How do you calculate the impact of the entire hospital industry flipped on its head? In the future, GDP may not grow as fast as it did in the past—or, for all we know, it may—but that alone doesn’t tell you whether people’s lives are going to get better.

“Implicit in Gordon’s analysis is that nearly all the big problems have been solved, and any improvements over the coming decades will be at the margins. Gordon’s refrain, referring to automobiles and refrigerators and telephone systems, is ‘These achievements could happen only once.’ This is true—but it’s true for things in the future, too. By Gordon’s definition, a robot that’s better at seeing and manipulating things than humans will only happen once. A cure for Alzheimer’s will only happen once.”

—GatesNotes

**The Rise and Fall of American Growth**  
by **Robert J. Gordon**  
(Princeton University Press, 2016)





**Hans Holbein's**  
The Pedlar.

## Stunning Factoid

“The world is about to experience something not seen since the Black Death in the fourteenth century—lots of countries with shrinking populations.”

—*The Economist*

## India's Secret Weapon

“Our research suggests that women now contribute only 17 percent of India's GDP and make up just 24 percent of the workforce, compared with 40 percent globally. In the coming decade, they will represent one of the largest potential economic forces in the country. If it matched the progress toward gender parity of the region's fastest-improving country, we estimate that it could add \$700 billion to its GDP in 2025. Movement toward closing the gender gap in education and in financial and digital inclusion has begun, but there is scope for further progress.”

—*McKinsey Global Institute*

## Troubling Indicator

The U.S. fertility rate dropped to the lowest level since record-keeping began more than a century ago.

—*Centers for Disease Control and Prevention*

## Global Growth In a Nutshell

“For most of human history, economic progress moved at a crawl. According to the economic historian Bradford DeLong, from the first rock tools used by humanoids three million years ago, to the earliest cities ten thousand years ago, through the Middle Ages, to the beginning of the Industrial Revolution around 1800, living standards doubled (with a growth of 0.00002 percent per year). Another doubling took place over the subsequent period to 1870. Then, according to standard calculations, the world economy took off.”

—*William Nordhaus*  
*New York Times Review of Books*

## An Economy Of Mediocrity

More than 80 percent of the U.S. population is at an income level with flat or declining income over the last decade. In Italy, that number of 97 percent; in Britain, 70 percent; and in France, 63 percent.

—*McKinsey Global Institute*