Theory 4: High Healthcare and Other Labor Costs

http://www.cfr.org/competitiveness/healthcare-costs-us-competitiveness/p13325

General Question:

Many economists believe there has been a noticeable decline in the growth of the US economy over the past few decades.

This article provides some background of the problem from one of President Trump’s policy advisors:

https://webfiles.uci.edu/navarrop/public/article%20hyperlinks/Restoring%20American%20Prosperity.pdf?uniq=-nuohuh

Of course, Navarro and Hubbard’s article is not comprehensive. The evidence of the US growth slowdown, the causes, and the solutions to the problem they identify are not the only factors that concern economists. Indeed, there are many theories as to why the US economy is slowing.

In your question, you will focus on one factor that economists have suggested might have caused the slowdown of growth in the US.

Your factor is\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

Here is what you need to discuss in your answer: about 500 words each questions.

•        Explain why \_\_\_\_\_\_\_\_\_\_ might have been responsible for the slowdown in growth over the last generation.

•        What evidence suggests that \_\_\_\_\_\_\_\_was an important cause of the growth slowdown?

•        What evidence suggests that \_\_\_\_\_\_\_\_was not an important cause of the growth slowdown?

•        Assuming that \_\_\_\_\_\_\_\_ is indeed a factor of the growth slowdown, what policy would you suggest to increase growth?

Thoroughly expound on all four of these points in your answer.

Here is a source for you to begin to investigate this question. You should find more sources.  Your sources should be “scholarly.” Journal articles are best.  Works produced by “think tanks” (Cato, Economic Policy Institute, Center on Budget and Policy Priorities,  and American Enterprise Institute, for example) are adequate if they are written as academic literature and not as opinion or advocacy pieces. Opinion articles written for newspapers or other similar outlets can be fine if the author is a known economist. (Something written by Greg Mankiw or Paul Krugman would work, but something written by George Will or Thomas Friedman generally would not.)

Your assigned theory is accompanied by at least one scholarly article (or near scholarly article) that describes it. This is to get you started. You can, and should, find more sources.