Labor's Share of Income: Problems

1. Provide evidence in support or refute of my claim that, as of September 2026, households are pessimistic about the state of the U.S. economy. Find a source not discussed in class.

2. Consider the economy of Kokomo. In 2026, workers earn $2.5 million and wages and $500,000 in related benefits. Firms make $2 million in profits. What is labor's share of income.

3. Now suppose that labor's share declines to 50% in Kokomo without there being any inflation. Are worker's worse off?

4. Trur or False? AI might explain the decline in U.S. labor share that began around 2000.