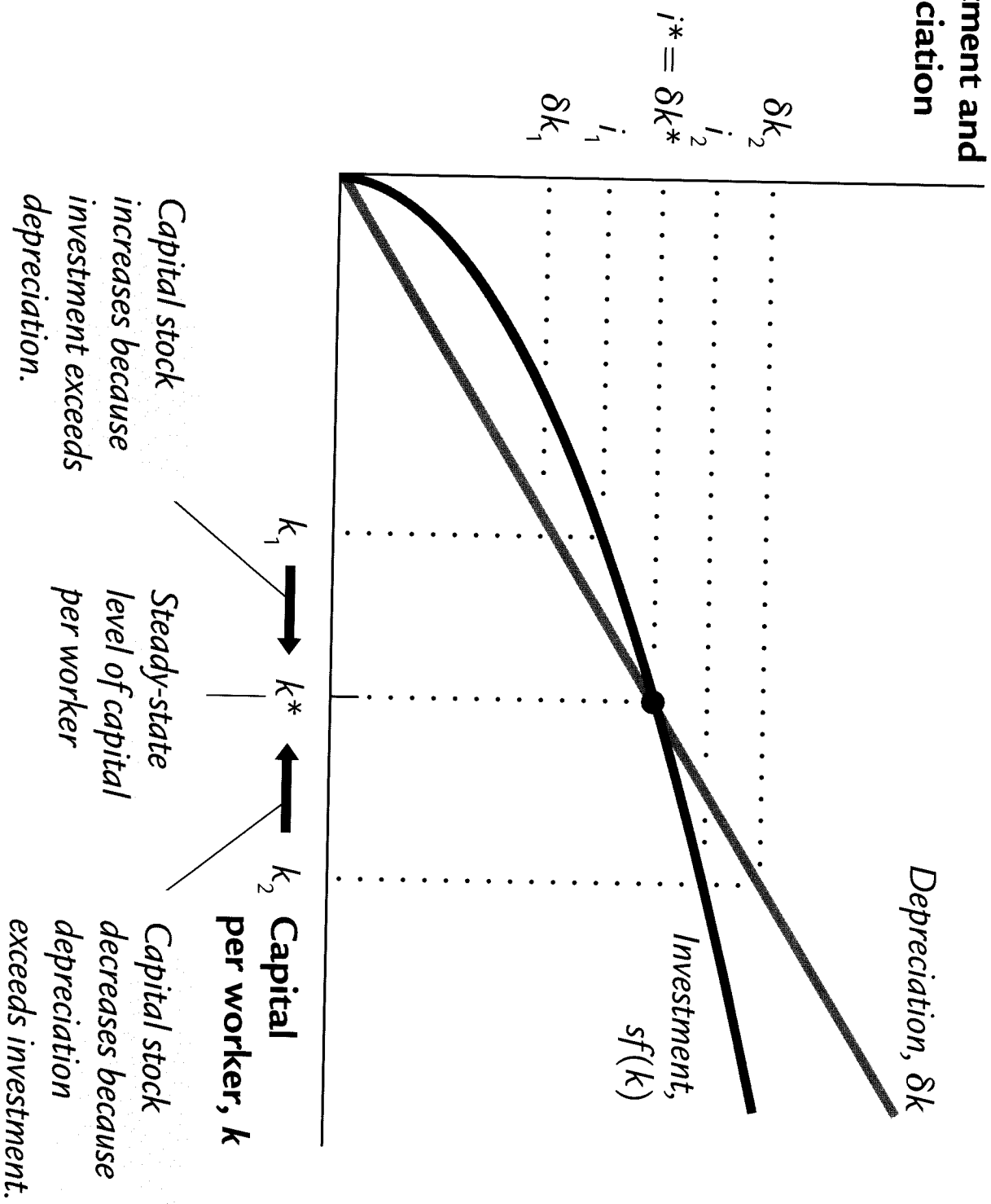
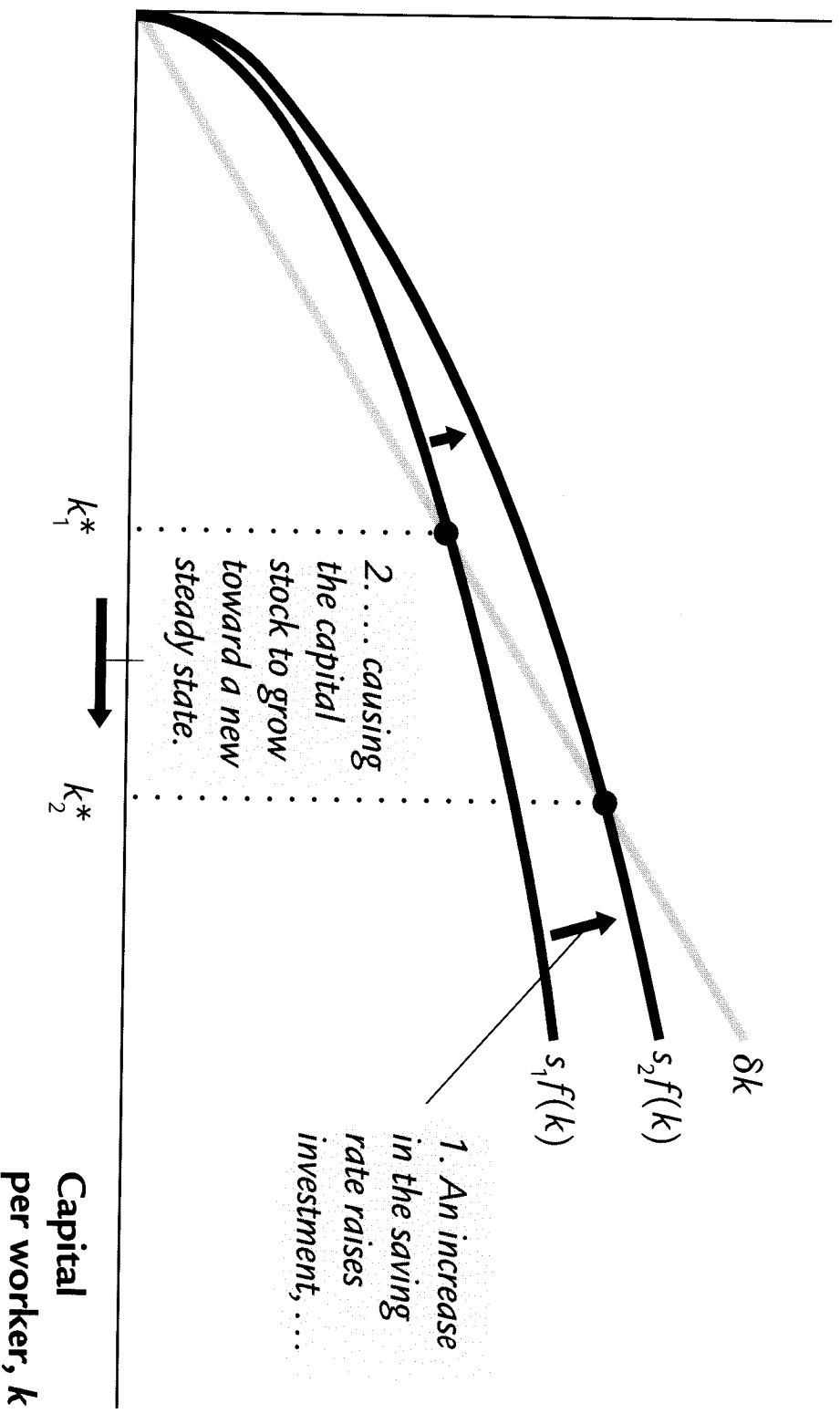


# Investment and depreciation



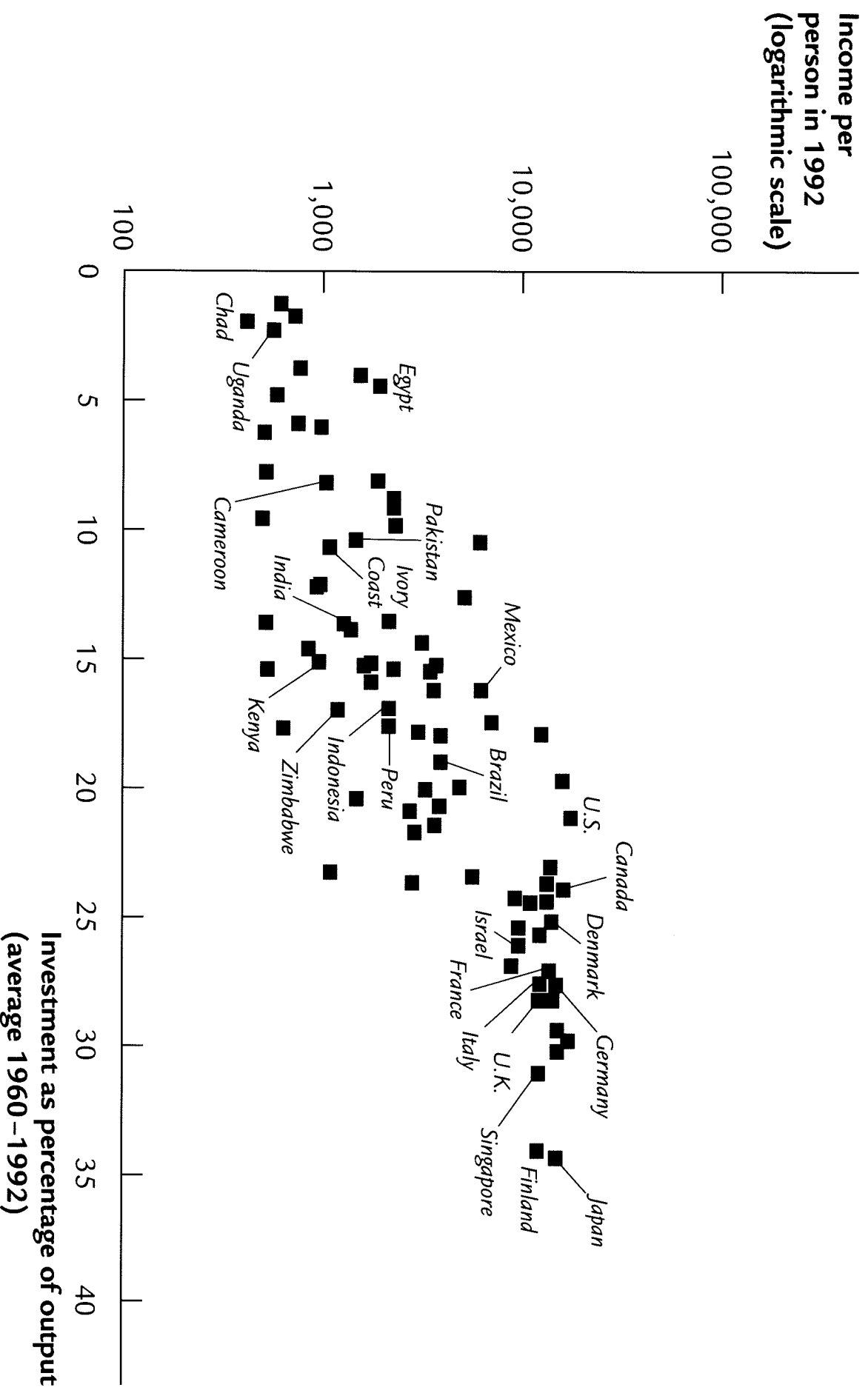
## Investment and depreciation



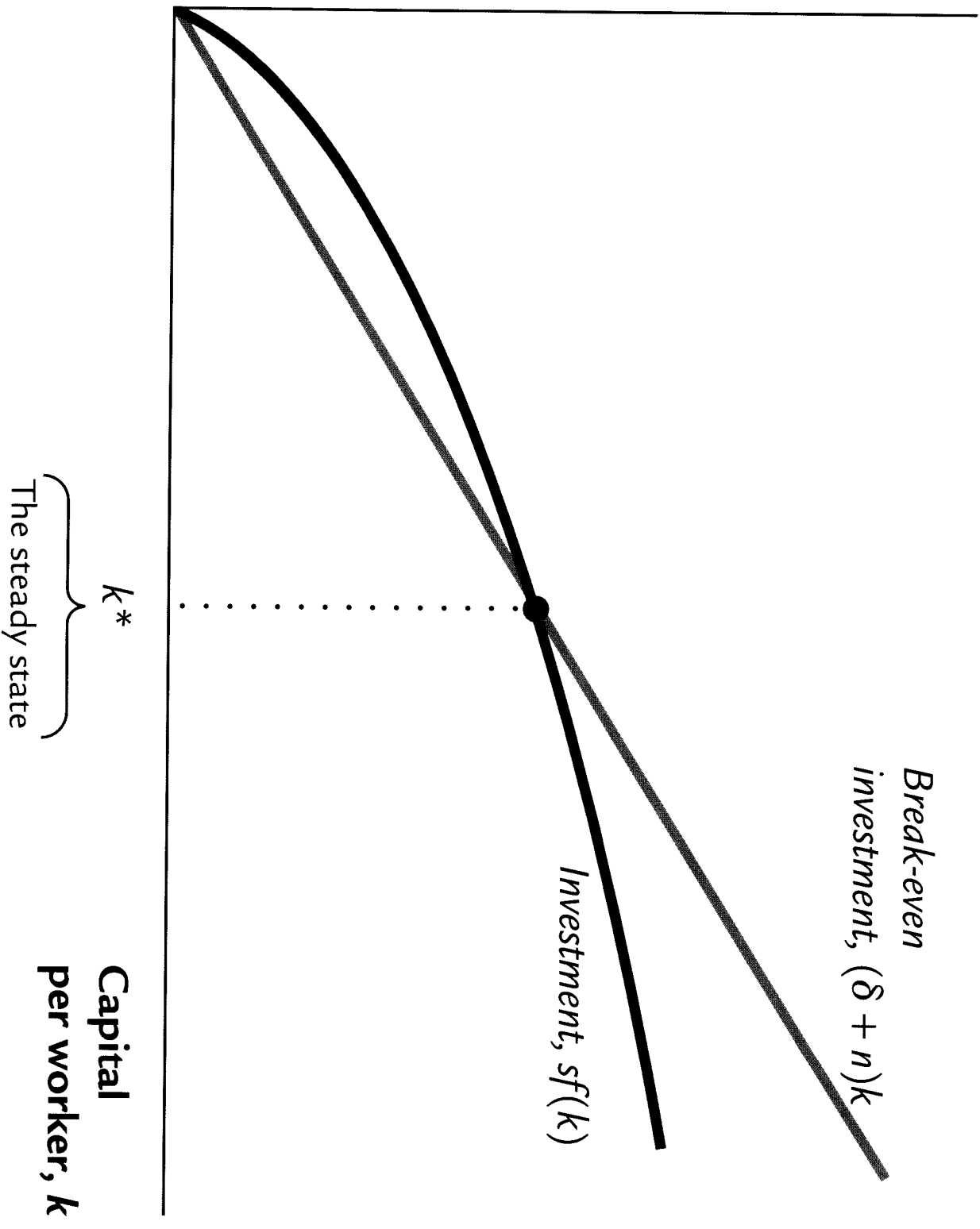
**Transparency 31**

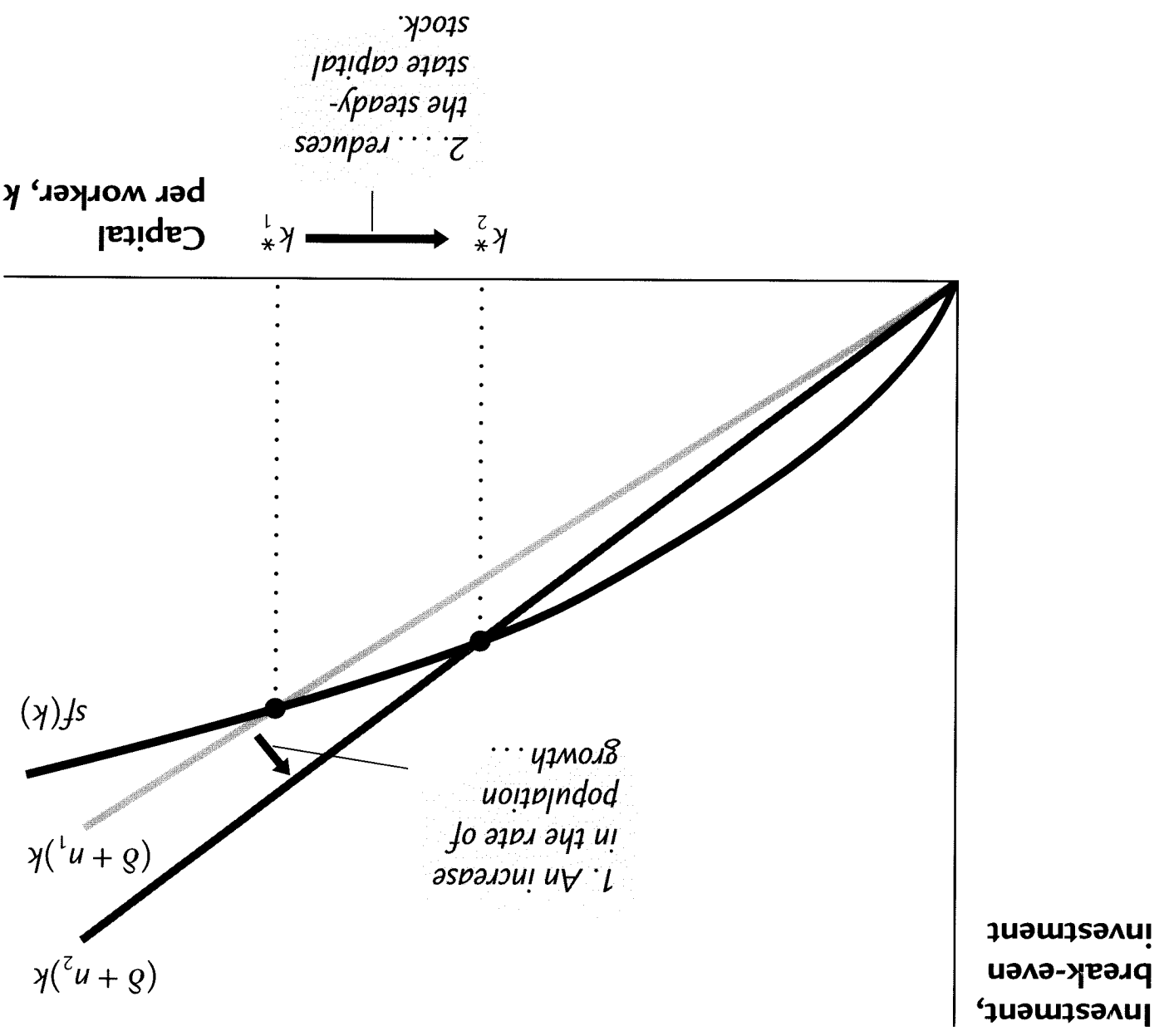
Figure 4-6, p. 88

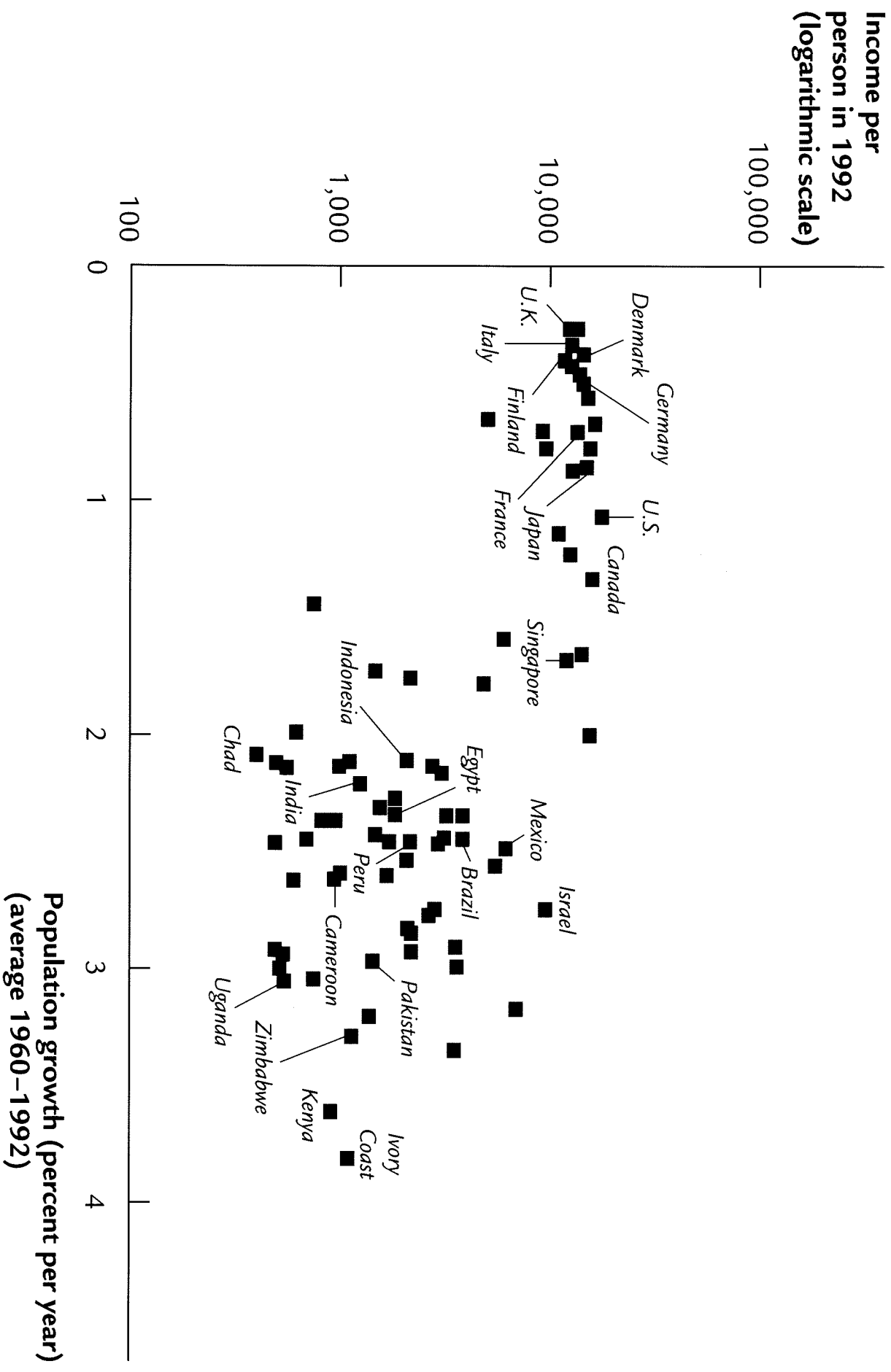
International Evidence on Investment Rates and Income per Person



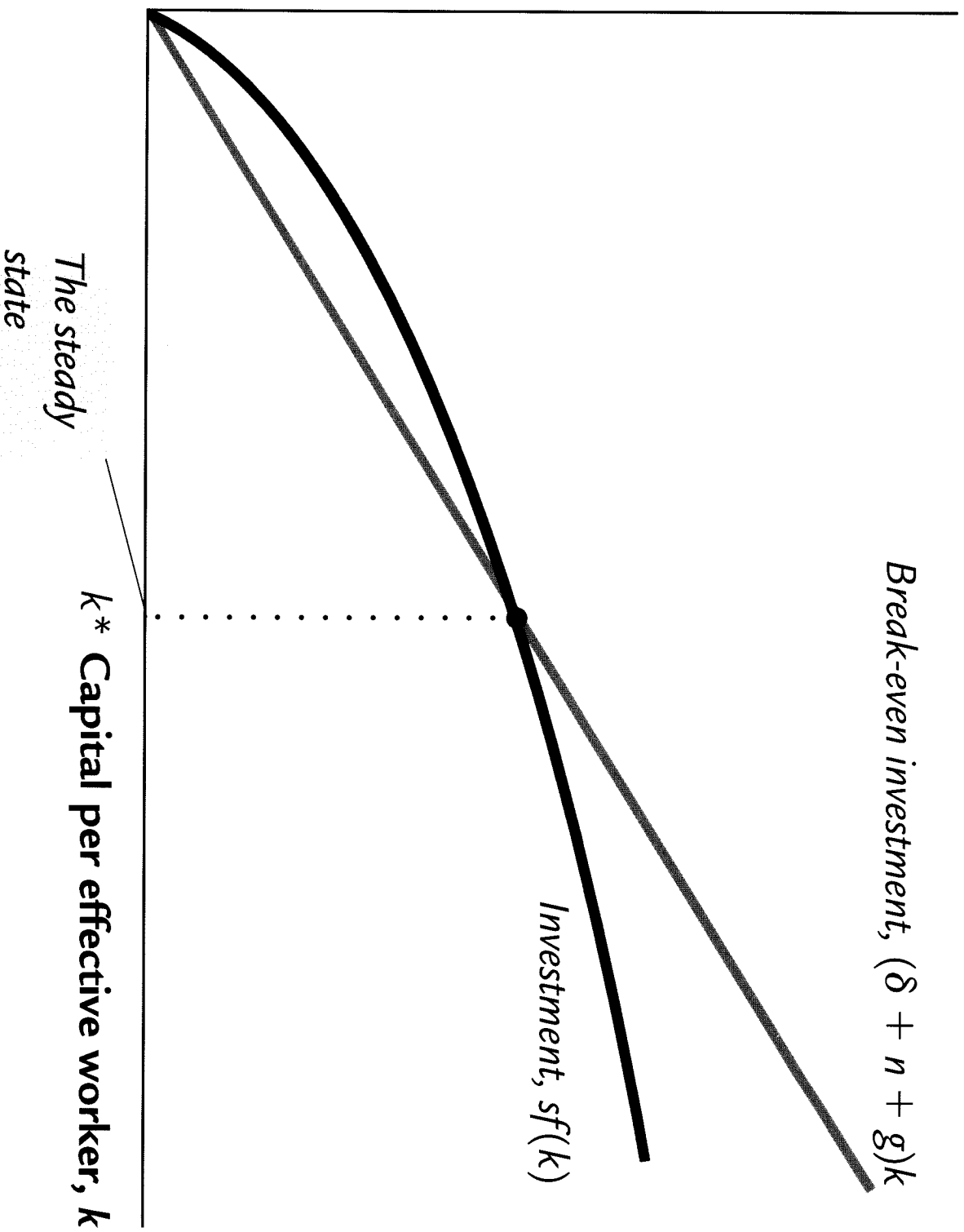
# Investment, break-even investment





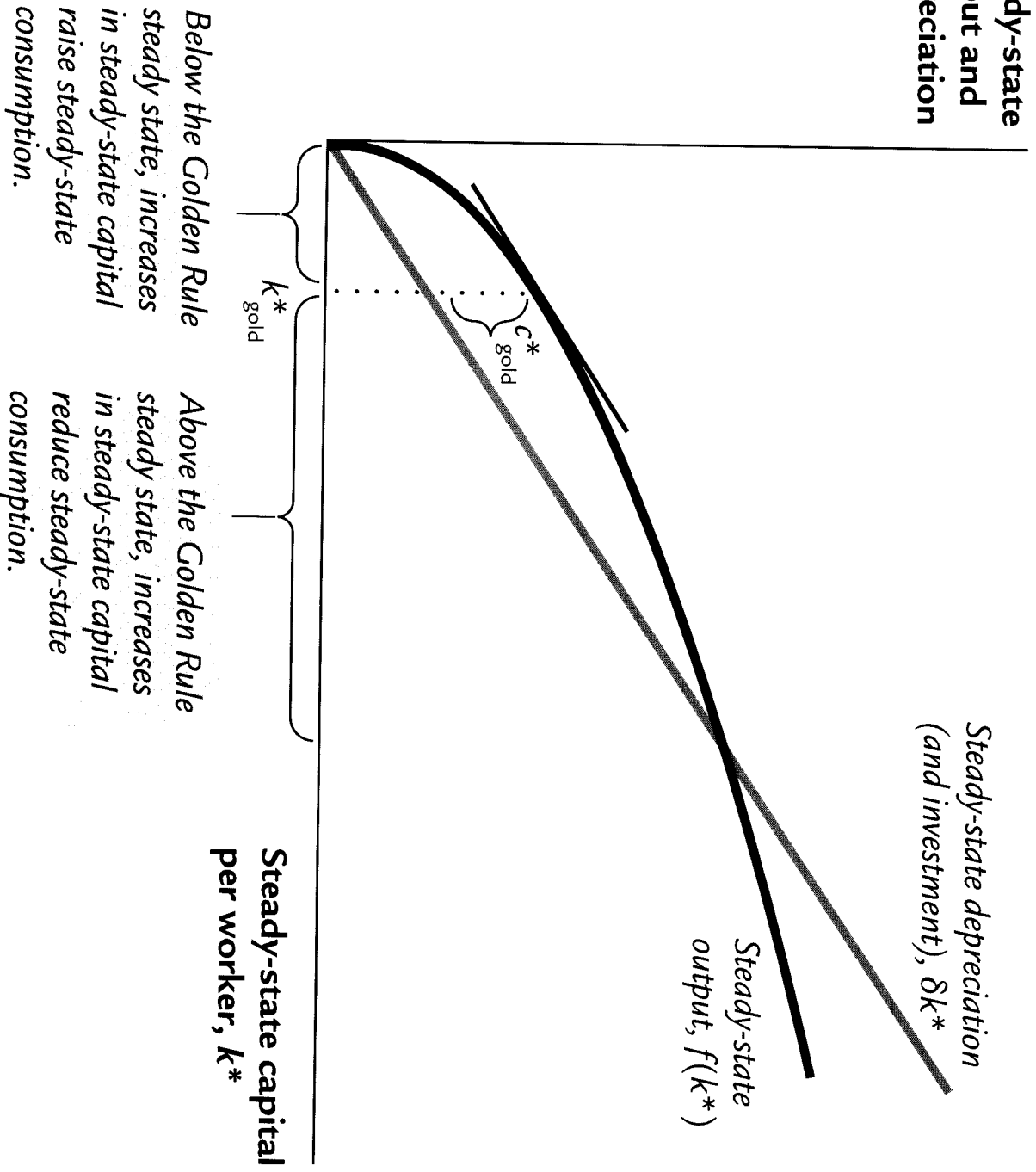


# Investment, break-even investment

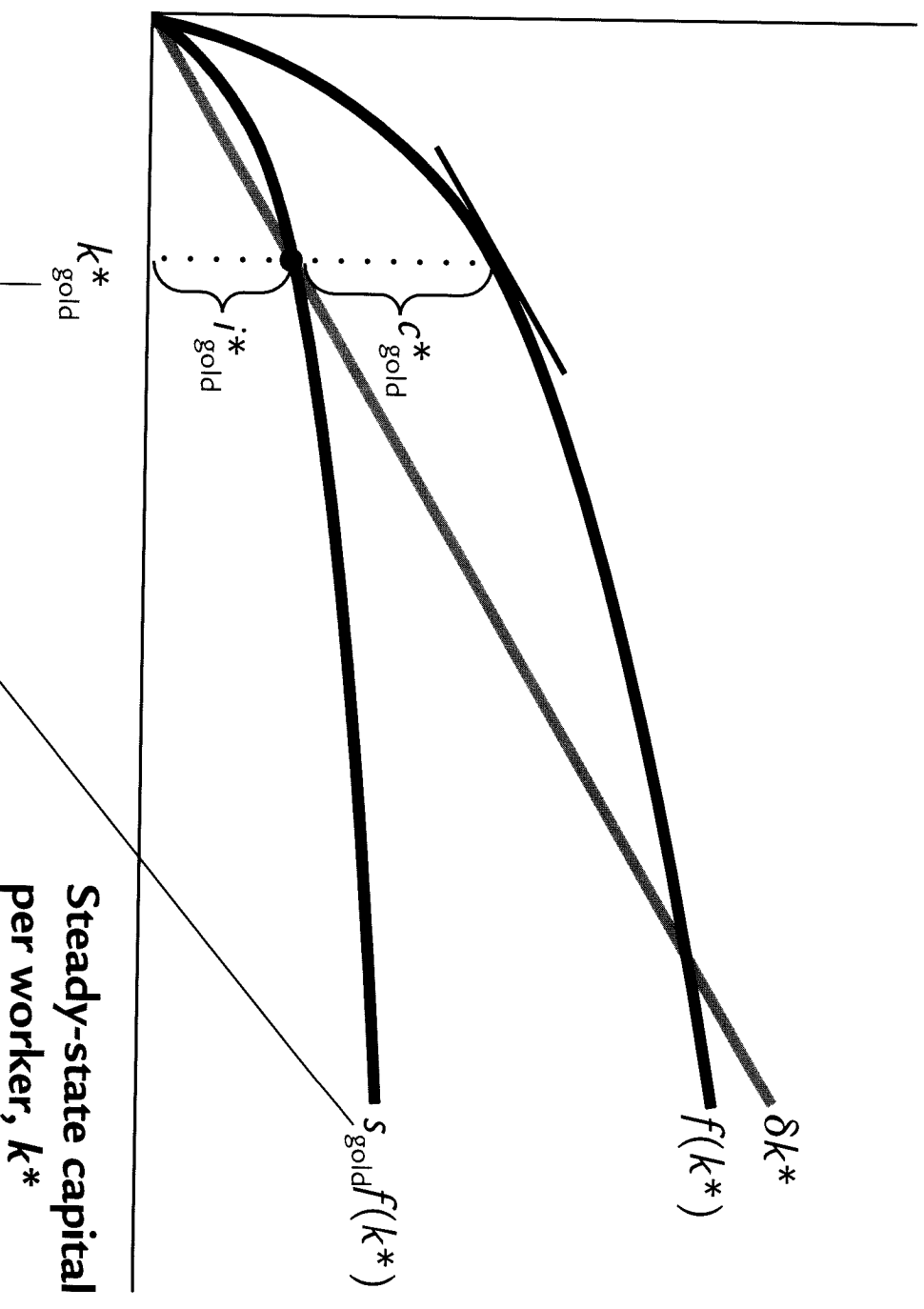




**Steady-state output and depreciation**



**Steady-state output, depreciation, and investment per worker**



- 1. To reach the Golden Rule steady state ...
- 2. ... the economy needs the right saving rate.

**Steady-state capital per worker,  $k^*$**