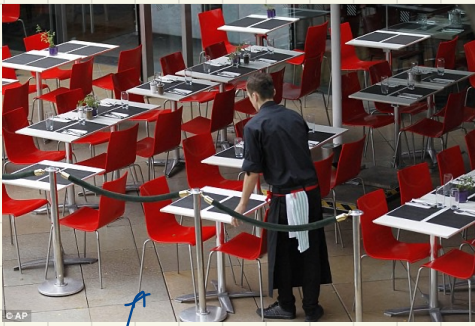


Prevalence of Idle Capacity

Pascal Michailat
<https://pascalmichailat.org/c2/>

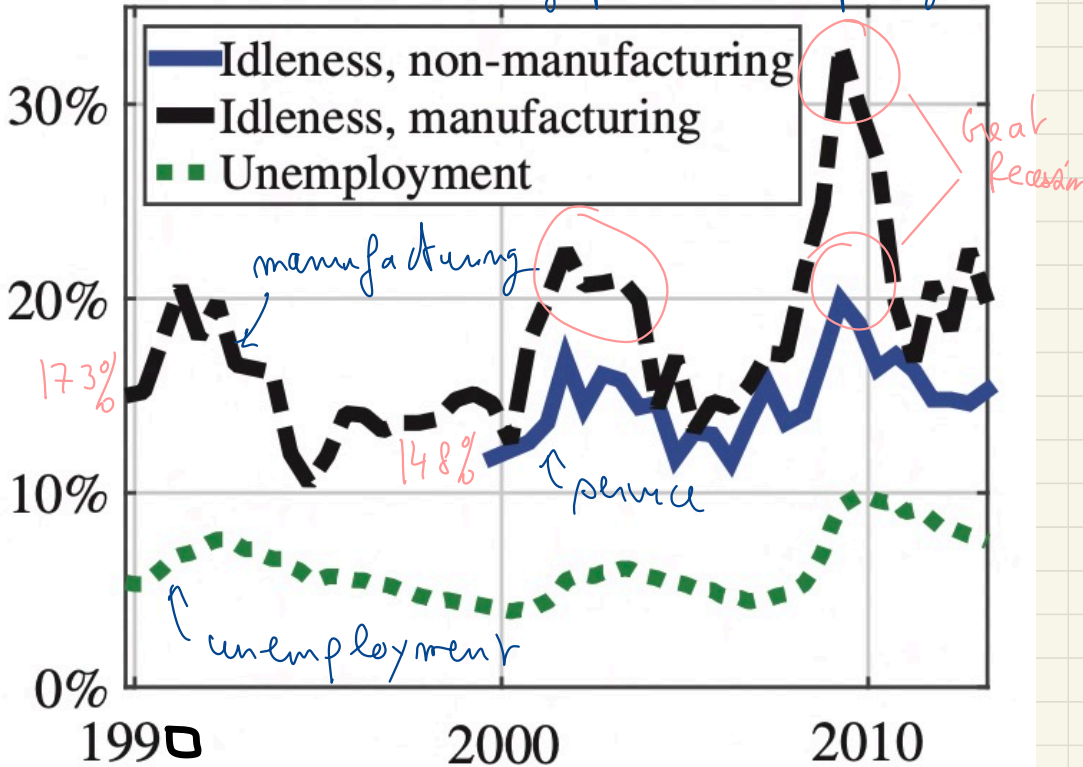


idle restaurant workers

idle barber

Institute for Supply Management (ISM)

Operating rate \rightarrow Idleness rate = $1 - \text{Operating Rate}$
 \rightarrow share of productive capacity that's idle



A. Selling difficulties in the United States

Source Michallat & Saez (2015)

Capacity utilization

- Industrial firms
- Capital given, labor can be adjusted

