

# marginal product of labor *(mar-gin-al-prod-uct-of-la-bor)*

## Definition

n. the additional output produced as a result of adding one more unit of labor, holding other inputs constant. this concept is essential in economics for understanding how labor contributes to production.

## Example Sentence

The **marginal product of labor** helps businesses determine the optimal number of workers needed for maximum efficiency.

## More Example Sentences

An increase in the **marginal product of labor** can indicate higher productivity levels within a company.

## Synonyms

incremental output; additional production; labor contribution

## Antonyms

diminishing returns; reduced output; labor inefficiency

