# Describe factors that influence economic growth and examine their presence

Australia's high literacy, capital investment, and rich natural resources add up to a high standard of living.

Name: _____ Date: _____

**OBJECTIVE**

Describe factors that influence economic growth and examine their presence or absence in Australia.

| What this standard covers | Your notes |
|---|---|
| Evaluate how literacy rates affect the standard of living. | |
| Explain the relationship between investment in human capital (education and training) and gross domestic product (GDP per capita). | |
| Explain the relationship between investment in capital goods (factories, machinery, and technology) and gross domestic product (GDP per capita). | |
| Describe the role of natural resources in a country's economy. | |
| Describe the role of entrepreneurship. | |

**IN PLAIN WORDS**

Australia's high literacy, capital investment, and rich natural resources add up to a high standard of living.

| Growth factor | What it means |
|---|---|
| Literacy | The share of people who can read and write. |
| Human capital | Education and training that makes workers more productive. |
| Capital goods | Factories, machinery, and technology. |
| Natural resources | Land, minerals, water, and other raw materials. |
| Entrepreneurship | People willing to start and grow new businesses. |

**DISCUSS**

Rank these five growth factors from most to least important for raising GDP per capita in Australia, in your judgment. Defend your #1 pick.