Skills Build Economies

Trace how education and training can affect GDP per capita.

SS6E6.b "Explain the relationship between investment in human capital (education and training) and gross domestic product (GDP per capita)."

NAME ______________________ DATE ____________

1 READ AND MARK

Read it twice

YOUR JOB Underline each example of an investment in education or training, then circle each effect that investment can have on workers, GDP, or GDP per capita. These marks will help you trace the economic relationship.

Learning and Economic Output

1 Human capital is the knowledge and skills people gain through education and training. A student who learns to read directions, use math, or solve problems is building human capital. Adults build it when they learn a trade, practice a job skill, or receive training at work. In Latin America and Canada, governments, families, and businesses may invest money and time in schools, job programs, teachers, and equipment. These investments can help people prepare for more kinds of work.

2 Investment in human capital can affect what workers are able to produce. For example, a trained mechanic may repair cars more quickly and safely. A farmer who learns a new method may grow more food with the same land. A nurse with updated training can provide services that keep people healthier. When workers use their skills to make goods or provide services, the country can produce more total goods and services. This total is measured by gross domestic product, or GDP.

3 GDP per capita is found by dividing a country's GDP by its number of people. It is a useful way to compare average economic output among countries with different population sizes. When education and training help many workers become more productive, GDP may rise, and GDP per capita may rise too. This result is not automatic. A country also needs businesses with jobs, equipment, clinics or other workplaces with supplies, and fair access to learning. Investment can take time to show results, but it can support a stronger economy.

2 ANSWER WITH EVIDENCE

Use the passage

1. Name two ways that governments, families, or businesses can invest in human capital.

2. How does the trained mechanic example show that training can affect economic output?

3. Explain the chain from workers using their skills to a possible rise in GDP per capita.

4. According to the passage, what are two other things a country needs so people can use their learning?

3 YOUR TURN

Your own words

Write exactly three sentences about a community in Latin America or Canada. Name one investment in education or training, explain how it improves workers' output, and explain how it could affect GDP per capita.

PART 1 · READ AND MARK

Underline each example of an investment in education or training, then circle each effect that investment can have on workers, GDP, or GDP per capita. These marks will help you trace the economic relationship. Accept any marking that follows this job and points at the right text.

PART 2 · ANSWERS

#	QUESTION	ANSWER
1	Name two ways that governments, families, or businesses can invest in human capital.	**Possible answers include schools, job programs, teachers, equipment, education, or training.**
2	How does the trained mechanic example show that training can affect economic output?	**The mechanic can repair cars more quickly and safely, so the worker can provide more or better service.**
3	Explain the chain from workers using their skills to a possible rise in GDP per capita.	**Workers use skills to produce more goods and services. GDP can rise, and GDP per capita may also rise when GDP is divided by the number of people.**
4	According to the passage, what are two other things a country needs so people can use their learning?	**Accept businesses, equipment, clinics or other workplaces with supplies, or fair access to learning.**

PART 3 · YOUR TURN (SAMPLE ANSWER)

In a coastal community in Chile, a training program teaches workers to repair fishing boats. The workers can fix boats faster, so fishers lose fewer days of work and provide more fish for sale. If this increased production occurs across the country, Chile's GDP and GDP per capita could rise.

Accept answers that accurately trace investment in education or training to stronger worker skills, greater output, and a possible increase in GDP per capita. For the open task, accept varied realistic investments and outcomes if the three-sentence chain is clear.