



## Section 3: Guided Reading and Review

# Economic Growth

### A. As You Read

As you read Section 3, fill in supporting facts or details under each main idea by answering each question.

**Main Idea:** Capital deepening is an important source of growth in modern economies.

1. How does capital deepening increase output per worker? \_\_\_\_\_  
\_\_\_\_\_
2. How is human capital deepened? \_\_\_\_\_  
\_\_\_\_\_

**Main Idea:** The rate of saving and investment affects the economy.

3. What happens when saving rises? \_\_\_\_\_  
\_\_\_\_\_
4. How does increased investment help the economy? \_\_\_\_\_  
\_\_\_\_\_

**Main Idea:** Population, government, and trade all directly affect the economy.

5. What happens when population grows and capital remains constant? \_\_\_\_\_  
\_\_\_\_\_
6. How do government taxation for consumption spending and importing goods for short-term consumption affect economic growth? \_\_\_\_\_  
\_\_\_\_\_

**Main Idea:** Technological progress is a key source of economic growth.

7. How do economists measure the impact of technological progress on economic growth? \_\_\_\_\_  
\_\_\_\_\_
8. How does the government aid technological innovation? \_\_\_\_\_  
\_\_\_\_\_

### B. Reviewing Key Terms

Complete each sentence by writing the correct term in the blank.

9. \_\_\_\_\_ is the proportion of disposable income spent to income saved.
10. The real GDP divided by the total population is called \_\_\_\_\_.
11. Increasing the amount of capital per worker is \_\_\_\_\_.
12. Income not used for consumption is considered \_\_\_\_\_.
13. An increase in efficiency gained by producing more output without using more inputs is called \_\_\_\_\_.