- Economic growth is measured by changes in real gross domestic product or by changes in real GDP per capita.
- Long-run economic growth can be illustrated using a production possibilities curve or a long-run aggregate supply curve. It is shown graphically as a rightward shift of a nation's long-run aggregate supply curve or a rightward shift of its production possibilities curve.
- Long-run economic growth is concerned with increasing an economy's total productive capacity at full employment, also known as its natural rate of output. This output is represented by a vertical long-run aggregate supply curve.
- The rate of economic growth depends largely on increasing productivity. Productivity is affected by a variety of factors including investment in physical capital, increases in human capital, and technological progress.
- Governments can promote economic growth by promoting productivity growth, including:
  - ❑ Investing in physical capital (e.g., providing *infrastructure*— roads, bridges, power lines, information networks)
  - ❑ Providing for the development of human capital (e.g., education and training)
  - ❑ Facilitating technological progress (e.g., research and development)
  - ❑ Providing political stability, enforcing property rights, and providing the optimal amount of government intervention.