Invest in Yourself

Assessment—Answer Key

Write a paragraph explaining how investment in human capital benefits people.

Sample Answer:

Investment in human capital benefits people because it reduces constraints. It makes it easier for people to get jobs and earn income. The relationship between how much education people have and the income they earn is a positive or direct relationship. The more education and training people have, the higher their incomes are likely to be. The relationship between income and unemployment is an inverse or negative one. The more education and training people have, the less likely they are to be unemployed. So, investment in human capital benefits people because it can help them earn more income and help them remain employed—avoid unemployment.