

# FACTORS OF PRODUCTION

Factors of production are the things that are used together to make an object to be sold. These include all the different resources that are part of a product and all the systems needed to make it.

## LABOR

The people who do the work



## LAND

The natural resources, like farmland and rivers



## CAPITAL

The human-made items necessary for production, like factories and machines



## ENTREPRENEURSHIP

The people and systems in place that connect the other factors and grow the business



The factors of production are always the same. But as time passes and technology changes, the resources, jobs, items, and systems change.



1. Which factor of production would you organize first if you were making a business? Last?
2. Which factor of production do you think is the most essential? Why?
3. Pretend you are starting a business making computers. Give examples of the factors of production you would need.
4. Travel through time. How do you think the factors of production were different 100 years ago? How do you think they will be different 100 years from now?