Abstract:

Economic success is a characteristic that is deeply rooted within a nation's overall success, as the lifestyles of individuals within a nation can greatly improve once there are ample funds and infrastructure to support basic needs as well as advancements in various fields. However, this creates the question as to how economic success is created, and also as to what is creating such a disparity among different nations today. This study aims to identify the factors with the highest correlation to GDP, GDP change, or GDP per capita, as these metrics are widely regarded as the best indicators of economic success/growth, and also create trends based on these correlations in such a way as to suggest focus points to directly boost a nation's economy. Additionally, the study aims to determine the reason for the unique economic success found in the U.S. and China, which are nations that boast much higher GDPs than the rest of the world, and yet are removed from the trends that other nations follow. To achieve these aims, data was collected online about the GDP metrics, population metrics, tax rates, inflation rates, and unemployment of 90 countries spanning across the world, selected on the basis of economic size and civil stability. An IQR test for outliers was also conducted to prove that the economic success of the U.S. and China are truly unique compared to the rest of the world. Hypothesis testing and linear regression testing were also used to solidify the validity of these trends, and ultimately, it was found that while there are discrepancies between different regions of the world, population and GDP had positive correlation, while inflation, corporate tax, and unemployment all had negative correlation with GDP.