

# Misery Index

## 1 Macroeconomic objectives (in addition to 'economic growth')

- Price stability → no or modest inflation
  - Full employment → no or little unemployment
- High inflation and high unemployment are macroeconomic problems.

## 2 The misery indices

A high misery index indicates macroeconomic problems because either the inflation rate or the unemployment rate or both rates are high.

### 21 Misery index I

Misery index I = Inflation rate + unemployment rate

### 22 Misery index II

Misery index II = Inflation rate + 2\*unemployment rate  
Unemployment is considered to be worse than inflation.

## 3 Examples of misery indices 2018

Countries	Inflation rate (%)	Unemployment rate (%)	Misery index I	Misery index II
US	2.5	3.9	6.4	10.3
Britain	2.4	4.1	6.5	10.6
Euro area	1.7	7.9	9.6	17.5
China	2.1	3.8	5.9	9.7
Mexico	4.8	3.3	8.1	11.4

Source: [www.economist.com](http://www.economist.com) (Economic data, 1 of 2) (11-01-2019) (Print ed. 12-01-2019)