

# 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 2024

Countries	Inflation rate (%)	Unemployment rate (%)	Misery index I	Misery index II
US	2.7	4.2	6.9	11.1
Britain	2.6	4.3	6.9	11.2
Euro area	2.2	6.3	8.5	14.8
China	0.2	5.0	5.2	10.2
Japan	2.2	2.5	4.7	7.2

Source: <https://www.economist.com> (Economic data, 1 of 2) (dig. ed. 19.12.2024)