

## Macro Roundup Article

**Headline:** Inflation and Unemployment Both Make You Miserable, but Maybe Not Equally

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**Tweet:** The Oswald Misery Index (2 x unemployment + inflation ) was 15% in October, on par with the 20% peaks in the aftermath of the financial crisis. @WSJ

**Summary:** Since the early 1990s, the Misery Index has only been higher during the 2007-09 recession and its aftermath and for a couple of months in 2020 during the early lockdowns. Importantly, though, the two factors didn't necessarily carry the same weight, as the Misery Index implies. [Andrew Oswald, a professor at the University of Warwick, found that] a 1-percentage-point increase in the unemployment rate had an equivalent impact on happiness as a 1.97-point increase in the inflation rate. [If Oswald] were to construct a Misery Index, he would make a simple modification: Multiply the unemployment rate by two and add it to the inflation rate. His index was 20% in 2010 and 15.1% now. By putting extra weight on unemployment, the index helps explain why 2010 was so much worse for Democrats.

**Primary Topic:** Inflation

**Topics:** Inflation, Unemployment/Participation

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