[**https://www.bankrate.com/investing/vix-volatility-index/**](https://www.bankrate.com/investing/vix-volatility-index/)

**How volatility is measured**

The VIX attempts to measure volatility over the next 30 days, but it doesn’t do so precisely. A VIX level of 25 doesn’t mean that volatility will average 25 percent over the next month or so. In fact, [studies on the VIX](https://cdn.cboe.com/resources/vix/SandP%20A%20Practitioners%20Guide%20to%20Reading%20VIX.pdf) have shown that it tends to overestimate volatility by an average of 4 or 5 percent. But the studies also show that there is some predictive value in the VIX. Here are some simple guidelines for what the VIX level is implying about future volatility:

* **VIX of 0-12:** When the VIX is at this level volatility is expected to be low. For context, the lowest daily closing value for the VIX was 9.14 in November 2017.
* **VIX of 13-19:** This range is considered to be normal, and volatility over the next 30 days when the VIX is at this level would be expected to be normal.
* **VIX of 20 or higher:** When the VIX gets to be above 20, you can expect volatility to be higher than normal over the next 30 days. This level is typically reached during times of market stress such as when there are concerns about an economic slowdown or recession. During extreme market events like the financial crisis or the onset of a global pandemic, the VIX may reach levels of 50 or higher.

It should be noted that these are rough guidelines ⏤ unexpected events can throw a wrench into markets and a low VIX level today could be followed by a period of extreme volatility if circumstances change.