

# Macroeconomics & well-being IV

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# Readings

# Recommended readings

## Required readings:

- *Macroeconomics in Context*, 4th ed.

→ Chapter 5.

 The trouble with GDP (*The Economist*)

 How to measure prosperity (*The Economist*)

# The latest numbers

 U.S. Gross Domestic Product, latest release (BEA)

# More dimensions

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Since its adoption in the mid-1930s, *GDP* has become the official **barometer** of living standards and business cycles.

Most importantly, it is one of the main indicators for formulating *national* and *international* **policies**.

- Does that sound correct, considering a *multidimensional* approach?

# More dimensions

GDP was **never** intended to measure *welfare* or *well-being*.

That being said, what are **examples** of

- Economic activities that *decrease* well-being, but *increase* GDP?
- Economic activities that *increase* well-being, but *decrease* GDP?

Which leads us to...



Next time: Structure of the U.S.  
economy