CONGRESS OF THE UNITED STATES

*J*OINT *E*CONOMIC *C*OMMITTEE

CHAIRMAN JIM SAXTON

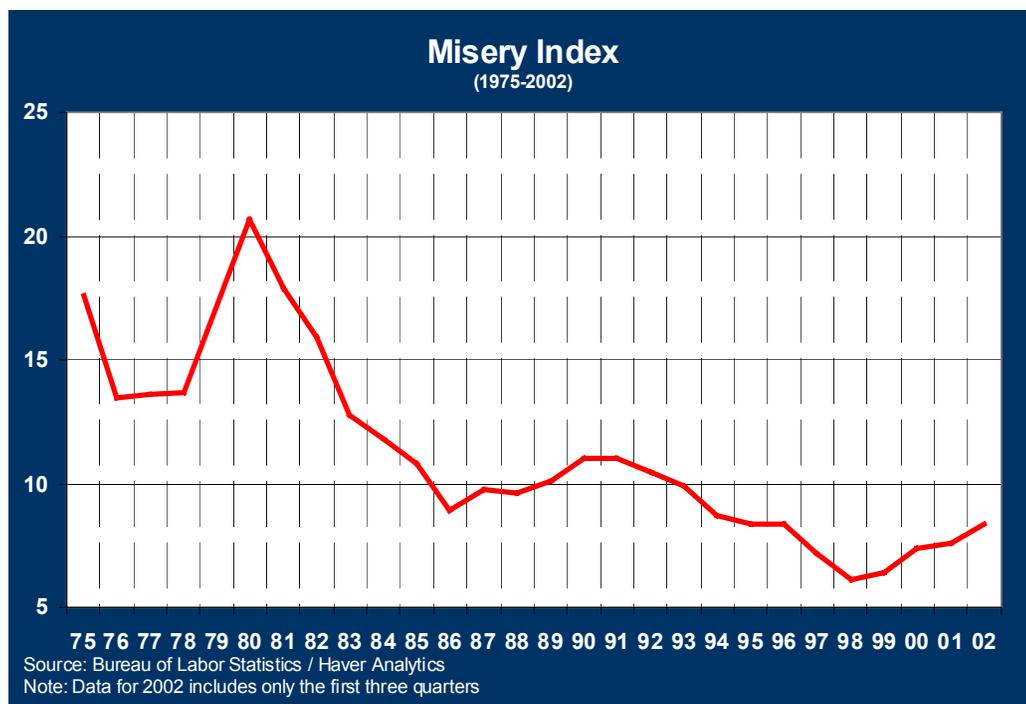# PRESS RELEASE

For Immediate Release
October 23, 2002

Press Release #107-108
Contact: Christopher Frenze
Executive Director
(202) 225-3923

INDEX OF ECONOMIC WELL-BEING CURRENTLY IS BETTER THAN IN MOST YEARS IN RECENT DECADES

WASHINGTON, D.C. - A gauge of economic well-being widely used by economists for many years shows that the economic well-being of Americans remains more favorable now than in most of the post–World War II period, Chairman Jim Saxton of the Joint Economic Committee (JEC) said today. This so-called "misery index" – the sum of the civilian unemployment rate and the inflation rate – currently stands at about 8 percent, a fraction of its 20 percent level reached in 1980, for example. Since unemployment and inflation are both undesirable, the lower the misery index, the better.

"Contrary to what some would have us believe, current economic conditions, as measured by the misery index, compare quite well with most years in recent decades," Saxton said. "Of course, anyone can fabricate a biased economic index for political purposes, but the misery index has been used by economists of varying views for decades. This index shows that the recent claims of current economic disaster are misleading and biased exaggerations.

"The truth is that there are strengths and weaknesses in the current economic situation. The economic slowdown that began in 2000 is reflected in the misery index, which actually started rising somewhat earlier. However, it remains at historically low levels even after the effects of the slowdown and recession are taken into account. The civilian unemployment rate is currently below the level many economists not long ago associated with full employment. Nonetheless, economic policies to spur more job growth and a lower unemployment rate are still needed," Saxton concluded.

For more information on current economic conditions, please visit the JEC website at www.house.gov/jec.

###

1537 Longworth House Office Building • Washington, DC 20515 • (202) 226-3234 Fax (202) 226-3950 • www.house.gov/jec/