

An Introduction to Macroeconomics

Macroeconomics focuses its attention on national economies, while seeking answers to the largest of economic questions. For instance, why are some countries wealthy, while others are very poor? Why do some countries enjoy sustained, long-run increases in living standards, while other countries stagnate? Why do all countries—even the richest—go through alternating boom and bust periods? Is there anything that governments can do to improve living standards or fight recessions? Because it is an overview chapter, it raises many unanswered questions. Subsequent chapters will explain these topics in much greater detail.

This chapter provided an overview of the data that macroeconomists use to measure the status and growth of an entire economy, as well as a preview of the models used help explain both long-run growth and short-run fluctuations.