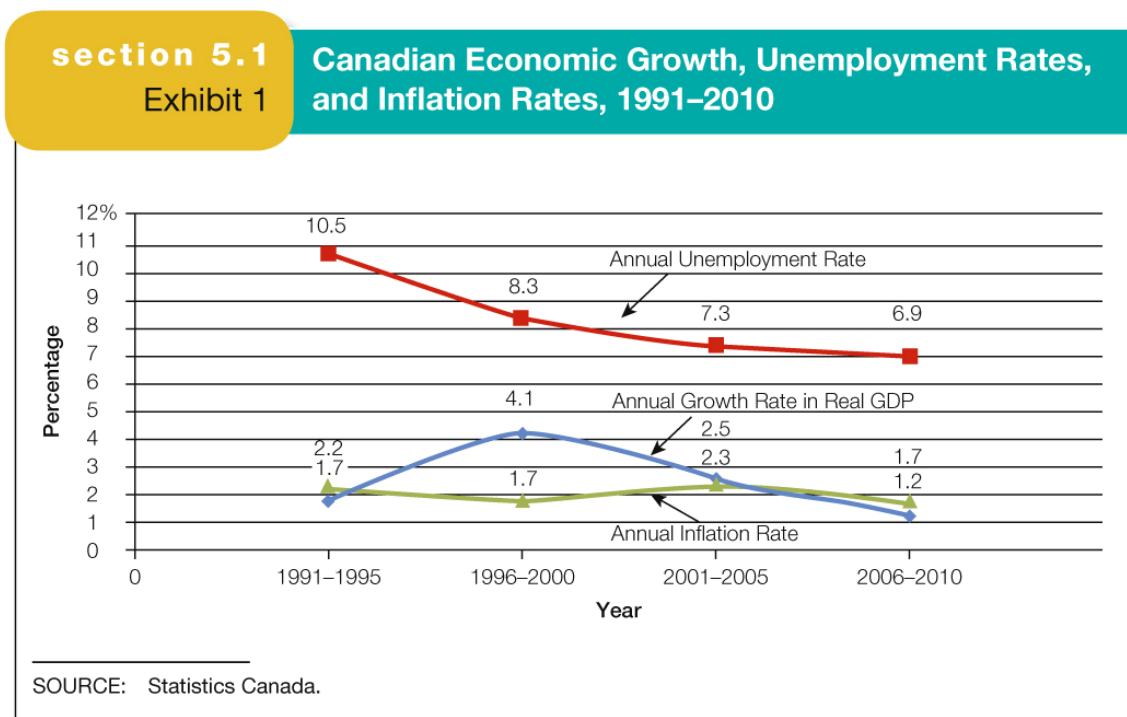


## SECTION 5.1 MACROECONOMIC GOALS

- Nearly every society has been interested in three major macroeconomic goals: (1) maintaining employment of human resources at a high level, meaning that jobs are relatively plentiful and financial suffering from lack of work is relatively uncommon; (2) maintaining prices at a relatively stable level, so that consumers and producers can make better decisions; and (3) achieving a high rate of economic growth, meaning a growth in real output over time.
- **Real gross domestic product (RGDP)** measures output or production, measured in dollars, adjusted for changes in general prices over time.

**Exhibit 1:** Canadian Economic Growth, Unemployment Rates, and Inflation Rates, 1991–2010



- In addition to these primary goals, concern has been expressed at various times and places about other economic issues, such as the “quality of life,” reducing “bads” such as pollution, “fairness” in the distribution of income or wealth, or becoming self-sufficient in the production of certain goods or services.
- Individuals may differ considerably in their evaluation of the relative importance of certain issues, or even whether certain “problems” are really problems after all. Economic growth, viewed positively by most persons, is considered bad by some; while some think the income distribution is just about right, others think it provides insufficient incomes to the poorer members of society, and still others think it involves taking too much income from the relatively well-to-do, and thereby reduces incentives to carry out productive income-producing activities.