

To the Student

The goal of economics is to make sense of the economy. *Applied Intermediate Macroeconomics* keeps that goal constantly in mind. It teaches macroeconomics as a tool of factual and interpretive understanding of the economy. It differs from most intermediate macroeconomics textbooks in its focus on applications to real-world data. The object is to prepare students to use economic theory and data to illuminate the information and policy debates that constantly bombard us in newspapers, on television and radio, and online. The strategy of the book is always to illustrate economic theory with data and detailed worked examples and to present the student with problems that involve the analysis and interpretation of actual data.

This strategy presupposes some facility with data manipulation and some familiarity with rudimentary statistics, such as constructing graphs, calculating growth rates, and taking means. The necessary level of statistical prowess is roughly things one can easily do with data using Microsoft's *Excel* or a similar spreadsheet *without* any special statistical add-ons. The text assumes a basic competence with *Excel* or another spreadsheet, and it gives frequent hints about particular applications. Most students will already have the necessary skills. But those who do not need to get quickly up to speed. The website *appliedmacroeconomics.com*, which is a resource for this book, contains some guidance on getting started on *Excel*.

The book does not presuppose that the student already knows any statistics. It teaches all the statistics required. The key resource is the chapter entitled *A Guide to Working with Economic Data* – usually referred to simply as the *Guide*. The *Guide* aims to be a self-contained reference – with clear, detailed explanations and numerous examples. It

can be read profitably front to back or dipped into on an as-needed basis. Precise details often matter, so that even a student who is fairly familiar with basic statistics would be well advised to read the relevant sections of the *Guide* as a review. The main text contains numerous pointers to the sections of the *Guide* relevant to particular issues. And the instructions for the problems at the end of each chapter also note the relevant sections of the *Guide* that explain the techniques essential to doing the problems.

To master applied macroeconomics it is not enough just to read the text. The student must actively engage the material: pay close attention to the details of the worked examples, read the relevant sections of the *Guide*, and do the problems at the end of each chapter thoughtfully and carefully, always thinking about the way in which the theory in the text illuminates the data and the way in which the data illustrates, tests, or challenges the theory. Remember that in the end, it is not about crunching numbers, but about analyzing, interpreting, and understanding the economy.

In addition to the *Guide*, the book contains other resources to aid the student:

- ◆ key concepts in each chapter are indicated in the text by bold-faced small capitals at the point of first use or best definition or discussion (e.g., **ECONOMIC MODELS**); while other important terminology is indicated by bold-faced regular type (e.g., **production boundary**);
- ◆ all emboldened terms are defined in the Glossary;
- ◆ a List of Symbols used in the text is provided;
- ◆ Summary of each chapter broken down into succinct numbered points;
- ◆ Suggested Readings for each chapter – sources for pursuing the subject of the chapter somewhat further;

- ◆ a Guide to Online Resources – mostly to sources of data is provided.

The website *appliedmacroeconomics.com* provides essential supporting materials for the textbook and courses that use it. The website contains regularly updated data keyed the end-of-chapter problems sets. It also includes hints for getting started with *Excel*, answers to selected end-of-chapter problems, and various other supplemental materials and links.