





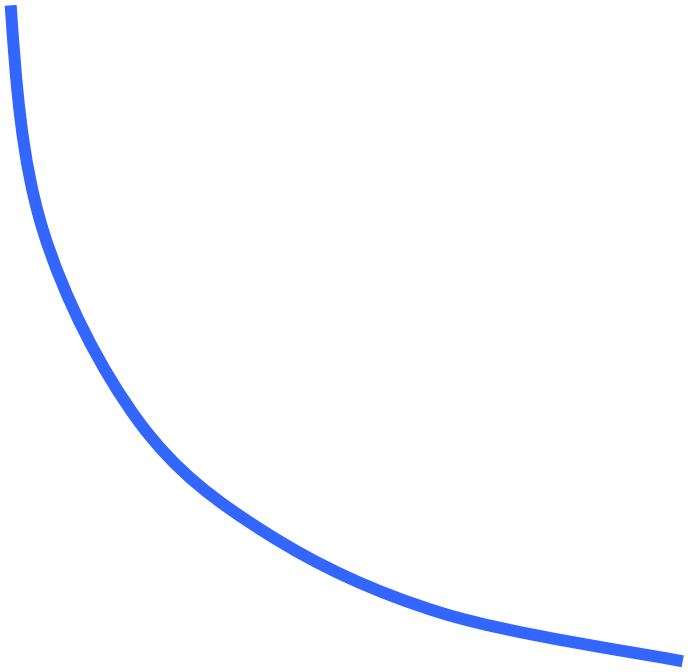
**Phillips Curve: Trade off between  
inflation and unemployment**







Unemployment









**Years of High  
Inflation**



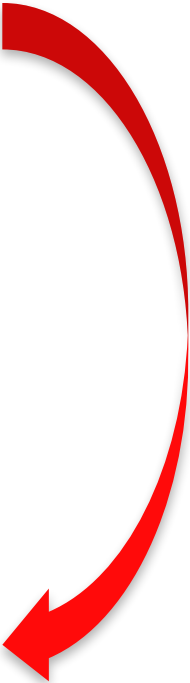


**Years of Low  
Inflation**

**Years of Low  
Unemployment**

# High Unemployment







**To reduce inflation by 1%,  
unemployment must  
increase 2% above the  
natural rate**



**1%**



**20%**











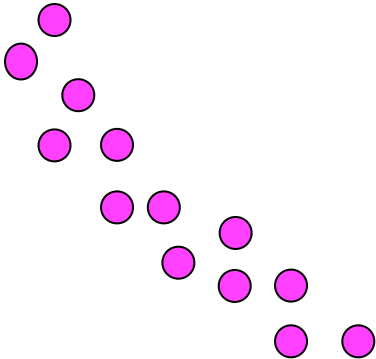




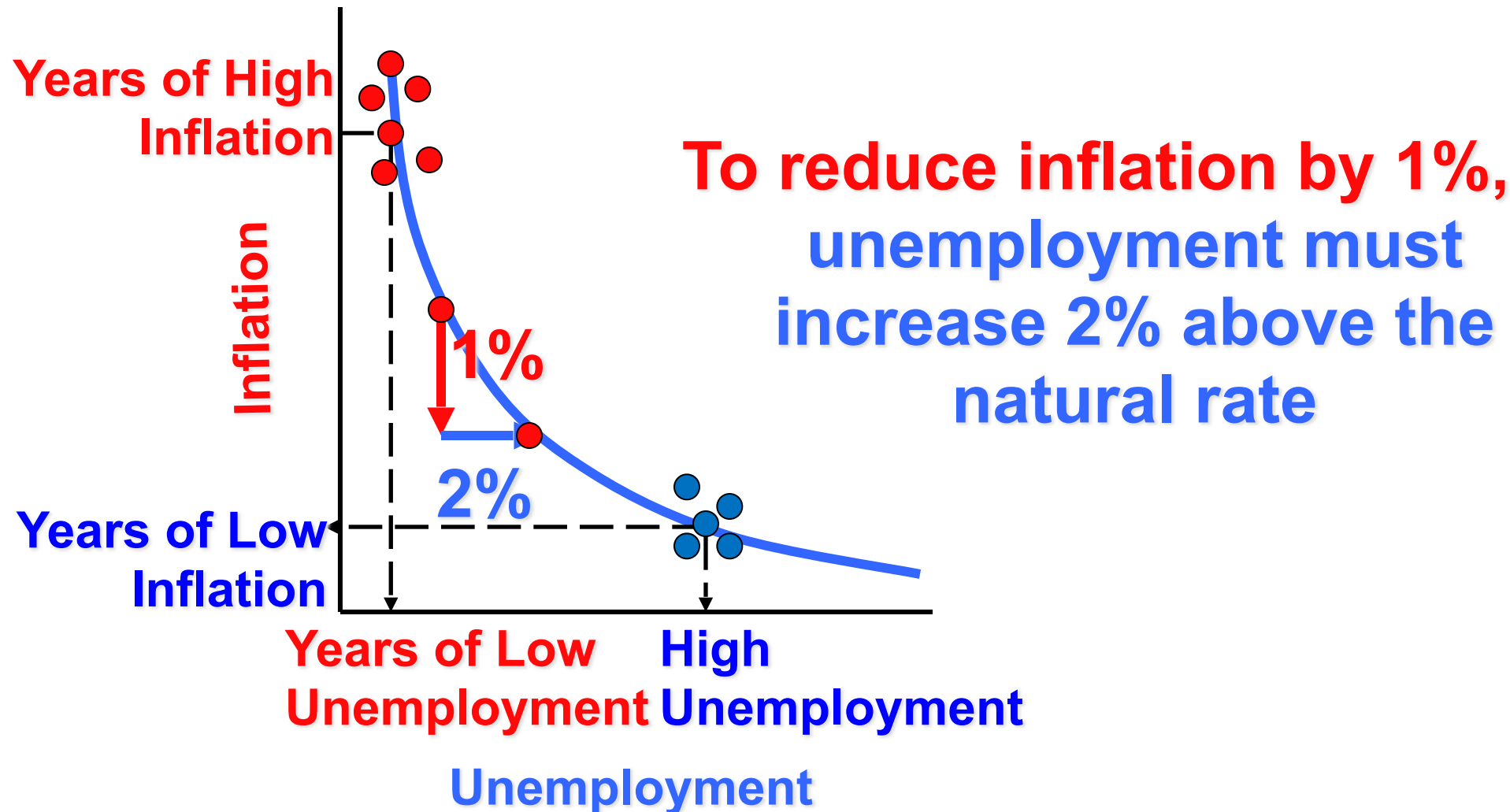








# Phillips Curve: Trade off between inflation and unemployment





# Unemployment Rate Financial Crisis and 2019

