





CPIO

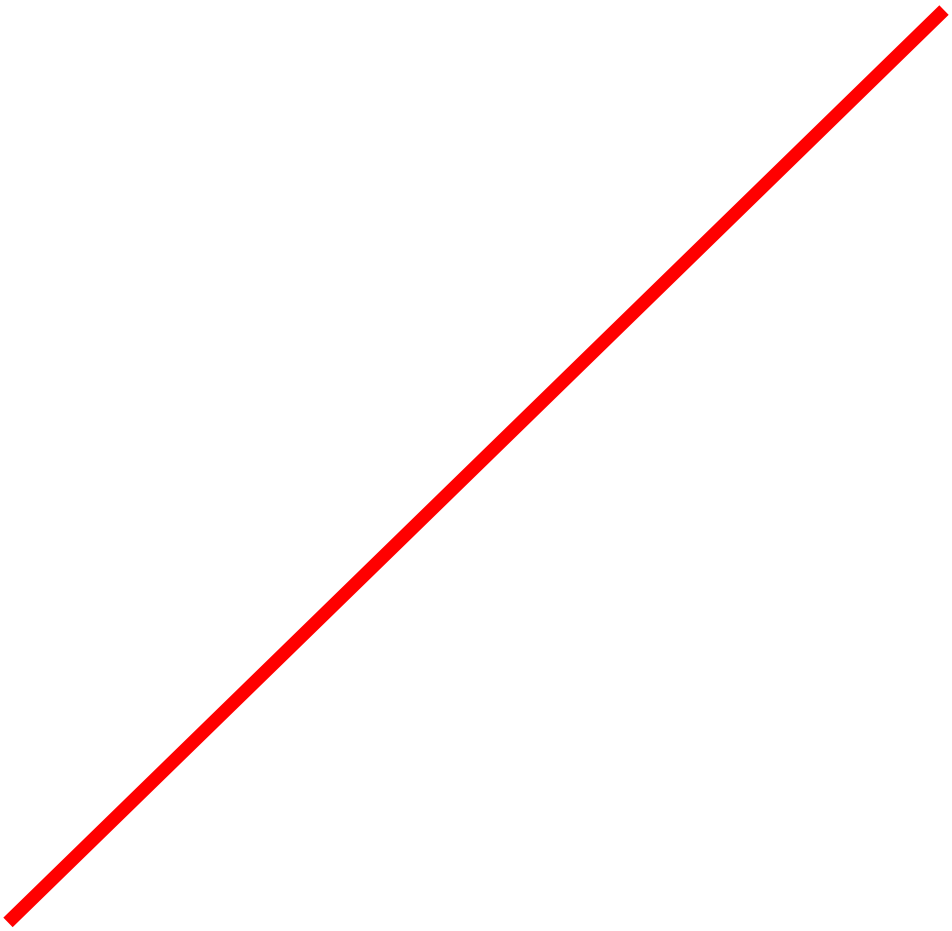


CPI ↑



AD

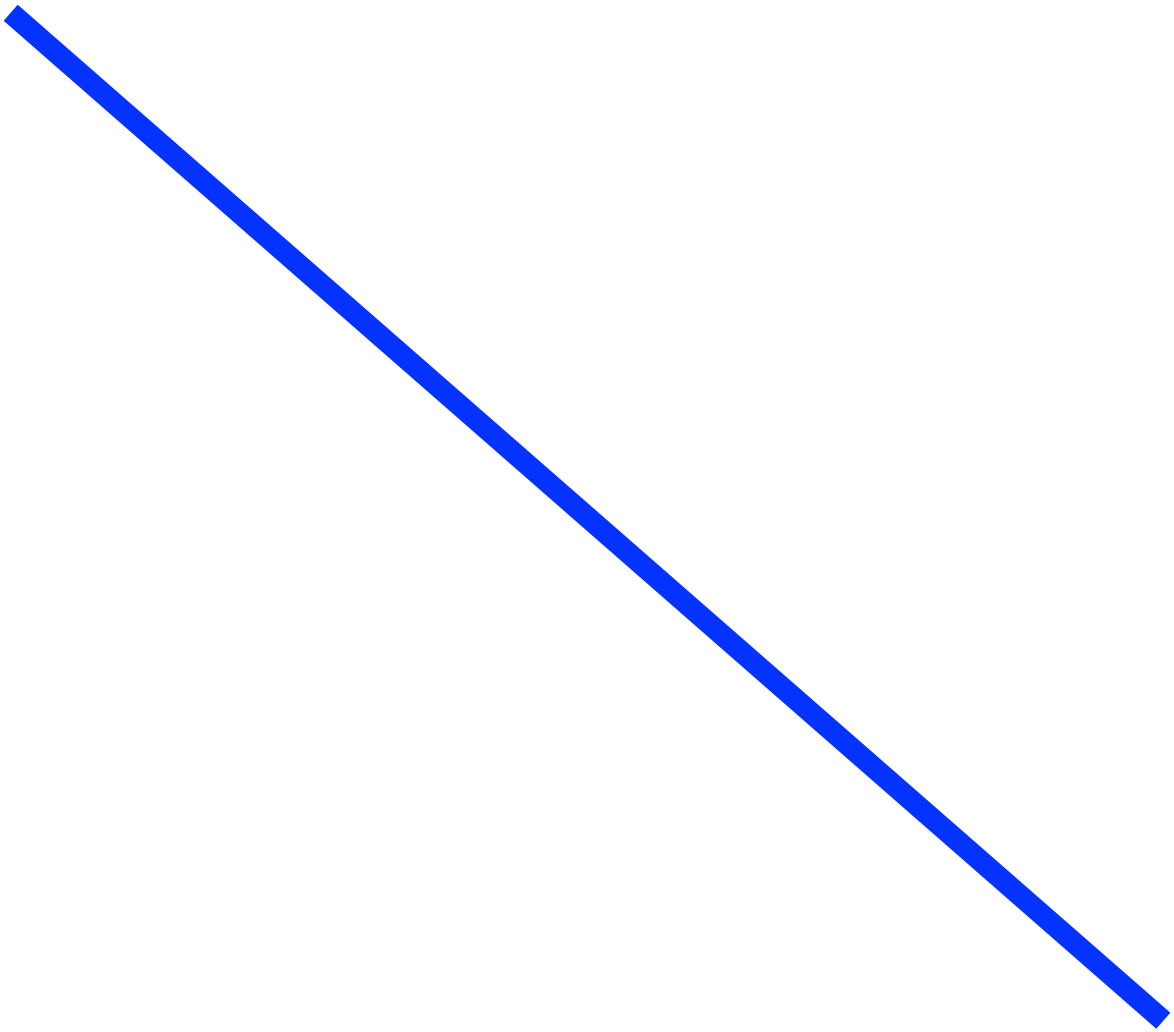
AS



Increase in Wages



Inflation





**Inventories Drop,
firms increase
production and
prices**

A red starburst shape with multiple points, resembling a stylized explosion or a star. The word 'Stagflati' is written in the center in a bold, black, sans-serif font.

Stagflati









Recession

Unemployment increases

GDP

PO

GDP₁



Supply

<

Demand

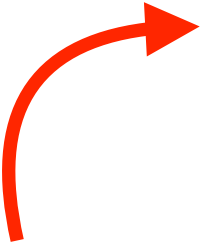
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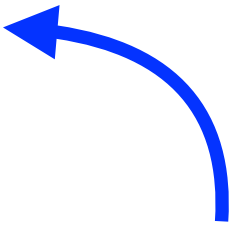
Stagnation

+

Inflation

As **prices** increase,
Demand Drops







Increase in Wages

