

Increase in productivity = 3%

Increase in Prices (Inflation = 2%)

Increase in wages = 3 + 2 = 5%



**Compensation
for rising
prices**


**Compensation for
your stellar
performance**

Mistake #1: The “Robbery Coefficient”



Suppose that...

**When in
fact, they
earned only
3%**



**Workers mistakenly
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5% and inflation
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