





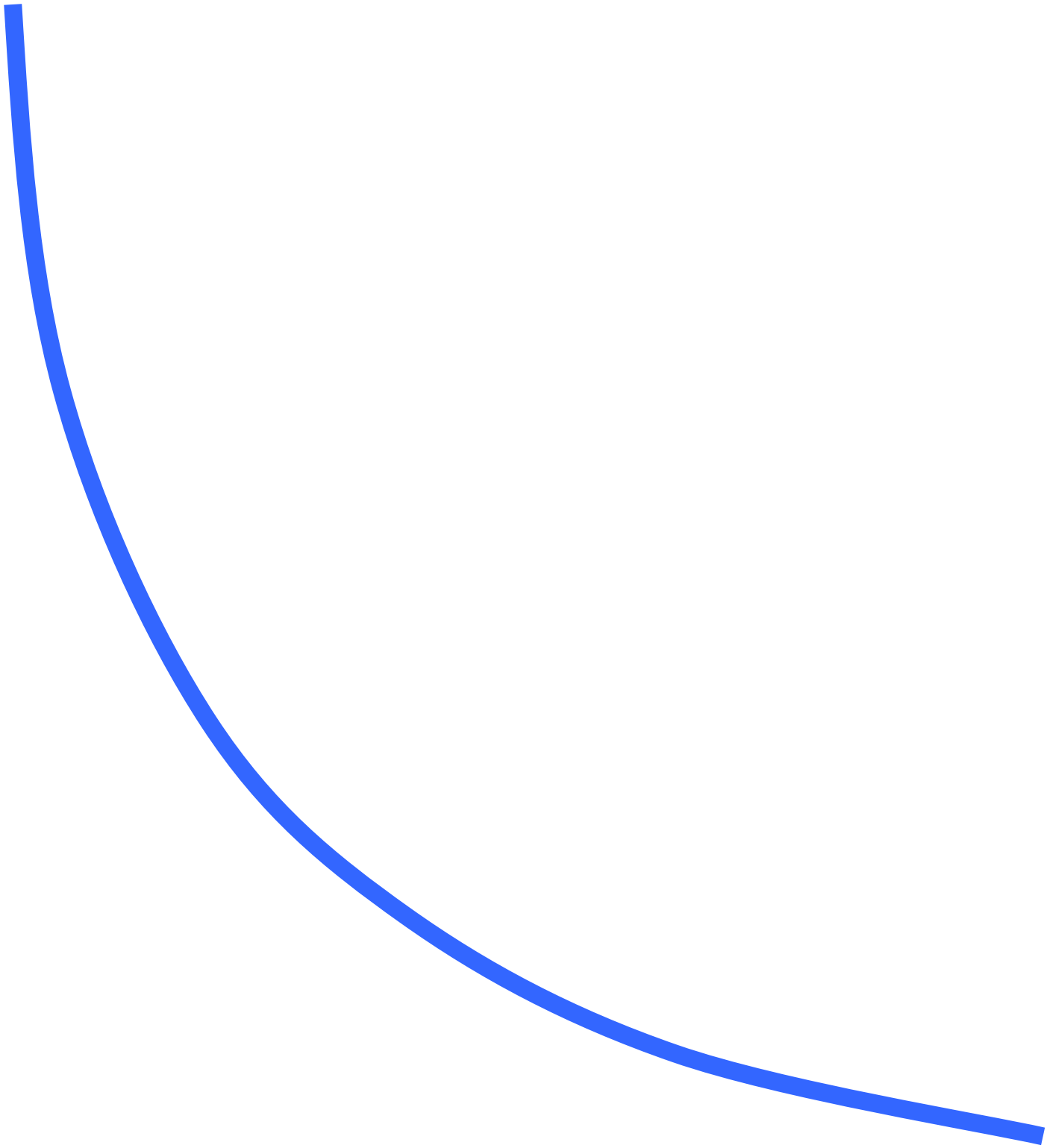
Phillips Curve: represents the trade off between  
inflation and unemployment





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# Unemployment









Years of High  
Inflation



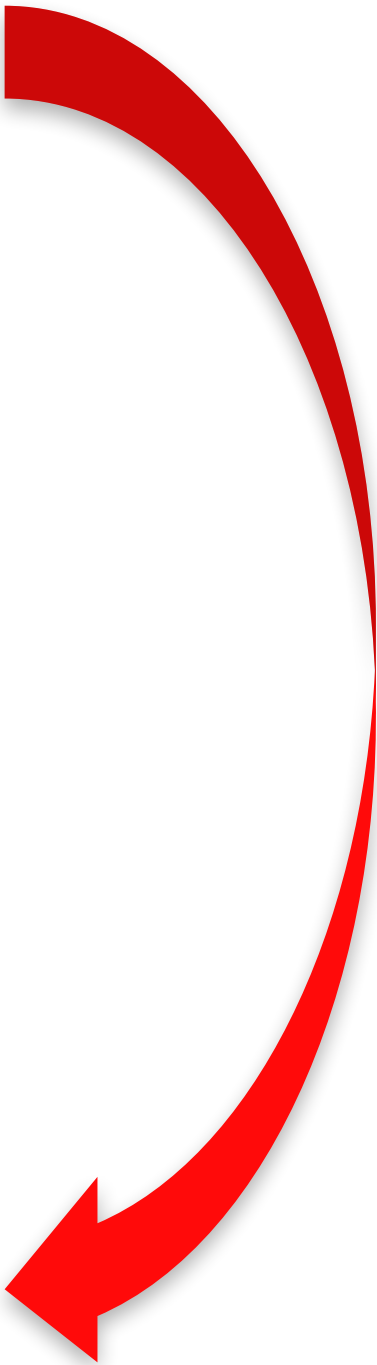


Years of Low  
Inflation

Are years of Low  
Unemployment

Are years of high  
Unemployment







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





2%









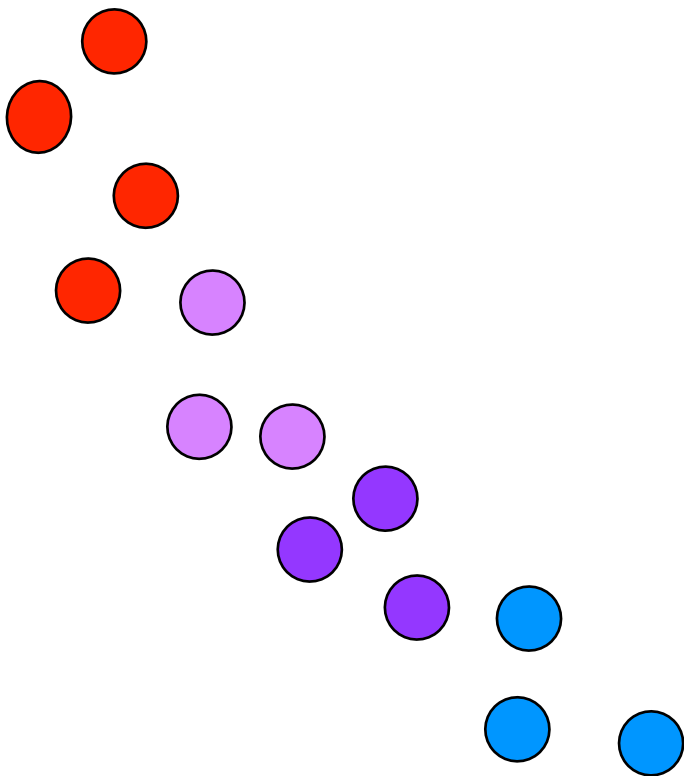






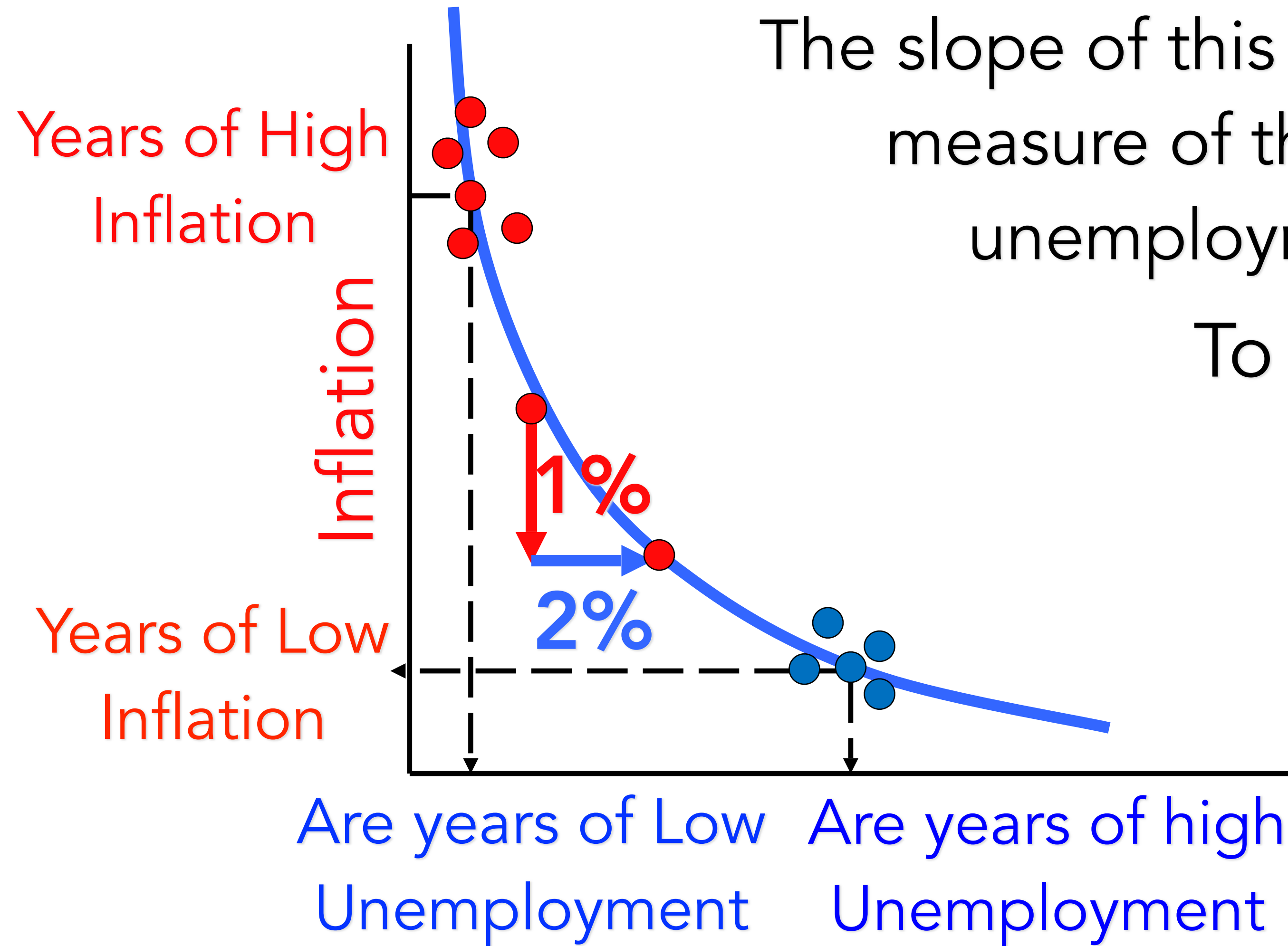






The slope of this line gives us a numerical  
measure of the trade off between  
unemployment and inflation

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Unemployment



# Unemployment Rate 2019

