

Inflation does **no special harm** to the poor

During inflationary periods the prices paid by the poor rise neither faster nor slower than the prices paid by the rest of us.

– Inflation does not **raise** the incomes of the **rich** relative to those of the poor

- The opposite is true: Real incomes **at the bottom rise** relative to those at the top, making income distribution slightly more equal.

3

3



Why?

Inflation does **no special harm** to the poor

During inflationary periods the prices paid by the poor rise neither faster nor slower than the prices paid by the rest of us.

- Inflation does not **raise** the incomes of the **rich** relative to those of the poor
- The opposite is true: Real incomes at the **bottom rise** relative to those at the top, making income distribution slightly more equal.



Why?



Income
Pyramid