



Income
Pyramid


Borrowers/those whose incomes
come mostly from Wages

High
Incomes



Low Incomes

Lenders/Individuals whose
incomes come mostly from
Capital Gains and Interest
Income



Lose during inflationary
periods: Inflation erodes
their real returns and they
are unfairly taxed

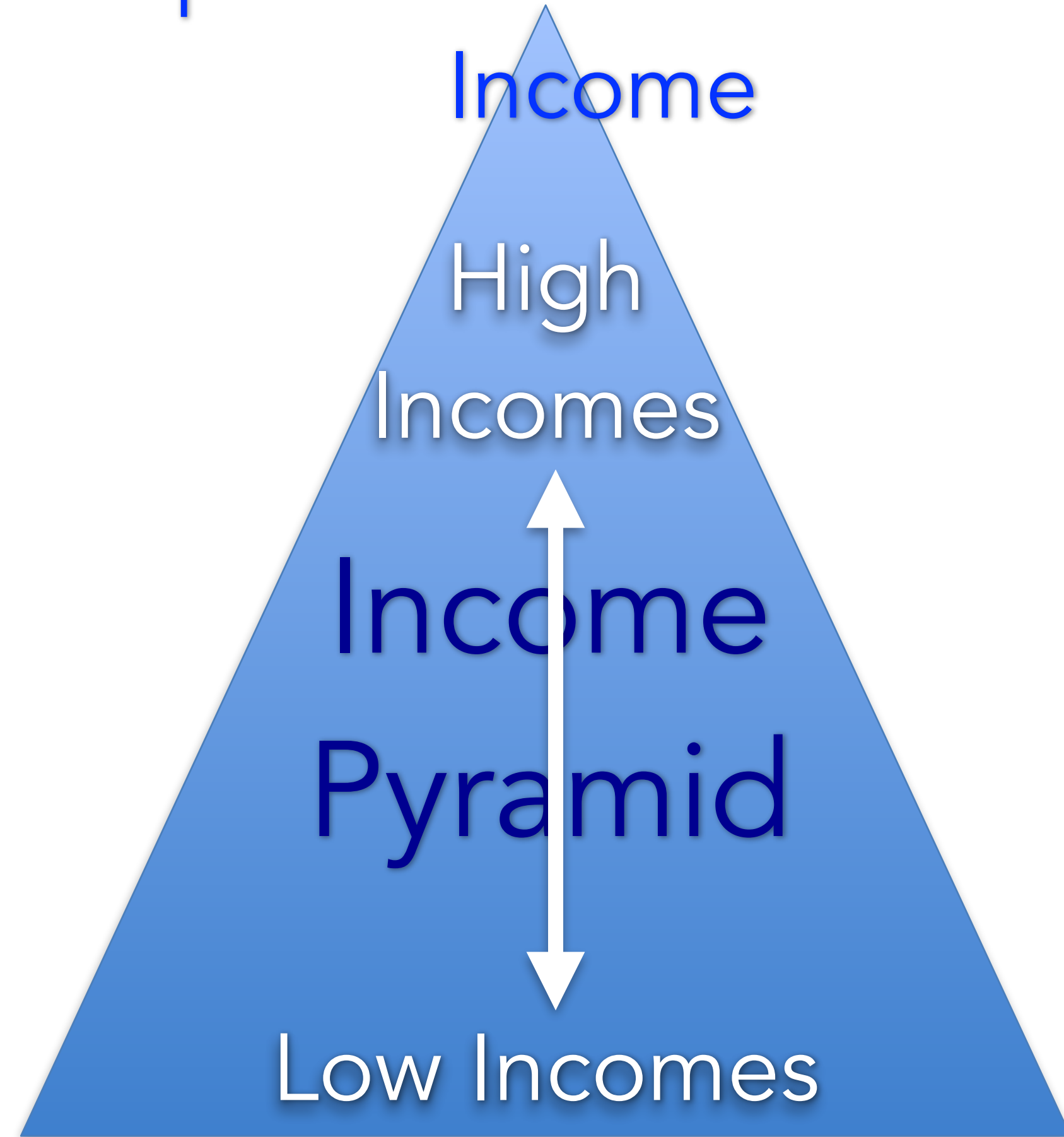
Gain during inflationary periods: Borrowers pay less in real terms and most wages are protected from inflation by their labor contract



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