





CPI = 200

2009



CPI = 204

2019

$$\text{Inflation} = \frac{204 - 200}{200} \times 100 = 2\%$$

If your **Nominal** salary **increase less than 2%** between 2009 and 2019

Real Salary = 60,000



200



x1000 = 30,000

Real Salary = 60,600

[REDACTED]

204

x1000 = 29,706

Your Real salary decrease

Nominal Salary = 60,000

Nominal Salary = 60,600



Individuals whose incomes increase less than inflation, lose purchasing power

Employers who enjoyed sale prices rising faster than wages paid, gain  
purchasing power

True Cost of Inflation: Arbitrary redistribution of income  
from workers to employers

# True Cost of Inflation: Arbitrary redistribution of income from workers to employers

CPI = 200

2009

CPI = 204

2019

$$\text{Nominal Salary} = 60,000 \quad \text{Inflation} = \frac{204 - 200}{200} \times 100 = 2\% \quad \text{Nominal Salary} = 60,600$$

If your Nominal salary increase less than 2% between 2009 and 2019

$$\text{Real Salary} = \frac{60,000}{200} \times 100 = 30,000$$

$$\text{Real Salary} = \frac{60,600}{204} \times 100 = 29,706$$

Your Real salary decrease

Individuals whose incomes increase less than inflation, lose purchasing power

Employers who enjoyed sale prices rising faster than wages paid, gain purchasing power

# How to use % change

| Year | CPI | Inflation Rate % |
|------|-----|------------------|
| 2013 | 230 | 1.6              |
| 2014 |     | 60               |
| 2015 |     | 6                |
| 2016 |     | 0.6              |
| 2017 |     | 160              |
| 2018 |     | 1,000            |
| 2019 |     | -70              |
| 2020 |     | 2.5              |
| 2021 |     | 1.4              |
| 2022 |     | 7.5              |
| 2023 |     | 6.4              |
| 2024 |     | 3.1              |