

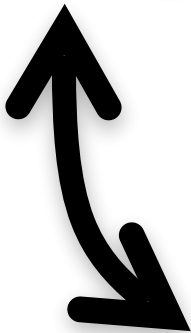






**Wages and Prices** move together: When prices increase, wages increase

# Wages





Prices



People believe  
inflation reduce  
wages

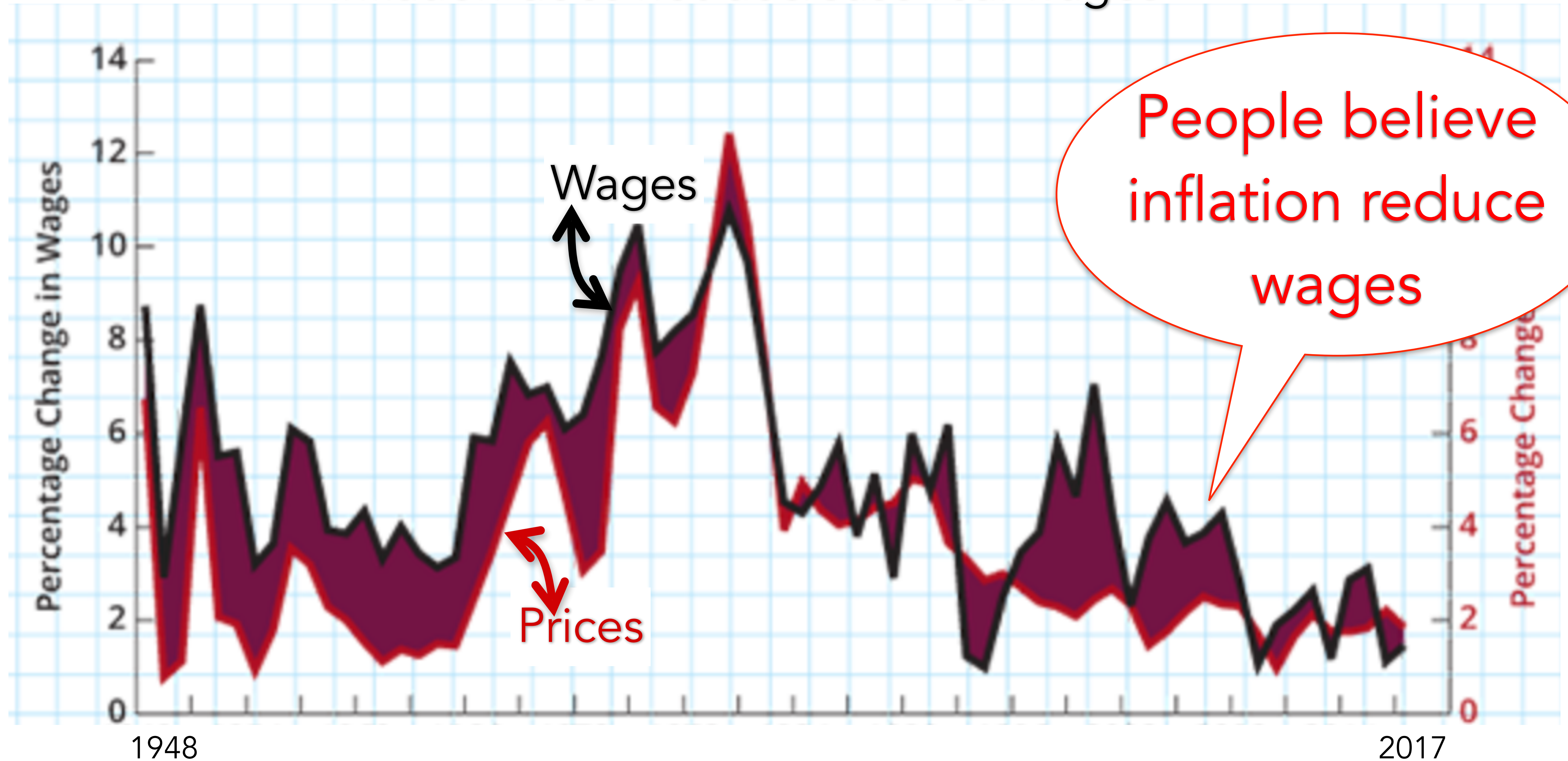
Inflation does not decrease **real** wages



1948

2017

Inflation does not decrease **real** wages



**Wages** and **Prices** move together: When prices increase, wages increase

Employers should compensate workers for: