





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



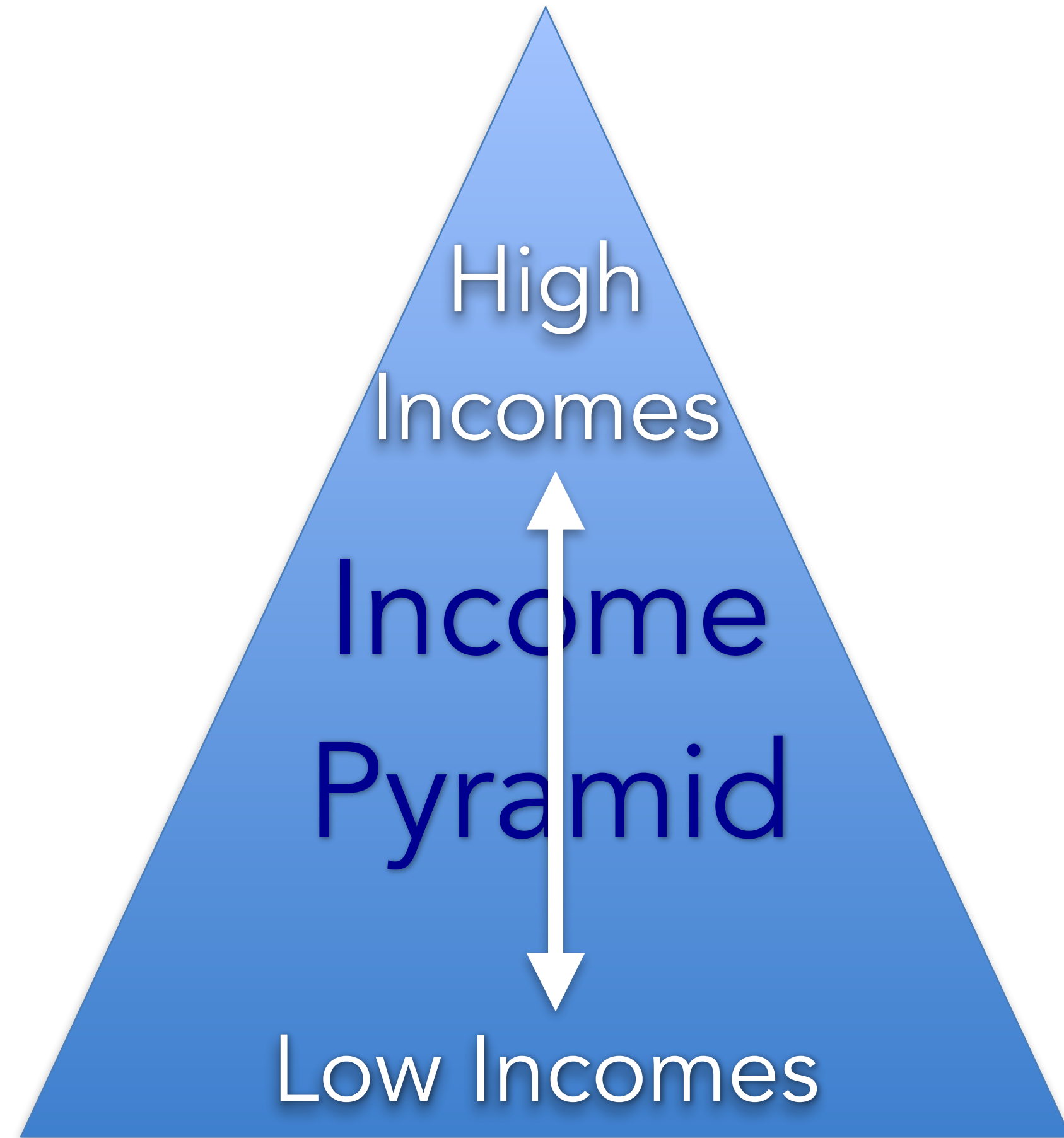
Does inflation  
affect 100%  
of the  
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