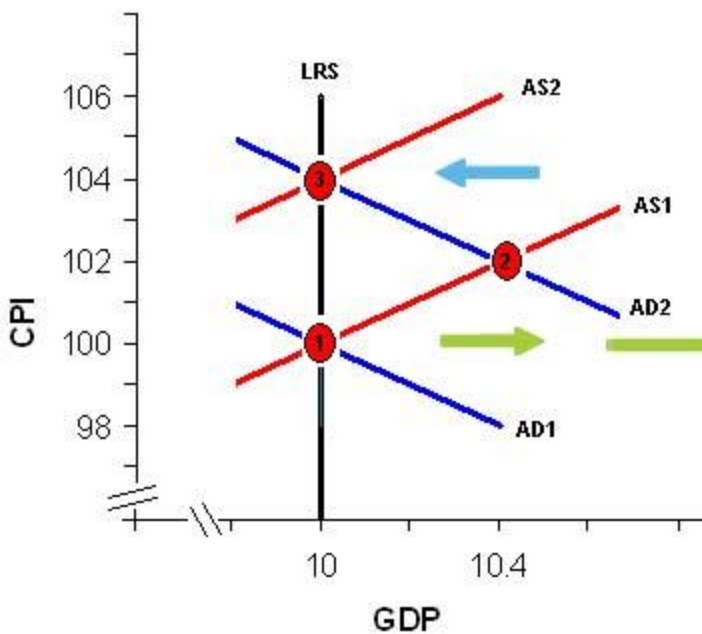
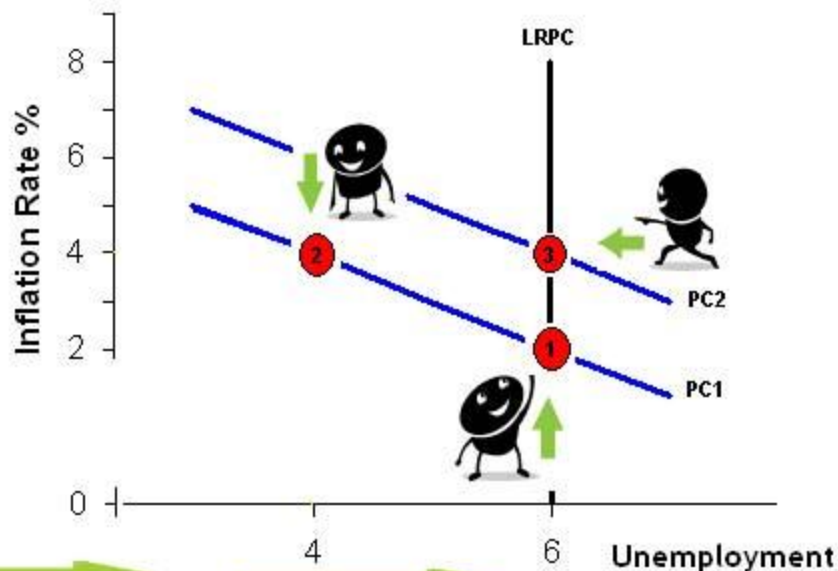


Wage-Price Spiral



Phillips Curve



- 1 Initially in long run
- 2 An increase in Aggregate Demand
GDP increases to 4%
Unemployment decreases by 2%
Inflation increases by 2%
- 3 Workers ask for Raises