



Awareness of inflation and steps to reduce its devastating financial consequence

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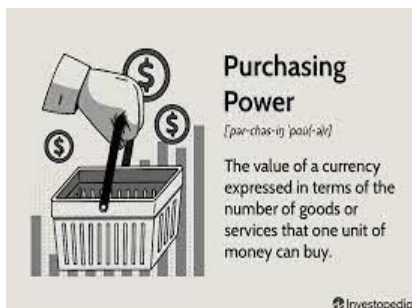
Introduction

Inflation in the period following the financial crisis has been notably weak across the developed world, with central bankers' unconventional monetary stimulus having had a relatively limited impact on the prices of goods and services. This extends an already long period of moderate inflation in developed economies since the early 1990s. Powerful disinflationary forces in recent decades have included the expansion of the global labor force, technological improvements, reduced trade barriers, a weakening of the power of organised labor (unions) and explicit inflation targeting by increasingly independent central banks.

Methodology

The **primary data** was used from its primary sources, which include books, periodicals, newspapers, opinion polls, publications, and other sources.

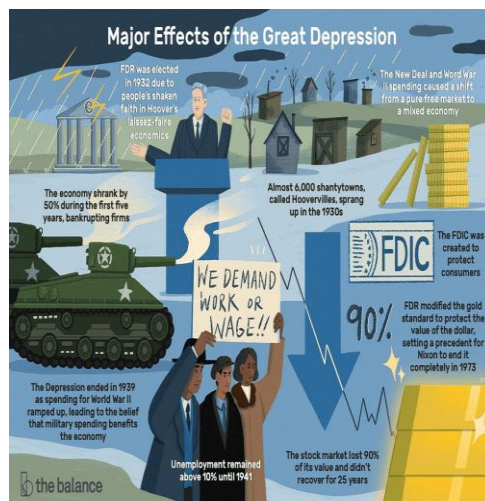
Secondary data sources through websites and global networks to provide sources related to the research topic which was used the analytical approach because it was the most familiar with the nature of the topic for the research categories and its analysis represented by secondary sources through websites and global networks to provide sources related to the research topic.



Discussion

The issue of inflation is a vital topic that is discussed by all governments of countries, especially these days. It occupies all people and companies because they play an important role in the functioning of the economy and the money of individuals and the broad sectors of society. The question arises here

Why is high inflation a concern? In periods when prices rise dramatically over a wide range and purchasing power declines, wage-fixing schemes can cause a wage-price spiral. These “second round” effects can occur if households and/or firms attempt to compensate for the loss of real income that they incur under higher rates of inflation when setting wages and/or prices. Prices make it difficult for people and businesses to plan to save and/or invest and may ultimately lead to weaker confidence in the currency.



Problem

Research problem

Every area of the economy is impacted by inflation, including interest rates, government programs, tax laws, company investment, and employment rates. Because inflation can lower the value of investment returns, it is essential to understand inflation before investing.

Research questions

- 1- How inflation can cause redistributions of purchasing power
- 2- Can inflation be reduced or processed?

Research objectives

The main objective of inflation is to determine the price effect on the commodities and services in economics. Different types of inflation measures are used to measure the price effect of different types of goods and services.

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