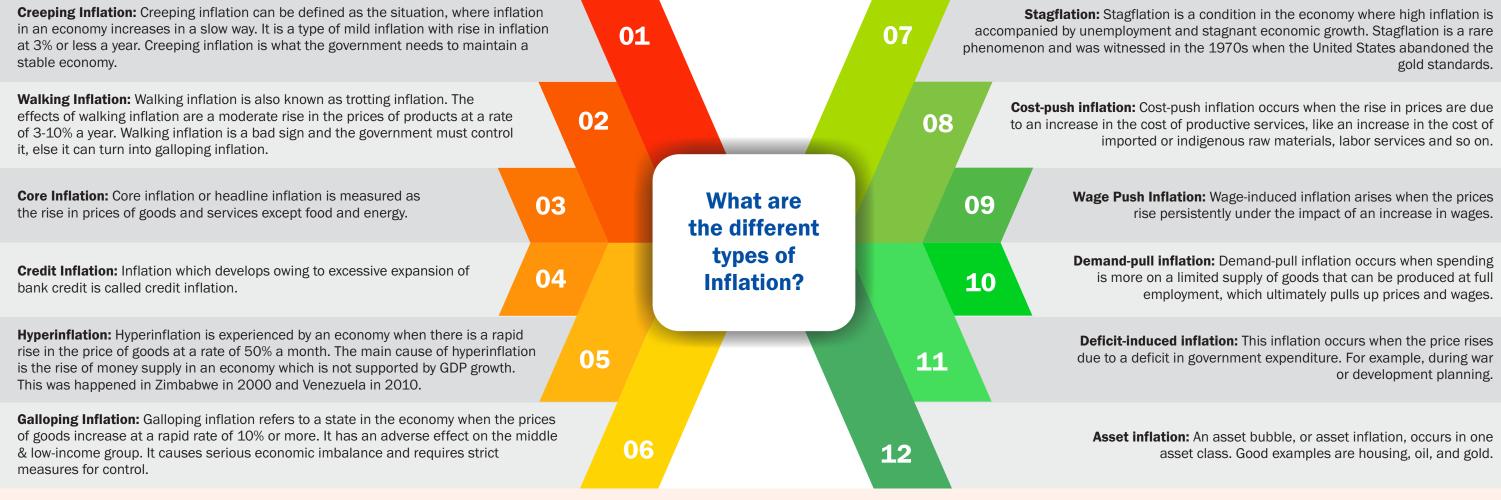
## DIFFERENT TYPES OF INFLATION





## **Context**

Inflation is the decline of purchasing power of a given currency over time. A quantitative estimate of the rate at which the decline in purchasing power occurs can be reflected in the increase of an average price level of a basket of selected goods and services in an economy over some period of time.



**Related concepts** 

**Shrinkflation:** When the price stays the same, but firms reduce the size of the good – effectively a price increase.

**Disinflation:** a fall in the inflation rate. It means prices are increasing at a slower rate.

**Deflation:** a fall in prices – a negative inflation rate.