

## VISUAL 36.1

### DEFINITIONS

**Aggregate demand:** The total amount of goods and services demanded by consumers, business firms, government and other nations at various price levels.

**Demand-pull inflation:** Inflation caused by pressure from the demand side of the market.

**Cost-push inflation:** Inflation caused by pressure from the supply side of the market.

**Wage-price spiral:** A process in which increased prices encourage workers to demand increased wages; wage increases lead in turn to increased costs of production, which producers must cover by increasing the prices they charge for goods and services.