



## About Inflation - Membership Memo #1

CUPE members in New Brunswick are dealing with the impacts of record inflation and are fighting to address it at the bargaining table.

Inflation is a measurement of price increases. If inflation goes up by 7% like it did in 2022, that means workers are paying 7% more than they did the previous year for the same goods. Inflation piles up from year to year. That means that even if inflation goes down this year, prices are still higher than they were before.

If wages stay the same from year to year but inflation increases, then your wages will not be able to pay for the same amount of goods and services they did before.



### What caused this record inflation?

The pandemic caused supply chain issues, there is a war in Ukraine, oil prices have gone up, and corporations are still making record profits on the backs of workers. All these elements are factors driving inflation up. Workers are feeling the effects of record-high inflation and it is not because of bad budgeting, it is because wages are not going as far. Workers did not cause the spike in costs. Wages in the public and private sectors have not been keeping up with inflation for the past few years.

### In bargaining, it pays to think ahead.

To get real pay rises, we need to negotiate above inflation for the whole duration of the contract, not just for a year or two. We need to calculate costs carefully for each year and negotiate in a preventive way because inflation almost never comes down in the negative to undo the lasting damage done to prices. If that were the case, a dollar would be still enough to buy a pop and a bag of chips!

