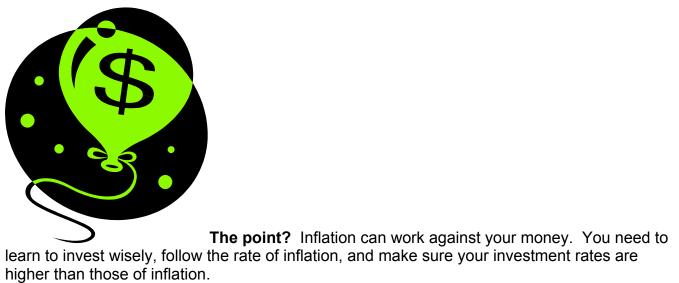
## How Does INFLATION affect you?

Today, a large soft drink at your favorite fast-food place costs \$1.00. You buy the soft drink but also decide to save some money for the future as well. So you put a dollar in your savings account, where it earns 5%.



One year later, the dollar in your saving account is worth \$1.05. You take the money out and visit your favorite convenience store, hoping to buy another delicious beverage. Unfortunately, drinks now cost \$1.10.



Source: NEFE Student Guide Page 53