



community choices

unit three

U3L4A5 | Inflation rate calculation

overview

In this activity you will learn how to calculate the inflation rate. You will practice using real figures from the Statistics Canada website.

learning goal

- To be able to calculate the inflation rate.
- To understand that moderate inflation is a healthy part of economic growth.

success criteria

- Completion of inflation rate calculations.

Inquiry Question

- What causes the inflation rate to fluctuate?

Inflation rate calculation

1. Go to the Statistics Canada website: www.statcan.gc.ca
2. Click on 'Browse by key resource' tab and select CANSIM
3. Click on subject 'Prices and price indexes'
4. Click on 'Consumer Price Indexes' (29 tables)
5. Select the table of your choice and use the CPI data to calculate the inflation rate (use the below formula)

$$\left[\frac{\text{CPI (more recent year/month)} - \text{CPI (older year/month)}}{\text{CPI (older year/month)}} \right] \times 100$$