		Prices Base
Basket	Quantity	Year
Food	10	\$10
Doctor Visit	2	\$50
Rent	1	\$700
Gasoline	50	\$2
Basket Cost		1,000

Use today's prices to calculate the Cost of the basket

30 = 300

Prices Today

75 = 150

1500 = 1500

1= 50

2,000

Prices Today

2,000

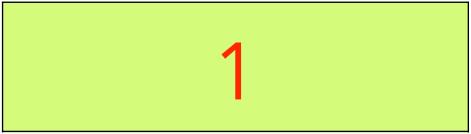


Basket is two times more expensive today than in base year

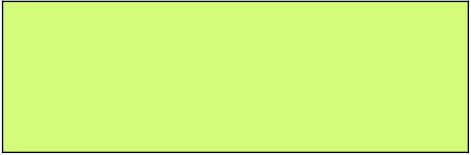




Prices Today



Prices Today



Use today's prices to calculate the Cost of the basket

		Prices Base	Prices Today
Basket	Quantity	Year	
Food	10	\$10	30
Doctor Visit	2	\$50	75
Rent	1	\$700	1500
Gasoline	50	\$2	1
Basket Cost		1,000	2,000

Basket is two times more expensive today than in base year

Calculating the CPI

		Prices
Basket	Quantity	Base Year
Food	10	10
Doctor Visit	2	50
Rent	1	700
Gasoline	50	2
Basket Cost	1,000	