2009

Inflation = % Change in Price Index

(Deflator Year X) -

(Deflator Previous year)

$$\frac{}{(\text{Deflator Previous year})} \times 100$$

Year	GDP Deflator	Inflation Rate
2007	200	
2008	250	

250

200

200

25%

4%

260

250

250

Inflation =

2008

2009

Inflation = % Change in Price Index

$$\text{Inflation} = \frac{(\text{Deflator Year X}) - (\text{Deflator Previous year})}{(\text{Deflator Previous year})} \times 100$$

2009   260   250

250

Year	GDP Deflator	Inflation Rate
2007	200	
2008	250	25%
2009	260	4%

The Consumer Price Index

A Price Index