

Why is the CCIPL important?

• Government **uses** it to **set** **interest** **rates**

- It is used in labor contracts to calculate salary increase during the life of the contract

- Landlords are allowed to increase **rents** by CPI inflation

- Judges use it to calculate *alimony* and child support payments

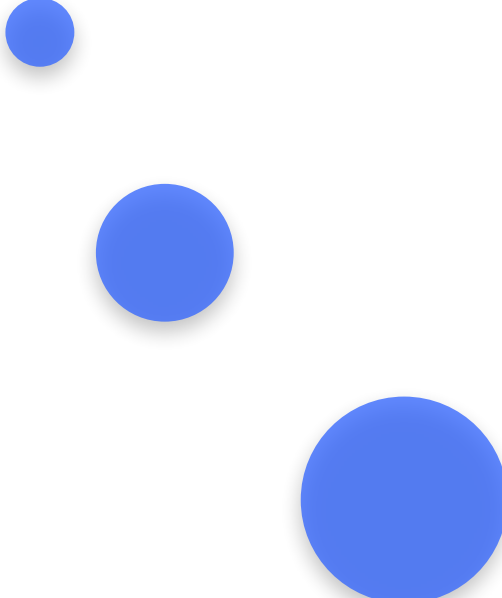
• The Government uses it to adjust income tax brackets

● It is used to adjust:

• Social Security payments

• Federal and Military pensions

• Food Stamps and School Lunches



It is very important
to calculate inflation
correctly



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We **do not** calculate the CPI correctly: **Substitution** Bias