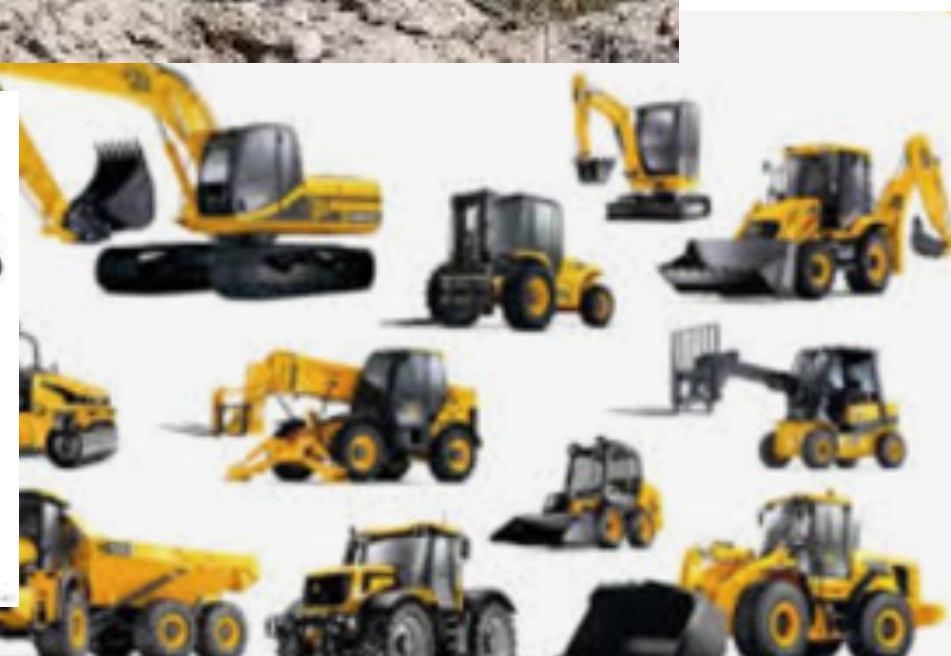
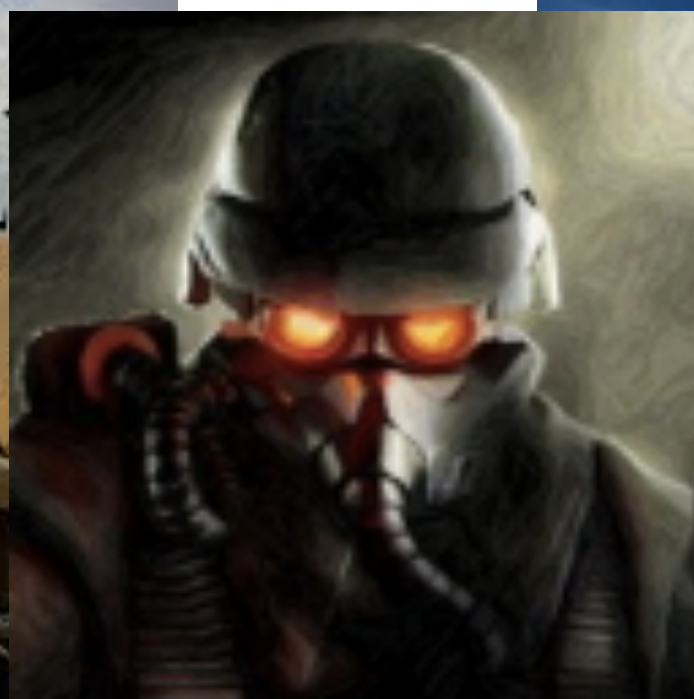




Deflator tracks Prices of all
Goods and Services Produced

CPI tracks **only** Prices of Goods
and Services **Consumers buy**



Deflator tracks Prices of **all**
Goods and Services Produced

CPI tracks **only** Prices of Goods
and Services **Consumers buy**



Using the CPI

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