

2009

Inflation = % Change in Price Index



(DeflatorYearX) -

(Deflator Previous year)

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

Year	GDP Deflator	Inflation Rate
2007	200	
2008	250	

250

200

200

25%

4%

260

250

250

Inflation =

260

2008

2009

% change
in Price

150%

160%

Inflation = % Change in Price Index

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

Handwritten annotations:
- 2009 (pink) above Inflation
- 260 (pink) above Deflator Year X
- 250 (blue) above Deflator Previous year (in numerator)
- 250 (blue) below Deflator Previous year (in denominator)

Year	GDP Deflator	Inflation Rate	% change in Price
2007	200		
2008	250	25%	150%
2009	260	4%	160%



The Consumer Price Index

A Price Index
