





The GDP Deflator v.s. CPI

GDP Deflator

Uses **current** production  
items and quantities  
**currently** purchased

Tracks prices of  
different goods in  
different quantities

CPI

Uses the items and  
quantities in the  
market basket  
through time



Tracks prices of the  
same goods in the  
same quantities

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Uses Real and  
Nominal GDP

Use market basket

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Uses market basket

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