2009

Inflation = % Change in Price Index

(Deflator Year X) -

(Deflator Previous year)

$$\frac{\rule{5cm}{0.4pt}}{\text{(Deflator Previous year)}} \times 100$$

Year	GDP Deflator	Inflation Rate
2007	200	
2008	250	

250

200

200

25%

4%

260

250

250

Inflation =

2008

2009

% change in Price

150%

160%

Inflation = % Change in Price Index

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

2009 · 260 · 250 · 250

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