% Change in Price

(Deflator Year X) -

(Deflator Base year)

$$\frac{}{(Deflator\ Base\ year)} \times 100$$

Year	GDP Deflator	% change in Price
2007	200	
2008	250	

% change in Prices =

2009

2006

100
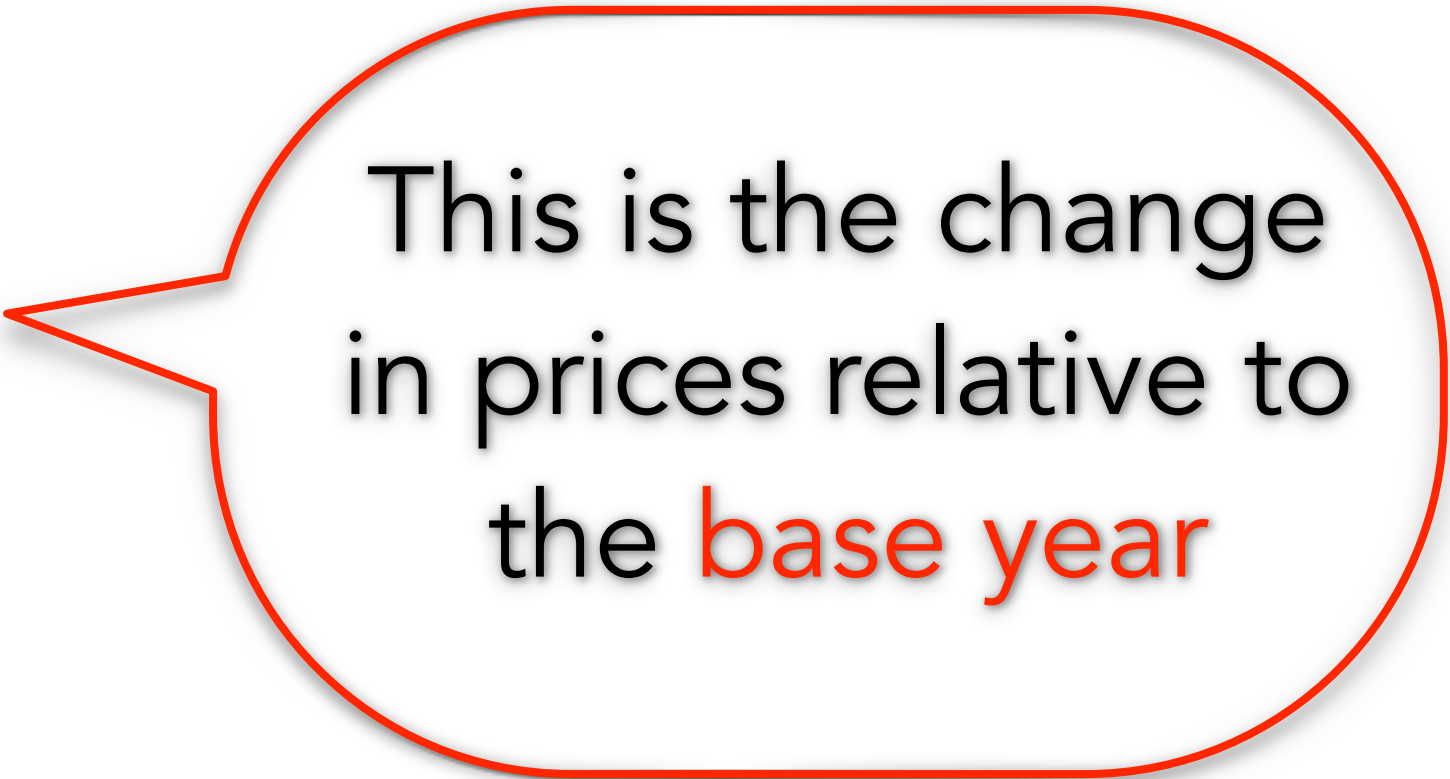
2007 200 100

100

100%

150%

160%

2008

250

100

100

Base Year →

2009

260

100

100

% Change in Price

2009

% change in 260 100

Prices = $\dfrac{\text{(Deflator Year X) - (Deflator Base year)}}{\text{(Deflator Base year)}} \times 100$

100

Year	GDP Deflator	% change in Price
2006	100	
2007	200	100%
2008	250	150%
2009	260	160%

Base Year ⟶

This is the change in prices relative to the base year

Prices in 2008 are 160% higher than prices in the base year

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Inflation = % Change in Price Index