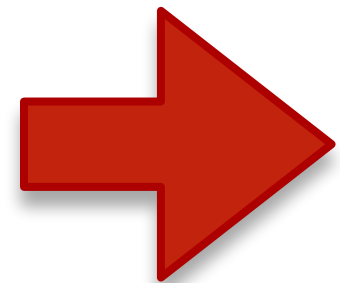




Because items and quantities in the basket are  
fixed, the CPI does not account for differences  
in quality

Cause of this mistake: CPI does not account for improvements  
in quality

We do not calculate the CPI correctly: *Quality* Bias

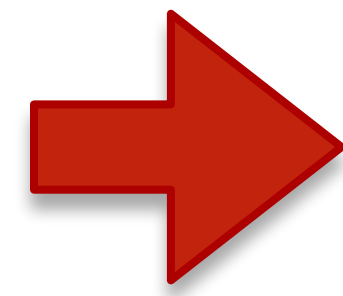


Solution: Use "Chained CPI which  
uses a basket that changes from  
month to month

We **do not** calculate the CPI correctly: **Quality** Bias

Because items and quantities in the basket are **fixed**, the CPI **does not account for differences in quality**

Cause of this mistake: CPI does not account for improvements in quality



Solution: Use "**Chained** CPI which uses a basket that changes from month to month

# Traditional CPI vs. Chained CPI