

Purchasing Power and Inflation

I wrote this lesson myself.

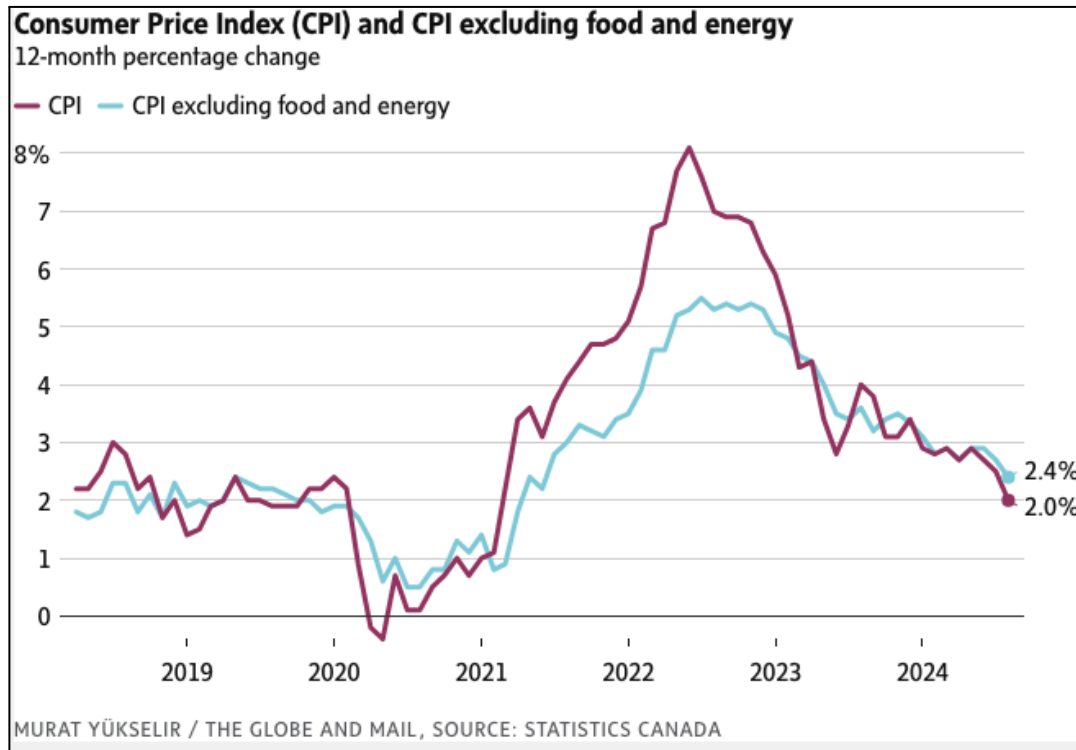
Inflation is the tendency for prices to rise.

In Canada, this is measured via the **consumer price index (CPI)**.

- **CPI** is how much more expensive 'life' is compared to the same time last year.
- The central bank of Canada aims for about 2%.
 - Put another way, 'stuff' is typically allowed to become 2% more expensive each year.

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(<https://www.theglobeandmail.com/business/article-canada-inflation-rate-august-live-updates/>)



If the prices of 'things' keep going up, how will you maintain your purchasing power?