

<http://bls.gov>

## Inflation and the Consumer Price Index

Go to the Bureau of Labor Statistics (<http://www.bls.gov/>) website. Look at latest numbers.

What was the increase in the consumer price index for March of 2016?



Use the page icon to go to more information about the consumer price index. Use [Table 1. Consumer Price Index for All Urban Consumers \(CPI-U\): U. S. city average, by expenditure category](#) To answer the following questions:

List two food items that increased in price and two food items that decreased in price from March of 2015 to March 2016 (use seasonally unadjusted price index.)

How big was the fall in **gasoline** prices from March of 2015 to March 2016?

What was percentage price increase for **medical care services** the last year?


Did the price of new vehicles go up or down?

What was percentage price increase for **rent** the last year?

Use [Table 4. Consumer Price Index for All Urban Consumers \(CPI-U\): Selected areas, all items index](#)

What has been the percent change in the CPI from February of 2016 to February of 2015 in the San Francisco Bay Area?

Which selected local areas have had the lowest inflation rate from February of 2016 to February of 2015?

Go back to the Bureau of Labor Statistics main page and choose the icon  next to the consumer price index to learn more about historical price changes.

Look at the graph of the CPI from 2006 to 2016 and answer the following questions:

During the last 10 years, which year saw the steepest drop in a one month change in prices?

Can you think why prices might have dropped in this year (think back to the unemployment and GDP research you did?)

Now go back 50 years by resetting the year back to 1966.

From: 1966 To: 2016  
☒ include graphs ☒ include annual averages

Which decade saw the highest rates of inflation during the last 50 years?

### **Making Generalizations from economic data:**

When GDP falls --> Prices often \_\_\_\_\_

When GDP rises --> Prices often \_\_\_\_\_

When GDP falls --> Unemployment often \_\_\_\_\_

When GDP rises --> Unemployment often \_\_\_\_\_

When an economy is in an expansion GDP \_\_\_\_\_, prices \_\_\_\_\_, and unemployment \_\_\_\_\_.

When an economy is in a recession GDP \_\_\_\_\_, prices \_\_\_\_\_, and unemployment \_\_\_\_\_.