

The Consumer Price Index: Keeping up with Canadian Consumers



The retail landscape has evolved rapidly since the onset of the COVID-19 pandemic. Canadians adjusted their consumption habits to include new essential products for daily living, and new ways of purchasing in order to limit in-person shopping trips.

The **Consumer Price Index (CPI)** represents changes in prices as experienced by Canadian consumers. It measures price change by comparing the cost of a fixed basket of goods and services over time, according to eight major components.

The CPI basket is regularly updated to:

- reflect the relative importance of various goods and services according to the Canadians' spending habits and,
- add and remove products and services to maintain the relevance of the basket.

Updates to the CPI basket

Relative importance of the eight major components based on average Canadian household expenditures in 2020

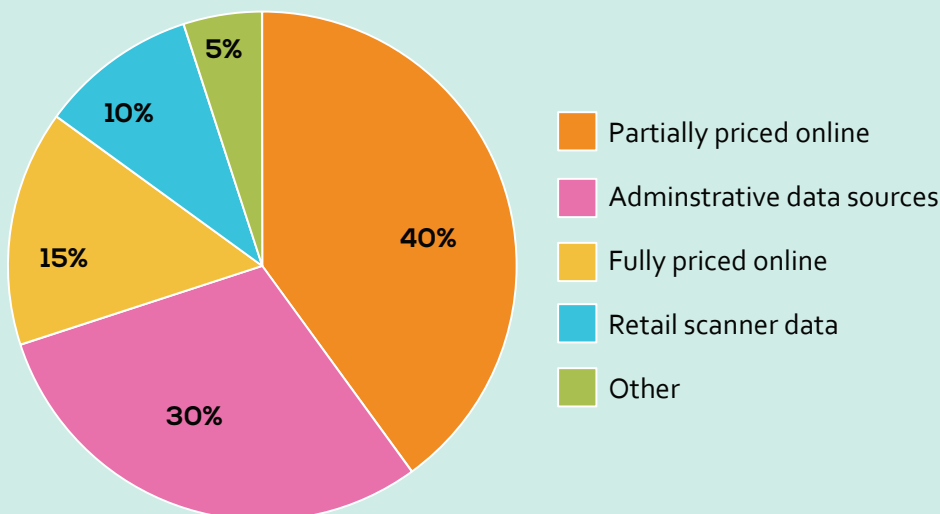


New to the basket:



As a key measure of inflation, the CPI continues to incorporate new data sources and methods to adapt to the changing world. The CPI has also responded to the suspension of in-person price collection due to the COVID-19 pandemic—most CPI prices are now collected from alternative data sources, including retail scanner data and websites. These advances ensure that the CPI remains an accurate measure of inflation in changing times.

Where does the CPI price data come from?



On average, approximately **97,000** prices are collected every month to produce the CPI!

