

Consumer Price Index

The consumer price index is a measure of the changes in price of a basket of goods and services (theoretically) of great relevance to the average consumer. This basket of goods and services is supposed to stay constant in terms of quality and quantity, and the CPI is supposed to measure the change in price alone. Theoretically, the CPI is supposed to be purely a measure of general price inflation or deflation. The CPI is calculated by the Bureau of Labor Statistics (BLS). And it is often called the cost-of-living index.