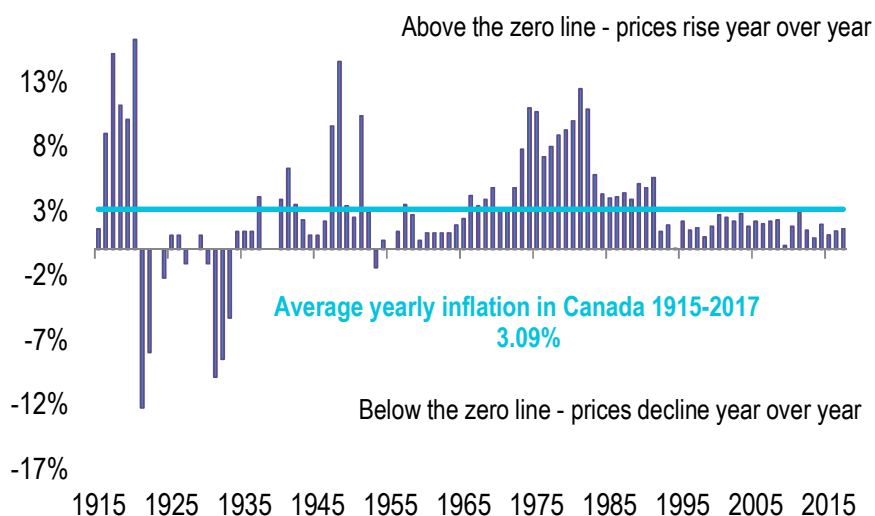


What's inflation?

Prices for goods and services tend to increase overtime. This means that the same amount of money will buy fewer goods in the future than it does today.

- Most years inflation is a positive number.
- But in some years prices fall - inflation is a negative number and is called 'deflation'.
- And if prices did not change at all, inflation would be zero.

We know past and present inflation. But future inflation is uncertain.



Inflation in Canada has averaged:

- 1.8% since 1993
- 3.6% since 1950
- 3% over the last 100 years

Source: Statistics Canada. Average year-over-year inflation shown

Statistics Canada (a government agency) reports current inflation every month:

- Look for the annual rate of inflation - a percentage change in prices this month compared to the same month a year ago.