The Whitehorse 2010 annual inflation rate was 0.8%; Canada’s was 1.8%

In comparison with Canada, in 2010 prices increased at a slower rate in Whitehorse in all areas except Health and Personal Care.

2010 prices increased over 2009 in all categories except Household Operations, Furnishings and Equipment and Clothing and Footwear.

From January ‘08 to December ‘10, average prices in Whitehorse rose 4.7%.

On an annual basis, overall inflation in ‘08 was 3.6%, in ‘09 inflation was 0.4% and in ‘10 prices rose 0.8% from ‘09.

Between mid-2007 and early 2009 Whitehorse’s monthly inflation rate remained above 2%. The drop in energy prices beginning in late 2008 brought a levelling out and some decreases in the index in 2009 (deflation).

As energy prices began to increase toward the end of 2009, the inflation rate crept back up above zero, ending at 1.9% in December of 2010.

The Consumer Price Index (CPI) is a measure of the rate of price change for goods and services bought by Canadian consumers. It is the most widely used indicator of price changes in Canada. CPI is not a cost-of-living index.

Think of the CPI as a measure of the percentage change over time of the average cost of a large basket of goods and services purchased by Canadians. The CPI does not count the price of each item equally but weights each according to its share of total household expenditures in the base period (2005).

The quantity and quality of the goods and services in the basket remain the same. Therefore, changes in the cost of the basket over time are not due to changes in the quantity and/or quality of the goods and services observed.


Groupings Within the Index and Long-Term Change

- The weighting of the Index is based on consumer spending patterns within each geographic area; the weighting of the Whitehorse CPI is unique to Whitehorse residents’ spending patterns as reported in the Survey of Household Spending.
- Whitehorse residents spend 25.5 cents out of every dollar on Shelter, while only spending 3.6 cents of each dollar on Health and Personal Care.
- These differences of relative importance should be kept in mind when analysing the inflation of individual commodities.

1-Year Inflation Rate accross Canada

- Canada’s overall inflation rate in 2010 was 1.8%; prices increased at a slower rate in Whitehorse in all areas except Health and Personal Care.
- In fact, Whitehorse’s increase in Health and Personal Care (3.1%) was higher than any other province/capital except Alberta (4.7%).
- On the other end, prices in Whitehorse decreased more in Household Operations, Furnishings and Equipment than any other jurisdiction and was second only to Quebec in the Clothing and Footwear decrease.
- Following three years of being close to the top in price increase of All Items Excluding Food and Energy, in 2010 Whitehorse’s increase of 0.0% was the lowest in the country.

Food and Energy Aggregates Indices and Inflation Rates

- As food and energy are seen as especially volatile commodities, analysis can be done using the index excluding these commodities. Excluding Food and energy, prices in Whitehorse rose 5.1% between January ‘08 and December ‘10.
- Excluding Food and energy, inflation in ‘08 was 2.1%, in ‘09 it was 2.4% and in ‘10 prices netted a 0.0% change from 2009.
- The Food and energy aggregate had an annual increase of 7.1% in ‘08, a decrease of 4.4% in ‘09 and an increase of 2.8% in ‘10.
Commodities and Groupings 20-Year Change

- From 1991 to 2010, annual average prices in Whitehorse rose 36%. In that same time period, average weekly earnings (according to the Survey of Employment, Payrolls and Hours) rose 35%.

- Price increases over the past 20 years have not been even across categories - Alcoholic Beverages and Tobacco Products increased 89.1% while Clothing and Footwear prices increased 2.9%.

2010 Monthly Index and Inflation Rate

<table>
<thead>
<tr>
<th>2010 Annual Inflation Rate of Selected Commodities</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
</tr>
<tr>
<td>All-items CPI</td>
</tr>
<tr>
<td>All-items</td>
</tr>
<tr>
<td>Food</td>
</tr>
<tr>
<td>Shelter</td>
</tr>
<tr>
<td>Household operations, furnishings and equipment</td>
</tr>
<tr>
<td>Clothing and footwear</td>
</tr>
<tr>
<td>Transportation</td>
</tr>
<tr>
<td>Health and personal care</td>
</tr>
<tr>
<td>Recreation, education and reading</td>
</tr>
<tr>
<td>Alcoholic beverages and tobacco products</td>
</tr>
</tbody>
</table>

- In the largest contributing commodity to the Whitehorse CPI, Shelter, prices rose 0.5% in 2010. Transportation, the second-largest contributing commodity, saw an increase of 3.4%. This was the largest gain of any commodity.

- Annual decreases in 2010 were seen in Household Operations, Furnishings and Equipment (-1.5%) and Clothing and Footwear (-3.9%).

- Comparing January and December of 2010, prices rose in all commodity groupings except Recreation, Education and Reading (-0.3%) and Clothing and Footwear (-2.4%).

- The largest increase in that twelve-month period was in Shelter (3.4%).
Special Aggregates: Food and Energy

The Energy Aggregate is comprised of Electricity, Natural gas, Fuel oil and other fuels, Gasoline, and Fuel, parts and supplies for recreational vehicles. Therefore, portions of the Energy Aggregate are located under the headings of Shelter, Transportation, and Recreation, Education and Reading.

As seen in the spread of dots (each representing the index for one month in the year), Fuel oil and other fuels and Gasoline experienced large swings in 2008 and had progressively more stable numbers for 2009 and 2010.

The Food Aggregate’s 2010 increase of 0.5% is due to increases in (amongst others not listed) Meat, Fresh fruit and vegetables, and Food purchased from restaurants. These increases were partially offset by decreases in Fish, seafood and other marine products and Dairy products and eggs.

The relatively flat price increase in 2010 of the Food Aggregate came after three years of increases above 2%.

Released August, 2011