



PENNY RADIO

THE MONEY PODCAST

S01E06 - Inflation - What's That Got To Do With The Price Of Eggs: Show Notes

Exercises

Remember these exercises are entirely optional but by doing them it will help you get an understanding of how different parts of personal finance work and will help you get to know your own money better.

1. Types of Inflation

- a. Remind yourself what the Retail Price Index (RPI), Consumer Price Index (CPI) and Consumer Price Index Including Owner Occupiers' Housing Costs (CPIH) are.
- b. What do they measure? Check out what has been included in the big imaginary [shopping basket](#) of goods over the years.
- c. What are the current rates of all these types of inflation?
- d. What have the rates of these types of inflation been over the [last few years](#)?
- e. How do these rates compare to the 2% target for CPI set by the government (or the 1-3% allowable range)?
- f. What does this tell you about the economy in general?

2. What this means for you

- a. Check out this [table](#) on the Office For National Statistics (ONS) website. Look at what type of inflation is used to increase the costs and benefits you are impacted by. Take a look at the rates of different types of inflation over the last few years again. Are your costs increased by more than the benefits you may receive?
- b. Have you got a job? If so have your wages gone up by more or less than inflation compared to last year? How does this compare to how your costs have gone up? Are you worse or better off? Compare how your wages have changed to this [calculator](#) on the ONS website to see if they have gone up by as much as inflation.
- c. What do you think this all means for you personally?

References

- [Office For National Statistics \(ONS\)](#) - The organisation that measures a lot of different economic data, including inflation. They have useful tools and calculators on here to tell you what inflation can mean for you. Some of the stuff is a bit hard to understand though!
- If you are still struggling to get your head around inflation, check out this [video](#) on the Money Advice Service website.