





- Examine the graph for the shape of the line (Box 3) for recent years. (Click on the graph to get a closer look.) What is the recent trend (if any)?
4. Using Boxes 5 and 6, does it look like the Fed has been successful in keeping the inflation rate near its target in recent years?
  5. Inflation data tends to be volatile, which makes it difficult to determine trends, so economists also refer to Core CPI (Consumer Price Index for all Urban Consumers, All Items Less Food and Energy).
    - Look at the graph (Box 7). Are there large differences between CPI and Core CPI lines?
    - Record the last six months of the inflation rate (CPI) and core inflation rate (Core CPI) (Boxes 4 and 8). Is there a difference between the two rates?

Month, year	Inflation Rate (CPI)	Core Inflation Rate (Core CPI)

- What does including Core CPI in your assessment tell you about the current economy?
6. Summarize your findings for CPI. Using all this information, what are the data telling you? It is just one economic indicator, but it is an important one. Compare the CPI inflation rate of the economy to the FOMC’s inflation target (2 percent). Also make sure you consider the trend (not only the most recent release) and Core CPI in your assessment.