

The Consumer Price Index Target Population and Commodity Scope

The target population of the CPI consists of families and individuals living in urban and rural private households in Canada. People living in collective households, such as members of communal colonies, prison inmates, and chronic care patients in hospitals and nursing homes are excluded from the target population. (Students in higher-education programs living full-time in residence are not considered to be living in collective households and are part of the target population. Students are not part of their parents' households if they live less than 30 days a year with them.) Also excluded are people living on Indian reserves and official representatives of foreign countries and their families. Part-year households, although excluded from estimates of average household spending by the Income Statistics Division, are part of the target population. Part-year households are households whose members were parts of other households at the beginning of the year, or who have moved to Canada since the beginning of the year.

The commodity universe consists of all consumer goods and services that can be associated with a retail price, that is, commodities for which a price can be associated with a specific quantity and quality. Public goods and services provided by governments are excluded since they cannot be associated with a retail price. For example, health services received through the health insurance system are excluded, as are life and disability insurance premiums. However, drugs, medical supplies, dental care and optical goods and services purchased by the general population are included since these commodities can be associated with retail prices.

In establishing the commodity universe of the CPI, no attempt is made to differentiate between "luxuries" and "necessities," and nothing is omitted on the basis of a moral or social judgment. Some people may regard the use of tobacco and alcohol as socially undesirable however, these products are included in the commodity universe of the CPI because they represent a notable proportion of the expenditures of Canadians.

The geographical universe is all of Canada, except for Indian reserves. Canadian forces bases overseas are also excluded. The universe of retail outlets is all places where consumers make purchases. Finally, prices used in the CPI are final prices paid by consumers, after discounts, but inclusive of excise and sales taxes and any other indirect taxes paid by consumers.