

Evaluation of the Consumer Price Index Program

About the evaluation

Statistics Canada evaluates programs like the Consumer Price Index to ensure that products align with user needs and related internal processes are effective and efficient.

The objective of the evaluation was to provide a neutral, evidence-based analysis of the relevance of the Consumer Price Index (CPI) and its complementary indexes to municipal governments (MGs); the effectiveness of communication strategies related to the CPI; and the extent to which the planning, design and implementation of innovative activities were effective and aligned with Statistics Canada's modernization initiative. The conducting phase of the evaluation was completed before the COVID-19 pandemic. As a result, the findings and recommendations do not consider the activities or decisions that took place after March 2020.



Statistics Canada was the main source of CPI information for municipal governments

About the CPI

The CPI measures price changes over a period of time for a “fixed basket” —or a fixed set—of goods and services consumed by Canadian households. The goods and services in the CPI basket are divided into 8 major components:

- Food
- Shelter
- Household operations, furnishings and equipment
- Clothing and footwear
- Transportation
- Health and personal Care
- Recreation, education and reading
- Alcoholic beverages, tobacco products and recreational cannabis





Modernization

Statistics Canada's agency wide modernization initiative strives for greater and faster access to needed statistical products for Canadians.

For the innovation projects and activities evaluated, it was found that they were aligned with the modernization agenda, with three of the five pillars particularly emphasized.

- Leading-edge Methods & Data Integration**
- Sharing and Collaboration**
- Modern and Flexible Workforce**

What we learned

-  Most external interviewees indicated that the CPI and related indexes (e.g., city indexes) were meeting their needs. Data were used for indexation, policy and research support, and city budgeting processes.
-  The Consumer Prices Division is moving towards a more strategic communication culture aimed at leveraging communication tools and channels.
-  Innovation projects are aligned with the agency's Modernization Initiative and the program is benefitting from international experiences and also contributing internationally.
-  For innovation projects and activities, governance and risk management are in place for Departmental Project Management Framework (DPMF) projects and the use of an agile project management approach was effective.

What can be improved?



The CPD strengthen its performance measurement framework process for its DPMF projects to ensure that project outcomes are clearly articulated and that indicators are balanced, comprehensive and aligned with the identified outcomes and expected benefits.



The program engage corporate communications to improve its knowledge of the new communications tools available and include the use of measurement tools to gather information on the effectiveness of activities.



The program include all activities that have a significant impact on their DPMF projects within the governance and oversight structures of the DPMF projects. The adoption of this more holistic approach will improve overall coordination and risk management.

The CPD - adapting and responding to the pandemic

Since the end of the reference period for the evaluation (March 2020), the CPD continued to calculate the official CPI based on the fixed basket approach; however, the division recognized that a new series analyzing shifts in consumer purchasing patterns would provide valuable insight on the impact of COVID-19. Using various sources of expenditure data, the CPD estimated [adjusted consumer expenditure basket weights and an adjusted price index](#). This was made possible through the division's innovative work using scanner data, aggregate expenditure data, household final consumption expenditure data and other sources of information. Other data and analysis releases include [Canadian Consumers Prepare for COVID-19](#), [Canadian Consumers Adapt to COVID-19: A Look at Canadian Grocery Sales up to April 11](#), and [Monthly average retail prices for select products, by province](#).

Launching the CPI Portal

On August 21, 2019, the agency released the Consumer Price Index Portal as a part of its suite of portals. The CPI Portal showcases the CPI Data Visualization Tool, the most recently released key indicators, a variety of featured products, buttons to easily access CPI products, and serves as a bulletin board for information about the CPI. · https://www.statcan.gc.ca/eng/subjects-start/prices_and_price_indexes/consumer_price_indexes