

Inflation Review

September 2025

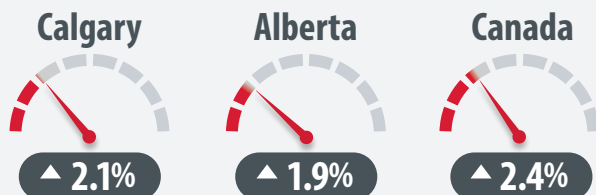
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October 21, 2025

HIGHLIGHTS

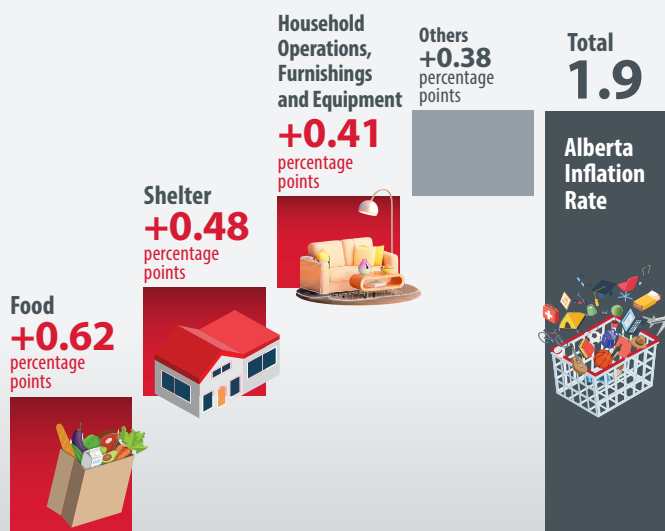
Headline Inflation Comparison*

September 2025



*Compared to the same month last year

Top Three Contributors to Alberta's Inflation Rate September 2025



The total contribution of each product component may not exactly add up to the overall inflation figure due to rounding.

Inflation Rates

	Relative Importance (%)*	Sep-25	Year-over-year (%) Aug-25	Jul-25
Calgary: All-items	100.00	2.1	1.4	1.3
Shelter	28.73	2.4	1.9	2.9
Rented accommodation	6.12	4.6	2.6	4.8
Owned accommodation	19.12	3.0	3.3	3.8
Water, fuel and electricity	3.48	-6.7	-7.5	-5.8
Alberta: All-items	100.00	1.9	1.4	1.3
Alberta: All-items excluding food and energy	78.28	2.6	2.6	2.6
Canada: All-items	100.00	2.4	1.9	1.7
Canada: All-items excluding food and energy	77.26	2.4	2.4	2.5

* CPI basket weights are based on the 2024 expenditure data, modified in June 2025.
Sources: Statistics Canada, Corporate Economics, October 21, 2025.

Calgary's overall inflation rate climbed to 2.1 per cent in September 2025, while national rate accelerated to 2.4 per cent

In September 2025, the Consumer Price Index (CPI) for the Calgary Census Metropolitan Area (CMA) rose 2.1 per cent year-over-year (YoY), up from 1.4 per cent in August. Alberta's inflation rate also increased to 1.9 per cent from 1.4 per cent, while Canada's overall inflation accelerated to 2.4 per cent from 1.9 per cent.

The nationwide acceleration from last month largely reflects a base-year effect in gasoline prices. In September 2024, gasoline prices declined sharply, whereas in September 2025, prices rose due to maintenance shutdowns at refineries and pipelines in the U.S. As a result, the YoY decline in gasoline prices was smaller this month (-4.1 per cent) compared with August (-12.7 per cent), leading to less downward pressure on headline inflation.

Food prices also grew faster than in the previous month, while lower prices for clothing and footwear helped offset some of these pressures. In Alberta, sugar and confectionery products posted a 14.6 per cent growth YoY (vs. +3.5 per cent YoY in August). Prices for fresh or frozen beef and vegetables also rose faster. Passenger vehicle insurance premiums rose 15.2 per cent YoY, the highest in Canada contributing about 0.4 percentage points to Alberta's overall inflation.

On September 17, the Bank of Canada lowered its policy interest rate by 0.25 percentage points, the first reduction since March 2025. The next interest rate announcement is scheduled for October 29, followed by the final one of the year on December 10.

The Cost of Education and Inflation

Every September, Statistics Canada publishes the results of the Tuition and Living Accommodation Costs (TLAC) survey and updates the tuition fees component in the CPI. In 2025, Alberta recorded 2.0 per cent increase in tuition fees in the CPI. As per TLAC, for the 2025/2026 academic year, domestic undergraduate tuition in Alberta reached \$8,067, up from \$5,739 in 2015/2016, recording an increase of 48 per cent. This far outpaced Alberta's overall inflation of 26.3 per cent between 2015 and 2024. For international undergraduates, tuition rose to \$34,880 from \$20,351 over the same period, widening the gap between domestic and international tuition.

September also brings minimum wage adjustments in some provinces. In Alberta, however, the minimum wage remains \$15 per hour, the lowest among Canadian provinces; it has not increased since October 2018. For reference, the CPI has risen 21.9 per cent between October 2018 to September 2025. In other words, today's \$15 has the same purchasing

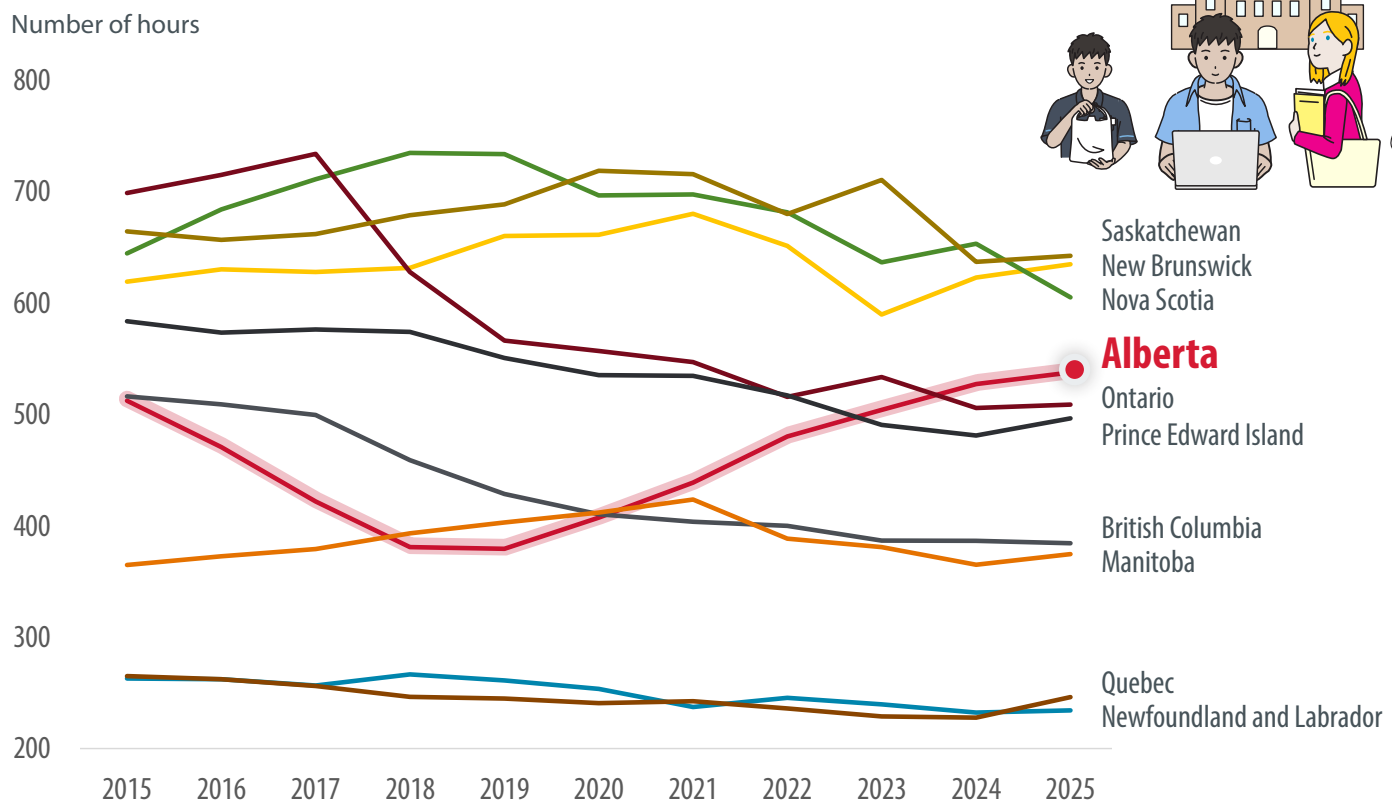
power as about \$12.3 in October 2018, and it would need to be \$18.3 to keep pace with inflation.

With tuition rising and minimum wages stagnant, the number of hours a student earning minimum wage would need to cover domestic undergraduate tuition in Alberta has climbed up sharply (see chart 1). In 2025/2026, it reached 538 hours, which is equivalent to about three months of full-time work,

compared with under 400 hours in 2018 and 2019. Alberta, once the third most affordable province for students, now ranks as the fourth least affordable.

Against the backdrop of elevated living costs, stagnant minimum wages, and weak youth employment prospects, students face a difficult financial environment.

Chart 1: Hours of minimum wage work needed to cover tuition for Canadian undergraduate students (total field of study) by province since 2015

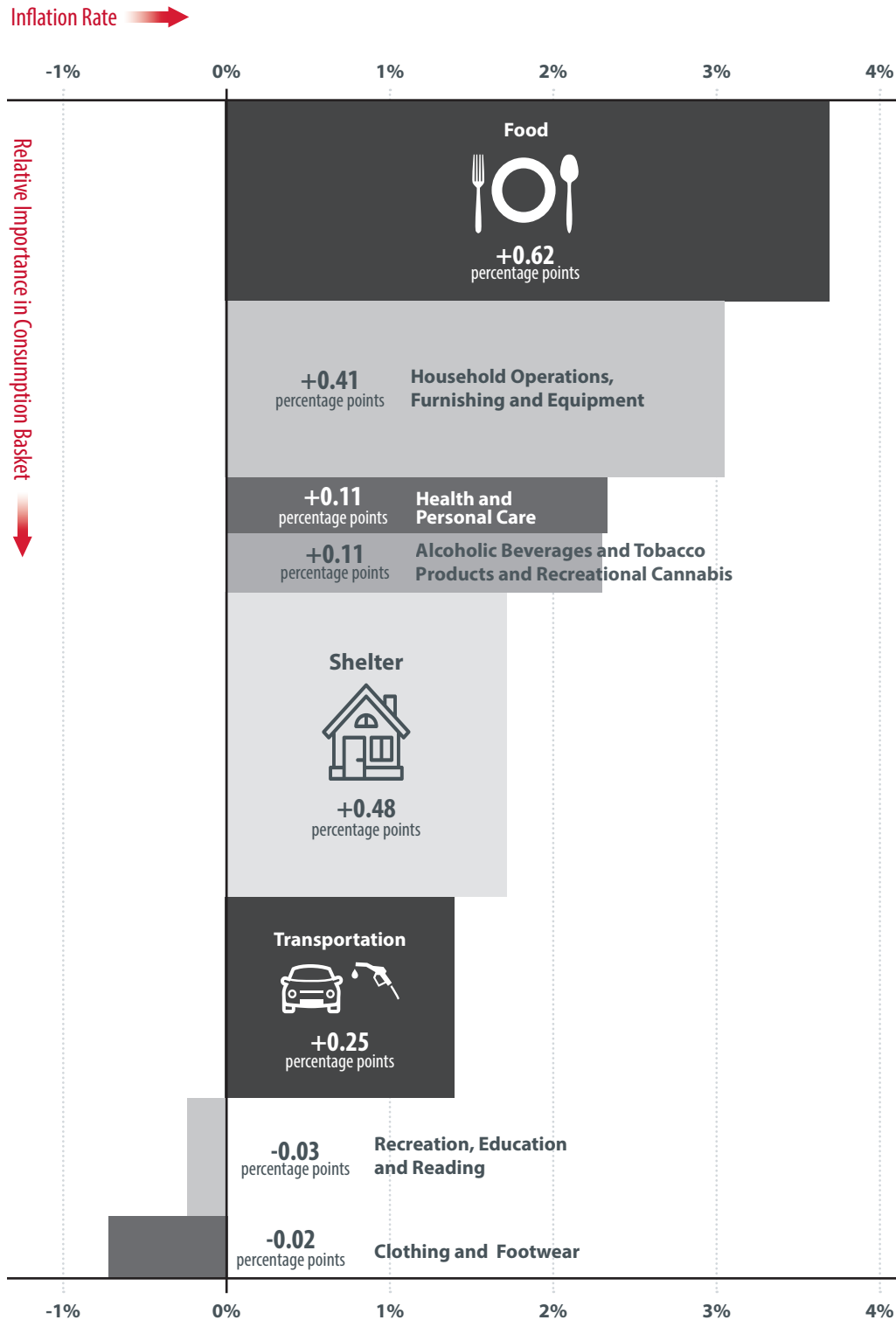


Please note: The national and provincial tuition fee averages are weighted with the latest enrolment data; since the distribution of enrolment varies from period to period, caution must be exercised when making long-term historical comparisons.

Source: Statistics Canada Table 37-10-0003-01, Corporate Economics.

Contribution of Consumer Items to Inflation: **Alberta**

September 2025



The calculation for contribution incorporates the effects of changes in basket weight. The total contribution of each product component may not exactly add up to the overall inflation figure due to rounding.

Sources: Statistics Canada, Corporate Economics, October 21, 2025.

Next release: November 17, 2025

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Sources:
Bank of Canada, Statistics Canada,
Corporate Economics