

Percentage Increases

8.4

- Taxes, tips, and inflation are examples of percentage increases.
- Inflation = is a decrease in the buying power of a dollar (or other currency), meaning that money is losing its value. One can buy fewer things for the same amount of money. Inflation results in an increase of prices.
- Taxes added to goods and services:
 - PST = provincial sales tax
 - GST = goods and services tax
 - HST = harmonized sales tax (PST + GST = HST in some Canadian provinces)
- 5% (GST) in Alberta, British Columbia, Manitoba, Northwest Territories, Nunavut, Quebec, Saskatchewan, and Yukon
- 13% (HST) in Ontario
- 15% (HST) in New Brunswick, Newfoundland and Labrador, Nova Scotia, and Prince Edward Island

Example 1:

Calculate the final price = price after taxes are added. Calculate with GST = 5%.

a) Price Tag: \$25.60

b) Price Tag: \$135.00

GST = \$ _____

GST = \$ _____

Final Price: \$ _____

Final Price: \$ _____

Example 2: A predicted inflation for 2022 is 6.1%. What should the minimum wage be in order to keep up with inflation? Note: Minimum wage in the Yukon is \$15.70.

Example 3: Calculate a tip for a server and the final price.

a) Price before taxes: \$28.00, GST: 5%, Tip: 20% (calculated from the price before taxes).

b) Price before taxes: \$115.00, GST: 5%, Tip: 20% (calculated from the price before taxes).