

Name: _____ Date: _____

What Did Things Cost?

How to compute percent of change in cost:

$$\frac{x}{100} = \frac{\text{Change in price}}{\text{Past price}}$$

Inflation, an increase in the money supply, causes higher prices. These higher prices diminish the buying power of the dollar. Use grocery ads or cash register receipts or visit a local grocery store to find out the exact cost of the items listed below. Then use the formula to compute the percent of change in price (due to inflation) from 1970 to the present. Show your calculations on the back of this page or on a sheet of scratch paper.



Item	Price in 1970	Present Price	Percent of Change
1 lb. apples	\$0.25		
1 lb. whole chicken	\$0.46		
1 dozen eggs	\$0.67		
1 quart milk	\$0.36		
1 lb. pork chops	\$1.30		
1 lb. sugar	\$0.13		
tea bags (48)	\$0.61		
1 lb. flour	\$0.12		
1 lb. margarine	\$0.33		
1 lb. coffee	\$0.91		

Prices taken from *The Value of a Dollar: Prices and Incomes in the United States, 1860–2009*, edited by Scott Derks (Amelia, NY: Grey House Pub.), 2009. Prices are New York City averages from 1970.

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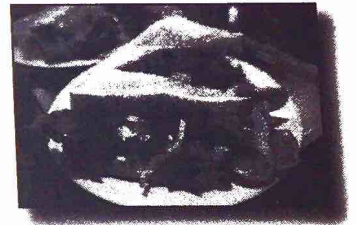
Case Study: Menus

The Dollar Deli Menu

Grilled Cheese Sandwich	\$3.00	\$3.10
Ham and Cheese Sandwich	\$3.75	\$3.50
Turkey Club	\$4.50	\$4.00
Roast Beef Sandwich	\$4.25	\$4.50
Potato Chips	\$1.00	\$0.50
French Fries	\$1.25	\$0.75
Giant Cookie	\$1.50	\$1.20
Fresh Fruit	\$0.75	\$1.00
Soda	\$1.25	\$1.10
Milk	\$1.00	\$0.90
Lemonade	\$1.05	\$1.50

"Where your dollar always buys more . . . good food!"

The Dollar Deli decided to change its prices. Use the menu above to answer the following questions.



- Which menu items inflated in price?

- Which item inflated the most?

- Which menu items deflated in price?

- Which item(s) deflated the most?

- You order a grilled cheese sandwich, potato chips, soda, and a giant cookie. What was the percentage of change in this lunch from the old menu to the new menu?

- Was this change (question 5) an inflation or deflation in price?
