

CPI = 16

1930



CPI = 240

2019

Prices in 2019 are 15
times larger than in 1930

I need 15 times as much money in 2019

How much do I need in 2019 in order to be able to buy as much as my grandfather was able to buy in 1930 with \$100?

Using the CPl: Comparing values across Time

What is the equivalent of \$100 in **today's** prices?

Divide new CPI by old CPI:

$$\frac{240}{16} = 15$$

\$100 $\xrightarrow{\text{Multiply \$100 times } 15}$ \$1,500



n

2





9



n

e

e

d







5







n





d

e







b

e

a

b



e





b

u

y

a

S

m

u



h

a

S

m

y

g



a

n

d



a



h

e



W

a

S

b



e





b

u

y



n



9

3



W





h









Using the CPI: Comparing values across Time

How much do I need in 2019 in order to be able to buy as much as my grandfather was able to buy in 1930 with \$100?

CPI = 16

CPI = 240

1930 \longrightarrow 2019

What is the equivalent of \$100 in today's prices?

Divide new CPI by old CPI: $\frac{240}{16} = 15$

Prices in 2019 are 15 times larger than in 1930

I need 15 times as much money in 2019

\$100 $\xrightarrow{\text{Multiply \$100 times 15}}$ \$1,500

In 2019 I need \$1,500 in order to be able to buy as much as my grandfather was able to buy in 1930 with \$100

Using the CPI: Comparing values across Cities