

What is inflation?

On your handout:

- What is inflation in your own words?
- What effect does inflation have on your money (or purchasing power)?

Cost Of Living in the United States 1975 vs 2015

Good or Service	1975 Cost	1975 Cost (in 2015 Money)	Cost 2015
New House ¹	\$48,000	\$209,417	\$270,200
Median Income	\$12,686	\$55,347	\$51,759
New Car	\$3,800	\$16,578	\$31,252
Minimum Wage	\$2.10/hour	\$9.16/hour	\$8.25/hour
Public College ²	\$1,819	\$7,938	\$18,943
Private College ²	\$3,776	\$16,475	\$42,419
Movie Ticket	\$2.03	\$8.86	\$8.17
Gasoline	\$0.59/gallon	\$2.57/gallon	\$2.38/gallon
Postage Stamp	\$0.13	\$0.57	\$0.49
Sugar	\$0.65/5 pounds	\$2.84/5 pounds	\$3.25/5 pounds
Milk	\$1.65/gallon	\$7.20/gallon	\$3.49/gallon
Coffee	\$1.12/pound	\$4.89/pound	\$4.91/pound
Eggs	\$0.84/dozen	\$3.66/dozen	\$2.08/dozen
Bread	\$0.28/pound	\$1.22/pound	\$1.43/pound

Vocab Preview

- ★ Purchasing Power
- ★ Monetary Phenomenon
- ★ Central Bank
- ★ Assets.

To play video on your own computer, visit [this page](#) and scroll down to the video under the Key Takeaways section.



For more, check out [usinflationcalculator.com/](https://www.usinflationcalculator.com/) and input your year of birth!