

History: US History

The History of Money

Objectives

Students will be able to:

- Compare the value of today's dollar to the dollar of any year in history.
 - Create a graph of the value of money through history.
 - Define inflation rate.
-

Warm-Up

If you were given 100 current dollars in 1950, how much do you think it would be worth? If you were given \$100 from 1950 today, how much would it be worth?



100 dollars (1950)



Assuming "(" is referring to math | Use "(1950)" as referring to math instead

Input Interpretation:

\$100 (1950 US dollars) in 2009

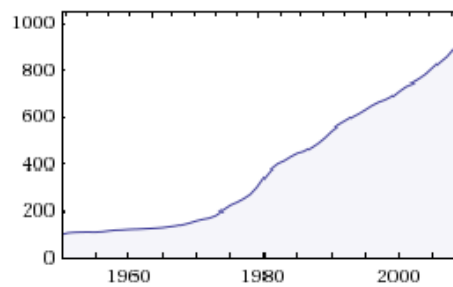
Result:

\$879.15 (2009 US dollars)

Average rate of inflation:

3.75% per year

Purchasing power history:



Computed by: [Wolfram Mathematica](#)

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100 current dollars in 1950

Input Interpretation:

\$ 100 (Current US dollars) in 1950

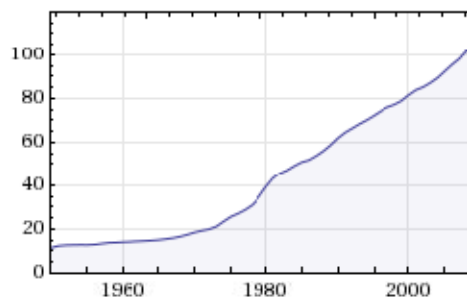
Result:

\$ 11.37 (1950 US dollars)

Average rate of inflation:

3.62% per year

Purchasing power history:



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Lesson

- Explain how the value of the dollar has changed throughout history due to inflation rates. Describe the meaning of an inflation rate.
- Student exercise in pairs:
 - ◇ Choose 10 years between the years of 1900 and 2009.
 - ◇ Choose a dollar amount.
 - ◇ Using Wolfram|Alpha: For each year you chose, find how much that amount would be worth in 2009.



150 dollars (1970)



Assuming "(" is referring to math | Use "(1970)" as referring to math instead

Input interpretation:

\$ 150 (1970 US dollars) in 2009

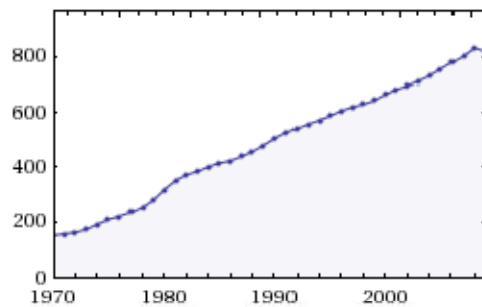
Result:

\$ 817.58 (2009 US dollars)

Average rate of inflation:

4.44% per year

Purchasing power history:



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150 dollars (1939)



Assuming "(" is referring to math | Use "(1939)" as referring to math instead

Input interpretation:

\$ 150 (1939 US dollars) in 2009

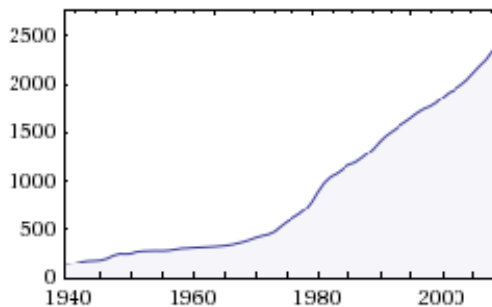
Result:

\$ 2286.18 (2009 US dollars)

Average rate of inflation:

3.97% per year

Purchasing power history:



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- ◇ Record the result as well as the average rate of inflation.
- ◇ Create a graph of year vs. dollar amount in 2009.
- ◇ Create a graph of year vs. average rate of inflation.
- ◇ What can you infer or deduce from these two graphs?

Closing

How much do you think 100 of today's dollars will be worth in 2020?