

NAME: _____

DATE: _____

ACTIVITY

Purchasing Power

What + Why: Put \$20 to the test and see how far it really goes—then vs. now.

Prices change over time, but paychecks don't always change at the same pace. Things that once felt affordable can take up more of a budget today, even when the dollar amount stays the same. This activity uses a familiar \$20 to explore how buying power has shifted and why that matters for everyday spending choices.

Instructions:

1. Use the CPI Inflation Calculator to compare how far \$20 goes today versus 1990.
2. For each listed item (gas, fast food meal, movie ticket), use the price today provided by your teacher.
3. Enter the price of the item today into the inflation calculator.
4. Keep the most recent available month and year shown on the calculator.
5. Select the same month in 1990 as the comparison date.
6. Select "Calculate."
7. Record the 1990 price shown by the calculator.
8. Use both prices to calculate how much \$20 could buy in each time period, rounding down to the nearest whole number.
9. Repeat these steps for each item in the table.
10. For the final row, choose and research the price of one item of your own, and repeat the process.
11. Complete the table and be ready to discuss what you notice.

Key Terms

- **inflation:** prices rising over time
- **purchasing power:** when prices rise, the same amount of money buys less

Item	1990 Price	Quantity You Could Purchase with \$20 in 1990	Today's Price	Quantity You Could Purchase with \$20 Today
Gallon of Gas 				
Fast-Food Meal 				
Movie Ticket 				
Item of Your Choice 				