

In the News: “What \$100 Was Worth”

Name: _____ Date: _____

\$100 is more valuable today than in the future because if you had the money in hand today, you could invest it and earn interest on it. Another reason \$100 is more valuable today is because money loses value over time, due to inflation. When your parents (and grandparents) were young, \$100 was worth a lot more.

Directions: Use this link to the article on Business Insider (<https://www.businessinsider.com/what-100-was-worth-in-the-decade-you-were-born-2016-6#-1>), which explains how the value of \$100 has changed over time, to answer the following questions.

1. What was \$100 worth in 1925, in terms of today’s dollars. Why was it so valuable?
2. If you found a \$100 bill printed in 1925 (assume it’s in regular condition, so it’s not a collectible) how much would it be worth right now?
3. If your great-grandparent had \$100 in 1925 and invested it at 3% interest, compounded monthly, how much would it be worth now? (You can use <https://www.investopedia.com/calculator/fvcal.aspx>)
4. Is the article saying you could buy four round-trip plane tickets with \$100 in 1935? Explain.
5. How much has the value of a dollar changed since 2010?
6. If you have a large sum of money, say \$100, why is it a bad idea to just hide it in your bedroom?