

Economics Final Project

For my final economics project, I have looked at prices and inflation from 1915 up to today, and tried to estimate what current prices would be like had certain technologies had not been developed or the money supply had not increased. To do this, I found two links that were of importance, both of which you can find in my sources. The first was the Morris County historic price survey, which I picked because it showed how prices have changed in our area over the years. The second was a chart showing the United States money supply over the years.

So, from these sources, I can see that if technologies like the railroad, trucks, planes and other forms of transportation had not been developed, prices would have to be a lot higher. Because it would take longer to get goods to and fro, there would be less of them and they would be less affordable. Thanks to these and other inventions, we can quickly get items from far-off places to the United States and keep prices down, while using up gallons of fuel in the process. But that's a point to make another day.

If the United States money supply had not increased from 1915 until now, prices would probably be about the same as they were then. To give you an idea of what that means, let me compare the (approximate) price of the same item in Morris County in 1915 and in 2005. I think this is best shown by the price of the newspaper the Daily Record. In 1919 it was one cent, and in 2005 it cost 35 cents! If the money supply had not expanded, we'd still be buying penny candy, and money would still have functionally the same value; there'd just be less of it!

Sources:

<http://www.gti.net/mocolib1/prices/1915.html>

<http://a5.vox.com/6a00cdf3a177afcb8f011017b9e8bd860e-500pi>

Whatever Happened to Penny Candy Economics Course