

# *Common Sense Mathematics*

## Exercises for class, September 24, 2013

Ethan Bolker

September 24, 2013

1. Twenty years of inflation

- Use the inflation rate calculator to find the inflation rate (as a percent) from 1990 to 2000, from 2000 to 2010 and from 1990 to 2010.
- Explain why the inflation rate from 1990 to 2010 is not just the sum of the rate from 1990 to 2000 and the rate from 2000 to 2010.
- Use the 1+ trick to compute the 1990 to 2010 rate correctly from the rates for the two previous decades.

2. *REPORT: County wages dropped nearly 14 percent in last decade*

On June 6, 2012 the Oregon *The Portland Tribune* published a brief article with this headline. The article said:

Over the last decade, inflation-adjusted wages in Columbia County dropped 13.8 percent, while salaries in nearby Oregon counties grew or remained mostly static.

A report released June 1 by the Oregon Employment Department and the Bureau of Economic Analysis shows between 2000 and 2011, the average wages for . . . jobs in Columbia County rose by 13 percent. But county wages actually decreased 13.8 percent during that time when inflation is taken into account.

In neighboring Clatsop County, . . . (t)he inflation adjusted wages . . . rose 0.4 percent from 2000 to 2011. <sup>1</sup>

- Use the CPI inflation calculator to make sense of the numbers for workers in Columbia County.
- What was the average increase (without taking inflation into account) from 2000 to 2011 for workers in Clatsop County?

---

<sup>1</sup><http://portlandtribune.com/scs/83-news/110775-report-county-wages-dropped-nearly-14-percent-in-last>