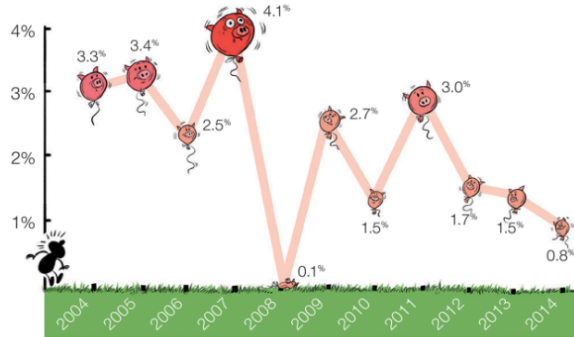


The Value of Money.

Kids might be surprised to learn that the value of a dollar changes! And so does purchasing power. The reason for this is inflation, which is influenced by market power, demand and supply. Print *The Value of Money* or have kids read online to learn more.



Source: www.usinflationcalculator.com/inflation/current-inflation-rates/

In 1908, Milton Hershey began selling one of the first mass-produced chocolates in the United States - the Hershey bar! The price was 2 cents, and the average American earned \$574 a year.⁷ Today, that same candy bar costs more than \$1 - a 4,900% rise in price.⁸ This increase overtime is called inflation. But what causes it? Inflation happens for a variety of reasons, including market power, demand, and supply. Market power occurs when a company or group control most (or all) of one particular resource. They can then set the price that they want, as long as people are still willing to pay it. When a lot of people want something, the increased demand raises prices. We see supply-related price increases when a product people want becomes less available. This inflation in prices causes money to lose value over time.

Looking Ahead

Goals come in all shapes and sizes. But to create a solid financial plan, you need to know how quickly you want to reach them.



