

ECONOMIC SNAPSHOT

A million bucks sure isn't what it used to be

In the last decade, several books have been published about millionaires. "The Millionaire Next Door" describes the typical millionaire as a person who earned rather than inherited wealth, shops for bargains and drives a used car. That's understandable, given how inflation has diminished the value of a million dollars.

Today, it takes over \$5 million to equal the buying power of \$1 million in 1970. Conversely, \$1 million today has the same buying power as \$200,000 in 1970. If a 500 percent increase sounds excessive, consider that in 1970, the sticker price on a well-equipped V-8 Chevrolet Impala was about \$3,100. Today, a well-equipped 2006 Impala lists for about \$26,000.

Buying power of \$1 million in 2005
adjusted for inflation:



The U.S. Bureau of Labor Statistics provides an easy-to-use online inflation calculator. Simply go to www.bls.gov and select "Inflation Calculator."

SOURCE: U.S.
Bureau of
Labor Statistics

COMMENTS AND QUESTIONS:
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