

INFLATION ACCORDING TO RON BARON

Did you know the price of most goods and services doubles every 14 years?

Inflation, a general increase in prices over time, has a significant impact on the purchasing power of our money. One effective way to outpace inflation and preserve or even grow our wealth is by investing in assets that have the potential to generate returns higher than the rate of inflation.

As of 12/31/2024	Year	Cost	December 2024	Multiple	CAGR
Ron's Home 1948-1955 1122 Grassmere Avenue, Wanamassa, NJ (Asbury Park, NJ "suburb")	1948	\$5,000	\$568,700 ¹	113.7x	6.4%
Ron's Home 1955-1975 542 Deal Parkway, West Allenhurst, NJ (Asbury Park, NJ "suburb")	1955	\$20,000	\$1,209,000 ¹	60.5x	6.1%
Minimum Wage (New York)	1957	\$1 hour	\$15 ² hour	15.0x	4.1%
Golf Caddy Fees	1957	\$4 18 holes	\$160 18 holes	40.0x	5.7%
Gallon of Gasoline	1960	\$0.31 gallon	\$3.01 ³ gallon	9.7x	3.6%
Ron's Annual Tuition at Bucknell University	1965	\$3,500	\$67,446 ⁴	19.3x	5.1%
Ron's U.S. Patent Examiner Annual Salary	1966	\$7,729	\$138,728 ⁵	17.9x	5.1%
Ford Mustang (starting price)	1966	\$2,500	\$31,920 ⁶	12.8x	4.5%
Sirloin Steak	1966	\$0.67 pound	\$11.67 ⁷ pound	17.4x	5.0%
NYC Top Law Firm – First Year Associate Annual Salary	1970	\$15,000	\$225,000 ⁸	15.0x	5.1%
Gold	1974	\$188 ⁹ ounce	\$2,639 ¹⁰ ounce	14.0x	5.4%
Dow Jones Industrial Average	1982	795	\$42,544 ¹⁰	53.5x*	9.7%*
S&P 500 Index	1982	107	\$5,881 ¹⁰	54.8x*	9.8%*
Gross Domestic Product (GDP)**	1968	\$968 billion	\$29,375 ¹¹ billion	30.3x	6.3%

*Returns for indexes listed do not include dividends which add an estimated 1.5% to 2.0% annually to such returns.

**Gross Domestic Product (GDP) data as of September 30, 2024.

Sources:

- 1 - www.zillow.com
- 2 - <https://dol.ny.gov/minimum-wage-0>
- 3 - fred.stlouisfed.org/series/GASREGW
- 4 - www.bucknell.edu/admissions-aid/tuition-fees-financial-aid/information-about-tuition-fees
- 5 - www.federalpay.org/employees/occupations/patent-examining
- 6 - www.ford.com/cars/mustang/
- 7 - fred.stlouisfed.org/series/APU0000703613
- 8 - <https://www.reuters.com/legal/legalindustry/cravath-announces-raises-upping-pay-ante-large-law-firms-2023-11-28/>
- 9 - <https://www.macrotrends.net/1333/historical-gold-prices-100-year-chart>
- 10 - FactSet
- 11 - <https://fred.stlouisfed.org/series/GDP>

Risk: All investments are subject to risk and may lose value.

The **Dow Jones Industrial Average** is a price-weighted measure of 30 U.S. blue-chip companies. It covers all industries with the exception of Transportation and Utilities. The **S&P 500 Index** measures the performance of 500 widely held large-cap U.S. companies. The indexes include reinvestment of dividends which positively impact the performance results. The indexes are unmanaged. Index performance is not Fund performance. Investors cannot invest directly in an index.

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