



**FIGURE 3.44.** SOURCE: *The New York Times*, October 6, 1999.

### *Time out to think*

How does the current price of gasoline compare to the current price of bottled water? Briefly discuss any implications of this price comparison.

### *Percentage Change Graphs*

*Get your facts first, and then you can distort them as much as you please.*

— MARK TWAIN

Is college getting more or less expensive? A quick look at the downward-sloping lines in the lower graph in Figure 3.44 might give the impression that college costs have been falling steadily in the past decade. However, on closer examination, we find that this is not the case at all. The vertical axis on this graph represents the *percentage* increase in costs. Thus, the downward-sloping lines show only that the percentage increase in college costs slowed, *not* that the actual costs went down. In fact, the actual costs have risen substantially, as shown in the upper graph. Moreover, because the rate of inflation (as measured by the Consumer Price Index) has been less than the rate of increase in college costs, the *real* cost of public colleges has steadily risen. Graphs that show percentage change are very common, particularly with economic data. Although they are perfectly honest, you can be easily misled unless you interpret them with great care.