

Diminishing Purchasing Power of the Dollar

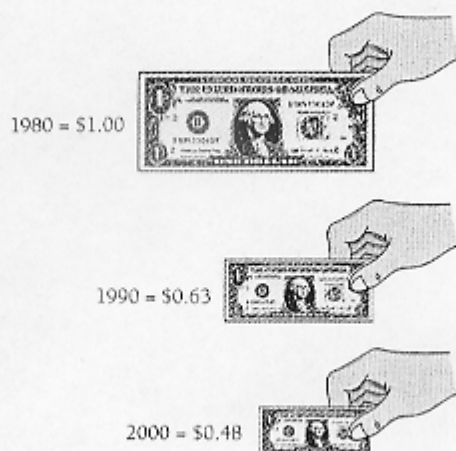


FIGURE 3.37. The lengths of the dollars are proportional to their spending power, but our eyes are drawn to the areas, which decline more than the lengths.

The easiest person to deceive is one's own self.

— EDWARD BULWER-LYTTON

greater factor of $4^3 = 64$. Thus, the figure makes the increase look much larger than it really was.

Watch the Scales

Figure 3.39 is a multiple bar graph showing home ownership in the United States. At first glance, it appears that the percentage of people owning their own homes rose much faster during the period 1940–1990 than it did during the 1990s. But look at the horizontal scale more closely: The first six categories each represent years that are a decade apart, while the last two categories represent the years 1996 and 1997. In fact, if the small increase from 1996 to 1997 were repeated each year for an entire decade, the increase would not look much different from the trends in earlier decades. This graph is misleading on first impression because it does not use a uniform scale for the horizontal axis.

Time out to think

Based on Figure 3.39 and your own intuition, predict U.S. home ownership rates (by race or Hispanic origin) in 2020. Explain the reasoning behind your predictions.

Homes with Cable TV

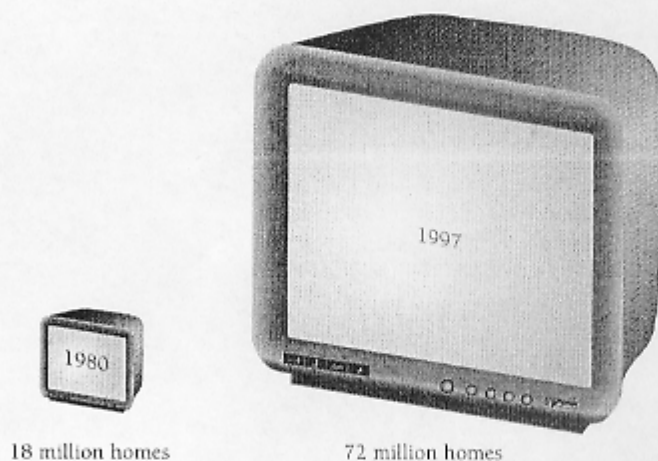


FIGURE 3.38. The heights of the TVs are the important measure in this figure, but our eyes are drawn to their volumes.