

## Lesson 2: Prepping, Packing & Panhandling

### Instructions for **How Much Did Philippine's Journey to the New World Cost?**

Review the **How Much Did Philippine's Journey to the New World Cost?** worksheet (see Student Documents and Activities column).

After the class completes the worksheet, discuss as a class or share in small groups.

**The rate of exchange:** <https://www.merriam-webster.com/dictionary/exchange%20rate>

**What is a piaster? And why is its value of concern?** <https://www.merriam-webster.com/dictionary/piastre> The value of the piaster was used in the exchange of money in 1818. If the value of the piaster was high, the value of the franc did not buy as much foreign currency.

### **The answers to step 2 are:**

Question:

What is the equivalent of 20000 French franc [1795-1960] in year 1817 in the currency of US dollar [1791-2015] in year 1817?

**20000 French francs [1795-1960] in year 1817** could buy the same amount of consumer goods and services in Sweden as **3802.096902802915 US dollar [1791-2015] could buy in Sweden in year 1817.** This comparison should be used if the purpose of the analysis is to compare absolute worth over time rather than relative worth.

Another way to compare the worth of money in different periods is to estimate how much labour power an amount of money could buy. **20000 French francs [1795-1960] in year 1817 was the amount a male worker in Sweden received in wage for 143786.9557730482 hours work. A male worker in Sweden in 1817 received 3802.096902802915 US dollar [1791-2015] in wage for 143786.9557730482 hours worked.** This comparison should be used if the purpose of the analysis is to compare relative worth over time rather than absolute worth.

**20000 French francs [1795-1960] in year 1817 could buy 6005.464669478115 gram gold. The price of 6005.464669478115 gram gold in year 1817 was 3802.096902802915 US dollar [1791-2015].**

**20000 French francs [1795-1960] in year 1817 could buy 90742.5711558141 gram silver. The price of 90742.5711558141 gram silver in year 1817 was 3802.096902802915 US dollar [1791-2015].**

**The answers to step 4 are:**

In 2016, the relative *price* worth of **\$3,802.00** from 1817 is:

**\$70,800.00** using the [Consumer Price Index](#)

**\$78,100.00** using the [GDP deflator](#)

In 2016, the relative *amount consumers spend* worth of **\$3,802.00** from 1817 is:

In 2016, the relative *wage or income* worth of **\$3,802.00** from 1817 is:

**\$778,000.00** using the [unskilled wage](#)

**\$2,580,000.00** using the [Production Worker Compensation](#)

**\$2,500,000.00** using the [nominal GDP per capita](#)

In 2016, the relative *output* worth of **\$3,802.00** from 1817 is:

**\$92,100,000.00** using the [relative share of GDP](#)