Exercise 39

For the following exercises, use the median home values in Mississippi and Hawaii (adjusted for inflation) shown in Table 2. Assume that the house values are changing linearly.

Year	Mississippi	Hawaii
1950	$25,200	$74,400
2000	$71,400	$272,700

Table 2

In which state have home values increased at a higher rate?

Solution

Take the ratio of the prices in each state to determine how much they've increased.

$$\text{Mississippi}: \qquad \frac{71\,400}{25\,200} = \frac{17}{6} \approx 2.83$$

$$\text{Hawaii}: \qquad \frac{272\,700}{74\,400} = \frac{909}{248} \approx 3.67$$

The price in Hawaii increased at a higher rate.