



# The Grocery Bag Index

**The "GBI" tells you how the economy is affecting your pocketbook!**

Forget the stock market index, housing starts, the index of leading economic indicators, employment statistics, retail sales, wholesale prices, the consumer confidence index, etc. The best way for most people to determine how the economy is affecting them is with the Grocery Bag Index. The GBI measures how far a dollar goes to purchase the things people buy every day.



**The cost of a bag of groceries yesterday, today and tomorrow.**

	1961	1976	1999	2010
Bread.....	\$0.21	\$0.35	\$0.89	\$1.37
Chuck Roast.....	0.59	0.97	1.84	2.83
Coffee .....	0.74	1.87	3.43	5.28
Lettuce (Head) .....	0.18	0.48	0.67	1.04
Milk (½ Gallon).....	0.52	0.83	1.71	2.64
Tomatoes.....	0.30	0.58	1.37	2.11
<b>Total .....</b>	<b>\$2.54</b>	<b>\$5.08</b>	<b>\$9.91</b>	<b>\$15.26</b>

Remember 1961? John F. Kennedy was president, Elvis was singing "Don't Be Cruel" and everyone was watching Perry Mason on TV.  
*The GBI doubled from 1961 to 1976.*

Remember 1976. America's bicentennial, Jimmy Carter was president, Rocky was the hit movie and people were listening to disco music.  
*The GBI rose over 150% between 1976 and 1992.*

And where will prices be in the year 2010?  
*If prices grow 4% a year, the same bag of groceries will cost \$15.26. That's a 54% increase!*

Since you cannot do anything to reduce inflation, what can you do to protect your purchasing power? **Control your taxes!** Taking control of your taxes can help you keep up with a rising Grocery Bag Index.

**Controlling your taxes can keep you ahead of the Grocery Bag Index!**

\* 1999 prices are as of 10/05/00. Source: U.S. Bureau of Labor Statistics Retail Food Index and Putnam research. Prices are in dollars per pound, unless otherwise noted. The information contained herein is prepared for your use by Essex National Securities, Inc.

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