

# Computer Prices

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**FIGURE 3-3. Declining Computer Prices Have Fueled an Explosive Growth in Computer Power**

The prices of computers and peripheral devices such as printers are measured in terms of the cost of purchasing a given bundle of characteristics (such as memory or speed of calculations). The price of computer power has fallen more than a hundred-fold since 1972. Falling prices along with higher incomes and a greater variety of uses has led to a 5000-fold growth in the quantity of computers purchased. (Source: Department of Commerce estimates of real output and prices. Note that the data are plotted on ratio scales.)

