



Percentage Increase and Decrease

Example

A house price of £225,000 was reduced by 5%. What is the new price?

Method 1

Step 1 Work out 5% of the asking price

$$225000 \times 5\% = \text{£}11250$$

Step 2 Reduce the price by this amount

$$225000 - 11250 = \text{£}213750$$

Method 2

Step 1 If the price has been reduced by 5%, then the new price is

$$100\% - 5\% = 95\%$$

Step 2 Calculate 95% of the initial price

$$225000 \times 95\% = \text{£}213750$$

Therefore the new price is £213,750.

Example

The number of graduates is expected to increase by 4% next year. If 41,000 students graduate this year, how many are expected to graduate next year?

Method 1

Step 1 Find 4% of 41000

$$41000 \times 4\% = 1640$$

Step 2 Add this to the initial total to find the new total

$$41000 + 1640 = 42640$$

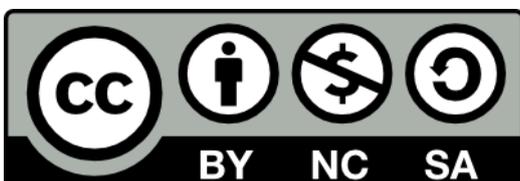
Method 2

Step 1 If the figure is increasing by 4%, then next year's total will be 104% of this year's.

Step 2 Get 104% of this year's total

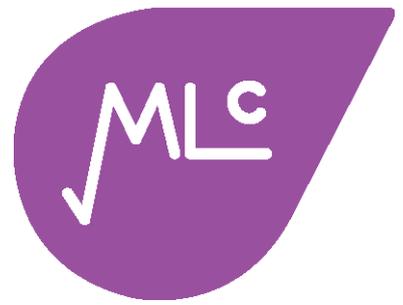
$$104\% \times 41000 = 42640$$

Therefore 42,640 students are expected to graduate next year.



Author Dr Eleanor Lingham
De Montfort University

Moderator Dr Julie Crowley
Cork Institute of Technology



Example

<u>Sector</u>	<u>Number</u>
Voluntary Work	1400
IT	1105
Engineering	2300
Retail	5145
Self-Employed	2110

- (i) *What percentage of the people sampled work in Retail or IT?*

We add together the number of employees in these sections

$$\text{Retail} + \text{IT} = 5145 + 1105 = 6250$$

We also need the total number of people sampled

$$1400 + 1105 + 2300 + 5145 + 2110 = 12060$$

$$\text{Then } 6250 / 12060 \% = 51.82\%$$

- (ii) *What percentage of workers are self-employed?*

We calculate 2110 as a percentage of the total 12060

$$2110 / 12060 \% = 17.5\%$$

- (iii) *A 12% decrease in voluntary workers is expected. What will the new figure be?*

A 12% decrease means that the new figure will be $100\% - 12\% = 88\%$ of the existing figure $1400 \times 88\% = 1232$

- (iv) *If the number of self-employed people increases by 2%, what will the new figure be?*

The new figure will be 102% of the existing figure

$$102\% \times 2110 = 2152.2$$

We round the answer to 2152 people.

Speed Tip!

1. Method 2 can be faster!
2. When you have an answer, have a quick reread of the question to make sure that you have answered all parts. (e.g. were you supposed to round the answer?)



Author Dr Eleanor Lingham
De Montfort University

Moderator Dr Julie Crowley
Cork Institute of Technology