

Result of a 1% Interest Rate Decline

Consumption Change

3.0
2.5
2.0
1.5
1.0
0.5
0.0

- Intertemporal Substitution
- Interest Rate Exposure
- Fisher
- Aggregate Income
- Heterogenous Income

0.00 0.05 0.10 0.15 0.20 0.25 0.30

Proportion of Keynesian Households

