

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

