

# 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

Keynesian Household Debt Level

0.0 0.5 1.0 1.5 2.0

