





Read!

!nconne



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1

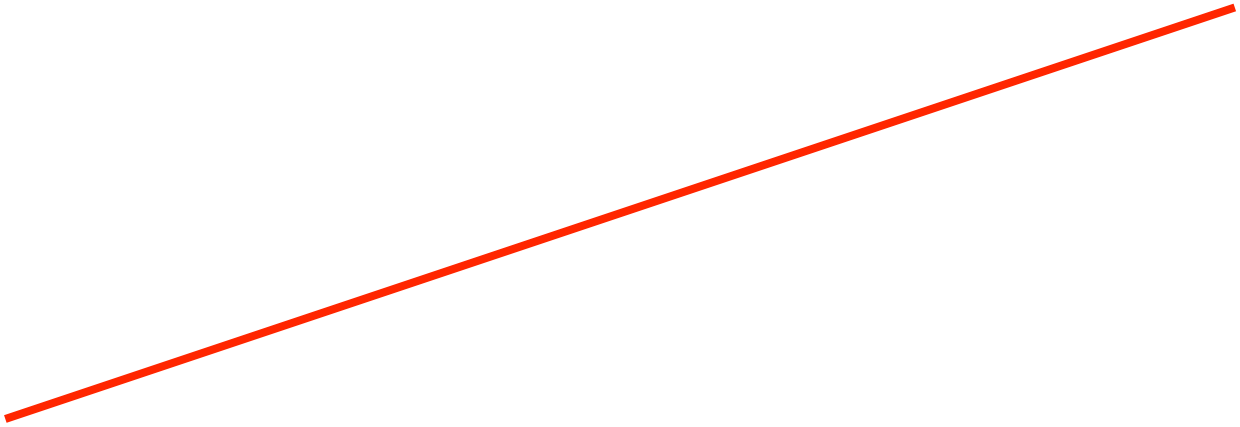
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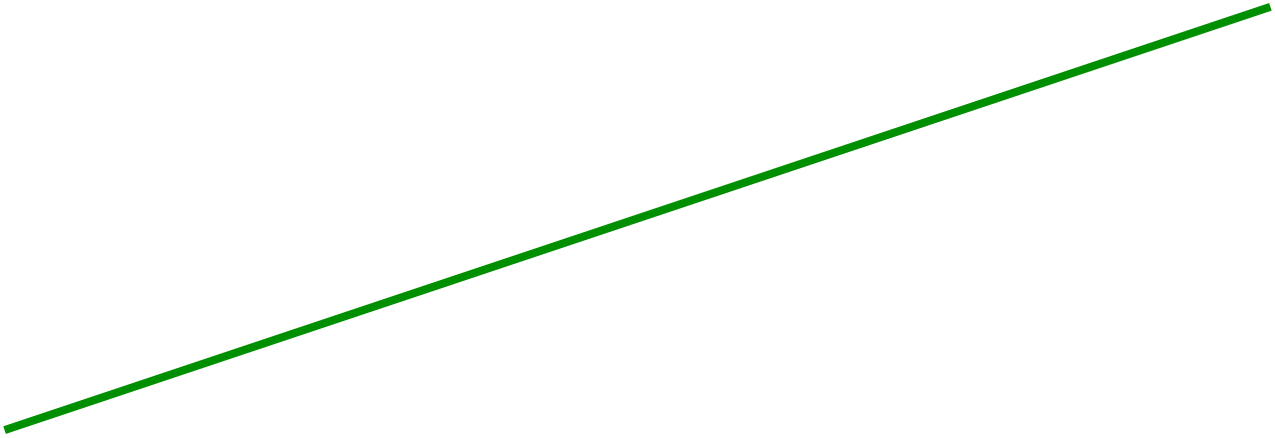
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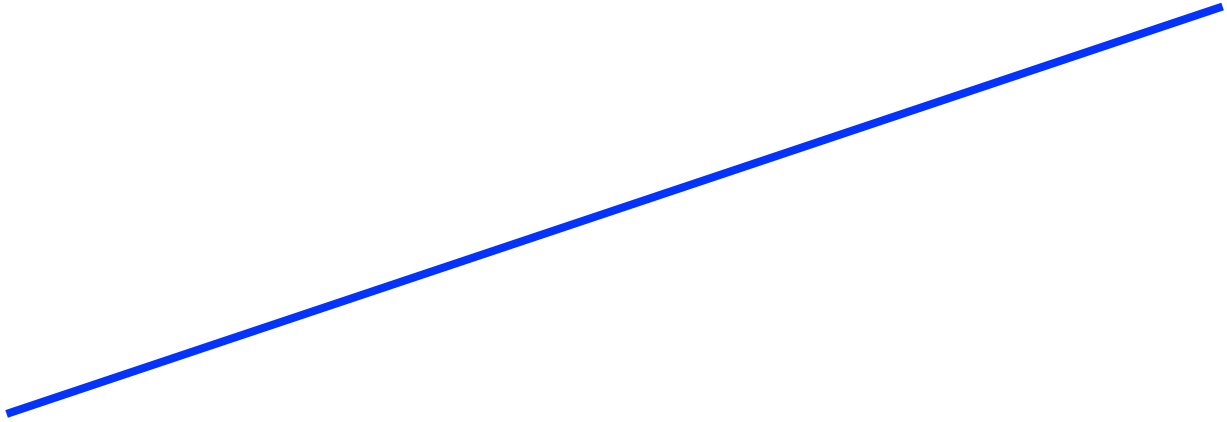
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100

























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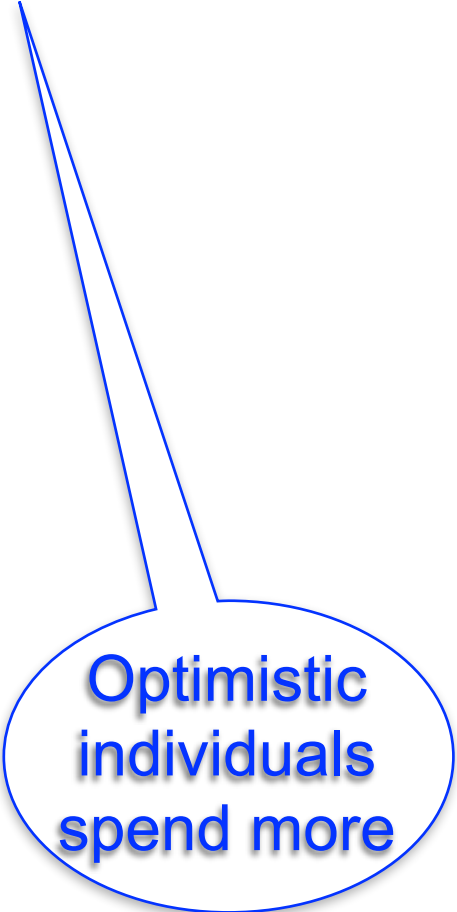
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300







**Optimistic
individuals
spend more**

70%

70%

70%



For all, the MPC = 70%

**These three individuals react the same to a
\$1,000 increase in income**



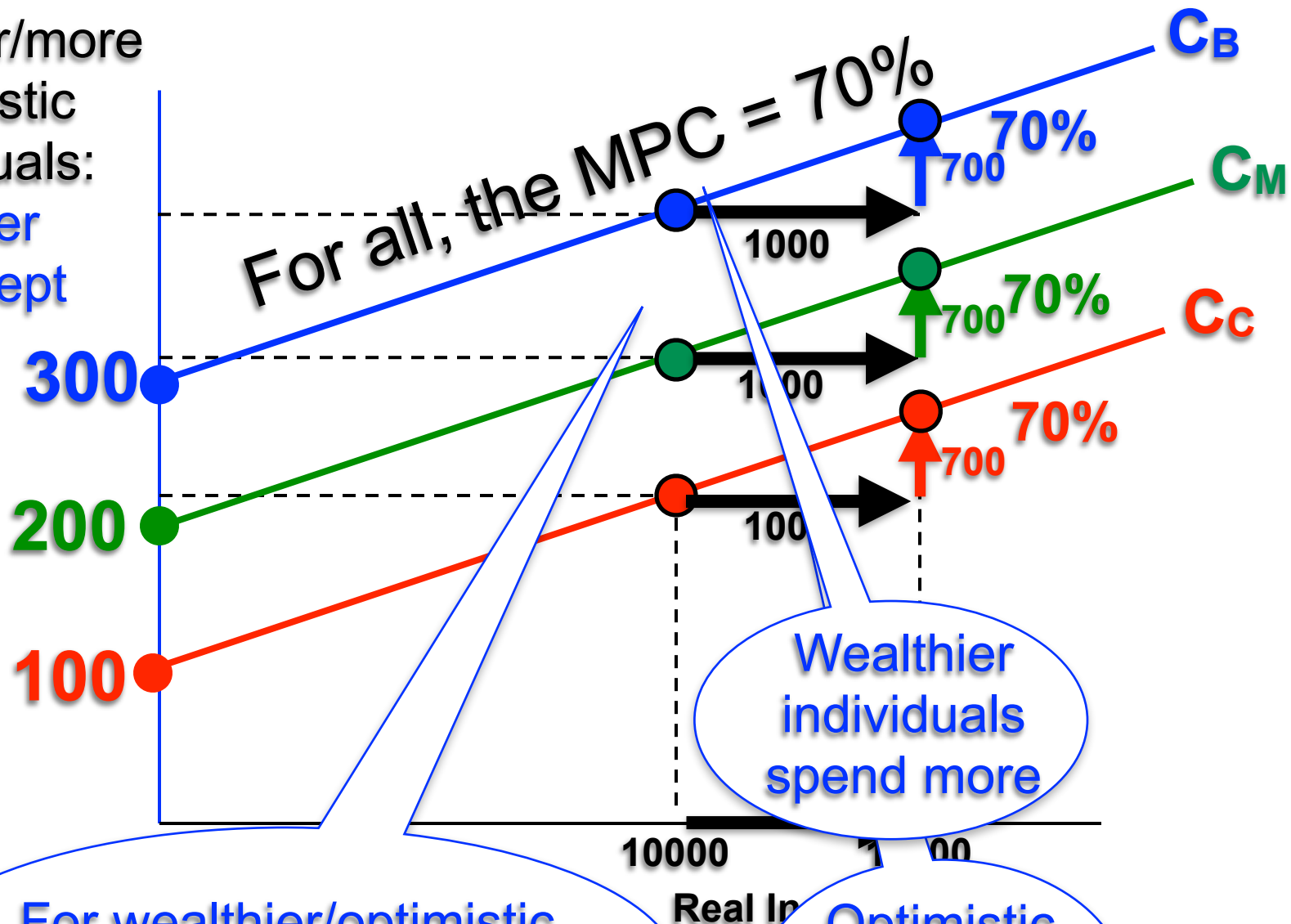
**For wealthier/optimistic
individuals, the Consumption
function is higher**

Wealthier/more
optimistic
individuals:
higher
intercept



**Wealthier
individuals
spend more**

Wealthier/more
optimistic
individuals:
higher
intercept



For wealthier/optimistic
individuals, the Consumption
function is higher

Optimistic
individuals
spend more

