





Y Equilibrium

Y above equilibrium

Leakages

larger than Injections

eakagu

Injections











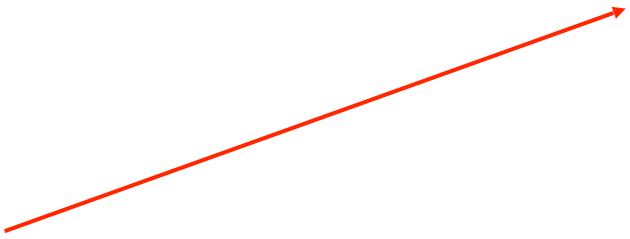
Not enough spending Inventories accumulate

Too much spending inventories fall

Spending = Production inventories do not change







S = -a + MPS*Y









Income that leaks

Injections Larger than

Leakages

Income injected

back

Y below equilibrium







More Income

injected back

leaks than is

More Income injected back

than leaks

