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Scared by pandemic consumers stop going
to restaurants, malls and games

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Restaurants, malls and sports venues sell less. Owners and workers lose income

$$\Delta C = -100 * 0.9 = -90$$

Business owners and workers who lose
income buy less goods, some can't pay rent

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90

Another round of business sell less, go bankrupt and fire workers

AC = -90 * 0.9 = -81

This new round of workers and owners who
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-81

One person's spending cut is someone
else's income drop





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The chain of **lower** income and consumption continues for many rounds to **multiply the decrease in spending** originated by Consumers

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