ΔG=ΔT=+70 simultaneous Increase

$$\Delta Y = \Delta G = \Delta T = +70$$

$\Delta C = \text{Zero}$

Change in Consumption

Change in Deficit

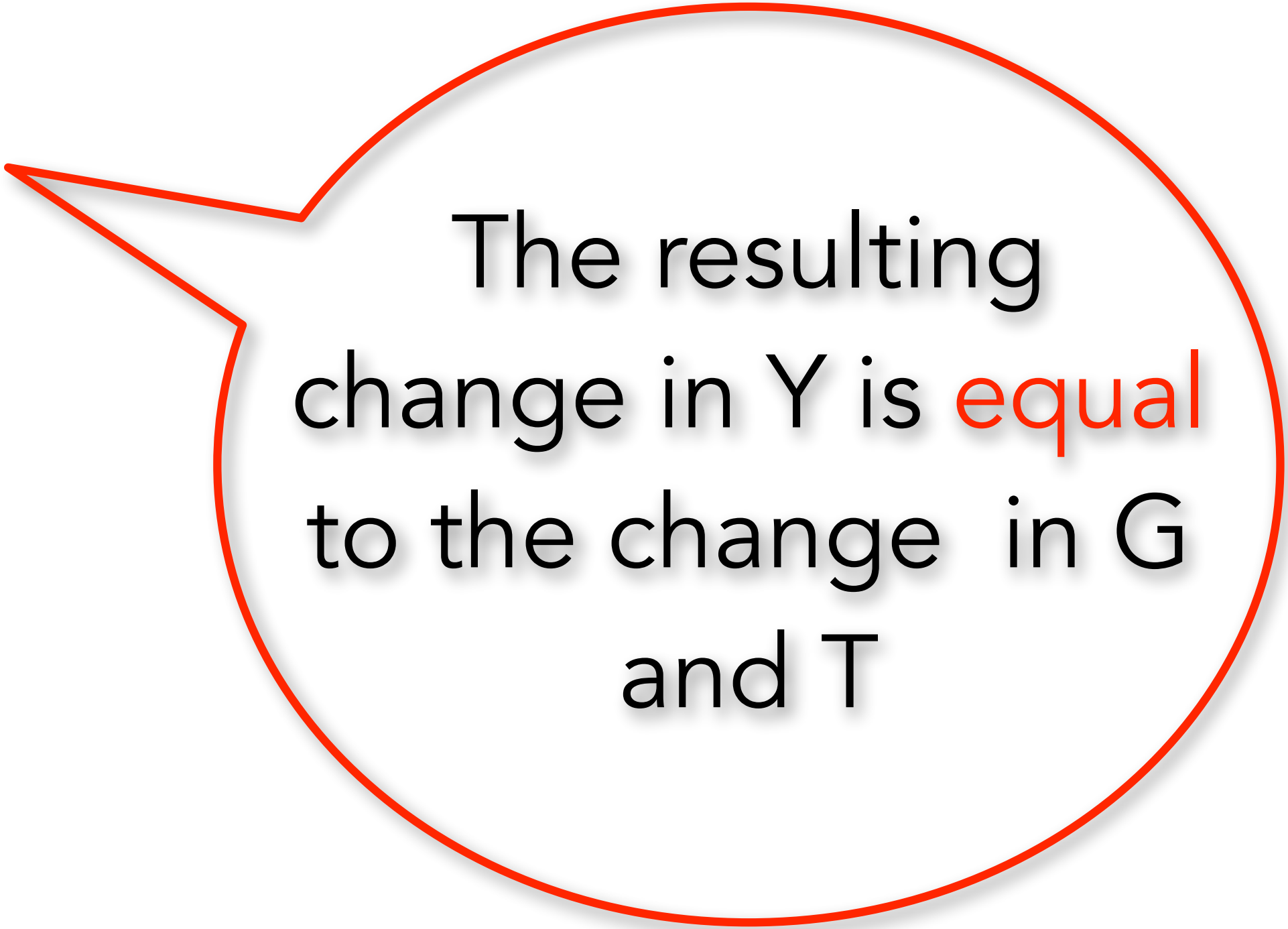
Δ Deficit = Zero

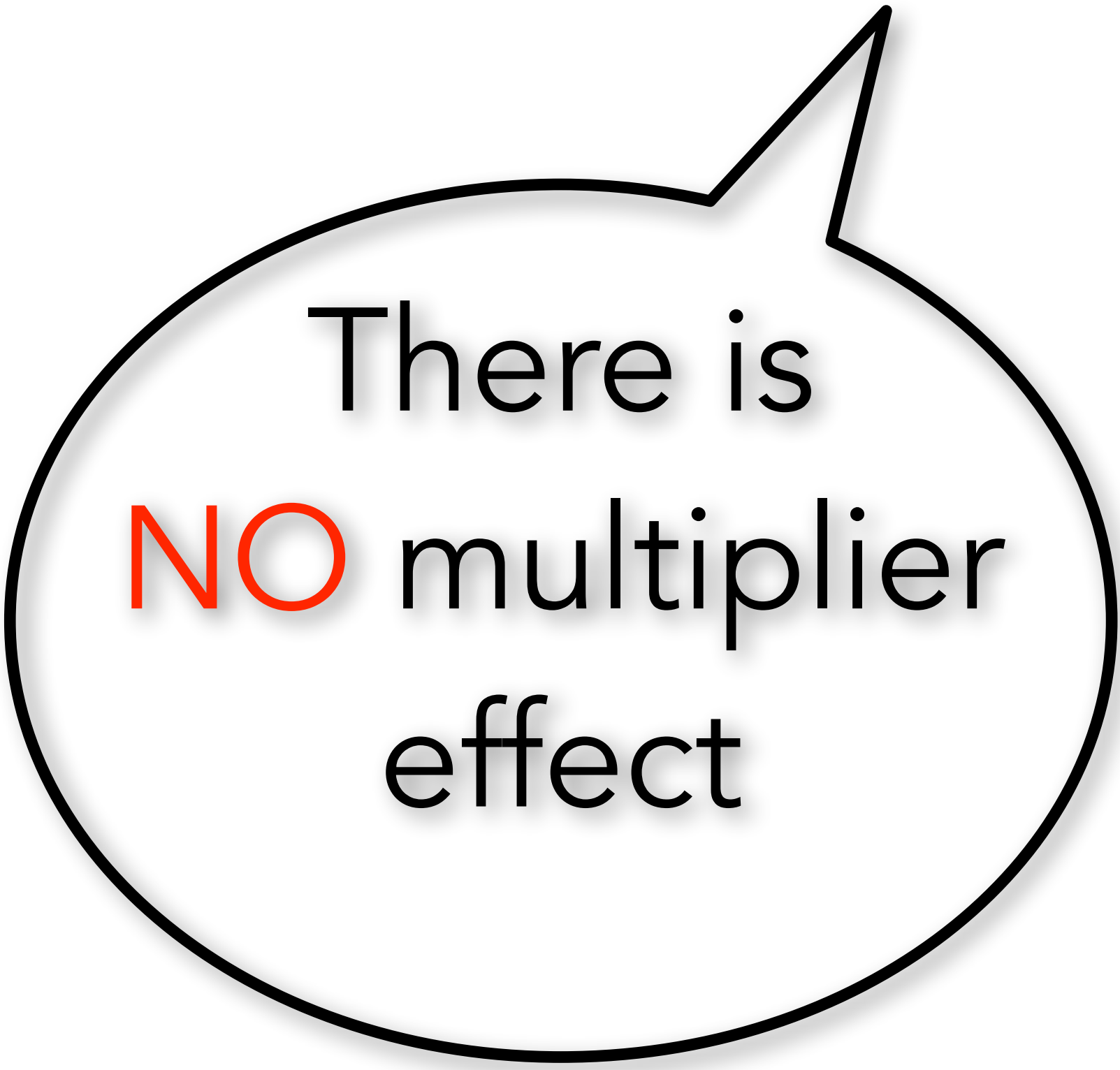
Balance Budget Multiplier

Change in Equilibrium GDP

$$= 1$$

This is a
“balanced budget”
change in taxes and
Spending


The resulting
change in Y is equal
to the change in G
and T


There is
NO multiplier
effect

ΔG=ΔT=+70 simultaneous Increase

Change in Equilibrium GDP

$\Delta Y = \Delta G = \Delta T = +70$

Balance Budget Multiplier

= 1

There is NO multiplier effect

Change in Consumption

ΔC = Zero

The resulting change in Y is equal to the change in G and T

Change in Deficit

Δ Deficit = Zero