







$S + T + M$

I

+

G

+

X

Y

Equilibrium



Y above equilibrium

Leakages
larger than
Injections

Leakages

Injection











Not enough
spending Inventories
accumulate

Too much
spending
inventories fall

Spending = Production
inventories do not
change









$S \equiv -a + NPRS * Y$

S

+

T

+

M

I

+

G

+

X

=



$M+T$

X

+

G

+

I



Income
that
leaks

Injectons
Larger than
Leakages

Income
injected
back

Y

below equilibrium







More Income
leaks than is
injected back

More Income
injected back
than leaks



