### Government spends more to fix bridges, airports and highways



Construction suppliers sell more, contractors and newly employed workers earn more

income



### Contractors and workers spend their new income on goods and services

### **Income spent** by contractors and workers on goods and services is income received by the seller of those goods and services



## These sellers spend a portion of their new income on goods and services

### One person's spending is someone else's income



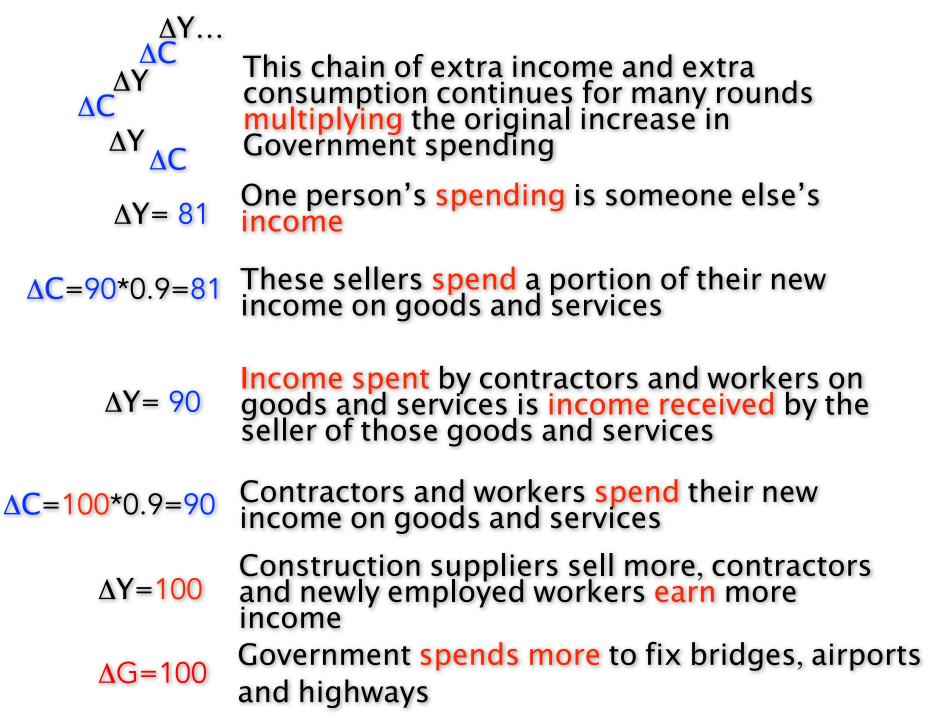








### This chain of extra income and extra consumption continues for many rounds multiplying the original increase in Government spending



# The Multiplier Process