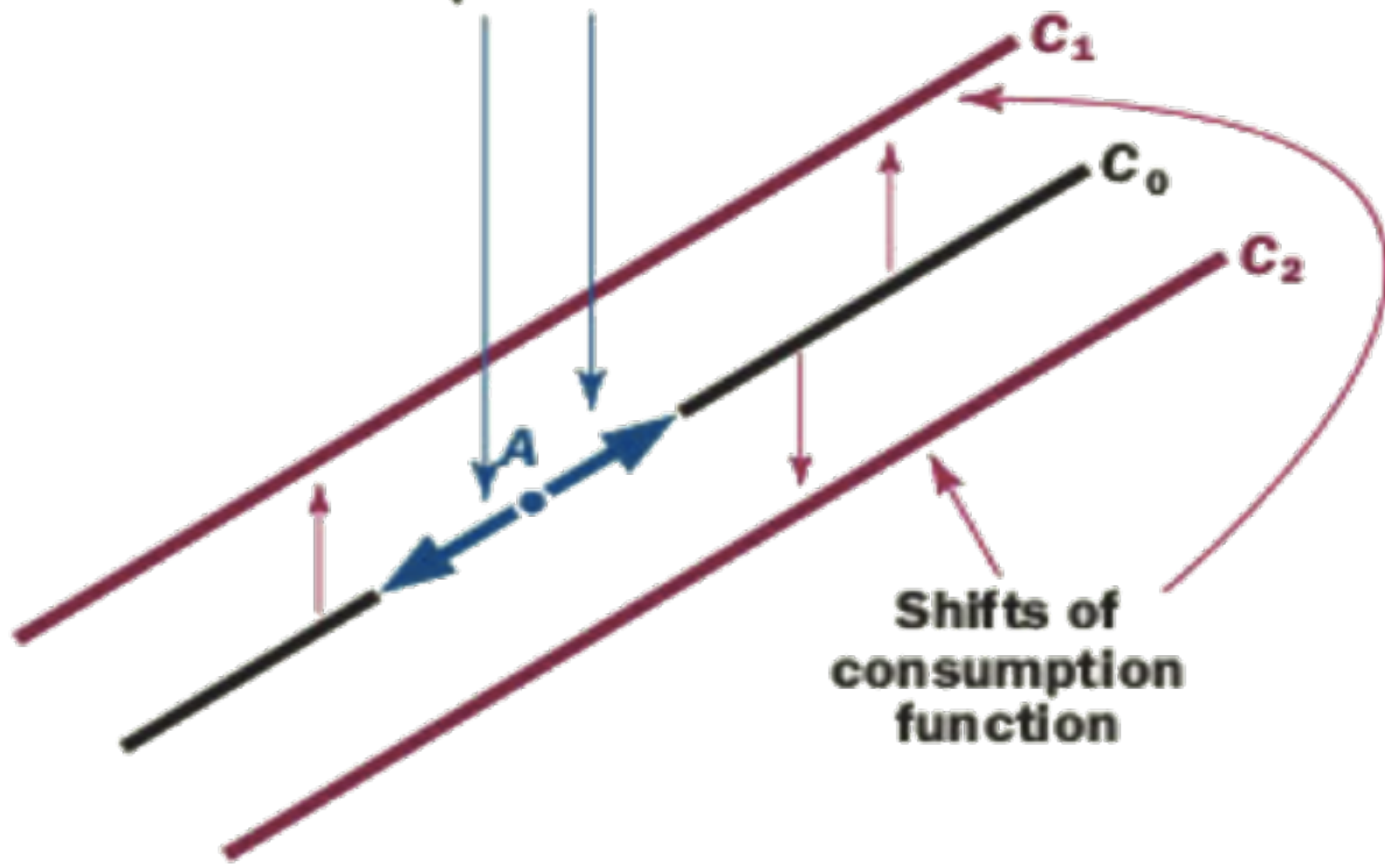




Real Consumer Spending

Movements along
consumption function



Real Disposable Income

Disposable Income = National Income - T_x + T_r

Movement Along result from
changes in:

National Income

Taxes

Transfers

Shifts in Consumption
result from changes in:
Wealth
Expectations
CPI

Chapter 8

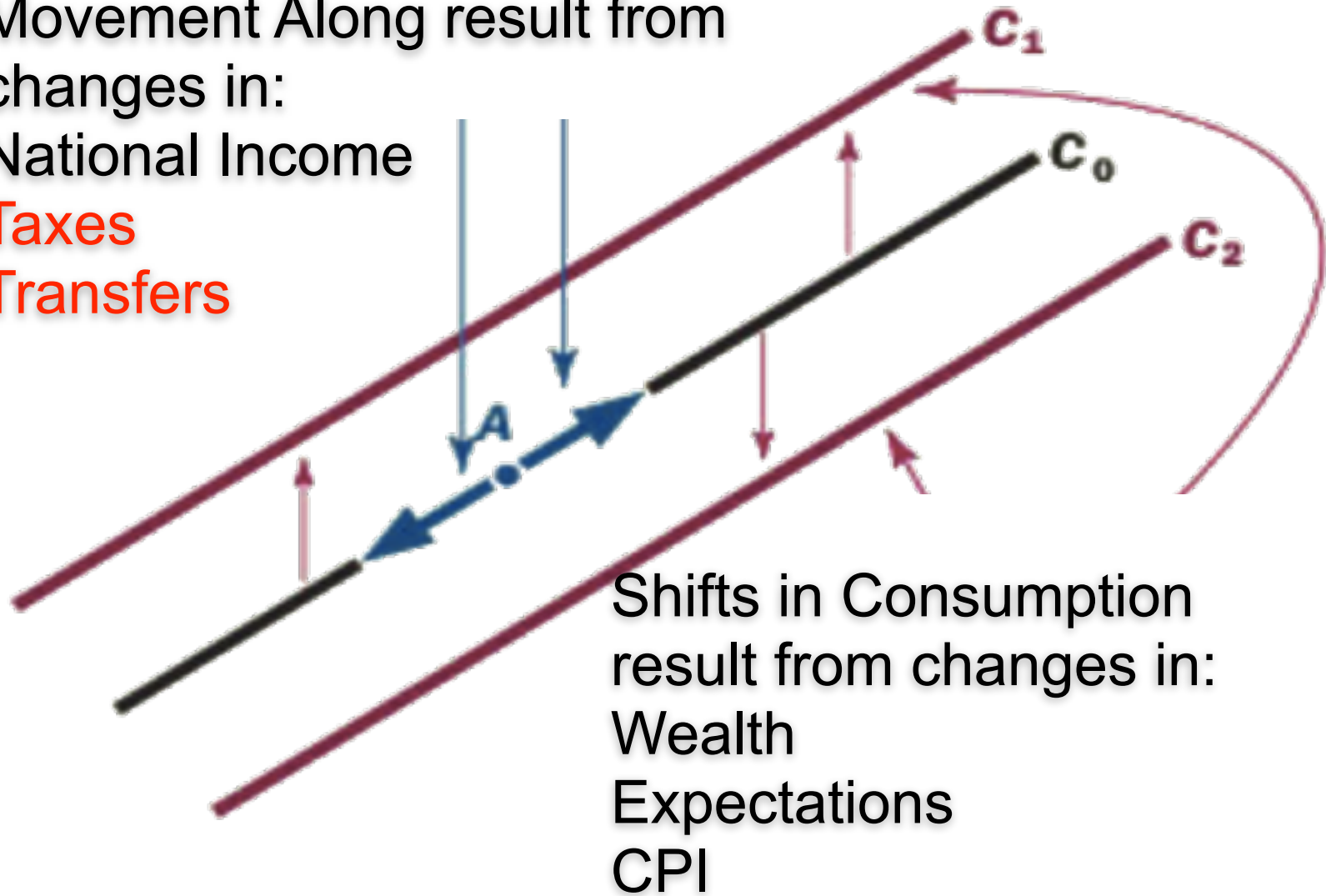
Chapter 8

Movement Along result from
changes in:

National Income

Taxes

Transfers



$$\text{Disposable Income} = \text{National Income} - \text{Tx} + \text{Tr}$$

Real Consumer Spending

c

Real GDP

