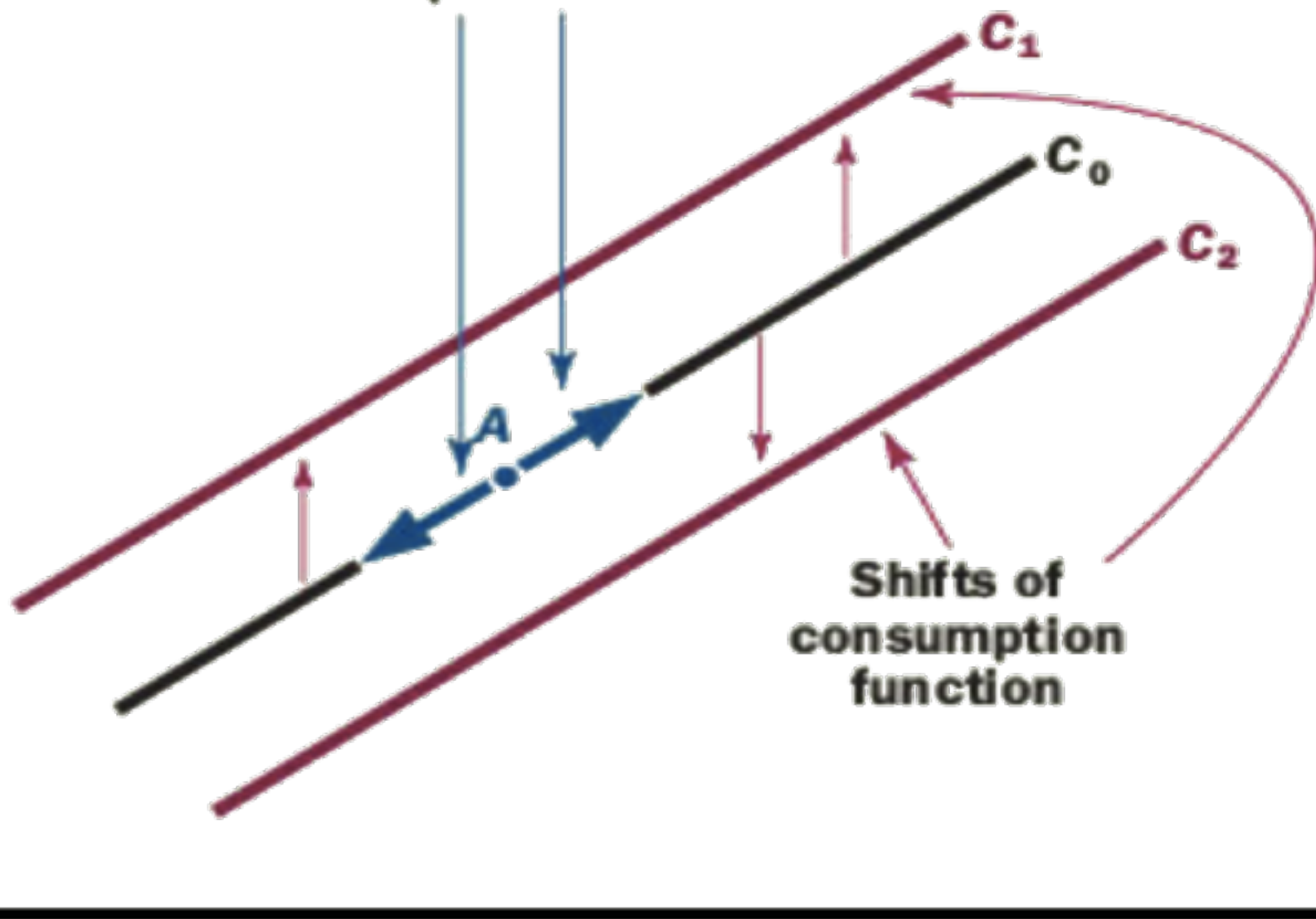






Real Consumer Spending

Movements along  
consumption function



Shifts of  
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

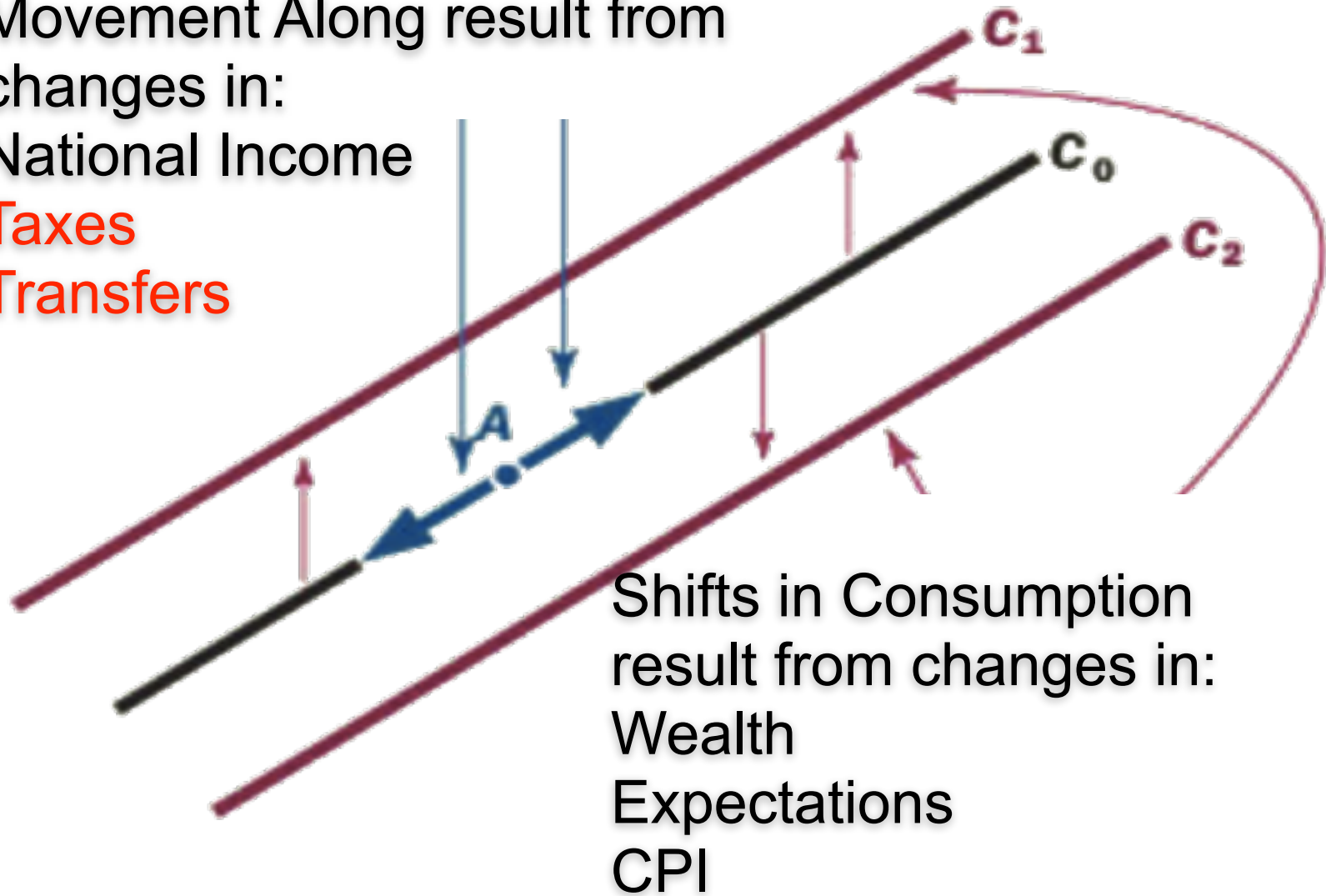
# Chapter 8

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

