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Lenders are individuals who need to earn interest on their savings:

◆ Retired individuals who live on the interest of their accumulated savings

✦ Middle age individuals who save for retirement



Banks





Everyone!



Who are Lenders?

A red pentagon outline is centered on a white background. Inside the pentagon, the text "The interest rate is the reward lenders get for postponing consumption" is written in a black, sans-serif font. The word "reward" is highlighted in red.

The interest rate is  
the **reward** lenders  
get for postponing  
consumption



# Who are Lenders?

Lenders are individuals who need to earn on their savings:

- ♦ Retired individuals who live on their accumulated savings
- ♦ Middle age individuals who save for retirement
- ♦ Banks
- ♦ Financial institutions
- ♦ Everyone!

The interest rate is the **reward** lenders get for postponing consumption



# Who are Borrowers?