Government spends more to fix bridges, airports and highways



Construction supplies companies 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



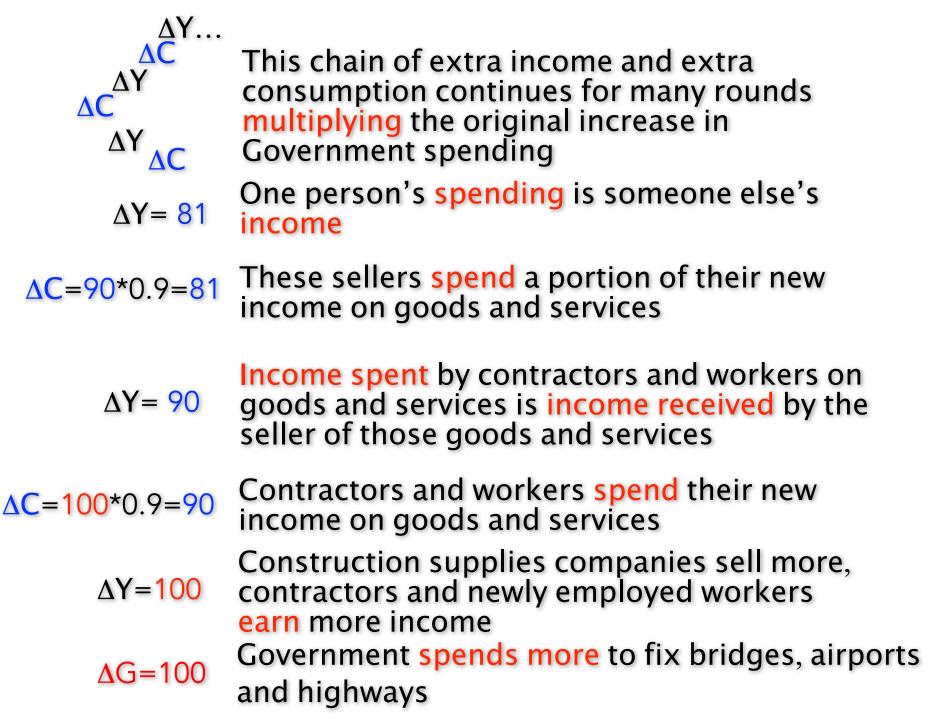








This chain of extra income and extra consumption continues for many rounds multiplying the original increase in Government spending



The Multiplier Process