







**Read!**

**!ncoine**

1

0

0

0

0













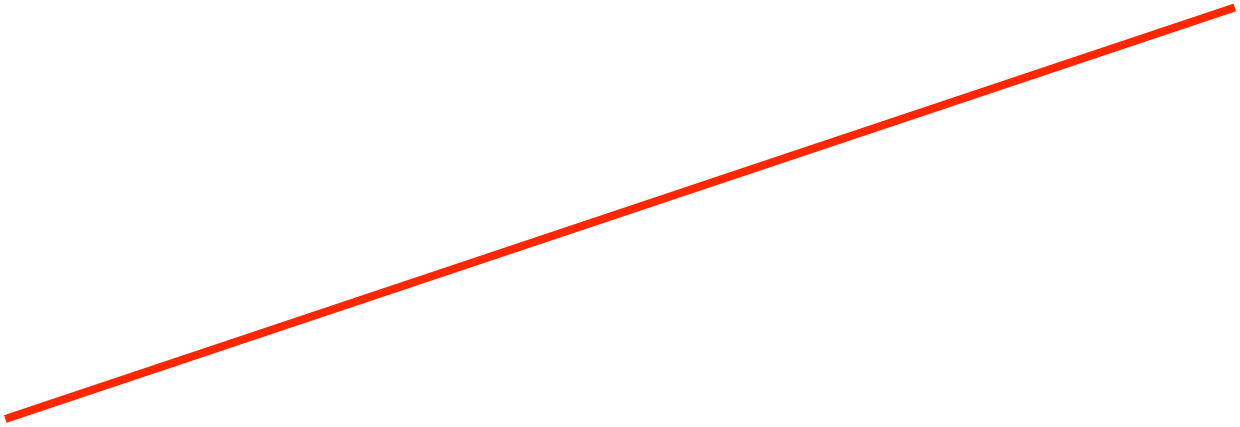
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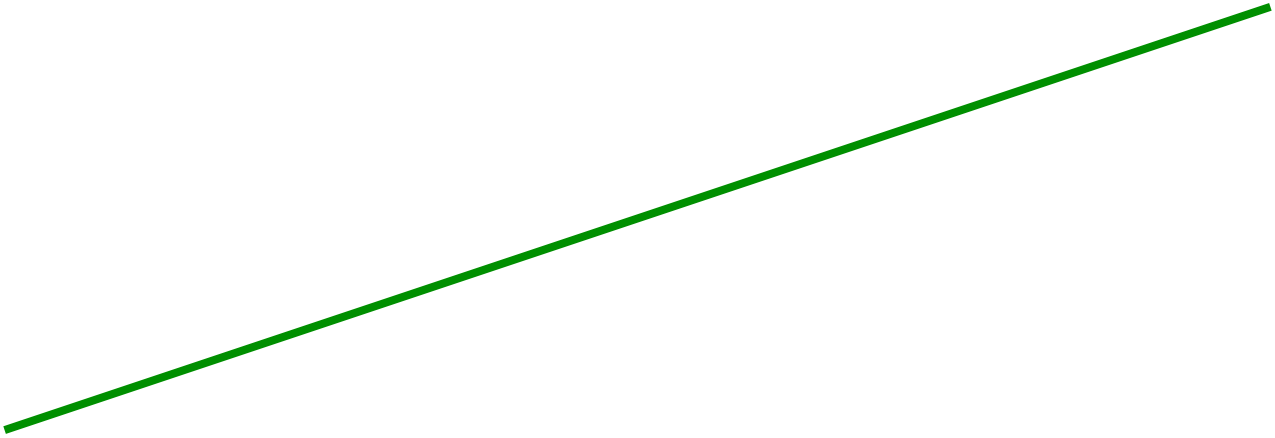
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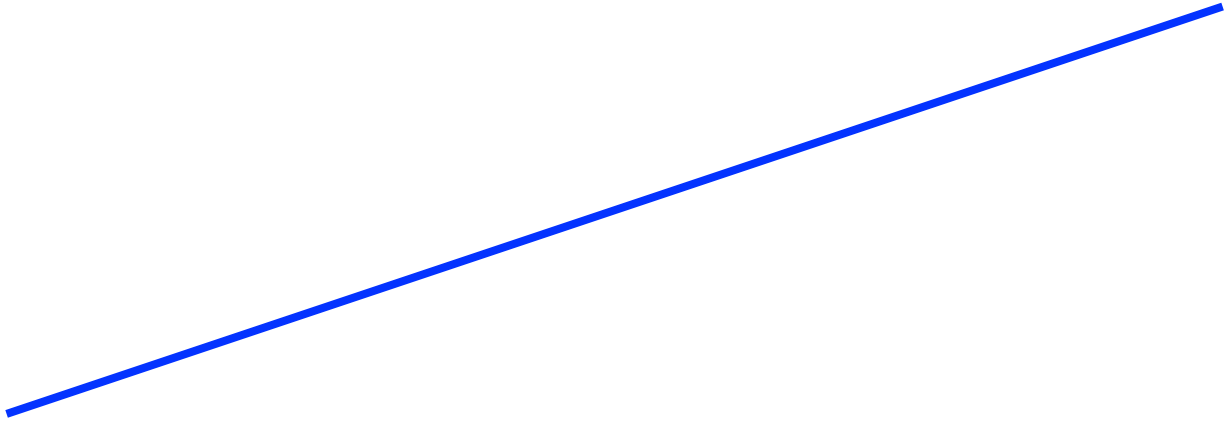
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7500

8,000



8,500

C

c

C

M

C

B











7

0

0

7

0

0

7

0

0

1000

1000

100

**70%**

70%



**70%**



For all, the MPC = 70%

These three individuals react the same to a \$1,000  
increase in income



Wealthier/optimistic  
individuals, spend a **larger  
portion** of their income

$$(7,500/10,000)*100 = 75\%$$

Claudia spends 75% of  
the \$10,000

$$(8,000/10,000)*100 = 80\%$$

Mary spends 80% of the  
\$10,000

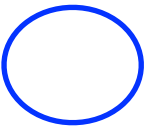
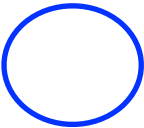
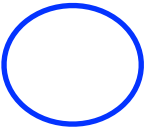
$$(8,500/10,000)*100 = 85\%$$

Bob spends 75% of the  
\$10,000



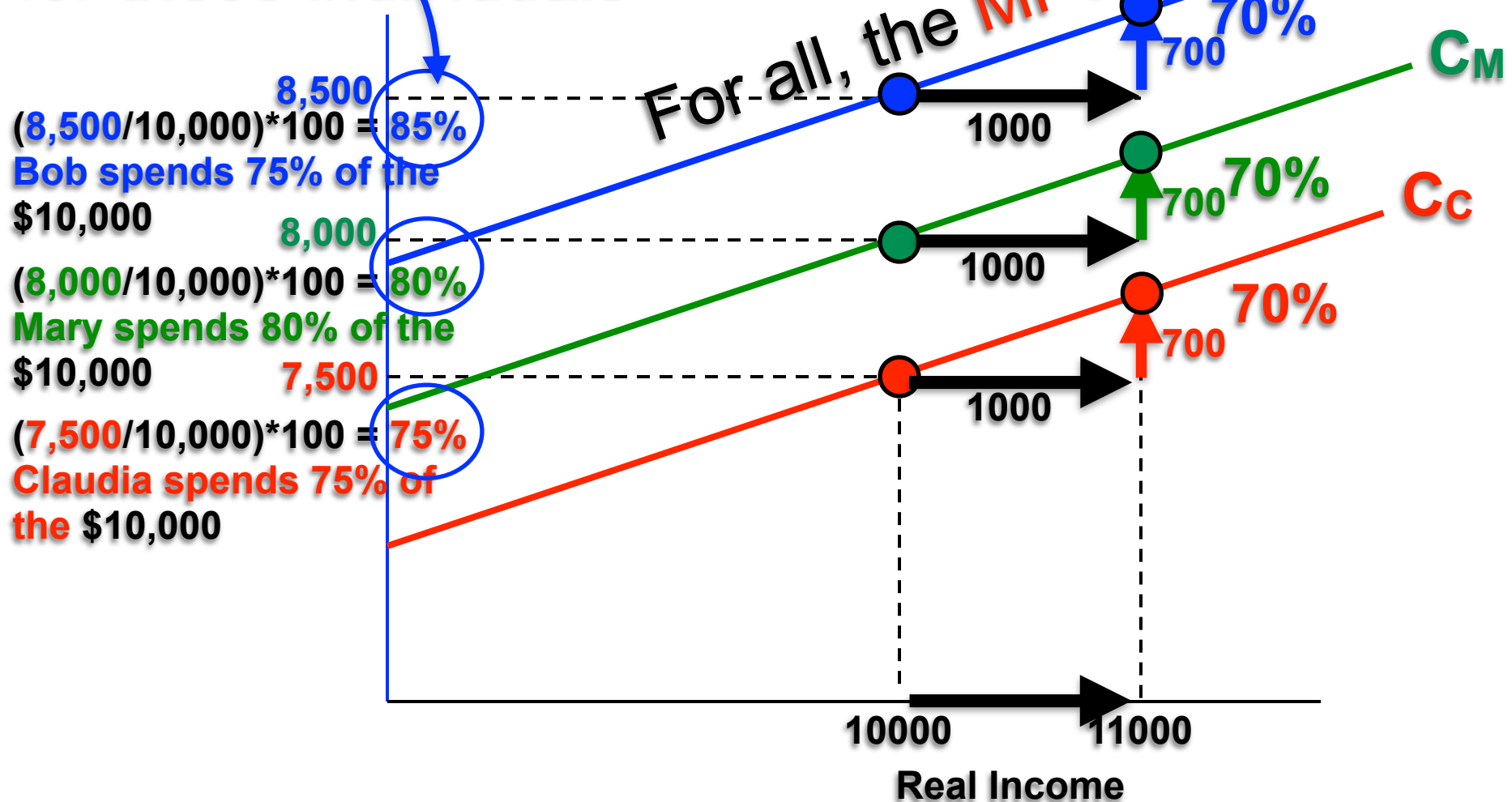
The **portion** of the income spent is called the **Average**  
**Propensity** to **Consume: APC**

The APC is different  
for these individuals





The **APC** is different for these individuals



The **portion** of the income spent is called the **Average Propensity to Consume: APC**

