





$C = 500 + 0.9(10,000)$

C = a + MPCY

C

=

5000

+

9,000

C

=

9,500

,

500

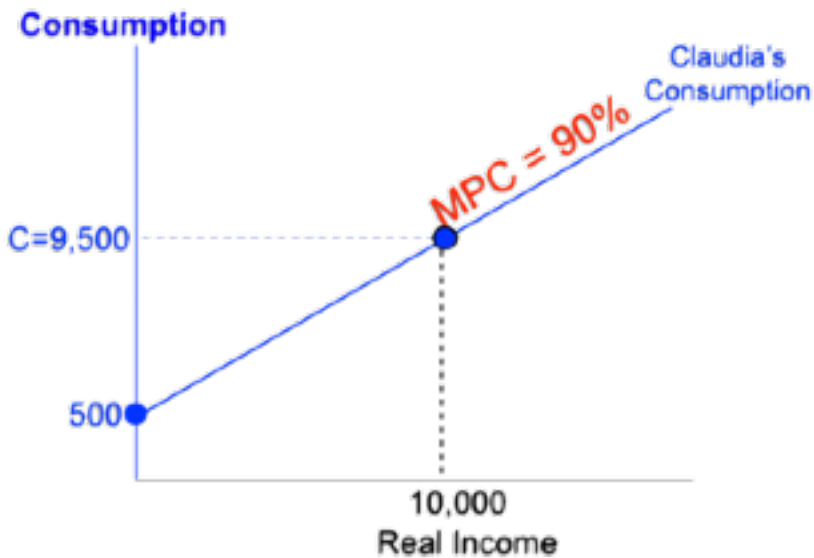
0

0

Claudia's income is \$10,000/month autonomous  
consumption = \$500 and her MPC = 90%

Claudia **lost her job** as a result of the pandemic. She now earns only Unemployment benefits (\$2,000). How will her Consumption change?





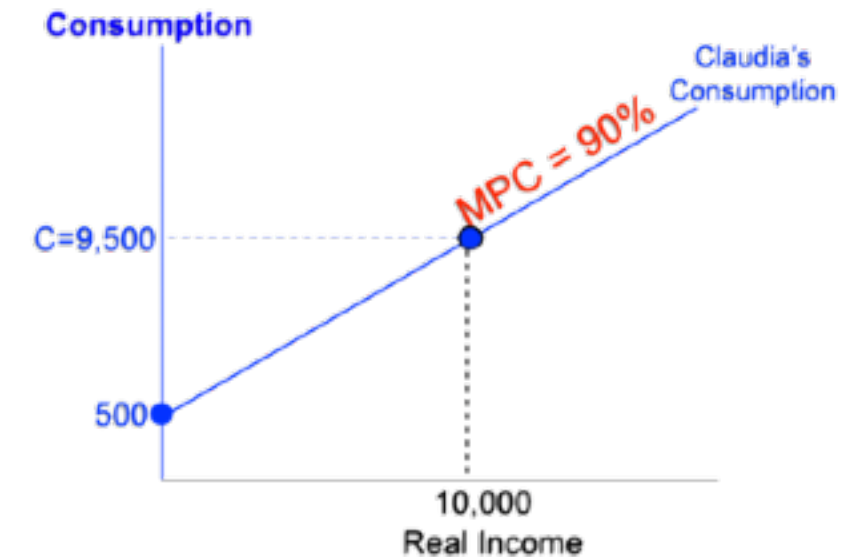
$$C = a + MPCY$$

Claudia's income is \$10,000/month **autonomous consumption** = \$500 and her **MPC = 90%**

$$C = 500 + 0.9(10,000)$$

$$C = 500 + 9,000$$

$$C = 9,500$$



Claudia **lost her job** as a result of the pandemic. She now earns only Unemployment benefits (\$2,000). How will her Consumption change?

$$C = a + MPCY$$

Claudia's old consumption

$$C = 500 + 0.9(10,000)$$

$$C = 500 + 9,000$$

$$C = 9,500$$

