

$\Delta G = \Delta T$ Simultaneous Change

$$\Delta Y = \Delta G = \Delta T$$

AC

=

zero

Change in Consumption

Change in Deficit

Δ Deficit = Zero

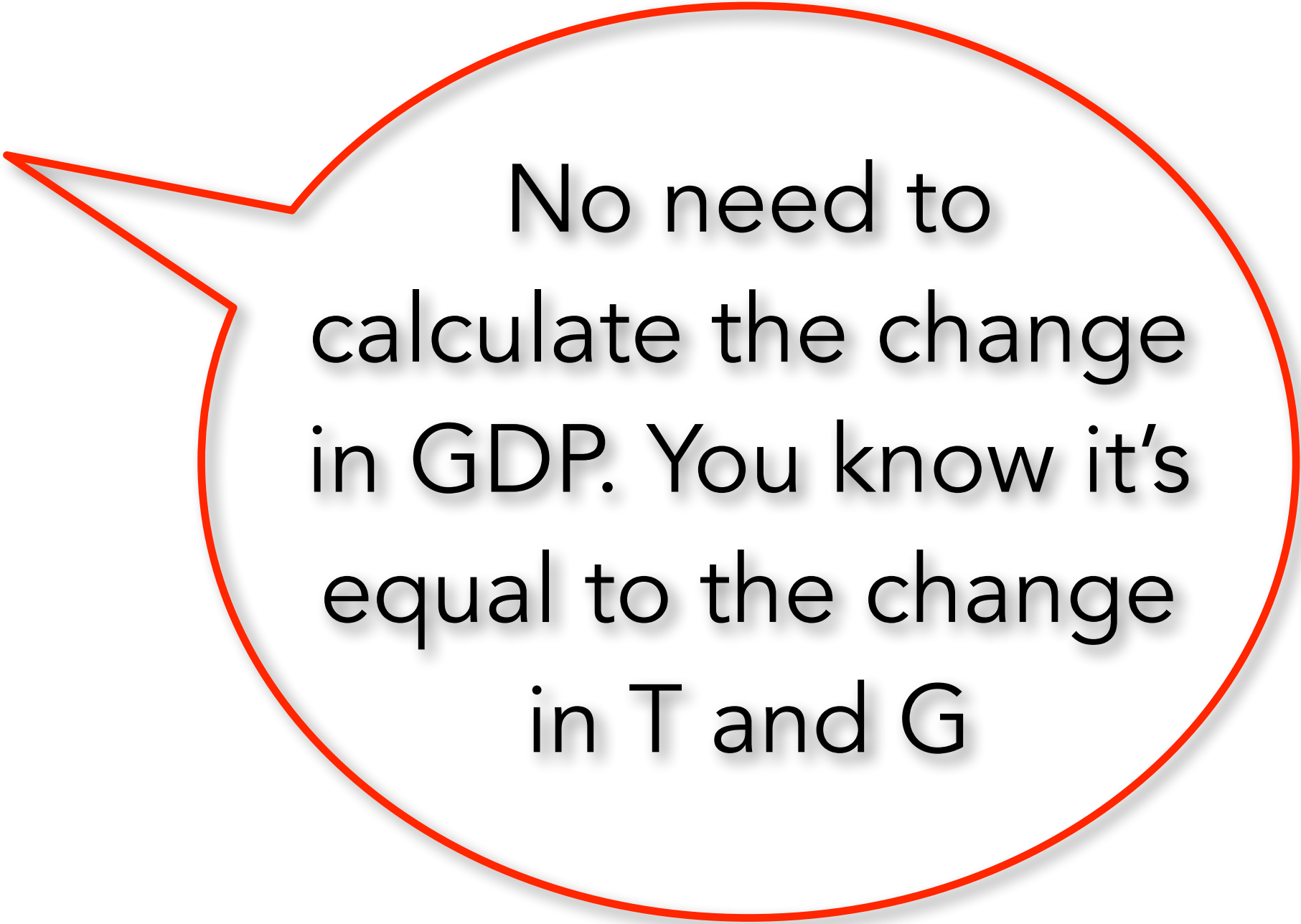
Balance Budget Multiplier

Change in Equilibrium GDP

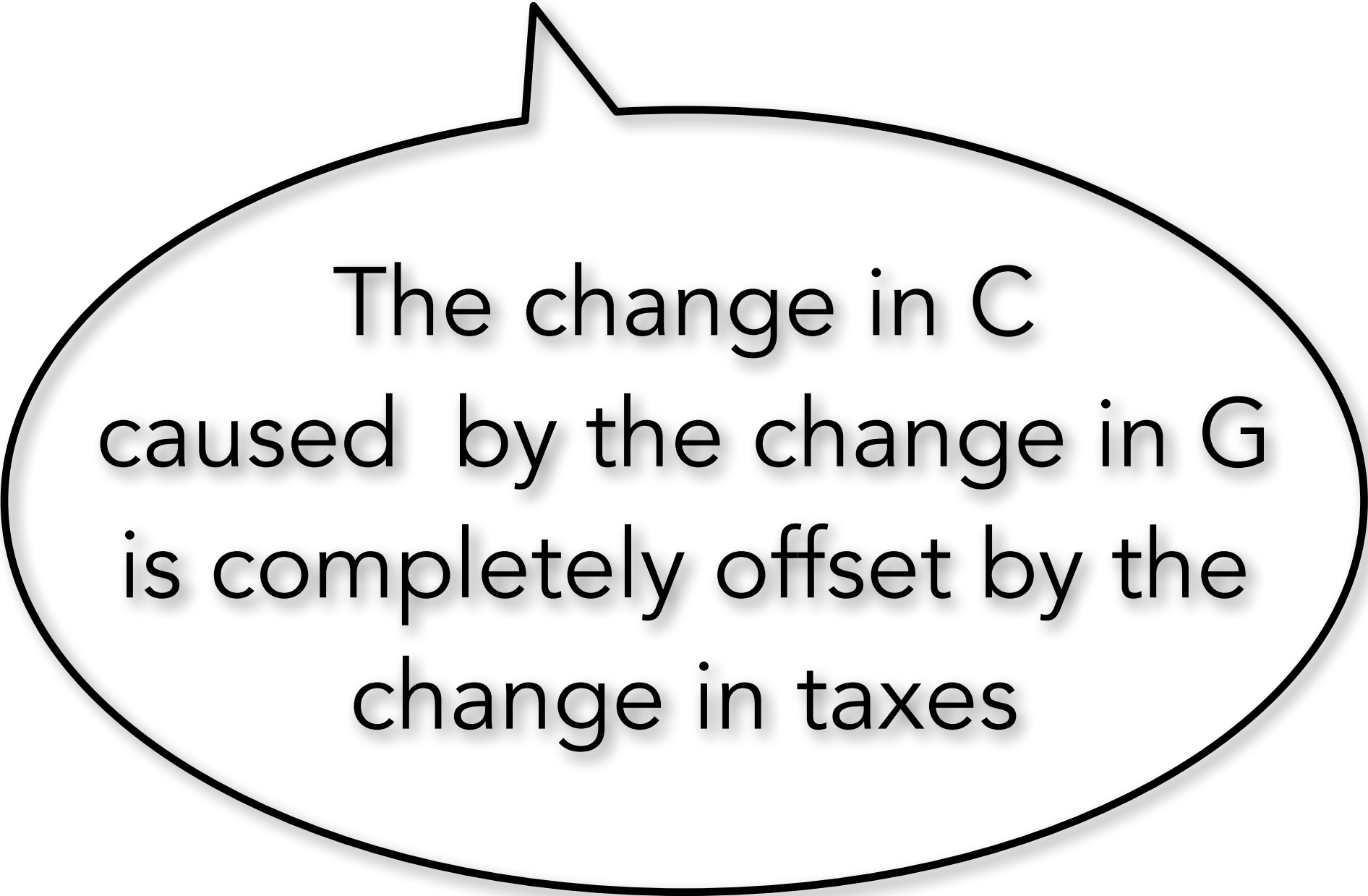
= 1

A blue speech bubble outline with a pointed tail at the top. Inside the bubble, the text "For any simultaneous change in Taxes and Spending" is written in a black, sans-serif font, centered and arranged in four lines.

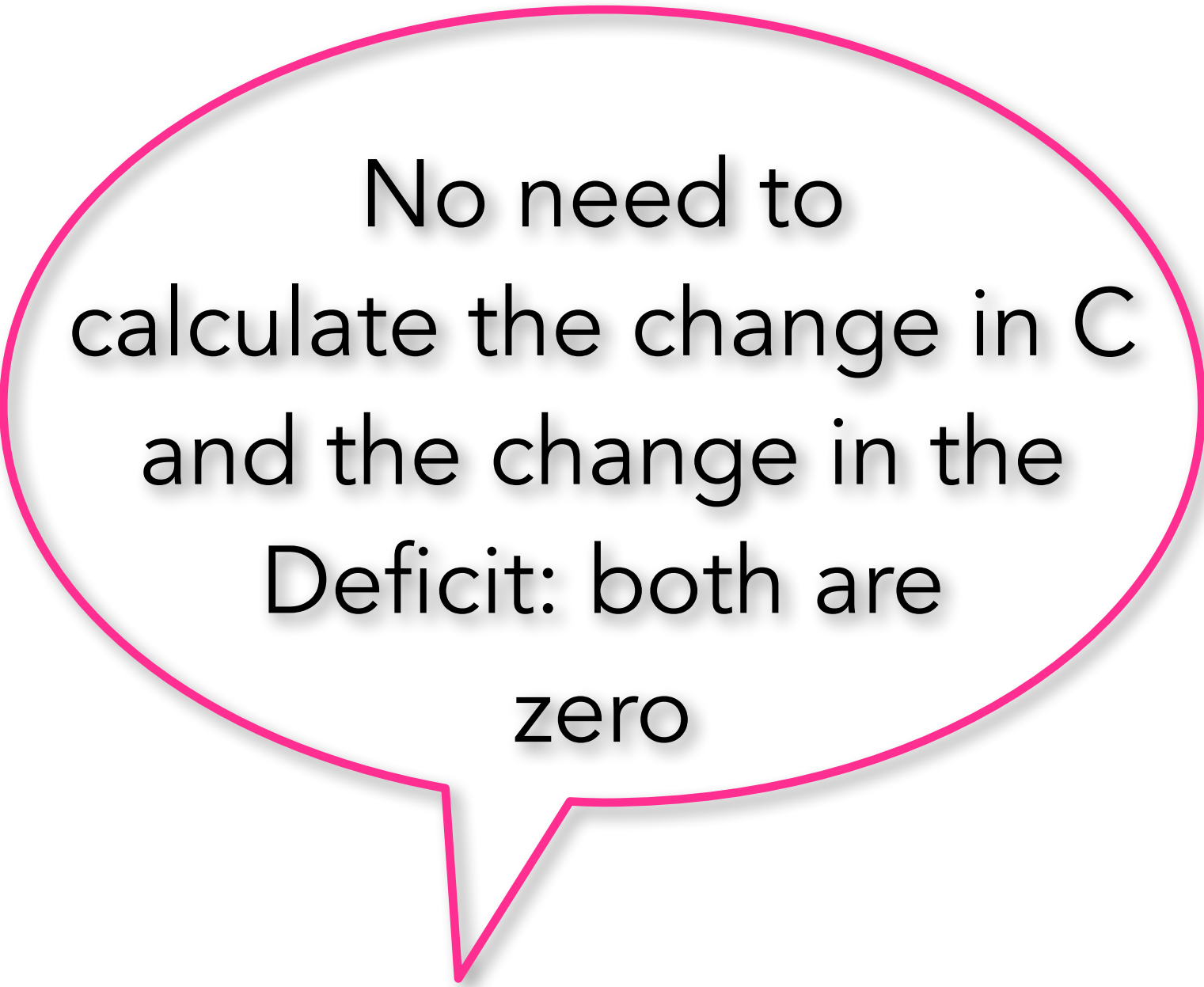
For any
simultaneous change
in Taxes and
Spending



No need to
calculate the change
in GDP. You know it's
equal to the change
in T and G

A black and white speech bubble with a tail pointing towards the top left. Inside the bubble is a text block.

The change in C
caused by the change in G
is completely offset by the
change in taxes



No need to
calculate the change in C
and the change in the
Deficit: both are
zero

No Multiplier

$\Delta G = \Delta T$ Simultaneous Change

Change in Equilibrium GDP

$$\Delta Y = \Delta G = \Delta T$$

Balance Budget Multiplier

$$= 1$$

The change in C caused by a change in G is completely offset by the change in taxes

No Multiplier

No need to calculate the change in C and the change in the Deficit: both are zero

Change in Consumption

$$\Delta C = \text{Zero}$$

Change in Deficit

$$\Delta \text{Deficit} = \text{Zero}$$