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

C = a + MPCY

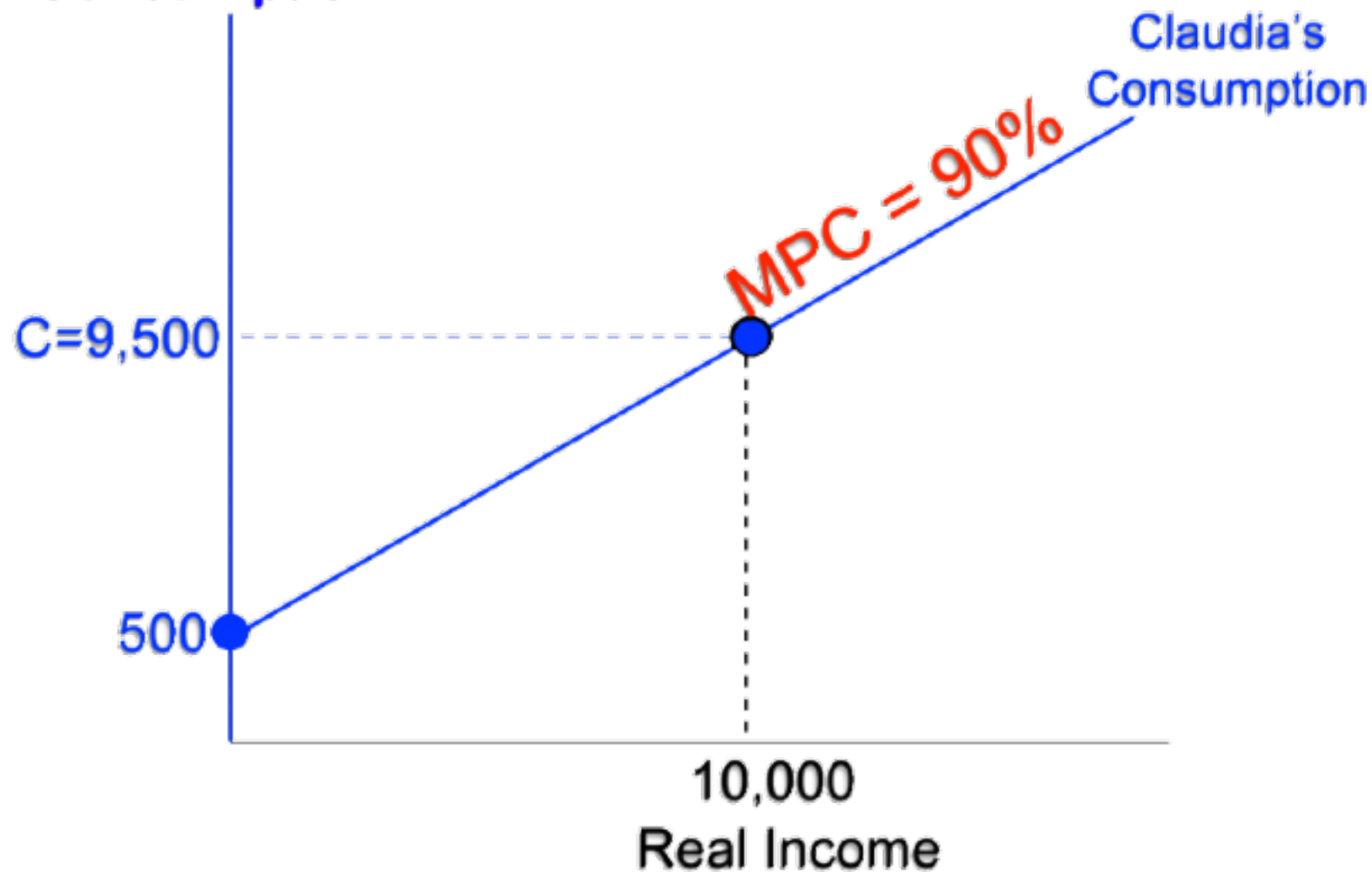
C = 500 + 9,000

C = 9,500

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?

Consumption



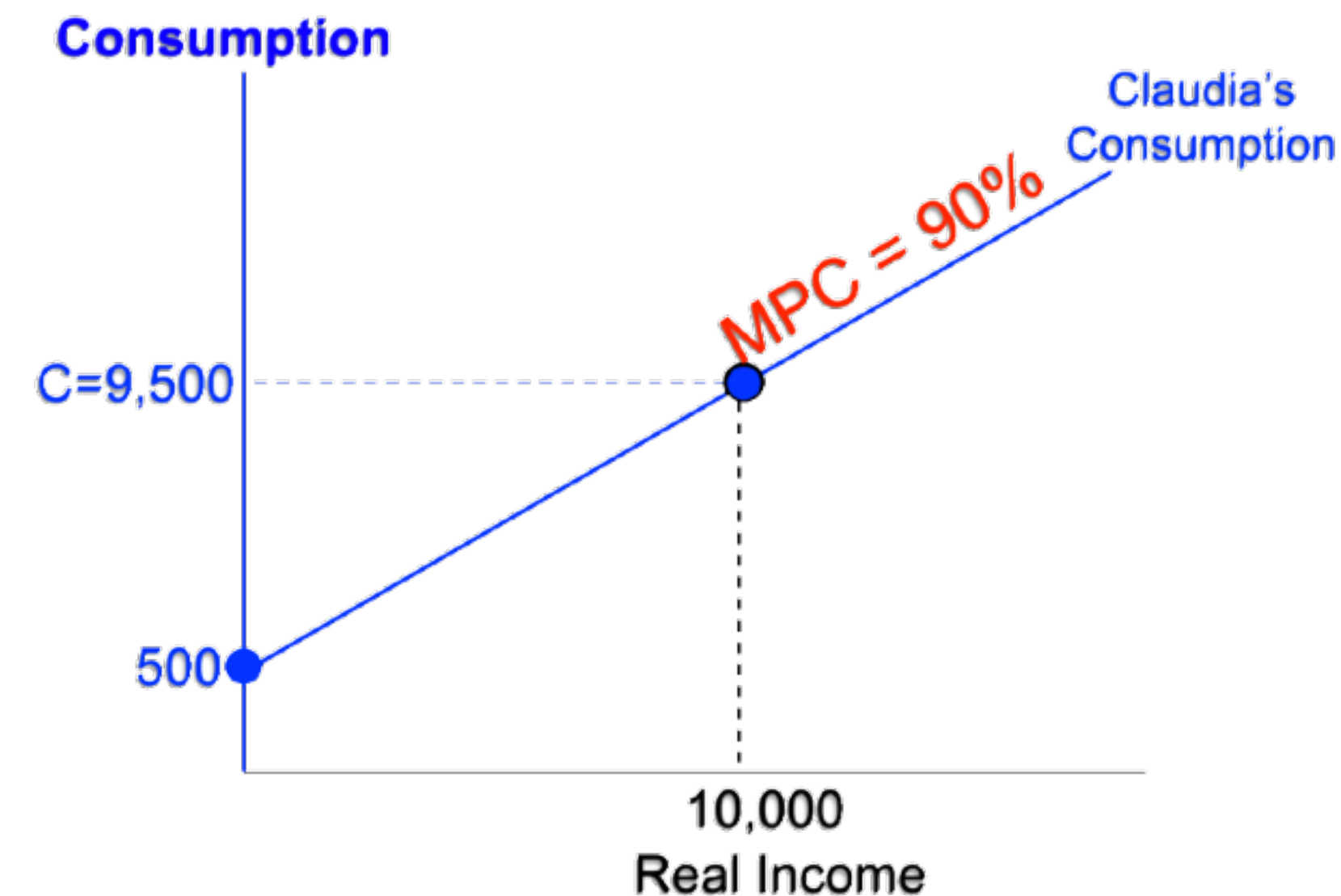
$$C = a + MPCY$$

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

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

$$C = 500 + 9,000$$

$$C = 9,500$$

