
ΔG

$$\Delta Y = \Delta G$$

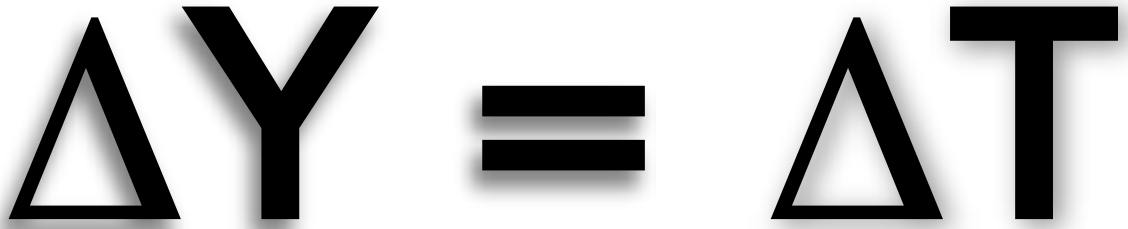
$\Delta C = \Delta Y$ (MPC)

Change in Consumption

Change in Deficit

$$\Delta \text{ Deficit} = \Delta G - \Delta T$$

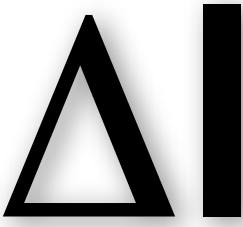

ΔT


ΔY = ΔT

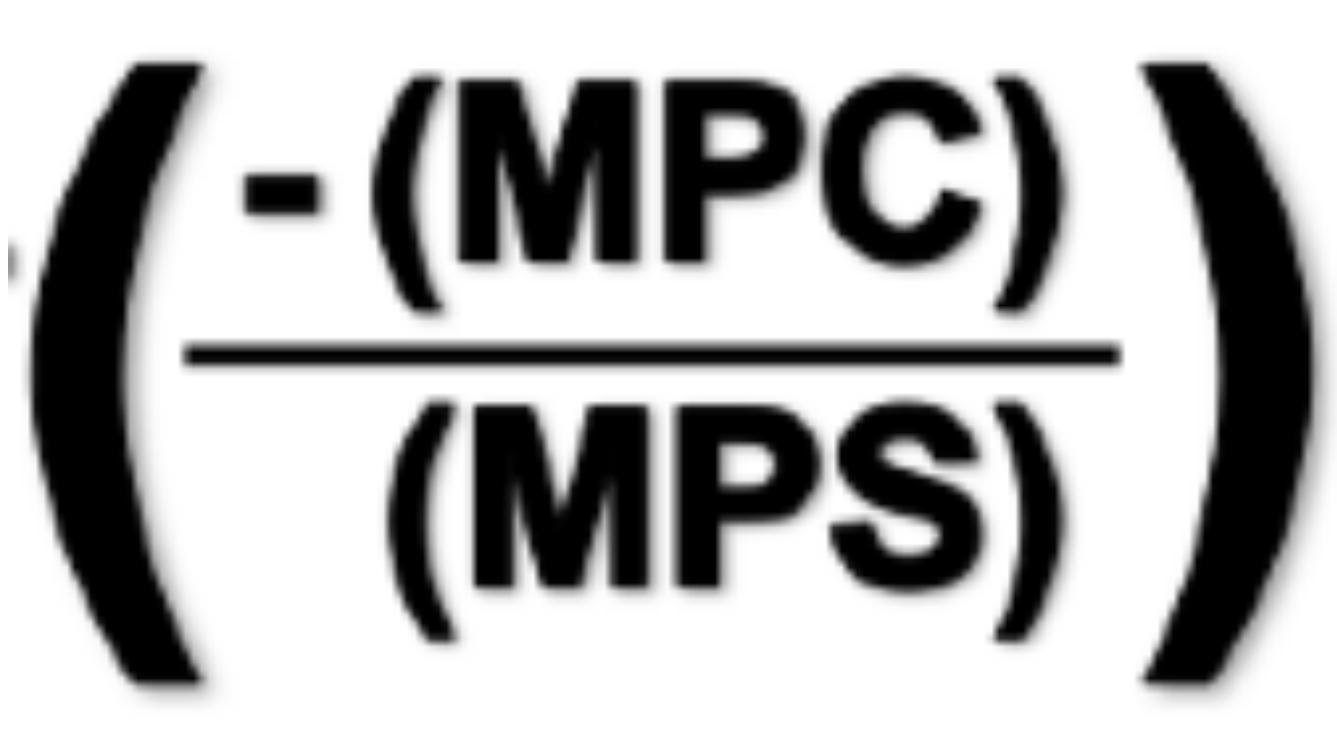
$$\Delta C = \Delta Y$$

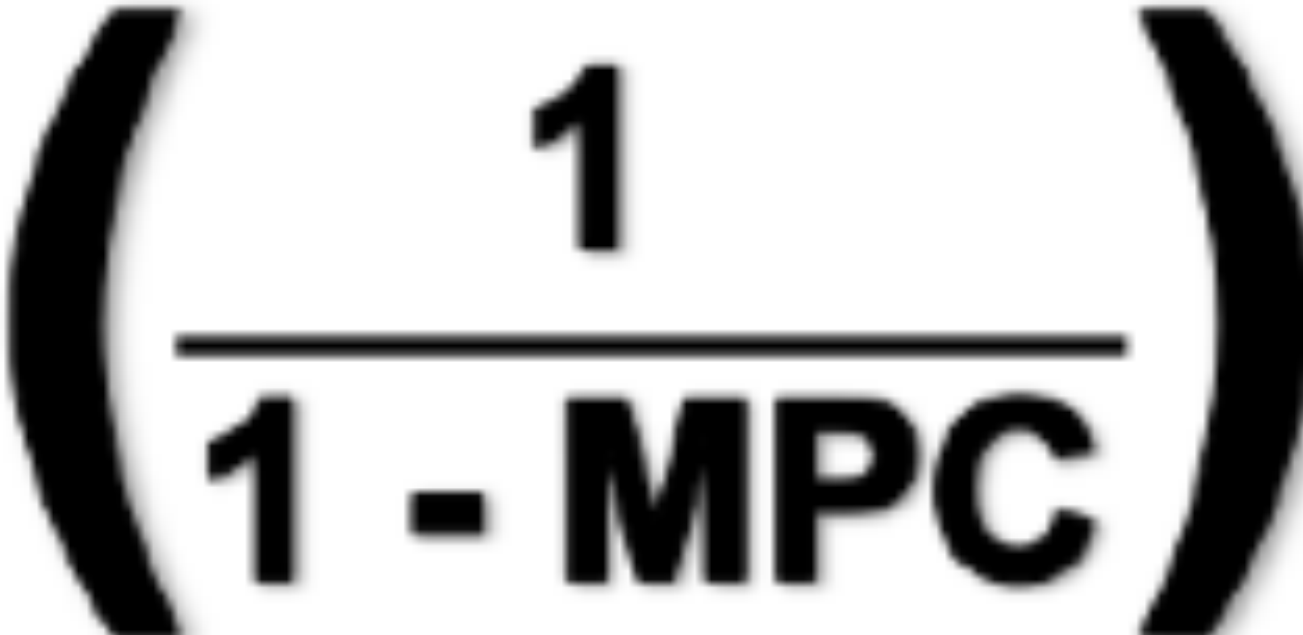
Spending Multiplier

Tax Multiplier




ΔNX


- (MPC)
(MPS)


1
1 - MPC

Change in Equilibrium GDP


- (MPC)
(MPS)


ΔNX

ΔNX ΔG ΔI ΔC

ΔT

Spending Multiplier

$$\left(\frac{1}{1 - MPC}\right)$$

Tax Multiplier

$$\left(\frac{-(MPC)}{(MPS)}\right)$$

Change in Equilibrium GDP

$$\Delta Y = \Delta NX \; \Delta G \; \Delta I \; \Delta C \left(\frac{1}{1 - MPC}\right)$$

$$\Delta Y = \Delta T \left(\frac{-(MPC)}{(MPS)}\right)$$

Change in Consumption

$$\Delta C = \Delta Y \, (MPC)$$

$$\Delta C = \Delta Y$$

Change in Deficit

$$\Delta \text{ Deficit} = \Delta G - \Delta T$$