Fiscal Policy Multipliers









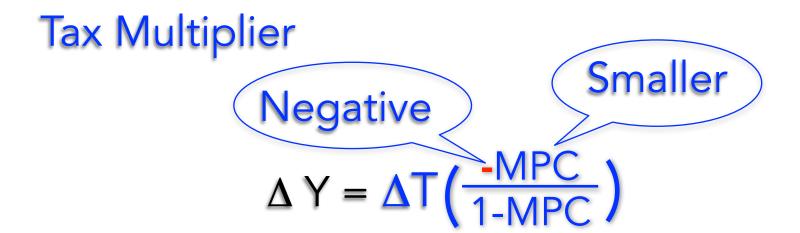
Government Spending Multiplier

Tax Multiplier

Fiscal Policy Multipliers

Government Spending Multiplier

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



An example using both: the spending multiplier and the tax multiplier