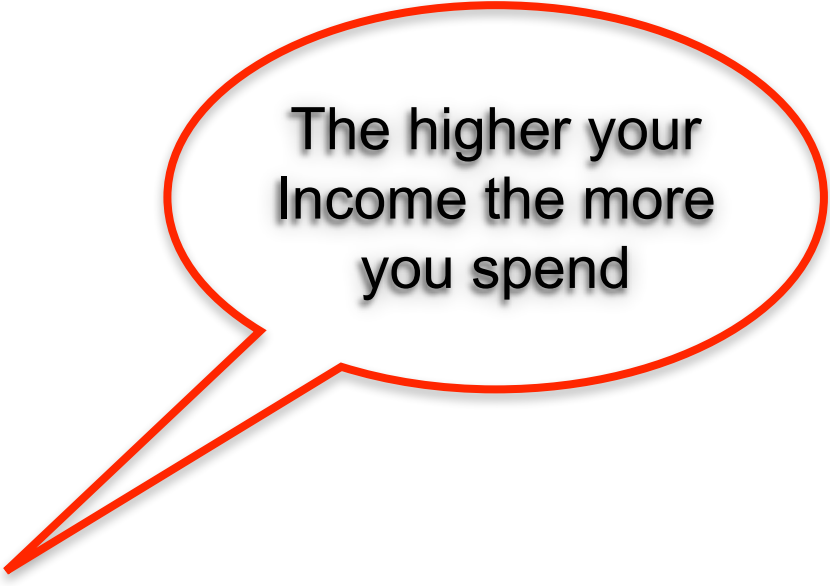


**What determines consumer
spending?**

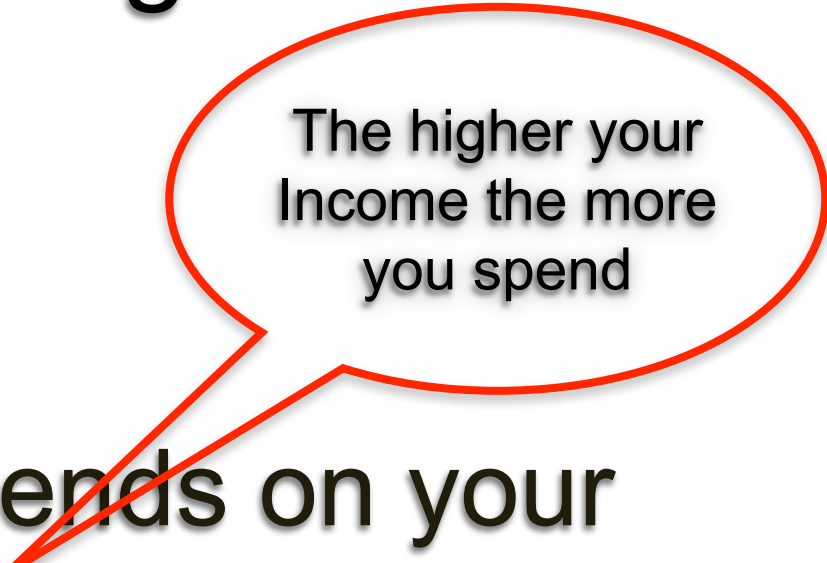
Income = Wages + Interest +
Rent + Profits

Your spending depends on your
income

A red speech bubble with a black drop shadow, pointing towards the bottom-left corner. Inside the bubble is the text "The higher your Income the more you spend" in a bold, black, sans-serif font.

**The higher your
Income the more
you spend**

What determines consumer spending?



The higher your
Income the more
you spend

Your spending depends on your
income

Income = Wages + Interest +
Rent + Profits

Consumers react differently
to increases in income

Consumption Expenditures

Real Income: Y