

$\Delta G = \Delta T$ Simultaneous Change

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

AC

=

zero

change in consumption

change in D deficit

Δ Deficit

$=$

Zero

Balance Budget Multiplier

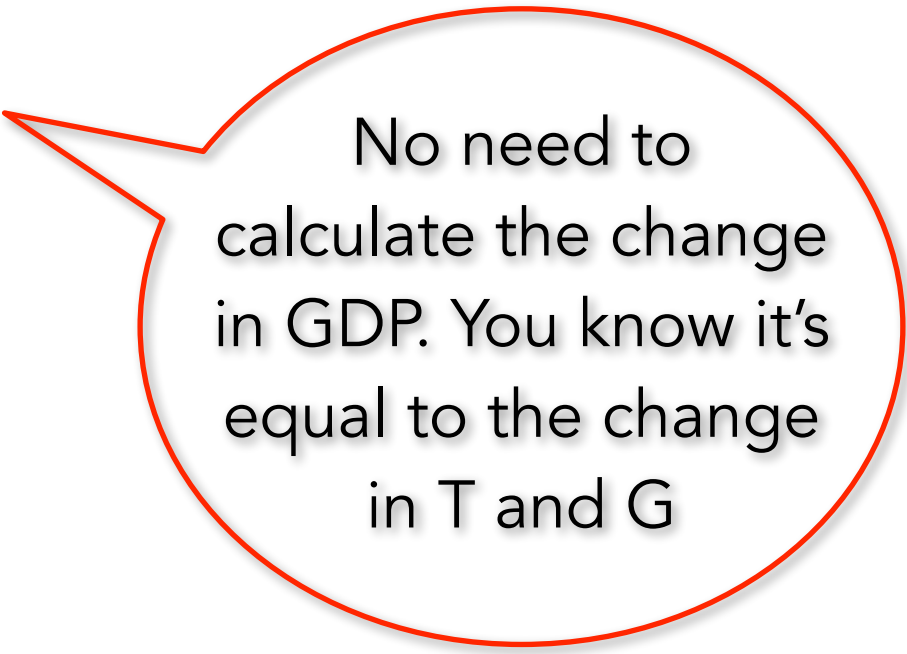
Change in Equilibrium GDP

=

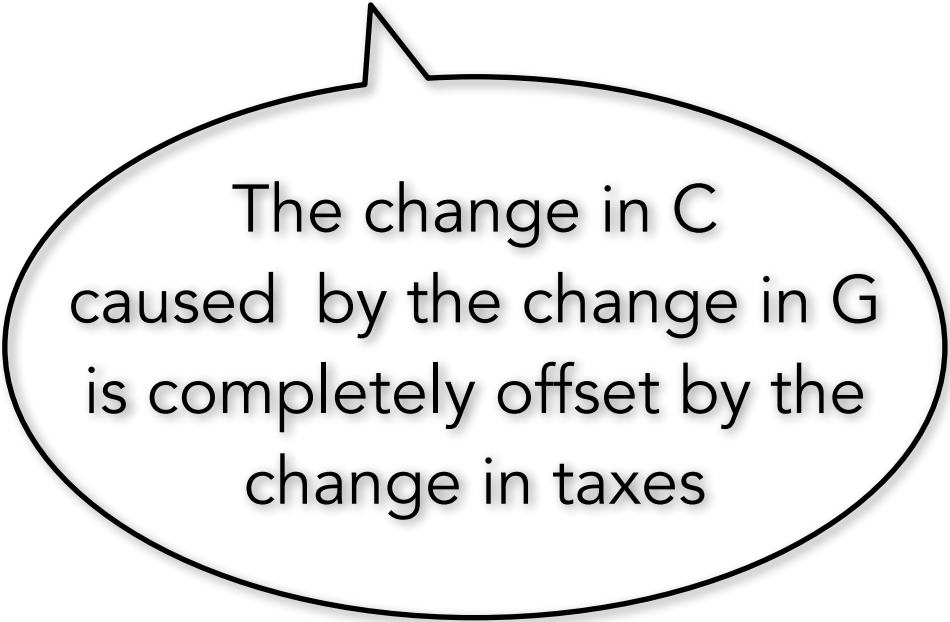
1



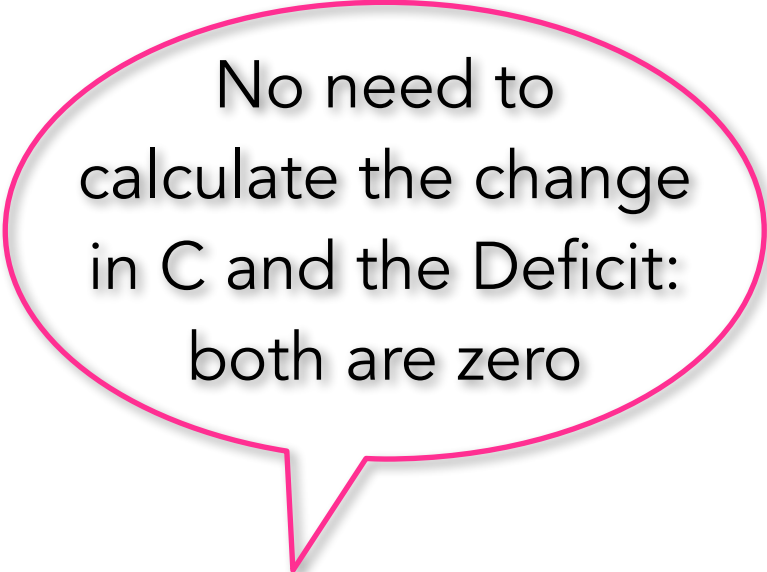
For any
simultaneous change
in Taxes and
Spending



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 center. 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 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 Deficit:
both are zero

Change in Consumption

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

Change in Deficit

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