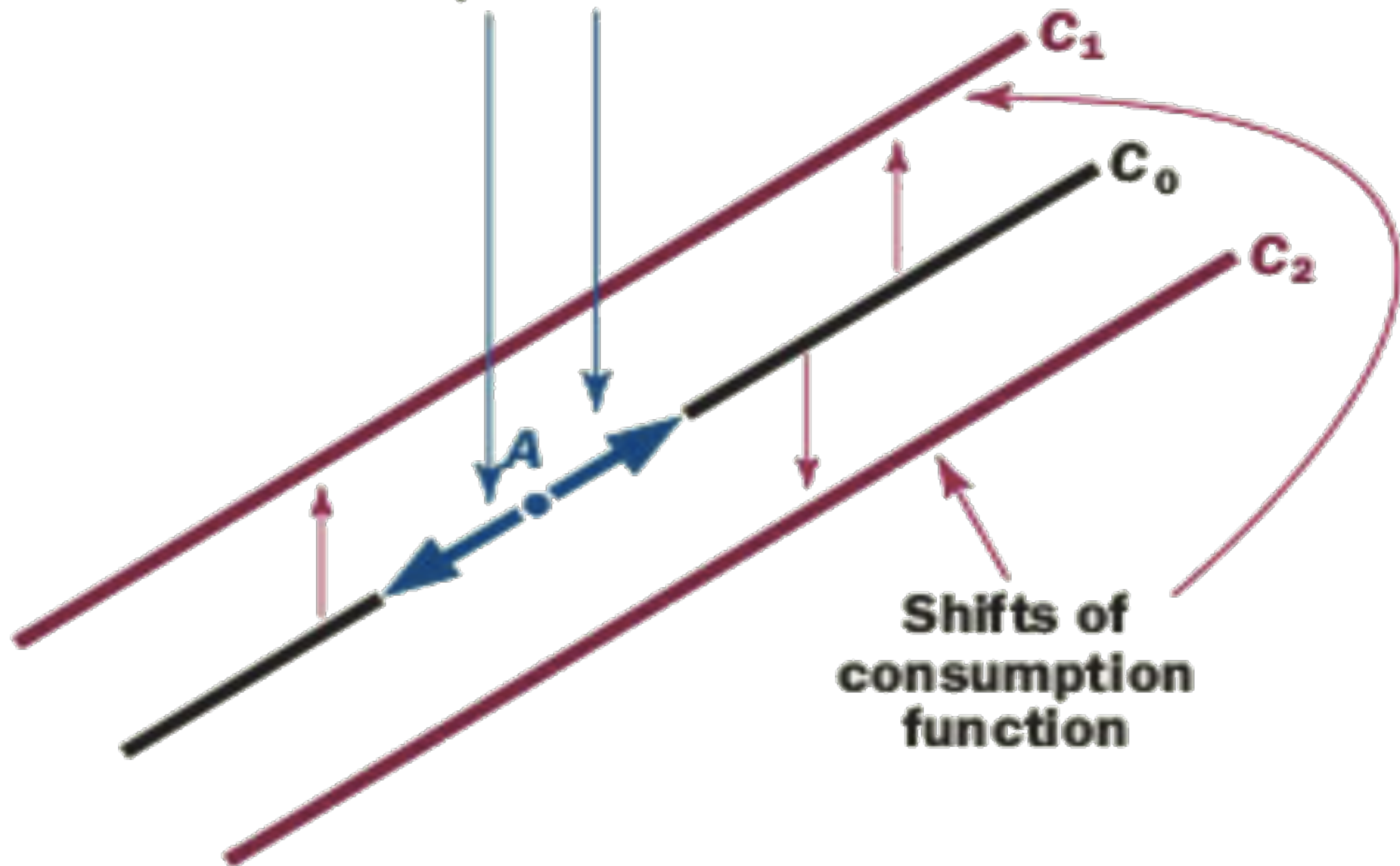




Real Consumer Spending

Movements along  
consumption function



Real Disposable Income



# Movement Along

result from changes in:



National Income

Taxes

# Transfers





**Shifts** in Consumption result

from changes in:

Wealth

Expectations

Price Level (CPI)

# Chapter 8

$$\text{Disposable Income} = \text{National Income} - T_x + T_r$$

## Chapter 8

Real Consumer Spending

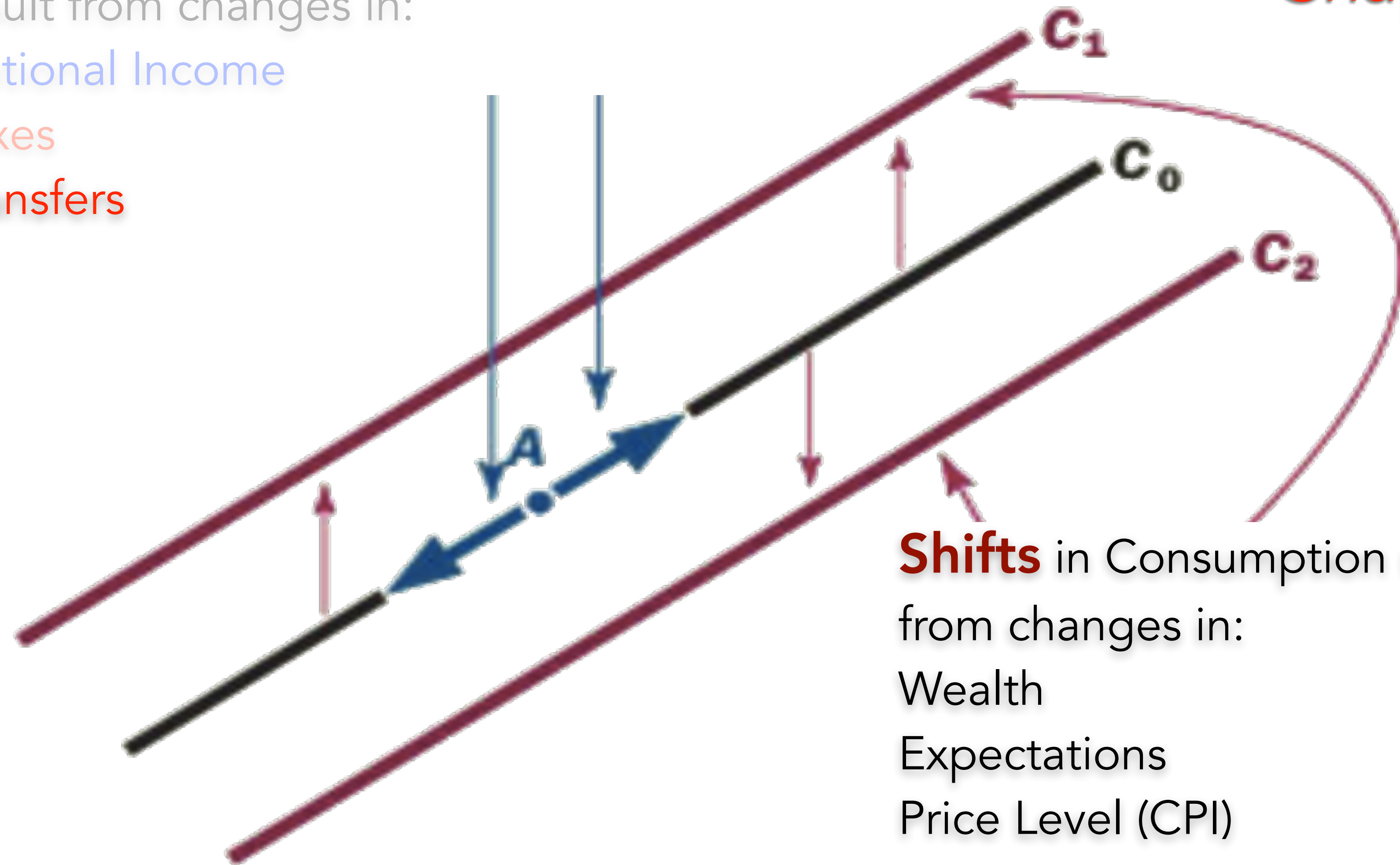
### Movement Along

result from changes in:

National Income

Taxes

Transfers



**Shifts** in Consumption result from changes in:  
Wealth  
Expectations  
Price Level (CPI)

$$\text{Disposable Income} = \text{National Income} - Tx + Tr$$

# The Consumption Function Shifts