


6



C = a + MPCY

Without Government



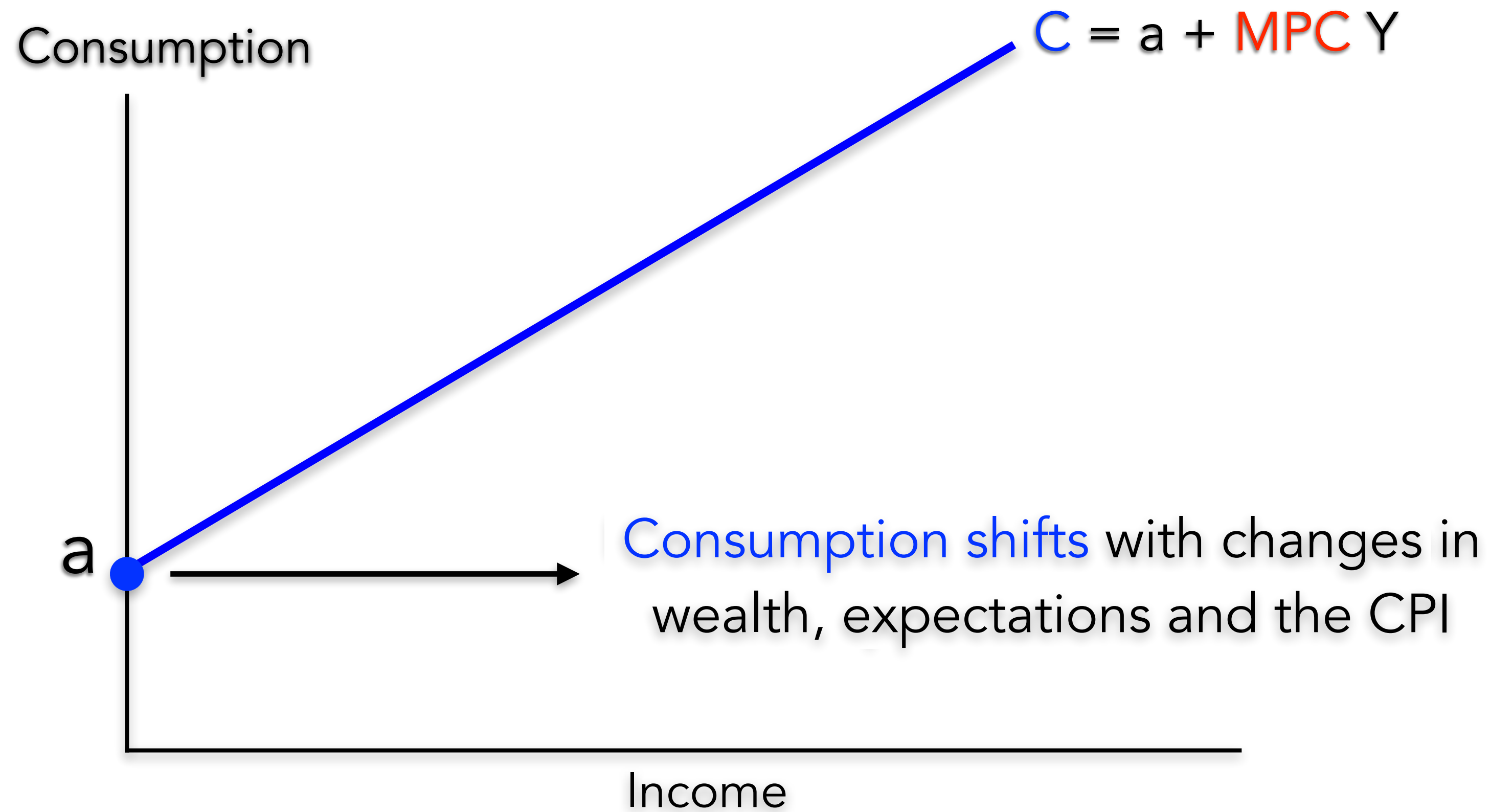
Intercept changes with changes in
wealth, expectations and the CPI

Income

Consumption

Consumption shifts with changes in
wealth, expectations and the CPI

Without Government



With Government

