

Smaller intercept



Higher intercept

C1

Co

S1

S

o

Intercept = 500

Intercept = -500



Intercept = 2000

Intercept = -200



13,000

13,000







Consumables

Income did not change

Save more

Simultaneous
opposite shifts in
C and S

W

h



n

W

e

a





h

d

e

C



e

a

S

e







n

S

u

m





S

p



n

d



e

S

S

a

n





a



e

m





e







h

e





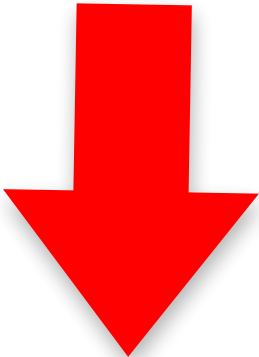


n

C



m



C

h

a

n

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e

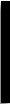


n

W

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h



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C

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e



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d

r



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C

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t



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Change in Wealth:

Stock prices drop

Home values drop

Cryptocurrency drops

When wealth decrease,
Consumers spend less
and save more of their
income

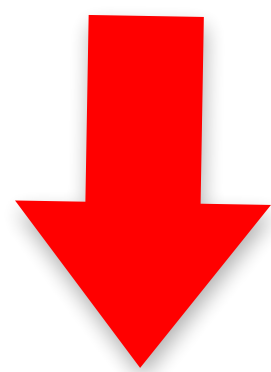
Change in Wealth:

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and **save more** of their
income



Simultaneous
opposite shifts in
C and **S**

Smaller intercept

Intercept = 500

Intercept = 200

Higher intercept

Intercept = -200

Intercept = -500

