Cor any change in a and any MPC



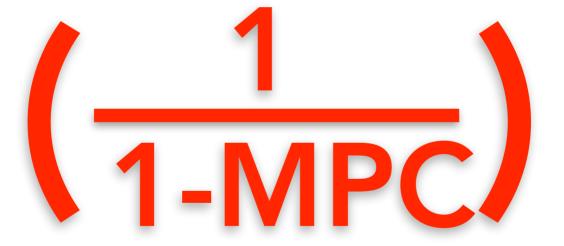
Δ Spending=

-100



Δ Spending=

 $\Delta Y = \Delta a$



Someone's drop in spending is someone else's loss of income

ΔSpending=

Δlncome

$$\Delta$$
Spending= -100 $\left(\frac{1}{1-0.9}\right)$
For any change in a and any MPC Δ Spending= Δ a $\left(\frac{1}{1-MPC}\right)$

Someone's drop in spending is someone else's loss of income

$$\Delta Spending = \Delta Income$$

$$\Delta Y = \Delta a \left(\frac{1}{1-MPC}\right)$$