



18

$$C = 500 + 0.9(10,000)$$

C = a + NRCY

$$C = 500 + 9,000$$

C = 9,500

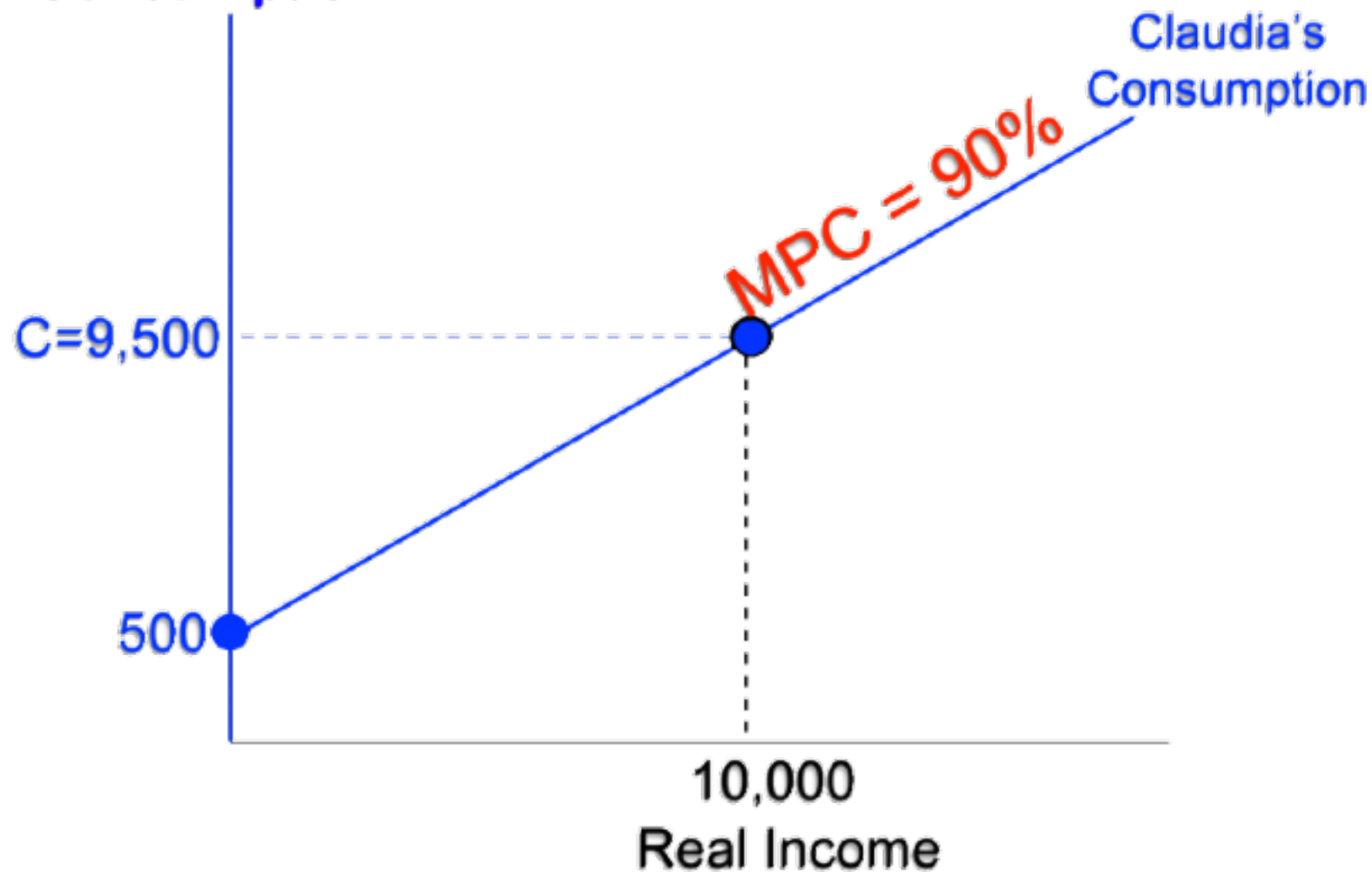
Claudia's income is \$10,000/month autonomous consumption = \$500

and her MPC = 90%

Stock prices drop as a result of the pandemic. Claudia's savings are now half of what she had. How will her consumption change?



**Consumption**



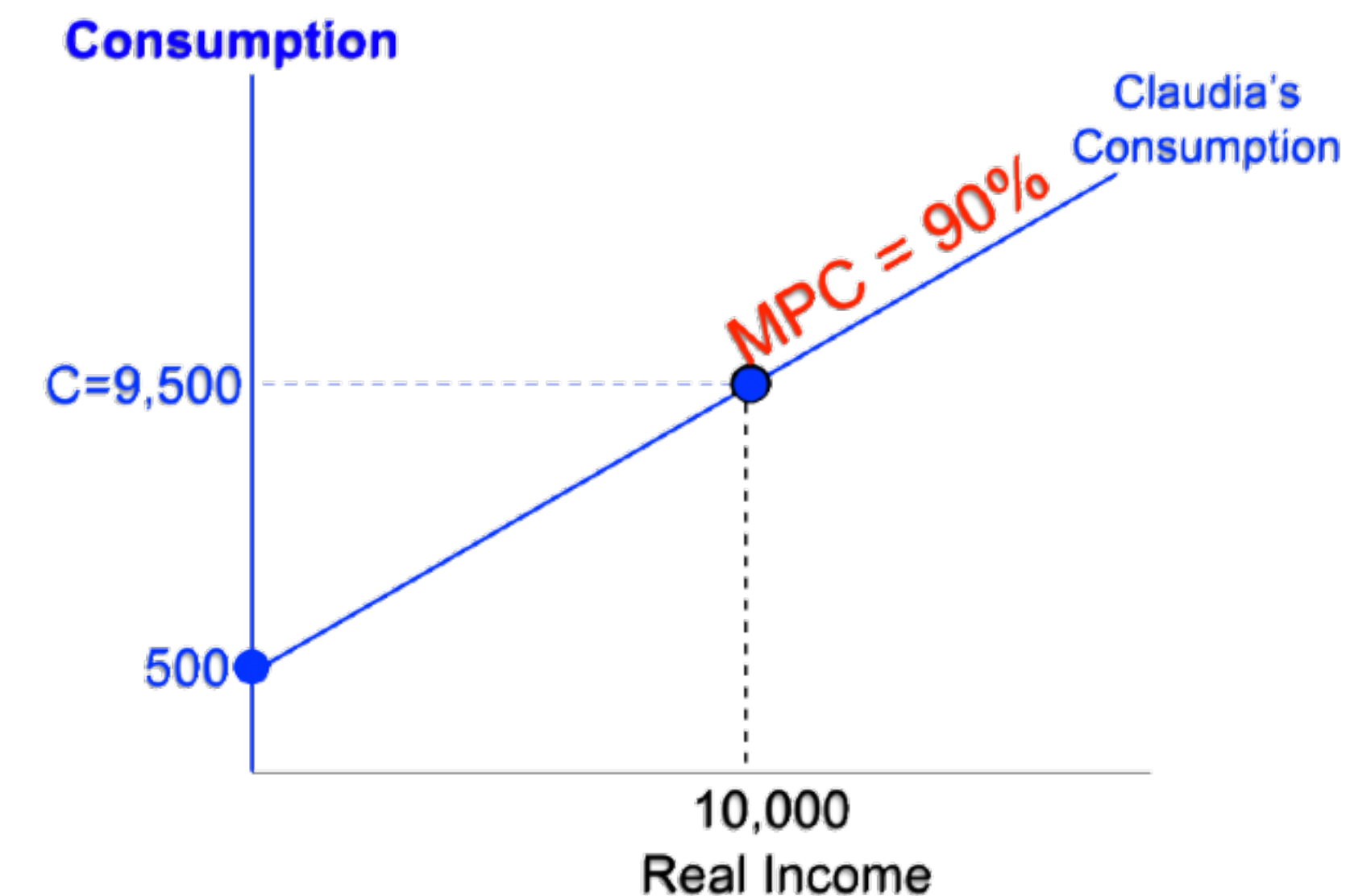
$$C = a + MPCY$$

Claudia's income is \$10,000/month autonomous consumption = \$500  
and her  $MPC = 90\%$

$$C = 500 + 0.9(10,000)$$

$$C = 500 + 9,000$$

$$C = 9,500$$



Stock prices drop as a result of the pandemic. Claudia's savings are now half of what she had. How will her consumption change?

$$C = a + MPCY$$