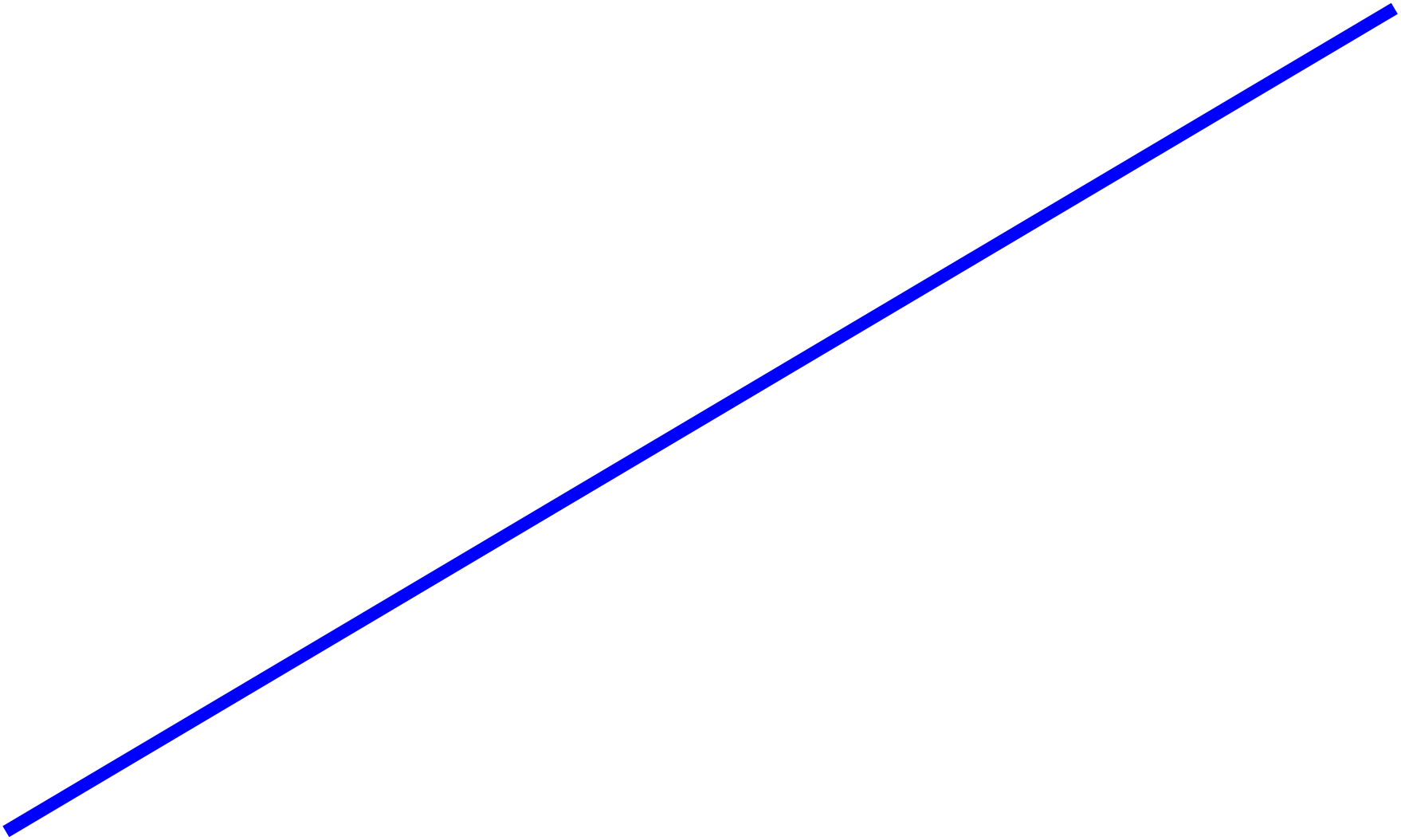


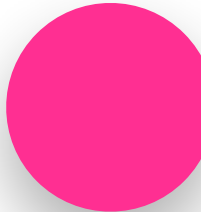
-intercept

intercept

If MPC = 0.9 Consumers spend 90% of extra income

$$S = -\text{intercept} + MPS\ Y$$

MPC + MPS = 1



and save 10% of extra income

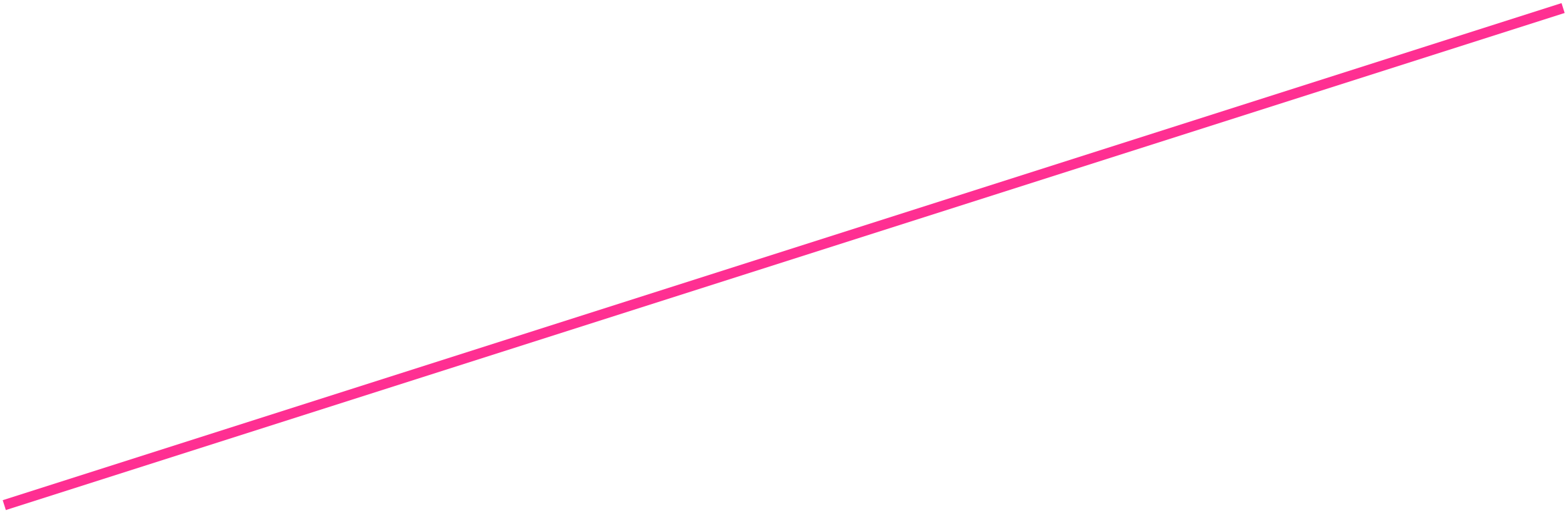
If MPC = 0.8 Consumers spend 80% of extra income

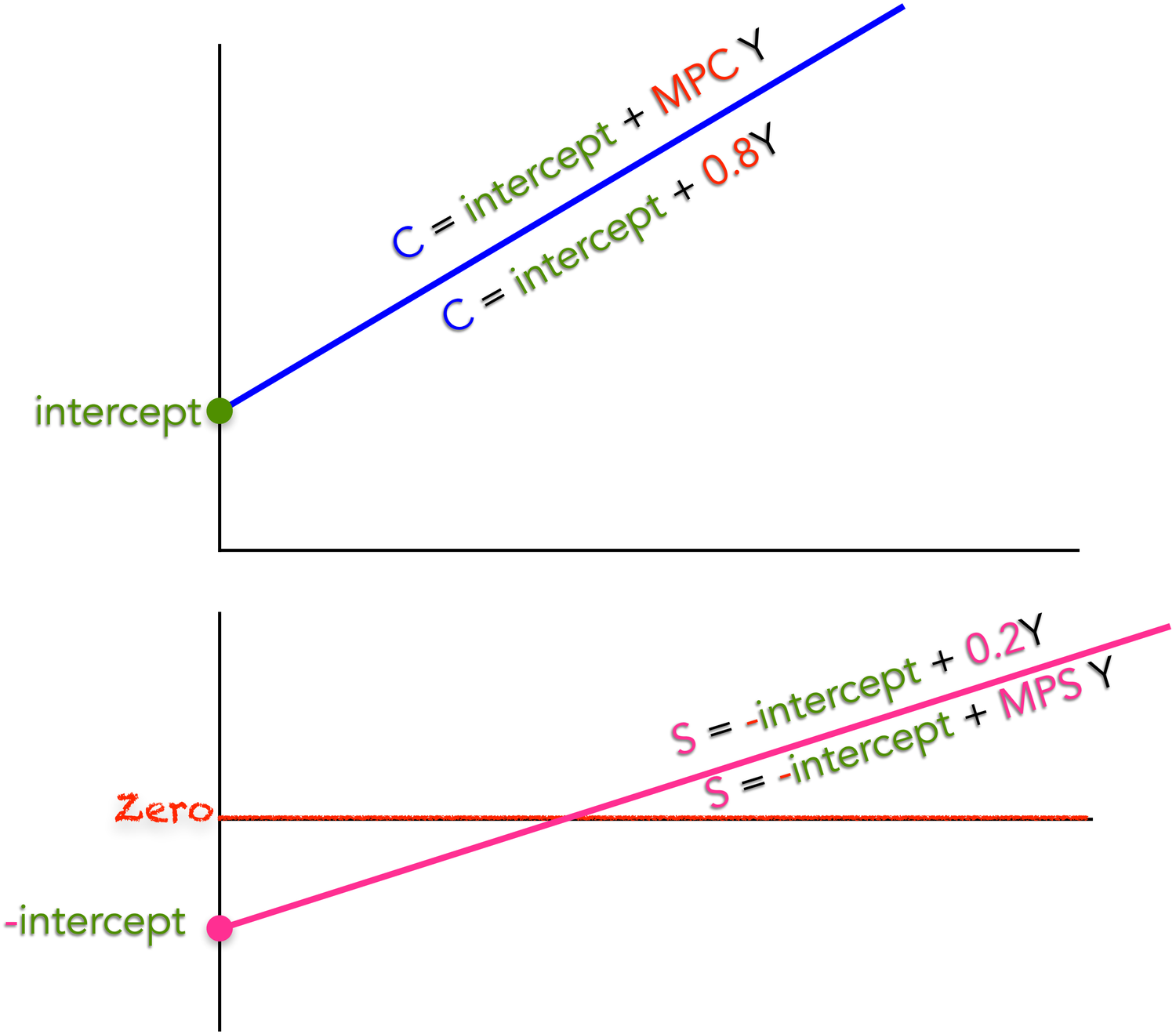
and save 20% of extra income

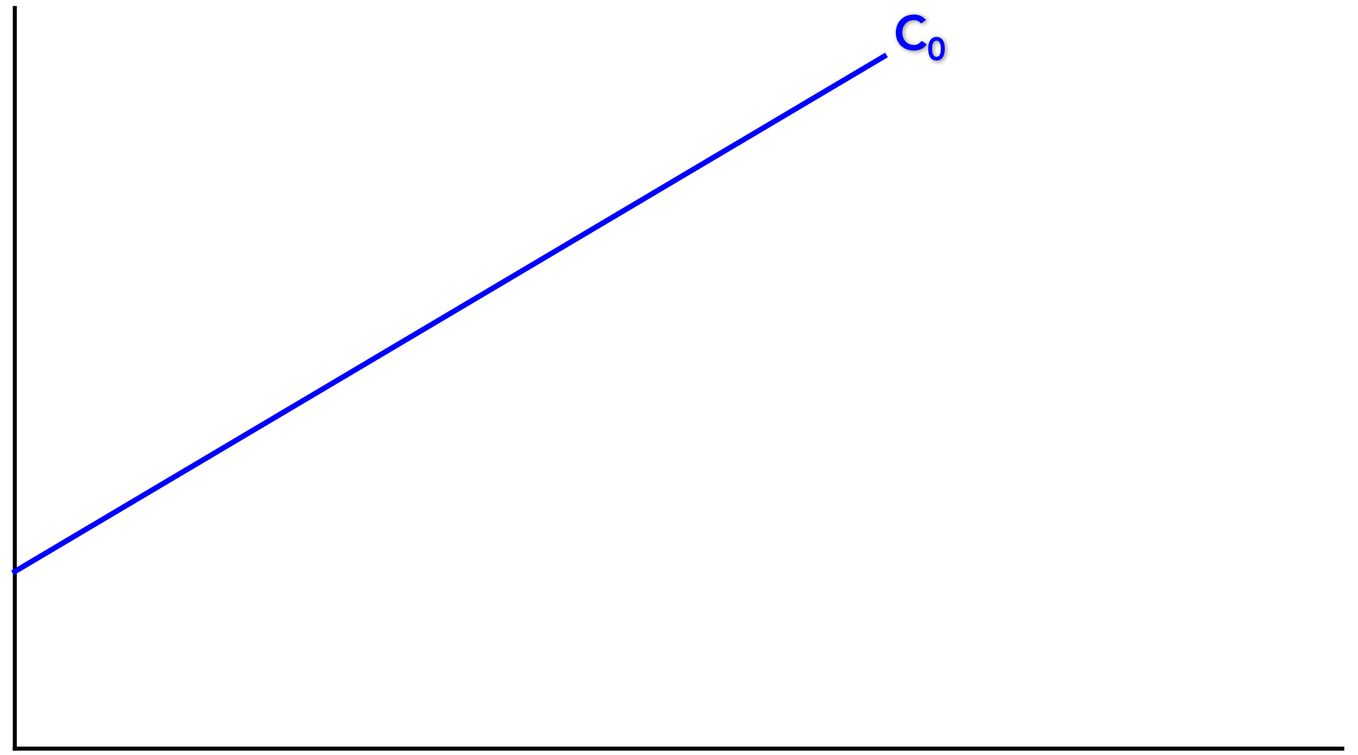
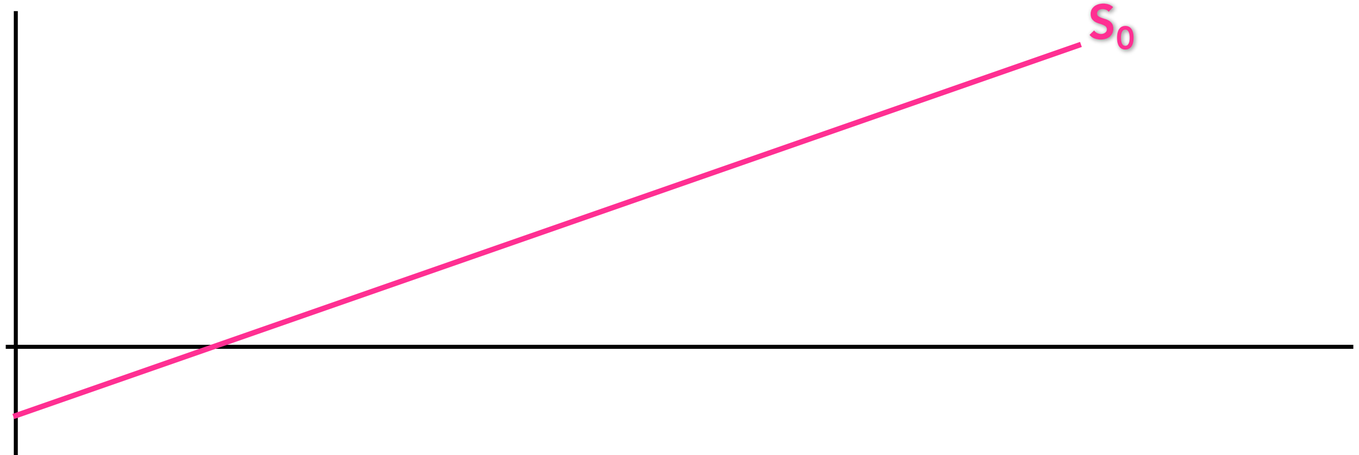
$$S = -\text{intercept} + 0.1Y$$

$$S = -\text{intercept} + 0.2Y$$

Zero




C = intercept + MPC Y
C = intercept + 0.8Y
intercept
Zero
S = -intercept + 0.2Y
S = -intercept + MPS Y
-intercept

MPC + MPS = 1

Change in Income: Move along