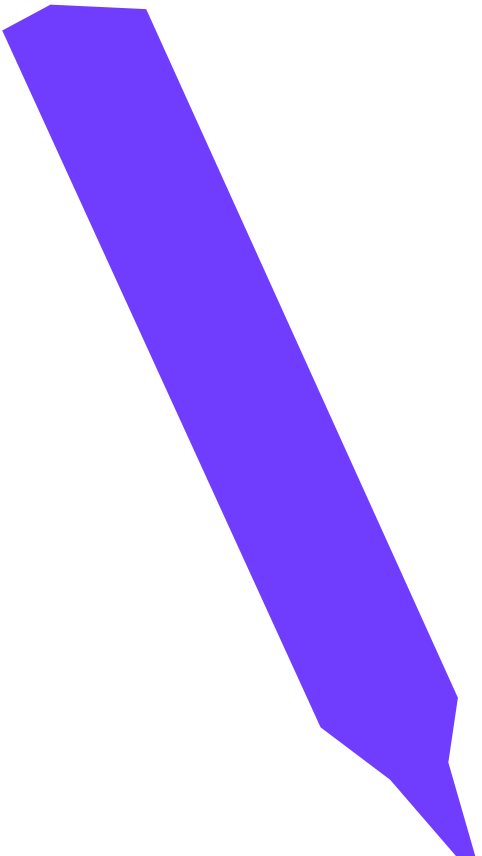
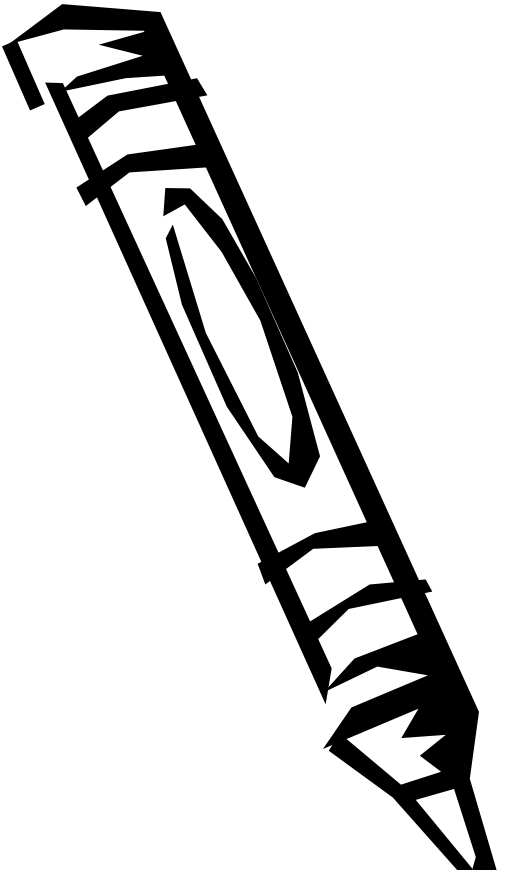
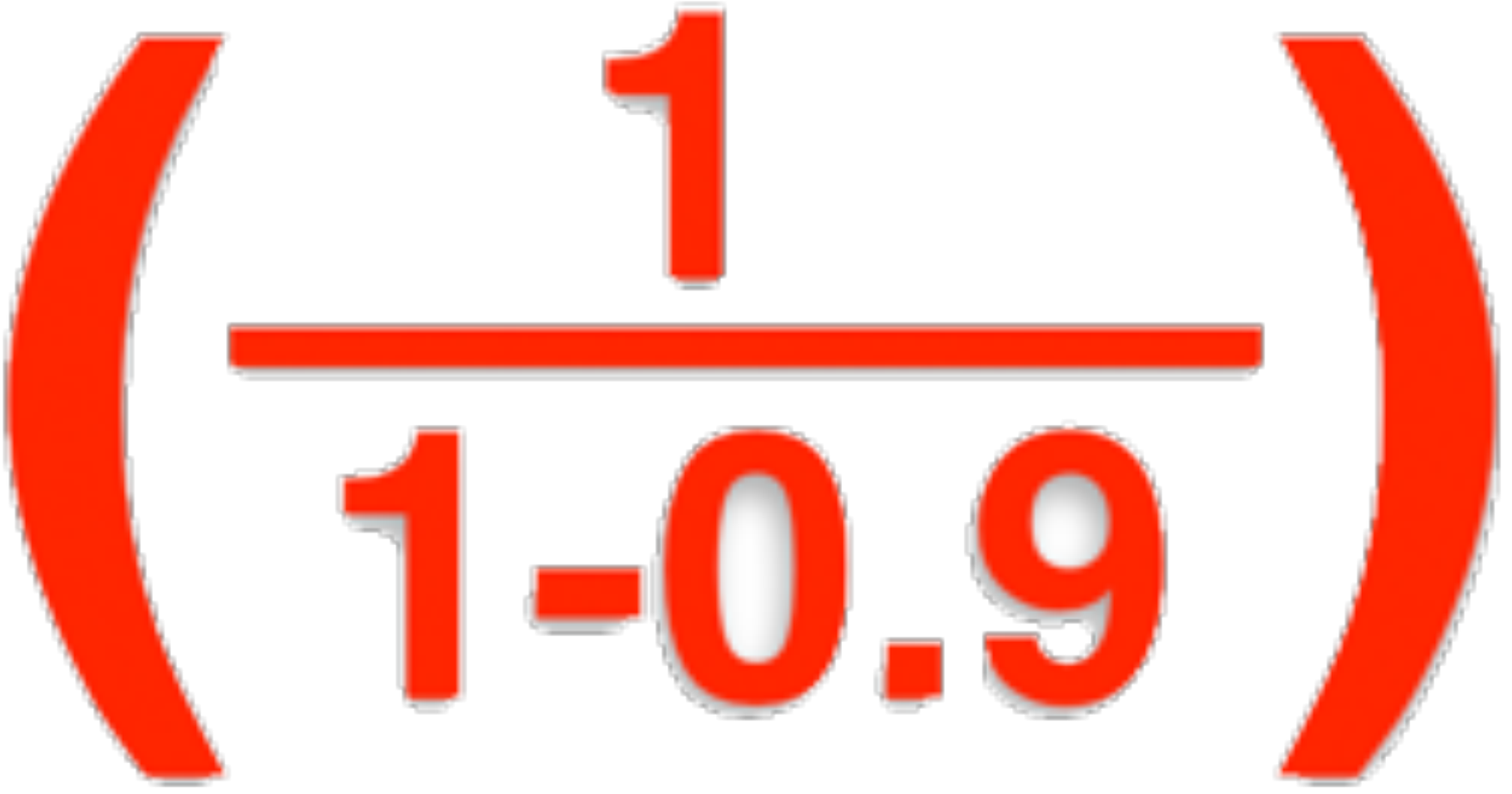




-100

This infinite sum of terms equals:


1
1-0.9


1
0.1

$= -100_{(10)}$


-1,000

ΔSpending=


Original
drop in
consumption


Total drop in consumption after many rounds of lost income

This infinite sum of terms equals:

$$-100\left(\frac{1}{1-0.9}\right) = -100\left(\frac{1}{0.1}\right)$$

Original drop in consumption

Total drop in consumption after many rounds of lost income

$$= -100\ (10)$$

$$\Delta \text{Spending} = -1{,}000$$