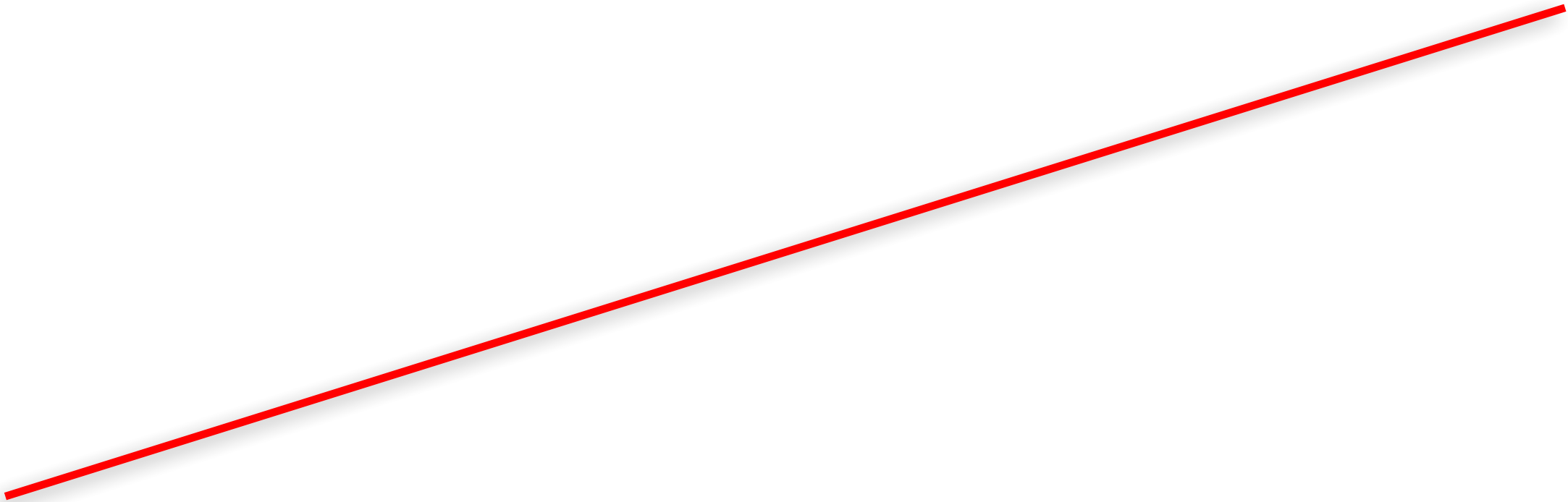


Smaller intercept



Higher intercept

C1

Co

S1

S

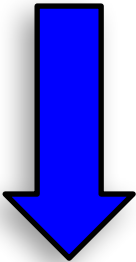
o

a

=

300

-a = -300



a

=

200

-a = -200



13000

13000









Consumables

Income is the same

Save more

Simultaneous
opposite shifts in
C and S

W

e

a





h

d





p

S







n

S

u

m

e



S

S

p

e

n

d



e

S

S

a

n

d

S

a



e

m





e







h

e







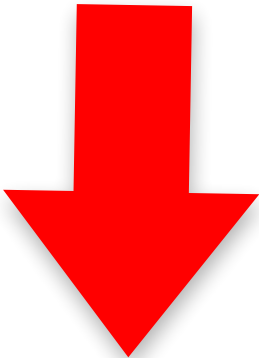
n

C



m

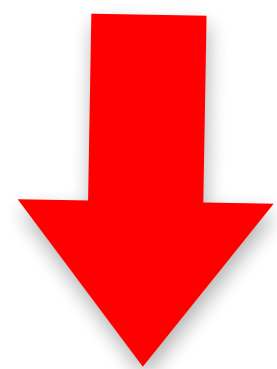
e



Wealth drops:

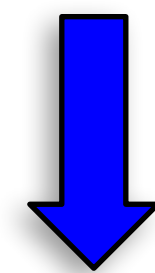
Consumers spend less
and save more of their
income

Wealth drops:
Consumers **spend less**
and **save more** of their
income



Simultaneous
opposite shifts in
C and **S**

Smaller intercept



$$a = 300$$

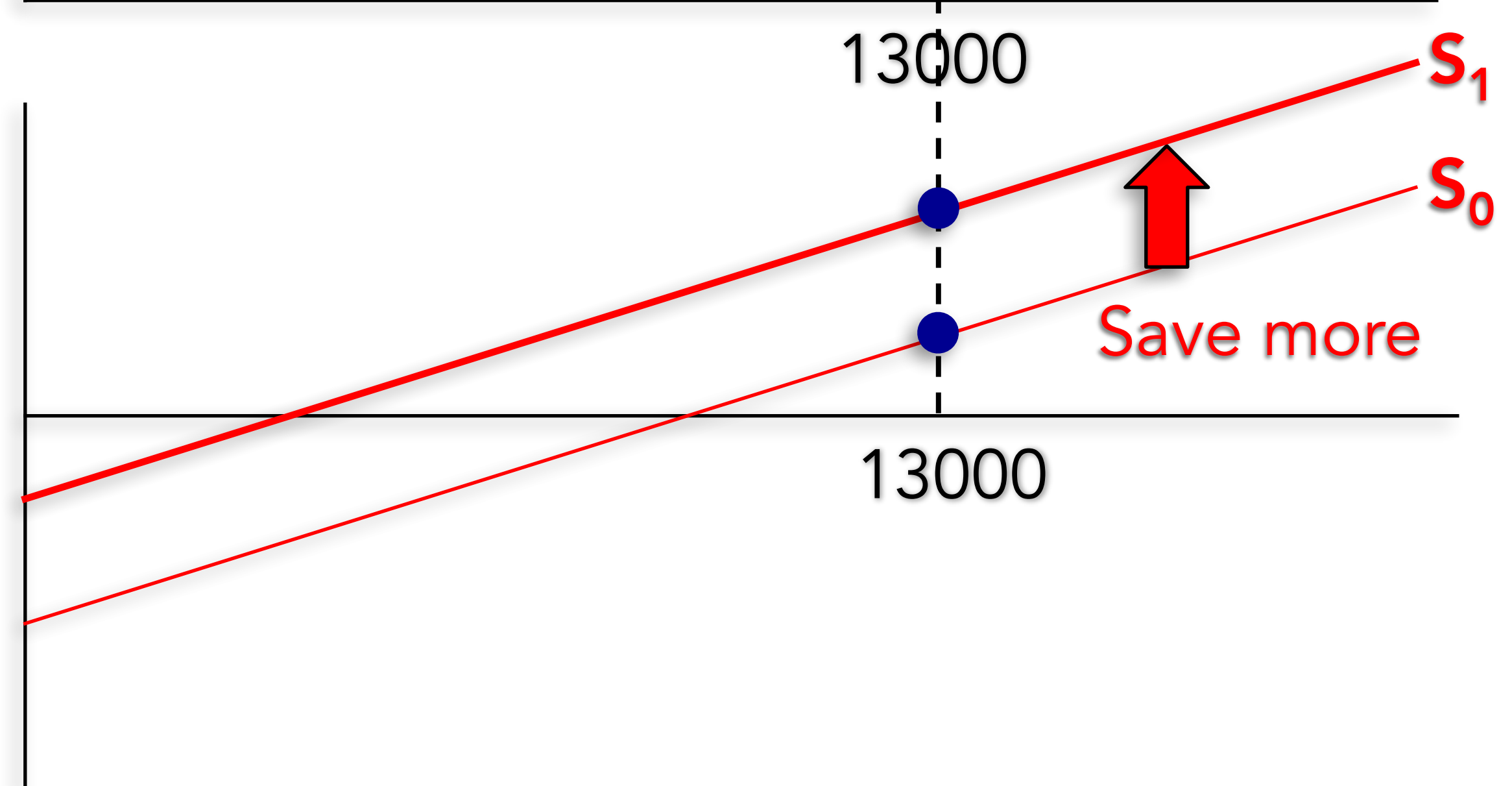
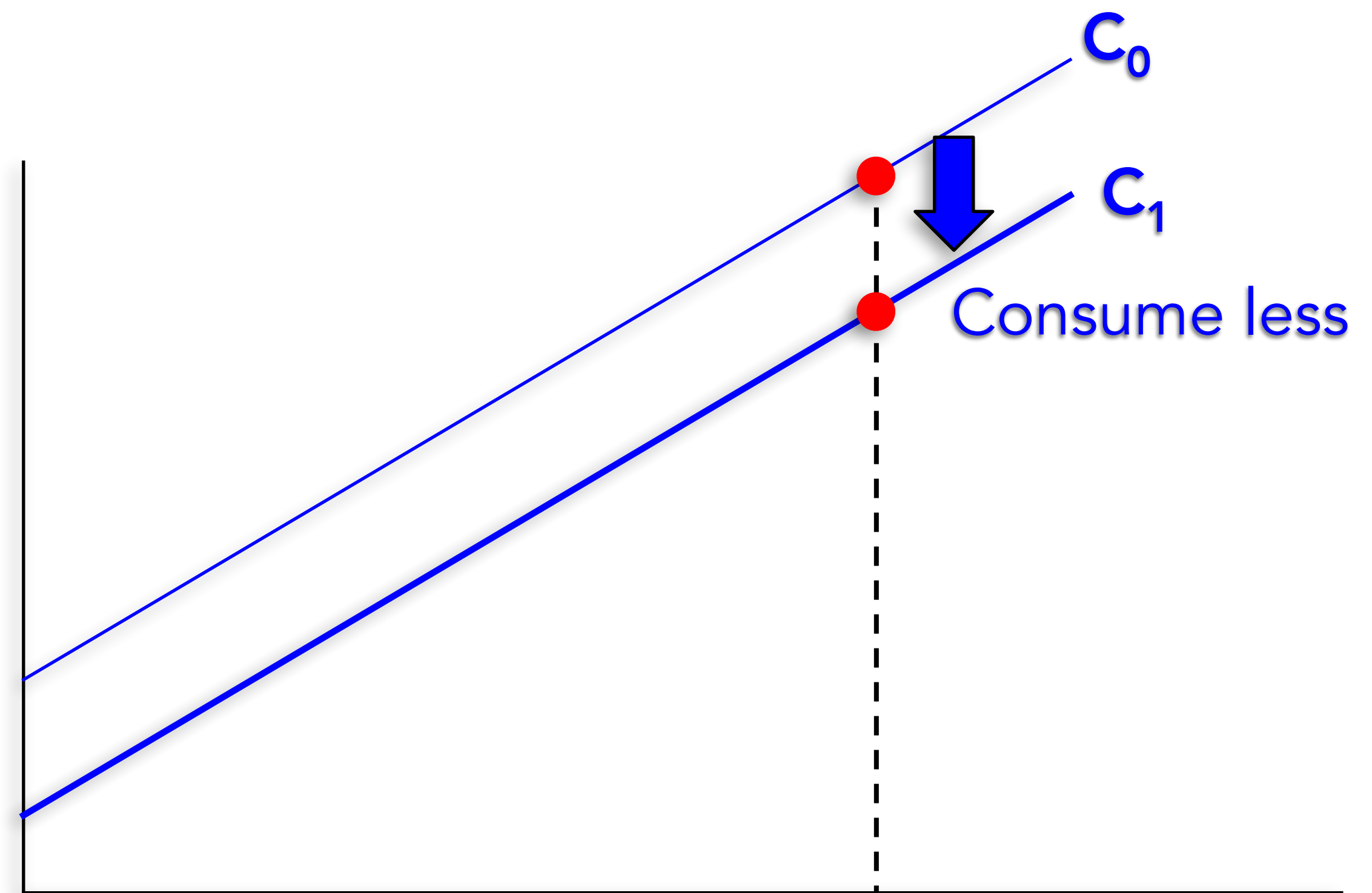
$$a = 200$$

Higher intercept



$$-a = -200$$

$$-a = -300$$



Shifts in Consumption