

S

+

T

+

N

I + G + X

Y

Equilibrium



Y
above equilibrium

Leakages
larger than
Injections

Leakages

Injection











Not enough
spending Inventories
accumulate

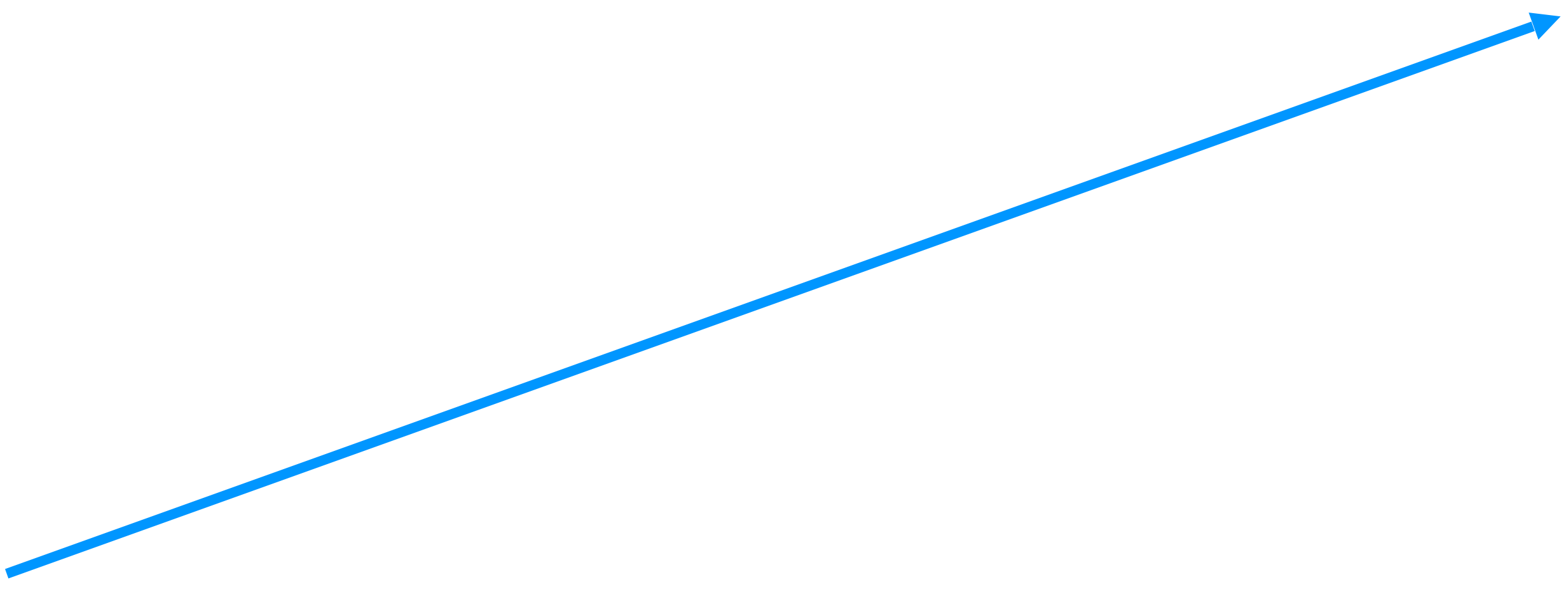
Too much
spending
inventories fall

Spending = Production
inventories do not
change









S + T + N

|

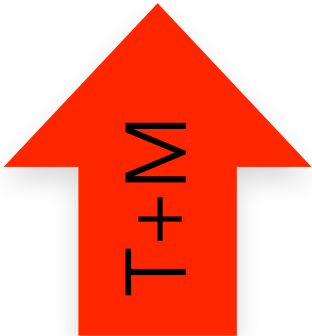
+

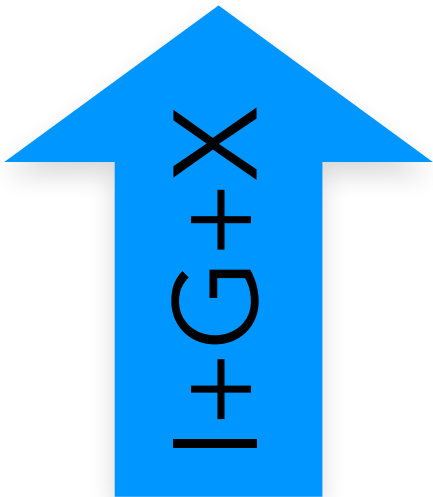
G

+

X

=







Income
that
leaks

Injectons
Larger than
Leakages

Income
injected
back

Y below equilibrium







More Income
leaks than is
injected back

More Income
injected back
than leaks

S = -A + MP SY

