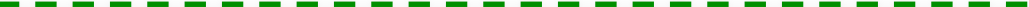


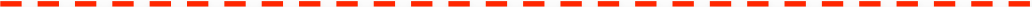


Real Income:  $Y$

Qeios ID: 3R010S · July 10, 2020

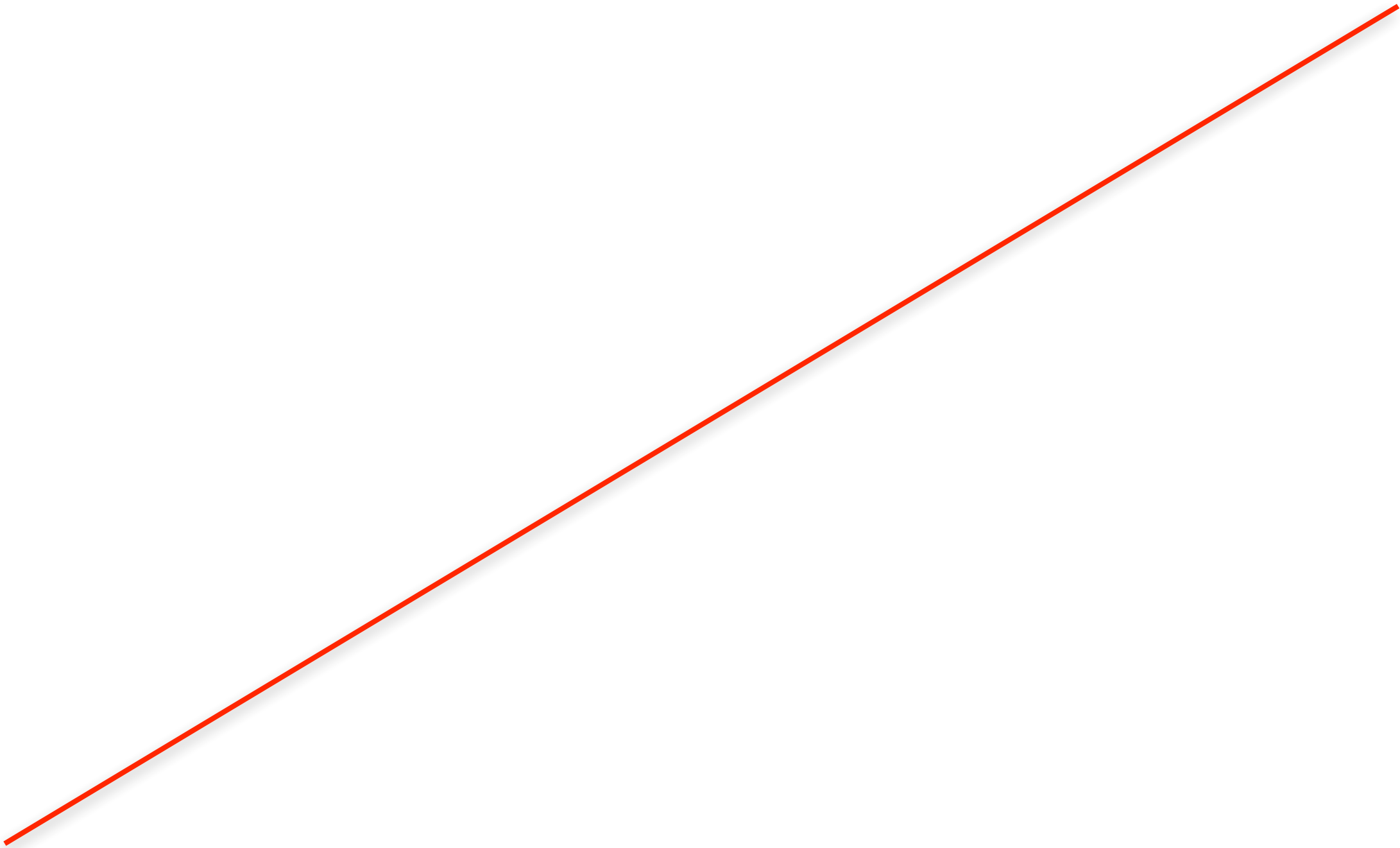
**Y = 10,000**

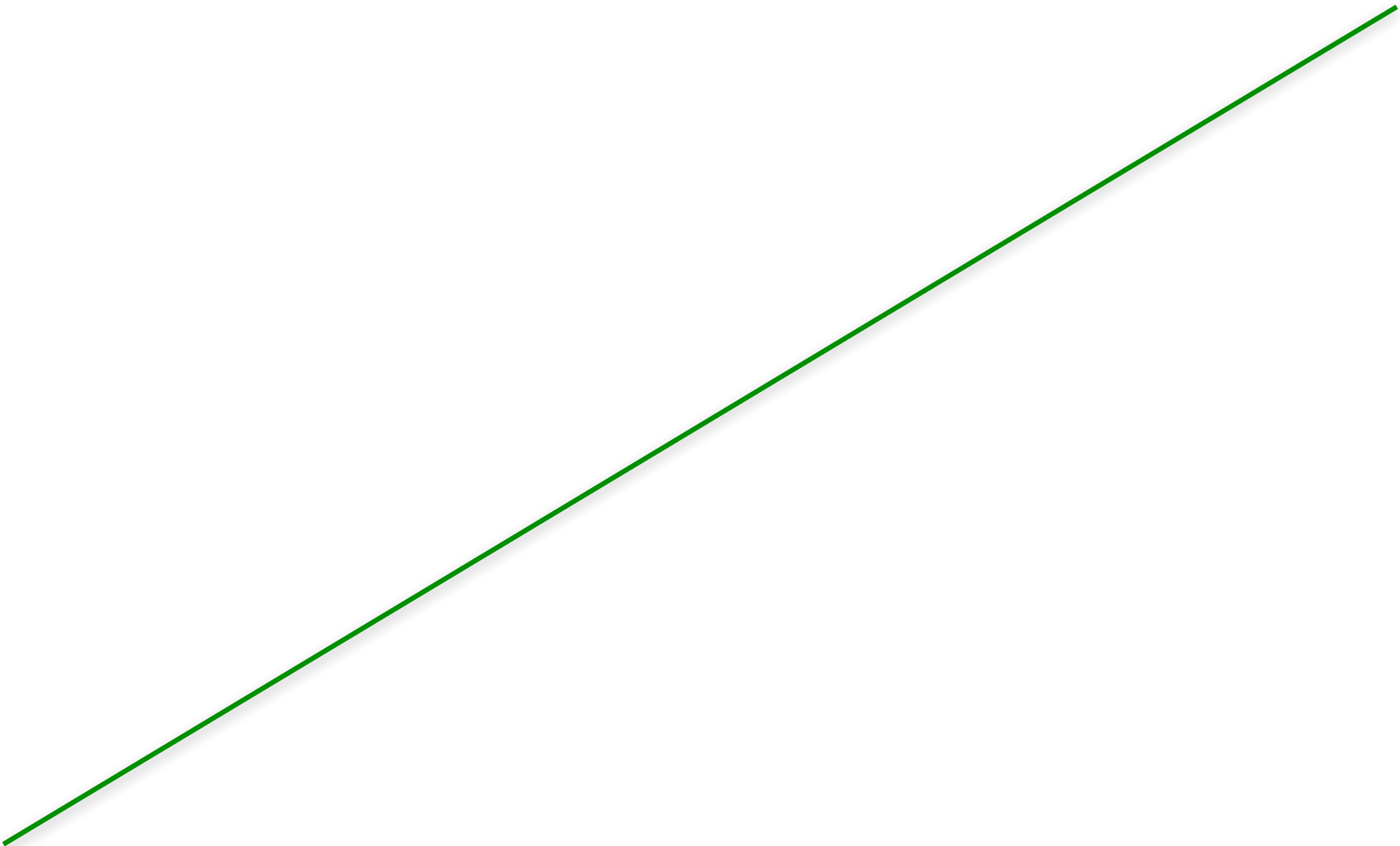


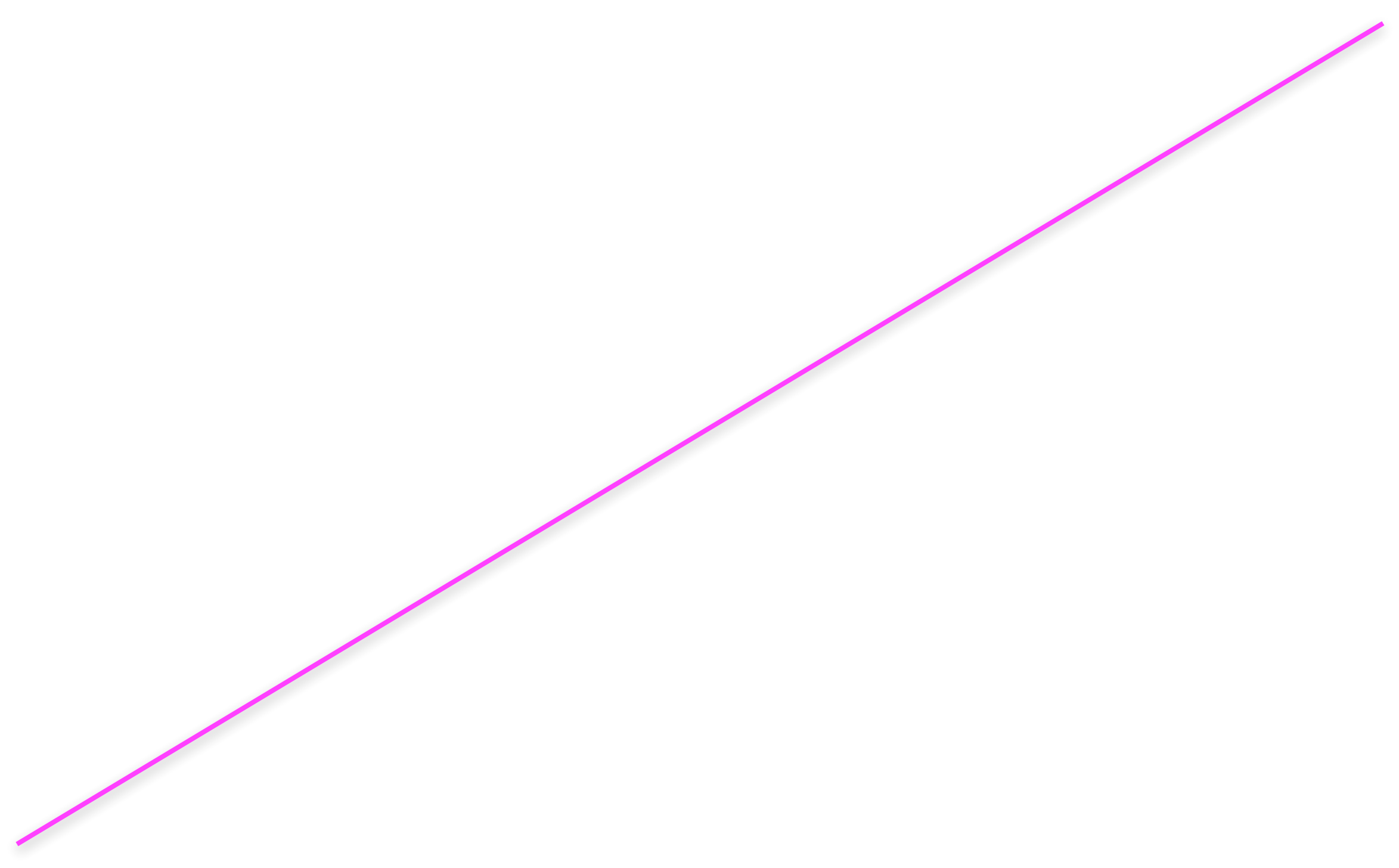












8,000

9,000

# Claudia's Consumption

# Mary's Consumption



# Bob's Consumption













e





**n**





m

e

**S**

**p**



e







**S**

d









e





n











t

h

e











m

e



p

e

n









C

a





e

d





h

e

A



e



a

g



e

P





**p**

e

n

**S**







Y







n





u

m

e



A









10,000





APC = 80%

A

P








9





APC = 100%



Claudia spends  
80% of her  
income



Mary spends  
90% of her  
income



Bob spends  
100% of his  
income









Income is the  
**same** for all  
three

Consumers spend their  
income differently

Qeios ID: 3R0S0S · <https://doi.org/10.32388/3R0S0S>

80%

90%

100%

APC

=



C

—

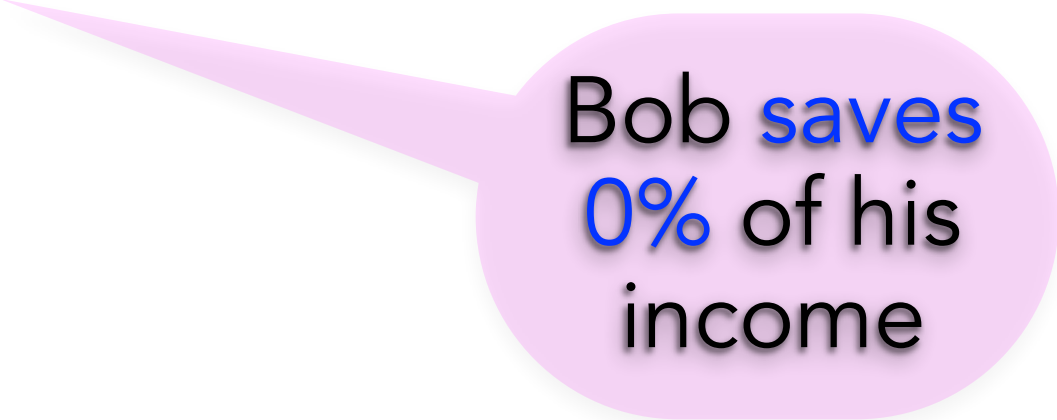
Y



Claudia **saves**  
**20%** of her  
income



Mary **saves**  
**10%** of her  
income



Bob **saves**  
**0%** of his  
income

Consumers **save** their  
income **differently**

$$\text{APS} = \frac{S}{Y}$$

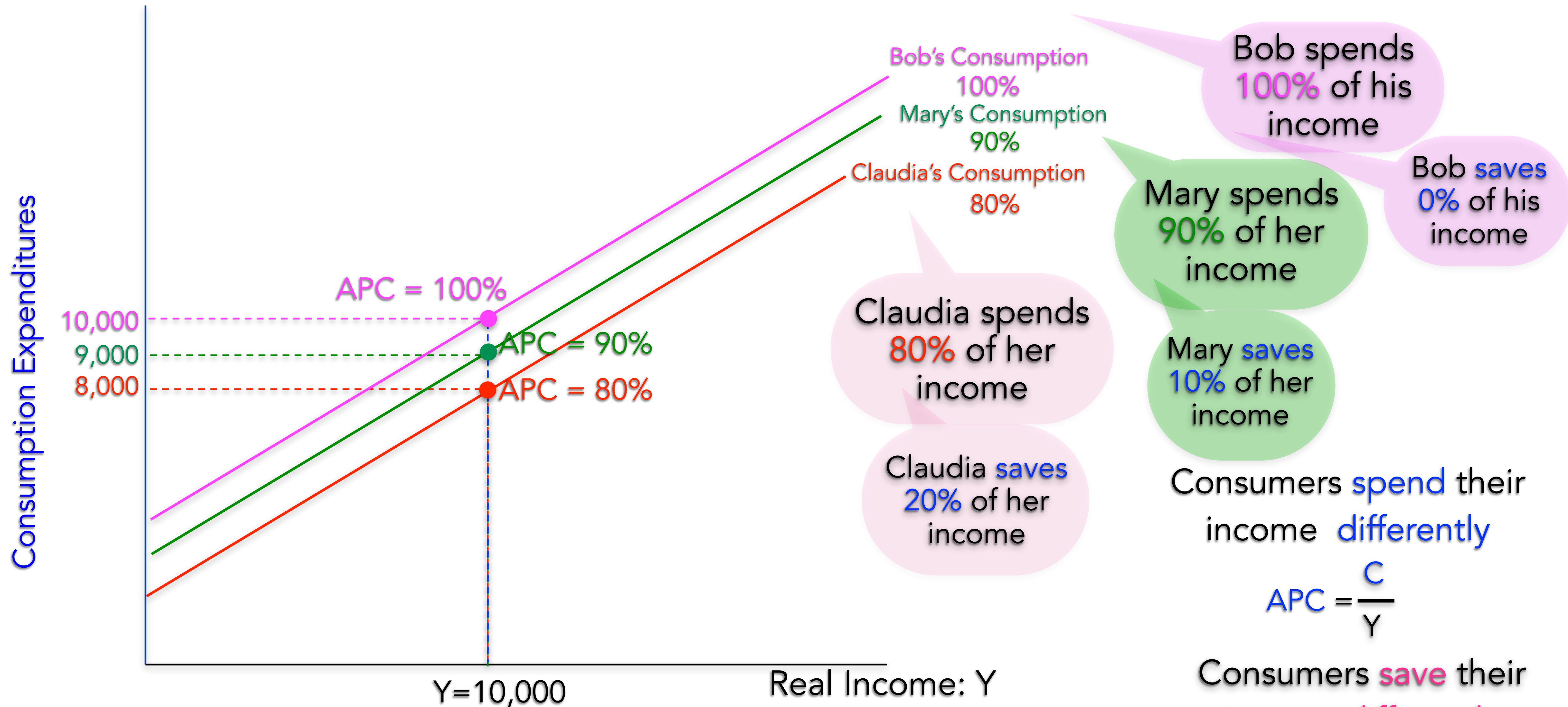
% of the income saved is called the Average Propensity to Save: APS

% of the income spent is different

% of the income spent is called the Average Propensity to Consume: APC



APC = 90%



% of the income spent is called the Average Propensity to Consume: APC

% of the income saved is called the Average Propensity to Save: APS

