



For *any* change in *a* and *any* MPC

**Δa**

$$\left( \frac{1}{1-\text{MPC}} \right)$$

$\Delta$ Spending  $\equiv$

-100

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

$\Delta$ Spending $\equiv$



$$\Delta Y = \Delta a$$

$$\left( \frac{1}{1-MPC} \right)$$

Someone's drop in spending is someone

else's loss of income

$\Delta$ Spending  $\equiv$

Alincone

$$\Delta \text{Spending} = -100 \left( \frac{1}{1-0.9} \right)$$

For *any* change in *a* and *any* MPC

$$\Delta \text{Spending} = \Delta a \left( \frac{1}{1-\text{MPC}} \right)$$

Someone's drop in spending is someone  
else's loss of income

$$\Delta \text{Spending} = \Delta \text{Income}$$

$$\Delta Y = \Delta a \left( \frac{1}{1-\text{MPC}} \right)$$