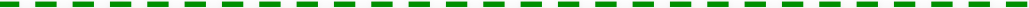




Real Income: Y

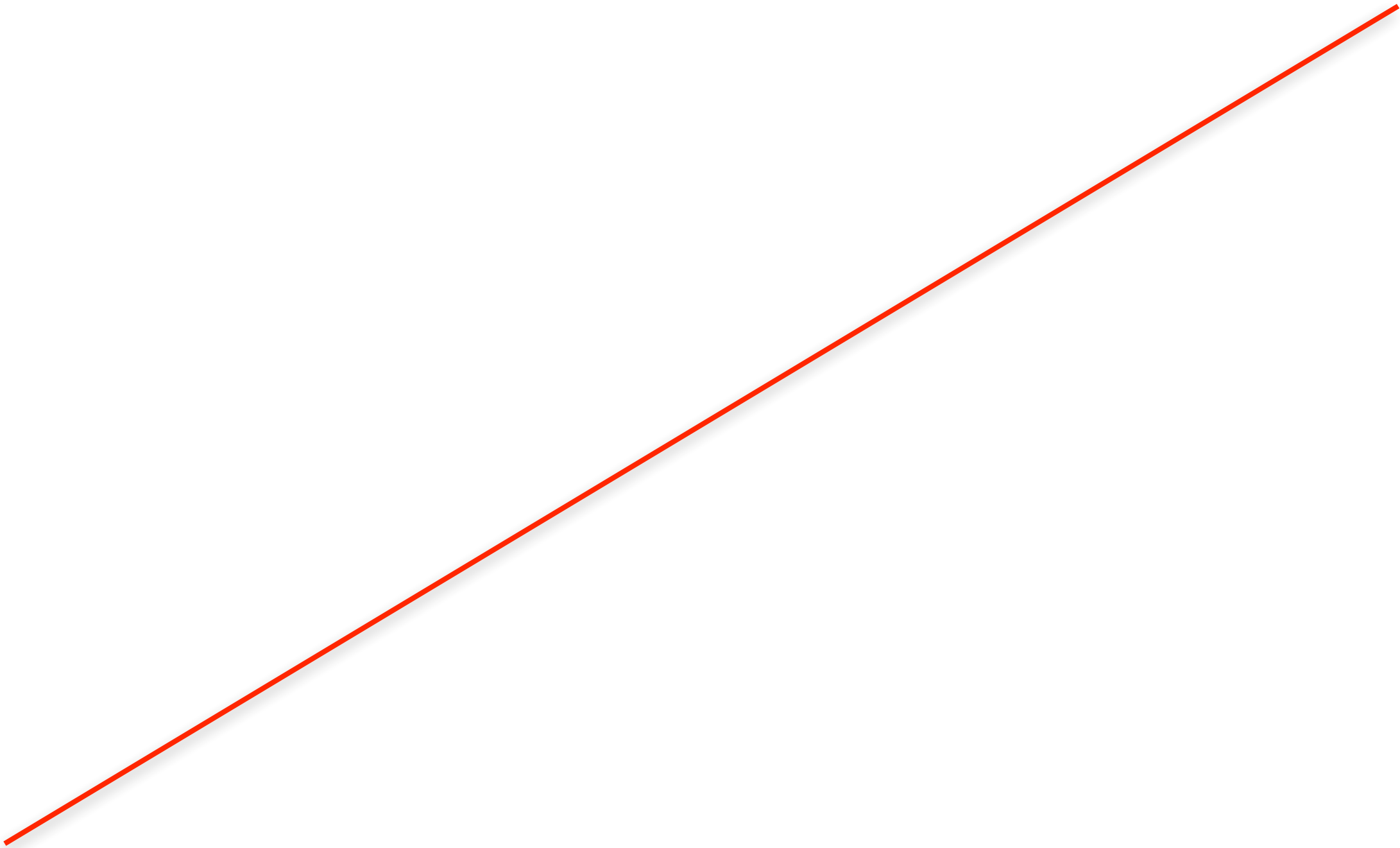
Qeios ID: 3R010S ·
https://doi.org/10.32388/3R010S

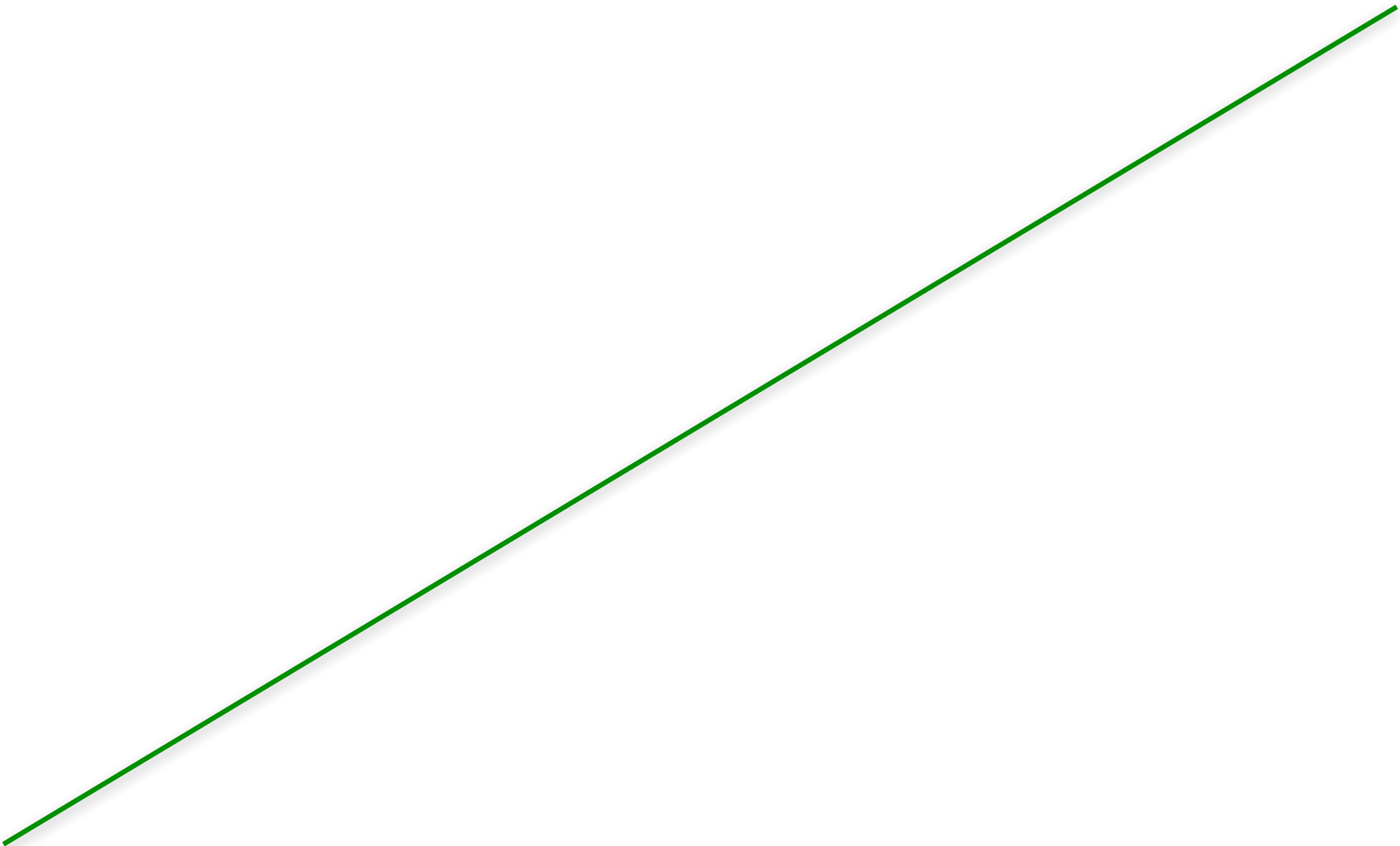
Y = 10,000

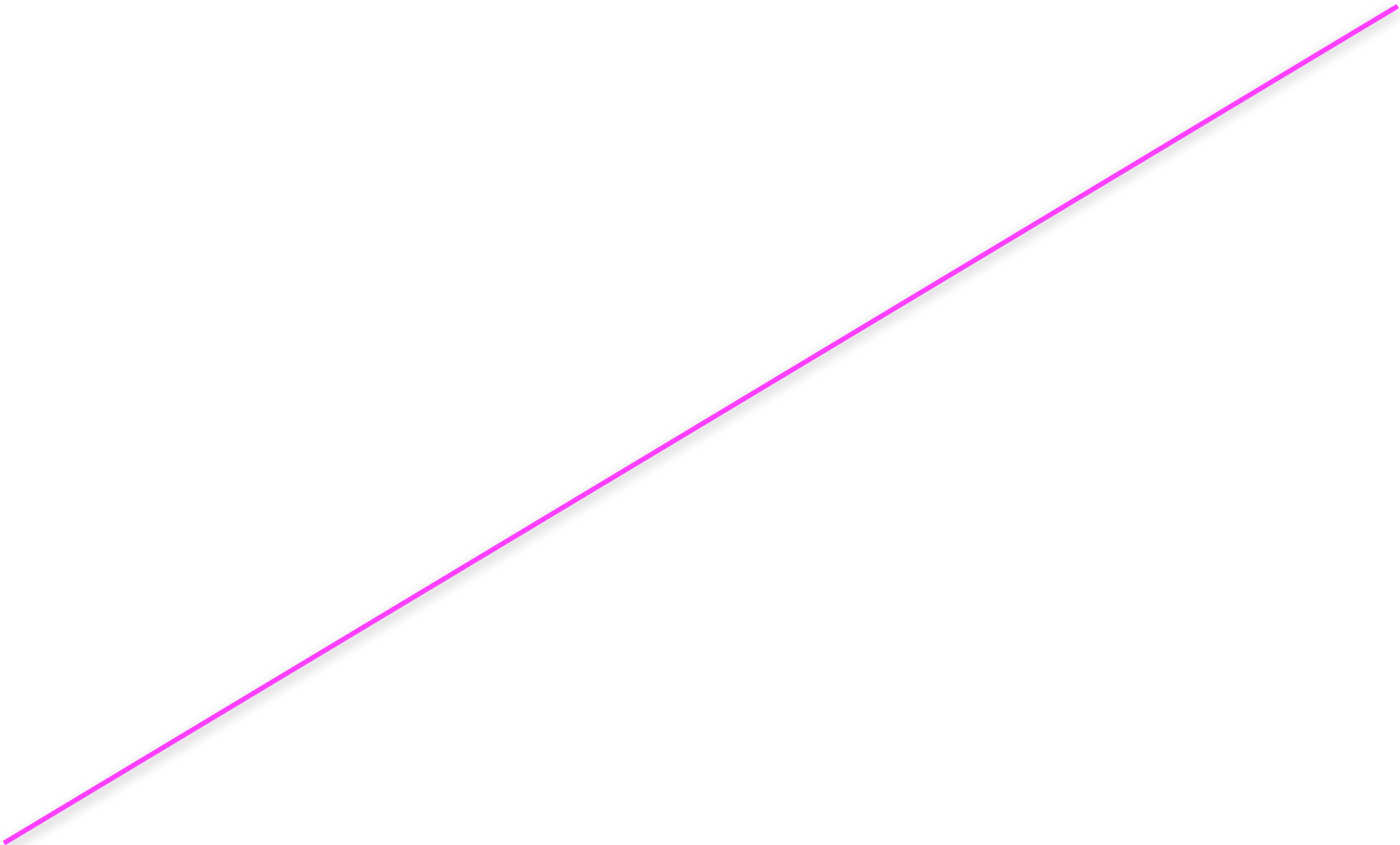












8,000

9,000

Claudia's Consumption

Mary's Consumption

Bob's Consumption











e



n

C



m

e

S

p

e

n





S

d







e





n









t

h

e









m

e



p

e

n





S

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








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

[illegible]

80%

90%

100%

APC

=

C

—

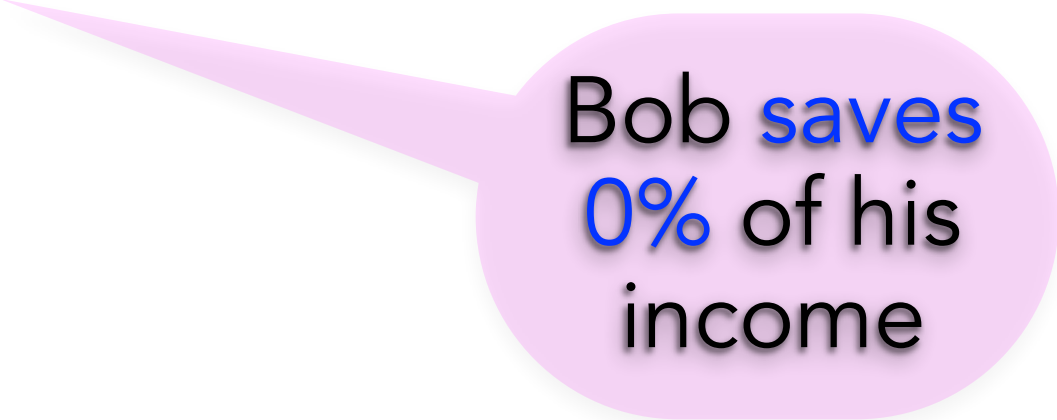
Y



Claudia **saves**
20% of her
income



Mary **saves**
10% of her
income



Bob **saves**
0% of his
income

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

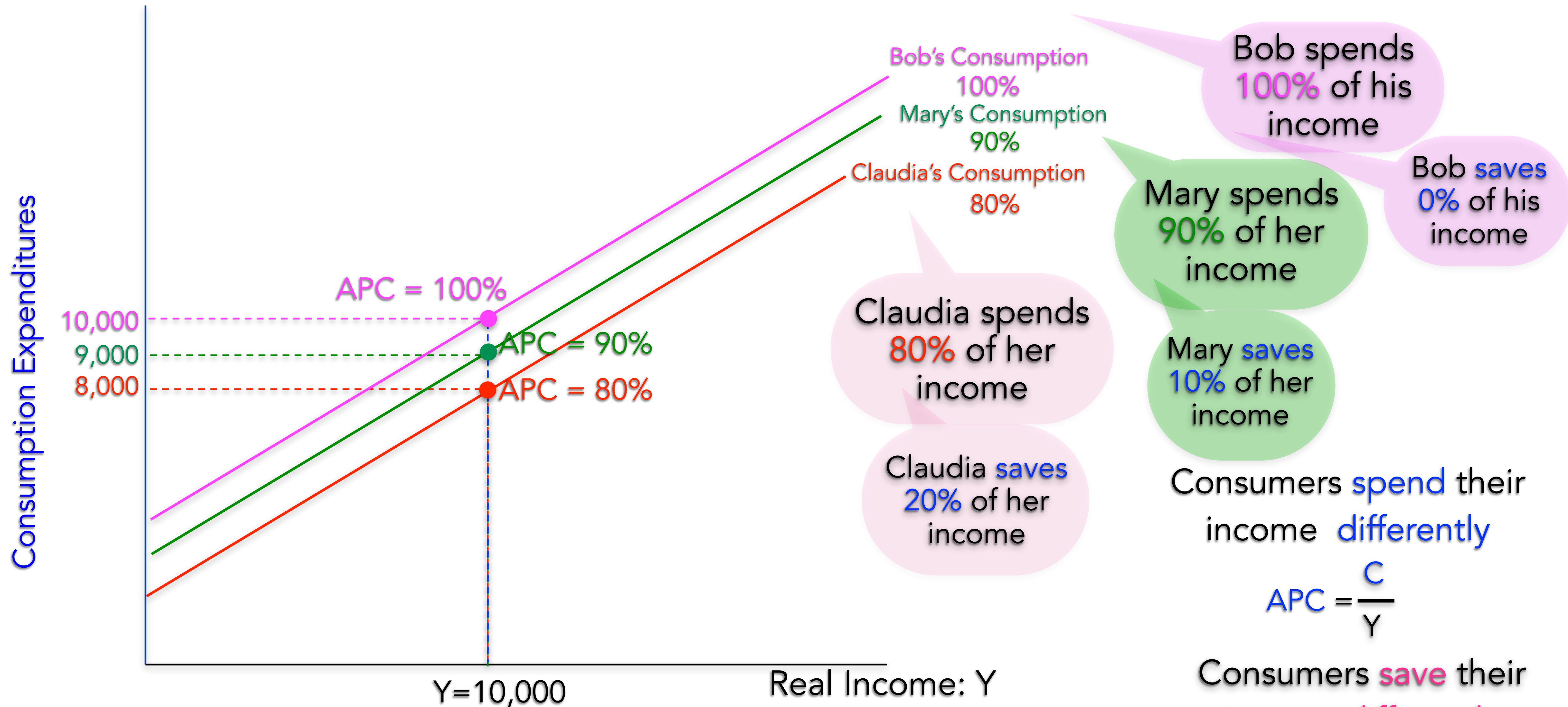
$$\text{APS} = \frac{S}{Y}$$

% 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

