

Smaller intercept



Higher intercept

C1

Co

S1

S

o

Intercept = 500

Intercept = -500



Intercept = 2000

Intercept = -200



13,000

13,000







Consumables

Income did not change

Save more

Simultaneous
opposite shifts in
C and S

W

h

e

n

W

e

a





h

d

e

C





a

S

e







n

S

u

m





S

p



n

d



e

S

S

a

n





a





m





e







h







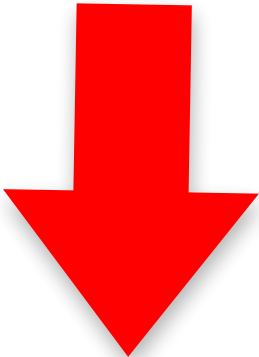


n

C



m



C

h

a

n

g

e



n

W

e

a





h



S

t



C

k



r



e

S

d



p

H



m

e



a



u

e

S

d

r



p

C

r

Y

p

t



C

u

r

r

e

n

C

Y

d

r



p

S

Change in Wealth:

Stock prices drop

Home values drop

Cryptocurrency drops

When wealth decrease,
Consumers spend less
and save more of their
income

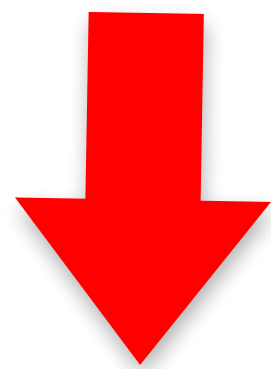
Change in Wealth:

Stock prices drop

Home values drop

Cryptocurrency drops

When wealth decrease,
Consumers **spend less**
and **save more** of their
income



Simultaneous
opposite shifts in
C and **S**

Smaller intercept

Intercept = 500

Intercept = 200

Higher intercept

Intercept = -200

Intercept = -500

