



18

$$C = 500 + 0.9(10,000)$$

C = a + NRCY

$$C = 500 + 9,000$$

C = 9,500

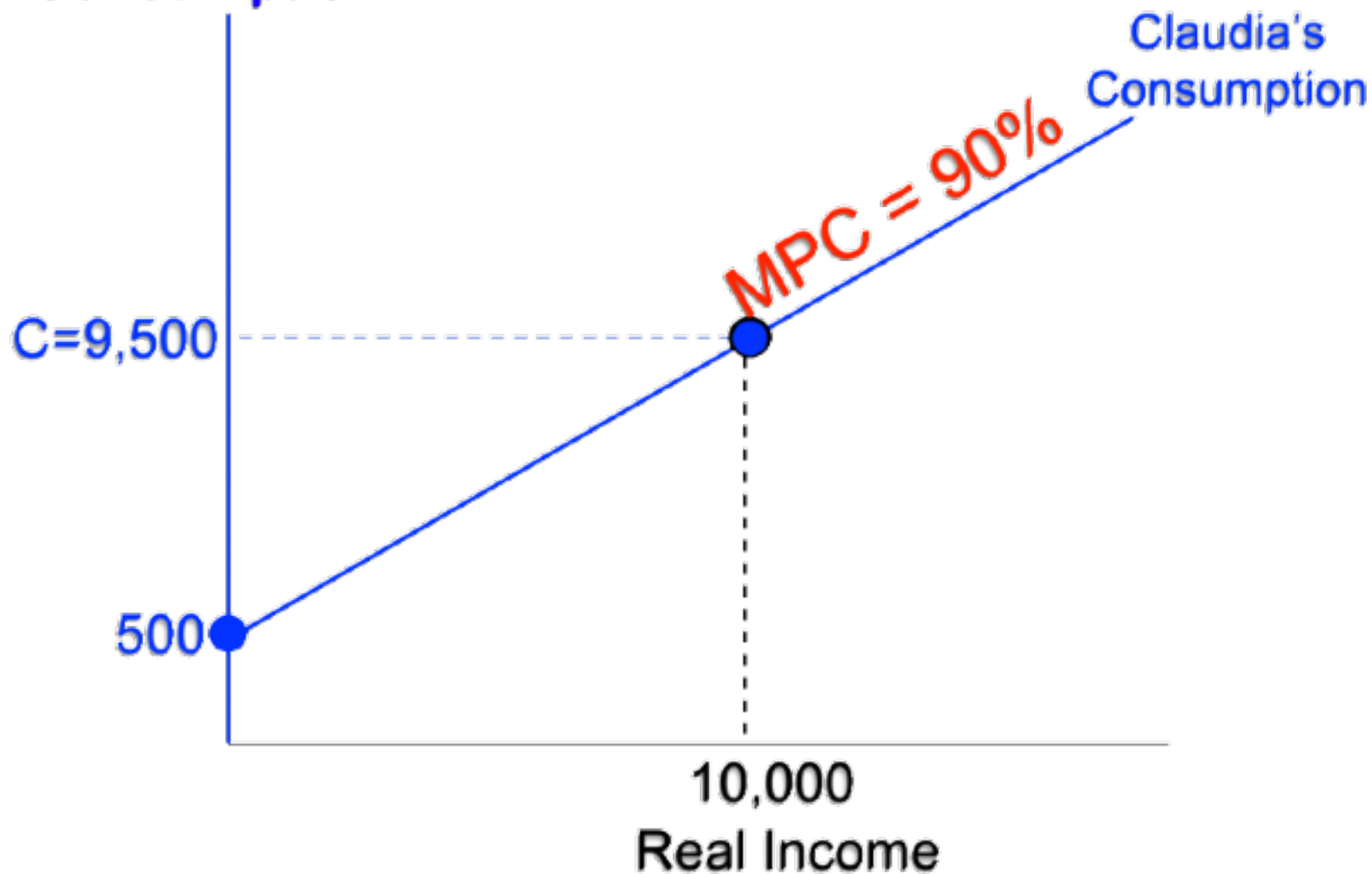
Claudia's income is \$10,000/month autonomous consumption = \$500 and

her MPC = 90%

Claudia **lost her job** as a result of the pandemic. She now earns only Unemployment benefits (\$2,000). How will her Consumption change?



**Consumption**



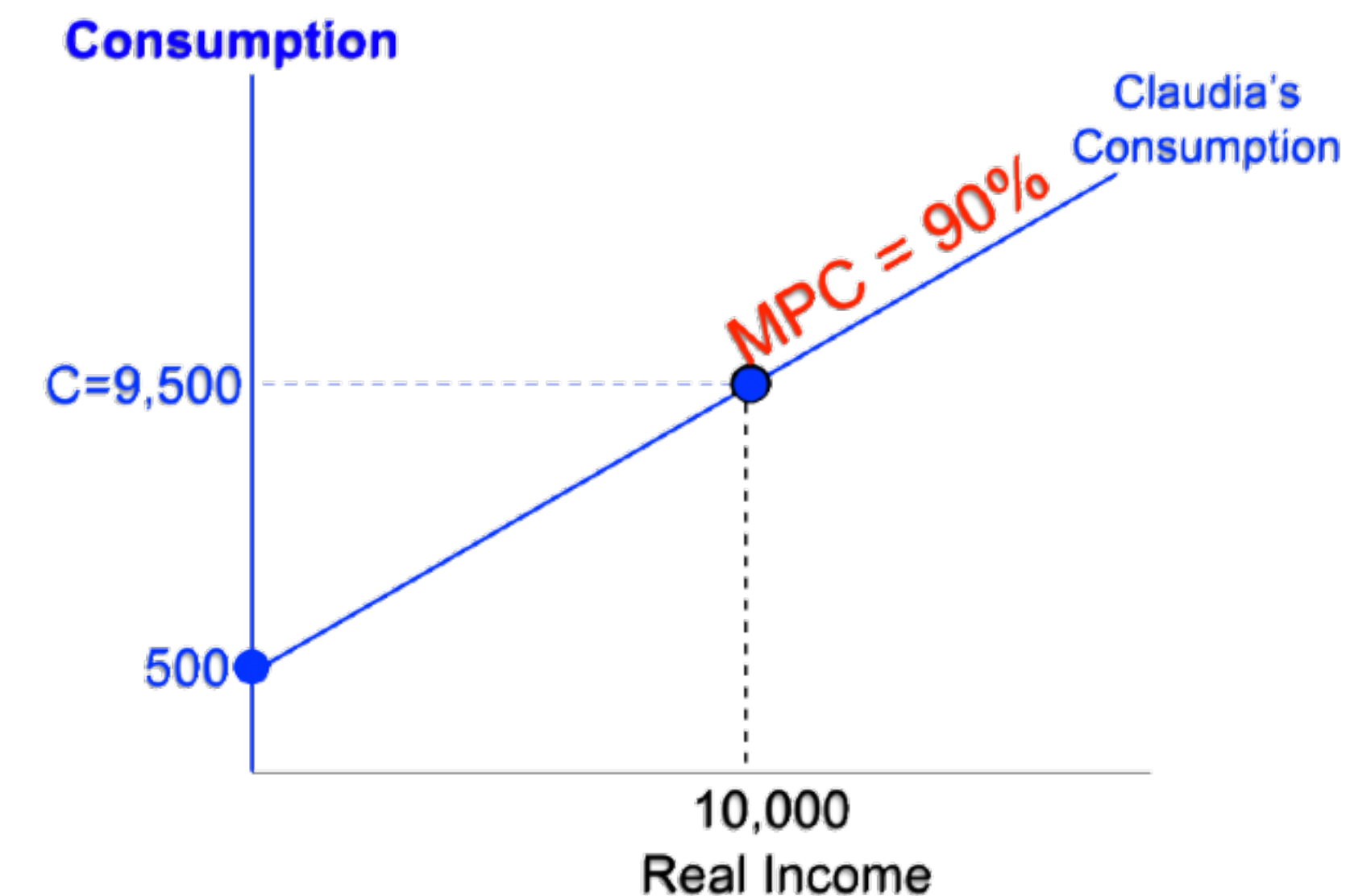
$$C = a + MPCY$$

Claudia's income is \$10,000/month autonomous consumption = \$500 and her MPC = 90%

$$C = 500 + 0.9(10,000)$$

$$C = 500 + 9,000$$

$$C = 9,500$$



Claudia **lost her job** as a result of the pandemic. She now earns only Unemployment benefits (\$2,000). How will her Consumption change?

$$C = a + MPCY$$

Claudia's old consumption

$$C = 500 + 0.9(10,000)$$

$$C = 500 + 9,000$$

$$C = 9,500$$

