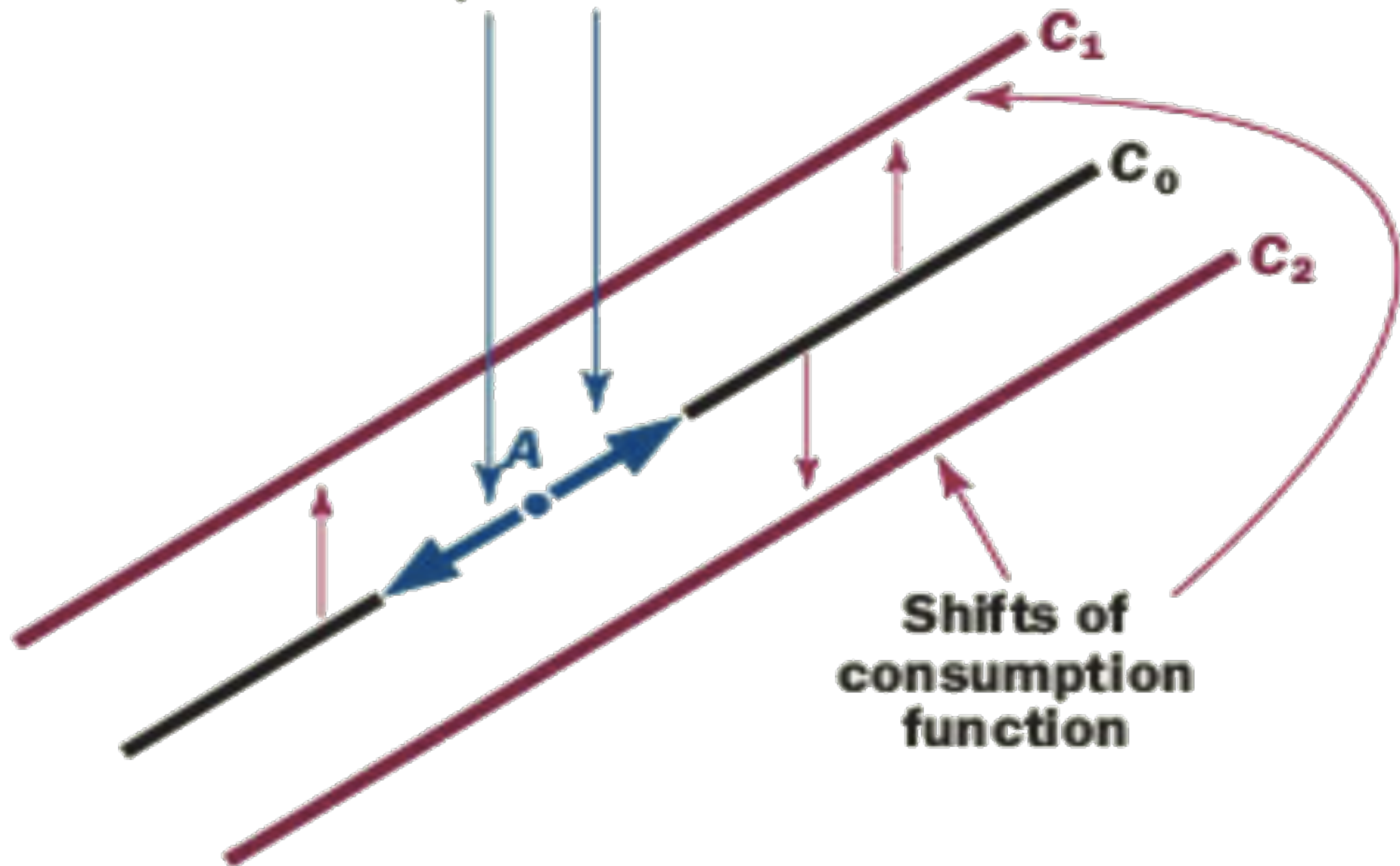


Real Consumer Spending

Movements along
consumption function



Shifts of
consumption
function

Real Disposable Income

Movement Along result
from changes in:

National Income

Taxes

Transfers

Shifts in Consumption result
from changes in:

Wealth

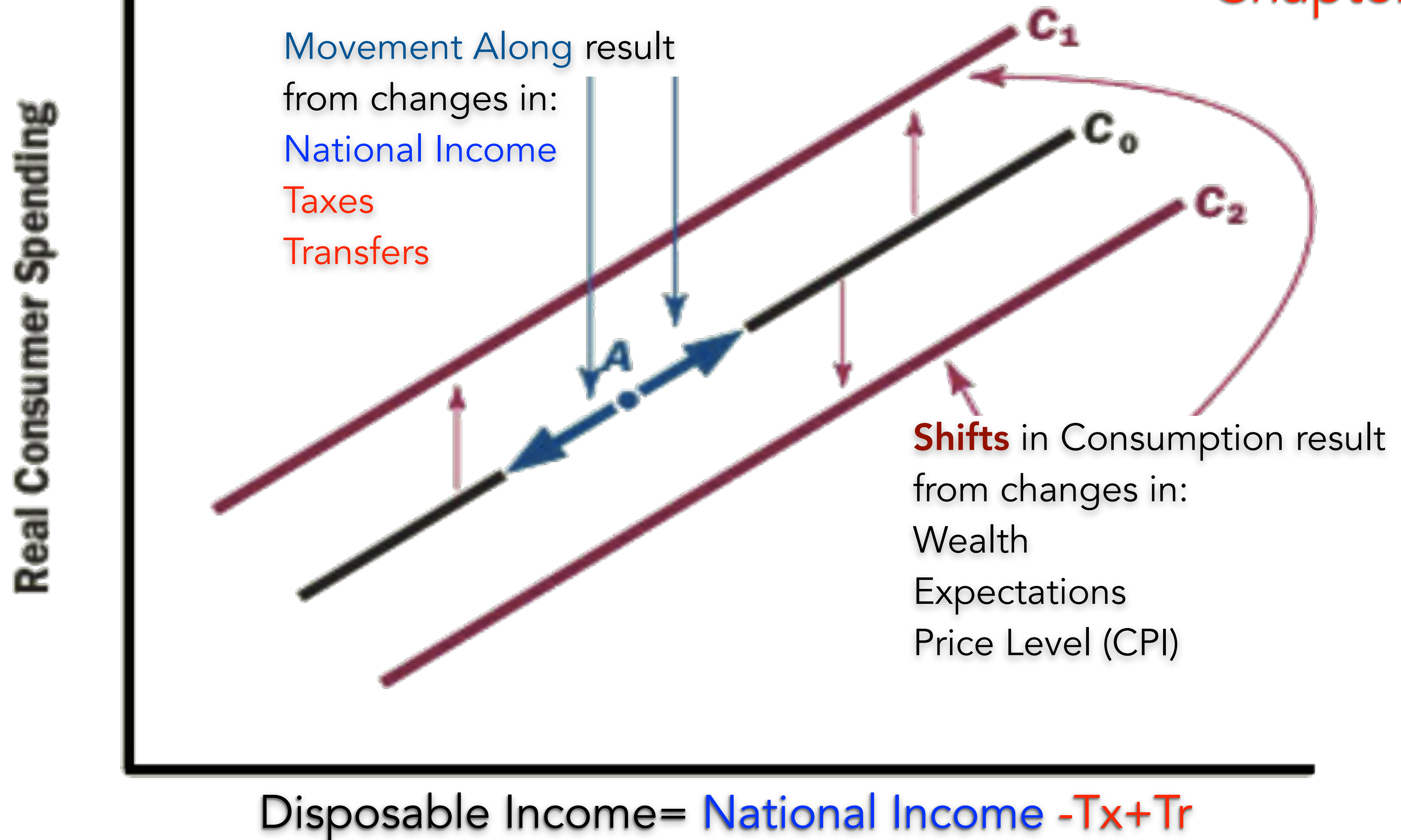
Expectations

Price Level (CPI)

Chapter 8

$$\text{Disposable Income} = \text{National Income} - T_x + T_r$$

Chapter 8



Real Consumer Spending

