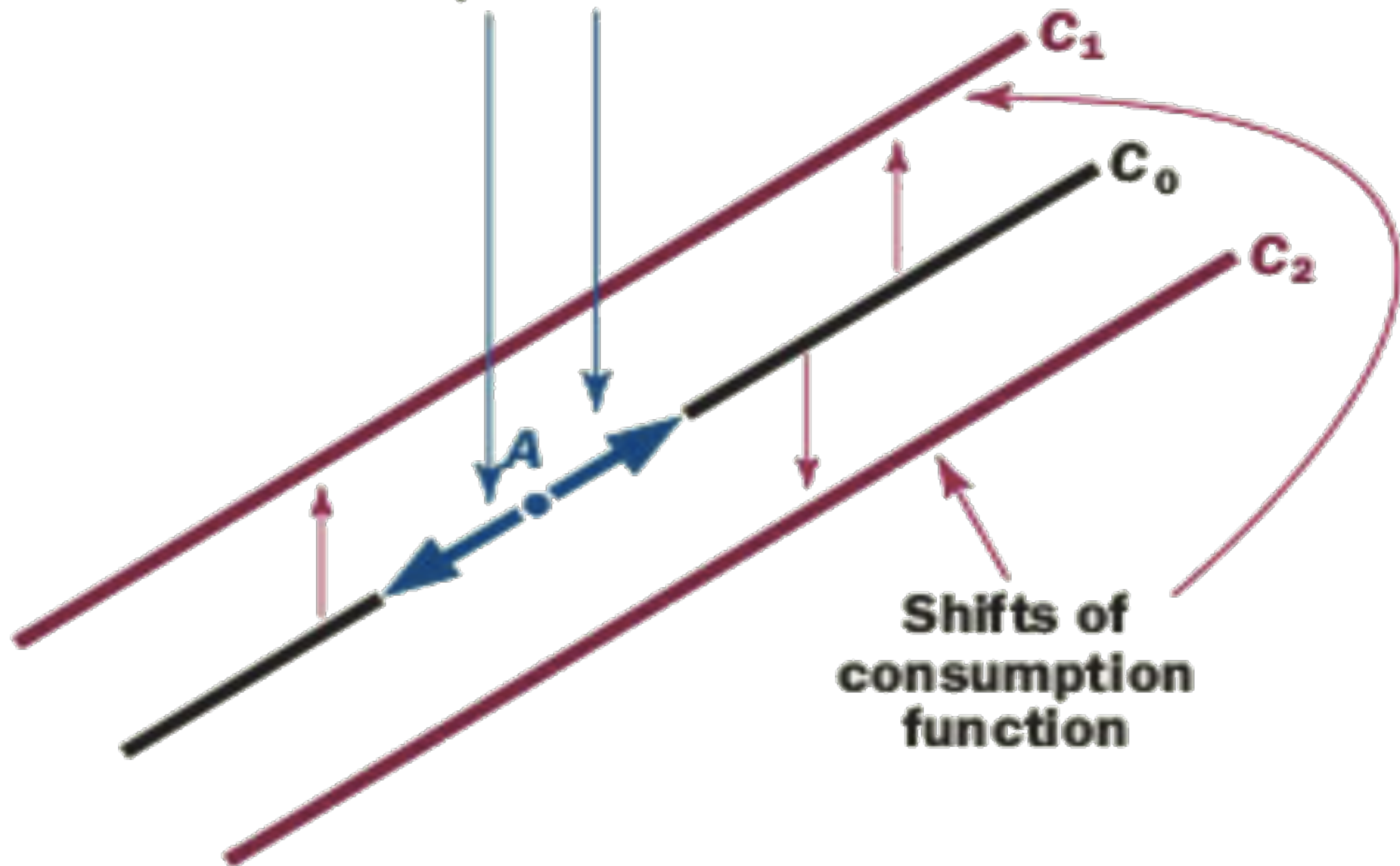




**Real Consumer Spending**

**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

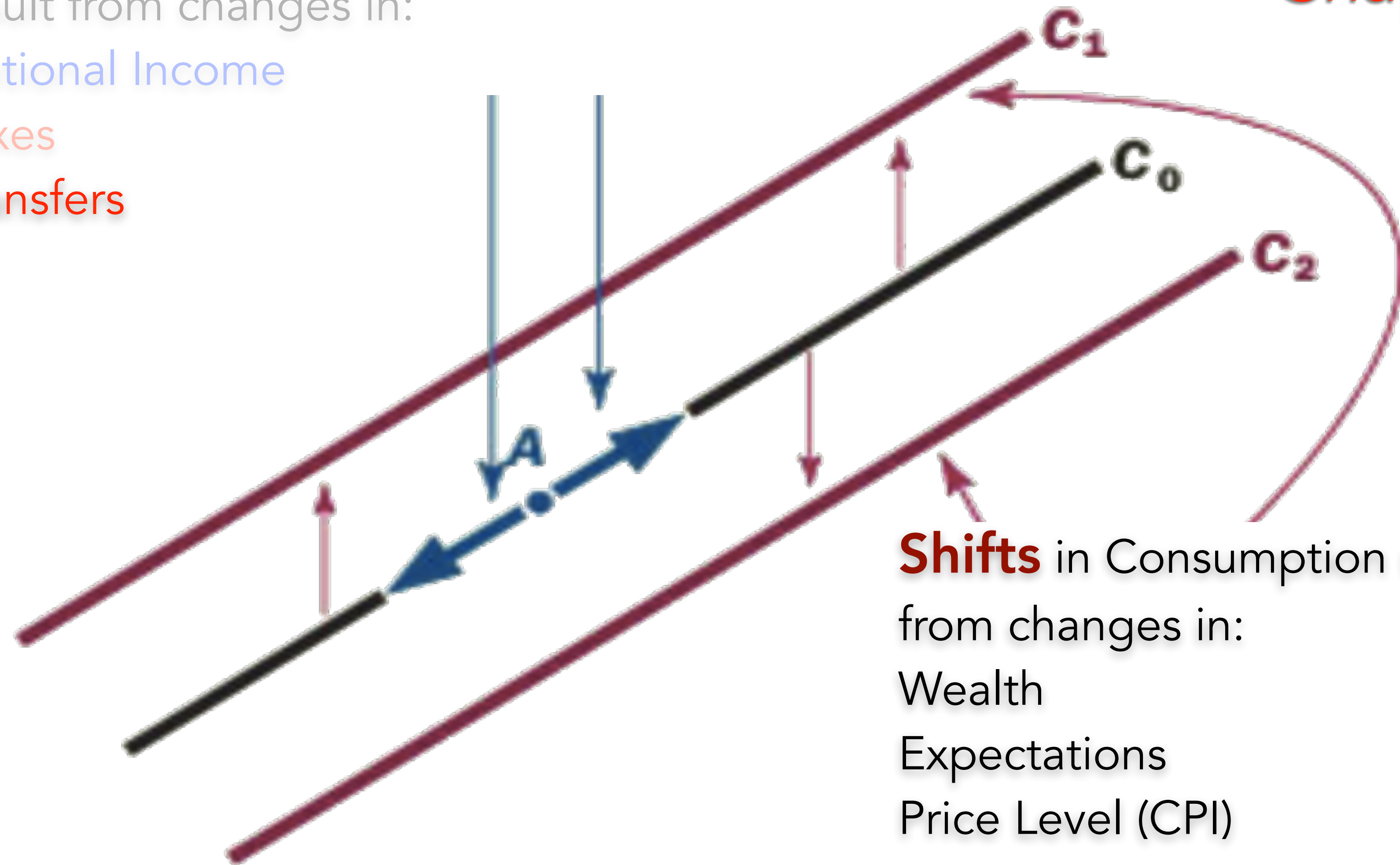
### Movement Along

result from changes in:

National Income

Taxes

Transfers



**Shifts** in Consumption result from changes in:  
Wealth  
Expectations  
Price Level (CPI)

$$\text{Disposable Income} = \text{National Income} - \text{Tx} + \text{Tr}$$

# The Consumption Function Shifts