Once we have the Consumption Function...

























































C = 500 + 0.75Y

Savings =

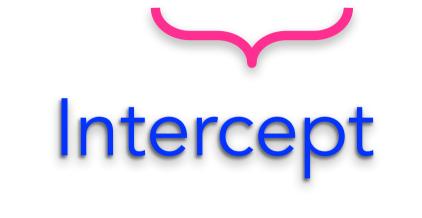
Savings = Y - (500 + 0.75Y)

Savings = Y - 500 - 0.75Y

Savings = -500 + Y - 0.75Y

Savings = -500 + (1 - 0.75)Y

S = -500 + 0.25Y





Savings = -500 + (0.25)Y

We can write the Savings Function...

Once we have the Consumption Function...

Savings = Y - C

$$C = 500 + 0.75Y$$

Savings = Y - (500 + 0.75Y)
Savings = Y - 500 - 0.75Y
Savings = -500 + Y - 0.75Y
Savings = -500 + (1 - 0.75)Y
Savings = -500 + (0.25)Y
 $S = -500 + 0.25Y$
Intercept Slope

We can write the Savings Function...