



Buy

Stocks, bonds, insurance, etc.

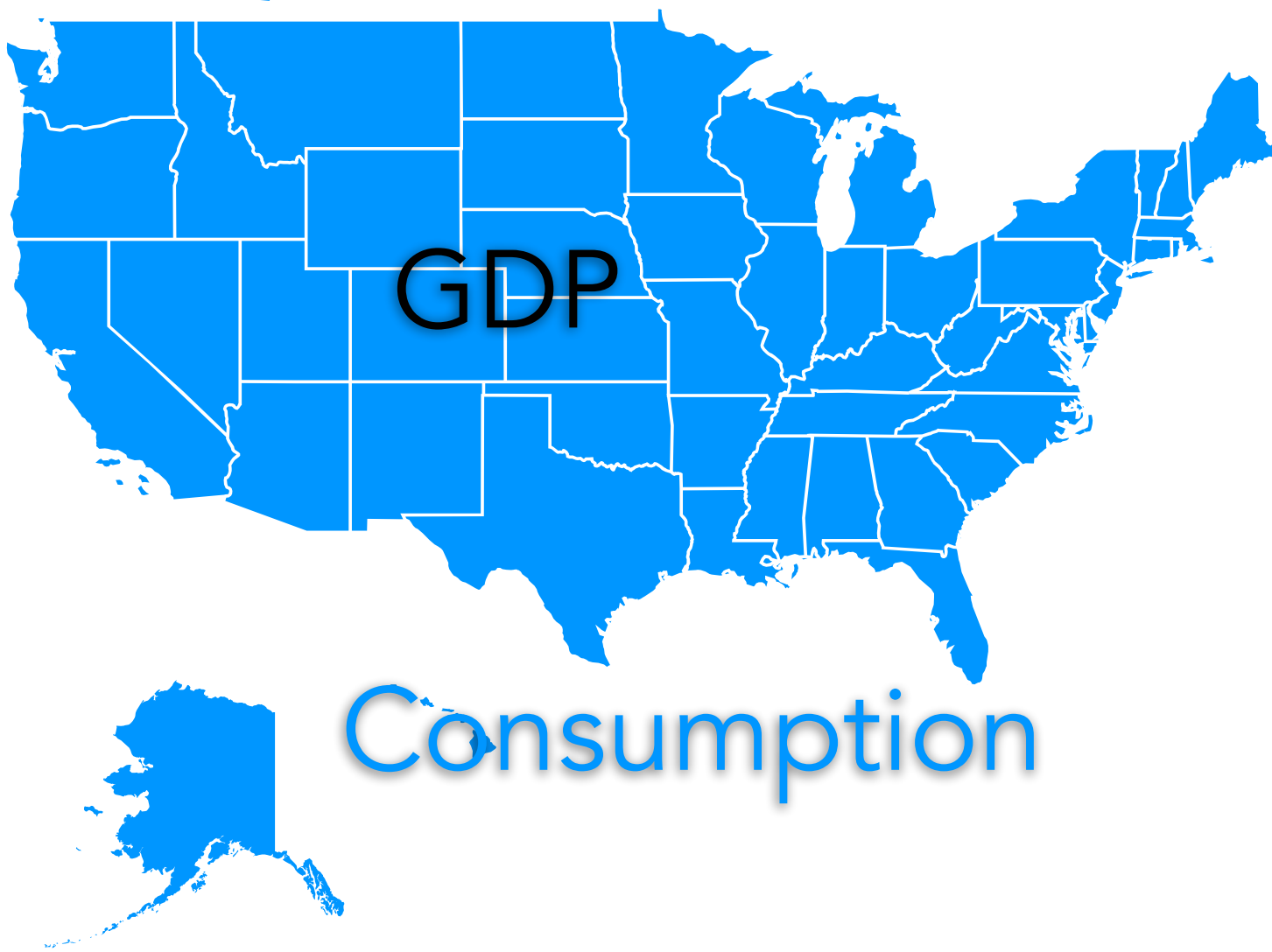


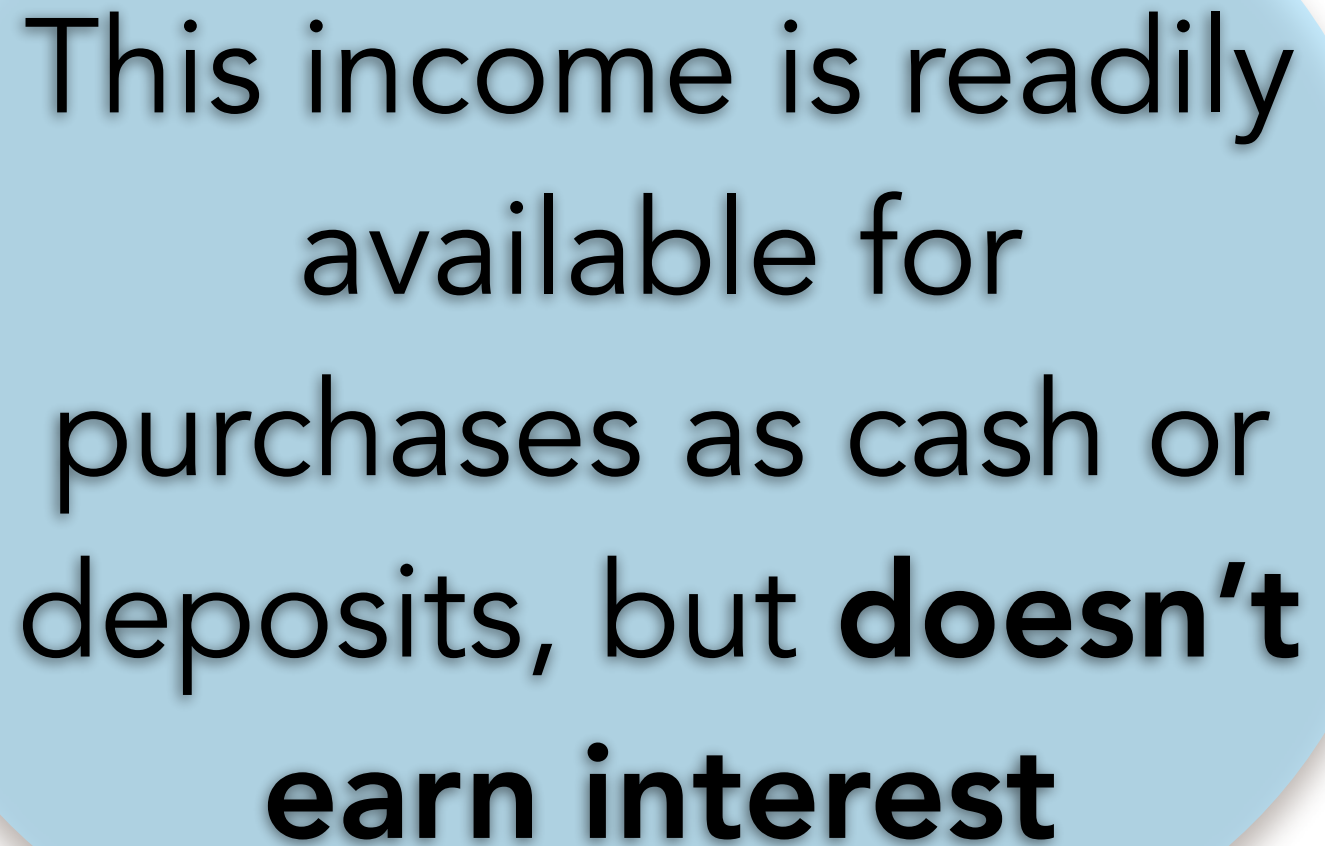
Buy

Goods and Services

GDP

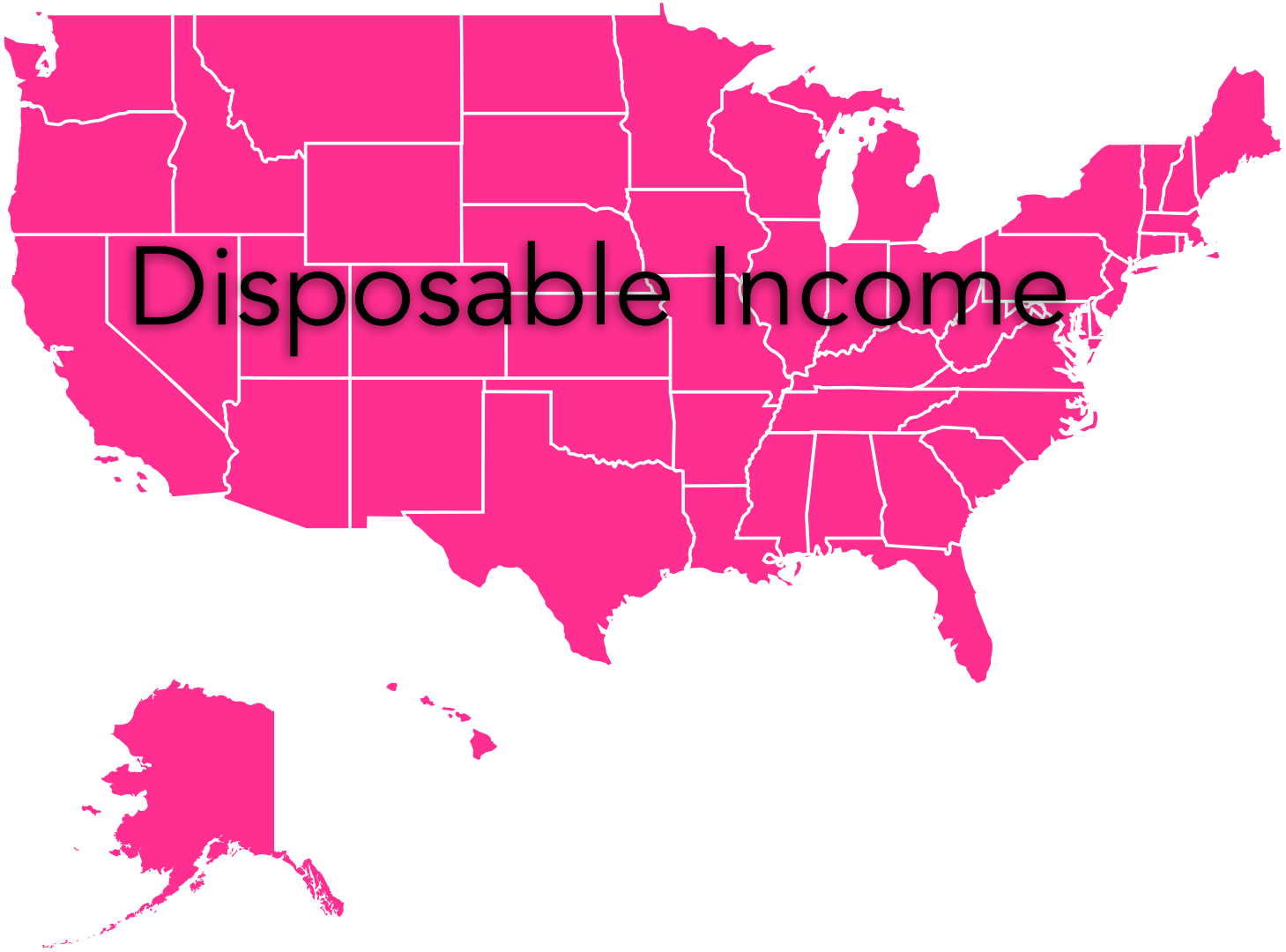
Consumption

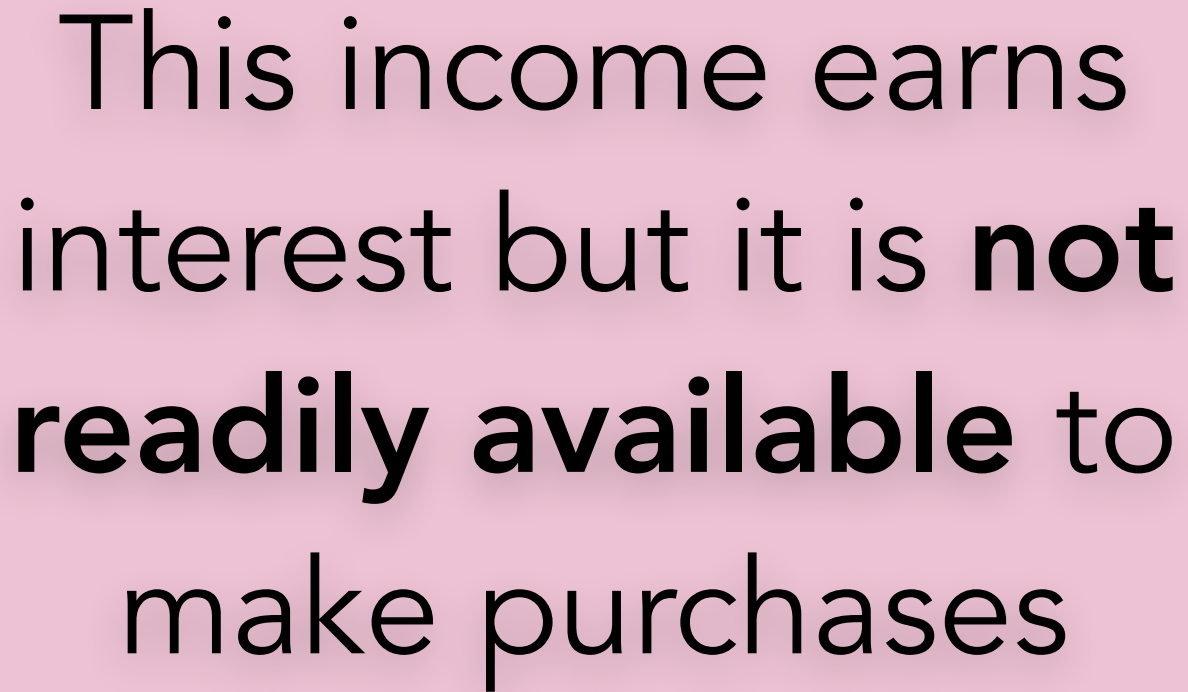




This income is readily  
available for  
purchases as cash or  
deposits, but **doesn't**  
**earn interest**

# Disposable Income



A pink speech bubble with a white outline and a small tail pointing towards the top right. The text is centered inside the bubble.

This income earns  
interest but it is **not**  
**readily available** to  
make purchases

The decision to save or spend

# Demand for Money ( $M^d$ )

Is the amount of income  
the public **needs** **readily**  
**available** for transactions





Demand for Money ( $M^d$ )

Is the amount of income  
the public **needs** to hold in  
cash and deposits



# Cash and Deposits

The Demand for Money  $M^d$

Amount of income the public **needs** to hold in  
liquid form



# The Demand for Money $M^d$

Amount of income the public **needs** to hold in  
liquid form



**Cash and Deposits**

# The Demand for Money