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$$C = a - MPC^T_x + MPC^T_r + MPC^T_Y$$

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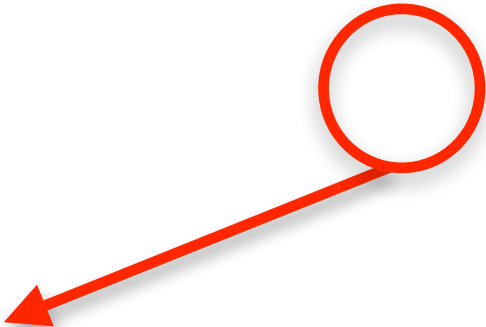




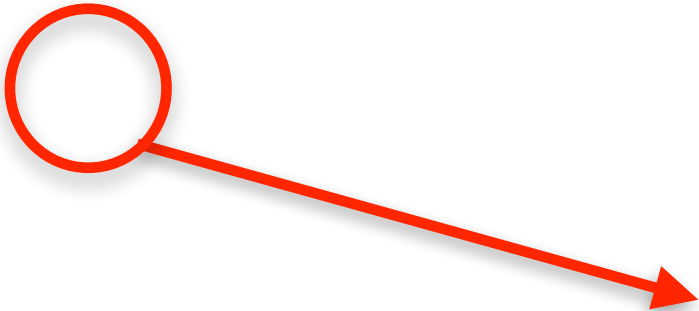


Y









When taxes **increase** by ΔT_x , the change in Consumption is **negative**

$$\Delta C = -MPC(\Delta T_x)$$

When Transfers **increase**
by ΔTr , the change in
Consumption is **positive**

$$\Delta C = +MPC(\Delta Tr)$$

When Income **increase** by
 ΔY , the change in
Consumption is **positive**

$$\Delta C = +MPC(\Delta Y)$$

When taxes decrease by ΔT_x (a negative number), the change in Consumption is positive

$$\Delta C = -MPC(-\Delta T_x)$$

When Transfers decrease
by ΔTr (a negative number), the
change in Consumption is
negative

$$\Delta C = +MPC(-\Delta Tr)$$

With Government

$$C = a \ominus \text{MPC}T_x \oplus \text{MPC}T_r \oplus \text{MPC}Y$$


When taxes **increase** by ΔT_x , the change in Consumption is **negative**
 $\Delta C = -\text{MPC}(\Delta T_x)$

When Transfers **increase** by ΔT_r , the change in Consumption is **positive**
 $\Delta C = +\text{MPC}(\Delta T_r)$

When Income **increase** by ΔY , the change in Consumption is **positive**
 $\Delta C = +\text{MPC}(\Delta Y)$

When taxes **decrease** by ΔT_x (a negative number), the change in Consumption is **positive**
 $\Delta C = -\text{MPC}(-\Delta T_x)$

When Transfers **decrease** by ΔT_r (a negative number), the change in Consumption is **negative**
 $\Delta C = +\text{MPC}(-\Delta T_r)$

When Income **decrease** by ΔY (a negative number), the change in Consumption is **negative**
 $\Delta C = +\text{MPC}(-\Delta Y)$

With Government