

C

[REDACTED]

[REDACTED]





n





e



c



P







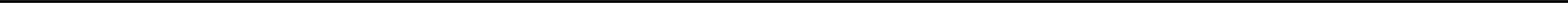
M





Y





Real Income  
Billions

St. Louis  
Missouri  
St. Louis  
Missouri



5,000 - - - - -

3,500

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-

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2,000

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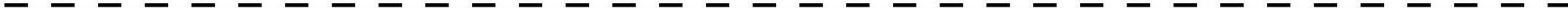
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1,250 - - - - -

4,250



2,750

\_\_\_\_\_

**Figure 1**

Age Group	Percentage (%)
0-17	~9%
18-24	~12%
25-34	~15%
35-44	~18%
45-54	~22%
55-64	~25%
65+	~28%

1,000

2,000





3,000

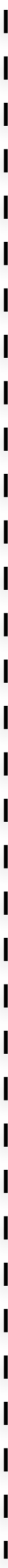
4,0000



5,000



6,000


















# The Intercept



$$\Delta Y = 2,000$$




$$\Delta C = 1,500$$

**MPC** = **ΔC / ΔY**

**MPC = 1,500 / 2,000**











MPC = 0.75

When income increase by 2,000

Consumption increase by 1,500

Calculating the slope



**MPC**

C

h





S

e





a

n

y

t

W



p







n

S

1



2



$$C = \text{intercept} + 0.75Y$$

$$C = \text{intercept} + \text{MPC}Y$$

Choose *any* two points



# Calculating the ~~slope~~ <sup>MPC</sup>

Choose **any** two points

$$C = \text{intercept} + 0.75Y$$

