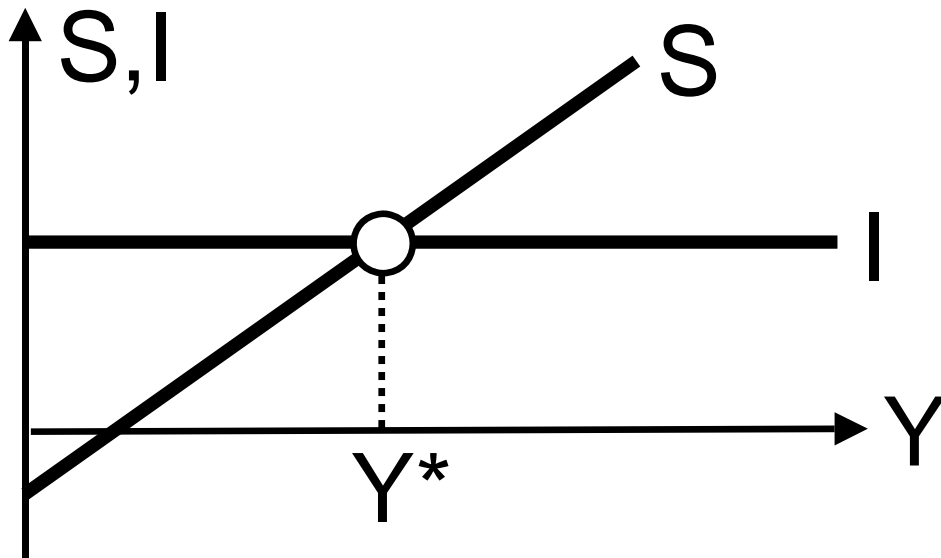


17.3 Paradox of thrift

- Equilibrium Y^* : $S = I$



- More private saving does **not** result in higher **S** at Y^*2
→ **Paradox of thrift**

