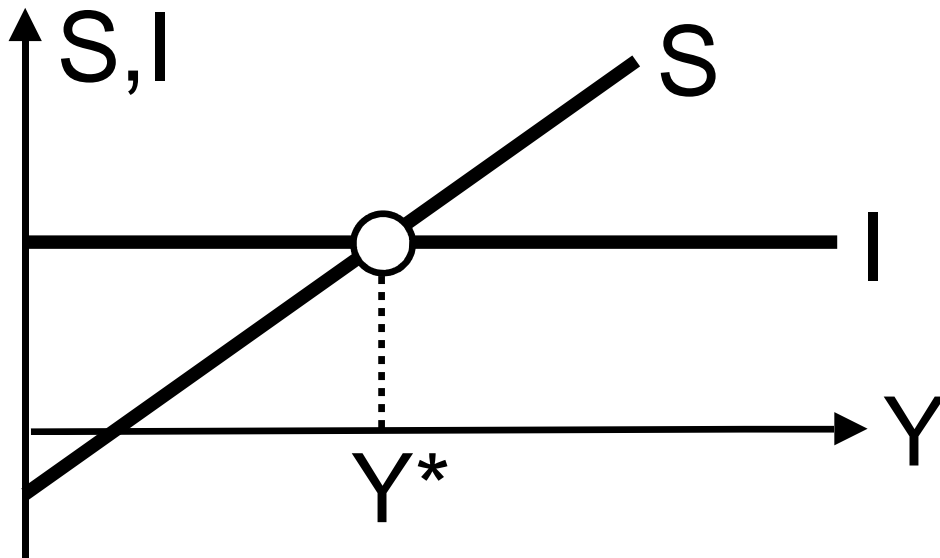


# Paradox of thrift

- Equilibrium  $Y^*$ :  $S = I$



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

