



# Demand Shifts

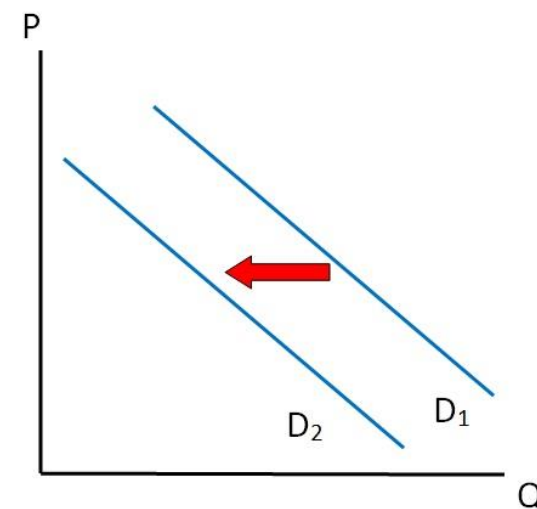
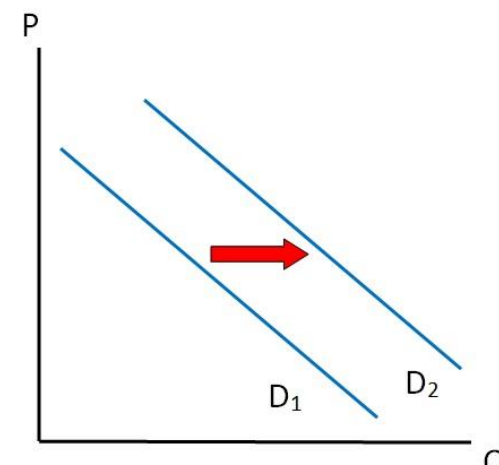


# Clear Target

I will be able to determine ways in which changes to a product's demand shifters or elasticity of demand will affect its demand.

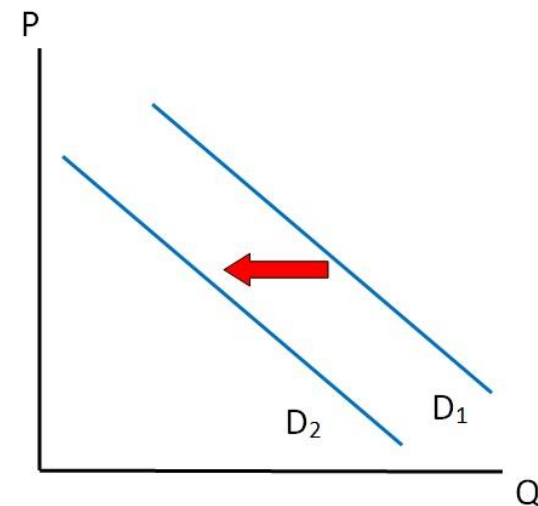
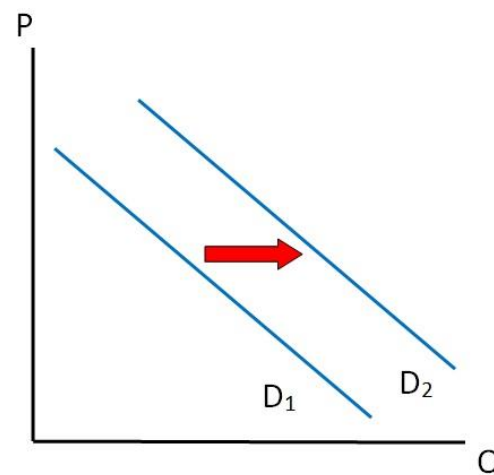
# Demand Shift

- An increase or decrease in the demand for a good or service at all price levels.



# Demand shifters

Factors that can cause the demand curve of a good or service to shift, either raising or lowering demand for the product at all prices.





# Demand Shifters

- **Income**
- ***Normal goods*** -demand increases with increased income.
- ***Inferior goods*** – demand decreases with increased income
- ***Real Income Effect***
  - People cannot keep buying the same amount of a product if the price rises and their income stays the same.





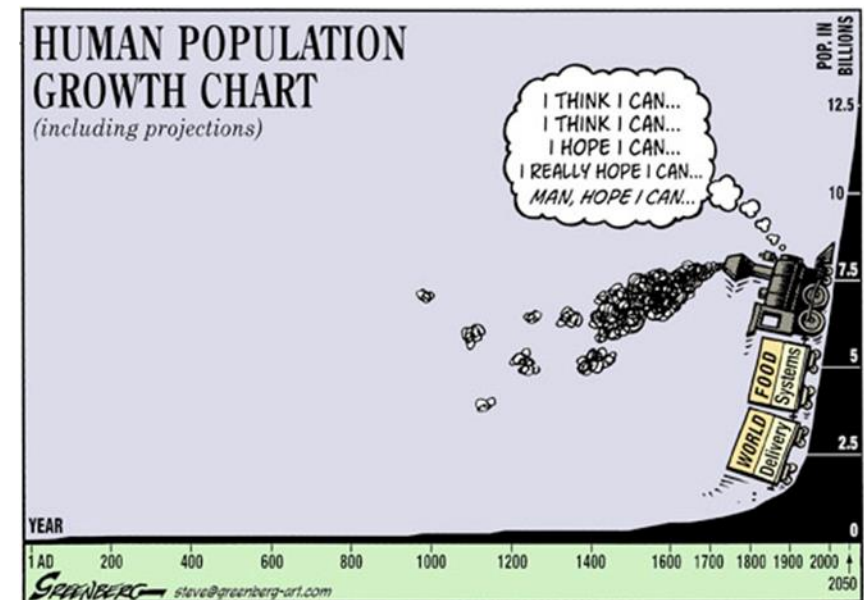
# Demand Shifters

- **Price of Related Goods**
- ***Substitutes*** –similar goods that may be used in place of each other.
- ***Complementary goods*** – two goods often bought and used together.



# Demand Shifters

- Number of consumers
- ***Population changes*** –changes in the size of the population will affect the demand of most goods.
- ***Demographic changes***– characteristics of populations such as age, race, gender, occupation, and income level.

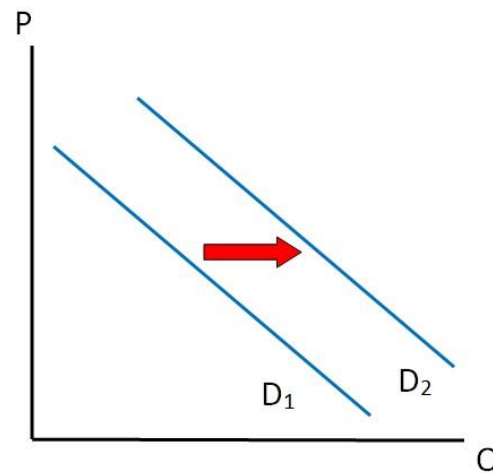




# Demand Shifters

## Number of Consumers

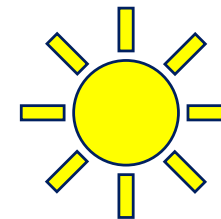
- Which way would the demand curve for sweet tea shift if there was a large increase in the population of the southern states.





# Demand Shifters

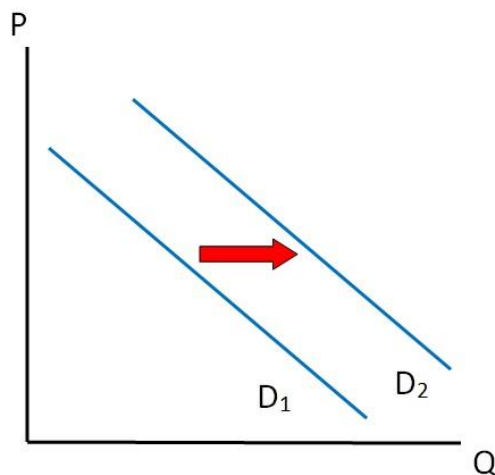
- **Taste and Preferences**
- Overall demand will increase and decrease with peoples preferences.



# Demand Shifters

## Tastes and Preference

- Which way would the demand curve for pumpkins shift at the beginning of October.





# Demand Shifters

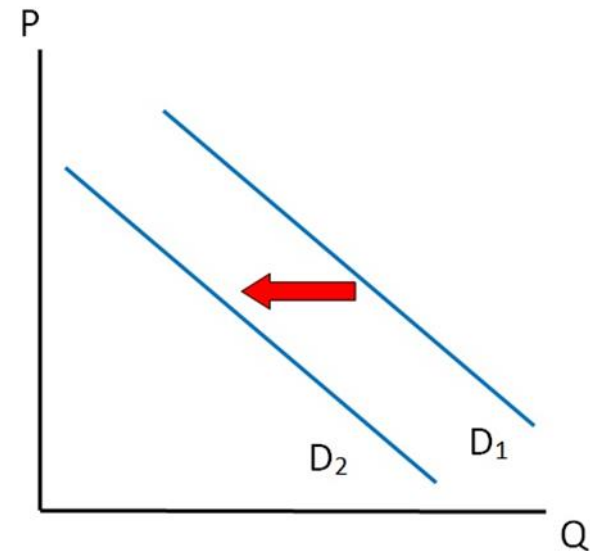
- **Expectations**
- Our expectations about the future can affect our demand for certain goods today.



# Demand Shifters

## Expectations

- Which way would the demand curve for large flat screen TV's shift at the beginning of November.





# Practice with demand shifters in Google Classroom