#49: IOMODEL

I-O Model Multiplier Process

Assume that export sales of computers increase by $100.

Round One. Multiply $100 by each of the coefficients in the computer column of the input coefficients table. Exclude imports.
$100 (0.2) = $20 Wire
$100 (0.5) = $50 Wages

Round Two. Multiply $20 by each of the coefficients in the wire column of the input coefficients table. Then multiply $50 by each of the coefficients in the household column of the input coefficients table. Exclude imports.

Wire	Households
$20 (0.3) = $6 Computers	$50 (0.05) = $2.50 Computers
$20 (0.6) = $12 Wages	$50 (0.69) = $34.50 Local Merchants

Round Three. Do the following. Multiply $6 by each of the coefficients in the computer column of the input coefficients table. Multiply $12 by each of the coefficients in the households column of the input coefficients table. Multiply $2.50 by each of the coefficients in the computer column of the input coefficients table. Multiply $34.50 by each of the coefficients of the local merchants column of the input coefficients table. In all cases, exclude imports.

Computers	Households
$6 (0.2) = $1.20 Wire	$12 (0.05) = $0.60 Computers
$6 (0.5) = $3 Wages	$12 (0.69) = $8.28 Local Merchants

Computers	Local Merchants
$2.50 (0.2) = $0.50 Wire	$34.50 (0.06) = $2.07 Computers
$2.50 (0.5) = $1.25 Wages	$34.50 (0.8) = $27.60 Wages