7. Consumer Expectation
    - Buy stocks now if you think the price will rise
    - Buy later or stop buying if you think the prices will fall like in a recession
8. The Wealth effect
    - When values of your house, stocks and other asset increase, you feel richer and want to spend more
    - Alternatively, falling prices in houses, stocks and assets leads to less consumption

- **Permanent Income Hypothesis**
    - An idea proposed by Milton Friedman, a conservative economist in the late 20th century
    - People tailor their consumption to their expected lifetime average earnings more than what they earn now
      *Note, there are situations where this theory doesn't work

- **Economics At Work: Americans as World Class Shoppers**
    - Consumers are the prime movers of our economy and the global world's economy
    - American consumers contributed to the recovery of the Japanese and German economies
    - Americans has contributed to China's economic growth of 10% for 20 years
    - However, this consumer behavior has led to a MASSIVE trade deficit for the US economy