



**Changes in Income** The demand for most goods and services depends on income. Your demand for DVDs would certainly decrease if your income dropped in half and you expected it to stay there. You would buy fewer DVDs at all possible prices. In the graph on the left, the demand curve D1 represents your demand for DVDs before your income dropped, and the demand curve D2 represents your demand for DVDs after your income dropped. If your income went up, however, you might buy more DVDs even if the price of DVDs doubled. Buying more DVDs at all possible prices would shift the demand curve to the right.