Elasticity

The four elasticities, and what each measures.

Economics

The four measures.

Elasticity	Measures	Reading
Price (PED)	Demand response to own price	Negative; >1 elastic
Income (YED)	Demand response to income	Positive = normal good
Cross (XED)	Response to another's price	Positive = substitute
Supply (PES)	Supply response to price	Rises with time available

Negative income elasticity identifies an inferior good — demand falls as people get richer.