

The marginal propensity to save (MPS) indicates what the household sector does with extra income. The MPS indicates the portion of additional income that is used for saving.
 $MPS + MPC = 1$ (where MPC is marginal propensity to consume).
In our case $MPC = 0.8$, so $MPS = 1 - 0.8 = 0.2$
So, the right answer is: **D. 0.2.**