

0.3	: Tax	Income	Income	Saving	Wealth
0.8	: Saving	million USD	million USD	million USD	million USD
0.02	: Return	End of Period	End of Period	End of Period	End of Period
			Average Tax = 30%	Saving = 80%	Return = 2%
Periods	Pre-Tax	Post-Tax	Saving	Wealth	
1	100	70.000	56.000	56.000	
2	100	70.000	56.000	113.120	
3	100	70.000	56.000	171.382	
4	100	70.000	56.000	230.810	
5	100	70.000	56.000	291.426	
6	100	70.000	56.000	353.255	
7	100	70.000	56.000	416.320	
8	100	70.000	56.000	480.646	
9	100	70.000	56.000	546.259	
10	100	70.000	56.000	613.184	

NOTE : We assume Joe saves 80 % of his post-tax income at any level of wealth and rate of return
Joe does not save more in good times, does not have a target level of wealth or wealth-to-income ratio
We assume Joe average tax rate is 30% and average rate of return is 2%
30% corresponds is approximately then average tax rate for top income, and not a marginal tax rate
Information about U.S. tax rates may be found here : <http://taxfoundation.org/>