

# Lecture 4 - Overlapping Generations Model

UCLA - Econ 102 - Fall 2018

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# US Household Wealth from Saez, Zucman (2016)

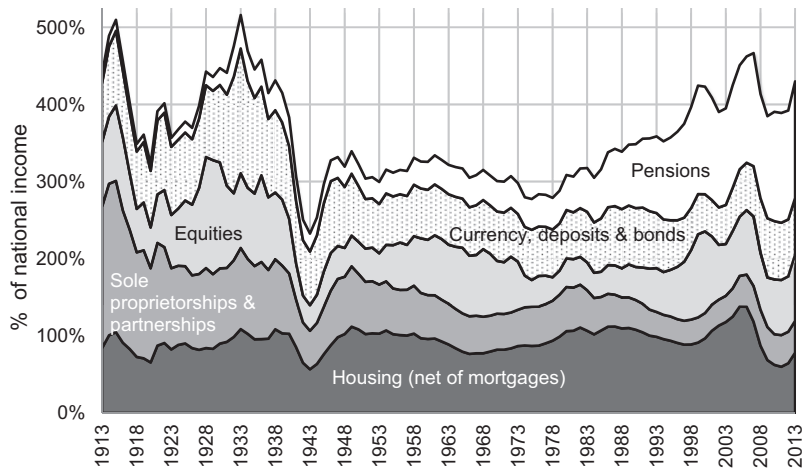


Figure 1: AGGREGATE US HOUSEHOLD WEALTH, 1913–2013

# Saving Rate by Wealth Class

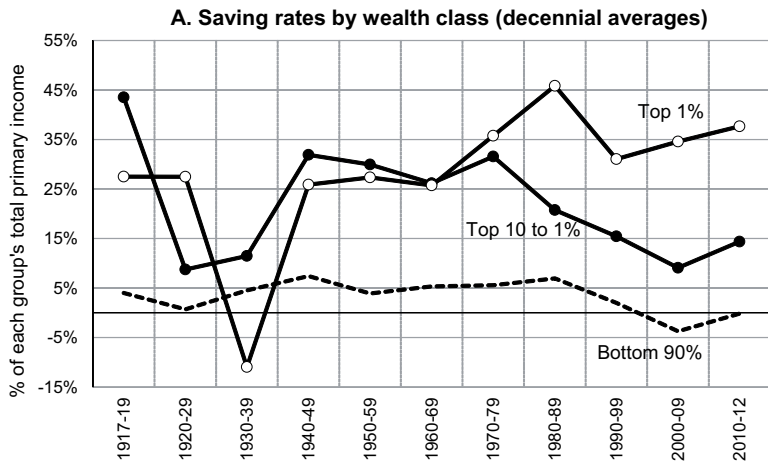


Figure 2: SAVING RATE BY WEALTH CLASS

# Top 10% Wealth Share

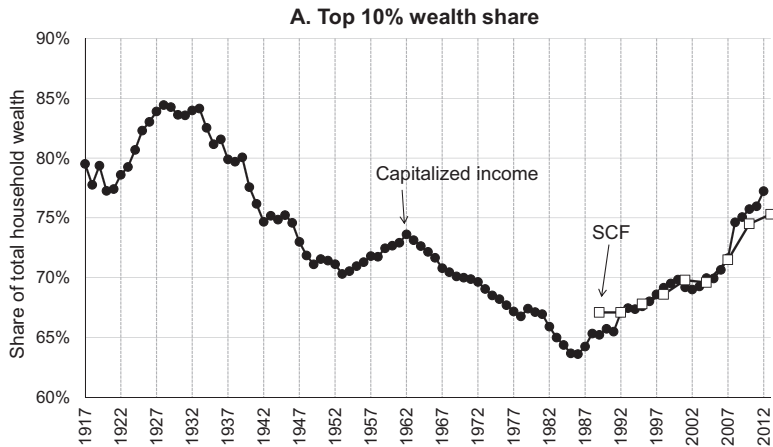


Figure 3: TOP 10 PER CENT WEALTH SHARE

# Top 1-10% and Top 1% Wealth Shares

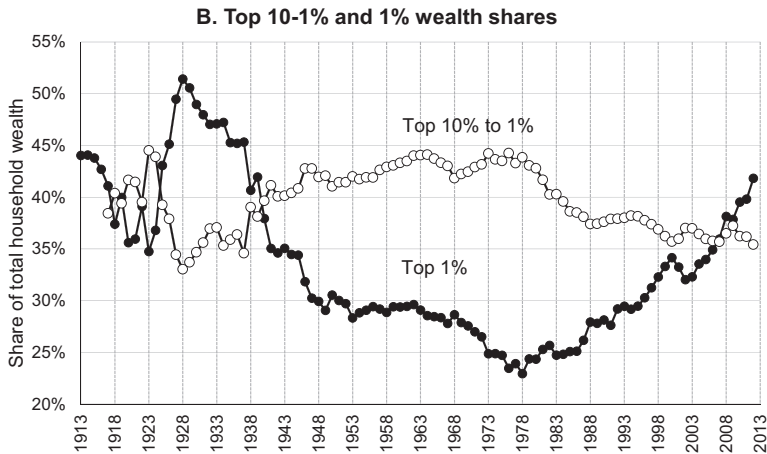


Figure 4: TOP 1-10 PER CENT AND TOP 1 PER CENT WEALTH SHARE

## Some Quotes

Adam Smith, in the The Theory of Moral Sentiments (1759):

*To what purpose is all the toil and bustle of the world? . . . It is our vanity which urges us on. . . It is not wealth that men desire, but the consideration and good opinion that wait upon riches.*

Lee Iacocca, former CEO from Chrysler:

*Once you reach a certain level in a material way, what more can you do? You can't eat more than three meals a day; you'll kill yourself. You can't wear two suits one over the other. You might now have three cars in your garage-but six! Oh, you can indulge yourself, but only to a point.*