Aggregate Uncertainty:

Points to consider, when interpreting the results:

* When would aggregation be perfect?
* If propensity to save out of wealth would be identical. Then a redistribution of wealth would have no impact on savings, only mean would matter.
* In previous Ögure, we saw that marginal propensities to consume are almost identical for most agents, except very poor.
* But do poor matter for aggregate wealth? No, by deÖnition of being poor, their wealth holding is negligible.
* Therefore, we get approximate aggregation: All macro variables can be described by: mean of wealth distribution and aggregate TFP.