

# Inflation, Wealth Distribution, and Endogenous Time Preference for Asset

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## Abstract

This paper focuses relation between inflation and economic growth using Money-in-Utility-Function (MIUF) model with endogenous time preference depended for asset. However, unlike the existing literature, we don't impose any restrictions on the degree of impatience, measured by the rate of time preference. In this condition, the steady state is shown to be stable and unique. Even in the case of decreasing marginal impatience, increasing inflation rate raise capital stock in steady state (Mundell-Tobin effect). Increasing marginal impatience leads the larger steady state value of capital stock compared with decreasing marginal impatience.

JEL code: E40, E52, O40

Keywords: Endogenous Time Preference, money-in-utility-function model, Mundell-Tobin effect, wealth distribution

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