

Impact of asset prices onto the US and / or European wealth

- Time frame: 2007–2017
- Relationship between asset prices and US household wealth and the effect of that relationship on the economy
- Faber: “the median household’s or asset owner’s wealth has declined by close to 40% in real terms (adjusted by the CPI) from its peak in 2007.”

Income inequality and interest rates

- Due to current research results the awareness emerged that the relationship between the interest rate and income inequality is found to be negative and statistically significant.
- [Berisha, Meszaros and Olson](#) interpret this result as suggesting that high income earners derive a larger portion of their income from interest rate sensitive assets.

Sovereign Money

- Modelling Sovereign Money for the European banking system
- Based on the Working paper of the IMF (WP/12/202) by: Jaromir Benes and Michael Kumhof: “At the height of the Great Depression a number of leading U.S. economists advanced a proposal for monetary reform that became known as the Chicago Plan. It envisaged the separation of the monetary and credit functions of the banking system, by requiring 100% reserve backing for deposits. Irving Fisher (1936) claimed the following advantages for this plan:
 - (1) Much better control of a major source of business cycle fluctuations, sudden increases and contractions of bank credit and of the supply of bank-created money.
 - (2) Complete elimination of bank runs.
 - (3) Dramatic reduction of the (net) public debt.
 - (4) Dramatic reduction of private debt, as money creation no longer requires simultaneous debt creation.”
- The goal is to create a calibrated model of sovereign money for the banking system of the EU.