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## Charles Steindel’s Thesis

Personal Consumption, Property Income, and Corporate Saving

I found this thesis through D-Space, MIT’s archive of theses. It was written in 1977 on a typewriter. (The author credited the person who typed it.) For this article, I wanted to look at the consumption side of the equation. It was written by a Philosophy Doctoral candidate. The paper is about aggregate consumer spending in the economy. As I read through it, I find that it is not very relevant to our research because it explorers from a macroeconomic perspective, while we work at a personal, microeconomic perspective. The author talks about where corporate profits should go: into dividends which contributes to the personal savings of individuals, or to corporate savings which does not count. Corporate spending has fluctuated in recent years, but it finances construction and the US debt. The outcome of that is that it decreases personal consumption.

The author concludes that the matter is intricate. Current theories are flawed because they are too simple. It makes a large difference if the extra income people have comes from tax breaks or additional income. The author says that his findings are not surprising, but that he is the first to support those findings. For example, temporary tax breaks have little effect on consumption.