

# Finance and the Preservation of Wealth

[Get access >](#)

Nicola Gennaioli, Andrei Shleifer, Robert Vishny

*The Quarterly Journal of Economics*, Volume 129, Issue 3, August 2014, Pages 1221–1254, <https://doi.org/10.1093/qje/qju012>

**Published:** 07 May 2014

## Abstract

We introduce the model of asset management developed in Gennaioli, Shleifer, and Vishny (“Money Doctors,” *Journal of Finance*, forthcoming 2015) into a Solow-style neoclassical growth model with diminishing returns to capital. Savers rely on trusted intermediaries to manage their wealth (claims on capital stock), who can charge fees above costs to trusting investors. In this model, the ratio of financial income to GDP increases with the ratio of aggregate wealth to GDP. Both rise along the convergence path to steady state growth. We examine several further implications of the model for management fees, unit costs of finance, and the consequences of shocks to trust and to the capital stock.

© The Author(s) 2014. Published by Oxford University Press, on behalf of President and Fellows of Harvard College. All rights reserved. For Permissions, please email: [journals.permissions@oup.com](mailto:journals.permissions@oup.com)

**JEL:** [D91 - Role and Effects of Psychological, Emotional, Social, and Cognitive Factors on Decision Making](#), [E21 - Consumption; Saving; Wealth](#), [E44 - Financial Markets and the Macroeconomy](#), [G11 - Portfolio Choice; Investment Decisions](#)

**Issue Section:** [Articles](#)

You do not currently have access to this article.

## Sign in

 [Get help with access](#)


**Personal account**


**Institutional access**

- Sign in with email/username & password
- Get email alerts
- Save searches
- Purchase content
- Activate your purchase/trial code
- Add your ORCID iD

Sign in >

Register

 Sign in through your institution

 Sign in through your institution >

Sign in with a library card

Sign in with username/password

Recommend to your librarian

### Institutional account management

Sign in as administrator

## Purchase

[Subscription prices and ordering for this journal](#)

[Purchasing options for books and journals across Oxford Academic](#)

## Short-term Access

To purchase short-term access, please sign in to your personal account above.

Don't already have a personal account? [Register](#)

Finance and the Preservation of Wealth \* - 24 Hours access

EUR €39.00

GBP £33.00

USD \$43.00

## Rental



This article is also available for rental through DeepDive.