

# Some Results from a Two Population Model of Capitalism

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Capitalism is an economic system in which the means of production are privately owned. Therefore, in capitalist societies there exists two classes of individuals – individuals that have enough capital to own the methods of production and those that do not. While creativity and innovation are rewarded under capitalism, there is a lot of economic inequality that is also generated. Is inequality a bug or a feature of capitalism? We develop a dynamic model of capital accumulation and inequality to investigate the effects of household savings behavior, capital's share of output, and population growth on economic inequality.