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Wealth Distributions in Asset Exchange Models

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How do individuals accumulate wealth as they interact economically? We outline the consequences of a simple microscopic model in which repeated pairwise exchanges of assets between individuals build the wealth distribution of a population. This distribution is determined for generic exchange rules --- transactions that involve a fixed amount or a fixed fraction of individual wealth, as well as random or greedy exchanges. In greedy multiplicative exchange, a continuously evolving power law wealth distribution arises, a feature that qualitatively mimics empirical observations.

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