

# Review of: "Necessity of budget deficit in a growing economy where people hold money and leave a bequest"

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**Potential competing interests:** No potential competing interests to declare.

This paper studies an overlapping generations model with money, debt, physical capital, labour and a Barro-type utility function. In principle, the stated result could be of interest. However, given the scant description of the model / results in the paper, it is essentially impossible to verify the results and to understand the contribution to the literature. Some points that require attention are:

(1) How does the paper fit into the literature? The author cites several of their own papers, but it would be more useful to cite papers which are known in the literature and which readers can relate to.

(2) What is the significance of the Barro-type utility function? Does this take us back to representative-agent type setting? If so, why bother to cast the model in overlapping generations in the first place?

(3) The author does not write the maximization problem properly (which variables are you maximizing over?) and there does not seem to be an explicit labour choice, yet the author claims to have a result related to unemployment (extensive margin). How is that modelled? One approach is that in Hansen (1986), but here is unclear how it is modelled.

(4) The stated proposition is not proven so it is essentially a claim in its current state.