

## **ABSTRACT**

This study aims to generate a dynamic model of rational consumption behavior with endowed wisdom. The model rests upon the concept of household production and the utility is derived from two non-market household commodities: religious and secular one. Wisdom stock enters the productive process of secular commodity and is treated as a capital. Wisdom capital is assumed to accumulate via specific investment in the other commodity, the religious commodity. A forward-looking household makes a decision on current choices partly with an eye to weigh the investment benefits in terms of greater future utility. The positive relationships between the level of initial endowed wisdom and the amount of investment in religion practice are determined significantly by the technology regarding capital transition. Moreover, more endowed wisdom by a household leads to a reduction in their lifetime use of market inputs of the secular production. Furthermore, the effect of fundamental exogenous parameters, such as wage rate, is investigated by the comparative static analysis.