

Figure 1 Convergence of the Consumption Rules

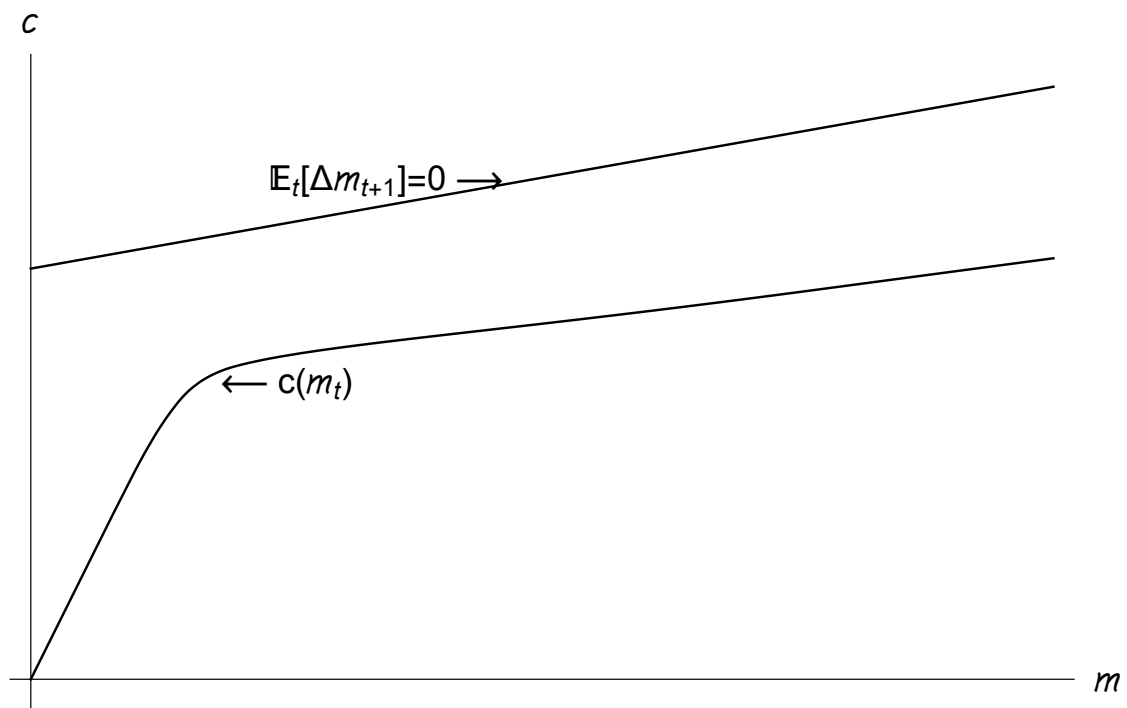


Figure 2 Example Solution when FVAC Holds but GIC Does Not

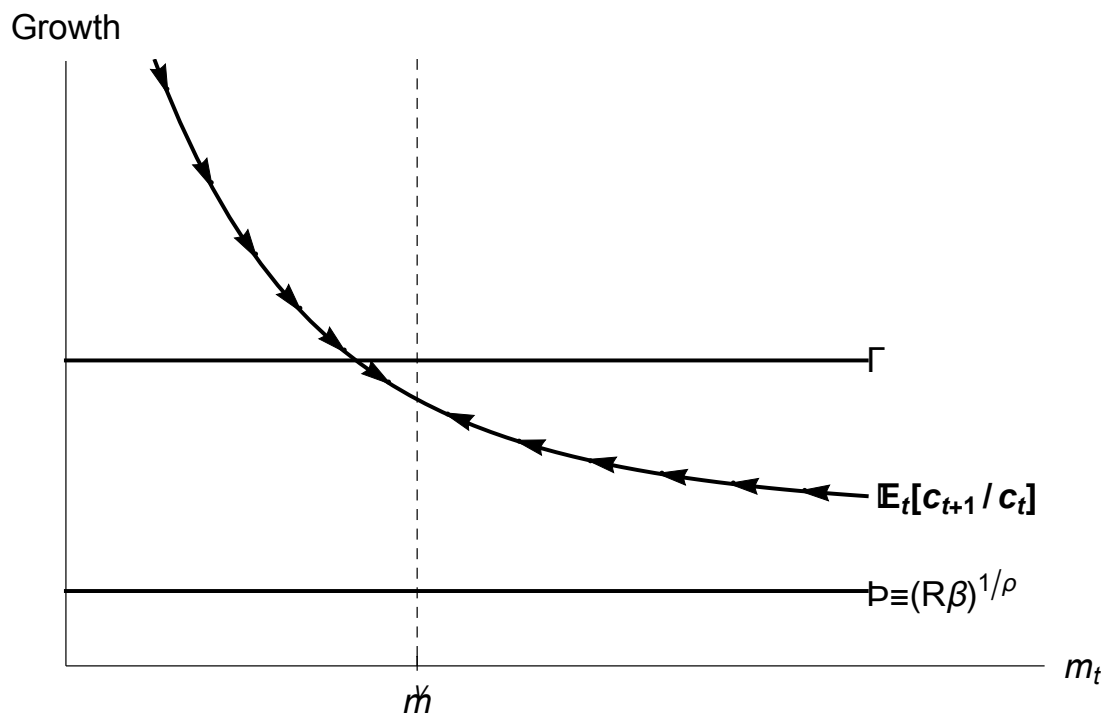


Figure 3 Target m , Expected Consumption Growth, and Permanent Income Growth

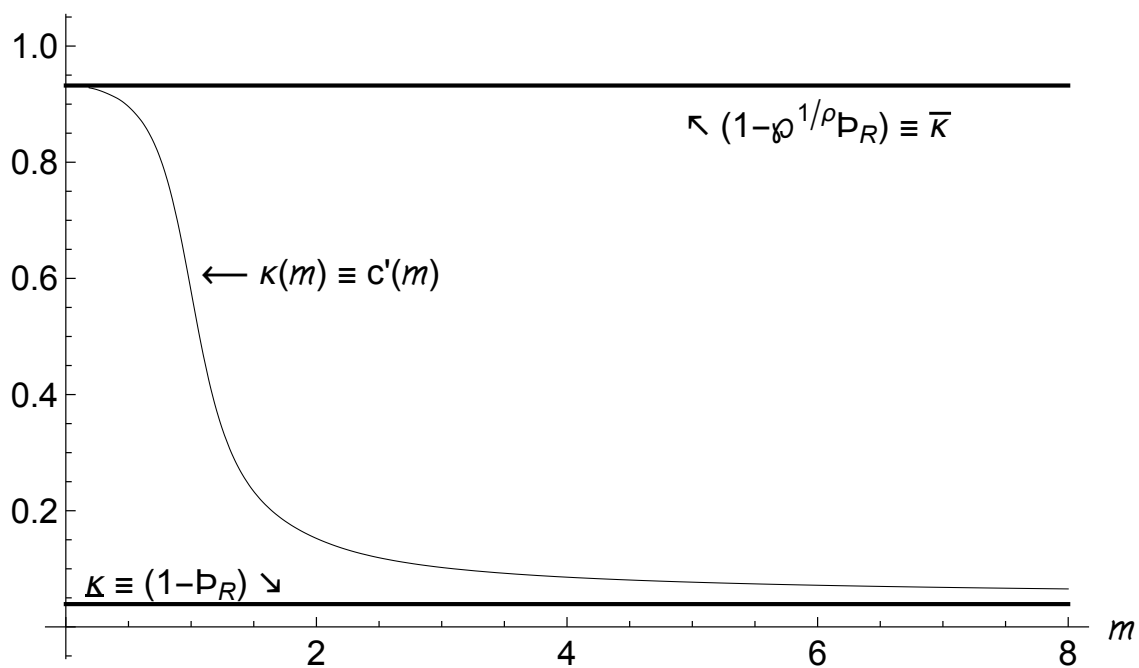
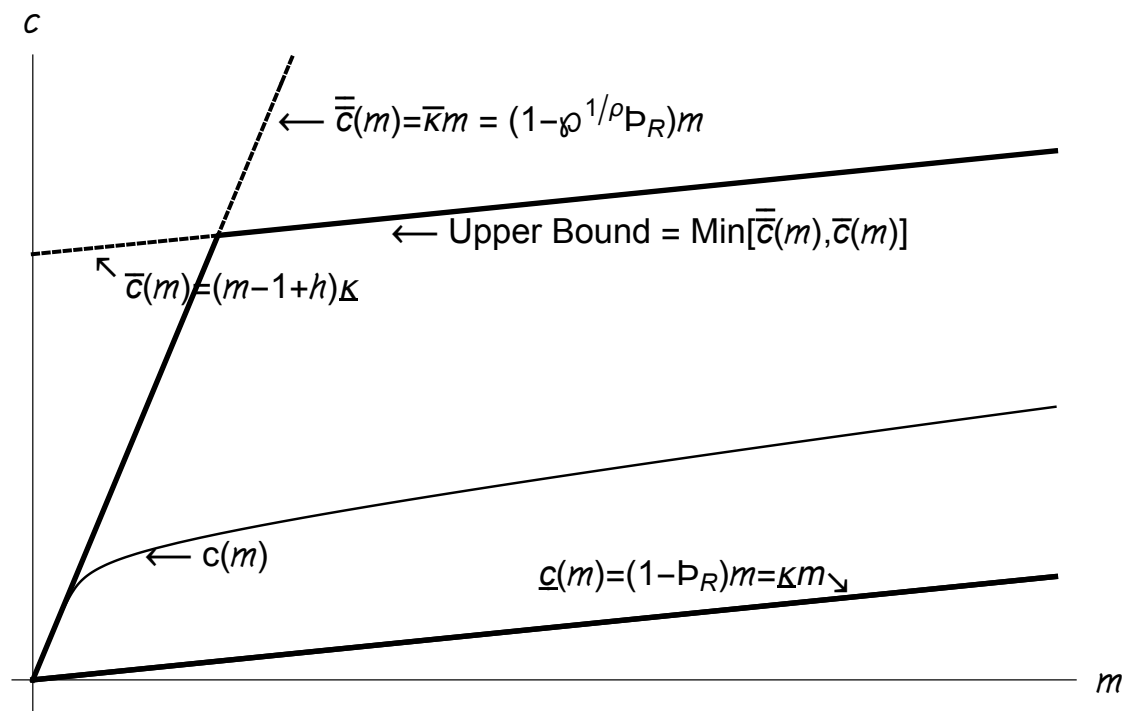
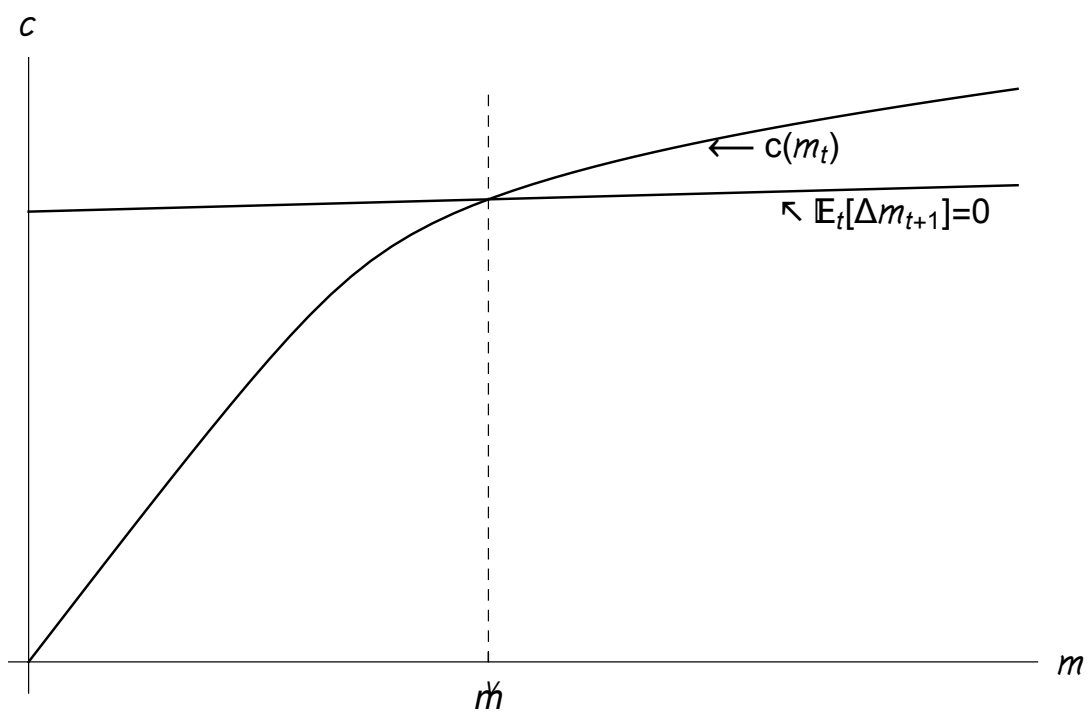


Figure 4 Limiting MPC's



(a) Bounds



(b) Target m

Figure 5 The Consumption Function