

Figure 1 Relation of GIC, FHWC, RIC, and PF-FVAC

An arrowhead points to the larger of the two quantities being compared. For example, the diagonal arrow indicates that  $\mathbf{p} < \mathsf{R}^{1/\rho}\Gamma^{1-1/\rho}$ , which is one way of writing the PF-FVAC, equation (25)

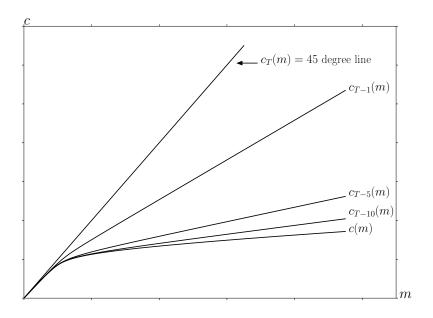


Figure 2 Convergence of the Consumption Rules

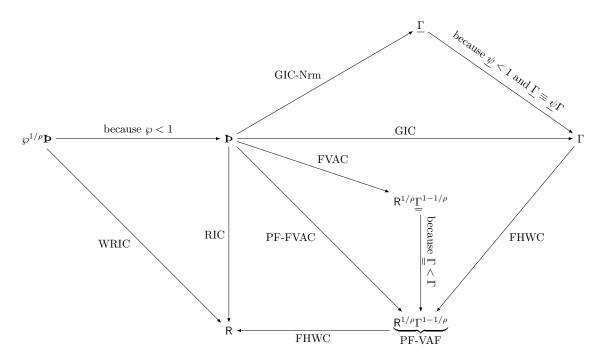
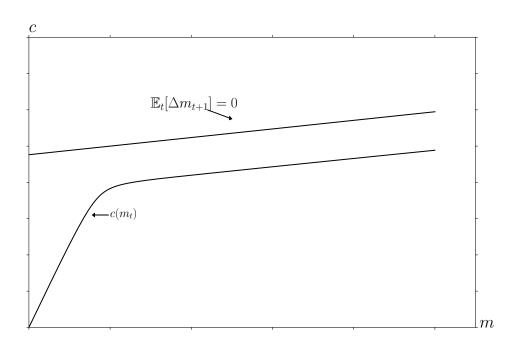


Figure 3 Relation of All Inequality Conditions See Table 2 for Numerical Values of Nodes Under Baseline Parameters



 $\textbf{Figure 4} \ \ \text{Example Solution under } \{ \ \text{FVAC,GIC-Nrm} \}$ 

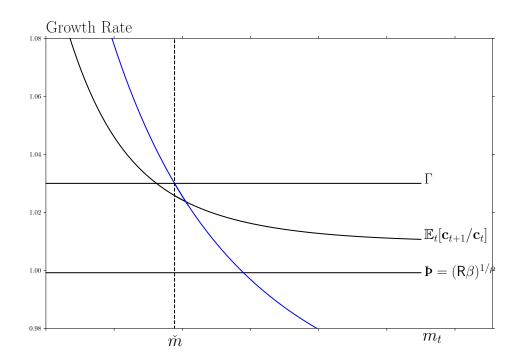


Figure 5 Target m, Expected Consumption Growth, and Permanent Income Growth

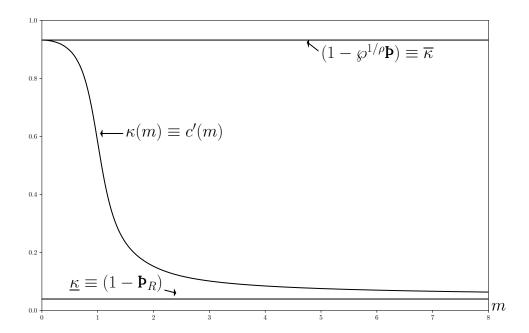
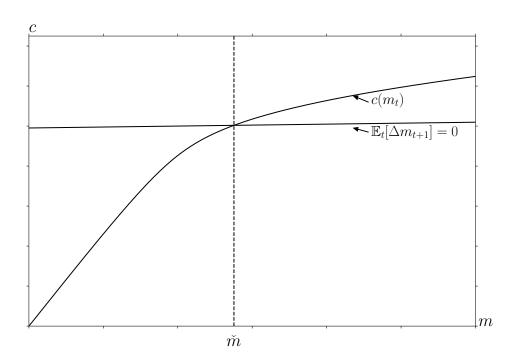


Figure 6 Limiting MPC's



## (a) Bounds



(b) Target m

Figure 7 The Consumption Function

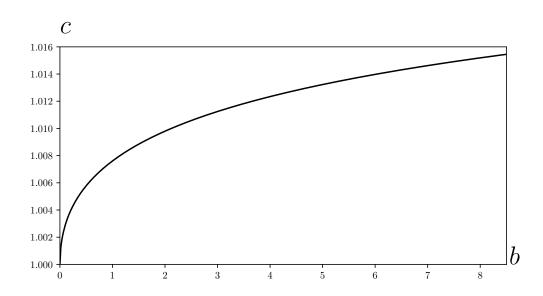


Figure 8 Nondegenerate Consumption Function with EHWC and RIC