Table 1 Sufficient Conditions for Nondegenerate[‡] Solution

Model	Conditions	Comments/Logic
PF Unconstrained Section 2.4.2	RIC, FHWC[°]	RIC $\Rightarrow \lvert \mathrm{v}(m) \rvert < \infty$; FHWC $\Rightarrow 0 < \lvert \mathrm{v}(m) \rvert$ RIC prevents $\bar{\mathrm{c}}(m) = 0$ FHWC prevents $\bar{\mathrm{c}}(m) = \infty$ RIC+FHWC $\Rightarrow$ PF-FVAC
PF Constrained Section 2.4.3 Appendix A	~~PF-GIC~~, RIC	FHWC must hold ($\Gamma < \text{Þ} < \mathsf{R} \Rightarrow \Gamma < \mathsf{R}$) Identical to solution to PF Unconstrained for $m > m_{\#}$ for some $0 < m_{\#} < 1$; $\mathrm{c}(m) = m$ for $m \leq m_{\#}$ (~~RIC~~ would yield $m_{\#} = 0$ so degenerate $\mathrm{c}(m) = 0$)
	PF-GIC,RIC	$\lim_{m \to \infty} \mathring{c}(m) = \bar{c}(m), \lim_{m \to \infty} \mathring{\boldsymbol{\kappa}}(m) = \underline{\kappa}$ kinks at points where horizon to $b = 0$ changes*
	PF-GIC,~~RIC~~	$\lim_{m \to \infty} \mathring{\boldsymbol{\kappa}}(m) = 0$ kinks at points where horizon to $b = 0$ changes*
Buffer Stock Model Section 2.5	FVAC, WRIC	FHWC $\Rightarrow \lim_{m \to \infty} \mathring{c}(m) = \bar{c}(m), \lim_{m \to \infty} \mathring{\boldsymbol{\kappa}}(m) = \underline{\kappa}$ ~~FHWC~~+RIC $\Rightarrow \lim_{m \to \infty} \mathring{\boldsymbol{\kappa}}(m) = \underline{\kappa}$ ~~FHWC~~+~~RIC~~ $\Rightarrow \lim_{m \to \infty} \mathring{\boldsymbol{\kappa}}(m) = 0$ GIC guarantees finite target wealth ratio FVAC is stronger than PF-FVAC WRIC is weaker than RIC

[‡]For feasible m satisfying $0 < m < \infty$, a nondegenerate limiting consumption function defines the unique value of c satisfying $0 < c(m) < \infty$; a nondegenerate limiting value function defines a corresponding unique value of $-\infty < \mathrm{v}(m) < 0$. [°]RIC, FHWC are necessary as well as sufficient. *That is, the first kink point in $c(m)$ is $m_{\#}$ s.t. for $m < m_{\#}$ the constraint will bind now, while for $m > m_{\#}$ the constraint will bind one period in the future. The second kink point corresponds to the m where the constraint will bind two periods in the future, etc.