Figure 1 Risky Share Policy Function
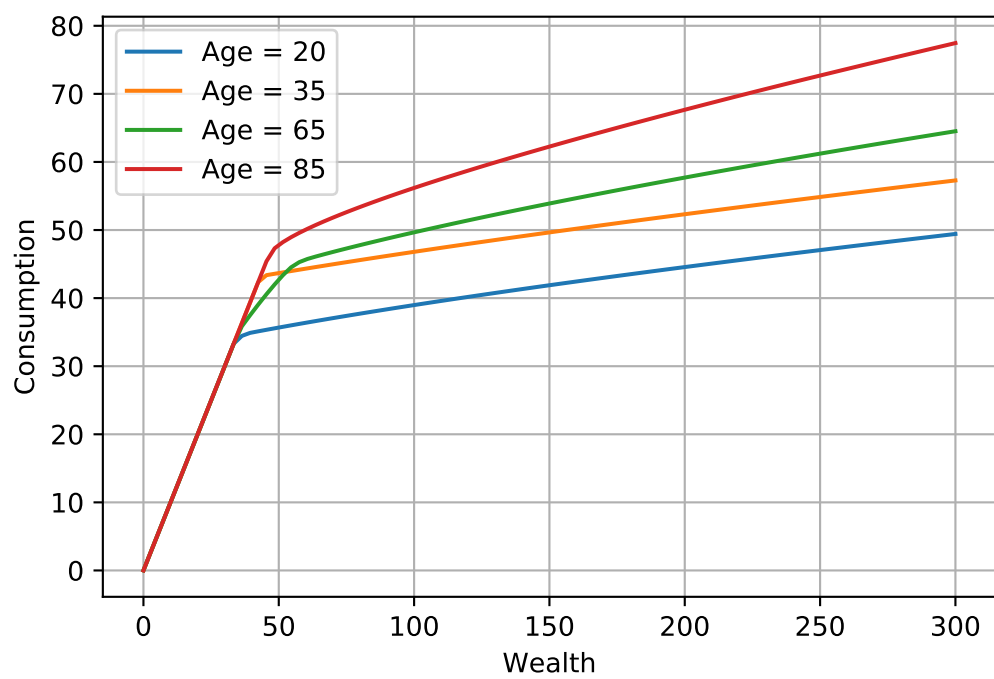
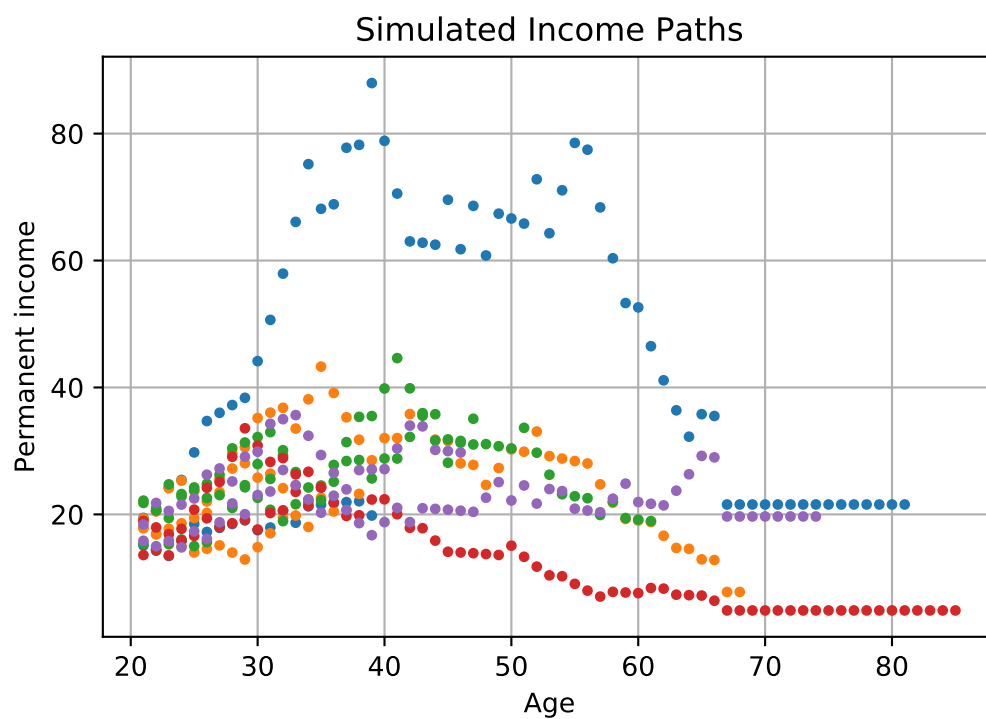**Figure 2** Consumption Policy Function

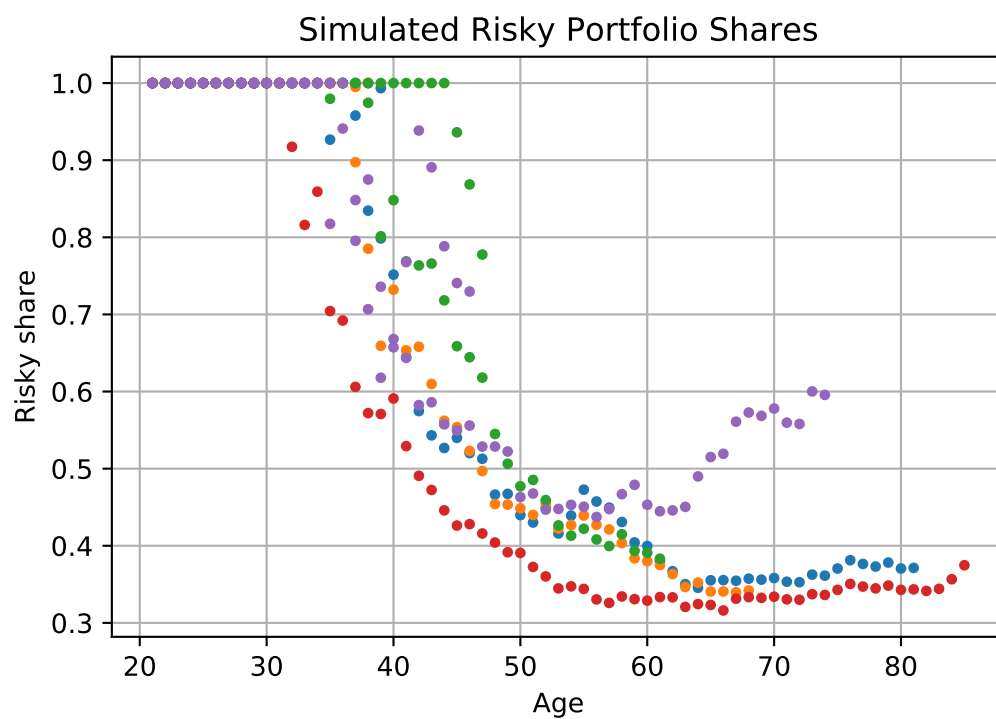**Figure 3** Income Simulation

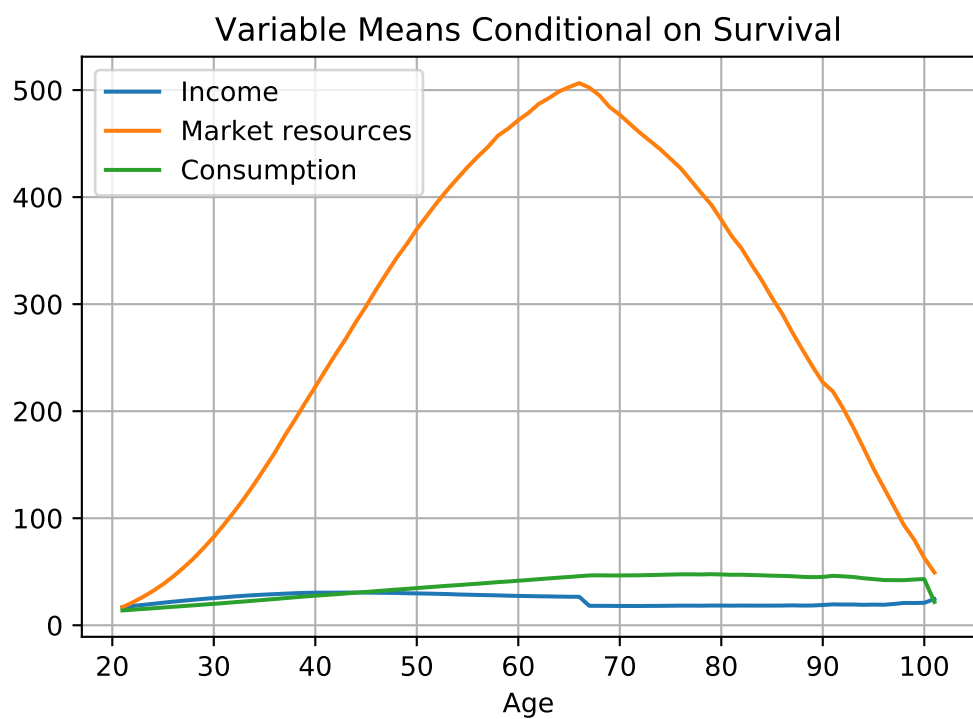**Figure 4** Risky Share Simulation

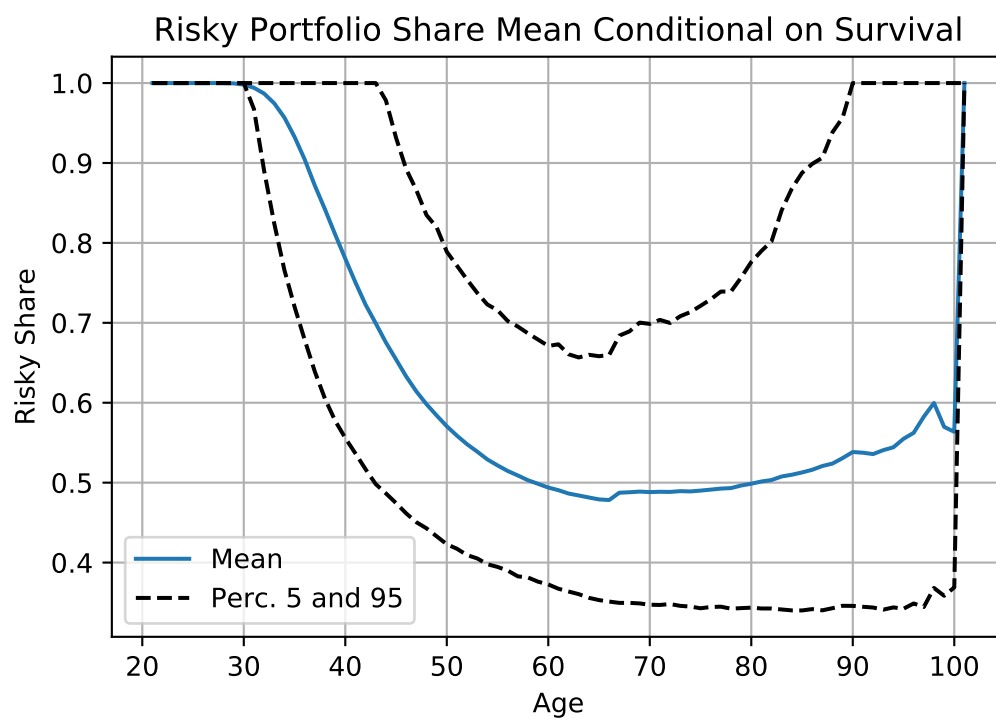**Figure 5** Variable Means Conditional on Survival

Figure 6 Risky Portfolio Share Mean Conditional on Survival
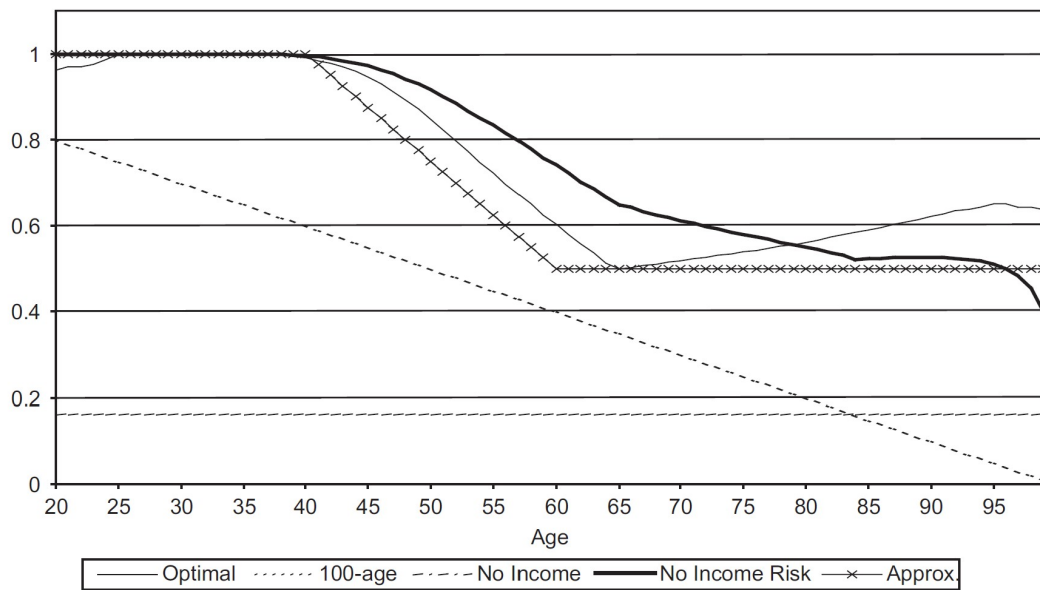
Figure 11
Simulated (or predicted) portfolio share invested in stocks for different alternative investment strategies
"Optimal" denotes the optimal share predicted by the model; "100-age" refers to the common recommendation given by several financial advisers; "No Income" is the optimal allocation for an household without labor income; "No Income Risk" is the optimal allocation for an household with riskless labor income.

Figure 7 CGM Allocation Rules

Utility cost calculation (percentage points)

Parameters	100-Age	No income*	No income risk**	Zero	Approx.***
Benchmark	0.637	1.531	0.152	2.108	0.084

Figure 8 CGM Utility Costs