1 Apparent Balanced Growth in \mathfrak{c} and $\mathbf{cov}(c, \mathbf{p})$

Section 4.2 demonstrates some propositions under the assumption that, when an economy satisfies the GIC, there will be constant growth factors $\Omega_{\rm c}$ and $\Omega_{\rm cov}$ respectively for ${\bf c}$ (the average value of the consumption ratio) and ${\rm cov}(c,{\bf p})$. In the case of a Szeidlinvariant economy, the main text shows that these are $\Omega_{\rm c}=1$ and $\Omega_{\rm cov}=\Phi$. If the economy is Harmenberg- but not Szeidl-invariant, no proof is offered that these growth factors will be constant.

1.1 $\log c$ and $\log (\operatorname{cov}(c, \mathbf{p}))$ Grow Linearly

Figures 1 and 2 plot the results of simulations of an economy that satisfies Harmenberg- but not Szeidl-invariance with a population of 4 million agents over the last 1000 periods (of a 2000 period simulation). The first figure shows that $\log \mathfrak{c}$ increases apparently linearly. The second figure shows that $\log(-\operatorname{cov}(c,\mathbf{p}))$ also increases apparently linearly. (These results are produced by the notebook ApndxBalancedGrowthcNrmAndCov.ipynb).

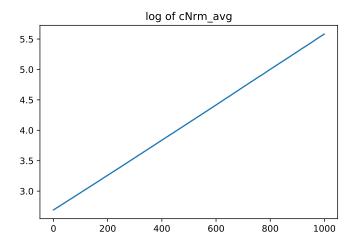


Figure 1 $\log \mathfrak{c}$ Appears to Grow Linearly



Figure 2 $\log (-\operatorname{cov}(c, \mathbf{p}))$ Appears to Grow Linearly