

**Table 1** Sufficient Conditions for Nondegenerate<sup>‡</sup> Solution

Consumption Model(s)	Conditions	Comments
$\bar{c}(m)$ : PF Unconstrained $\underline{c}(m) = \underline{\kappa}m$  Section ??: Section ??: Eq (??): Eq (??):	RIC, FHWC <sup>°</sup>	RIC $\Rightarrow  v(m)  < \infty$ ; FHWC $\Rightarrow 0 <  v(m) $ PF model with no human wealth ( $h = 0$ )  RIC prevents $\bar{c}(m) = \underline{c}(m) = 0$ FHWC prevents $\bar{c}(m) = \infty$ PF-FVAC+FHWC $\Rightarrow$ RIC GIC+FHWC $\Rightarrow$ PF-FVAC
$\dot{c}(m)$ : PF Constrained Section ??:  Appendix ??:  Appendix ??:	<del>GIC</del> , RIC  GIC, RIC  GIC, <del>RIC</del>	FHWC holds ( $\Gamma < \mathbf{P} < R \Rightarrow \Gamma < R$ ) $\dot{c}(m) = \bar{c}(m)$ for $m > m_{\#} < 1$ ( <del>RIC</del> would yield $m_{\#} = 0$ so $\dot{c}(m) = 0$ ) $\lim_{m \rightarrow \infty} \dot{c}(m) = \bar{c}(m)$ , $\lim_{m \rightarrow \infty} \dot{\kappa}(m) = \underline{\kappa}$ kinks where horizon to $b = 0$ changes* $\lim_{m \rightarrow \infty} \dot{\kappa}(m) = 0$ kinks where horizon to $b = 0$ changes*
$c(m)$ : Friedman/Muth  Section ??: Section ??: Figure ??: Section ??: Section ??: Section ??: Section ??: Section ??:	Section ??, Section ??  FVAC, WRIC	$\underline{c}(m) < c(m) < \bar{c}(m)$ $\underline{v}(m) < v(m) < \bar{v}(m)$ Sufficient for Contraction WRIC is weaker than RIC FVAC is stronger than PF-FVAC <del>FHWC</del> +RIC $\Rightarrow$ GIC, $\lim_{m \rightarrow \infty} \kappa(m) = \underline{\kappa}$ <del>RIC</del> $\Rightarrow$ <del>FHWC</del> , $\lim_{m \rightarrow \infty} \kappa(m) = 0$ “Buffer Stock Saving” Conditions GIC $\Rightarrow \exists 0 < \check{m} < \infty$ GIC-Nrm $\Rightarrow \exists 0 < \hat{m} < \infty$

<sup>‡</sup>For feasible  $m$  satisfying  $0 < m < \infty$ , a nondegenerate limiting consumption function defines a unique optimal value of  $c$  satisfying  $0 < c(m) < \infty$ ; a nondegenerate limiting value function defines a corresponding unique value of  $-\infty < v(m) < 0$ .

<sup>°</sup>RIC, FHWC are necessary as well as sufficient for the perfect foresight case. \*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.

\*\*In the Friedman/Muth model, the RIC+FHWC are sufficient, but *not* necessary for nondegeneracy