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

Section 4.3 demonstrates some propositions under the assumption that, when an economy satisfies the GIC, there will be constant growth factors $\Omega_{\bf c}$ and $\Omega_{\rm cov}$ respectively for $\bf c$ and ${\rm cov}(c,{\bf p})$ In the case of a Szeidl-invariant economy, the main text shows that these are $\Omega_{\bf c}=1$ and $\Omega_{\rm cov}=\Gamma$. If the economy is Harmenberg- but not Szeidl-invariant, no proof is offered that these growth factors will be constant.

Figures 1 and 2 plot the results of simulations of an economy that satisfies Harmenbergbut 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 $\log \mathbf{c}$ increases apparently linearly. The second figure shows that $\log(-\cos(c, \mathbf{p}))$ also increases apparently linearly.



Figure 1 log c Appears to Grow Linearly

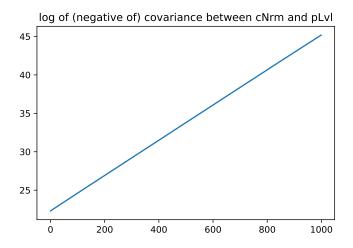


Figure 2 $\log - \operatorname{cov}(c, \mathbf{p})$ Appears to Grow Linearly