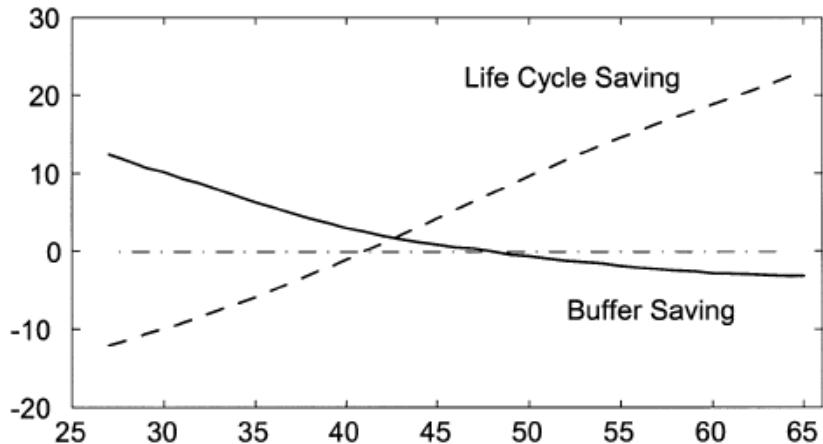


Thousands
of 1987 dollars

Panel A: Life Cycle and Buffer Saving



Panel B: Life Cycle and Buffer Wealth

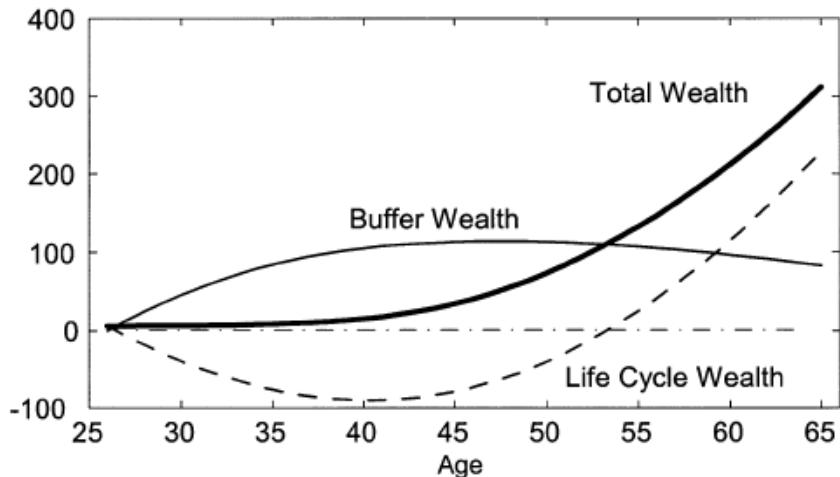


FIGURE 7.—The role of risk in saving and wealth accumulation.