

Table 1 Sufficient Conditions for Nondegenerate[‡] Solution

Consumption Model(s)	Conditions	Comments
$\bar{c}(m)$: PF Unconstrained $\underline{c}(m) = \underline{\kappa}m$ Section ??: Section ??: Eq (??): Eq (??):	RIC, FHWC [°]	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 ??:	GIC , RIC GIC, RIC GIC, RIC	FHWC holds ($\Gamma < \mathbf{D} < \mathbf{R} \Rightarrow \Gamma < \mathbf{R}$) $\dot{c}(m) = \bar{c}(m)$ for $m > m_{\#} < 1$ (RIC 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 FHWC +RIC \Rightarrow GIC, $\lim_{m \rightarrow \infty} \kappa(m) = \underline{\kappa}$ RIC \Rightarrow FHWC , $\lim_{m \rightarrow \infty} \kappa(m) = 0$ “Buffer Stock Saving” Conditions GIC $\Rightarrow \exists 0 < \check{m} < \infty$ GIC-Nrm $\Rightarrow \exists 0 < \hat{m} < \infty$

[‡]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 $-\infty < v(m) < 0$. [°]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