



Figure 1 Relation of PF-GIC, FHC, RIC, and PF-FVAC

An arrowhead points to the larger of the two quantities being compared. For example, the diagonal arrow indicates that $\mathbf{D} < R^{1/\rho}\Gamma^{1-1/\rho}$, which is one way of writing the PF-FVAC, equation (28)

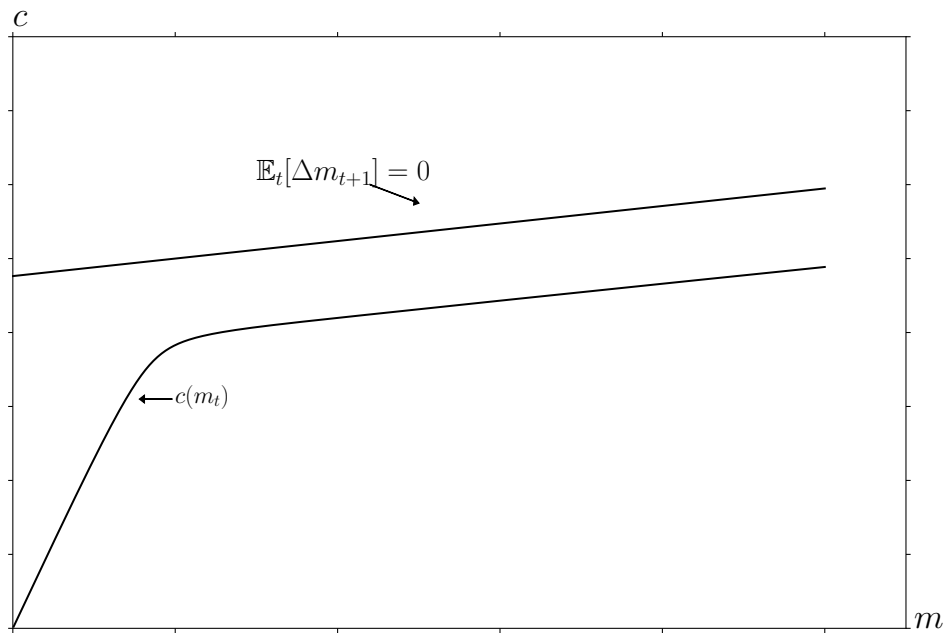


Figure 4 Example Solution when FVAC Holds but GIC Does Not

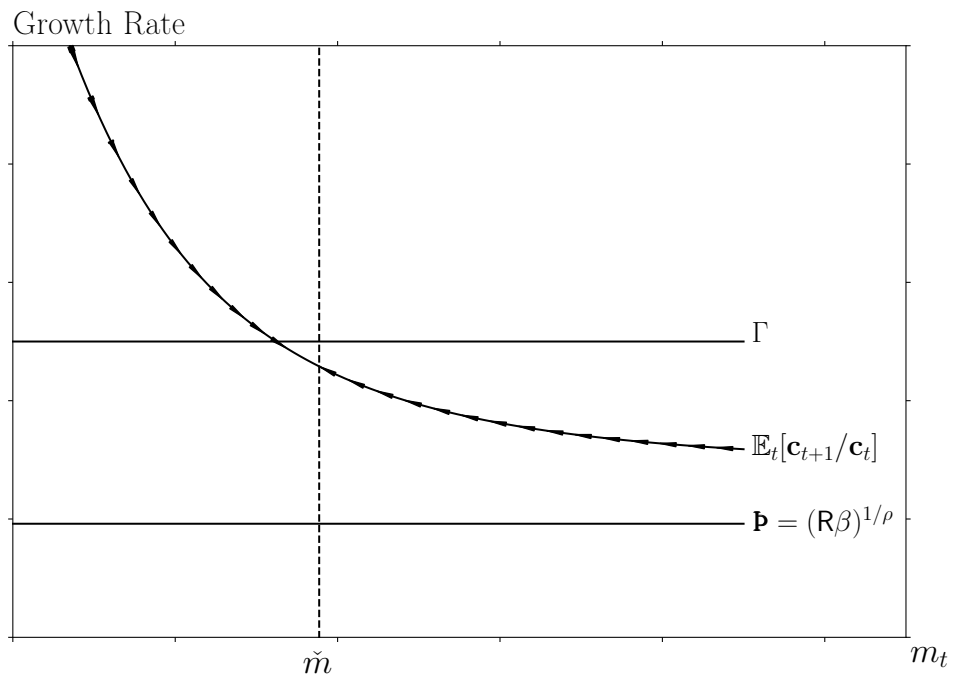
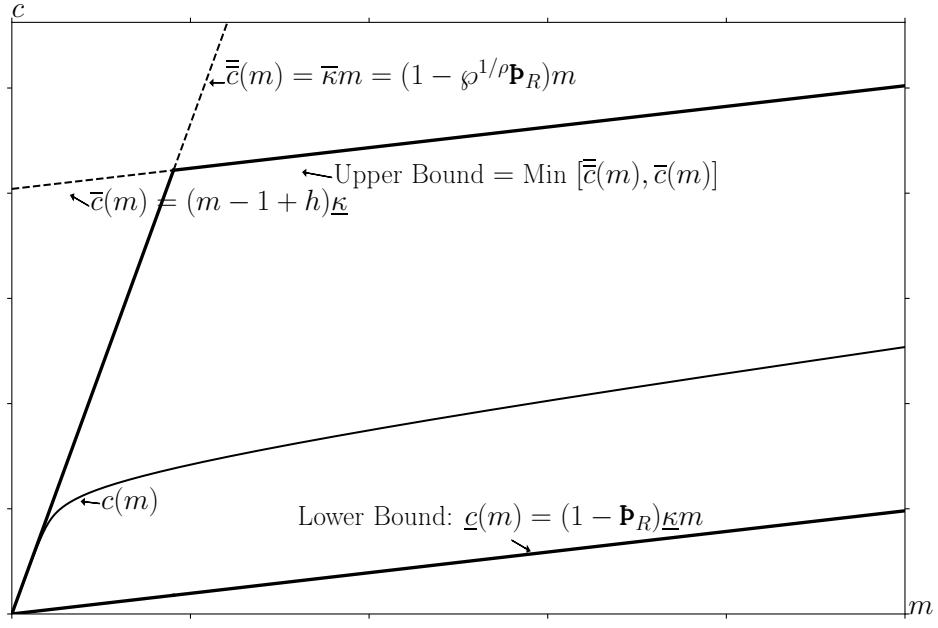


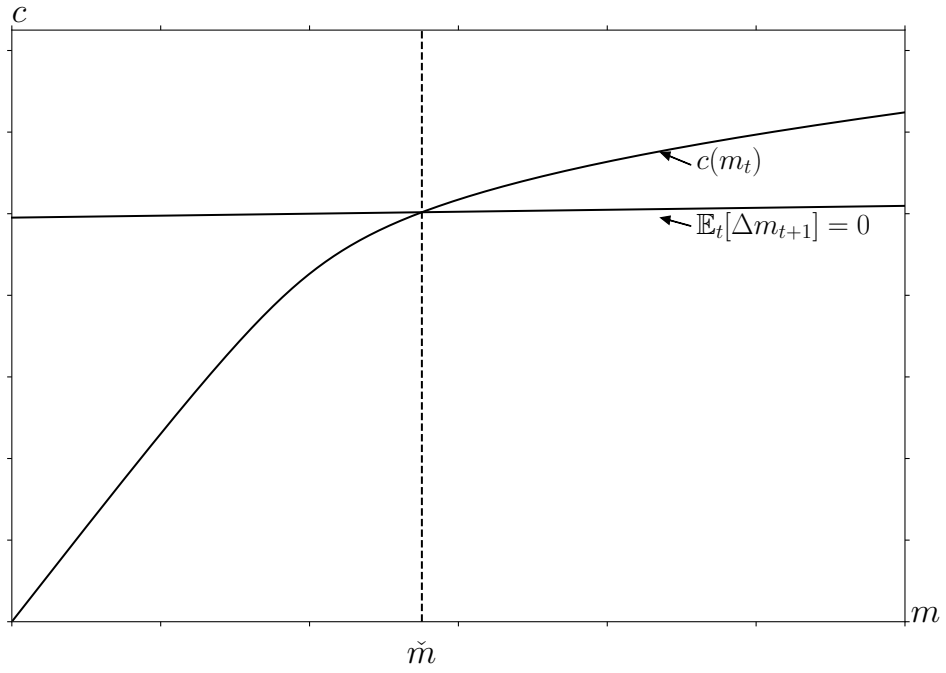
Figure 5 Target m , Expected Consumption Growth, and Permanent Income Growth



Figure 6 Limiting MPC's



(a) Bounds



(b) Target m

Figure 7 The Consumption Function

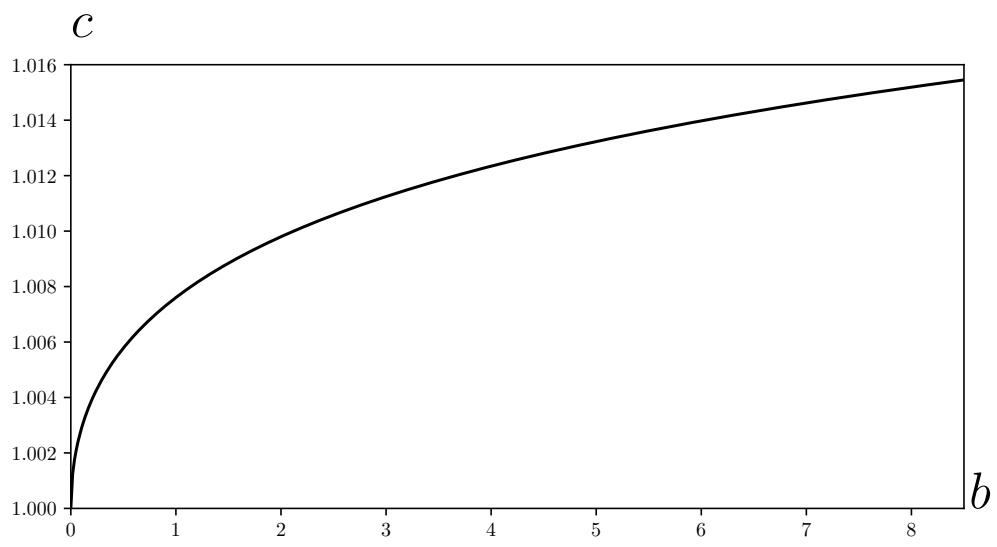


Figure 8 Nondegenerate Consumption Function with ~~EHWC~~ and ~~RIC~~