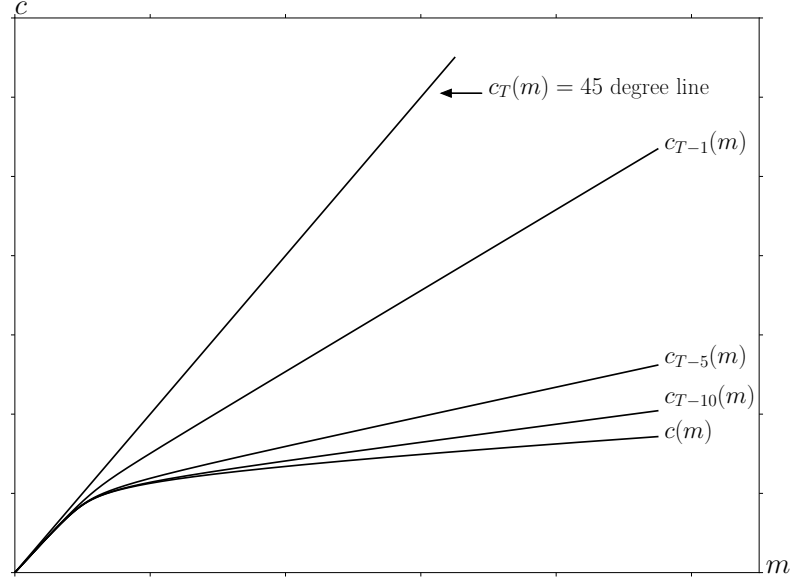


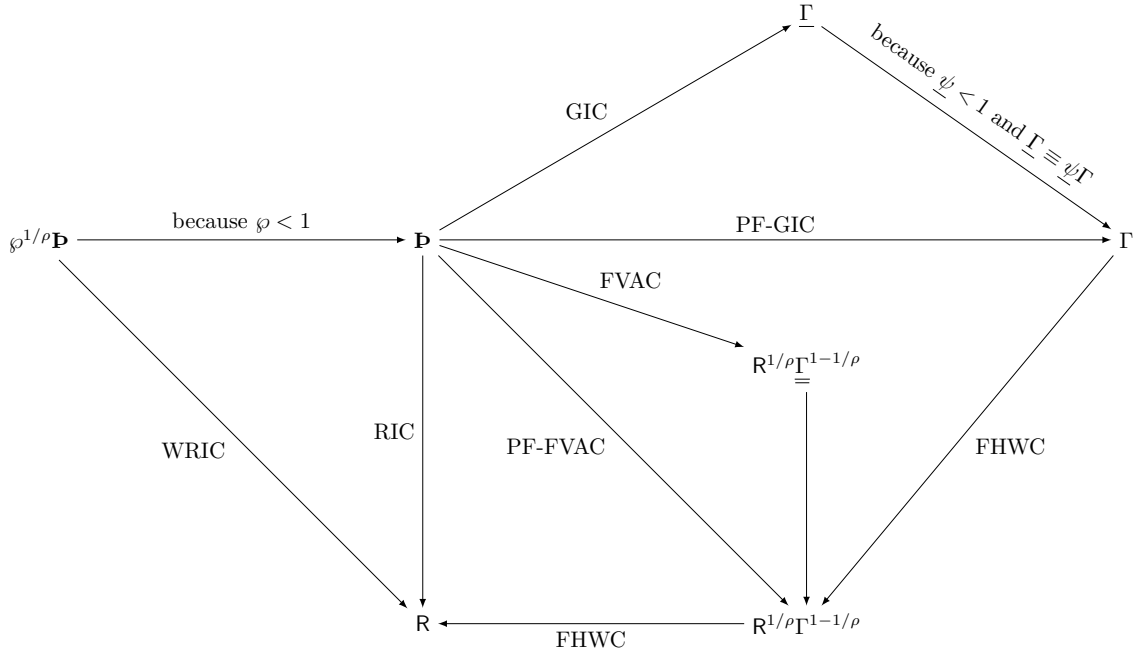


**Figure 1** Relation of PF-GIC, FHC, RIC, and PF-FVAC

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)

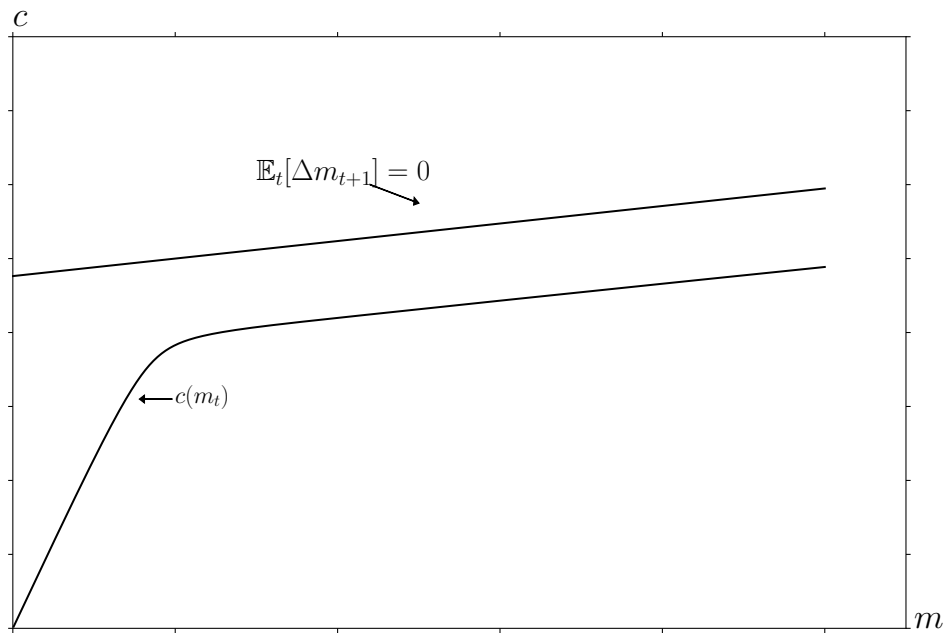


**Figure 2** Convergence of the Consumption Rules

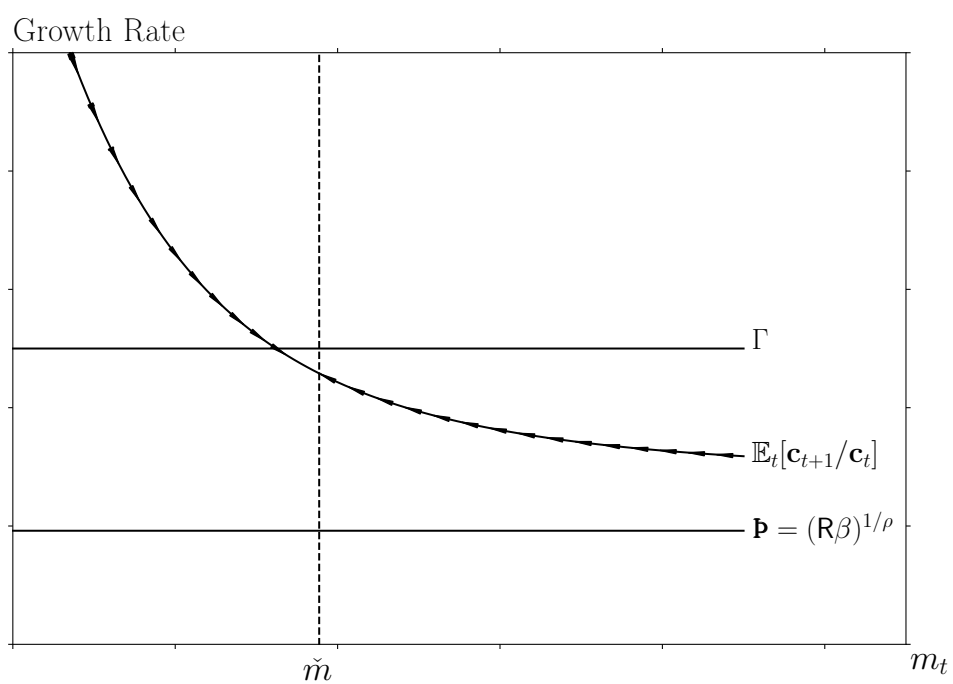


**Figure 3** Relation of All Inequality Conditions

See Table 2 for Numerical Values of Nodes Under Baseline Parameters



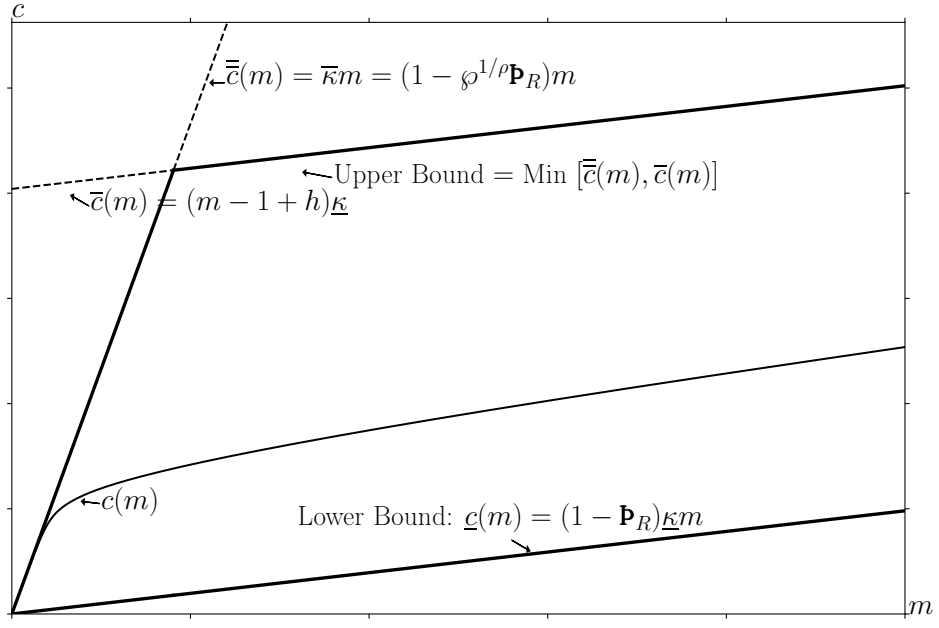
**Figure 4** Example Solution when FVAC Holds but GIC Does Not



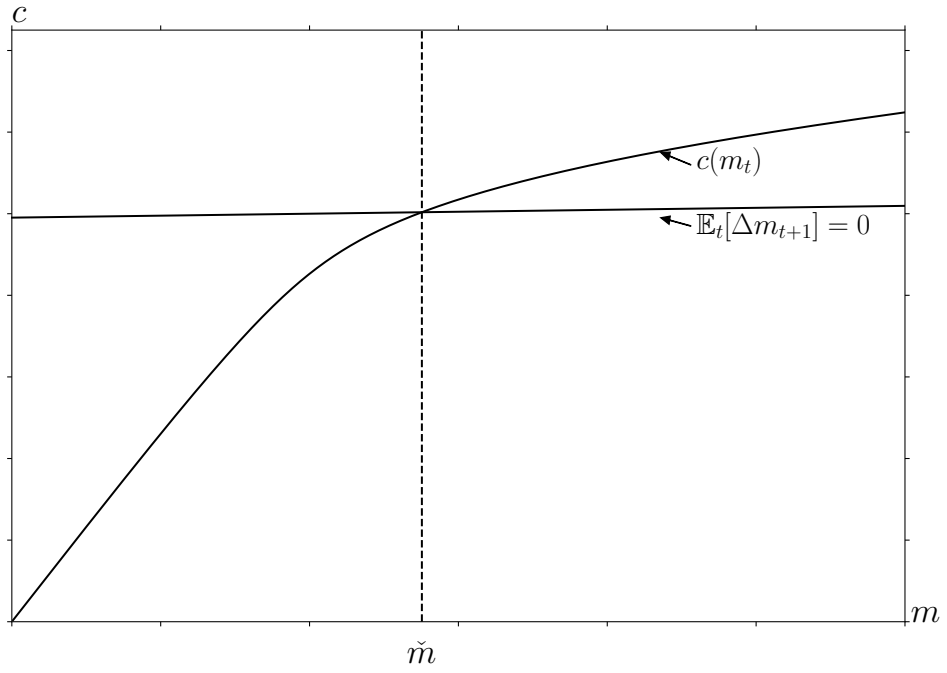
**Figure 5** Target  $m$ , Expected Consumption Growth, and Permanent Income Growth



**Figure 6** Limiting MPC's

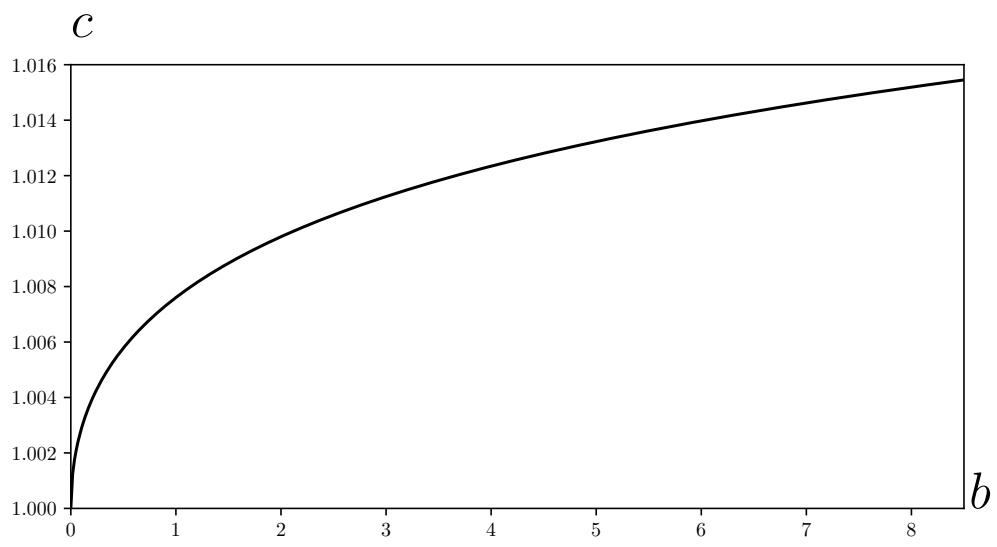


(a) Bounds



(b) Target  $m$

**Figure 7** The Consumption Function



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