

**Table 1** Taxonomy of Perfect Foresight Liquidity Constrained Model Outcomes

For constrained  $\dot{c}$  and unconstrained  $\bar{c}$  consumption functions

Main Condition Subcondition	Math	Outcome, Comments or Results
<del>PF-GIC</del>	$1 < \mathbf{P}/\Gamma$	Constraint never binds for $m \geq 1$
and RIC	$\mathbf{P}/R < 1$	FHWC holds ( $R > \Gamma$ ); $\dot{c}(m) = \bar{c}(m)$ for $m \geq 1$
and <del>RIC</del>	$1 < \mathbf{P}/R$	$\dot{c}(m)$ is degenerate: $\dot{c}(m) = 0$
PF-GIC	$\mathbf{P}/\Gamma < 1$	Constraint binds in finite time for any $m$
and RIC	$\mathbf{P}/R < 1$	FHWC may or may not hold
		$\lim_{m \uparrow \infty} \bar{c}(m) - \dot{c}(m) = 0$
		$\lim_{m \uparrow \infty} \dot{\kappa}(m) = \underline{\kappa}$
and <del>RIC</del>	$1 < \mathbf{P}/R$	<del>FHWC</del>
		$\lim_{m \uparrow \infty} \dot{\kappa}(m) = 0$

Conditions are applied from left to right; for example, the second row indicates conclusions in the case where ~~PF-GIC~~ and RIC both hold, while the third row indicates that when the PF-GIC and the RIC both fail, the consumption function is degenerate; the next row indicates that whenever the PF-GIC holds, the constraint will bind in finite time.