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

An arrowhead points to the larger of the two quantities being compared. For example, the diagonal arrow indicates that $Þ < R^{1/\rho}\Gamma^{1-1/\rho}$, which is one way of writing the PF-FVAC, equation (28)
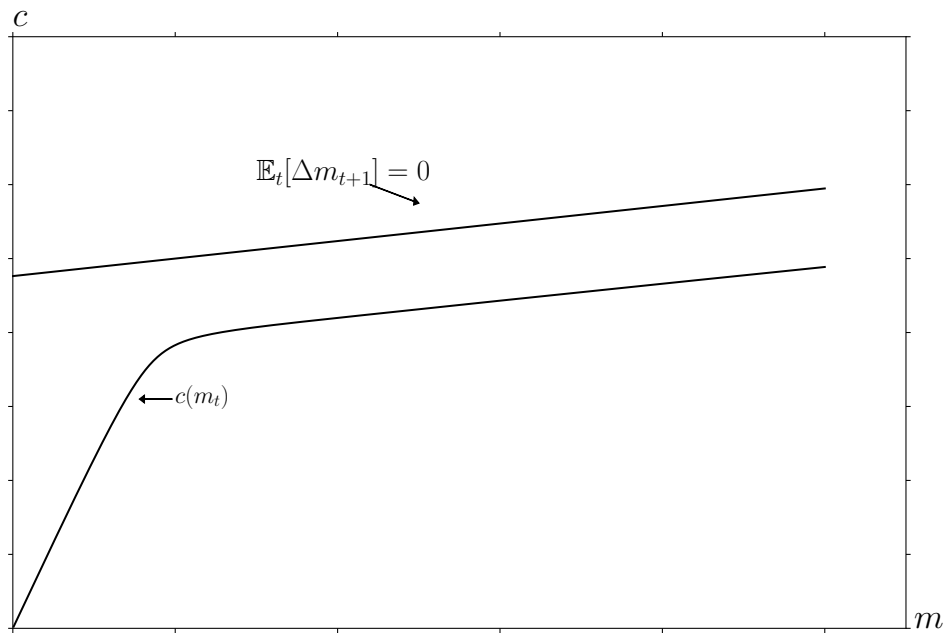
Figure 2 Convergence of the Consumption Rules

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

Growth Rate

Γ

$\mathbb{E}_t[\mathbf{c}_{t+1}/\mathbf{c}_t]$

$\textrm{Þ} = (\textsf{R}\beta)^{1/\rho}$
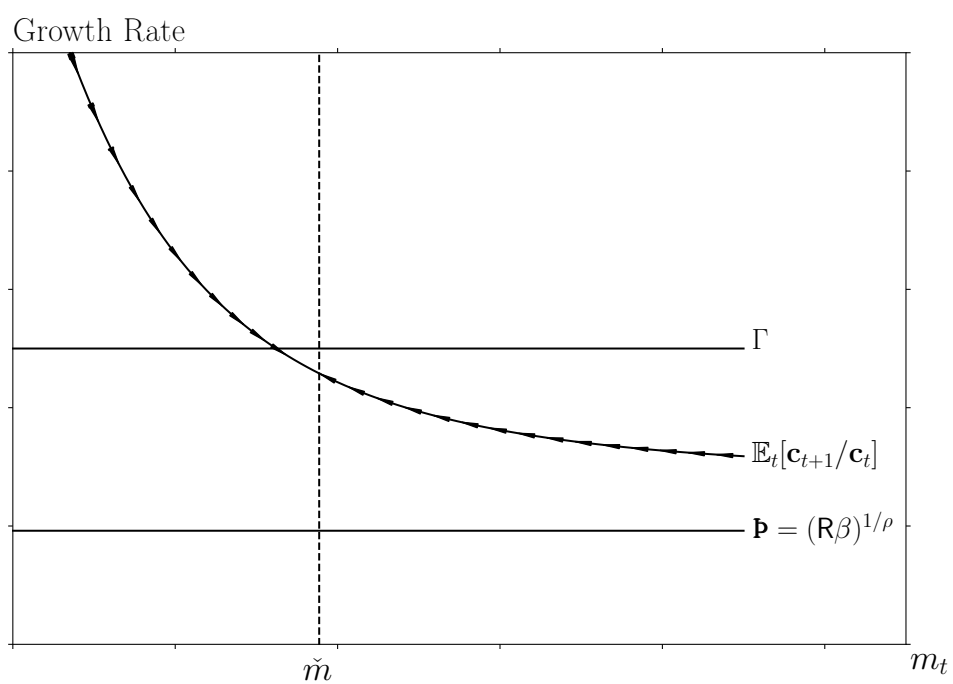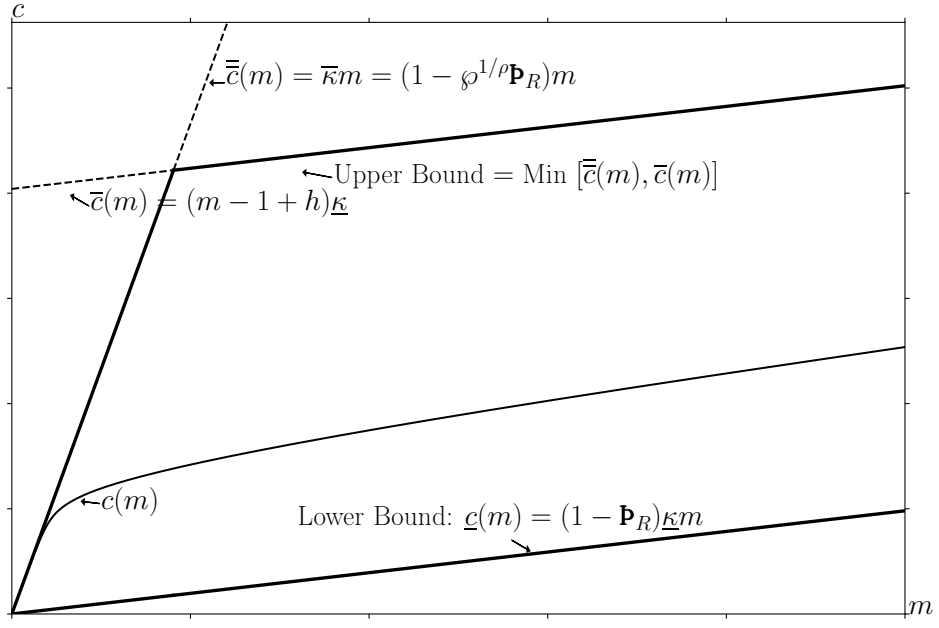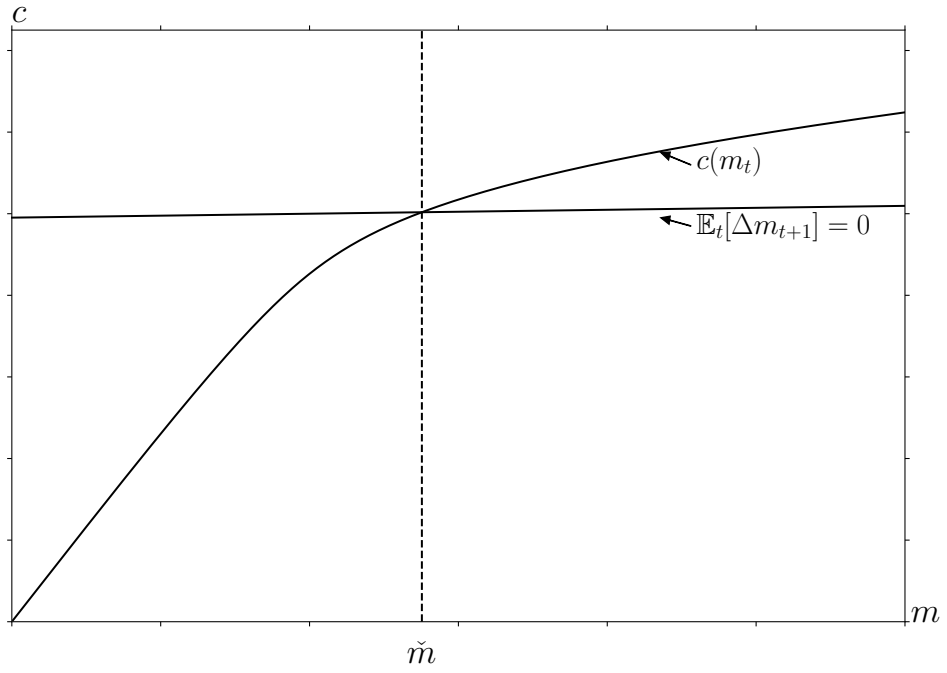
$\check{m}$

m_t

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

4

Figure 6 Limiting MPC's

(a) Bounds

(b) Target m
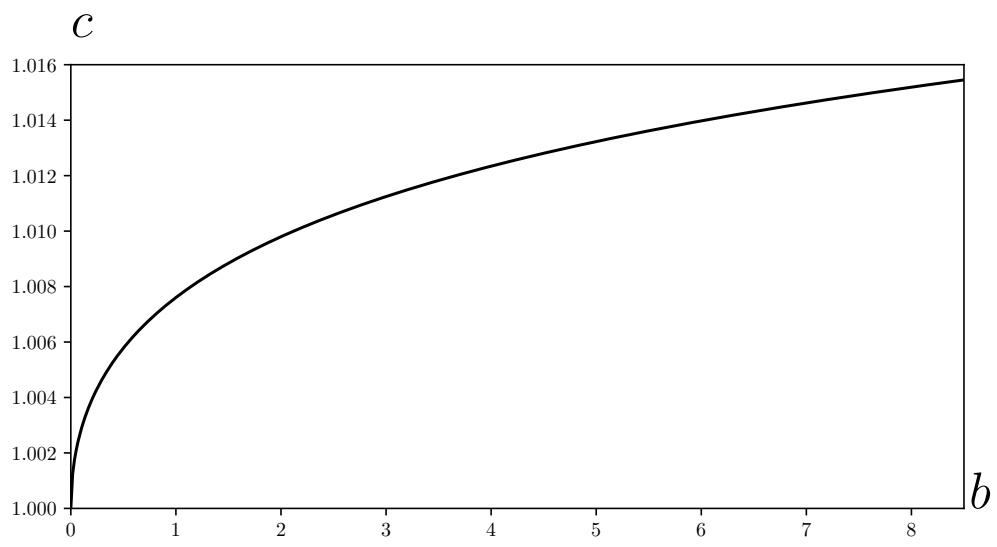
Figure 7 The Consumption Function

6

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