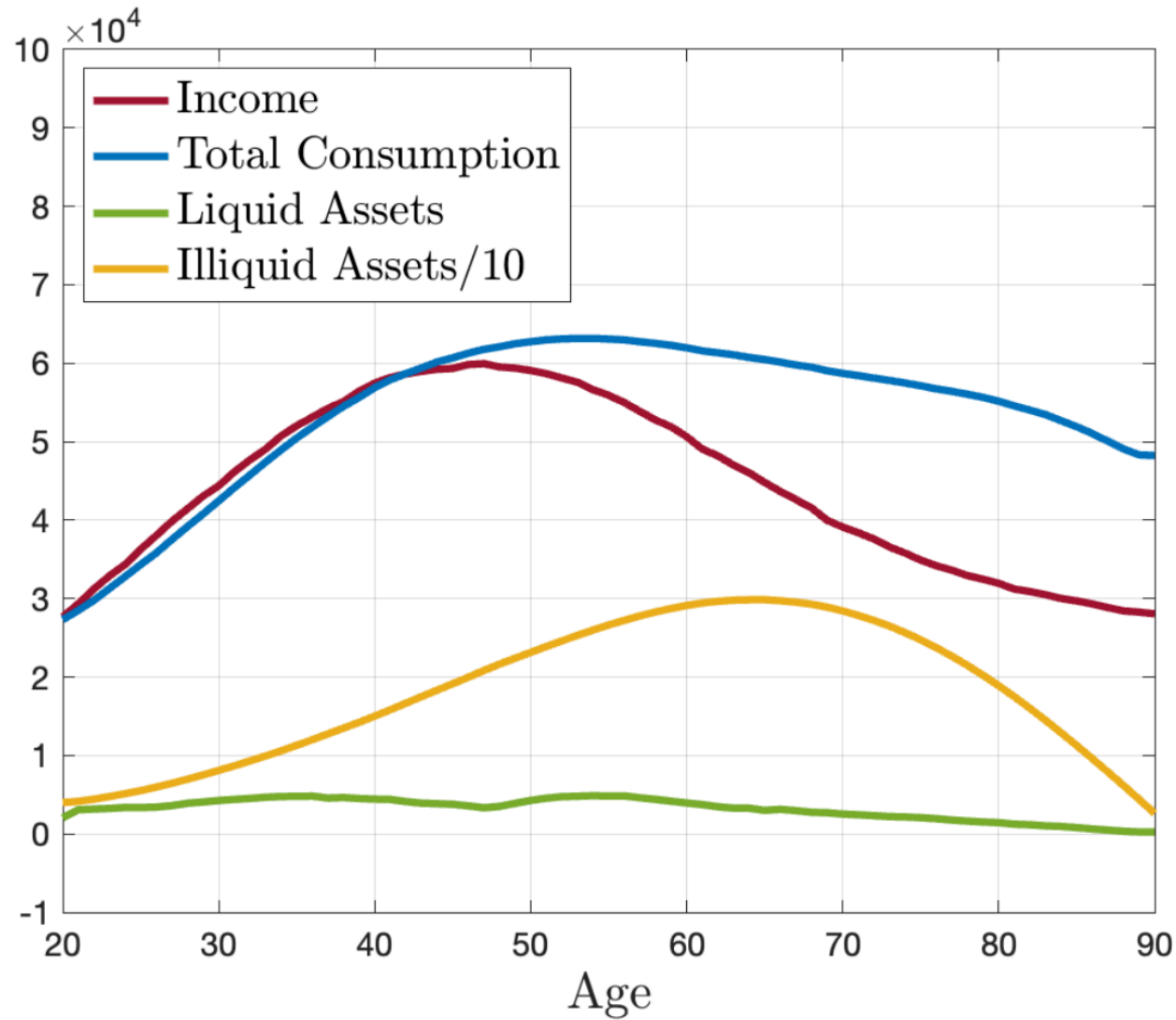


Figure 2

Average lifecycle profile for present-biased estimate

This figure plots the average lifecycle profile of income, total consumption, liquid assets, and illiquid assets (divided by 10 for scaling) for the benchmark estimate ($\hat{\beta}=0.530$).

Figure 4: Average Lifecycle Profile for Exponential Estimate



This figure plots the average lifecycle profile of income, total consumption, liquid assets, and illiquid assets (divided by ten for scaling) for the benchmark exponential estimate ($\beta = 1$).

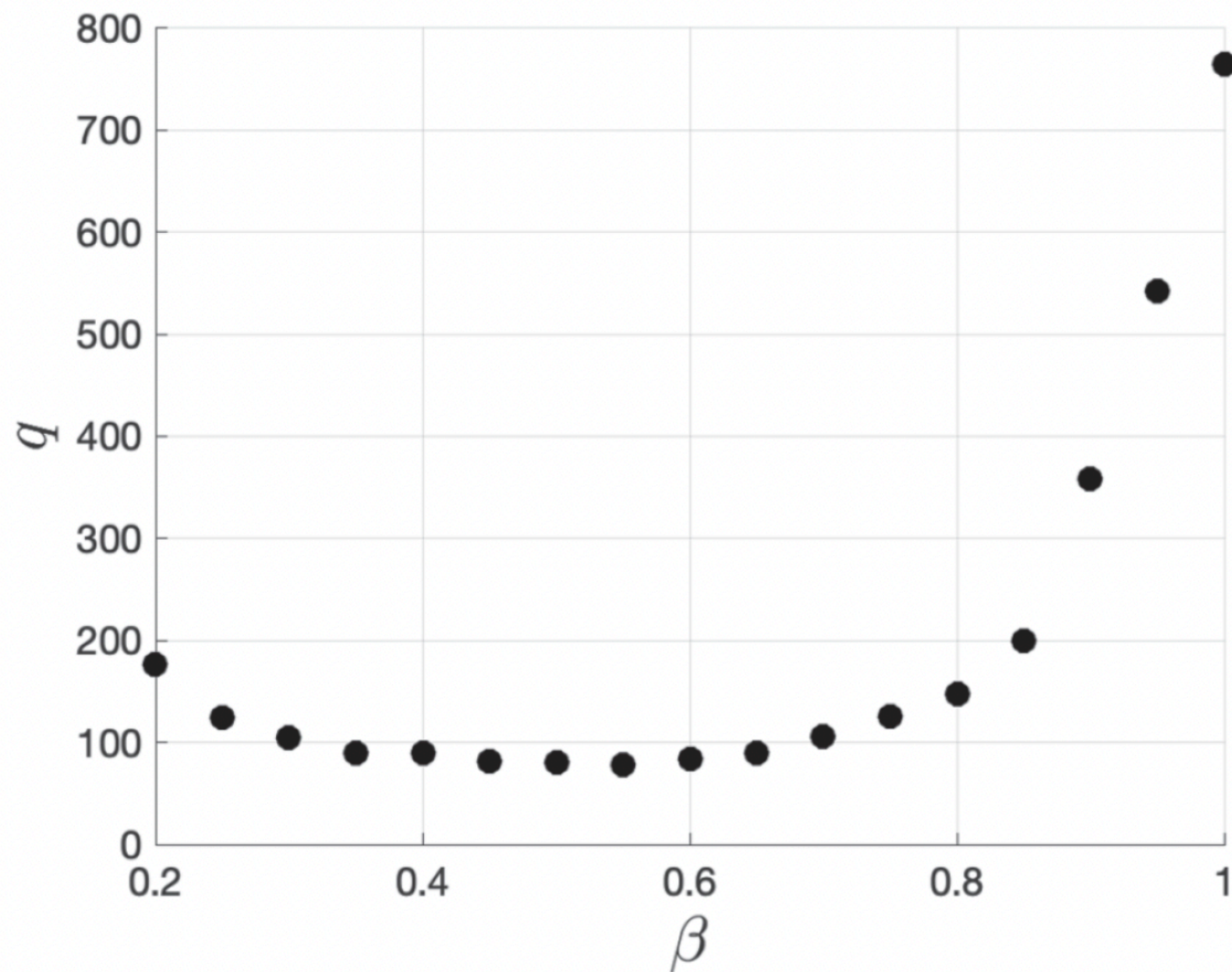


Figure 1

q on β (allowing δ and ρ to vary)

This figure illustrates the sensitivity of the model fit to restrictions on the short-run discount factor β . The vertical axis lists the MSM objective function q . Each point comes from a separate estimate of δ and ρ , conditional on the indicated β .

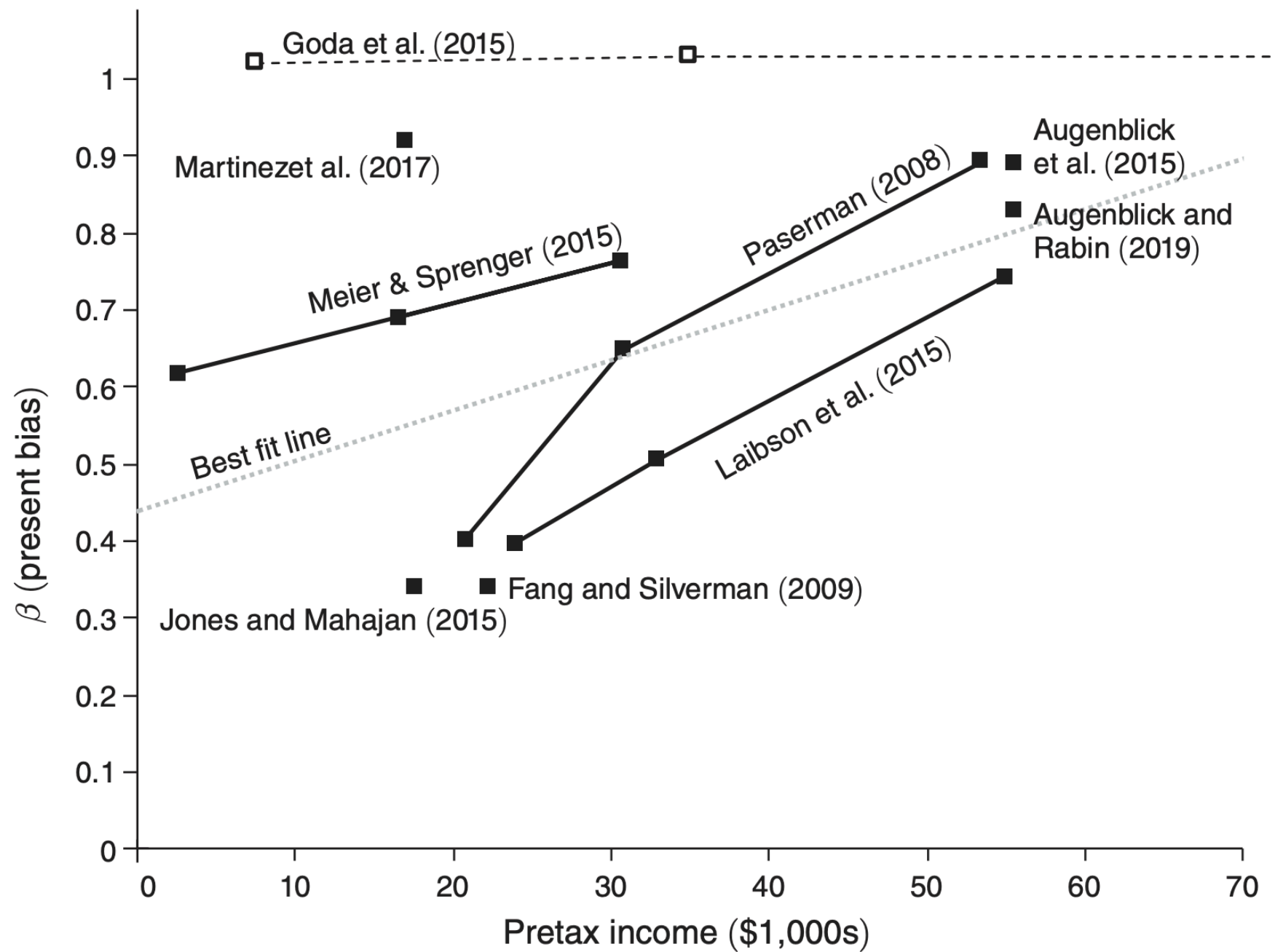


FIGURE 2. ESTIMATED RELATIONSHIP BETWEEN INCOME AND PRESENT-BIAS PARAMETER β

Notes: This figure plots estimates of β across income from several papers. The dotted “best fit line” is used in simulations for the schedule of present bias across the skill distribution. See online Appendix D for details.