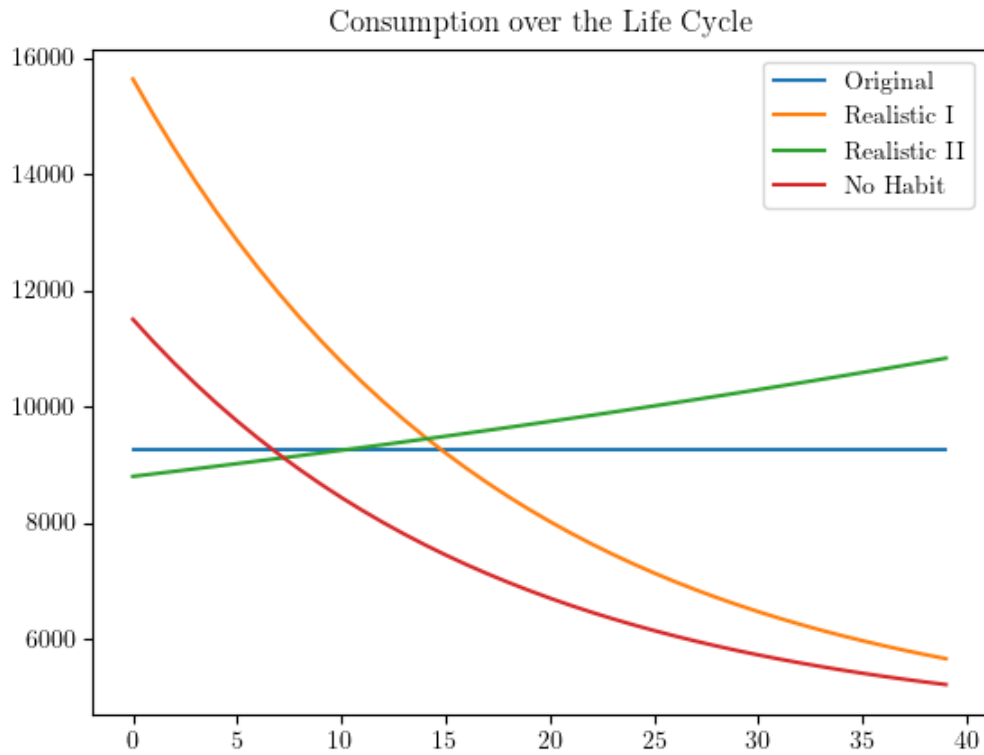
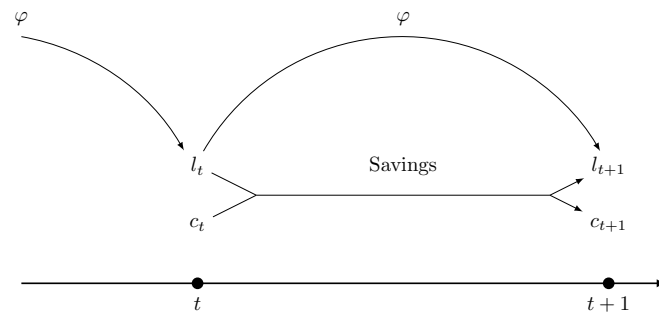


**Figure 1** Annual Labor Hours over the Life Cycle

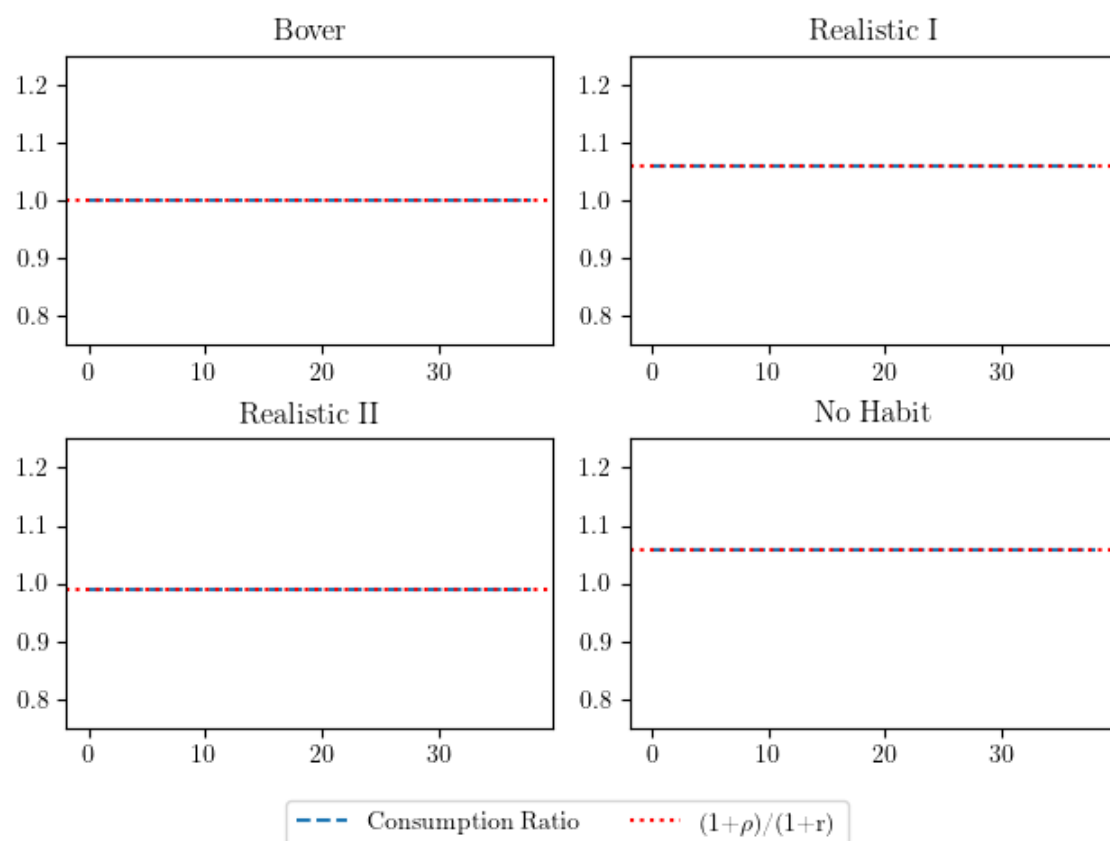


**Figure 2** Annual Consumption over the Life Cycle



**Figure 3** Stylized Model

A stylized model of the labor-leisure model with habits. Agents make a decision regarding how much work (and *ipso facto* how much leisure to take), but this decision is influenced by the previous periods decision through the habit effect as captured by  $\varphi$ .



**Figure 4** Consumption between time  $t$  and  $t + 1$