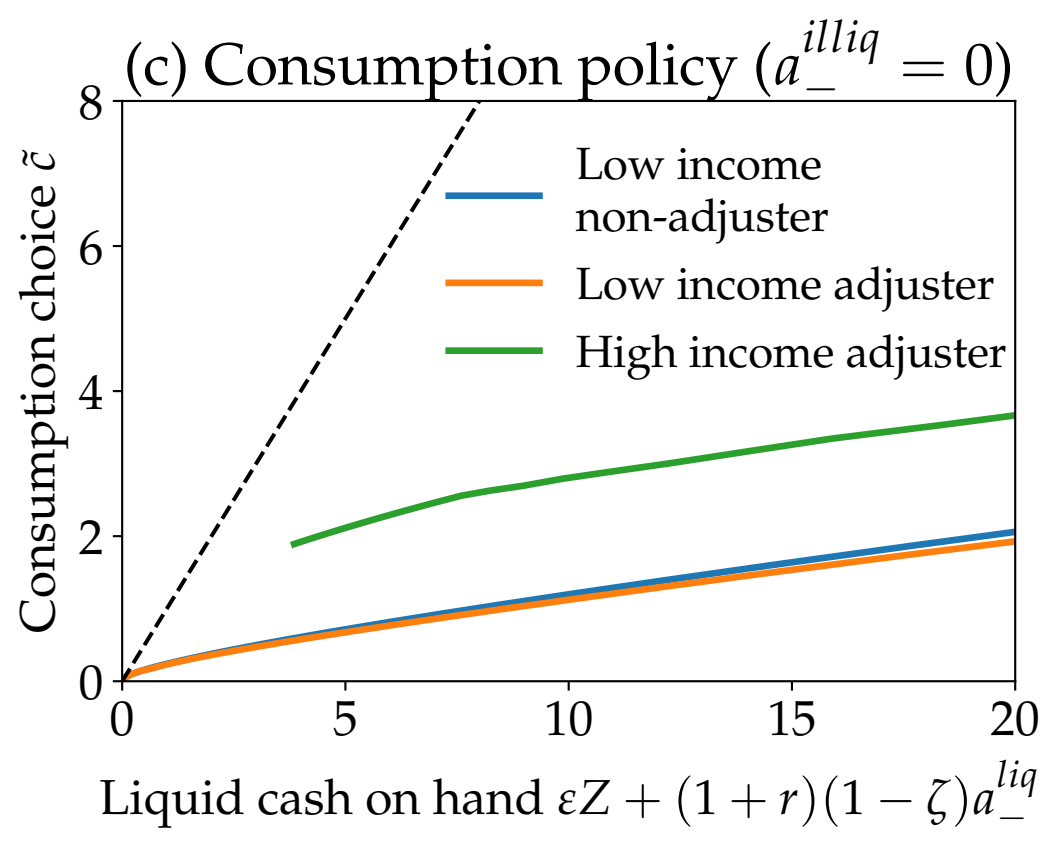
(c) Consumption policy ($a_-^{illiq} = 0$)
Consumption choice $\tilde{c}$
Liquid cash on hand $\varepsilon Z + (1+r)(1-\zeta)a_-^{liq}$
Low income non-adjuster
Low income adjuster
High income adjuster
0
2
4
6
8
0
5
10
15
20