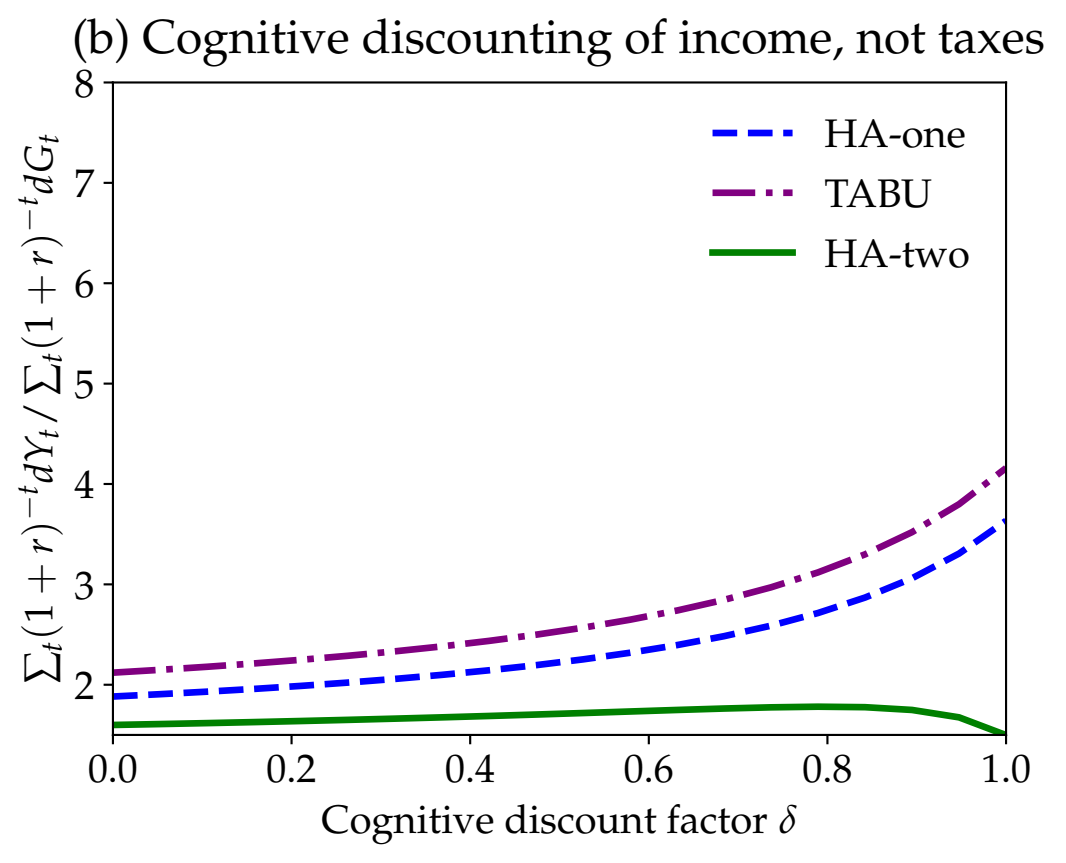
(b) Cognitive discounting of income, not taxes
HA-one
TABU
HA-two
$\sum_t (1+r)^{-t} dY_t / \sum_t (1+r)^{-t} dG_t$
Cognitive discount factor δ
0.0
0.2
0.4
0.6
0.8
1.0
2
3
4
5
6
7
8