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Altri autori (Persone)	HasanovFuad <1978->
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Nota di contenuto	Cover; Abstract; Contents; Introduction; II. A "Store-or-Sow" Model of Precautionary Saving and Investment; III. Results and Implications; Figures; 1. Precautionary Saving and the Golden Rule Investment Rate; 2. A Phase Diagram of Precautionary Saving and Investment Rates; 3. Precautionary Saving and Investment Rates vs. Volatility of Permanent Shocks; 4. Precautionary Saving and Investment Rates vs. Volatility of Temporary Shocks; IV. An Empirical Relationship Among Investment, Saving, and Volatility; Tables; 1. Saving, Investment, and Volatility: Descriptive Statistics 5. Saving vs. Investment 6. Saving vs. Investment-Saving Ratio; V. Concluding Remarks; 2. Panel Fixed Effects Regressions; References; Appendix Table. Average Investment, Saving, and Volatility (1970-2008)
Sommario/riassunto	We study the effects of permanent and temporary income shocks on precautionary saving and investment in a ""store-or-sow"" model of growth. High volatility of permanent shocks results in high precautionary saving in the safe asset and low investment, or a ""volatility trap." Namely, big savers invest relatively little. In contrast, low volatility of permanent shocks leads to low precautionary saving and high or low investment, depending on the volatility of temporary

shocks. Empirical evidence shows a nonlinear relationship between investment and saving and that investment is a hump-shaped fu