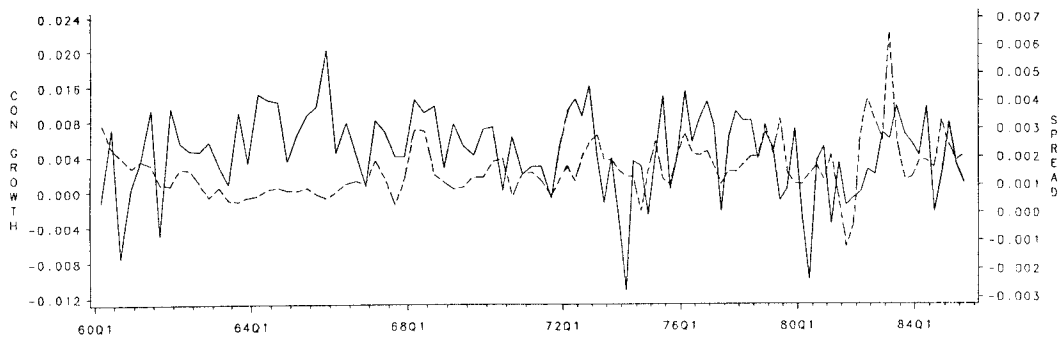
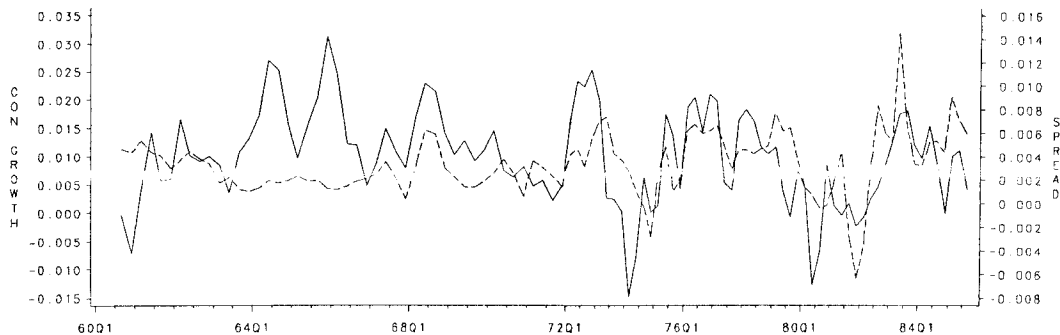


One Quarter Consumption Growth and the Yield Spread



Two Quarter Consumption Growth and the Yield Spread



Three Quarter Consumption Growth and the Yield Spread

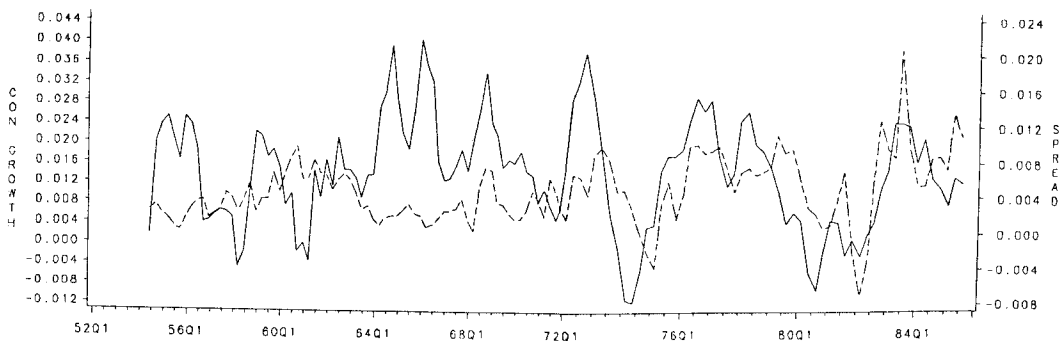


Fig. 9. Expected Real Yield Spreads and Consumption Growth: Quarterly Data: 1953:2-1985:3. Consumption growth is represented by the line and the yield is represented by the dash. Note the series are aligned so that consumption growth from $t + 1$ to $t + j$ is matched with the expected yield spread at time t .