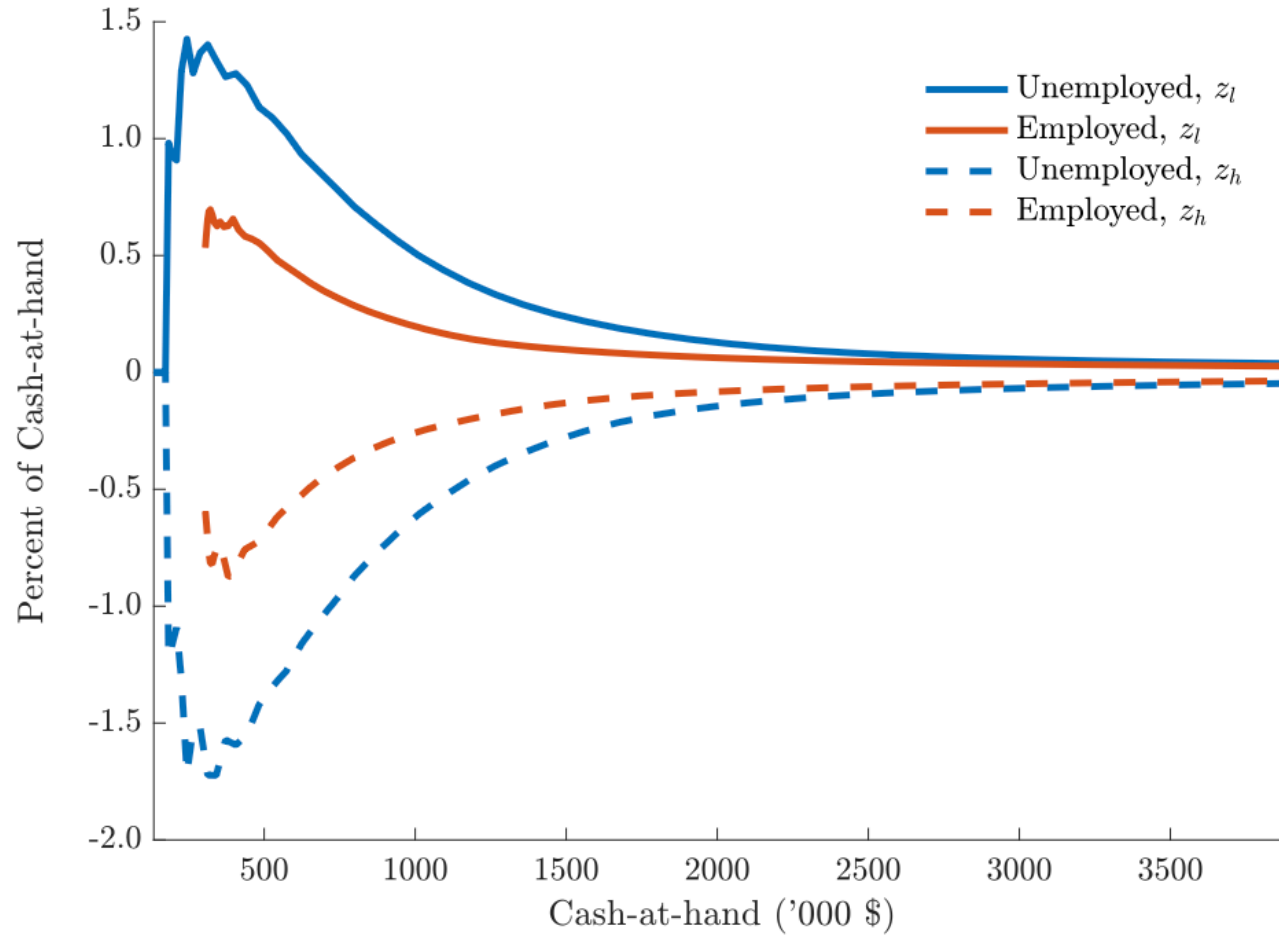Figure 3: Household Saving Choices and Wealth

Note: The figure plots the difference between savings choices by "informed households" and "uninformed households" at a mean prior for aggregate capital K_t. We plot household savings choices as a function of individual cash-at-hand, using our benchmark parameterization of the model. We use 2020 values of US household income to convert cash-at-hand in our model to $ amounts.