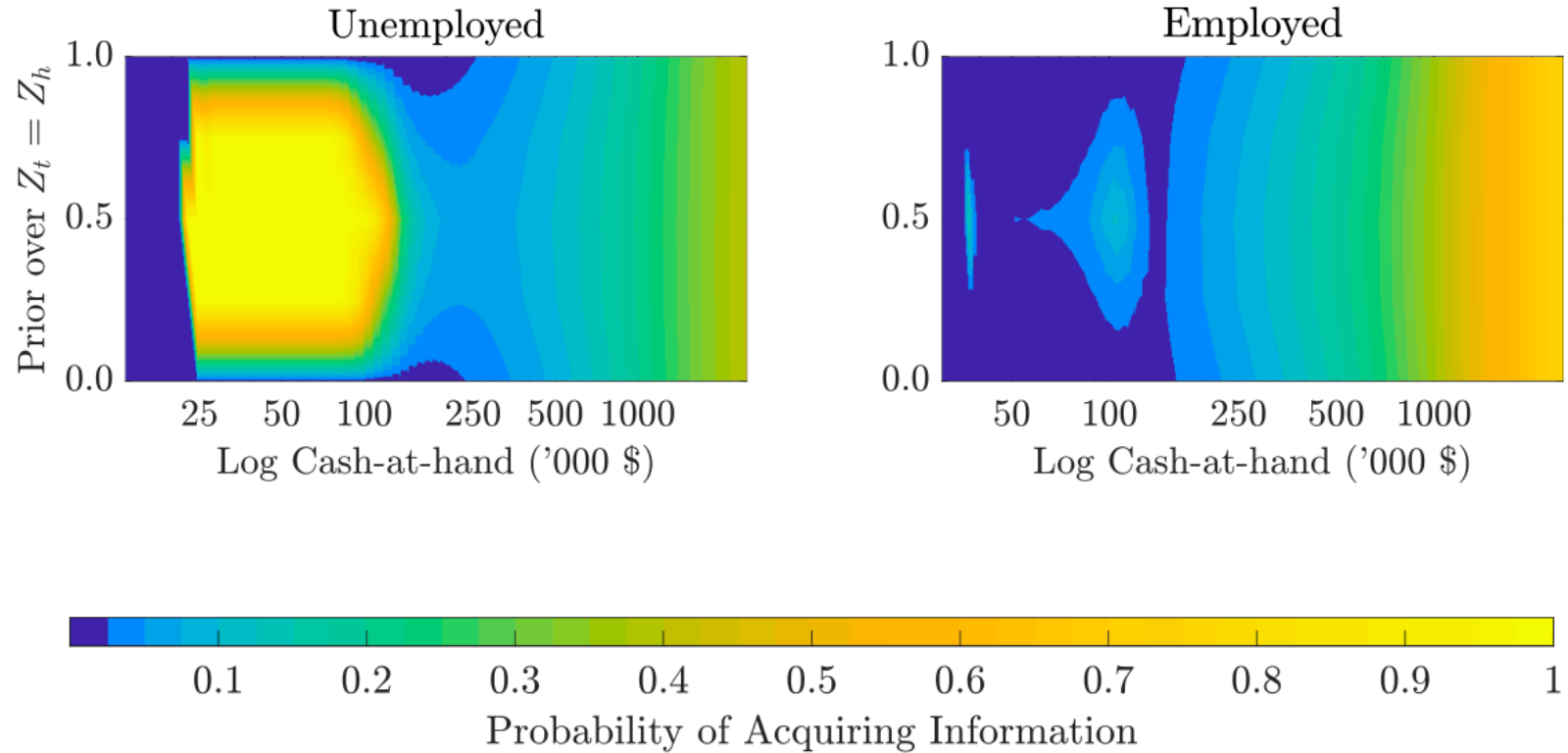Figure 5: Information Acquisition Probabilities

Note: The figure plots the probability of information acquisition for different values of the prior belief that current productivity z_t is high and for different values of quarterly household cash-at-hand. The figure uses our baseline calibration to depict the probabilities and evaluates them at the mean prior about the aggregate capital stock K_t. The left-hand (right-hand) panel shows the probabilities for an unemployment (employed) household. We use 2020 values of US household income to convert cash-at-hand in our model to $ amounts.