

# Life Cycle Dynamic Programming under Unemployment Shock

This is the example vignette for function: [snw\\_vfi\\_main\\_bisec\\_vec](#) from the [PrjOptiSNW Package](#). This function solves for policy function using Exact Vectorized Solution. Value in 2020 with surprise COVID unemployment Shock, with non-covid year Value as the continuation function. The file focuses on the change in value function, asset choice, and consumption choice given a one period unemployment shock (that does not reappear in the future again).

## Test SNW\_VFI\_UNEMP

Solve the Regular Value and Also the Unemployment Value.

First, solve for value without unemployment issue (use the vectorized code that was previously tested):

```
mp_params = snw_mp_param('default_docdense');
mp_controls = snw_mp_control('default_test');
[V_VFI_ss, ap_VFI_ss, cons_VFI_ss, mp_valpol_more_ss] = ...
    snw_vfi_main_bisec_vec(mp_params, mp_controls);
```

```
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:83 of 82, time-this-age:7.9376
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:82 of 82, time-this-age:6.2356
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:81 of 82, time-this-age:6.2155
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:80 of 82, time-this-age:6.3254
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:79 of 82, time-this-age:6.3074
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:78 of 82, time-this-age:6.2427
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:77 of 82, time-this-age:6.1961
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:76 of 82, time-this-age:6.4401
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:75 of 82, time-this-age:6.0576
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:74 of 82, time-this-age:6.3188
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:73 of 82, time-this-age:6.1781
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:72 of 82, time-this-age:6.3078
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:71 of 82, time-this-age:6.4338
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:70 of 82, time-this-age:6.33
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:69 of 82, time-this-age:6.4742
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:68 of 82, time-this-age:6.2434
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:67 of 82, time-this-age:6.196
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:66 of 82, time-this-age:6.3067
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:65 of 82, time-this-age:6.381
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:64 of 82, time-this-age:6.3403
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:63 of 82, time-this-age:6.4496
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:62 of 82, time-this-age:6.1753
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:61 of 82, time-this-age:6.3953
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:60 of 82, time-this-age:6.2145
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:59 of 82, time-this-age:6.3754
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:58 of 82, time-this-age:6.1826
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:57 of 82, time-this-age:6.4472
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:56 of 82, time-this-age:6.3577
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:55 of 82, time-this-age:6.3632
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:54 of 82, time-this-age:6.3623
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:53 of 82, time-this-age:6.477
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:52 of 82, time-this-age:6.4007
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:51 of 82, time-this-age:6.1299
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:50 of 82, time-this-age:6.0888
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:49 of 82, time-this-age:6.0058
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:48 of 82, time-this-age:6.4668
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:47 of 82, time-this-age:6.7856
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:46 of 82, time-this-age:6.6894
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:45 of 82, time-this-age:6.5303
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:44 of 82, time-this-age:6.5652
```

```
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:43 of 82, time-this-age:6.4601
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:42 of 82, time-this-age:6.5478
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:41 of 82, time-this-age:6.5693
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:40 of 82, time-this-age:6.4817
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:39 of 82, time-this-age:6.1035
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:38 of 82, time-this-age:6.3312
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:37 of 82, time-this-age:6.652
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:36 of 82, time-this-age:6.5706
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:35 of 82, time-this-age:6.3328
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:34 of 82, time-this-age:6.3866
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:33 of 82, time-this-age:6.3876
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:32 of 82, time-this-age:6.5786
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:31 of 82, time-this-age:6.4579
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:30 of 82, time-this-age:6.4423
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:29 of 82, time-this-age:6.5074
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:28 of 82, time-this-age:6.6582
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:27 of 82, time-this-age:6.6605
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:26 of 82, time-this-age:6.7467
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:25 of 82, time-this-age:6.567
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:24 of 82, time-this-age:6.6851
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:23 of 82, time-this-age:6.7011
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:22 of 82, time-this-age:6.3939
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:21 of 82, time-this-age:6.5634
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:20 of 82, time-this-age:6.4832
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:19 of 82, time-this-age:6.4651
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:18 of 82, time-this-age:6.5353
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:17 of 82, time-this-age:6.4967
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:16 of 82, time-this-age:6.387
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:15 of 82, time-this-age:6.345
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:14 of 82, time-this-age:6.577
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:13 of 82, time-this-age:6.7646
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:12 of 82, time-this-age:6.8183
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:11 of 82, time-this-age:6.4142
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:10 of 82, time-this-age:6.342
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:9 of 82, time-this-age:6.4692
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:8 of 82, time-this-age:6.5127
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:7 of 82, time-this-age:6.5417
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:6 of 82, time-this-age:6.5962
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:5 of 82, time-this-age:6.4304
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:4 of 82, time-this-age:6.3748
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:3 of 82, time-this-age:6.2745
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:2 of 82, time-this-age:6.5175
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:1 of 82, time-this-age:6.3803
Completed SNW VFI MAIN BISEC VEC;SNW MP PARAM=default docdense;SNW MP CONTROL=default test;time=535.1119
```

	i	idx	ndim	numel	rowN	colN	sum	mean	std	coefvari
	—	—	—	—	—	—	—	—	—	—
V_VFI	1	1	6	4.37e+07	83	5.265e+05	-8.6673e+08	-19.834	28.177	-1.4206
ap_VFI	2	2	6	4.37e+07	83	5.265e+05	1.4164e+09	32.412	36.8	1.1354
cons_VFI	3	3	6	4.37e+07	83	5.265e+05	2.131e+08	4.8764	8.3268	1.7076

r80	-12.564	-12.55	-12.457	-12.22	-11.818	-0.17427	-0.16611	-0.15842	-0.15117
r81	-10.778	-10.764	-10.671	-10.434	-10.032	-0.11927	-0.11368	-0.10843	-0.10346
r82	-8.4226	-8.4089	-8.3155	-8.0786	-7.6766	-0.06597	-0.06284	-0.059924	-0.057184
r83	-5.0665	-5.0529	-4.9595	-4.7226	-4.3206	-0.020968	-0.019972	-0.019038	-0.018161

xxx TABLE:ap\_VFI xxxxxxxxxxxxxxxxxxxx

	c1	c2	c3	c4	c5	c526496	c526497	c526498	c526499	c526500
r1	0	0	0.0005656	0.0075134	0.022901	114.76	120.42	126.29	132.39	138.81
r2	0	0	0.00051498	0.0065334	0.021549	114.87	120.54	126.42	132.55	138.97
r3	0	0	0.00051498	0.0049294	0.019875	114.98	120.67	126.57	132.72	139.13
r4	0	0	0.00051498	0.0047937	0.019672	115.74	121.44	127.36	133.52	139.94
r5	0	0	0.00048517	0.0046683	0.019484	116.51	122.22	128.16	134.34	140.76
r79	0	0	0	0	0.00051498	81.091	85.68	90.325	94.371	98.41
r80	0	0	0	0	0	76.669	80.55	84.292	88.029	91.682
r81	0	0	0	0	0	68.313	71.52	74.459	77.816	81.096
r82	0	0	0	0	0	50.126	53.467	56.953	58.728	60.587
r83	0	0	0	0	0	0	0	0	0	0

xxx TABLE:cons\_VFI xxxxxxxxxxxxxxxxxxxx

	c1	c2	c3	c4	c5	c526496	c526497	c526498	c526499	c526500
r1	0.036717	0.037251	0.040426	0.04363	0.048012	9.6396	9.8066	9.9533	10.06	10.17
r2	0.036717	0.037251	0.040477	0.04461	0.049364	9.8014	9.9571	10.088	10.177	10.28
r3	0.036717	0.037251	0.040477	0.046214	0.051039	9.9664	10.108	10.22	10.287	10.39
r4	0.038144	0.038678	0.041903	0.047776	0.052666	10.118	10.244	10.339	10.388	10.48
r5	0.039534	0.040068	0.043323	0.04929	0.054241	10.258	10.369	10.446	10.483	10.58
r79	0.19737	0.19791	0.20163	0.21175	0.23093	35.811	37.046	38.418	40.587	42.75
r80	0.19737	0.19791	0.20163	0.21175	0.23145	40.207	42.15	44.426	46.904	49.38
r81	0.19737	0.19791	0.20163	0.21175	0.23145	48.541	51.158	54.236	57.094	60.0
r82	0.19737	0.19791	0.20163	0.21175	0.23145	66.71	69.193	71.724	76.164	80.6
r83	0.19737	0.19791	0.20163	0.21175	0.23145	116.82	122.65	128.66	134.88	141.1

Second, solve for the unemployment value, use the exact-bisec result code, call the `snw_vfi_main_bisec_vec.m` function with a third input of existing value. `xi` is the share of income lost during covid year given surprise covid shock, `b` is the share of income loss that is covered by unemployment insurance. `xi=0.5` and `b=0` means will lose 50 percent of income given COVID shocks, and the loss will not be covered at all by unemployment insurance.

```
mp_params('xi') = 0.5;
mp_params('b') = 0;
mp_params('a2_covidyr') = mp_params('a2_covidyr_manna_heaven');
[V_VFI_unemp,ap_VFI_unemp,cons_VFI_unemp,mp_valpol_more_unemp] = ...
    snw_vfi_main_bisec_vec(mp_params, mp_controls, V_VFI_ss);
```

```
SNW_VFI_MAIN_BISEC_VEC 1 Period Unemp Shock: Age 1 of 82, time-this-age:6.2923
SNW_VFI_MAIN_BISEC_VEC 1 Period Unemp Shock: Age 2 of 82, time-this-age:6.5203
SNW_VFI_MAIN_BISEC_VEC 1 Period Unemp Shock: Age 3 of 82, time-this-age:6.0245
SNW_VFI_MAIN_BISEC_VEC 1 Period Unemp Shock: Age 4 of 82, time-this-age:6.5906
SNW_VFI_MAIN_BISEC_VEC 1 Period Unemp Shock: Age 5 of 82, time-this-age:6.4748
SNW_VFI_MAIN_BISEC_VEC 1 Period Unemp Shock: Age 6 of 82, time-this-age:6.515
SNW_VFI_MAIN_BISEC_VEC 1 Period Unemp Shock: Age 7 of 82, time-this-age:6.1144
SNW_VFI_MAIN_BISEC_VEC 1 Period Unemp Shock: Age 8 of 82, time-this-age:6.2132
SNW_VFI_MAIN_BISEC_VEC 1 Period Unemp Shock: Age 9 of 82, time-this-age:6.5055
SNW_VFI_MAIN_BISEC_VEC 1 Period Unemp Shock: Age 10 of 82, time-this-age:6.4562
SNW_VFI_MAIN_BISEC_VEC 1 Period Unemp Shock: Age 11 of 82, time-this-age:6.0604
SNW_VFI_MAIN_BISEC_VEC 1 Period Unemp Shock: Age 12 of 82, time-this-age:6.641
SNW_VFI_MAIN_BISEC_VEC 1 Period Unemp Shock: Age 13 of 82, time-this-age:6.5864
SNW_VFI_MAIN_BISEC_VEC 1 Period Unemp Shock: Age 14 of 82, time-this-age:6.3514
SNW_VFI_MAIN_BISEC_VEC 1 Period Unemp Shock: Age 15 of 82, time-this-age:6.3017
```

[illegible]

Completed SNW VFI MAIN BISEC VEC 1 Period Unemp Shock;SNW MP PARAM=default docdense;SNW MP CONTROL=default test;time

XX

	i	idx	ndim	numel	rowN	colN	sum	mean	std	coefvari
	—	—	—	—	—	—	—	—	—	—
V_VFI	1	1	6	4.37e+07	83	5.265e+05	-8.9196e+08	-20.411	29.203	-1.4307
ap_VFI	2	2	6	4.37e+07	83	5.265e+05	1.3793e+09	31.564	36.675	1.1619
cons_VFI	3	3	6	4.37e+07	83	5.265e+05	2.1007e+08	4.807	8.3263	1.7321

```
xxx TABLE:V VFI xxxxxxxxxxxxxxxxxxxxxx
```

	c1	c2	c3	c4	c5	c526496	c526497	c526498	c526499
r1	-402.51	-401.01	-392.48	-379.06	-366.5	-6.8096	-6.6548	-6.5005	-6.3459
r2	-390.26	-388.76	-380.23	-366.81	-354.4	-6.618	-6.4683	-6.3187	-6.1683
r3	-378.21	-376.71	-368.18	-354.76	-342.64	-6.4227	-6.278	-6.1329	-5.9865
r4	-365.26	-363.87	-355.91	-343.19	-331.62	-6.2297	-6.0896	-5.9486	-5.8058
r5	-353.53	-352.23	-344.77	-332.67	-321.59	-6.0467	-5.9107	-5.7733	-5.6336
r79	-14.033	-14.02	-13.926	-13.689	-13.287	-0.2305	-0.21962	-0.20938	-0.19976
r80	-12.564	-12.55	-12.457	-12.22	-11.818	-0.17582	-0.16751	-0.15967	-0.15229
r81	-10.778	-10.764	-10.671	-10.434	-10.032	-0.12032	-0.11462	-0.10926	-0.10422
r82	-8.4226	-8.4089	-8.3155	-8.0786	-7.6766	-0.066524	-0.063355	-0.060398	-0.057602
r83	-5.0665	-5.0529	-4.9595	-4.7226	-4.3206	-0.021146	-0.020134	-0.019185	-0.018294

```
xxx TABLE:ap VFI xxxxxxxxxxxxxxxxxxxxxx
```

[illegible][illegible]

	c1	c2	c3	c4	c5	c526496	c526497	c526498	c526499	c526500
r1	0.018623	0.019158	0.022901	0.033062	0.04363	9.4621	9.6396	9.8066	9.9533	10.088
r2	0.018623	0.019158	0.022901	0.033062	0.04461	9.6318	9.8014	9.9571	10.088	10.22
r3	0.018623	0.019158	0.022901	0.033062	0.046214	9.8074	9.9664	10.108	10.22	10.339
r4	0.019354	0.019888	0.023632	0.033792	0.047776	9.971	10.118	10.244	10.339	10.446
r5	0.020066	0.020601	0.024344	0.034504	0.04929	10.123	10.258	10.369	10.446	10.587
r79	0.19737	0.19791	0.20163	0.21175	0.23093	34.787	36.471	38.418	40.587	42.15
r80	0.19737	0.19791	0.20163	0.21175	0.23145	40.001	42.15	44.426	46.904	48.074
r81	0.19737	0.19791	0.20163	0.21175	0.23145	48.074	51.158	54.236	57.094	65.719
r82	0.19737	0.19791	0.20163	0.21175	0.23145	65.719	68.202	71.583	76.164	115.84
r83	0.19737	0.19791	0.20163	0.21175	0.23145	115.84	121.66	127.68	133.89	

$$V_{VFI} \text{ unemp drop} = V_{VFI} \text{ ss} - V_{VFI} \text{ unemp};$$

```
ap_VFI_unemp_drop = ap_VFI_ss - ap_VFI_unemp;
cons_VFI_unemp_drop = cons_VFI_ss - cons_VFI_unemp;
```

## Define Parameter Frames

Define the matrix dimensions names and dimension vector values. Policy and Value Functions share the same ND dimensional structure.

```
% Grids:
age_grid = 18:100;
agrid = mp_params('agrid');
eta_H_grid = mp_params('eta_H_grid');
eta_S_grid = mp_params('eta_S_grid');
ar_st_eta_HS_grid = string(cellstr([num2str(eta_H_grid', 'hz=%3.2f;'), num2str(eta_S_grid', 'wz=%3.2f;')], 'wz=%3.2f;'), 'hz=%3.2f;');
edu_grid = [0,1];
marry_grid = [0,1];
kids_grid = (1:1:mp_params('n_kidsgrid'))';
% NaN(n_jgrid,n_agrid,n_etagrid,n_educgrid,n_marriedgrid,n_kidsgrid);
cl_mp_datasetdesc = {};
cl_mp_datasetdesc{1} = containers.Map({'name', 'labval'}, {'age', age_grid});
cl_mp_datasetdesc{2} = containers.Map({'name', 'labval'}, {'savings', agrid});
cl_mp_datasetdesc{3} = containers.Map({'name', 'labval'}, {'eta', 1:length(eta_H_grid)});
cl_mp_datasetdesc{4} = containers.Map({'name', 'labval'}, {'edu', edu_grid});
cl_mp_datasetdesc{5} = containers.Map({'name', 'labval'}, {'marry', marry_grid});
cl_mp_datasetdesc{6} = containers.Map({'name', 'labval'}, {'kids', kids_grid});
```

## Analyze Savings and Shocks

First, analyze Savings Levels and Shocks, Aggregate Over All Others, and do various other calculations.

```
% Generate some Data
mp_support_graph = containers.Map('KeyType', 'char', 'ValueType', 'any');
mp_support_graph('cl_st_xtitle') = {'Savings States, a'};
mp_support_graph('st_legend_loc') = 'eastoutside';
mp_support_graph('bl_graph_logy') = true; % do not log
mp_support_graph('it_legend_select') = 15; % how many shock legends to show
mp_support_graph('cl_colors') = 'jet';
```

MEAN(VAL(A,Z) - VAL(A,Z|unemp)), MEAN(AP(A,Z) - AP(A,Z|unemp)), MEAN(C(A,Z) - C(A,Z|unemp))

Tabulate value and policies along savings and shocks:

```
% Set
% NaN(n_jgrid,n_agrid,n_etagrid,n_educgrid,n_marriedgrid,n_kidsgrid);
ar_permute = [1,4,5,6,3,2];
% Value Function
tb_az_v = ff_summ_nd_array("MEAN(v(A,Z) - v(A,Z|unemp))", V_VFI_unemp_drop, true, ["mean"], 4,
```

xxx	MEAN(v(A,Z) - v(A,Z unemp))	xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx							
group	savings	mean_eta_1	mean_eta_2	mean_eta_3	mean_eta_4	mean_eta_5	mean_eta_6	mean_eta_7	mean_eta_8
1	0	15.757	14.81	13.917	13.077	12.285	11.541	10.797	10.053
2	0.00051498	15.342	14.443	13.593	12.79	12.032	11.317	10.602	9.887
3	0.0041199	12.881	12.246	11.633	11.043	10.476	9.9318	9.406	8.881

4	0.013905	8.7359	8.4686	8.1905	7.9067	7.6215	7.3372	7
5	0.032959	5.3366	5.2683	5.1735	5.0615	4.9404	4.8155	4
6	0.064373	3.3921	3.3936	3.3704	3.3277	3.272	3.2095	3

### % Aprime Choice

```
tb_az_ap = ff_summ_nd_array("MEAN(AP(A,Z) - AP(A,Z|unemp))", ap_VFI_unemp_drop, true, ["mean"],
```

xxx	MEAN(AP(A,Z) - AP(A,Z unemp))	xxxxxxxxxxxxxxxxxxxxxxxxxxxx							
group	savings	mean_eta_1	mean_eta_2	mean_eta_3	mean_eta_4	mean_eta_5	mean_eta_6	mean_eta_7	mean_eta_8
1	0	0	0	0	0	0	0	0	6.640
2	0.00051498	0	0	0	3.2355e-07	8.8303e-07	1.3402e-06	1.685	1.685
3	0.0041199	1.1212e-05	3.4693e-05	5.9476e-05	6.9903e-05	7.1182e-05	6.7854e-05	6.236	6.236
4	0.013905	0.0011498	0.0012034	0.0012469	0.001273	0.0012824	0.0012822	0.00	0.00
5	0.032959	0.0039015	0.0041225	0.0043159	0.0044467	0.0045114	0.0045318	0.00	0.00
6	0.064373	0.0055048	0.0060139	0.0065549	0.0071211	0.0076061	0.0079092	0.00	0.00

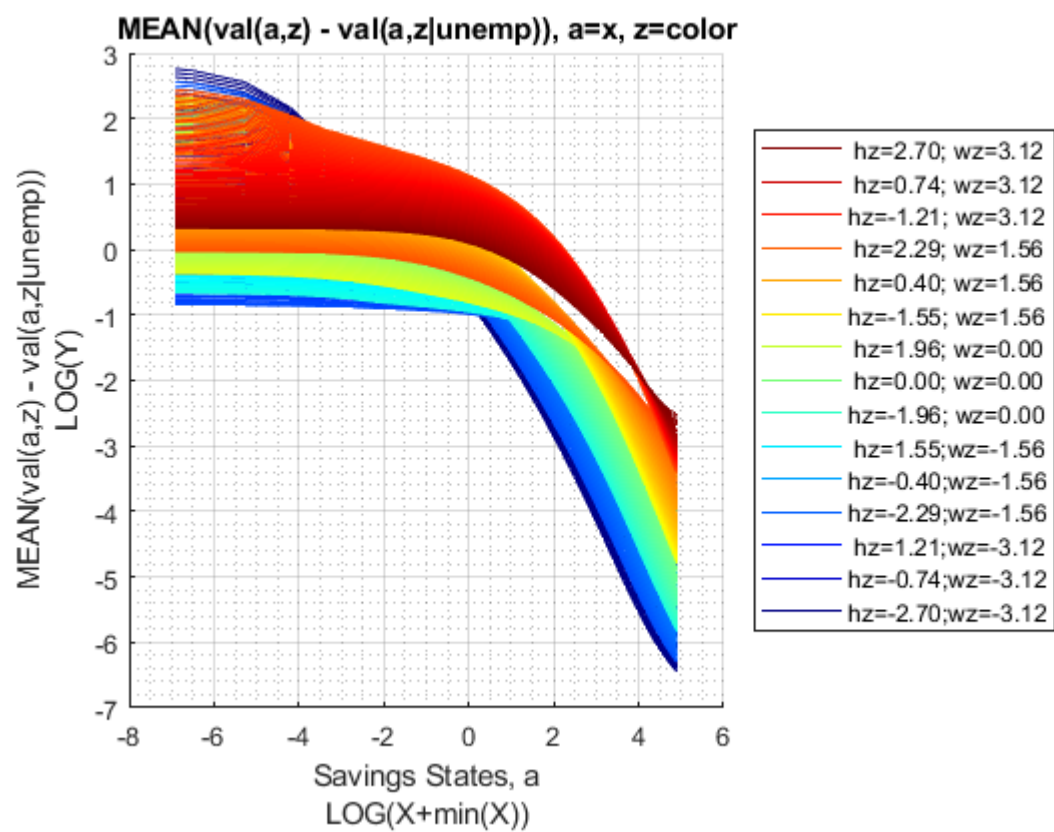
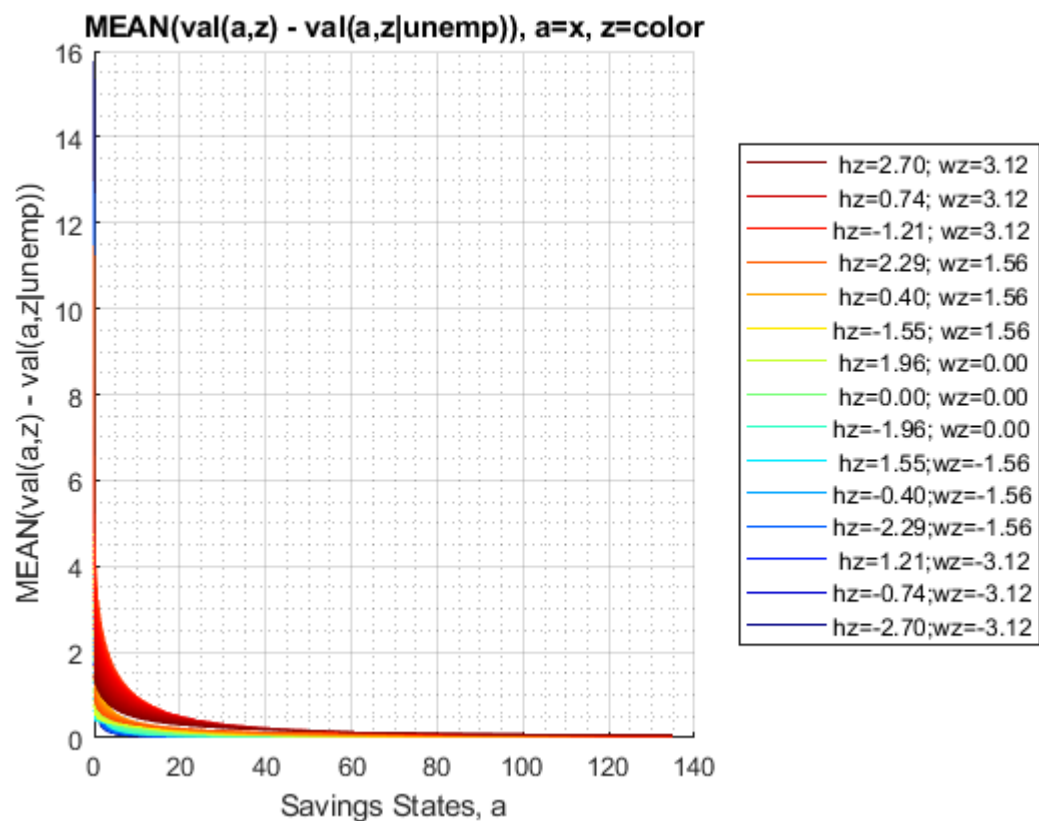
### % Consumption Choices

```
tb_az_c = ff_summ_nd_array("MEAN(C(A,Z) - C(A,Z|unemp))", cons_VFI_unemp_drop, true, ["mean"],
```

xxx	MEAN(C(A,Z) - C(A,Z unemp))	xxxxxxxxxxxxxxxxxxxxxxxxxxxx							
group	savings	mean_eta_1	mean_eta_2	mean_eta_3	mean_eta_4	mean_eta_5	mean_eta_6	mean_eta_7	mean_eta_8
1	0	0.019312	0.020444	0.021649	0.02293	0.024294	0.025745	0.0	0.0
2	0.00051498	0.019312	0.020444	0.021648	0.02293	0.024293	0.025743	0.0	0.0
3	0.0041199	0.019298	0.020407	0.021586	0.022857	0.02422	0.025674	0.0	0.0
4	0.013905	0.018153	0.019231	0.020392	0.021647	0.023001	0.024452	0.0	0.0
5	0.032959	0.015388	0.016299	0.017309	0.01846	0.019758	0.021188	0.0	0.0
6	0.064373	0.013764	0.014386	0.015048	0.015762	0.01664	0.017787	0.0	0.0

Graph Mean Values Change:

```
mp_support_graph('cl_st_graph_title') = {'MEAN(val(a,z) - val(a,z|unemp)), a=x, z=color'};
mp_support_graph('cl_st_ytitle') = {'MEAN(val(a,z) - val(a,z|unemp))'};
ff_graph_grid((tb_az_v{1:end, 3:end})', ar_st_eta_HS_grid, agrid, mp_support_graph);
```



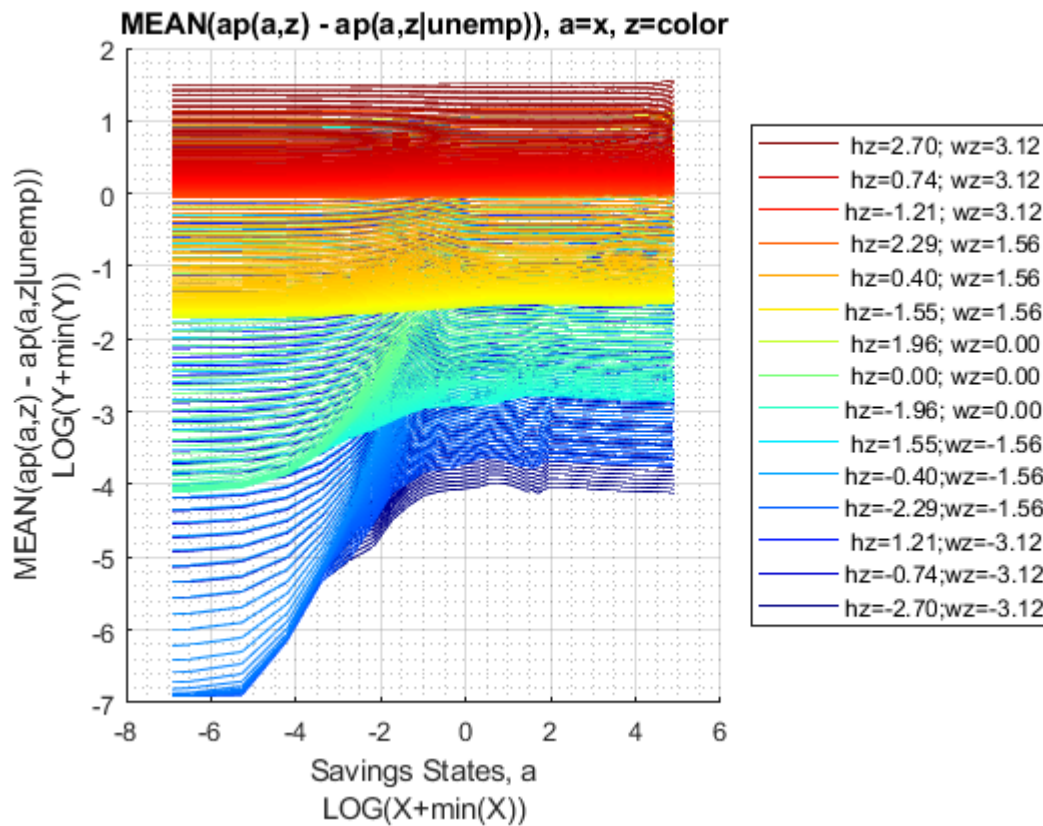
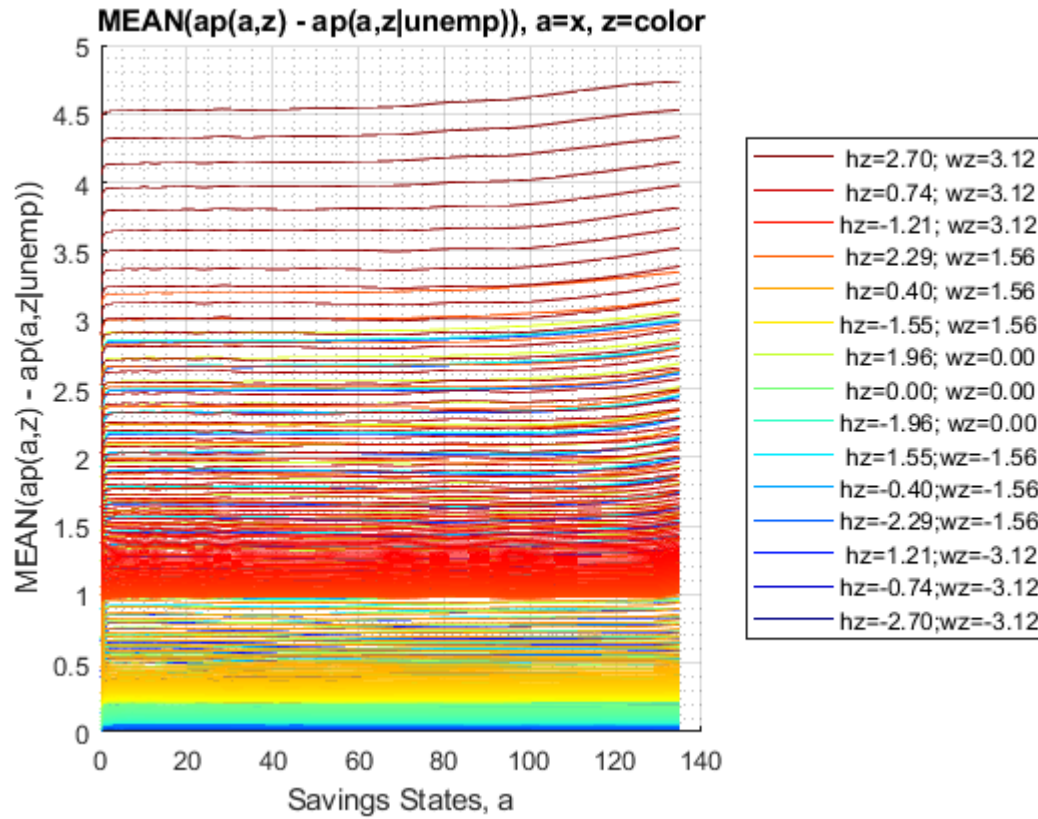
Graph Mean Savings Choices Change:



```

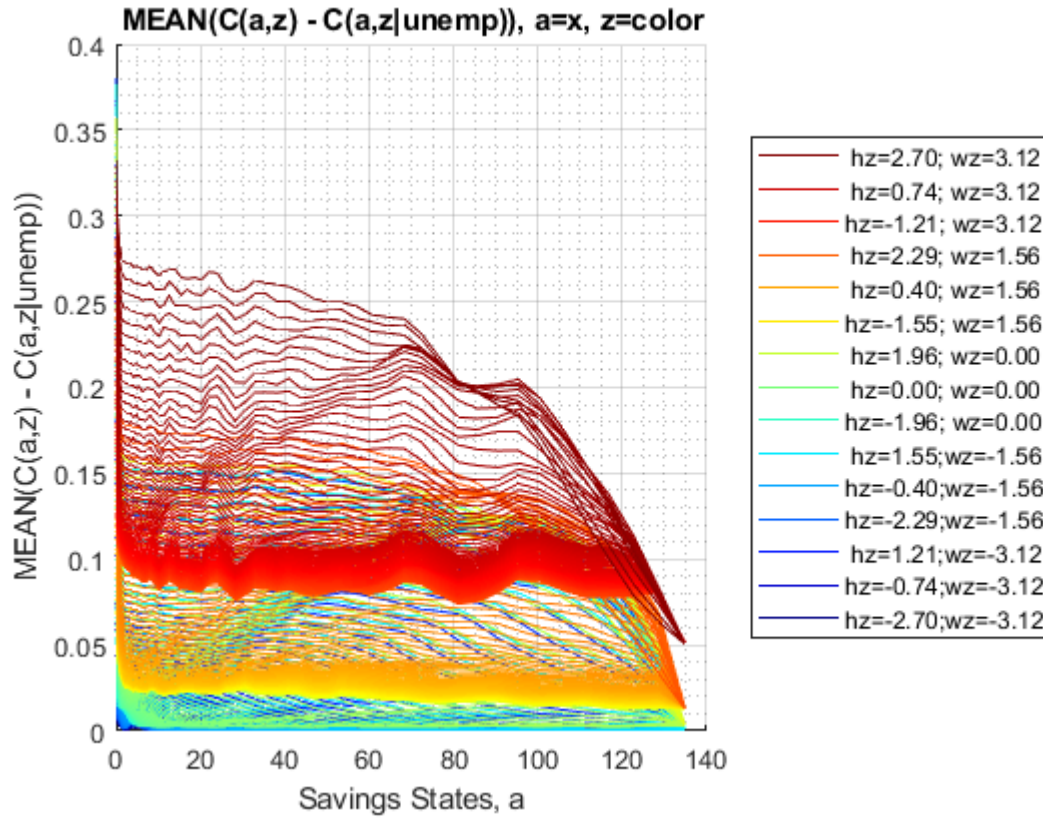
mp_support_graph('cl_st_graph_title') = {'MEAN(ap(a,z) - ap(a,z|unemp)), a=x, z=color'};
mp_support_graph('cl_st_ytitle') = {'MEAN(ap(a,z) - ap(a,z|unemp))'};
ff_graph_grid((tb_az_ap{1:end, 3:end})', ar_st_eta_HS_grid, agrid, mp_support_graph);

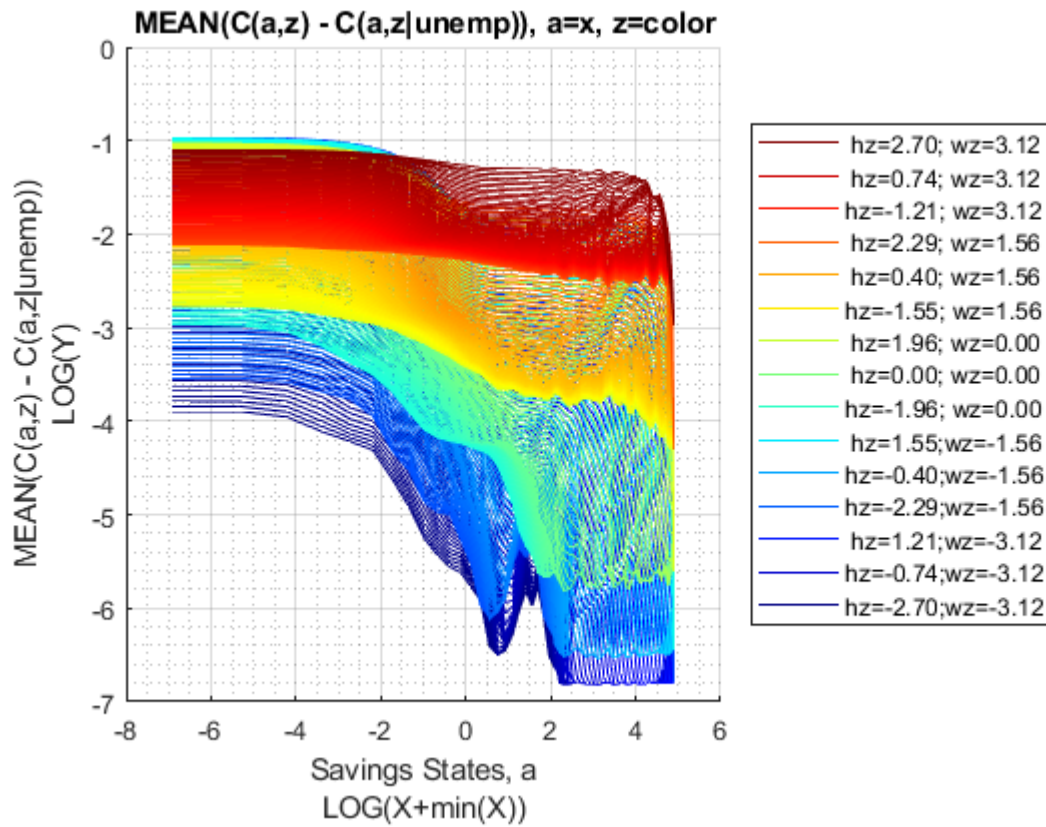
```



Graph Mean Consumption Change:

```
mp_support_graph('cl_st_graph_title') = {'MEAN(C(a,z) - C(a,z|unemp)), a=x, z=color'};
mp_support_graph('cl_st_ytitle') = {'MEAN(C(a,z) - C(a,z|unemp))'};
ff_graph_grid((tb_az_c{1:end, 3:end})', ar_st_eta_HS_grid, agrid, mp_support_graph);
```





## Analyze Kids and Marriage and Age

Aggregating over education, savings, and shocks, what are the differential effects of Marriage and Age.

```
% Generate some Data
mp_support_graph = containers.Map('KeyType', 'char', 'ValueType', 'any');
ar_row_grid = [...
    "k0M0", "K1M0", "K2M0", "K3M0", "K4M0", ...
    "k0M1", "K1M1", "K2M1", "K3M1", "K4M1"];
mp_support_graph('cl_st_xtitle') = {'Age'};
mp_support_graph('st_legend_loc') = 'best';
mp_support_graph('bl_graph_logy') = true; % do not log
mp_support_graph('st_rounding') = '6.2f'; % format shock legend
mp_support_graph('cl_scatter_shapes') = {...
    'o', 'd', 's', 'x', '*', ...
    'o', 'd', 's', 'x', '*'};
mp_support_graph('cl_colors') = {...
    'red', 'red', 'red', 'red', 'red'...
    'blue', 'blue', 'blue', 'blue', 'blue'};
```

MEAN(V(KM,J) - V(KM,J | unemp)), MEAN(ap(KM,J) - ap(KM,J | unemp)), MEAN(c(KM,J) - c(KM,J | unemp))

Tabulate value and policies:

```
% Set
% NaN(n_jgrid,n_agrid,n_etagrid,n_educgrid,n_marriedgrid,n_kidsgrid);
ar_permute = [2,3,4,1,6,5];
% Value Function
```

```
tb_az_v = ff_summ_nd_array("MEAN(V(KM,J) - V(KM,J | unemp))", V_VFI_unemp_drop, true, ["mean"],
```

```
xxx  MEAN(V(KM,J) - V(KM,J | unemp))  xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx
      group    kids    marry    mean_age_18    mean_age_19    mean_age_20    mean_age_21    mean_age_22    mean_age_23
      -----
      1         1         0         0.61725         0.59976         0.58199         0.56601         0.55229         0.54054
      2         2         0         0.8282         0.80576         0.78226         0.75802         0.73679         0.71815
      3         3         0         0.96839         0.94588         0.92133         0.89232         0.86693         0.84461
      4         4         0         1.0956         1.0721         1.0458         1.0127         0.98375         0.95827
      5         5         0         1.2019         1.1787         1.1519         1.1158         1.0843         1.0568
      6         1         1         0.76869         0.75018         0.73196         0.71662         0.70371         0.69304
      7         2         1         0.93097         0.90782         0.88415         0.86307         0.84465         0.82857
      8         3         1         1.0192         0.99485         0.96959         0.94589         0.92513         0.90699
      9         4         1         1.1177         1.0921         1.0652         1.039         1.016         0.99583
      10        5         1         1.1589         1.1352         1.1089         1.0814         1.0577         1.037
```

% Aprime Choice

```
tb_az_ap = ff_summ_nd_array("MEAN(ap(KM,J) - ap(KM,J | unemp))", ap_VFI_unemp_drop, true, ["mea
```

```
xxx  MEAN(ap(KM,J) - ap(KM,J | unemp))  xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx
      group    kids    marry    mean_age_18    mean_age_19    mean_age_20    mean_age_21    mean_age_22    mean_age_23
      -----
      1         1         0         0.54442         0.54173         0.53857         0.57709         0.6155         0.65344
      2         2         0         0.53845         0.53471         0.53034         0.56817         0.60591         0.64335
      3         3         0         0.53193         0.52758         0.5228         0.56021         0.59766         0.63481
      4         4         0         0.52782         0.52325         0.51825         0.55544         0.59269         0.62969
      5         5         0         0.52378         0.51921         0.5141         0.55117         0.58841         0.62542
      6         1         1         1.1324         1.1758         1.22         1.3121         1.4051         1.498
      7         2         1         1.0397         1.0754         1.1117         1.1944         1.2779         1.3613
      8         3         1         0.97116         1.0022         1.0333         1.1099         1.1873         1.2644
      9         4         1         0.89614         0.92283         0.94936         1.0215         1.094         1.166
      10        5         1         0.78037         0.79821         0.81602         0.87841         0.94111         1.0036
```

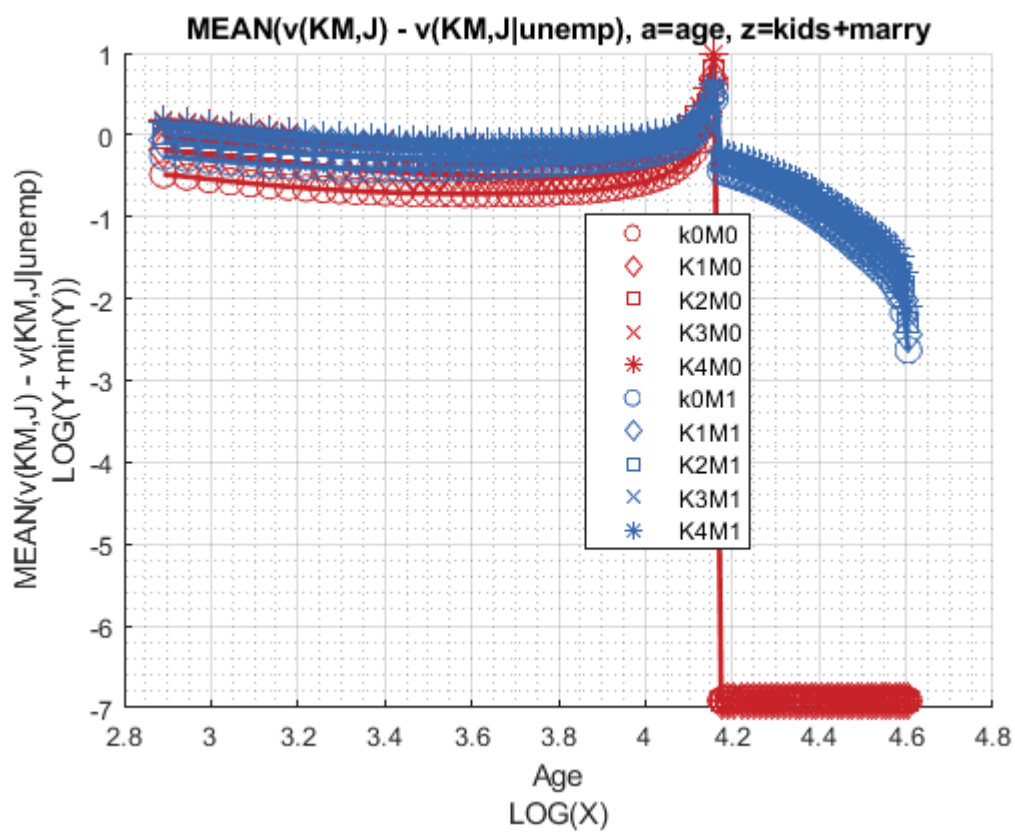
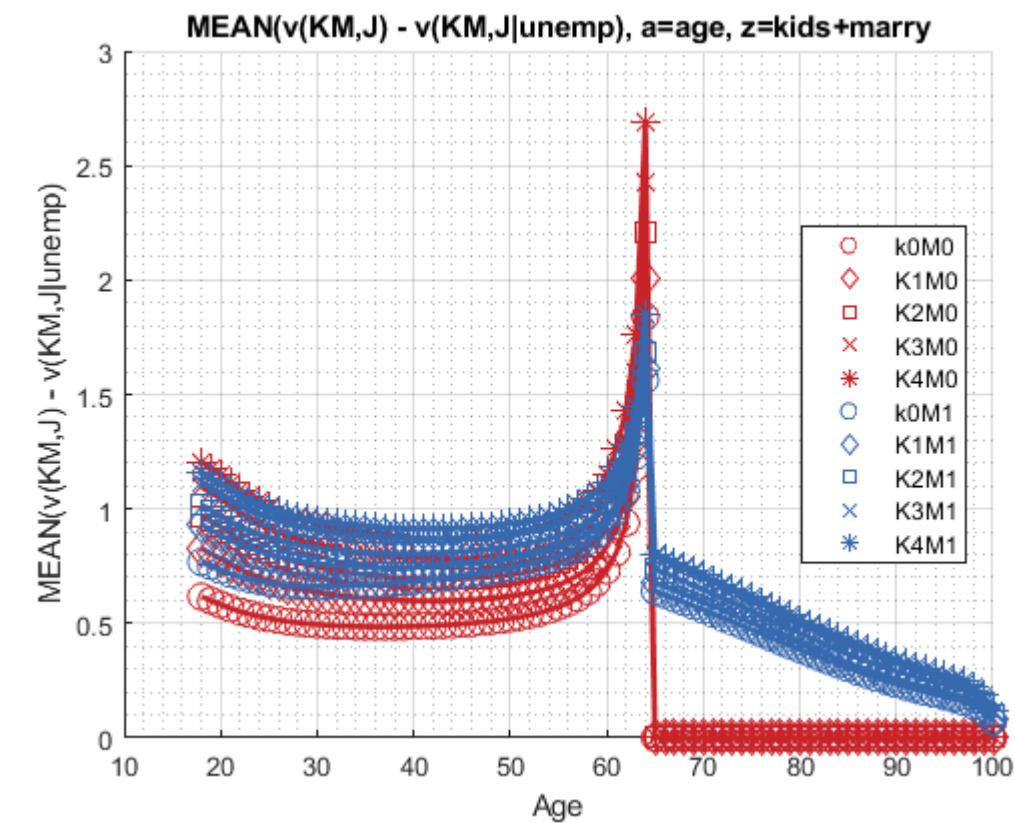
% Consumption Choices

```
tb_az_c = ff_summ_nd_array("MEAN(c(KM,J) - c(KM,J | unemp))", cons_VFI_unemp_drop, true, ["mean
```

```
xxx  MEAN(c(KM,J) - c(KM,J | unemp))  xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx
      group    kids    marry    mean_age_18    mean_age_19    mean_age_20    mean_age_21    mean_age_22    mean_age_23
      -----
      1         1         0         0.049956         0.052643         0.055802         0.056135         0.05627         0.05629
      2         2         0         0.05592         0.059662         0.064032         0.065053         0.065864         0.066379
      3         3         0         0.062441         0.066796         0.071572         0.073013         0.074107         0.074921
      4         4         0         0.066548         0.071126         0.076127         0.077784         0.07908         0.080043
      5         5         0         0.070592         0.075167         0.080271         0.082051         0.083363         0.084315
      6         1         1         0.091533         0.09707         0.10273         0.10671         0.11016         0.11335
      7         2         1         0.087319         0.093037         0.098883         0.10344         0.10744         0.11122
      8         3         1         0.089145         0.09428         0.10003         0.10457         0.1086         0.11245
      9         4         1         0.095251         0.099402         0.10424         0.10703         0.1095         0.11209
      10        5         1         0.1016         0.10608         0.11098         0.11351         0.11573         0.11766
```

Graph Mean Values Change:

```
mp_support_graph('cl_st_graph_title') = {'MEAN(v(KM,J) - v(KM,J|unemp), a=age, z=kids+marry'};
mp_support_graph('cl_st_ytitle') = {'MEAN(v(KM,J) - v(KM,J|unemp))'};
ff_graph_grid((tb_az_v{1:end, 4:end}), ar_row_grid, age_grid, mp_support_graph);
```



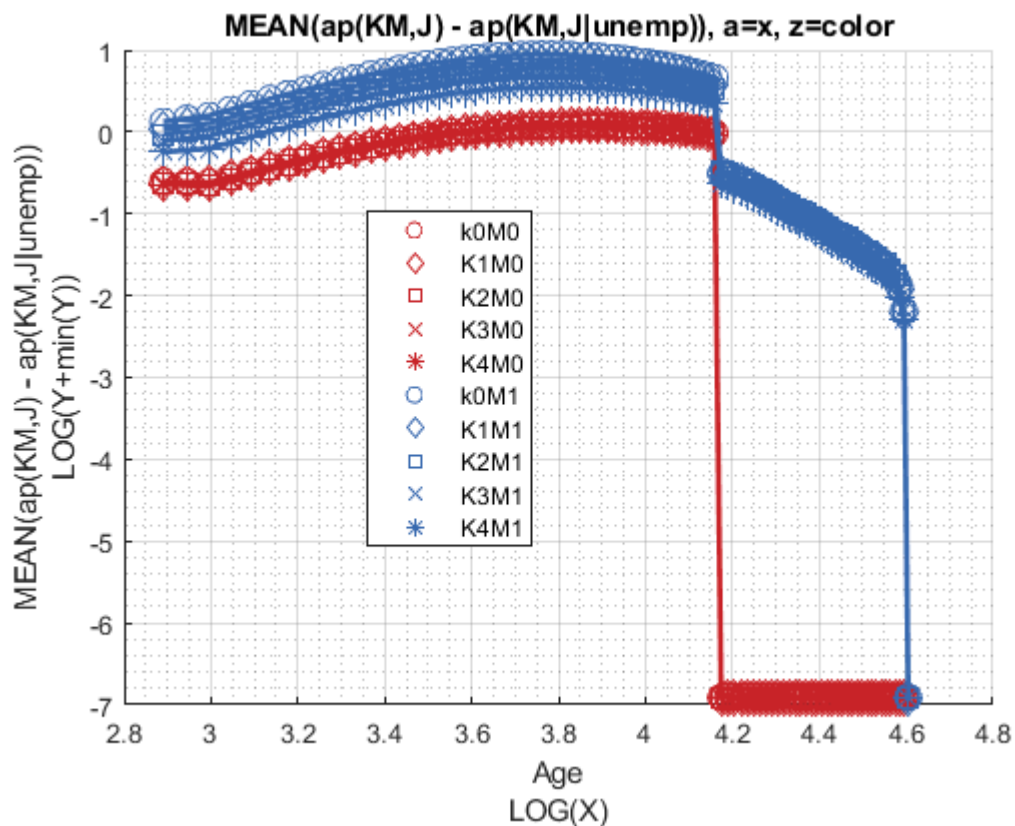
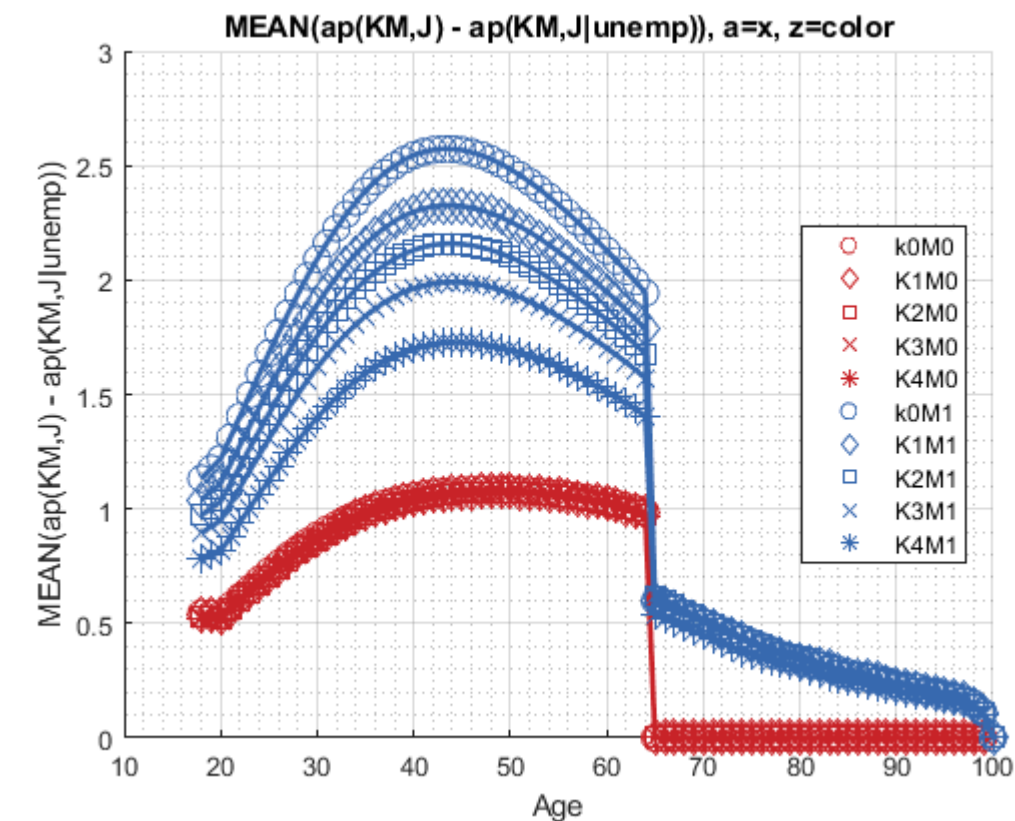
Graph Mean Savings Choices Change:



```

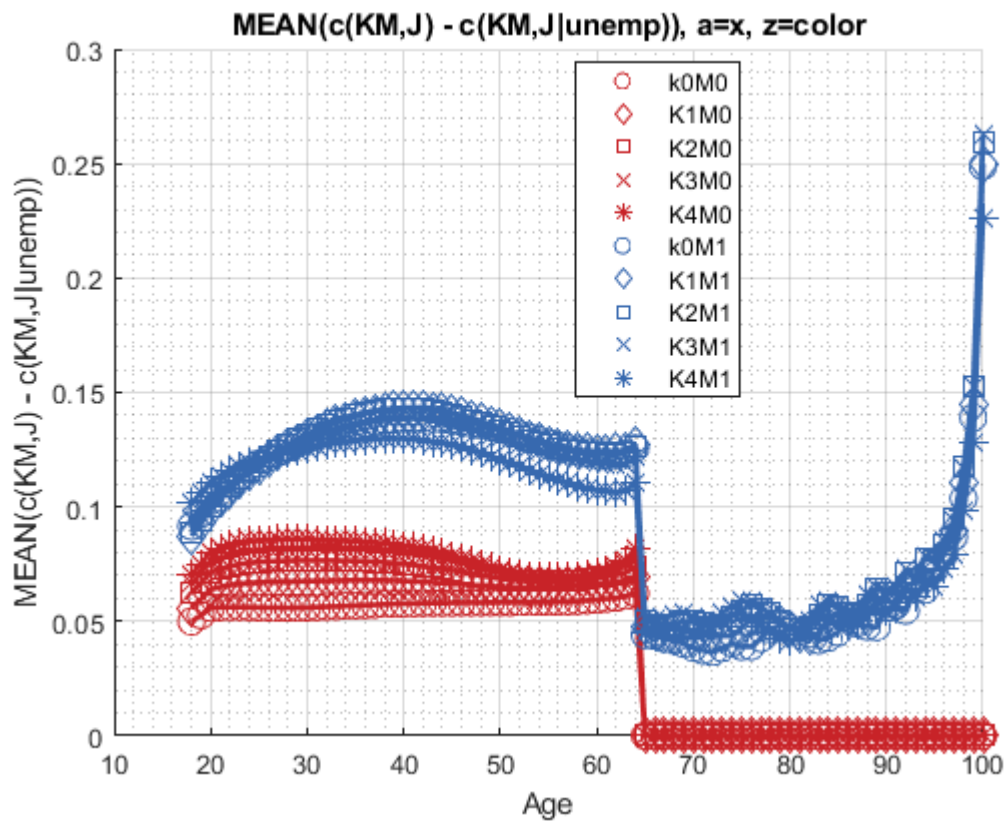
mp_support_graph('cl_st_graph_title') = {'MEAN(ap(KM,J) - ap(KM,J|unemp))', a=x, z=color'};
mp_support_graph('cl_st_ytitle') = {'MEAN(ap(KM,J) - ap(KM,J|unemp))'};
ff_graph_grid((tb_az_ap{1:end, 4:end}), ar_row_grid, age_grid, mp_support_graph);

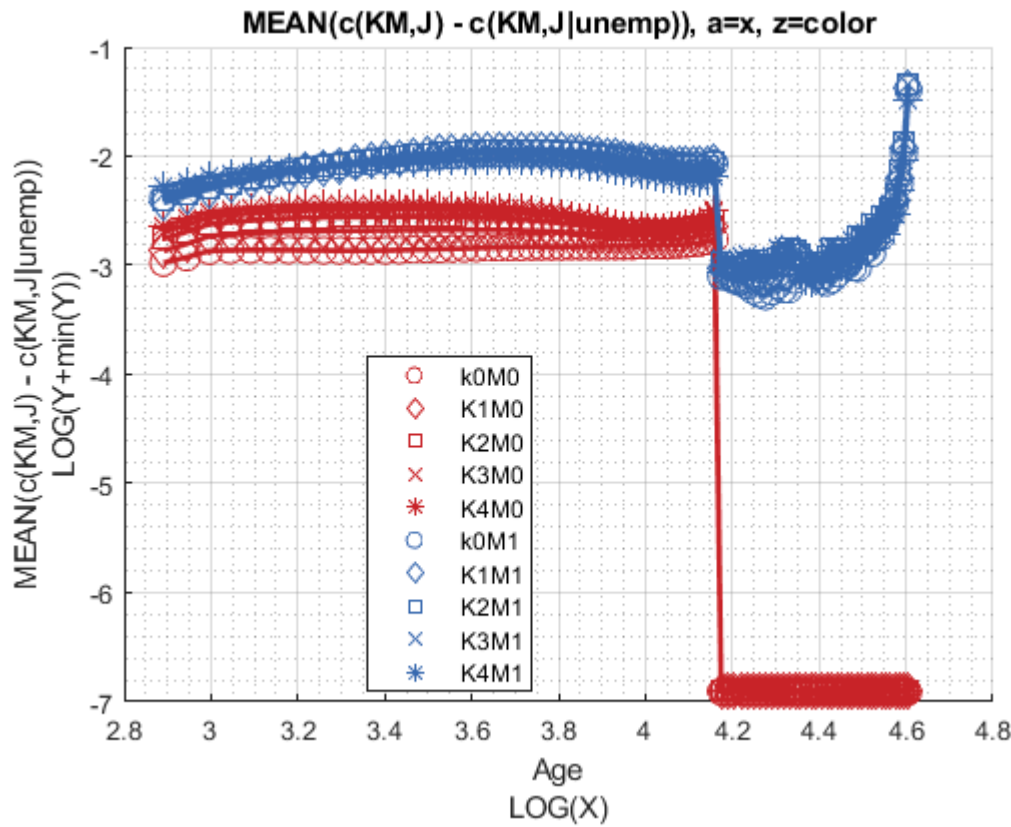
```



Graph Mean Consumption Change:

```
mp_support_graph('cl_st_graph_title') = {'MEAN(c(KM,J) - c(KM,J|unemp))', a=x, z=color'};
mp_support_graph('cl_st_ytitle') = {'MEAN(c(KM,J) - c(KM,J|unemp))'};
ff_graph_grid((tb_az_c{1:end, 4:end}), ar_row_grid, age_grid, mp_support_graph);
```





## Analyze Education and Marriage and Age

Aggregating over education, savings, and shocks, what are the differential effects of Marriage and Age.

```
% Generate some Data
mp_support_graph = containers.Map('KeyType', 'char', 'ValueType', 'any');
ar_row_grid = ["E0M0", "E1M0", "E0M1", "E1M1"];
mp_support_graph('cl_st_xtitle') = {'Age'};
mp_support_graph('st_legend_loc') = 'best';
mp_support_graph('bl_graph_logy') = true; % do not log
mp_support_graph('st_rounding') = '6.2f'; % format shock legend
mp_support_graph('cl_scatter_shapes') = {'*', 'p', '*', 'p'};
mp_support_graph('cl_colors') = {'red', 'red', 'blue', 'blue'};
```

$\text{MEAN}(v(\text{EKM}, J) - v(\text{EKM}, J|\text{unemp}))$ ,  $\text{MEAN}(ap(\text{EM}, J) - ap(\text{EM}, J|\text{unemp}))$ ,  $\text{MEAN}(c(\text{EM}, J) - c(\text{EM}, J|\text{unemp}))$

Tabulate value and policies:

```
% Set
% NaN(n_jgrid,n_agrid,n_etagrid,n_educgrid,n_marriedgrid,n_kidsgrid);
ar_permute = [2,3,6,1,4,5];
% Value Function
tb_az_v = ff_summ_nd_array("MEAN(v(EM,J) - v(EM,J|unemp))", V_VFI_unemp_drop, true, ["mean"], 3,
```

xxx	MEAN(v(EM,J) - v(EM,J unemp))	xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx						
group	edu	marry	mean_age_18	mean_age_19	mean_age_20	mean_age_21	mean_age_22	mean_age_23
1	0	0	0.98417	0.96522	0.94504	0.92586	0.90827	0.89213



2	1	0	0.90037	0.87569	0.84826	0.8121	0.78137	0.75521
3	0	1	1.0511	1.0316	1.0114	0.99333	0.97709	0.96249
4	1	1	0.9471	0.92052	0.89256	0.86506	0.84177	0.8221

### % Aprime Choice

```
tb_az_ap = ff_summ_nd_array("MEAN(ap(EM,J) - ap(EM,J|unemp))", ap_VFI_unemp_drop, true, ["mean"])
```

xxx	MEAN(ap(EM,J) - ap(EM,J unemp))	xxxxxxxxxxxxxxxxxxxxxxxxxxxx							
group	edu	marry	mean_age_18	mean_age_19	mean_age_20	mean_age_21	mean_age_22	mean_age_23	
1	0	0	0.54413	0.54211	0.53973	0.56238	0.58448	0.60603	
2	1	0	0.52244	0.51648	0.50989	0.56245	0.61559	0.66865	
3	0	1	0.93049	0.95921	0.9882	1.0448	1.1013	1.1573	
4	1	1	0.99745	1.0306	1.0639	1.1617	1.2608	1.36	

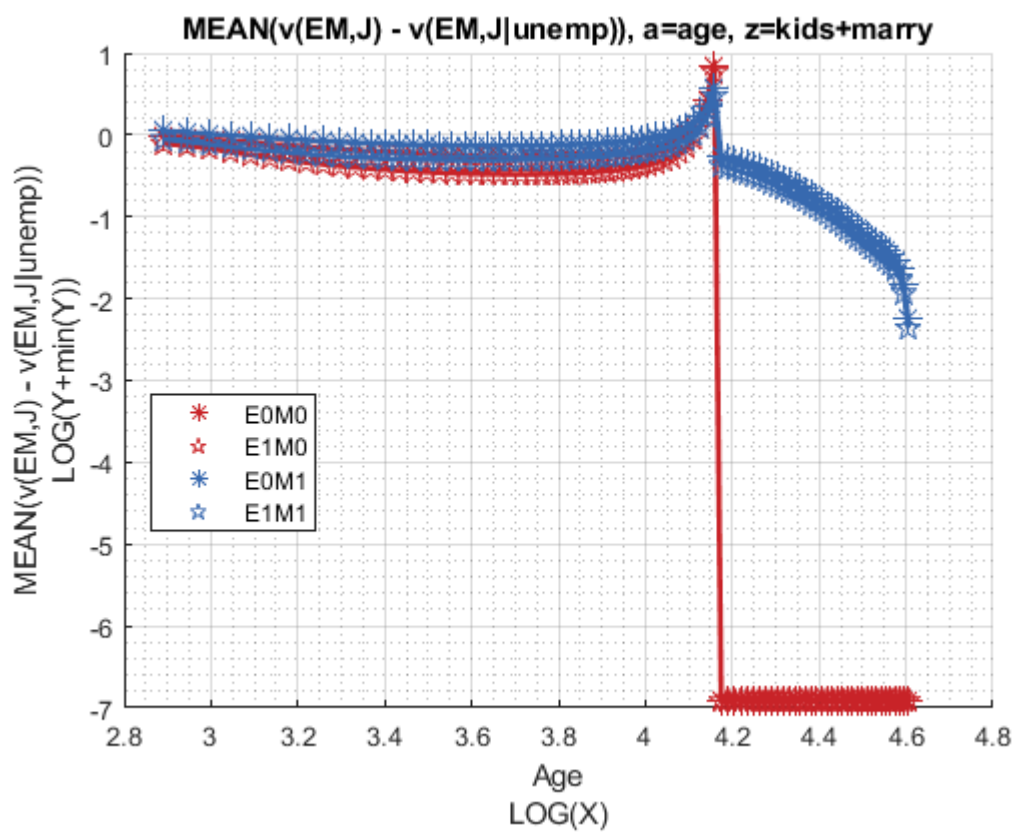
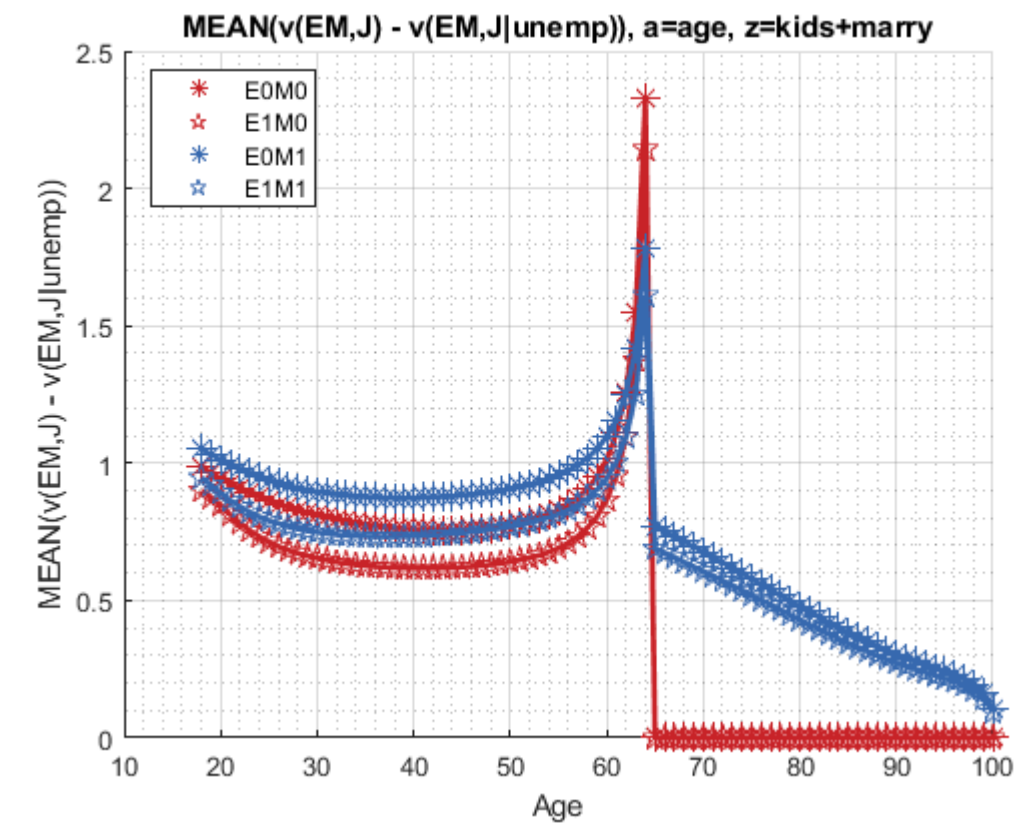
### % Consumption Choices

```
tb_az_c = ff_summ_nd_array("MEAN(c(EM,J) - c(EM,J|unemp))", cons_VFI_unemp_drop, true, ["mean"])
```

xxx	MEAN(c(EM,J) - c(EM,J unemp))	xxxxxxxxxxxxxxxxxxxxxxxxxxxx							
group	edu	marry	mean_age_18	mean_age_19	mean_age_20	mean_age_21	mean_age_22	mean_age_23	
1	0	0	0.050247	0.052266	0.054642	0.055442	0.05623	0.056944	
2	1	0	0.071936	0.077892	0.08448	0.086172	0.087244	0.087835	
3	0	1	0.079086	0.082612	0.086438	0.089119	0.091706	0.09429	
4	1	1	0.10685	0.11333	0.12031	0.12499	0.12887	0.13241	

Graph Mean Values Change:

```
mp_support_graph('cl_st_graph_title') = {'MEAN(v(EM,J) - v(EM,J|unemp))', a=age, z=kids+marry'};
mp_support_graph('cl_st_ytitle') = {'MEAN(v(EM,J) - v(EM,J|unemp))'};
ff_graph_grid((tb_az_v{1:end, 4:end}), ar_row_grid, age_grid, mp_support_graph);
```

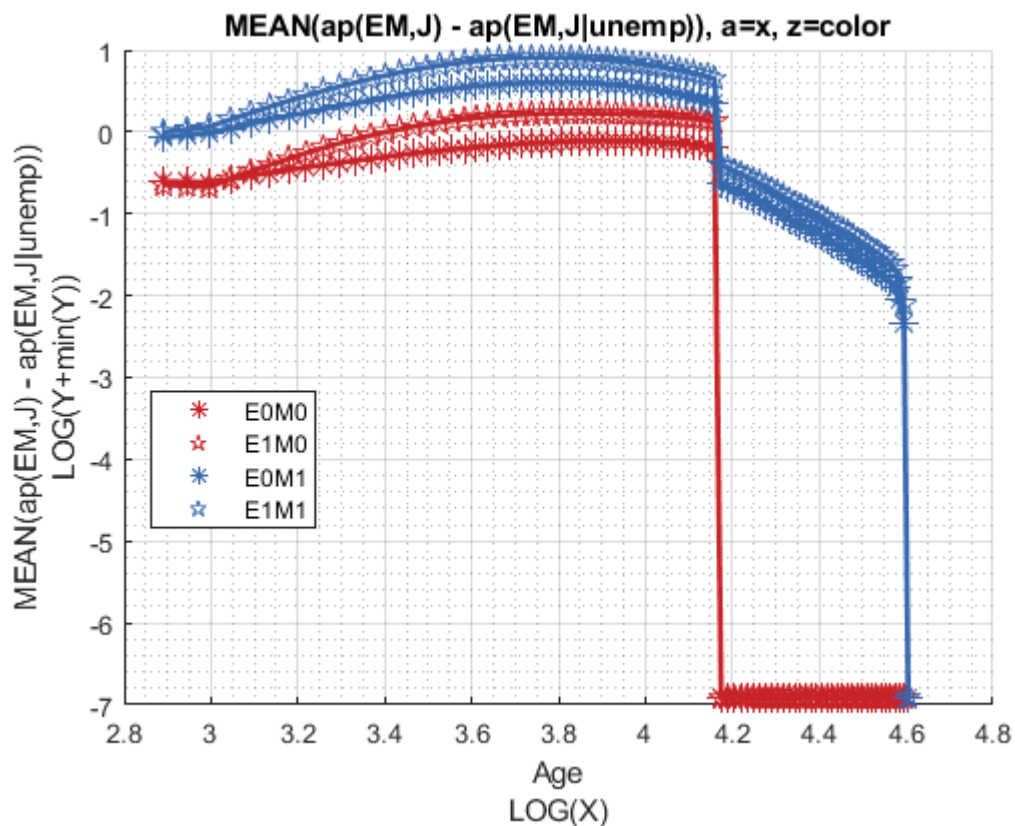
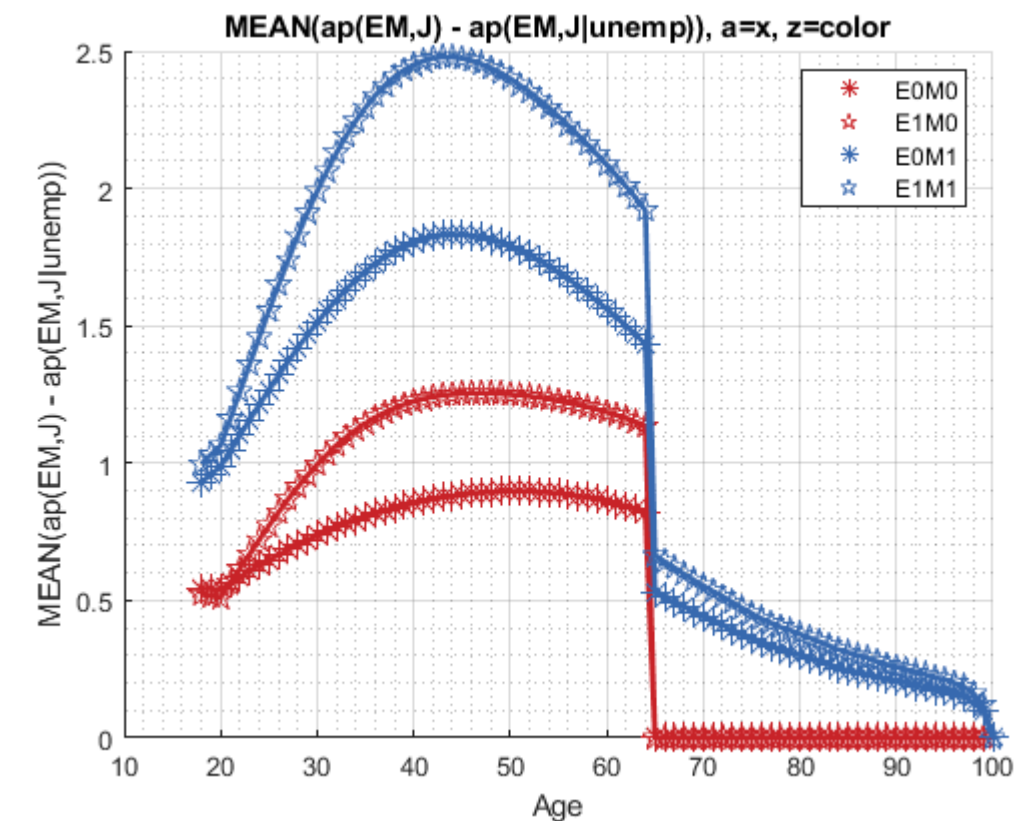


Graph Mean Savings Choices Change:

```

mp_support_graph('cl_st_graph_title') = {'MEAN(ap(EM,J) - ap(EM,J|unemp)), a=x, z=color'};
mp_support_graph('cl_st_ytitle') = {'MEAN(ap(EM,J) - ap(EM,J|unemp))'};
ff_graph_grid((tb_az_ap{1:end, 4:end}), ar_row_grid, age_grid, mp_support_graph);

```



Graph Mean Consumption Change:

```
mp_support_graph('cl_st_graph_title') = {'MEAN(c(EM,J) - c(EM,J|unemp))', a=x, z=color'};
mp_support_graph('cl_st_ytitle') = {'MEAN(c(EM,J) - c(EM,J|unemp))'};
ff_graph_grid((tb_az_c{1:end, 4:end}), ar_row_grid, age_grid, mp_support_graph);
```

