

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:7.2806
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:82 of 82, time-this-age:6.1159
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:81 of 82, time-this-age:6.0063
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:80 of 82, time-this-age:6.2295
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:79 of 82, time-this-age:6.1304
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:78 of 82, time-this-age:6.177
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:77 of 82, time-this-age:5.8007
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:76 of 82, time-this-age:6.0273
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:75 of 82, time-this-age:5.8559
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:74 of 82, time-this-age:6.0667
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:73 of 82, time-this-age:5.8561
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:72 of 82, time-this-age:6.1132
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:71 of 82, time-this-age:6.1396
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:70 of 82, time-this-age:6.1117
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:69 of 82, time-this-age:5.8629
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:68 of 82, time-this-age:5.8343
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:67 of 82, time-this-age:5.9943
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:66 of 82, time-this-age:5.8672
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:65 of 82, time-this-age:6.0579
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:64 of 82, time-this-age:5.9121
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:63 of 82, time-this-age:5.9706
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:62 of 82, time-this-age:5.9034
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:61 of 82, time-this-age:5.905
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:60 of 82, time-this-age:5.9565
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:59 of 82, time-this-age:5.8889
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:58 of 82, time-this-age:5.949
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:57 of 82, time-this-age:6.1439
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:56 of 82, time-this-age:5.958
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:55 of 82, time-this-age:5.8168
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:54 of 82, time-this-age:6.0261
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:53 of 82, time-this-age:6.2686
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:52 of 82, time-this-age:5.7384
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:51 of 82, time-this-age:6.2394
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:50 of 82, time-this-age:6.2743
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:49 of 82, time-this-age:6.0433
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:48 of 82, time-this-age:6.09
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:47 of 82, time-this-age:6.359
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:46 of 82, time-this-age:6.5575
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:45 of 82, time-this-age:6.3201
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:44 of 82, time-this-age:6.4954
```

```

SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:43 of 82, time-this-age:6.287
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:42 of 82, time-this-age:6.5716
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:41 of 82, time-this-age:6.5669
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:40 of 82, time-this-age:6.2899
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:39 of 82, time-this-age:6.2551
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:38 of 82, time-this-age:6.0935
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:37 of 82, time-this-age:6.2868
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:36 of 82, time-this-age:6.3986
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:35 of 82, time-this-age:6.2784
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:34 of 82, time-this-age:6.0975
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:33 of 82, time-this-age:6.267
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:32 of 82, time-this-age:6.3234
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:31 of 82, time-this-age:6.3169
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:30 of 82, time-this-age:6.4381
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:29 of 82, time-this-age:6.3095
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:28 of 82, time-this-age:6.3121
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:27 of 82, time-this-age:6.5318
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:26 of 82, time-this-age:6.6074
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:25 of 82, time-this-age:6.1019
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:24 of 82, time-this-age:6.4111
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:23 of 82, time-this-age:6.3014
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:22 of 82, time-this-age:6.3142
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:21 of 82, time-this-age:6.1831
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:20 of 82, time-this-age:6.3349
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:19 of 82, time-this-age:6.2361
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:18 of 82, time-this-age:5.9943
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:17 of 82, time-this-age:6.3202
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:16 of 82, time-this-age:6.3709
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:15 of 82, time-this-age:6.1958
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:14 of 82, time-this-age:6.2768
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:13 of 82, time-this-age:6.0585
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:12 of 82, time-this-age:6.1999
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:11 of 82, time-this-age:6.2195
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:10 of 82, time-this-age:6.065
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:9 of 82, time-this-age:6.4078
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:8 of 82, time-this-age:6.318
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:7 of 82, time-this-age:6.1657
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:6 of 82, time-this-age:6.3787
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:5 of 82, time-this-age:6.4714
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:4 of 82, time-this-age:6.3724
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:3 of 82, time-this-age:6.5242
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:2 of 82, time-this-age:6.1451
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:1 of 82, time-this-age:6.2021
Completed SNW_VFI_MAIN_BISEC_VEC;SNW_MP_PARAM=default_docdense;SNW_MP_CONTROL=default_test;time=514.818
-----

```

```

xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx
CONTAINER NAME: mp_outcomes ND Array (Matrix etc)
xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx

```

	i	idx	ndim	numel	rowN	colN	sum	mean	std	coefvari
	—	—	—	—	—	—	—	—	—	—
V_VFI	1	1	6	4.37e+07	83	5.265e+05	-1.5339e+08	-3.5101	26.119	-7.441
ap_VFI	2	2	6	4.37e+07	83	5.265e+05	1.4159e+09	32.402	36.798	1.1357
cons_VFI	3	3	6	4.37e+07	83	5.265e+05	2.1402e+08	4.8975	8.3294	1.7007

```

xxx TABLE:V_VFI xxxxxxxxxxxxxxxxxxxxxx

```

	c1	c2	c3	c4	c5	c526496	c526497	c526498	c526499	c526500
	—	—	—	—	—	—	—	—	—	—
r1	-346.51	-346.12	-343.63	-337.86	-328.51	21.702	21.852	22.003	22.154	22.306
r2	-334.38	-333.99	-331.51	-325.83	-316.83	21.724	21.869	22.015	22.163	22.315
r3	-322.45	-322.06	-319.6	-314.14	-305.6	21.745	21.885	22.027	22.171	22.315
r4	-310.63	-310.27	-307.99	-302.88	-294.87	21.767	21.903	22.041	22.182	22.32
r5	-299.94	-299.6	-297.46	-292.67	-285.12	21.775	21.907	22.042	22.18	22.32
r79	-9.9437	-9.9325	-9.8557	-9.6597	-9.3232	2.5394	2.5501	2.5602	2.5696	2.578

r80	-8.9023	-8.8911	-8.8143	-8.6183	-8.2818	2.3039	2.3121	2.3198	2.327	2.333
r81	-7.6363	-7.6251	-7.5484	-7.3524	-7.0159	2.0068	2.0124	2.0176	2.0226	2.027
r82	-5.9673	-5.9561	-5.8793	-5.6833	-5.3468	1.5958	1.5989	1.6018	1.6046	1.607
r83	-3.5892	-3.578	-3.5012	-3.3052	-2.9687	0.97904	0.98004	0.98097	0.98185	0.9826

xxx TABLE:ap_VFI xxxxxxxxxxxxxxxxxxxx

	c1	c2	c3	c4	c5	c526496	c526497	c526498	c526499	c526500
r1	0	0	0.0005656	0.0075134	0.022901	114.75	120.41	126.27	132.38	138.8
r2	0	0	0.00051498	0.0065334	0.021549	114.86	120.53	126.41	132.54	138.95
r3	0	0	0.00051498	0.0049294	0.019875	114.97	120.65	126.56	132.7	139.12
r4	0	0	0.00051498	0.0047937	0.019672	115.73	121.42	127.34	133.51	139.92
r5	0	0	0.00048517	0.0046683	0.019484	116.5	122.21	128.15	134.32	140.74
r79	0	0	0	0	0	81.091	85.68	90.335	94.378	98.419
r80	0	0	0	0	0	76.669	80.563	84.304	88.04	91.693
r81	0	0	0	0	0	68.313	71.534	74.475	77.832	81.11
r82	0	0	0	0	0	50.126	53.467	56.953	58.745	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	9.6491	9.817	9.9649	10.073	10.181
r2	0.036717	0.037251	0.040477	0.04461	0.049364	9.8118	9.9685	10.101	10.191	10.281
r3	0.036717	0.037251	0.040477	0.046214	0.051039	9.9779	10.12	10.234	10.302	10.371
r4	0.038144	0.038678	0.041903	0.047776	0.052666	10.131	10.258	10.354	10.405	10.456
r5	0.039534	0.040068	0.043323	0.04929	0.054241	10.272	10.384	10.463	10.5	10.561
r79	0.2179	0.21844	0.22216	0.23228	0.25197	35.858	37.092	38.455	40.627	42.799
r80	0.2179	0.21844	0.22216	0.23228	0.25197	40.253	42.183	44.459	46.938	49.417
r81	0.2179	0.21844	0.22216	0.23228	0.25197	48.587	51.19	54.266	57.123	60.081
r82	0.2179	0.21844	0.22216	0.23228	0.25197	66.755	69.238	71.77	76.192	79.705
r83	0.2179	0.21844	0.22216	0.23228	0.25197	116.87	122.69	128.71	134.92	141.34

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:6.407
SNW_VFI_MAIN_BISEC_VEC 1 Period Unemp Shock: Age 2 of 82, time-this-age:6.4654
SNW_VFI_MAIN_BISEC_VEC 1 Period Unemp Shock: Age 3 of 82, time-this-age:6.0721
SNW_VFI_MAIN_BISEC_VEC 1 Period Unemp Shock: Age 4 of 82, time-this-age:6.0621
SNW_VFI_MAIN_BISEC_VEC 1 Period Unemp Shock: Age 5 of 82, time-this-age:6.0395
SNW_VFI_MAIN_BISEC_VEC 1 Period Unemp Shock: Age 6 of 82, time-this-age:6.3188
SNW_VFI_MAIN_BISEC_VEC 1 Period Unemp Shock: Age 7 of 82, time-this-age:6.4374
SNW_VFI_MAIN_BISEC_VEC 1 Period Unemp Shock: Age 8 of 82, time-this-age:6.2474
SNW_VFI_MAIN_BISEC_VEC 1 Period Unemp Shock: Age 9 of 82, time-this-age:6.2941
SNW_VFI_MAIN_BISEC_VEC 1 Period Unemp Shock: Age 10 of 82, time-this-age:6.2099
SNW_VFI_MAIN_BISEC_VEC 1 Period Unemp Shock: Age 11 of 82, time-this-age:6.3236
SNW_VFI_MAIN_BISEC_VEC 1 Period Unemp Shock: Age 12 of 82, time-this-age:6.1787
SNW_VFI_MAIN_BISEC_VEC 1 Period Unemp Shock: Age 13 of 82, time-this-age:6.4017
SNW_VFI_MAIN_BISEC_VEC 1 Period Unemp Shock: Age 14 of 82, time-this-age:6.2052
SNW_VFI_MAIN_BISEC_VEC 1 Period Unemp Shock: Age 15 of 82, time-this-age:6.2101
```

[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	-1.7805e+08	-4.0743	27.116	-6.6554
ap_VFI	2	2	6	4.37e+07	83	5.265e+05	1.3789e+09	31.553	36.673	1.1622
cons_VFI	3	3	6	4.37e+07	83	5.265e+05	2.1097e+08	4.8277	8.3289	1.7252

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

	c1	c2	c3	c4	c5	c526496	c526497	c526498	c526499	c526500
r1	-372.97	-371.47	-362.94	-349.52	-336.96	21.573	21.728	21.882	22.036	22.190
r2	-360.84	-359.34	-350.81	-337.39	-324.98	21.595	21.745	21.894	22.044	22.194
r3	-348.91	-347.41	-338.88	-325.46	-313.34	21.617	21.762	21.906	22.052	22.206
r4	-336.09	-334.7	-326.73	-314.01	-302.44	21.633	21.772	21.913	22.056	22.206
r5	-324.48	-323.18	-315.72	-303.62	-292.54	21.634	21.77	21.907	22.046	22.188
r79	-9.9437	-9.9325	-9.8557	-9.6597	-9.3232	2.5374	2.5482	2.5584	2.568	2.578
r80	-8.9023	-8.8911	-8.8143	-8.6183	-8.2818	2.3024	2.3107	2.3185	2.3259	2.3332
r81	-7.6363	-7.6251	-7.5484	-7.3524	-7.0159	2.0057	2.0114	2.0168	2.0218	2.0268
r82	-5.9673	-5.9561	-5.8793	-5.6833	-5.3468	1.5952	1.5984	1.6014	1.6042	1.6068
r83	-3.5892	-3.578	-3.5012	-3.3052	-2.9687	0.97886	0.97987	0.98082	0.98171	0.98259

```
xxx TABLE:ap VFI xxxxxxxxxxxxxxxxxxxxxxx
```

[illegible][illegible]

	c1	c2	c3	c4	c5	c526496	c526497	c526498	c526499	c526500
r1	0.018623	0.019158	0.022901	0.033062	0.04363	9.4708	9.6491	9.817	9.9649	10.101
r2	0.018623	0.019158	0.022901	0.033062	0.04461	9.6414	9.8118	9.9685	10.101	10.234
r3	0.018623	0.019158	0.022901	0.033062	0.046214	9.8179	9.9779	10.12	10.234	10.367
r4	0.019354	0.019888	0.023632	0.033792	0.047776	9.9825	10.131	10.258	10.354	10.487
r5	0.020066	0.020601	0.024344	0.034504	0.04929	10.135	10.272	10.384	10.463	10.596
r79	0.2179	0.21844	0.22216	0.23228	0.25197	34.82	36.506	38.455	40.627	42.8
r80	0.2179	0.21844	0.22216	0.23228	0.25197	40.033	42.183	44.459	46.938	49.417
r81	0.2179	0.21844	0.22216	0.23228	0.25197	48.106	51.19	54.266	57.123	59.98
r82	0.2179	0.21844	0.22216	0.23228	0.25197	65.751	68.234	71.611	76.192	79.773
r83	0.2179	0.21844	0.22216	0.23228	0.25197	115.87	121.69	127.71	133.93	140.15

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

```
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;'));
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	15.753	14.805	13.912	13.072	12.281	11.536	10.791	10.046
2	0.00051498	15.337	14.438	13.588	12.785	12.027	11.312	10.597	9.882
3	0.0041199	12.876	12.241	11.629	11.039	10.472	9.9274	9.3829	8.8384

4	0.013905	8.732	8.4647	8.1866	7.9028	7.6175	7.3333	7
5	0.032959	5.3335	5.2652	5.1704	5.0584	4.9373	4.8124	4
6	0.064373	3.3899	3.3915	3.3682	3.3255	3.2698	3.2074	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	0.0045317	0.00	0.00
6	0.064373	0.0055048	0.0060139	0.0065548	0.007121	0.007606	0.0079089	0.00	0.00

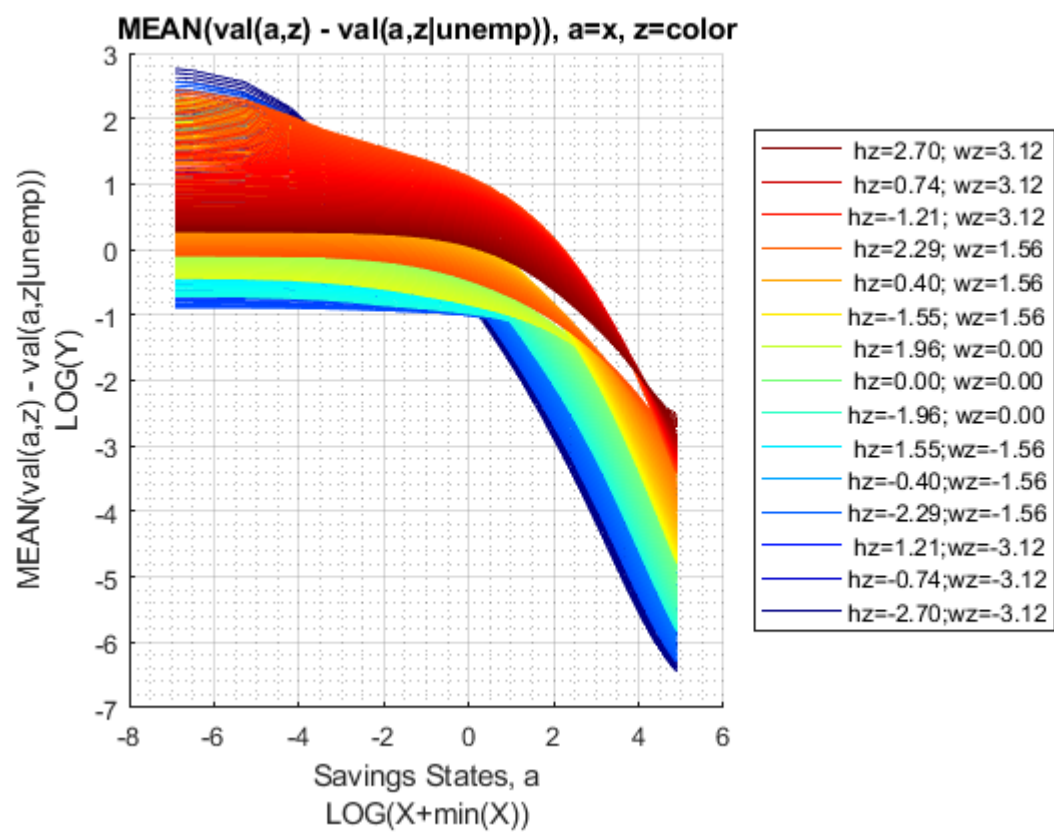
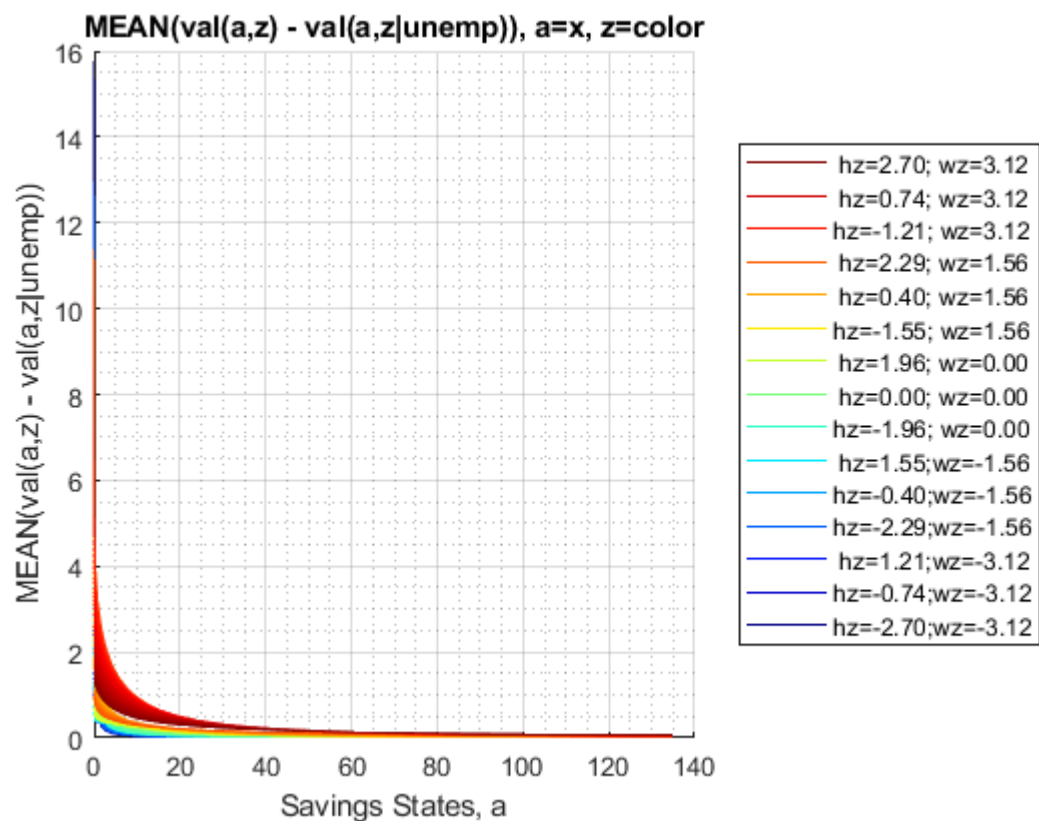
% Consumption Choices

```
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	0.019317	0.020449	0.021654	0.022935	0.024299	0.02575	0.0	0.0
2	0.00051498	0.019317	0.020449	0.021653	0.022934	0.024298	0.025748	0.0	0.0
3	0.0041199	0.019303	0.020411	0.021591	0.022862	0.024224	0.025679	0.0	0.0
4	0.013905	0.018158	0.019236	0.020397	0.021652	0.023006	0.024457	0.0	0.0
5	0.032959	0.015393	0.016304	0.017314	0.018464	0.019763	0.021193	0.0	0.0
6	0.064373	0.013769	0.014391	0.015053	0.015767	0.016645	0.017792	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);
```

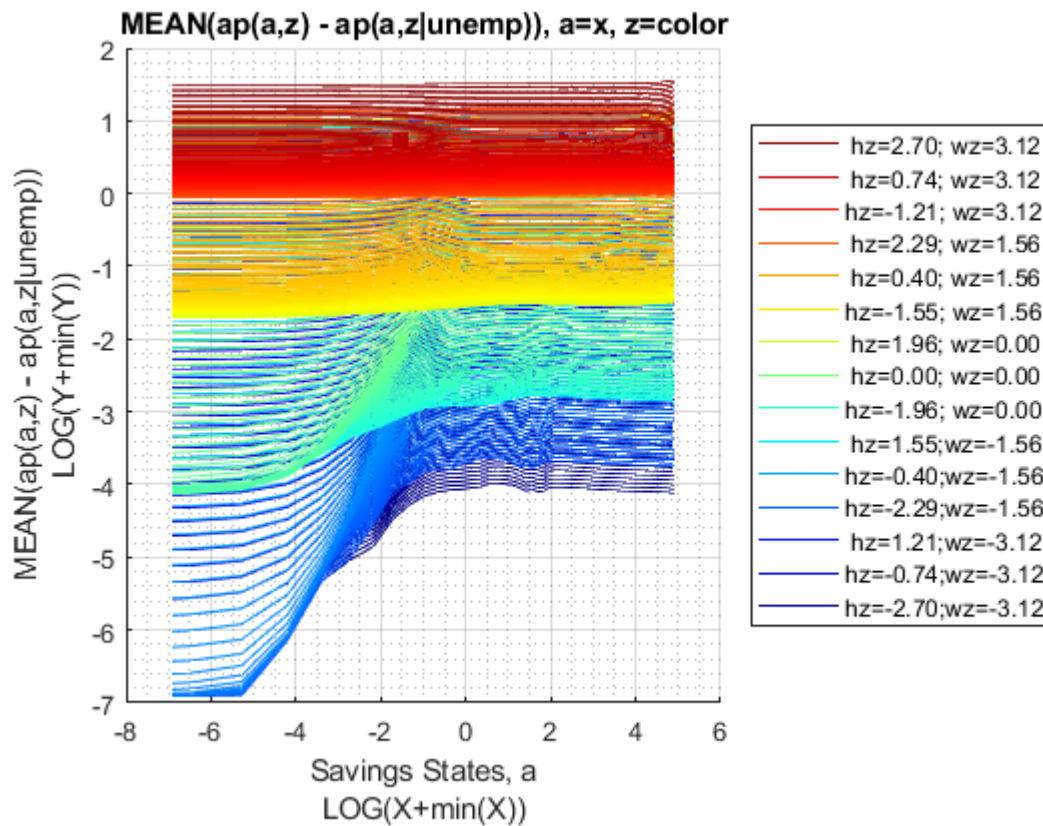
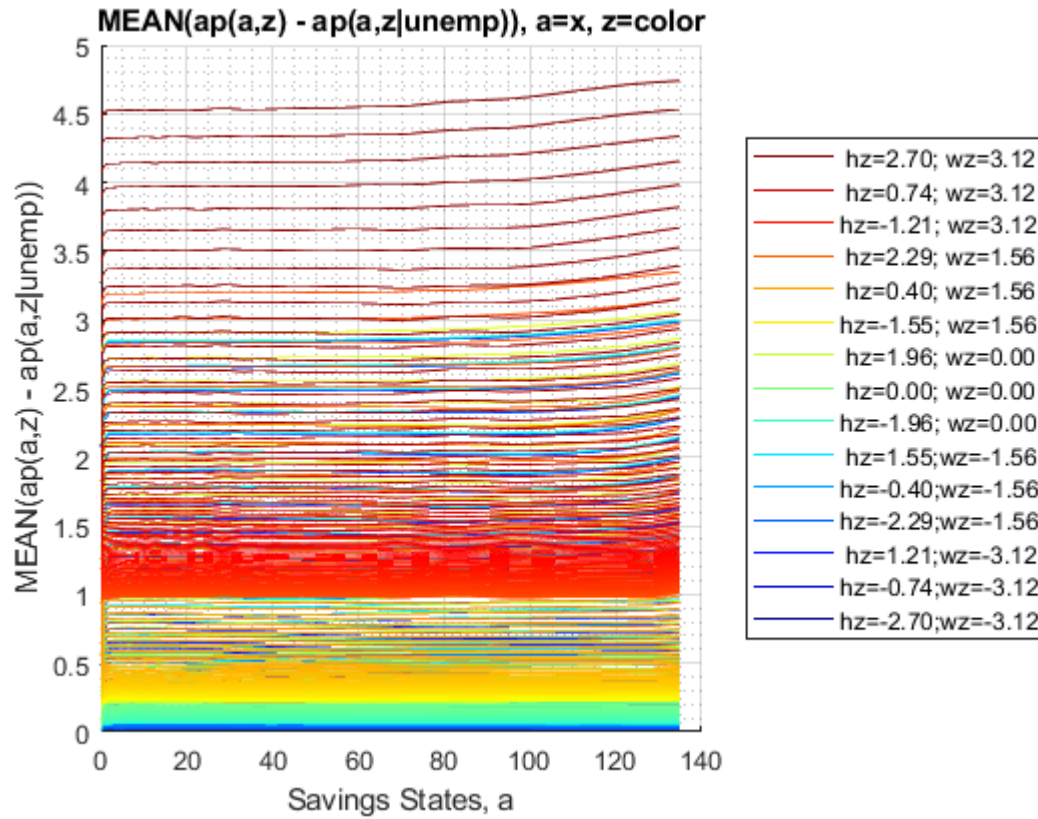


Graph Mean Savings Choices Change:


```

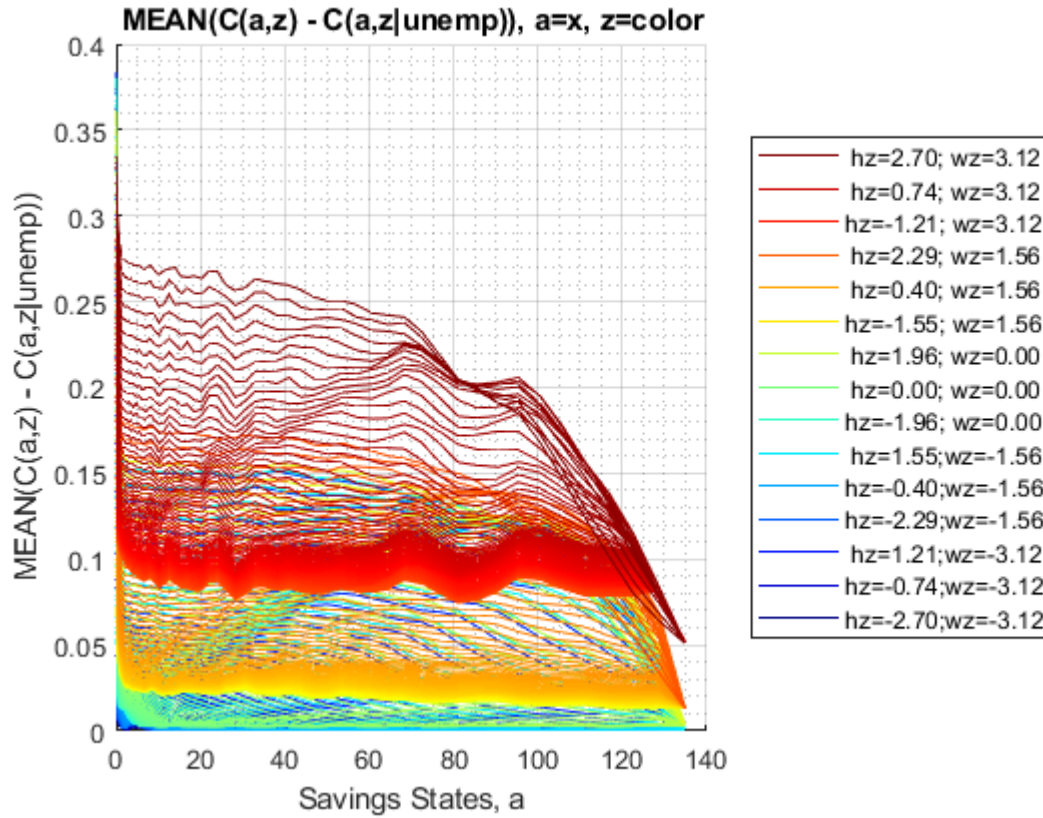
mp_support_graph('cl_st_graph_title') = {'MEAN(ap(a,z) - ap(a,z|unemp)), a=x, z=color'};
mp_support_graph('cl_st_ytitle') = {'MEAN(ap(a,z) - ap(a,z|unemp))'};
ff_graph_grid((tb_az_ap{1:end, 3:end})', ar_st_eta_HS_grid, agrid, mp_support_graph);

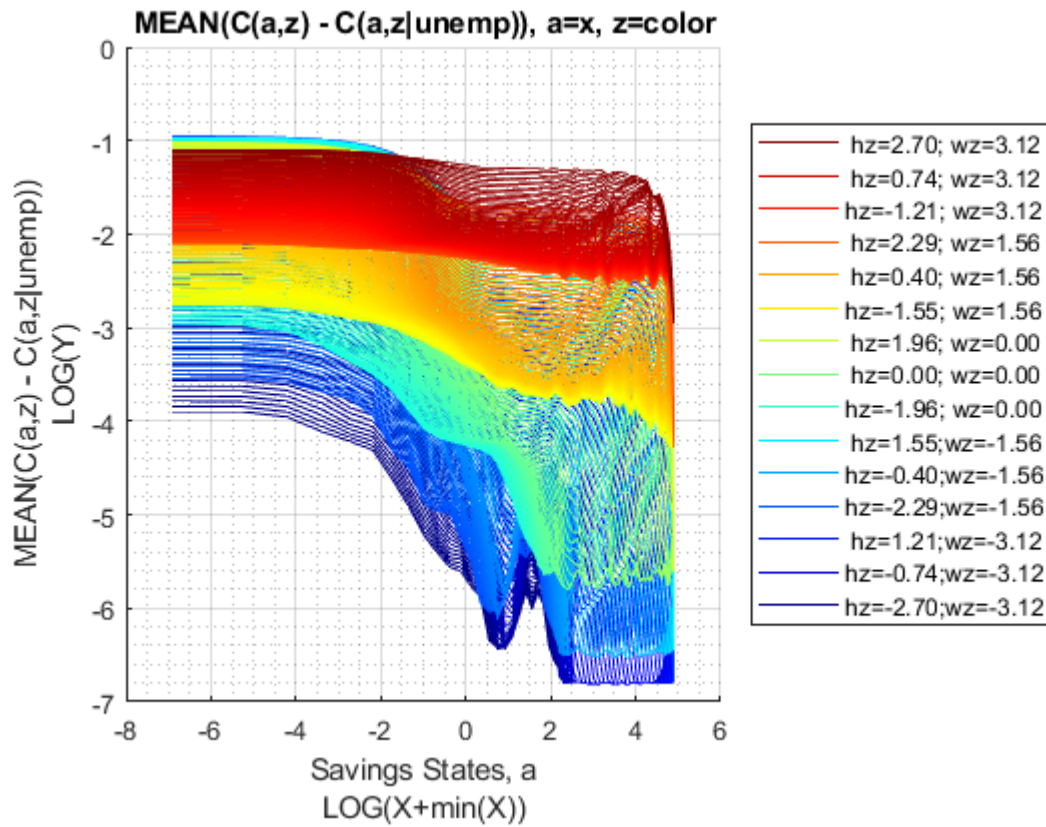
```



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         0.61637         0.59885         0.58106         0.56498         0.55117         0.53931
      2         2         0         0.82734         0.80489         0.78136         0.75704         0.73572         0.71697
      3         3         0         0.96755         0.94502         0.92045         0.89136         0.86587         0.84346
      4         4         0         1.0948         1.0713         1.045         1.0118         0.9827         0.95713
      5         5         0         1.2011         1.1779         1.151         1.1149         1.0833         1.0556
      6         1         1         0.76784         0.74924         0.73091         0.71544         0.70238         0.69155
      7         2         1         0.93021         0.90698         0.88323         0.86203         0.84347         0.82724
      8         3         1         1.0185         0.9941         0.96877         0.94495         0.92408         0.9058
      9         4         1         1.1171         1.0915         1.0645         1.0382         1.0151         0.99478
      10        5         1         1.1585         1.1346         1.1083         1.0807         1.0569         1.0362
```

% 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         0.54429         0.54157         0.53838         0.57688         0.61527         0.6532
      2         2         0         0.53828         0.53451         0.53011         0.56791         0.60562         0.64305
      3         3         0         0.53173         0.52734         0.52253         0.55991         0.59734         0.63445
      4         4         0         0.5276         0.523         0.51797         0.55513         0.59235         0.62931
      5         5         0         0.52354         0.51894         0.51381         0.55085         0.58805         0.62503
      6         1         1         1.1323         1.1757         1.2198         1.3119         1.4048         1.4978
      7         2         1         1.0396         1.0753         1.1115         1.1942         1.2777         1.361
      8         3         1         0.97097         1.002         1.0331         1.1097         1.187         1.2641
      9         4         1         0.89591         0.92257         0.94909         1.0212         1.0937         1.1657
      10        5         1         0.78017         0.79798         0.81575         0.87811         0.94079         1.0033
```

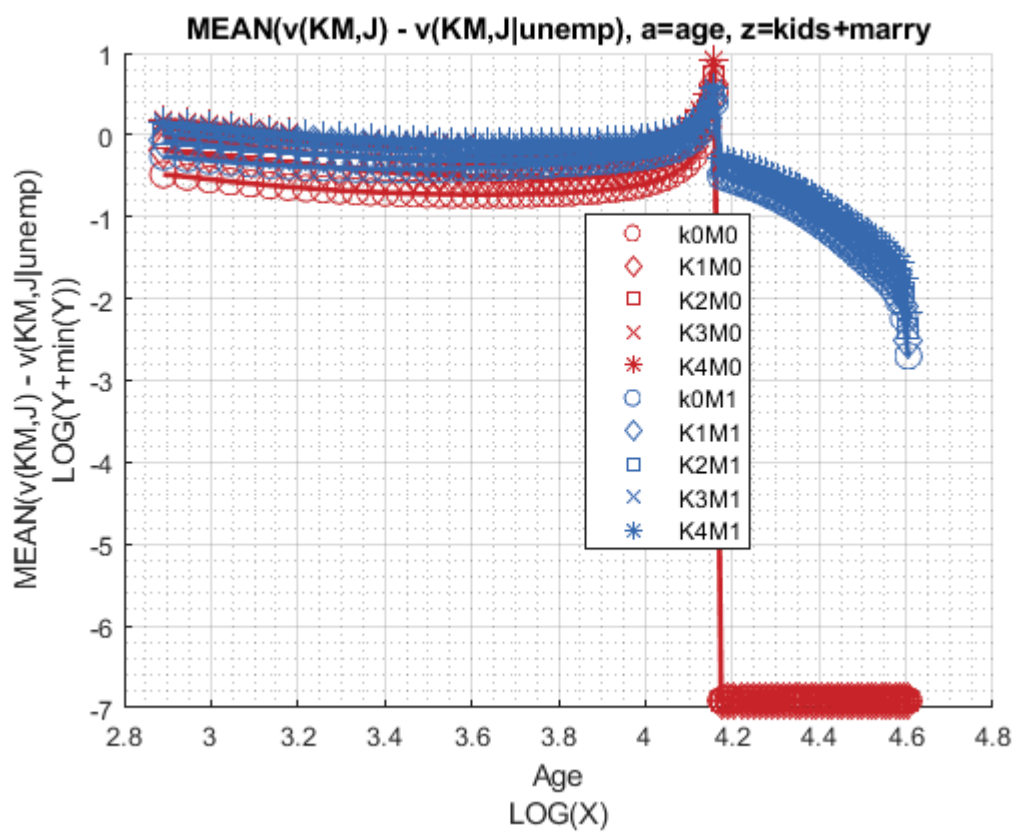
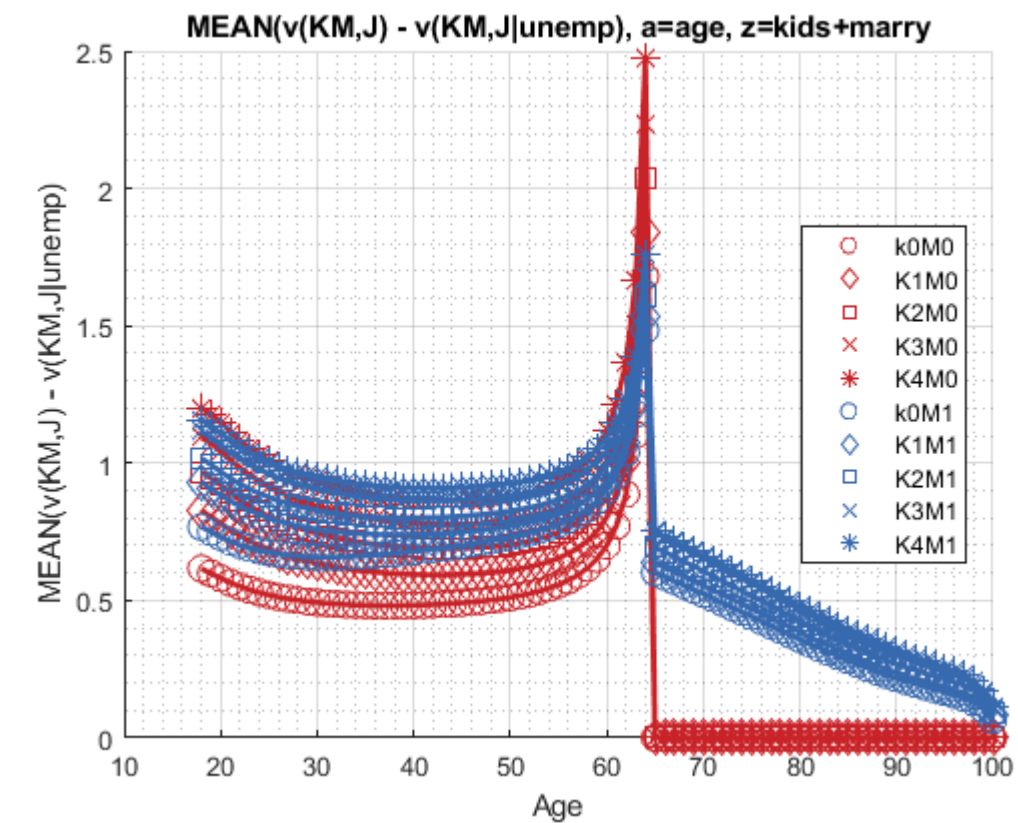
% Consumption Choices

```
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         0.050084         0.052801         0.055995         0.056344         0.056497         0.056525
      2         2         0         0.056094         0.059866         0.064267         0.065317         0.06615         0.066684
      3         3         0         0.062643         0.067034         0.071841         0.073312         0.074434         0.07528
      4         4         0         0.06677         0.071371         0.076406         0.078097         0.079421         0.080419
      5         5         0         0.07083         0.075431         0.080561         0.082377         0.083719         0.084705
      6         1         1         0.091654         0.09722         0.1029         0.10693         0.11041         0.11363
      7         2         1         0.087426         0.093165         0.099035         0.10362         0.10765         0.11146
      8         3         1         0.089332         0.094467         0.10022         0.10478         0.10884         0.11271
      9         4         1         0.095488         0.099656         0.10451         0.10733         0.10981         0.11241
      10        5         1         0.1018         0.10631         0.11124         0.11381         0.11605         0.11801
```

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);
```

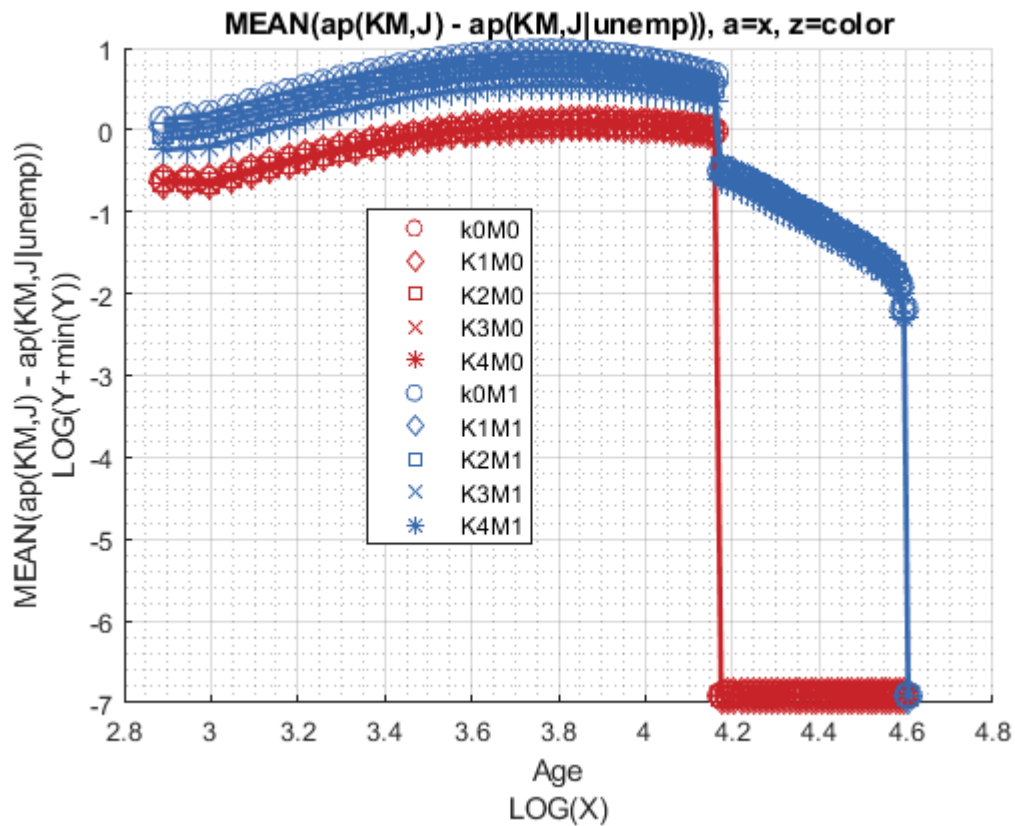
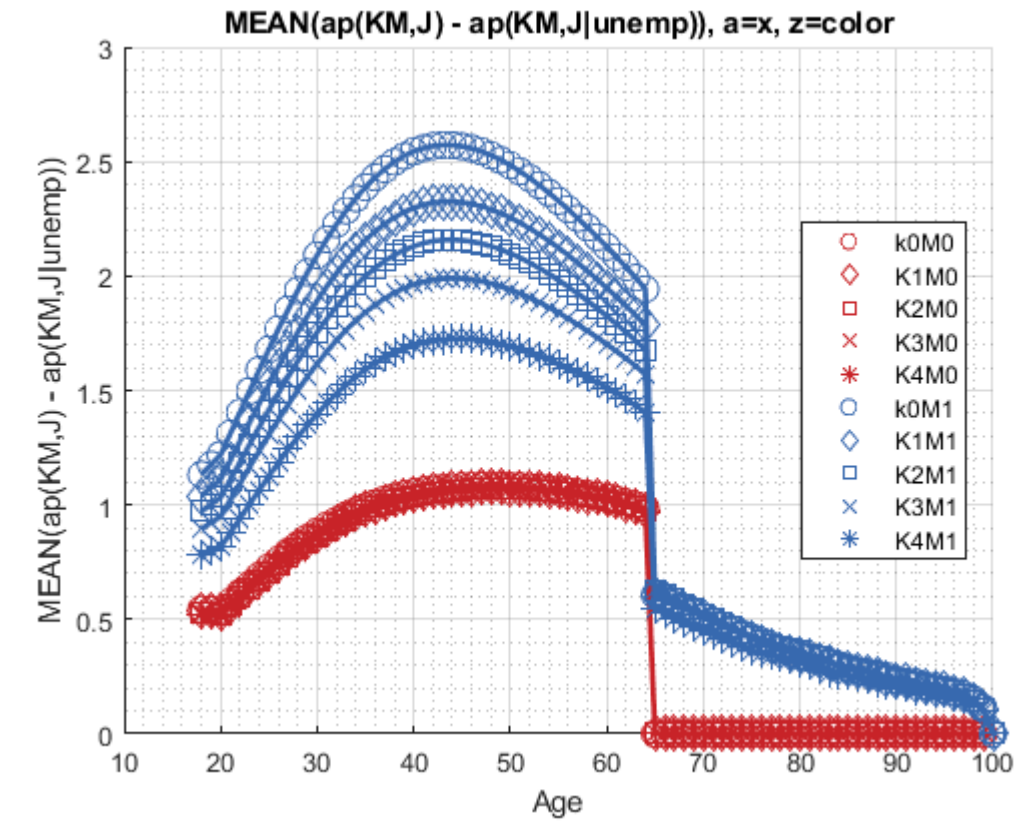


Graph Mean Savings Choices Change:


```

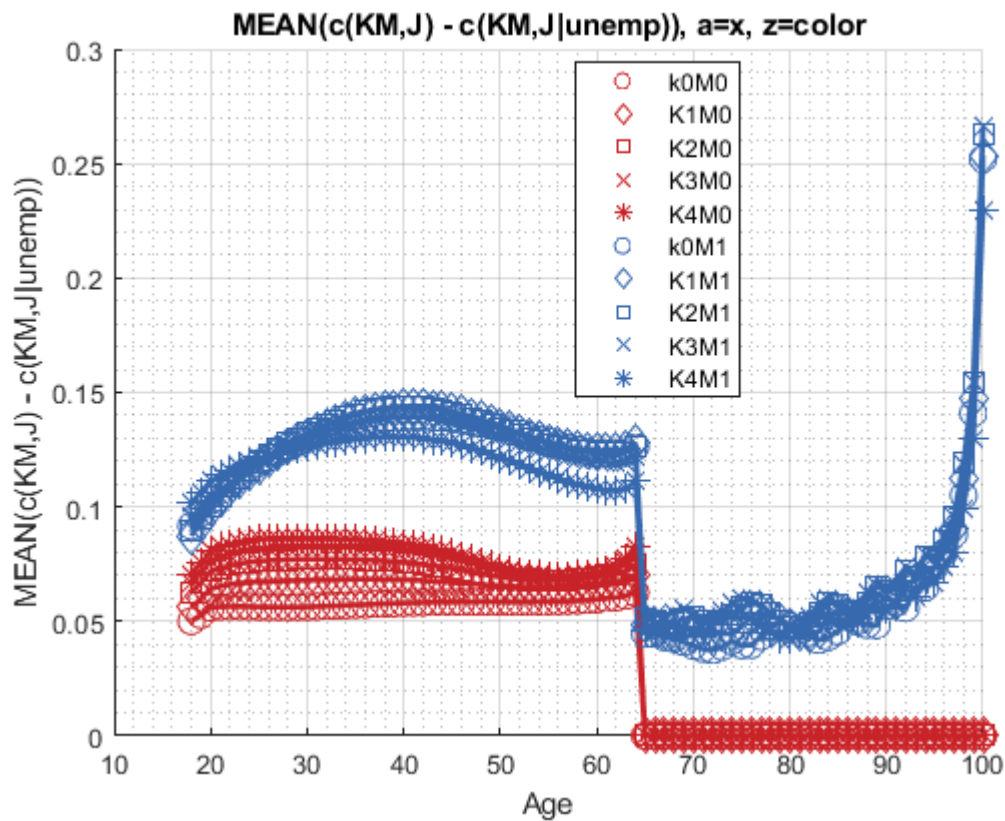
mp_support_graph('cl_st_graph_title') = {'MEAN(ap(KM,J) - ap(KM,J|unemp))', a=x, z=color'};
mp_support_graph('cl_st_ytitle') = {'MEAN(ap(KM,J) - ap(KM,J|unemp))'};
ff_graph_grid((tb_az_ap{1:end, 4:end}), ar_row_grid, age_grid, mp_support_graph);

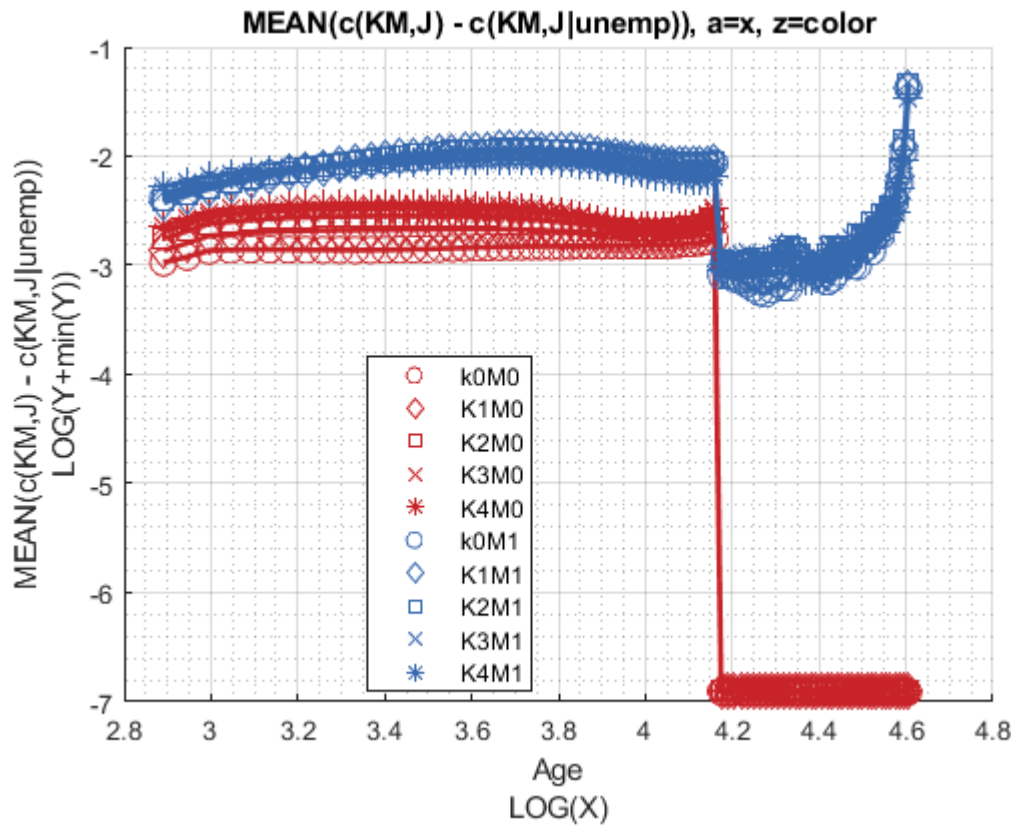
```



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'};
```

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

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	0.98303	0.96405	0.94385	0.92458	0.90689	0.89065

2	1	0	0.89982	0.87513	0.84768	0.81144	0.78062	0.75436
3	0	1	1.0503	1.0306	1.0104	0.99222	0.97585	0.96111
4	1	1	0.94657	0.91993	0.89191	0.86431	0.84092	0.82113

% 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	0.54395	0.54191	0.53951	0.56214	0.58423	0.60576	
2	1	0	0.52222	0.51623	0.50961	0.56213	0.61523	0.66826	
3	0	1	0.93033	0.95904	0.98801	1.0446	1.1011	1.1571	
4	1	1	0.99726	1.0304	1.0637	1.1614	1.2605	1.3597	

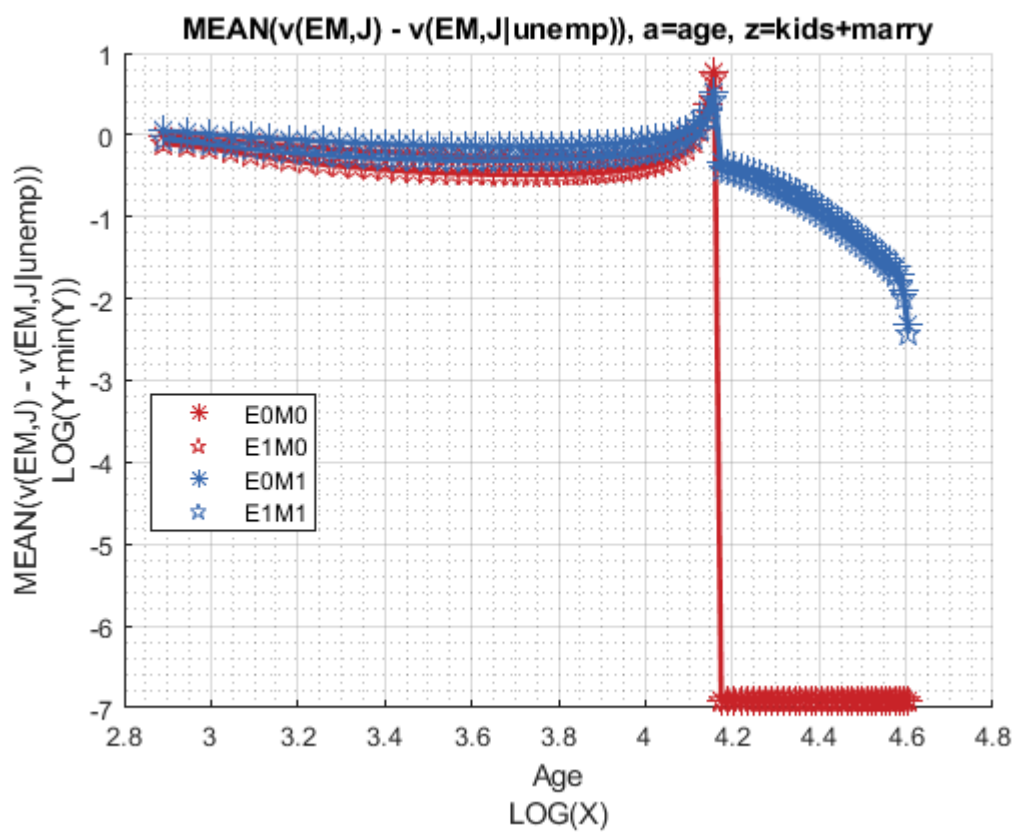
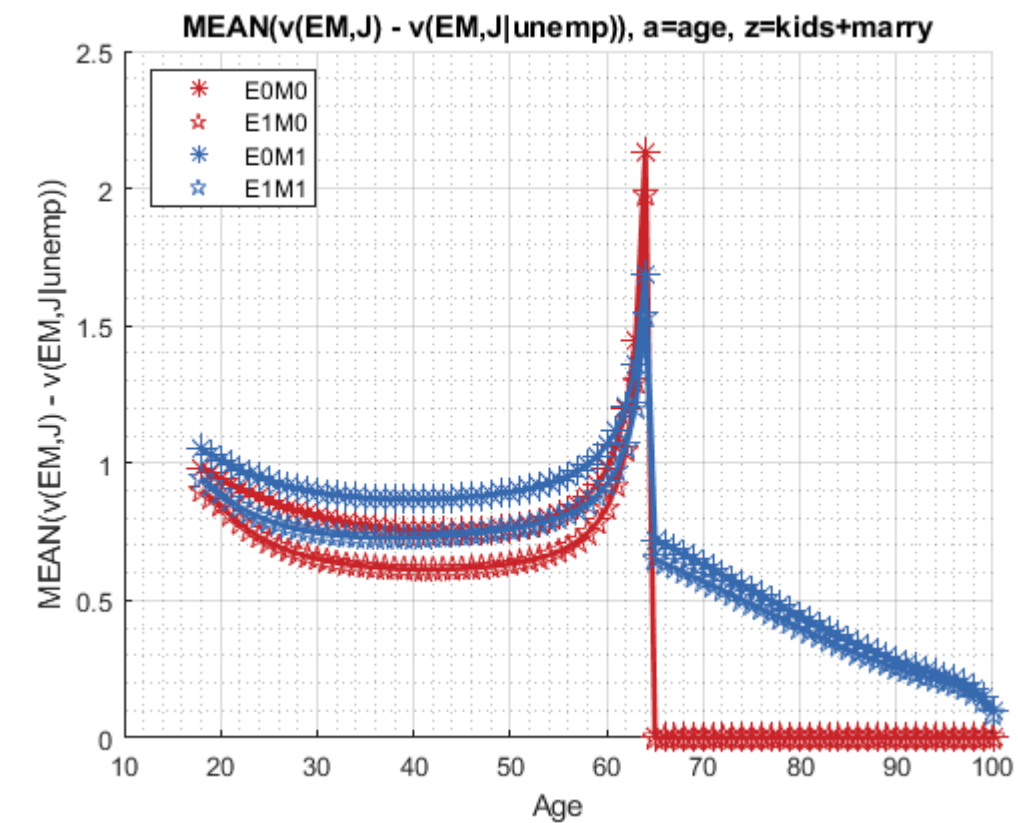
% Consumption Choices

```
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	0.05042	0.052463	0.054861	0.055684	0.056488	0.05722	
2	1	0	0.072148	0.078138	0.084767	0.086495	0.0876	0.088226	
3	0	1	0.079245	0.082789	0.086633	0.089336	0.091941	0.094543	
4	1	1	0.10704	0.11354	0.12053	0.12525	0.12917	0.13274	

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);
```

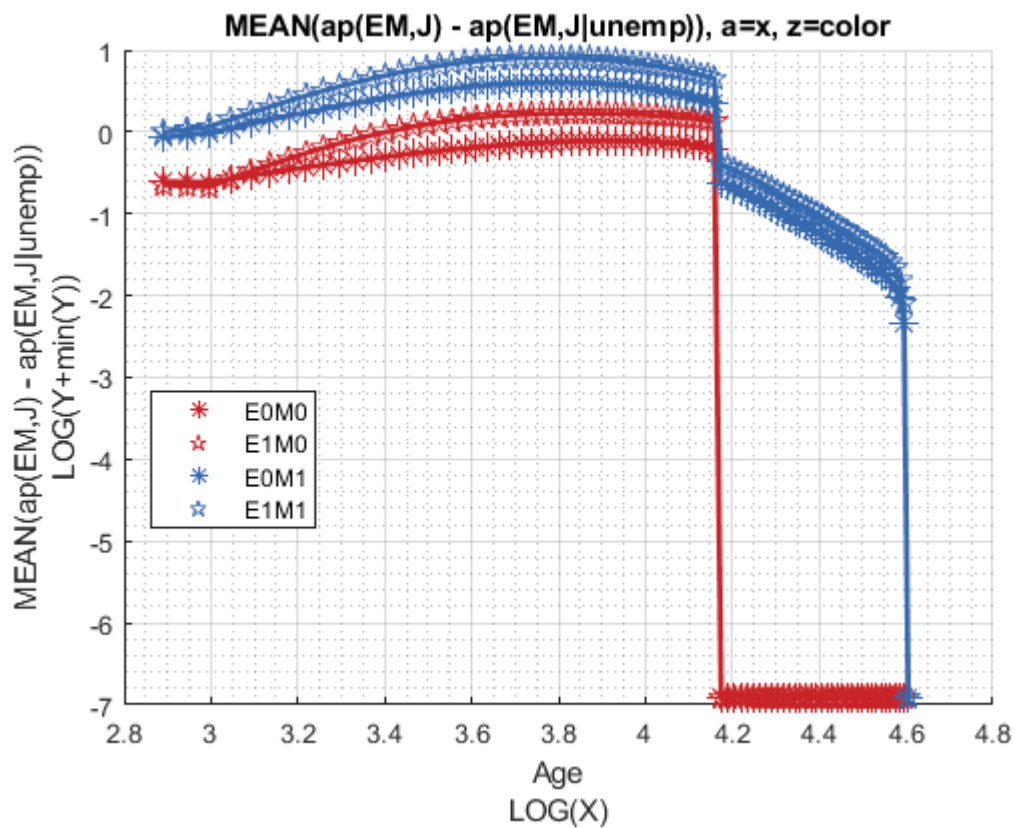
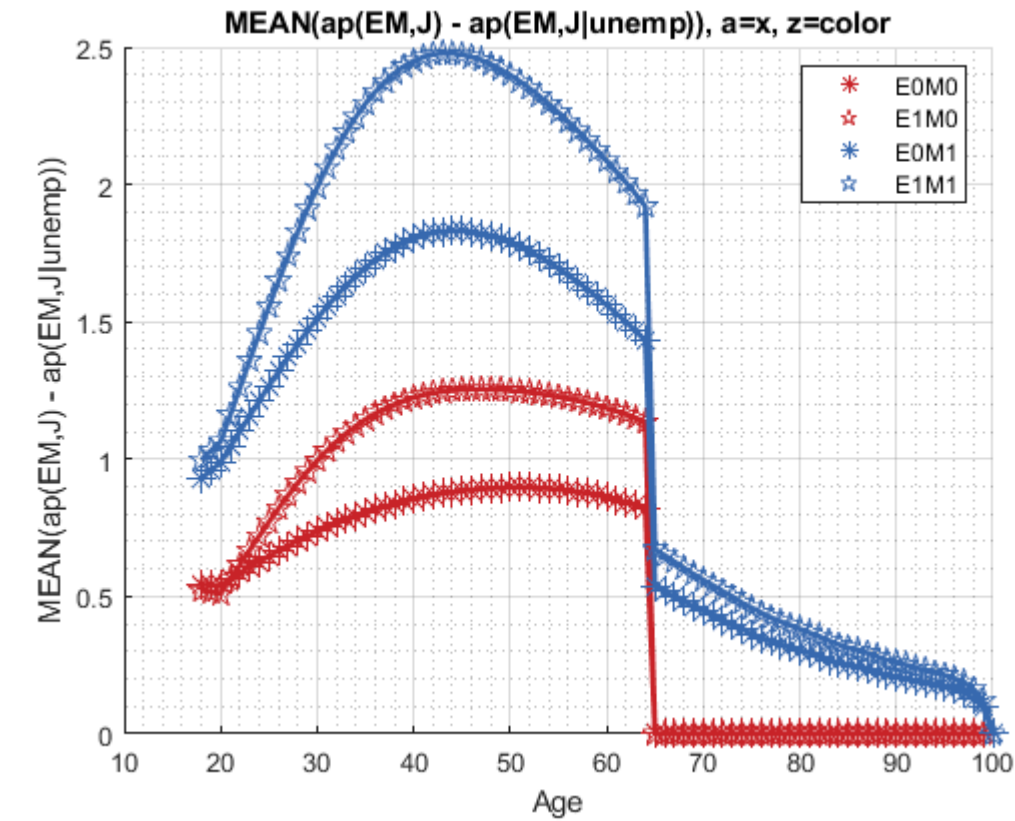


Graph Mean Savings Choices Change:

```

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);
```

