

# 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:7.0273
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:82 of 82, time-this-age:5.7228
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:81 of 82, time-this-age:5.7083
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:80 of 82, time-this-age:5.7427
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:79 of 82, time-this-age:5.6962
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:78 of 82, time-this-age:5.7223
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:77 of 82, time-this-age:5.7035
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:76 of 82, time-this-age:5.8126
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:75 of 82, time-this-age:5.7166
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:74 of 82, time-this-age:5.6915
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:73 of 82, time-this-age:5.6971
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:72 of 82, time-this-age:5.7128
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:71 of 82, time-this-age:5.6819
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:70 of 82, time-this-age:5.7212
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:69 of 82, time-this-age:5.6814
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:68 of 82, time-this-age:5.6867
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:67 of 82, time-this-age:5.6787
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:66 of 82, time-this-age:5.7367
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:65 of 82, time-this-age:5.7251
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:64 of 82, time-this-age:5.7155
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:63 of 82, time-this-age:5.6715
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:62 of 82, time-this-age:6.3362
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:61 of 82, time-this-age:5.6611
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:60 of 82, time-this-age:5.6816
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:59 of 82, time-this-age:5.6858
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:58 of 82, time-this-age:5.6664
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:57 of 82, time-this-age:5.7059
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:56 of 82, time-this-age:5.6912
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:55 of 82, time-this-age:5.7074
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:54 of 82, time-this-age:5.7189
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:53 of 82, time-this-age:5.8154
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:52 of 82, time-this-age:6.2071
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:51 of 82, time-this-age:5.7038
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:50 of 82, time-this-age:5.7383
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:49 of 82, time-this-age:5.7201
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:48 of 82, time-this-age:5.7148
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:47 of 82, time-this-age:5.8791
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:46 of 82, time-this-age:5.8699
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:45 of 82, time-this-age:5.9276
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:44 of 82, time-this-age:5.8993
```

```

SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:43 of 82, time-this-age:5.9322
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:42 of 82, time-this-age:5.8956
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:41 of 82, time-this-age:5.892
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:40 of 82, time-this-age:5.941
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:39 of 82, time-this-age:5.9249
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:38 of 82, time-this-age:5.9262
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:37 of 82, time-this-age:5.9554
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:36 of 82, time-this-age:5.9082
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:35 of 82, time-this-age:5.8864
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:34 of 82, time-this-age:5.846
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:33 of 82, time-this-age:5.9126
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:32 of 82, time-this-age:5.918
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:31 of 82, time-this-age:5.873
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:30 of 82, time-this-age:5.9253
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:29 of 82, time-this-age:5.8694
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:28 of 82, time-this-age:5.9057
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:27 of 82, time-this-age:5.9302
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:26 of 82, time-this-age:5.9329
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:25 of 82, time-this-age:6.1905
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:24 of 82, time-this-age:5.9237
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:23 of 82, time-this-age:5.9634
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:22 of 82, time-this-age:5.8632
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:21 of 82, time-this-age:6.2308
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:20 of 82, time-this-age:5.9032
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:19 of 82, time-this-age:5.916
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:18 of 82, time-this-age:5.9014
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:17 of 82, time-this-age:5.852
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:16 of 82, time-this-age:5.8767
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:15 of 82, time-this-age:5.9424
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:14 of 82, time-this-age:5.8916
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:13 of 82, time-this-age:5.9423
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:12 of 82, time-this-age:5.8851
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:11 of 82, time-this-age:5.8739
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:10 of 82, time-this-age:5.8917
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:9 of 82, time-this-age:5.9436
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:8 of 82, time-this-age:5.9345
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:7 of 82, time-this-age:5.9111
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:6 of 82, time-this-age:5.9251
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:5 of 82, time-this-age:5.9407
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:4 of 82, time-this-age:5.9242
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:3 of 82, time-this-age:5.9242
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:2 of 82, time-this-age:5.8728
SNW_VFI_MAIN_BISEC_VEC: Finished Age Group:1 of 82, time-this-age:5.9204
Completed SNW_VFI_MAIN_BISEC_VEC;SNW_MP_PARAM=default_docdense;SNW_MP_CONTROL=default_test;time=486.9799
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```

```

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	10.18
r2	0.036717	0.037251	0.040477	0.04461	0.049364	9.8118	9.9685	10.101	10.191	10.28
r3	0.036717	0.037251	0.040477	0.046214	0.051039	9.9779	10.12	10.234	10.302	10.38
r4	0.038144	0.038678	0.041903	0.047776	0.052666	10.131	10.258	10.354	10.405	10.47
r5	0.039534	0.040068	0.043323	0.04929	0.054241	10.272	10.384	10.463	10.5	10.57
r79	0.2179	0.21844	0.22216	0.23228	0.25197	35.858	37.092	38.455	40.627	42.8
r80	0.2179	0.21844	0.22216	0.23228	0.25197	40.253	42.183	44.459	46.938	49.4
r81	0.2179	0.21844	0.22216	0.23228	0.25197	48.587	51.19	54.266	57.123	60.0
r82	0.2179	0.21844	0.22216	0.23228	0.25197	66.755	69.238	71.77	76.192	79.7
r83	0.2179	0.21844	0.22216	0.23228	0.25197	116.87	122.69	128.71	134.92	141.2

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:5.8952
SNW_VFI_MAIN_BISEC_VEC 1 Period Unemp Shock: Age 2 of 82, time-this-age:5.8156
SNW_VFI_MAIN_BISEC_VEC 1 Period Unemp Shock: Age 3 of 82, time-this-age:5.8749
SNW_VFI_MAIN_BISEC_VEC 1 Period Unemp Shock: Age 4 of 82, time-this-age:6.0917
SNW_VFI_MAIN_BISEC_VEC 1 Period Unemp Shock: Age 5 of 82, time-this-age:5.8328
SNW_VFI_MAIN_BISEC_VEC 1 Period Unemp Shock: Age 6 of 82, time-this-age:5.8616
SNW_VFI_MAIN_BISEC_VEC 1 Period Unemp Shock: Age 7 of 82, time-this-age:5.8821
SNW_VFI_MAIN_BISEC_VEC 1 Period Unemp Shock: Age 8 of 82, time-this-age:5.8446
SNW_VFI_MAIN_BISEC_VEC 1 Period Unemp Shock: Age 9 of 82, time-this-age:5.8487
SNW_VFI_MAIN_BISEC_VEC 1 Period Unemp Shock: Age 10 of 82, time-this-age:5.8319
SNW_VFI_MAIN_BISEC_VEC 1 Period Unemp Shock: Age 11 of 82, time-this-age:5.8572
SNW_VFI_MAIN_BISEC_VEC 1 Period Unemp Shock: Age 12 of 82, time-this-age:5.884
SNW_VFI_MAIN_BISEC_VEC 1 Period Unemp Shock: Age 13 of 82, time-this-age:5.84
SNW_VFI_MAIN_BISEC_VEC 1 Period Unemp Shock: Age 14 of 82, time-this-age:5.8824
SNW_VFI_MAIN_BISEC_VEC 1 Period Unemp Shock: Age 15 of 82, time-this-age:5.8512
```

[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

[illegible]

	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 xxxxxxxxxxxxxxxxxxxxxx
```

[illegible]

```
xxx TABLE:cons VFI xxxxxxxxxxxxxxxxxxxxxx
```

	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	10.354
r4	0.019354	0.019888	0.023632	0.033792	0.047776	9.9825	10.131	10.258	10.354	10.463
r5	0.020066	0.020601	0.024344	0.034504	0.04929	10.135	10.272	10.384	10.463	10.571
r79	0.2179	0.21844	0.22216	0.23228	0.25197	34.82	36.506	38.455	40.627	42.183
r80	0.2179	0.21844	0.22216	0.23228	0.25197	40.033	42.183	44.459	46.938	48.106
r81	0.2179	0.21844	0.22216	0.23228	0.25197	48.106	51.19	54.266	57.123	59.751
r82	0.2179	0.21844	0.22216	0.23228	0.25197	65.751	68.234	71.611	76.192	79.71
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

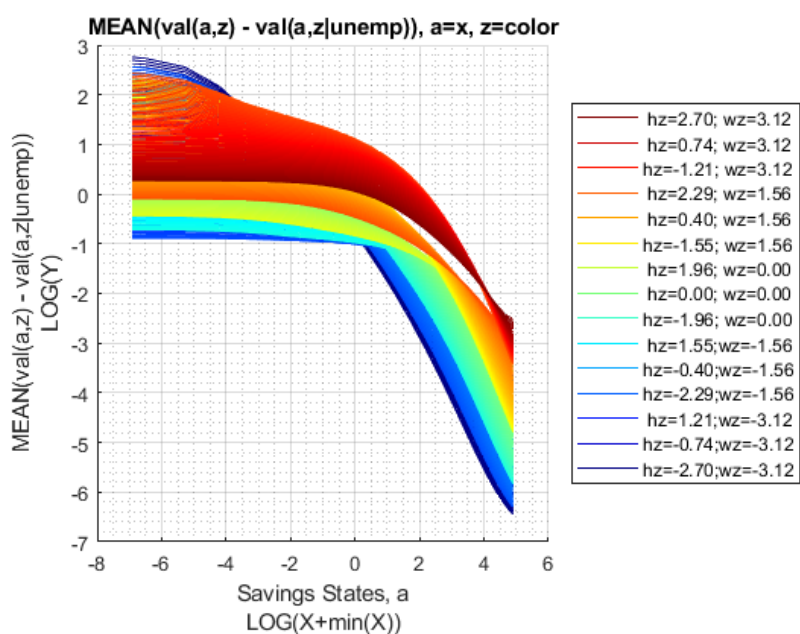
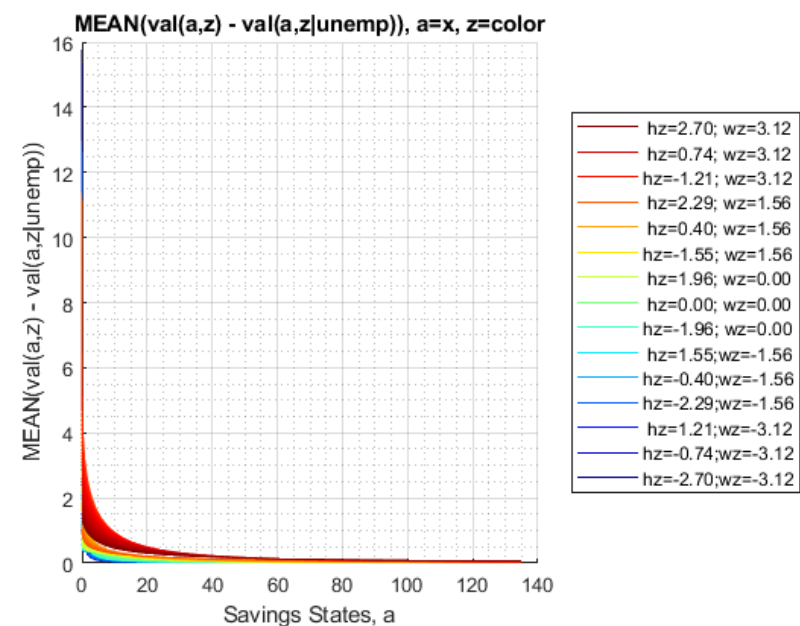
% Consumption Choices

```
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:

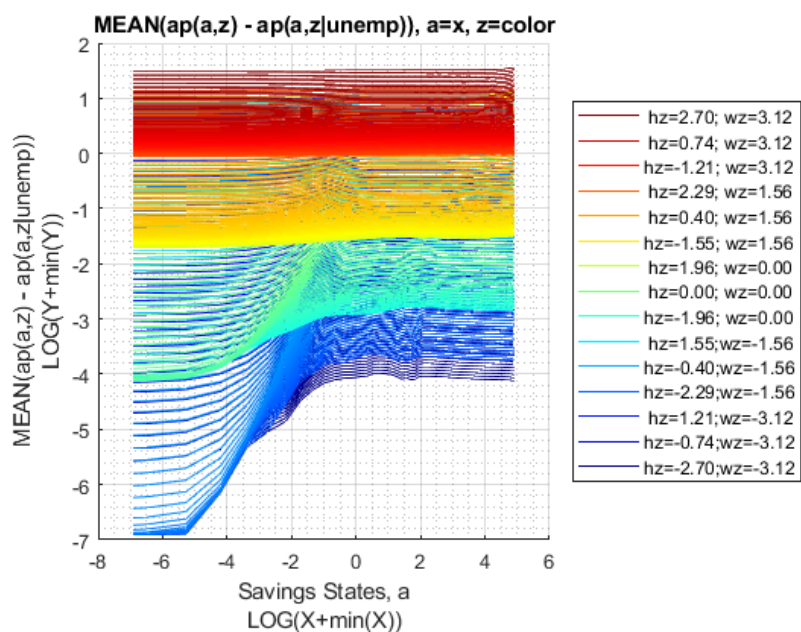
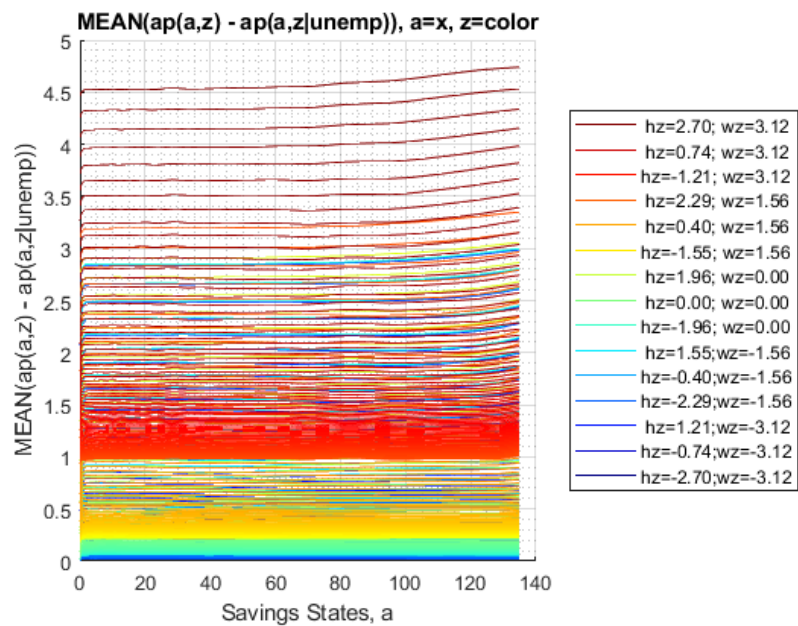
```
mp_support_graph('cl_st_graph_title') = {'MEAN(val(a,z) - val(a,z|unemp)), a=x, z=color'};
mp_support_graph('cl_st_ytitle') = {'MEAN(val(a,z) - val(a,z|unemp))'};
ff_graph_grid((tb_az_v{1:end, 3:end})', ar_st_eta_HS_grid, agrid, mp_support_graph);
```



Graph Mean Savings Choices Change:

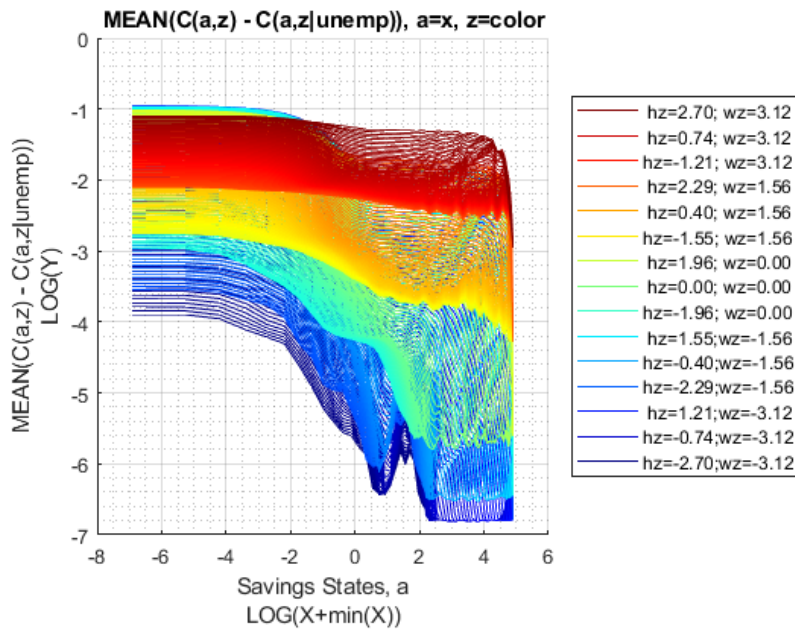
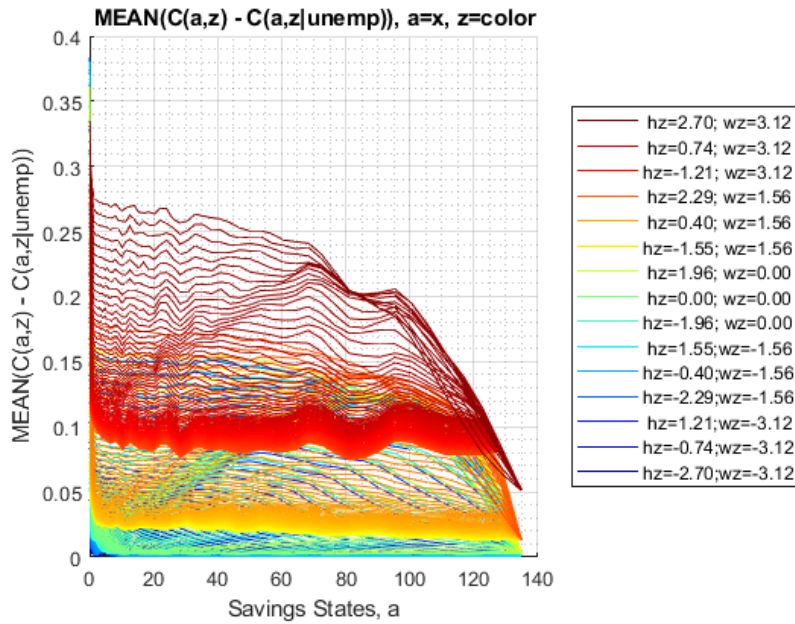
```
mp_support_graph('cl_st_graph_title') = {'MEAN(ap(a,z) - ap(a,z|unemp)), a=x, z=color'};
mp_support_graph('cl_st_ytitle') = {'MEAN(ap(a,z) - ap(a,z|unemp))'};
ff_graph_grid((tb_az_ap{1:end, 3:end}'), ar_st_eta_HS_grid, agrid, mp_support_graph);
```





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))  xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx
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))  xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx
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

```

```

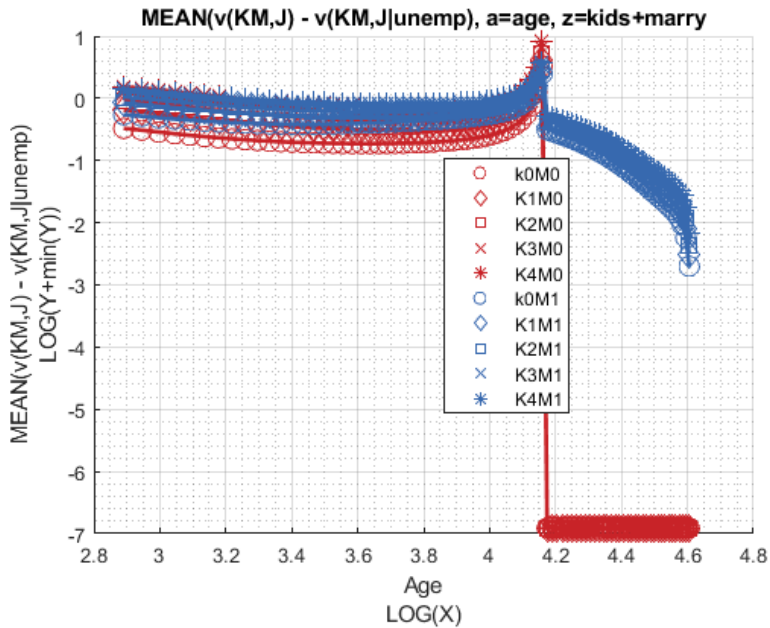
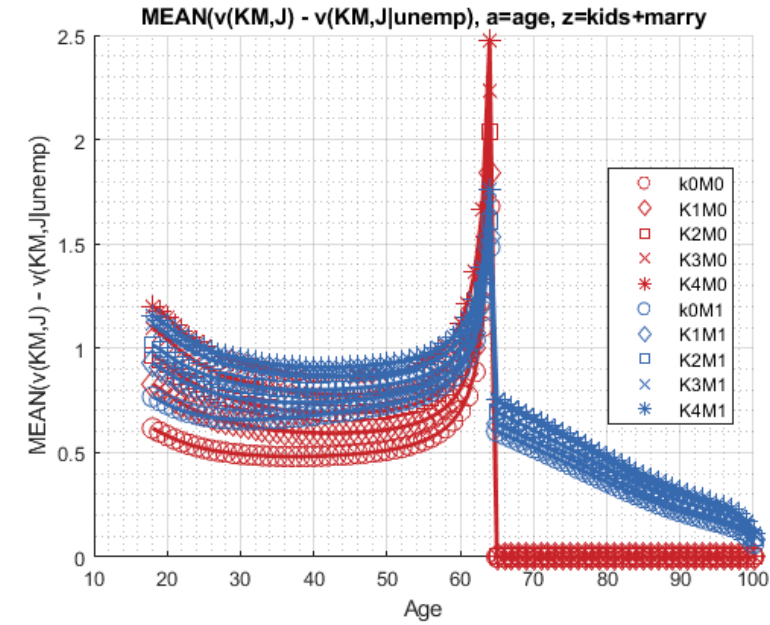
xxx  MEAN(c(KM,J) - c(KM,J | unemp))  xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx
group  kids  marry  mean_age_18  mean_age_19  mean_age_20  mean_age_21  mean_age_22  mean_age_23
-----
1      1      0      0.050084      0.052801      0.055995      0.056344      0.056497      0.056525
2      2      0      0.056094      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

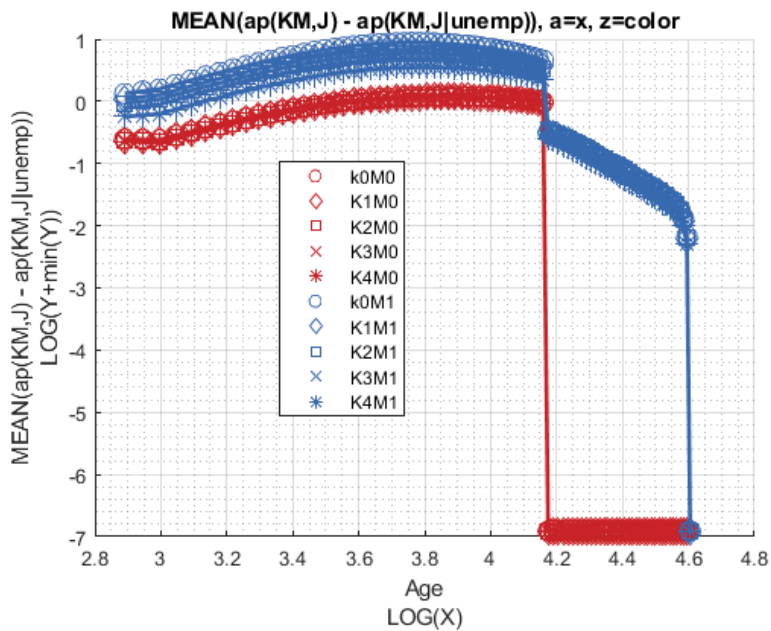
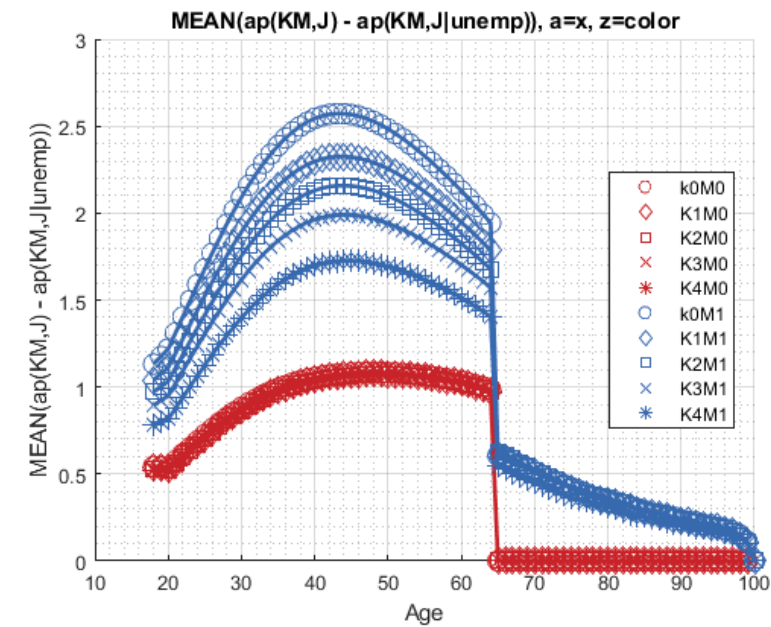
Graph Mean Values Change:

```
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:

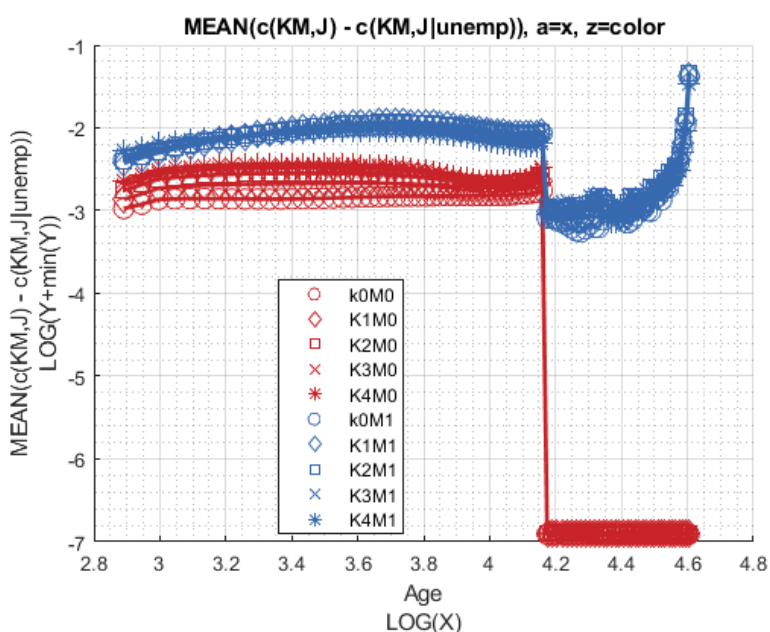
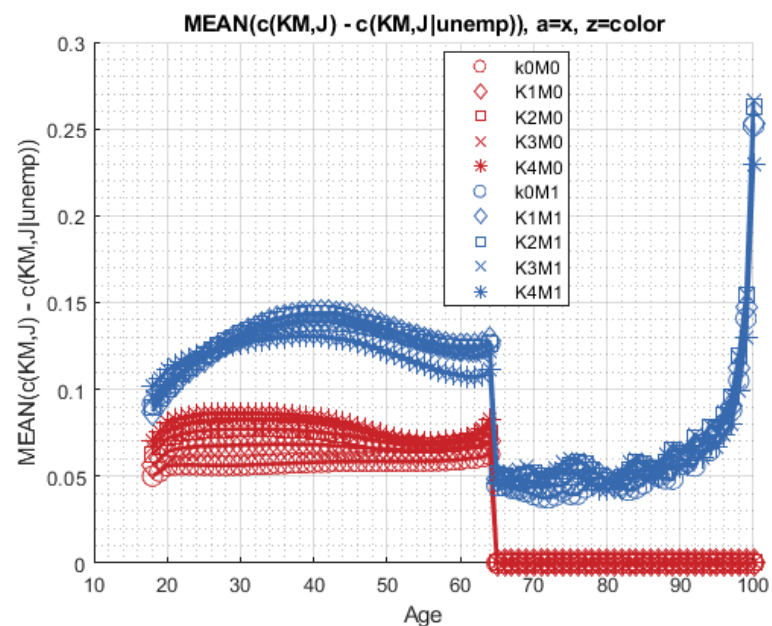
```
mp_support_graph('cl_st_graph_title') = {'MEAN(ap(KM,J) - ap(KM,J|unemp)), a=x, z=color'};
mp_support_graph('cl_st_ytitle') = {'MEAN(ap(KM,J) - ap(KM,J|unemp))'};
ff_graph_grid((tb_az_ap{1:end, 4:end}), ar_row_grid, age_grid, mp_support_graph);
```



### 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'};
```

MEAN(v(EKM,J) - v(EKM,J|unemp)), MEAN(ap(EM,J) - ap(EM,J|unemp)), MEAN(c(EM,J) - c(EM,J|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))	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	0.98303	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"], 3
```

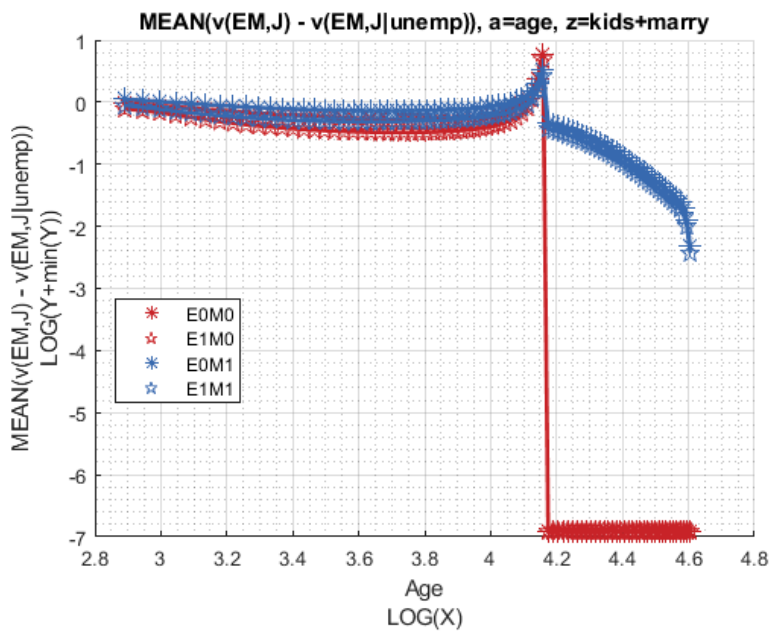
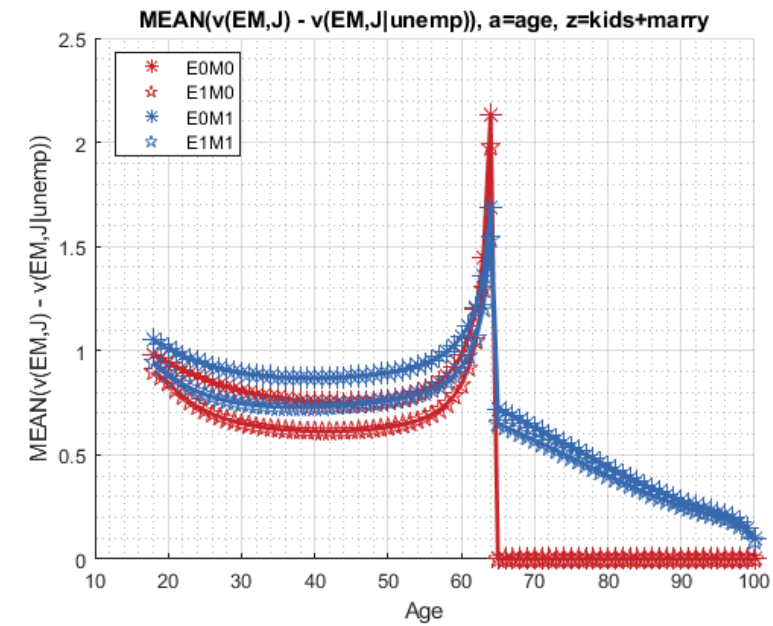
xxx	MEAN(ap(EM,J) - ap(EM,J unemp))	xxxxxxxxxxxxxxxxxxxxxxxxxxxx							
group	edu	marry	mean_age_18	mean_age_19	mean_age_20	mean_age_21	mean_age_22	mean_age_23	
1	0	0	0.54395	0.54191	0.53951	0.56214	0.58423	0.60576	
2	1	0	0.52222	0.51623	0.50961	0.56213	0.61523	0.66826	
3	0	1	0.93033	0.95904	0.98801	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"], 3
```

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:

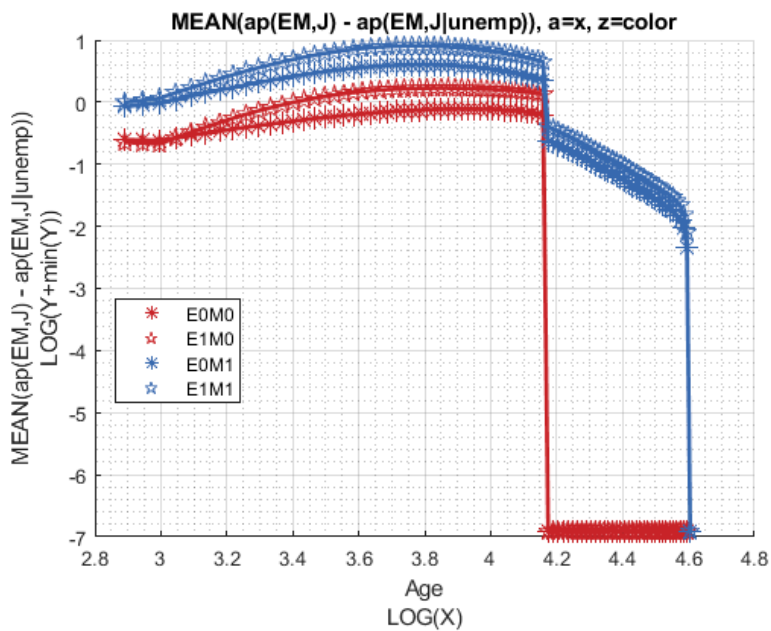
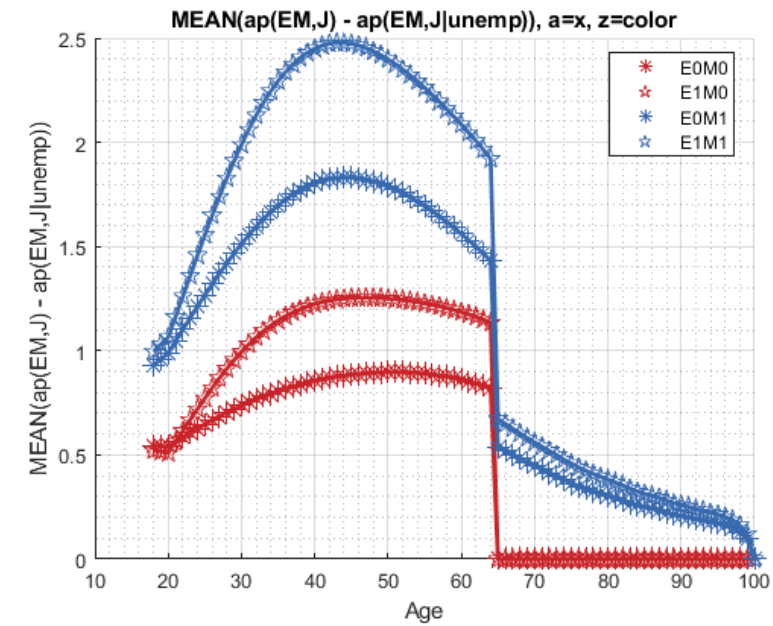
```
mp_support_graph('cl_st_graph_title') = {'MEAN(v(EM,J) - v(EM,J|unemp))', a=age, z=kids+marry'};
mp_support_graph('cl_st_ytitle') = {'MEAN(v(EM,J) - v(EM,J|unemp))'};
ff_graph_grid((tb_az_v{1:end, 4:end}), ar_row_grid, age_grid, mp_support_graph);
```



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);
```

