

Table 1 Microeconomic Model Calibration

Calibrated Parameters			
Test1	Parameter	Value	Source
Test2	Γ	1.03	PSID: Carroll (1992)
Test3	R	1.04	Conventional
Test4	β	0.96	Conventional
Test5	ρ	2	Conventional
Test6	\wp	0.005	PSID: Carroll (1992)
Test7	σ_ψ	0.1	PSID: Carroll (1992)
Test8	σ_θ	0.1	PSID: Carroll (1992)