# FF\_VFI\_AZ\_VEC Dynamic Savings Problem Vectorized Common Grid

#### back to Fan's Intro Math for Econ, Matlab Examples, or Dynamic Asset Repositories

This is the example vignette for function: **ff\_vfi\_az\_vec** from the **MEconTools Package**. This function solves (vectorized) the dynamic programming problem for a (a,z) model. Households can save a, and face AR(1) shock z. The problem is solved over the infinite horizon.

The code uses common grid, with the same state space and choice space grids. **ff\_vfi\_az\_bisec\_vec** from the **MEconTools Package** solves the same problem but using continuous exact percentage asset choices, which is more precise than the solution here, and perhaps a little bit slower.

This is the vectorized code, its speed is much faster than the looped code. The function is designed to have small memory footprint and requires low computing resources, yet is fast.

#### Links to Four Code:

Four Core Savings/Borrowing Dynamic Programming Solution Functions that are functions in the **MEconTools Package.** :

- Common Choice and States Grid <u>Loop</u>: ff\_vfi\_az\_loop, slow should use for testing new models
- Common Choice and States Grid Vectorized: ff\_vfi\_az\_vec, fast good for many purposes
- States Grid + Continuous Exact Savings as Share of Cash-on-Hand <u>Loop</u>: ff\_vfi\_az\_bisec\_loop, high
  precision even with small grid
- States Grid + Continuous Exact Savings as Share of Cash-on-Hand <u>Vectorized</u>: ff\_vfi\_az\_bisec\_vec, precision and speed

#### Test FF VFI AZ VEC Defaults

Call the function with defaults. By default, shows the asset policy function summary. Model parameters can be changed by the mp\_params.

```
%mp_params
mp_params = containers.Map('KeyType','char', 'ValueType','any');
mp params('fl crra') = 1.5;
mp_params('fl_beta') = 0.94;
ff vfi_az_vec(mp_params);
Elapsed time is 0.128918 seconds.
CONTAINER NAME: mp ffcmd ND Array (Matrix etc)
i
           idx
                 ndim
                                     colN
                                                                 coefvari
                       numel
                              rowN
                                            sum
                                                   mean
                                                           std
                                                                           min
                                                                                 max
       1
            1
                  2
                        700
                              100
                                      7
                                           16864
                                                  24.091
                                                          14.08
                                                                 0.58446
                                                                            0
                                                                                 50
   ap
xxx TABLE:ap xxxxxxxxxxxxxxxxxx
                            с3
                                     с4
           c1
                   c2
                                              c5
                                                      с6
                                                               c7
```

```
0.50505
r1
         0
                0
                       0
                             a
                                      a
                                                  2.0202
                    0 0.50505 0.50505 1.0101
               0
r2
        0
                                                  2.5253
    0.50505 0.50505 0.50505 0.50505 1.0101
r3
                                          1.5152
                                                  3.0303
     1.0101 1.0101 1.0101 1.0101 1.5152
r4
                                          2.0202
                                                  3.5354
                                   2.0202
r5
     1.5152
            1.5152
                   1.5152
                           1.5152
                                          2.5253
                                                  4.0404
r96
     45.455
            45.455
                    45.96
                            45.96
                                    45.96
                                           46.97
                                                  48.485
                    45.96 46.465 46.465
                                          47.475
r97
      45.96
             45.96
                                                  48.99
r98
     46.465 46.465 46.465
                            46.97
                                   46.97
                                           47.98 48.99
     46.97
r99
             46.97
                    46.97 47.475 47.475 48.485
                                                  49.495
r100
     47.475
            47.475
                    47.475
                            47.98
                                   47.98
                                           48.99
                                                     50
```

#### Test FF\_VFI\_AZ\_BISEC\_VEC Speed Tests

Call the function with different a and z grid size, print out speed:

```
mp_support = containers.Map('KeyType','char', 'ValueType','any');
mp_support('bl_timer') = true;
mp_support('ls_ffcmd') = {};
```

A grid 200, shock grid 9:

```
mp_params = containers.Map('KeyType','char', 'ValueType','any');
mp_params('it_a_n') = 200;
mp_params('it_z_n') = 9;
ff_vfi_az_vec(mp_params, mp_support);
```

Elapsed time is 0.220867 seconds.

A grid 750, shock grid 15:

```
mp_params = containers.Map('KeyType','char', 'ValueType','any');
mp_params('it_a_n') = 750;
mp_params('it_z_n') = 15;
ff_vfi_az_vec(mp_params, mp_support);
```

Elapsed time is 3.573648 seconds.

A grid 600, shock grid 45:

```
mp_params = containers.Map('KeyType','char', 'ValueType','any');
mp_params('it_a_n') = 600;
mp_params('it_z_n') = 45;
ff_vfi_az_vec(mp_params, mp_support);
```

Elapsed time is 8.398580 seconds.

## Test FF\_VFI\_AZ\_VEC Control Outputs

Run the function first without any outputs;

```
mp_params = containers.Map('KeyType','char', 'ValueType','any');
mp_params('it_a_n') = 50;
mp_params('it_z_n') = 5;
mp_support = containers.Map('KeyType','char', 'ValueType','any');
mp_support('bl_timer') = false;
mp_support('bl_print_params') = false;
```

```
mp_support('bl_print_iterinfo') = false;
```

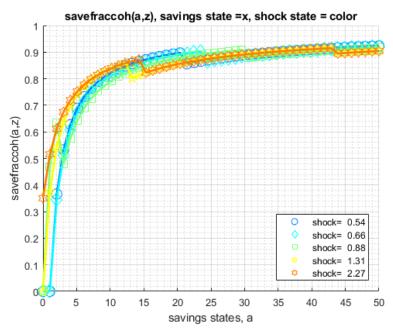
Run the function and show policy function for savings choice. For ls\_ffcmd, ls\_ffsna, ls\_ffgrh, can include these: 'v', 'ap', 'c', 'y', 'coh', 'savefraccoh'. These are value, aprime savings choice, consumption, income, cash on hand, and savings fraction as cash-on-hand.

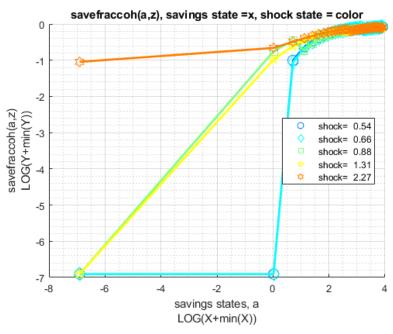
```
mp_support = containers.Map('KeyType','char', 'ValueType','any');
mp_support('bl_print_params') = false;
mp_support('bl_print_iterinfo') = false;
% ls_ffcmd: summary print which outcomes
mp_support('ls_ffcmd') = {};
% ls_ffsna: detail print which outcomes
mp_support('ls_ffsna') = {'savefraccoh'};
% ls_ffgrh: graphical print which outcomes
mp_support('ls_ffgrh') = {'savefraccoh'};
ff_vfi_az_vec(mp_params, mp_support);
```

Elapsed time is 0.014484 seconds.

(x ff_vfi group	i_az_vec, c <b>a</b> 	mean_z_0_54195	mean_z_0_66401	mean_z_0_88162	mean_z_1_3095	mean_z_2_2745
1	0	0	0	0	0	0.3505
2	1.0204	0	0	0.46928	0.37487	0.51572
3	2.0408	0.36632	0.34687	0.63373	0.54163	0.61186
4	3.0612	0.53265	0.51178	0.47837	0.63592	0.67476
5	4.0816	0.62764	0.60816	0.57627	0.69655	0.71911
6	5.102	0.68908	0.67137	0.64196	0.73882	0.75206
7	6.1224	0.73208	0.71603	0.68909	0.76996	0.77751
8	7.1429	0.76386	0.74926	0.72456	0.79387	0.79776
9	8.1633	0.7883	0.77494	0.75221	0.81279	0.81425
10	9.1837	0.80769	0.79539	0.77438	0.82815	0.82795
11	10.204	0.82343	0.81206	0.79254	0.84086	0.8395
12	11.224	0.83648	0.82591	0.8077	0.85155	0.84937
13	12.245	0.84747	0.83759	0.82053	0.86067	0.85791
14	13.265	0.85685	0.84758	0.83155	0.80173	0.86537
15	14.286	0.86495	0.85622	0.8411	0.81288	0.87194
16	15.306	0.87201	0.86377	0.84947	0.82268	0.82291
17	16.327	0.87823	0.87043	0.85685	0.83137	0.83104
18	17.347	0.88374	0.87633	0.86342	0.83912	0.83834
19	18.367	0.88866	0.88161	0.8693	0.84608	0.84495
20	19.388	0.89309	0.88635	0.8746	0.85237	0.85095
21	20.408	0.89708	0.89064	0.87939	0.85807	0.85642
22	21.429	0.85567	0.89454	0.88375	0.86327	0.86143
23	22.449	0.86096	0.89809	0.88773	0.86803	0.86604
24	23.469	0.86581	0.90135	0.89138	0.87241	0.87029
25	24.49	0.87026	0.86502	0.89474	0.87644	0.87422
26	25.51	0.87436	0.8693	0.89784	0.88017	0.87787
27	26.531	0.87816	0.87327	0.90071	0.88362	0.88126
28	27.551	0.88168	0.87695	0.90338	0.88684	0.88443
29	28.571	0.88496	0.88037	0.90586	0.88984	0.88739
30	29.592	0.88802	0.88357	0.90818	0.89264	0.89017
31	30.612	0.89087	0.88655	0.87896	0.89527	0.89278
32	31.633	0.89355	0.88935	0.88197	0.89773	0.89523
33	32.653	0.89606	0.89198	0.8848	0.90005	0.89754
34	33.673	0.89843	0.89446	0.88747	0.90223	0.89972
35	34.694	0.90065	0.89679	0.88998	0.90429	0.90178
36	35.714	0.90275	0.89899	0.89235	0.90624	0.90374
37	36.735	0.90474	0.90107	0.8946	0.90809	0.90559
38	37.755	0.90662	0.90304	0.89673	0.90984	0.90735
39	38.776	0.90841	0.90491	0.89874	0.9115	0.90902

	20 706	0.0404	0.00550	0 00055	0.01000	0.01010
40	39.796	0.9101	0.90669	0.90066	0.91308	0.91062
41	40.816	0.91171	0.90838	0.90249	0.91458	0.91214
42	41.837	0.91325	0.90998	0.90422	0.91601	0.91359
43	42.857	0.91471	0.91152	0.90588	0.91738	0.91497
44	43.878	0.9161	0.91298	0.90746	0.89681	0.89499
45	44.898	0.91743	0.91438	0.90897	0.89854	0.89671
46	45.918	0.91871	0.91571	0.91042	0.90019	0.89836
47	46.939	0.91993	0.91699	0.91181	0.90178	0.89994
48	47.959	0.9211	0.91822	0.91313	0.9033	0.90146
49	48.98	0.92222	0.91939	0.91441	0.90475	0.90292
50	50	0.92329	0.92052	0.91563	0.90615	0.90433





Run the function and show summaries for savings and fraction of coh saved:

```
mp_params('it_a_n') = 100;
mp_params('it_z_n') = 9;
mp_support('ls_ffcmd') = {'ap', 'savefraccoh'};
mp_support('ls_ffsna') = {};
```

```
mp support('ls ffgrh') = {};
mp_support('bl_vfi_store_all') = true; % store c(a,z), y(a,z)
ff_vfi_az_vec(mp_params, mp_support);
Elapsed time is 0.127807 seconds.
CONTAINER NAME: mp ffcmd ND Array (Matrix etc)
idx
                               ndim
                                       numel
                                                rowN
                                                        colN
                                                                 sum
                                                                           mean
                                                                                       std
                                                                                                coefvari
                                                                                                            min
                                                         9
                               2
                                        900
                                                100
                                                                                      14.089
                                                                                                  0.581
                   1
                        1
                                                                 21825
                                                                            24.25
                                                                                                             0
    ap
                               2
                                                         9
    savefraccoh
                   2
                         2
                                        900
                                                100
                                                                752.38
                                                                          0.83597
                                                                                     0.13497
                                                                                                             0
                                                                                                0.16145
xxx TABLE:ap xxxxxxxxxxxxxxxxxx
                        c2
                                    c3
                                               c4
                                                          c5
                                                                     с6
                                                                                c7
                                                                                           c8
                                                                                                     с9
              c1
    r1
                             0
                                        0
                                                                         a
                                                                              0.50505
                                                                                         1.5152
                                                                                                   3.0303
                                                        0.50505
   r2
                 0
                             0
                                        0
                                                   0
                                                                   0.50505
                                                                               1.0101
                                                                                         1.5152
                                                                                                   3.5354
                                             0.50505
            0.50505
                       0.50505
                                                                   1.0101
                                                                               1.5152
                                                                                                   4.0404
   r3
                                 0.50505
                                                        0.50505
                                                                                         2.0202
    r4
            1.0101
                       1.0101
                                  1.0101
                                             1.0101
                                                        1.0101
                                                                    1.5152
                                                                               2.0202
                                                                                         2,5253
                                                                                                   4.5455
   r5
            1.5152
                       1.5152
                                   1.5152
                                              1.5152
                                                         1.5152
                                                                    2.0202
                                                                               2.5253
                                                                                         3.0303
                                                                                                   5.0505
                                                                                                   49.495
    r96
            45.455
                       45.455
                                   45.455
                                              45.96
                                                         45.96
                                                                     45.96
                                                                               46.465
                                                                                         47,475
    r97
             45.96
                        45.96
                                   45.96
                                              46.465
                                                         46.465
                                                                    46.465
                                                                               46.97
                                                                                         47.98
                                                                                                   49.495
    r98
             46.465
                        46.465
                                   46.465
                                              46.465
                                                         46.97
                                                                     46.97
                                                                               47.475
                                                                                         48.485
                                                                                                       50
    r99
             46.97
                        46.97
                                   46.97
                                              46.97
                                                         47.475
                                                                    47.475
                                                                               47.98
                                                                                         48.99
                                                                                                       50
    r100
            47.475
                        47.475
                                   47.475
                                              47.475
                                                          47.98
                                                                     47.98
                                                                               48.485
                                                                                         49.495
                                                                                                       50
xxx TABLE:savefraccoh xxxxxxxxxxxxxxxxxx
              c1
                        c2
                                    c3
                                               c4
                                                          с5
                                                                     с6
                                                                                c7
                                                                                           c8
                                                                                                      c9
    r1
                 a
                            0
                                        0
                                                   a
                                                                         0
                                                                              0.24587
                                                                                         0.48182
                                                                                                    0.56208
                                                              0
                                                                                         0.41371
    r2
                 0
                            0
                                        0
                                                   0
                                                         0.3075
                                                                   0.25444
                                                                              0.39276
                                                                                                    0.59831
    r3
            0.30679
                       0.29486
                                 0.27938
                                             0.25939
                                                                                                     0.6287
                                                        0.2338
                                                                   0.40362
                                                                              0.49043
                                                                                         0.4833
    r4
            0.4668
                       0.45285
                                 0.43438
                                             0.40981
                                                        0.37721
                                                                   0.50166
                                                                              0.56006
                                                                                         0.53755
                                                                                                    0.65456
    r5
            0.56502
                       0.55132
                                 0.53293
                                             0.50802
                                                        0.47415
                                                                   0.57101
                                                                              0.61221
                                                                                         0.58103
                                                                                                    0.67683
            0.91292
                       0.9117
                                 0.90997
                                             0.91752
                                                        0.91364
                                                                   0.90746
                                                                              0.90692
                                                                                         0.90732
                                                                                                    0.90699
    r96
    r97
            0.91357
                       0.91236
                                 0.91064
                                             0.91812
                                                        0.91427
                                                                   0.90815
                                                                              0.90761
                                                                                         0.90799
                                                                                                    0.89847
    r98
            0.9142
                        0.913
                                  0.9113
                                             0.90882
                                                        0.91489
                                                                   0.90882
                                                                              0.90828
                                                                                         0.90865
                                                                                                    0.89919
    r99
            0.91482
                       0.91363
                                 0.91195
                                             0.90949
                                                        0.91549
                                                                   0.90949
                                                                              0.90894
                                                                                         0.90929
                                                                                                    0.89089
            0.91543
                       0.91425
                                 0.91258
                                             0.91014
                                                        0.91609
                                                                   0.91013
                                                                              0.90959
                                                                                         0.90992
                                                                                                    0.88275
    r100
```

#### Test FF\_VFI\_AZ\_VEC Change Interest Rate and Discount

Show only save fraction of cash on hand:

```
mp_support = containers.Map('KeyType','char', 'ValueType','any');
mp_support('bl_print_params') = false;
mp_support('bl_print_iterinfo') = false;
mp_support('ls_ffcmd') = {'savefraccoh'};
mp_support('ls_ffsna') = {};
mp_support('ls_ffgrh') = {};
mp_params = containers.Map('KeyType','char', 'ValueType','any');
mp_params('it_a_n') = 750;
mp_params('it_a_n') = 9;
mp_params('fl_a_max') = 50;
mp_params('st_grid_type') = 'grid_powerspace';
```

Solve the model with several different interest rates and discount factor:

```
% Lower Savings Incentives
mp_params('fl_beta') = 0.80;
mp params('fl r') = 0.01;
ff_vfi_az_vec(mp_params, mp_support);
Elapsed time is 0.771613 seconds.
_____
CONTAINER NAME: mp ffcmd ND Array (Matrix etc)
xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx
                  i
                       idx
                              ndim
                                      numel
                                              rowN
                                                      colN
                                                                         mean
                                                                                    std
                                                                                             coefvari
                                                                                                         min
                                                               sum
                               2
                                                                                  0.27768
                                                                                             0.56477
                                                                                                          0
    savefraccoh
                  1
                        1
                                      6750
                                              750
                                                       9
                                                              3318.8
                                                                        0.49167
xxx TABLE:savefraccoh xxxxxxxxxxxxxxxxxx
                                                                              c7
                                                                                                    с9
             c1
                        c2
                                   c3
                                             с4
                                                        c5
                                                                   с6
                                                                                         c8
    r1
                 0
                            0
                                       0
                                                 0
                                                            0
                                                                       0
                                                                            0.023475
                                                                                       0.13289
                                                                                                  0.29755
    r2
                 0
                            0
                                       0
                                                 0
                                                            0
                                                                       0
                                                                            0.023475
                                                                                       0.13289
                                                                                                  0.29755
    r3
                 0
                            0
                                       0
                                                 0
                                                            0
                                                                       0
                                                                            0.023475
                                                                                       0.13289
                                                                                                  0.29755
    r4
                 0
                            0
                                       0
                                                 0
                                                            0
                                                                       0
                                                                            0.023475
                                                                                       0.13289
                                                                                                  0.29755
    r5
                 0
                            0
                                       a
                                                 0
                                                            0
                                                                       0
                                                                            0.023475
                                                                                       0.13289
                                                                                                  0.29755
                                                                                        0.7824
    r746
            0.8044
                      0.80333
                                 0.80182
                                           0.79961
                                                      0.79626
                                                                 0.79093
                                                                             0.7887
                                                                                                  0.77641
    r747
           0.80465
                      0.80359
                                 0.80209
                                           0.79989
                                                      0.79655
                                                                 0.79124
                                                                             0.78903
                                                                                                  0.77686
                                                                                       0.78277
    r748
           0.80491
                      0.80385
                                 0.80235
                                           0.80016
                                                      0.79683
                                                                 0.79154
                                                                             0.78936
                                                                                       0.78315
                                                                                                  0.77731
           0.80517
                                                                             0.78969
    r749
                      0.80411
                                 0.80262
                                           0.80043
                                                      0.79712
                                                                 0.79185
                                                                                       0.78352
                                                                                                  0.77776
    r750
           0.80542
                      0.80437
                                 0.80288
                                            0.80071
                                                       0.7974
                                                                 0.79215
                                                                             0.79002
                                                                                       0.78389
                                                                                                  0.77821
% Higher Savings Incentives
mp_params('fl_beta') = 0.95;
mp_params('fl_r') = 0.04;
ff_vfi_az_vec(mp_params, mp_support);
Elapsed time is 2.484993 seconds.
CONTAINER NAME: mp_ffcmd ND Array (Matrix etc)
i
                       idx
                              ndim
                                      numel
                                              rowN
                                                      colN
                                                               sum
                                                                         mean
                                                                                    std
                                                                                             coefvari
                                                                                                         min
    savefraccoh
                        1
                               2
                                      6750
                                              750
                                                       9
                                                              4491.9
                                                                        0.66547
                                                                                   0.28771
                                                                                             0.43234
                                                                                                          0
xxx TABLE:savefraccoh xxxxxxxxxxxxxxxxxx
             c1
                        c2
                                   c3
                                             с4
                                                         c5
                                                                    с6
                                                                              c7
                                                                                         c8
                                                                                                    c9
    r1
                 9
                            0
                                       0
                                                 0
                                                      0.031818
                                                                  0.14726
                                                                             0.31047
                                                                                       0.48484
                                                                                                  0.64489
                 0
                            0
                                                 0
                                       0
                                                      0.031818
                                                                  0.14726
                                                                                       0.48484
                                                                                                  0.64489
    r2
                                                                             0.31047
                 0
                            0
                                                 0
    r3
                                       0
                                                      0.031818
                                                                  0.14726
                                                                             0.31047
                                                                                       0.48484
                                                                                                  0.64489
    r4
                 0
                            0
                                       0
                                                 0
                                                      0.031818
                                                                  0.14726
                                                                             0.31047
                                                                                       0.48484
                                                                                                  0.64489
    r5
                 0
                            0
                                       0
                                                 0
                                                      0.031818
                                                                  0.14726
                                                                             0.31047
                                                                                       0.48484
                                                                                                  0.64489
           0.92742
                                  0.9283
                                            0.92581
                                                       0.92578
                                                                  0.92349
    r746
                         0.93
                                                                             0.92443
                                                                                       0.91686
                                                                                                  0.88398
            0.9275
                      0.93007
                                            0.9259
                                                       0.92588
                                                                  0.92361
                                                                             0.92457
    r747
                                 0.92838
                                                                                       0.91706
                                                                                                  0.88076
   r748
           0.92757
                      0.93014
                                 0.92846
                                           0.92599
                                                       0.92598
                                                                  0.92373
                                                                             0.92472
                                                                                       0.91359
                                                                                                  0.87757
    r749
           0.92764
                      0.93022
                                 0.92854
                                            0.92608
                                                       0.92608
                                                                  0.92384
                                                                             0.92115
                                                                                       0.91014
                                                                                                  0.87438
    r750
                                                                                       0.90671
           0.92772
                      0.93029
                                 0.92862
                                            0.92617
                                                       0.92618
                                                                  0.92396
                                                                             0.9213
                                                                                                  0.87121
```

## Test FF\_VFI\_AZ\_VEC Changing Risk Aversion

Here, again, show fraction of coh saved in summary tabular form, but also show it graphically.

```
mp_support = containers.Map('KeyType','char', 'ValueType','any');
mp_support('bl_print_params') = false;
mp_support('bl_print_iterinfo') = false;
mp_support('ls_ffcmd') = {'savefraccoh'};
mp_support('ls_ffsna') = {};
mp_support('ls_ffgrh') = {'savefraccoh'};
mp_params = containers.Map('KeyType','char', 'ValueType','any');
mp_params('it_a_n') = 750;
mp_params('it_z_n') = 9;
mp_params('fl_a_max') = 50;
mp_params('st_grid_type') = 'grid_powerspace';
```

Solve the model with different risk aversion levels, higher preferences for risk:

0.85998

0.85888

0.85731

0.85502

r750

```
% Lower Risk Aversion
mp params('fl crra') = 0.5;
ff vfi az vec(mp params, mp support);
Elapsed time is 1.991475 seconds.
CONTAINER NAME: mp_ffcmd ND Array (Matrix etc)
colN
                                                                                 std
                                                                                         coefvari
                                                                                                     min
                 i
                      idx
                             ndim
                                    numel
                                             rowN
                                                             sum
                                                                      mean
   savefraccoh
                 1
                       1
                              2
                                    6750
                                             750
                                                            3735.9
                                                                     0.55347
                                                                                0.2897
                                                                                         0.52343
                                                                                                     0
xxx TABLE:savefraccoh xxxxxxxxxxxxxxxxxx
                                            с4
                                                      c5
                                                                 с6
                                                                            c7
                                                                                                 c9
             c1
                       c2
                 0
                                     0
                                                0
                                                                    0
                                                                         0.075021
                                                                                     0.22812
                                                                                               0.41075
   r1
                           0
                                                          0
                           0
   r2
                0
                                     0
                                                0
                                                          0
                                                                    0
                                                                         0.075021
                                                                                     0.22812
                                                                                               0.41075
   r3
                0
                           0
                                     0
                                                0
                                                          0
                                                                         0.075021
                                                                                    0.22812
                                                                                               0.41075
                                                                    0
   r4
                0
                           0
                                     0
                                                0
                                                          0
                                                                         0.075021
                                                                                     0.22812
                                                                                               0.41075
                                                                    0
   r5
                0
                           0
                                     0
                                                0
                                                          0
                                                                    0
                                                                         0.075021
                                                                                     0.22812
                                                                                               0.41075
   r746
           0.85928
                     0.85816
                               0.85657
                                          0.85425
                                                    0.85428
                                                                0.8522
                                                                          0.84972
                                                                                     0.84635
                                                                                               0.84292
   r747
           0.85946
                     0.85834
                               0.85676
                                          0.85444
                                                    0.85449
                                                               0.85242
                                                                          0.84997
                                                                                     0.84665
                                                                                                0.8433
   r748
           0.85963
                     0.85852
                               0.85694
                                          0.85464
                                                    0.85469
                                                               0.85264
                                                                          0.85021
                                                                                     0.84694
                                                                                               0.84368
   r749
           0.85981
                     0.8587
                               0.85713
                                          0.85483
                                                    0.85489
                                                               0.85286
                                                                          0.85046
                                                                                     0.84723
                                                                                               0.84405
```

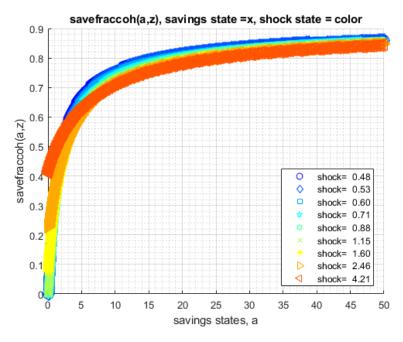
0.85509

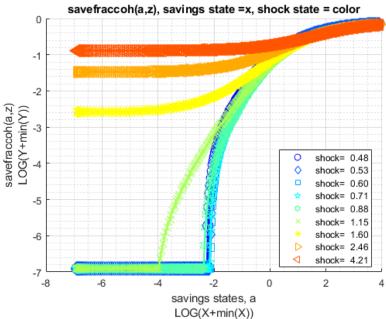
0.85307

0.8507

0.84752

0.84442





When risk aversion increases, at every state-space point, the household wants to save more.

```
% Higher Risk Aversion
mp_params('fl_crra') = 5;
ff_vfi_az_vec(mp_params, mp_support);
```

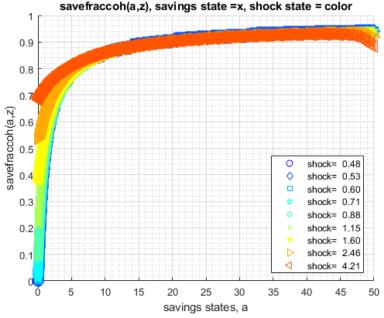
Elapsed time is 2.026442 seconds.

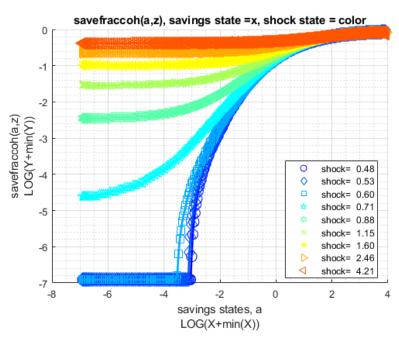
CONTAINER NAME: mp\_ffcmd ND Array (Matrix etc)

XXXX

XXXXXXXXXXXXXXX	XXXXX	XXXXXX	XXXXXXX	XXX								
	i	idx	ndim	numel	rowN	colN	sum	mean	std	coefvari	min	I
	-											_
savefraccoh	1	1	2	6750	750	9	4639.3	0.6873	0.28204	0.41036	0	0

	<b>c1</b>	c2	<b>c</b> 3	c4	<b>c</b> 5	с6	с7	c8	с9
r1	0	0	0	0.008995	0.085095	0.21314	0.37277	0.53628	0.68
r2	0	0	0	0.008995	0.085095	0.21314	0.37277	0.53628	0.68
r3	0	0	0	0.008995	0.085095	0.21314	0.37277	0.53628	0.68
r4	0	0	0	0.008995	0.085095	0.21314	0.37277	0.53628	0.68
r5	0	0	0	0.0089949	0.085094	0.21314	0.37277	0.53628	0.68
r746	0.94083	0.9396	0.94168	0.93912	0.93904	0.94041	0.93743	0.92949	0.89
r747	0.94091	0.93969	0.94176	0.93921	0.93914	0.93674	0.93758	0.92969	0.89
r748	0.94098	0.93977	0.94184	0.93931	0.93924	0.93686	0.93772	0.92618	0.88
r749	0.94106	0.93985	0.94192	0.9394	0.93934	0.93699	0.93787	0.92269	0.88
r750	0.94113	0.93993	0.942	0.93949	0.93944	0.93711	0.93801	0.91921	0.88





Test FF\_VFI\_AZ\_VEC with Higher Uncertainty

Increase the standard deviation of the Shock.

```
mp_support = containers.Map('KeyType','char', 'ValueType','any');
mp_support('bl_print_params') = false;
mp_support('bl_print_iterinfo') = false;
mp_support('ls_ffcmd') = {'savefraccoh'};
mp_support('ls_ffsna') = {};
mp_support('ls_ffgrh') = {};
mp_params = containers.Map('KeyType','char', 'ValueType','any');
mp_params('it_a_n') = 750;
mp_params('it_z_n') = 9;
mp_params('fl_a_max') = 50;
mp_params('st_grid_type') = 'grid_powerspace';
```

Lower standard deviation of shock:

```
% Lower Risk Aversion
mp params('fl shk std') = 0.10;
ff_vfi_az_vec(mp_params, mp_support);
Elapsed time is 2.065989 seconds.
CONTAINER NAME: mp_ffcmd ND Array (Matrix etc)
ndim
                                                  colN
                                                                                    coefvari
                                  numel
                                          rowN
                                                         sum
                                                                 mean
                                                                                              min
   savefraccoh
                            2
                                  6750
                                          750
                                                         4026
                                                                0.59644
                                                                          0.31533
                                                                                   0.52869
                                                                                               0
xxx TABLE:savefraccoh xxxxxxxxxxxxxxxxxx
            c1
                      c2
                               с3
                                          c4
                                                   c5
                                                              c6
                                                                         c7
                                                                                  c8
                                                                                            c9
   r1
                         0
                                   0
                                             0
                                                       0
                                                           0.012569
                                                                      0.062884
                                                                                 0.13754
                                                                                          0.22274
   r2
               0
                         0
                                   0
                                             0
                                                       0
                                                           0.012569
                                                                      0.062884
                                                                                 0.13754
                                                                                          0.22274
   r3
               0
                         0
                                   0
                                             0
                                                       0
                                                           0.012569
                                                                      0.062884
                                                                                 0.13754
                                                                                          0.22274
   r4
               0
                         0
                                   0
                                             0
                                                       0
                                                           0.012569
                                                                      0.062884
                                                                                 0.13754
                                                                                          0.22274
   r5
               0
                         0
                                   0
                                             0
                                                      0
                                                           0.012569
                                                                      0.062884
                                                                                 0.13754
                                                                                          0.22274
          0.91375
                   0.91251
                                                0.91057
   r746
                             0.91101
                                       0.91289
                                                            0.91138
                                                                      0.91136
                                                                                 0.91021
                                                                                           0.9075
                                                 0.91072
                                                                       0.91152
          0.91387
                   0.91264
                              0.91114
                                       0.91302
                                                                                 0.91039
                                                                                          0.90769
   r747
                                                            0.91153
          0.91399
                    0.91277
                                       0.91315
                                                 0.91086
   r748
                              0.91127
                                                            0.91168
                                                                       0.91168
                                                                                 0.91056
                                                                                          0.90788
   r749
          0.91411
                    0.91289
                              0.9114
                                       0.91329
                                                 0.911
                                                            0.91183
                                                                       0.91183
                                                                                 0.91073
                                                                                          0.90807
                                                                       0.91199
                    0.91302
                                       0.91342
                                                                                 0.9109
   r750
          0.91423
                              0.91153
                                                 0.91114
                                                            0.91197
                                                                                          0.90826
```

Higher shock standard deviation: low shock high asset save more, high shock more asset save less, high shock low asset save more:

```
% Higher Risk Aversion
mp_params('fl_shk_std') = 0.40;
ff_vfi_az_vec(mp_params, mp_support);

Flansed time is 2.184888 seconds
```

			i -	idx	ndim	numel	rowN	colN	sum	mean		std	coef	vari	min
5	savefra	ccoh	1	1	2	6750	750	9	4687.4	0.6944	12 0	.27109	0.39	9038	0
xxx TABLE:savefraccoh xxxxxxxxxxxxxxxx															
		<b>c1</b>		c2	C	:3	c4	<b>c</b> 5	с6		<b>c7</b>	c8		с9	
			-									-			_
r	r1	(	9	0		0	0	0.030619	9 0.24	561 6	.55369	0.80	189	0.4626	5
r	r2	(	9	0		0	0	0.030619	9 0.24	561 6	.55369	0.80	189	0.4626	5
r	r3	(	9	0		0	0	0.030619	9 0.2	456 6	.55369	0.80	189	0.4626	5
r	r4	(	9	0		0	0	0.030619	9 0.2	456 6	55369	0.80	189	0.4626	5
r	r5	(	9	0		0	0	0.030618	0.2	456 6	.55369	0.80	189	0.4626	5
r	r <b>74</b> 6	0.9336	5	0.93335	0.	9328	0.93173	0.92943	0.92	713 6	9.92079	0.84	402	0.3154	4
r	r747	0.9337	1	0.93341	0.9	3286	0.9318	0.92949	9 0.92	723 6	9.92095	0.83	734	0.3150	4
r	r <b>748</b>	0.93378	3	0.93348	0.9	3293	0.93187	0.9295	7 0.92	733 6	.92111	0.83	449	0.3146	3
r	r <b>749</b>	0.93384	4	0.93354	6	.933	0.93194	0.9296	0.92	743 6	9.92127	0.83	166	0.3142	3
r	r <b>750</b>	0.9339	9	0.9336	0.9	3306	0.93201	0.92973	3 0.92	753 6	.92143	0.82	883	0.3138	3