

In the past we've run into this problem when we exponentiate large negative Llik values, such as when we need to do a summation of the probability of the set of possible outcomes.

For example, imagine $p_i = \exp[i]/(\sum_j \exp[j])$. If the values are all < -312 , exponentiating these terms will lead to 0s and the sum of these 0s will also be 0.

This is a numerical issue, not a fundamental problem with the model. The best solution for this is to define

$\text{max}=\text{max}()$

and then rescale terms by subtracting off max . Let $'_i$ represent the rescaled terms, such that $'_i = i - \text{max}$. The key result is that one of these $'_i$ terms will always evaluate to 1 when exponentiated and the rest will always evaluate to < 1 when exponentiated.

Why does this work? Well, subtracting a constant term from all the exponents is equivalent to dividing all of them by $\exp[\text{max}]$ and if we apply this division to both the numerator and denominator terms of p_i , its value will be unchanged (but evaluable). That is,

$$p_i = \exp[i]/(\sum_j \exp[j]) = \exp['_i]/(\sum_j \exp['_j])$$