I used algorithm from slides: "EGM for RCE". FOR EGM
I relied on code from PS06 (with Rouwenhorst fn) taken
from Sergio.

○ EGM is used to solve for policy functions G_c, G_{kp} —
using endogenous grid on cash on hand (Y_{endo})
To solve for labor policy fn G_ℓ, it shall be solved
w/ numerical routine. It is assumed G_ℓ is fixed.
for simplification.

○ Equil. involves value and policy functions. EGM works with
FOCs and eliminates the use of optimisation techniques.
EGM relies on interpolation to map the optimal
decisions from endogenous grid back into exogenous
grid

    ↓
    Implied values today

    Given optimal decisions about
    states tomorrow, taken from exog. grid
    This grid changes with every iteration
○ Interpolation translates policy functions back to
exogenous grid.