Summary of how to replicate Table 8

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**Enrollment response**

**High school enrollment**

**Folder: HS-response**

**Explanation: a high school subsidy equal to 20% of the average post-tax earnings of dropouts aged 16**

**File Change: fixed\_params.txt**

**Code Change: None**

**College enrollment**

1. **Decrease Tuition**

**Folder: Col-response-51**

**Explanation: decreasing average tuitions by $430 in 1980$ ($1000 in 2001$)**

**File Change: fixed\_params.txt**

**Code Change: simul.f90 TUIT (2) = MAX(0.051d0 \* UNCavgearn , 0.0D0)**

1. **Increase Tuition**

**Folder: Col-response-143**

**Explanation: increasing average tuitions by $430 in 1980$ ($1000 in 2001$)**

**File Change: fixed\_params.txt**

**Code Change: simul.f90 TUIT (2) = MAX(0.143d0 \* UNCavgearn , 0.0D0)**

**Change human capital shares**

**Folder:** partial1-shares

**Explanation:** the high school and college shares changed respectively from 0.41 to 0.39 and from 0.37 to 0.45.

**File Change: fixed\_params.txt**

**Code Change: None**

**Change expected punishment**

**Folder:** partial2-punish

Explanation: the probability of conviction for a property crime increased from 0.057 to 0.077, while the prison term for property crimes increased from 19 to 25 months.

**File Change: fixed\_params.txt,** allprobs.txt

**Code Change: None**

**Change income variance**

**Folder:** partial3-var

Explanation: the variance of income shocks increased by 23%

**File Change: fixed\_params.txt,** AR1.txt

**Code Change: None**

**Change college tuitions**

**Folder:** partial4-23tuit

Explanation: college tuitions increased in real terms from 9.7% of average labor earnings in 1980 to 23% of average earnings in 2000

**File Change: fixed\_params.txt**

**Code Change:** simul.f90 TUIT (2) = MAX(0.23d0 \* UNCavgearn , 0.0D0)

**Change demographics**

**Folder:** partial5-popsize

Explanation: the population age composition changes

**File Change: fixed\_params.txt**

**Code Change:** demographics.f90 (see readme.txt for details)

**All changes together: overall effect**

**Folder:** partial6-23all

Explanation: Taking the benchmark calibration for 1980, we input simultaneously data for the human capital shares, the apprehension probability and the length of the prison term, the variance of income shocks, college tuitions and the age composition of the labor force for the year 2000.

**File Change: fixed\_params.txt, AR1.txt, allprobs.txt**

**Code Change: simul.f90,** demographics.f90 (see readme.txt for details)