1 Policy: No age pension

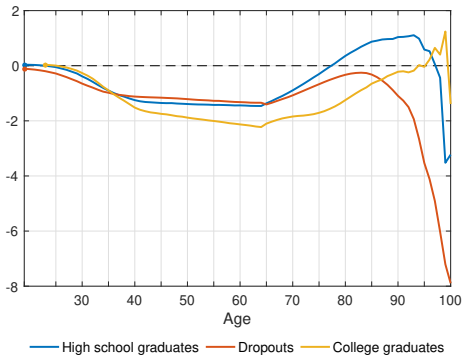
Complete elimination of age pension

1.1 Simulated moment: Consumption

1.1.1 Policy change: Anticipated

Plotted differences: Absolute

Education group: Combined

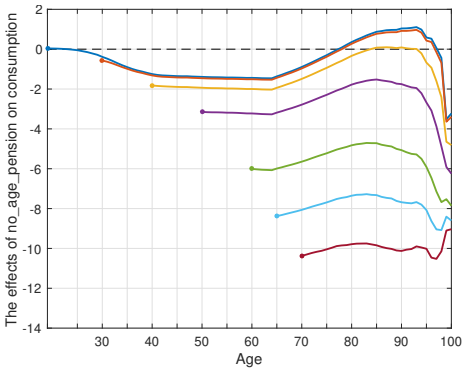


no-age-pension.consumption.antic.abs.eps

1.1.2 Policy change: Combined anticipated and unanticipated

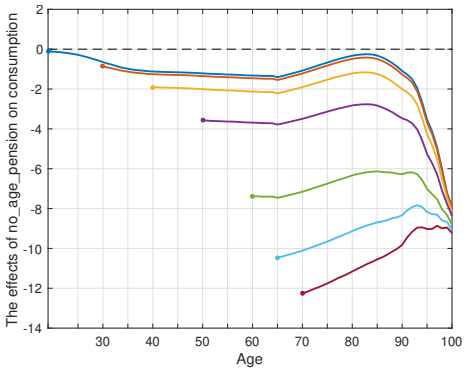
Plotted differences: Absolute

Education group: Highschool



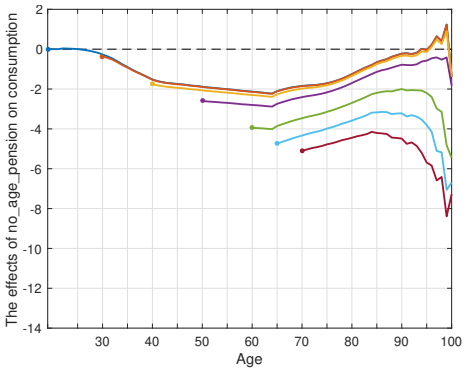
no-age-pension.consumption.highschool.abs.eps

Education group: Dropout



no-age-pension.consumption.dropout.abs.eps

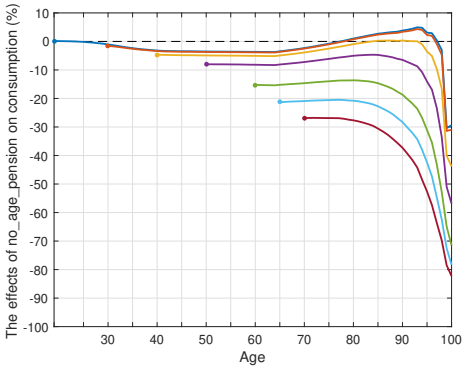
Education group: College



no-age-pension.consumption.college.abs.eps

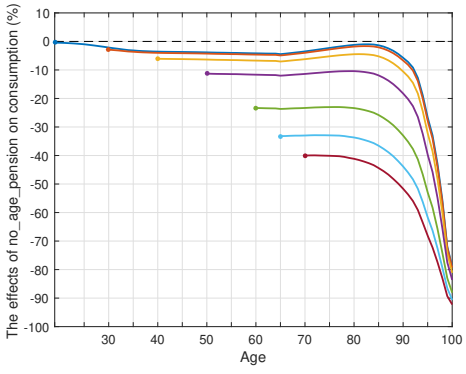
Plotted differences: Relative

Education group: Highschool



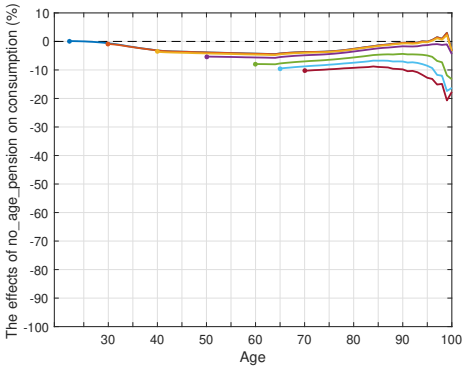
no-age-pension.consumption.highschool.rel.eps

Education group: Dropout



no-age-pension.consumption.dropout.rel.eps

Education group: College



no-age-pension.consumption.college.rel.eps

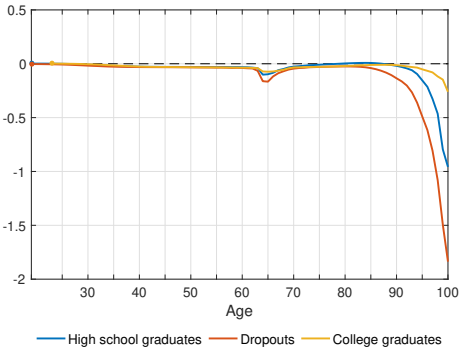
1.2 Simulated moment: Curutil

Note: Mean of current realized utility in by age plots. Discounted sum of realized utility in distribution plots.

1.2.1 Policy change: Anticipated

Plotted differences: Absolute

Education group: Combined

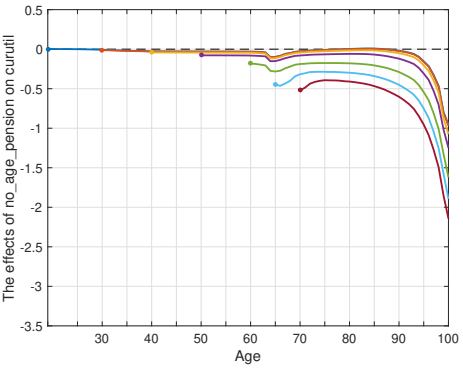


no-age-pension.curutil.antic.abs.eps

1.2.2 Policy change: Combined anticipated and unanticipated

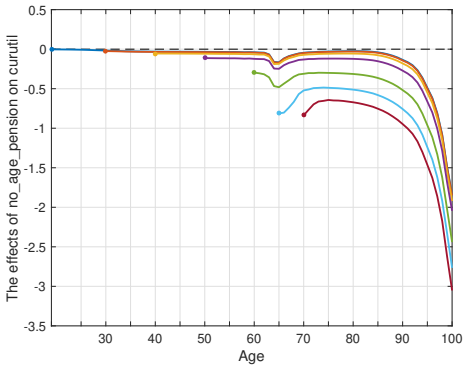
Plotted differences: Absolute

Education group: Highschool



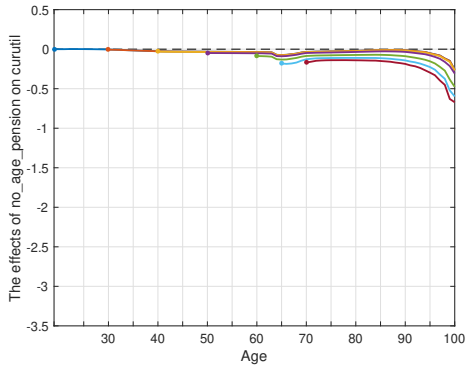
no-age-pension.curutil.highschool.abs.eps

Education group: Dropout



no-age-pension.curutil.dropout.abs.eps

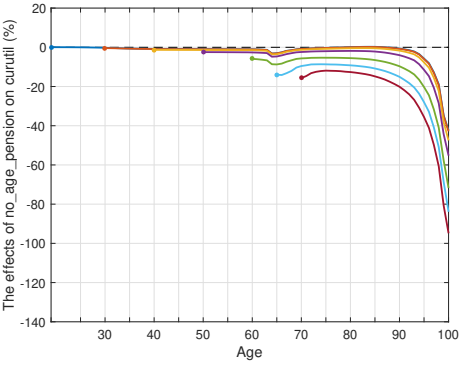
Education group: College



no-age-pension.curutil.college.abs.eps

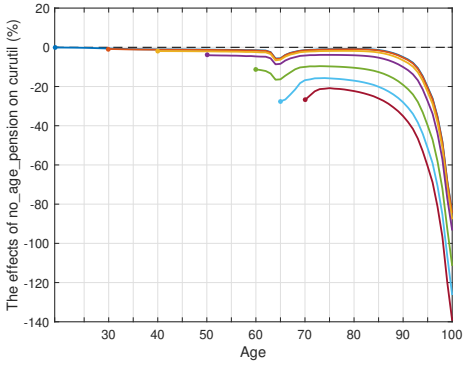
Plotted differences: Relative

Education group: Highschool



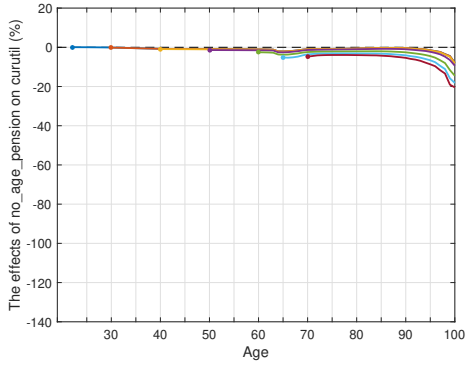
no-age-pension.curutil.highschool.rel.eps

Education group: Dropout



no-age-pension.curutil.dropout.rel.eps

Education group: College



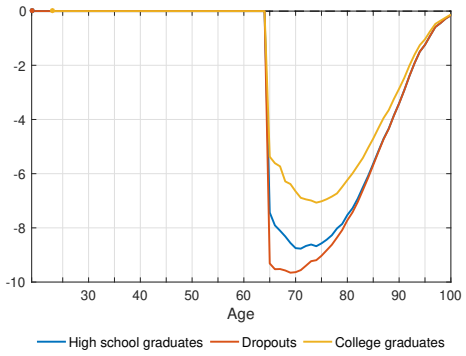
no-age-pension.curutil.college.rel.eps

1.3 Simulated moment: Govt-exp

1.3.1 Policy change: Anticipated

Plotted differences: Absolute

Education group: Combined

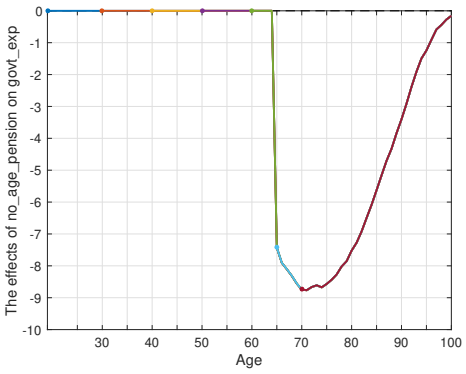


no-age-pension.govt-exp.antic.abs.eps

1.3.2 Policy change: Combined anticipated and unanticipated

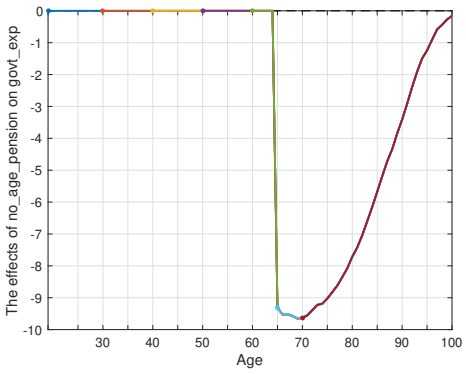
Plotted differences: Absolute

Education group: Highschool



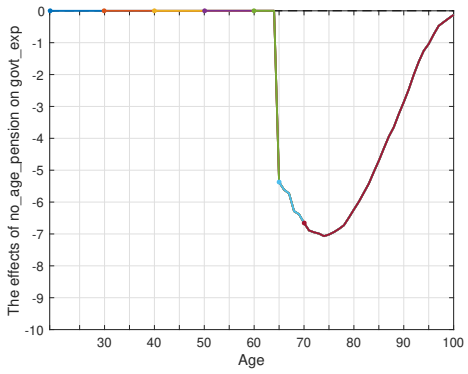
no-age-pension.govt-exp.highschool.abs.eps

Education group: Dropout



no-age-pension.govt-exp.dropout.abs.eps

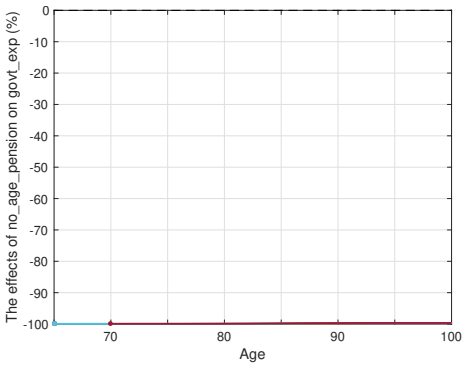
Education group: College



no-age-pension.govt-exp.college.abs.eps

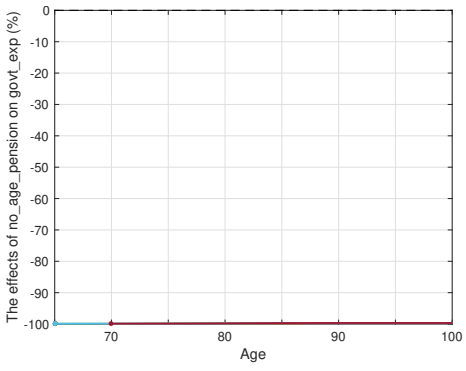
Plotted differences: Relative

Education group: Highschool



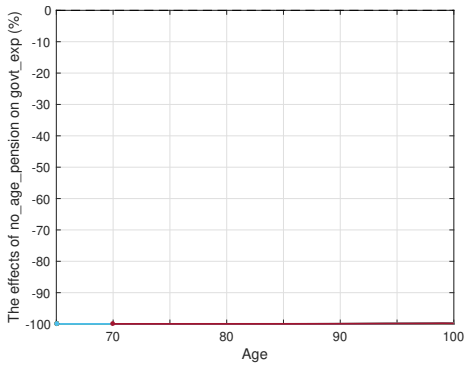
no-age-pension.govt-exp.highschool.rel.eps

Education group: Dropout



no-age-pension.govt-exp.dropout.rel.eps

Education group: College



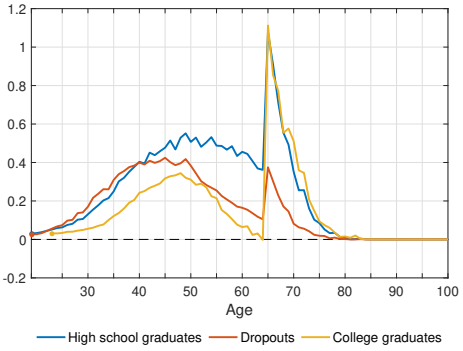
no-age-pension.govt-exp.college.rel.eps

1.4 Simulated moment: Govt-rev

1.4.1 Policy change: Anticipated

Plotted differences: Absolute

Education group: Combined

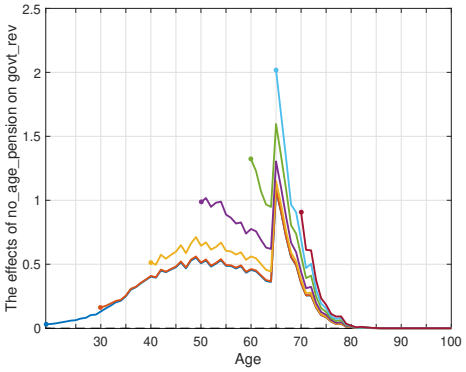


no-age-pension.govt-rev.antic.abs.eps

1.4.2 Policy change: Combined anticipated and unanticipated

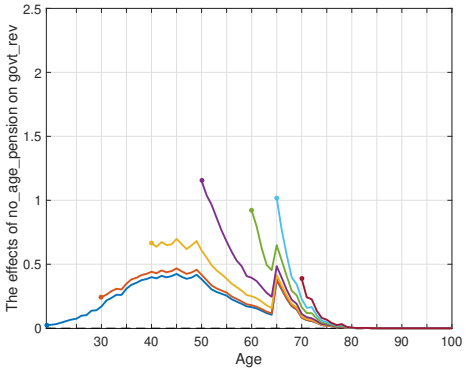
Plotted differences: Absolute

Education group: Highschool



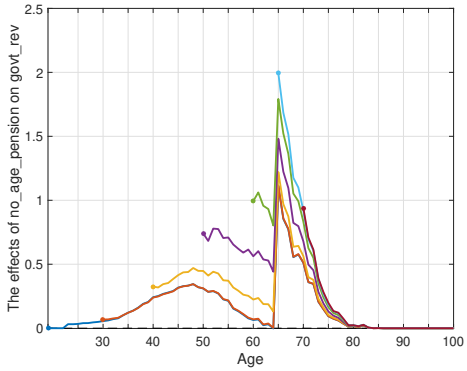
no-age-pension.govt-rev.highschool.abs.eps

Education group: Dropout



no-age-pension.govt-rev.dropout.abs.eps

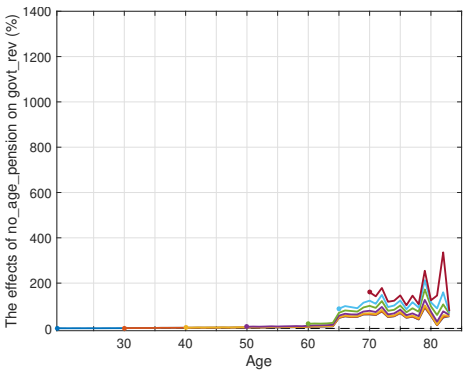
Education group: College



no-age-pension.govt-rev.college.abs.eps

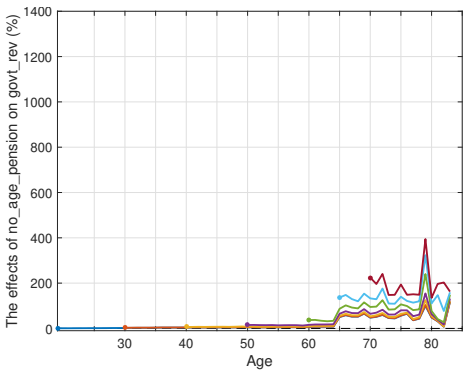
Plotted differences: Relative

Education group: Highschool



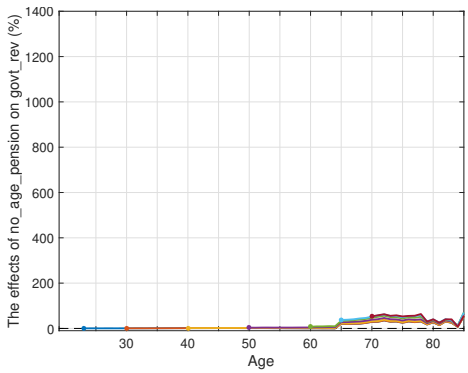
no-age-pension.govt-rev.highschool.rel.eps

Education group: Dropout



no-age-pension.govt-rev.dropout.rel.eps

Education group: College



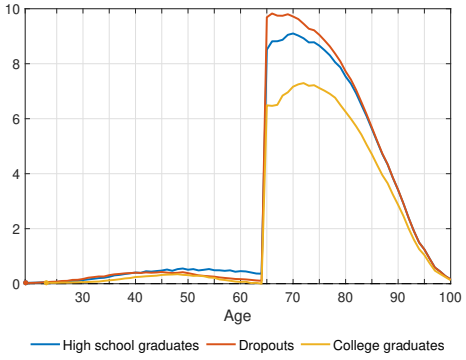
no-age-pension.govt-rev.college.rel.eps

1.5 Simulated moment: Govt

1.5.1 Policy change: Anticipated

Plotted differences: Absolute

Education group: Combined

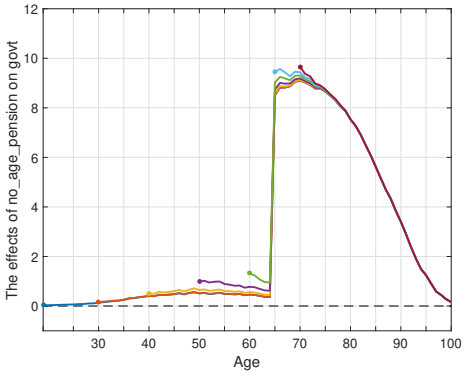


no-age-pension.govt.antic.abs.eps

1.5.2 Policy change: Combined anticipated and unanticipated

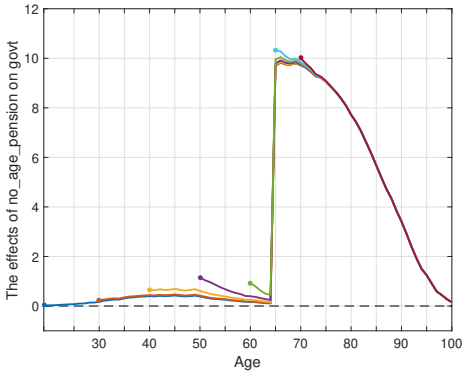
Plotted differences: Absolute

Education group: Highschool



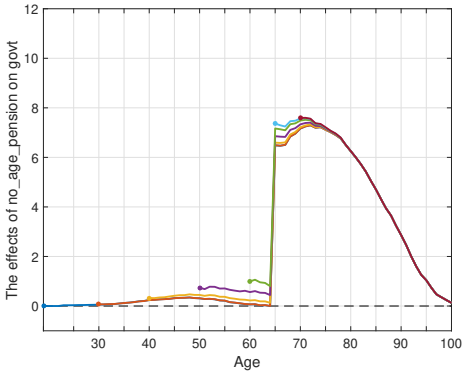
no-age-pension.govt.highschool.abs.eps

Education group: Dropout



no-age-pension.govt.dropout.abs.eps

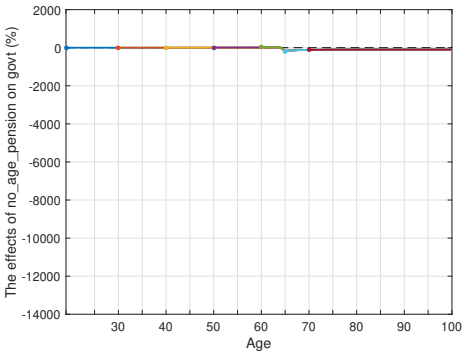
Education group: College



no-age-pension.govt.college.abs.eps

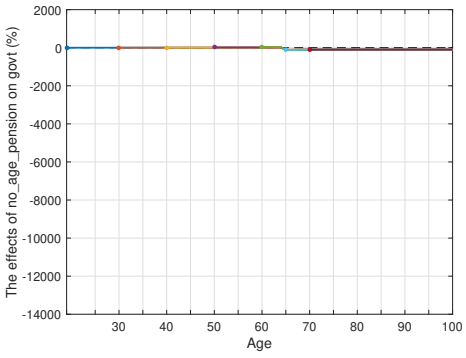
Plotted differences: Relative

Education group: Highschool



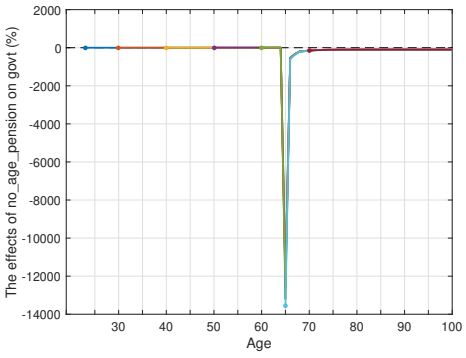
no-age-pension.govt.highschool.rel.eps

Education group: Dropout



no-age-pension.govt.dropout.rel.eps

Education group: College



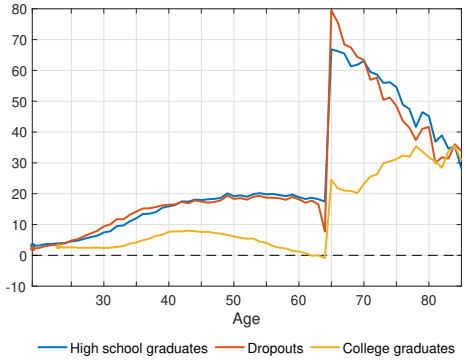
no-age-pension.govt.college.rel.eps

1.6 Simulated moment: Hours-working

1.6.1 Policy change: Anticipated

Plotted differences: Absolute

Education group: Combined

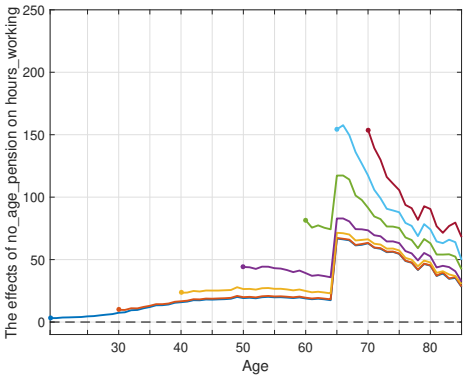


no-age-pension.hours-working.antic.abs.eps

1.6.2 Policy change: Combined anticipated and unanticipated

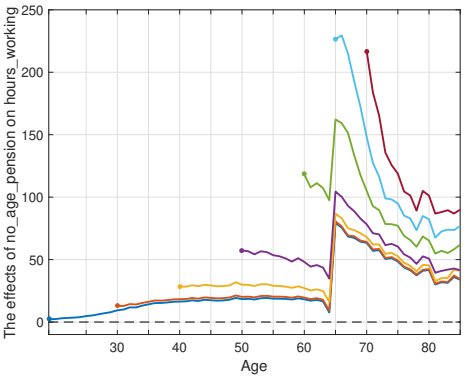
Plotted differences: Absolute

Education group: Highschool



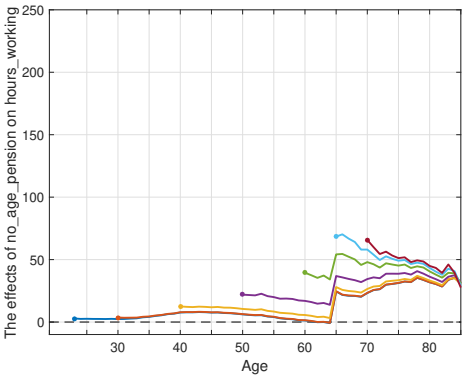
no-age-pension.hours-working.highschool.abs.eps

Education group: Dropout



no-age-pension.hours-working.dropout.abs.eps

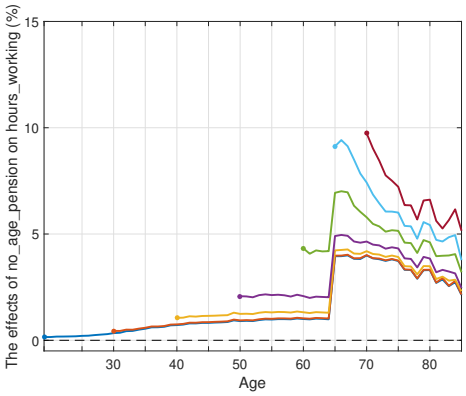
Education group: College



no-age-pension.hours-working.college.abs.eps

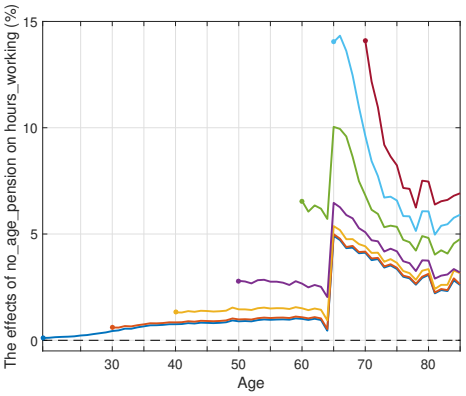
Plotted differences: Relative

Education group: Highschool



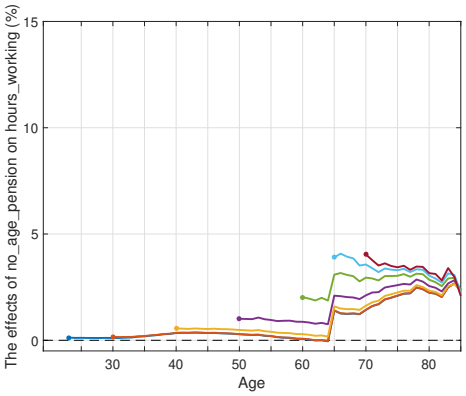
no-age-pension.hours-working.highschool.rel.eps

Education group: Dropout



no-age-pension.hours-working.dropout.rel.eps

Education group: College



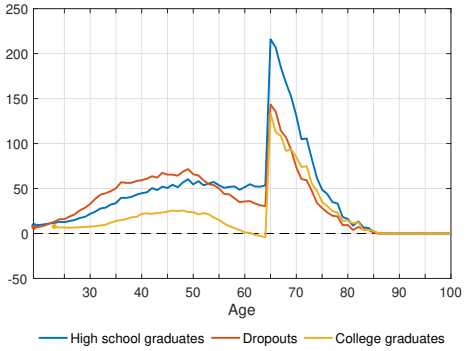
no-age-pension.hours-working.college.rel.eps

1.7 Simulated moment: Hours

1.7.1 Policy change: Anticipated

Plotted differences: Absolute

Education group: Combined

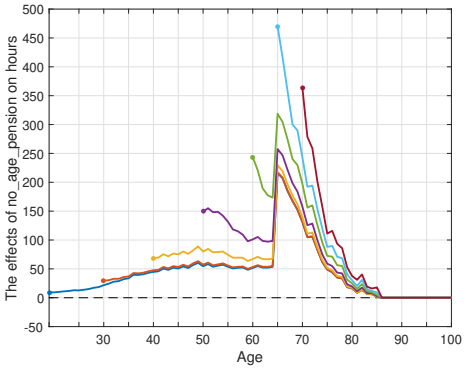


no-age-pension.hours.antic.abs.eps

1.7.2 Policy change: Combined anticipated and unanticipated

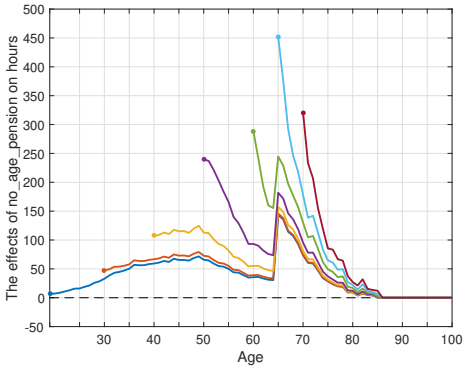
Plotted differences: Absolute

Education group: Highschool



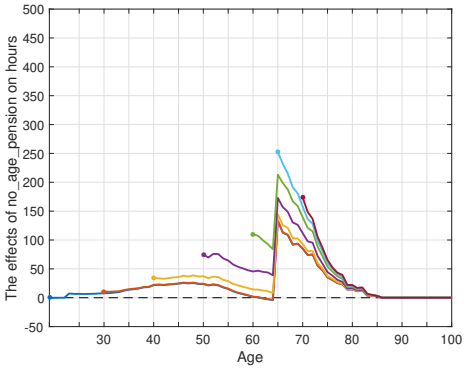
no-age-pension.hours.highschool.abs.eps

Education group: Dropout



no-age-pension.hours.dropout.abs.eps

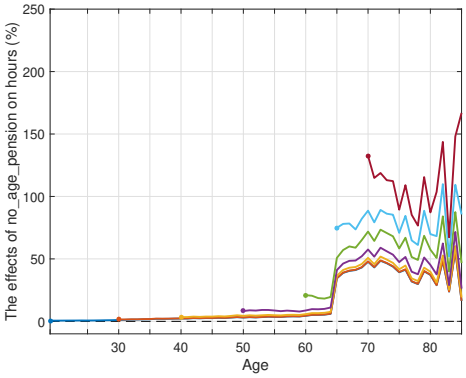
Education group: College



no-age-pension.hours.college.abs.eps

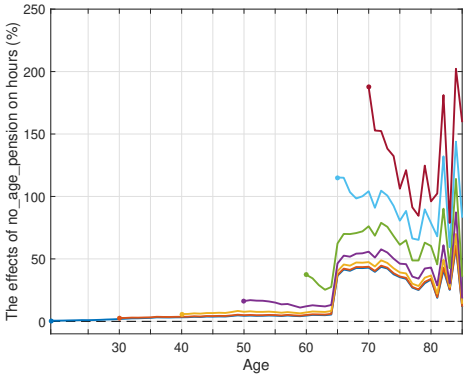
Plotted differences: Relative

Education group: Highschool



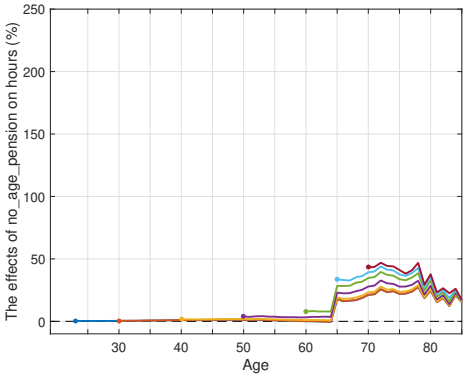
no-age-pension.hours.highschool.rel.eps

Education group: Dropout



no-age-pension.hours.dropout.rel.eps

Education group: College



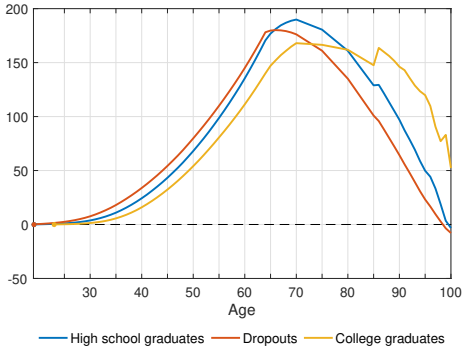
no-age-pension.hours.college.rel.eps

1.8 Simulated moment: Wealth0

1.8.1 Policy change: Anticipated

Plotted differences: Absolute

Education group: Combined

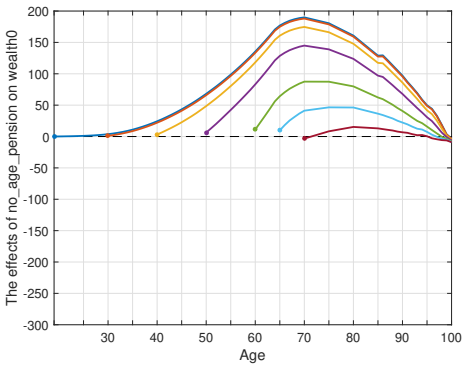


no-age-pension.wealth0.antic.abs.eps

1.8.2 Policy change: Combined anticipated and unanticipated

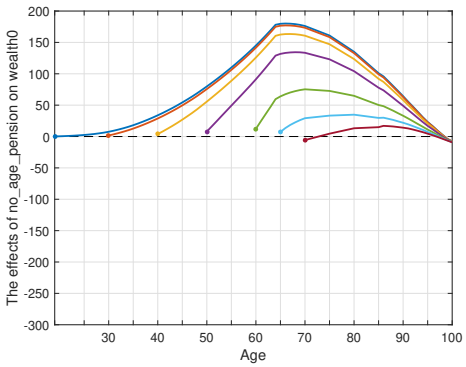
Plotted differences: Absolute

Education group: Highschool



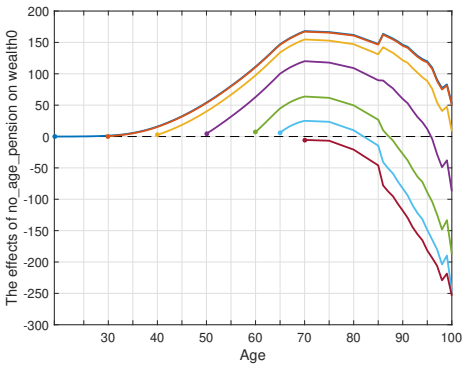
no-age-pension.wealth0.highschool.abs.eps

Education group: Dropout



no-age-pension.wealth0.dropout.abs.eps

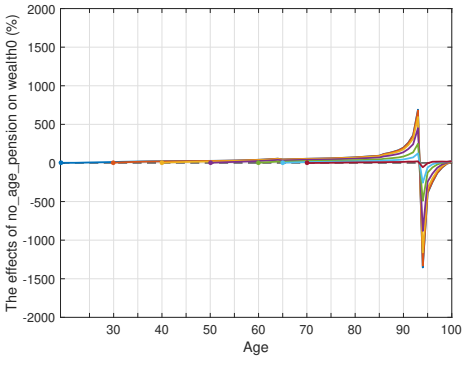
Education group: College



no-age-pension.wealth0.college.abs.eps

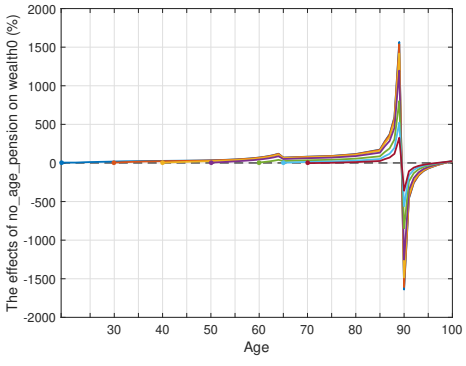
Plotted differences: Relative

Education group: Highschool



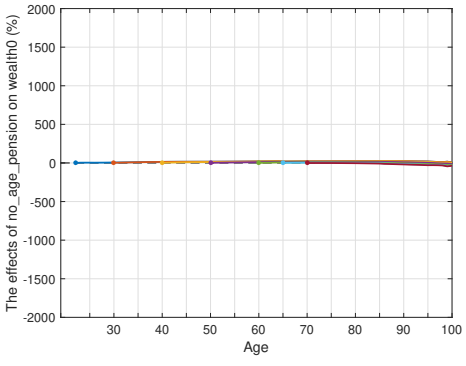
no-age-pension.wealth0.highschool.rel.eps

Education group: Dropout



no-age-pension.wealth0.dropout.rel.eps

Education group: College



no-age-pension.wealth0.college.rel.eps

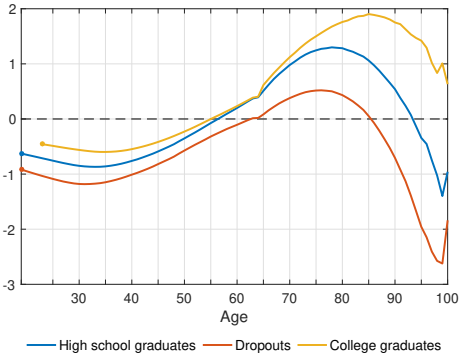
1.9 Simulated moment: Welfare

Note: Mean of value function at simulated points in by age plots. Expected lifetime utility at initial age in distribution plots.

1.9.1 Policy change: Anticipated

Plotted differences: Absolute

Education group: Combined

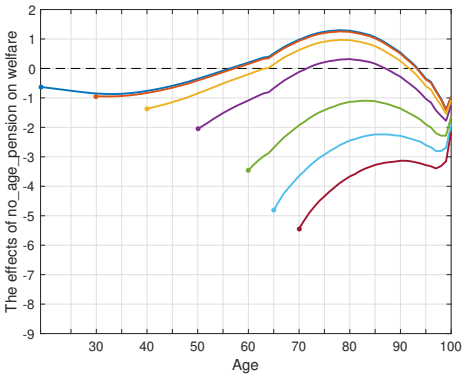


no-age-pension.welfare.antic.abs.eps

1.9.2 Policy change: Combined anticipated and unanticipated

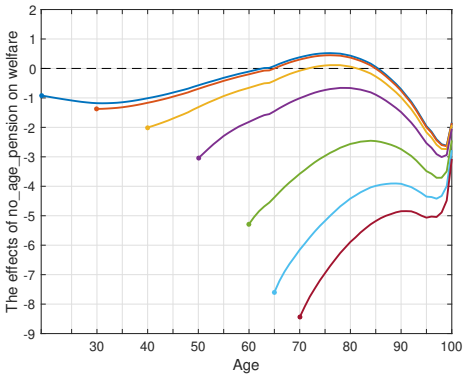
Plotted differences: Absolute

Education group: Highschool



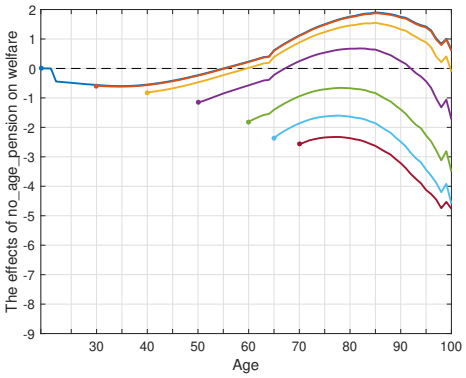
no-age-pension.welfare.highschool.abs.eps

Education group: Dropout



no-age-pension.welfare.dropout.abs.eps

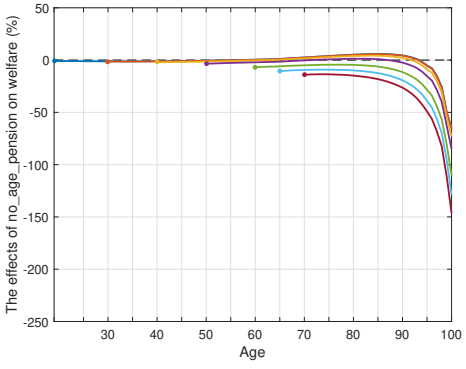
Education group: College



no-age-pension.welfare.college.abs.eps

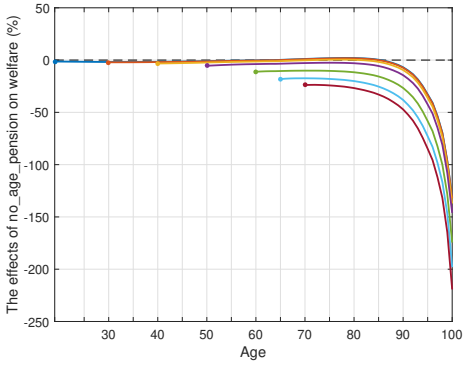
Plotted differences: Relative

Education group: Highschool



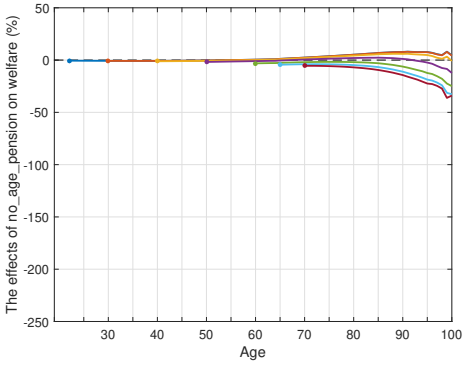
no-age-pension.welfare.highschool.rel.eps

Education group: Dropout



no-age-pension.welfare.dropout.rel.eps

Education group: College



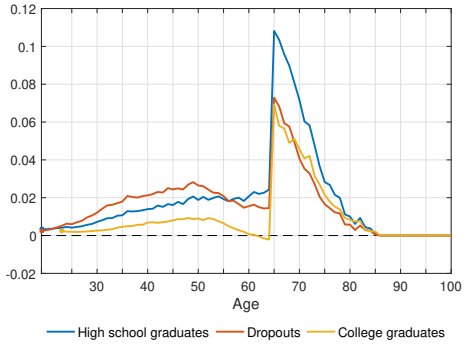
no-age-pension.welfare.college.rel.eps

1.10 Simulated moment: Working

1.10.1 Policy change: Anticipated

Plotted differences: Absolute

Education group: Combined

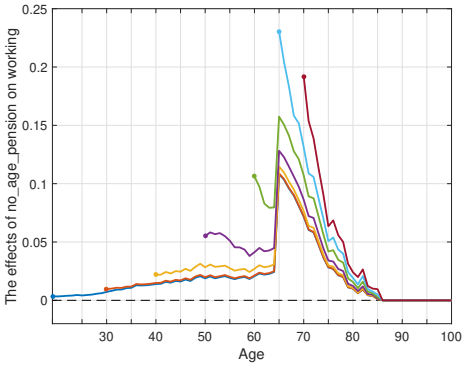


no-age-pension.working.antic.abs.eps

1.10.2 Policy change: Combined anticipated and unanticipated

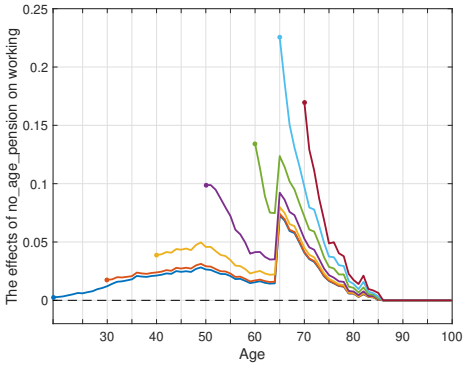
Plotted differences: Absolute

Education group: Highschool



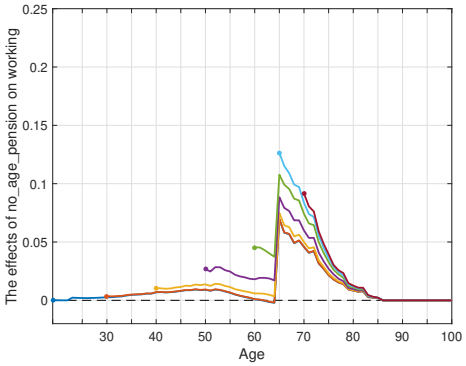
no-age-pension.working.highschool.abs.eps

Education group: Dropout



no-age-pension.working.dropout.abs.eps

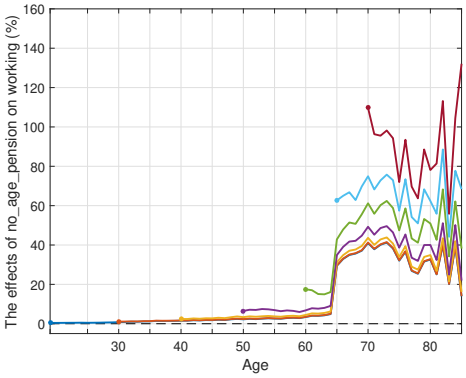
Education group: College



no-age-pension.working.college.abs.eps

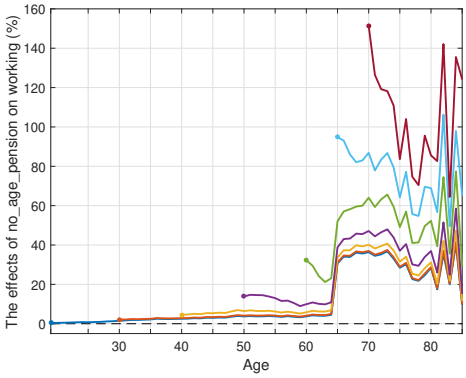
Plotted differences: Relative

Education group: Highschool



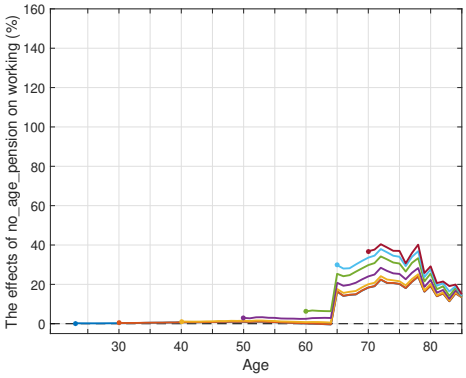
no-age-pension.working.highschool.rel.eps

Education group: Dropout



no-age-pension.working.dropout.rel.eps

Education group: College



no-age-pension.working.college.rel.eps

2 Policy: Perm wage

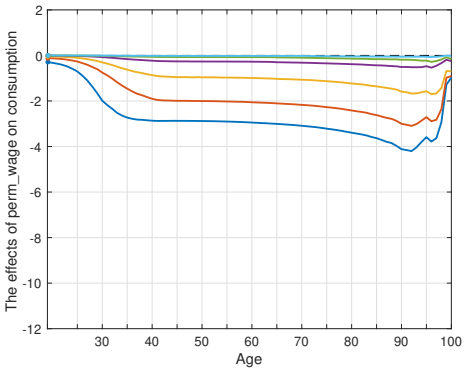
Permanent wage reduction (-10%)

2.1 Simulated moment: Consumption

2.1.1 Policy change: Anticipated

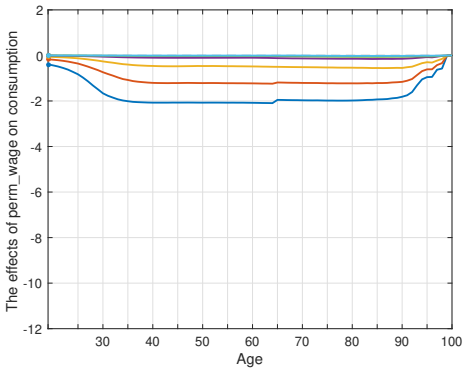
Plotted differences: Absolute

Education group: Highschool



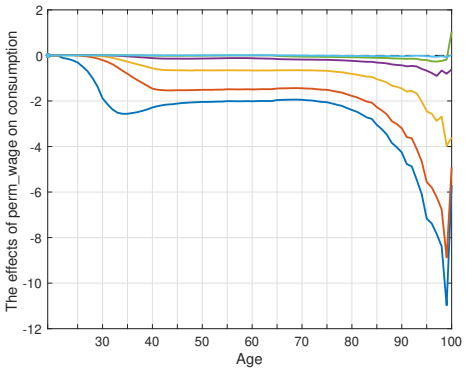
perm-wage.consumption.highschool.antic.abs.eps

Education group: Dropout



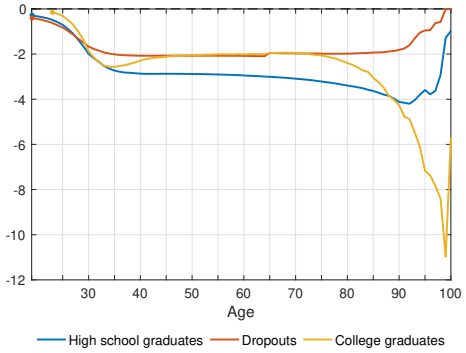
perm-wage.consumption.dropout.antic.abs.eps

Education group: College



perm-wage.consumption.college.antic.abs.eps

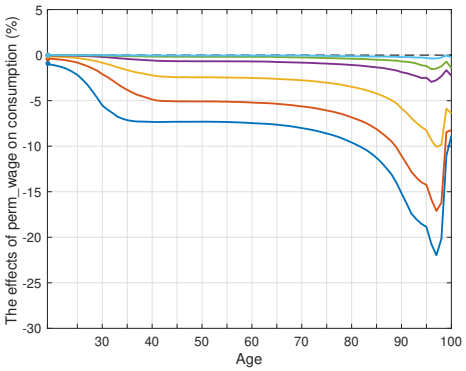
Education group: Combined



perm-wage.consumption.antic.abs.eps

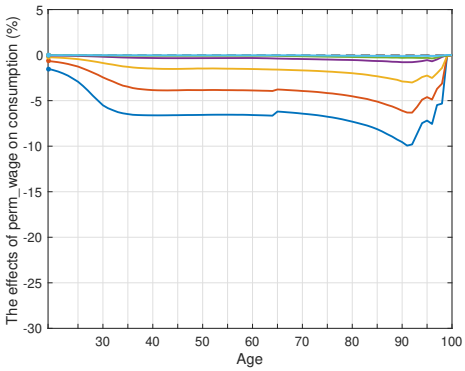
Plotted differences: Relative

Education group: Highschool



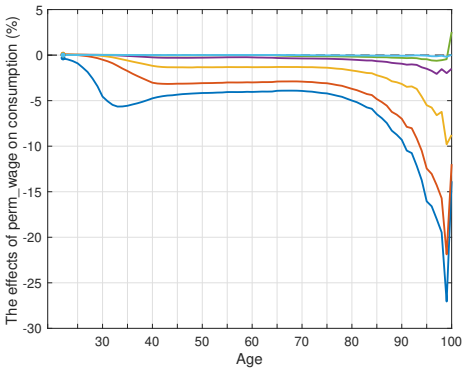
perm-wage.consumption.highschool.antic.rel.eps

Education group: Dropout



perm-wage.consumption.dropout.antic.rel.eps

Education group: College

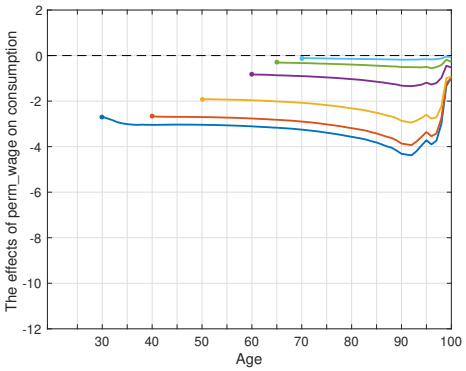


perm-wage.consumption.college.antic.rel.eps

2.1.2 Policy change: Unanticipated

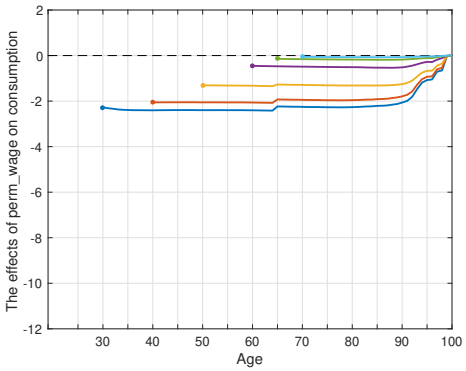
Plotted differences: Absolute

Education group: Highschool



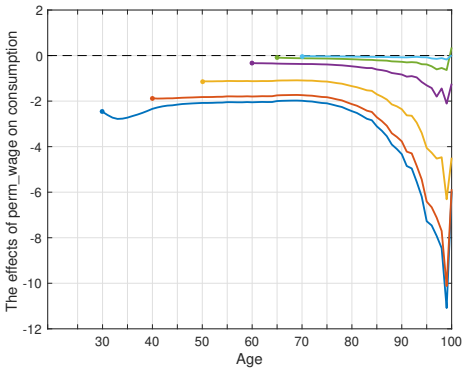
perm-wage.consumption.highschool.unant.abs.eps

Education group: Dropout



perm-wage.consumption.dropout.unant.abs.eps

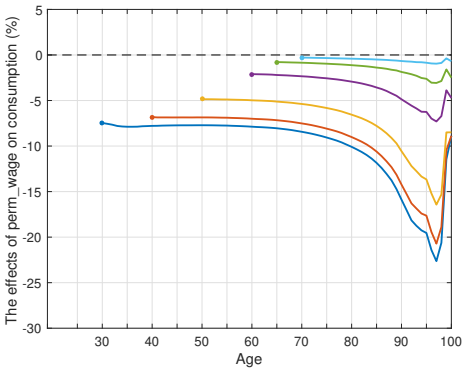
Education group: College



perm-wage.consumption.college.unant.abs.eps

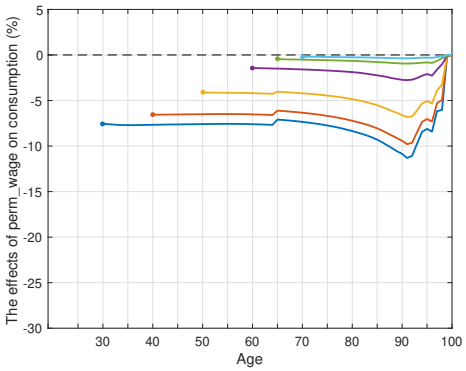
Plotted differences: Relative

Education group: Highschool



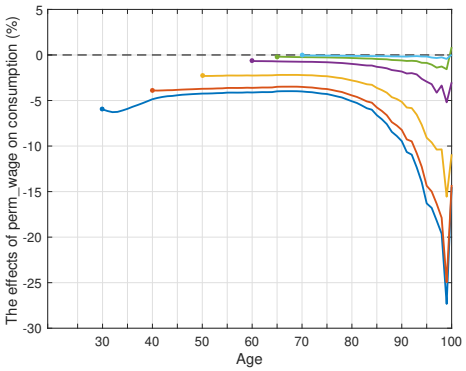
perm-wage.consumption.highschool.unant.rel.eps

Education group: Dropout



perm-wage.consumption.dropout.unant.rel.eps

Education group: College



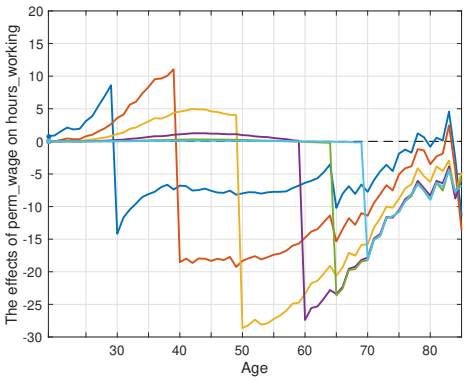
perm-wage.consumption.college.unant.rel.eps

2.2 Simulated moment: Hours-working

2.2.1 Policy change: Anticipated

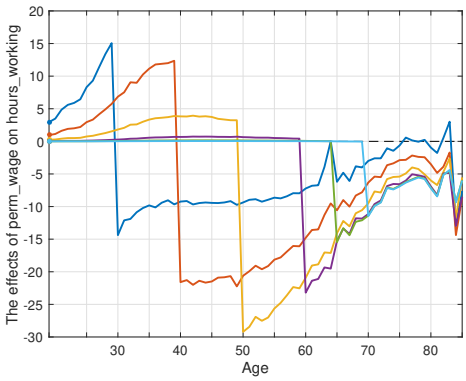
Plotted differences: Absolute

Education group: Highschool



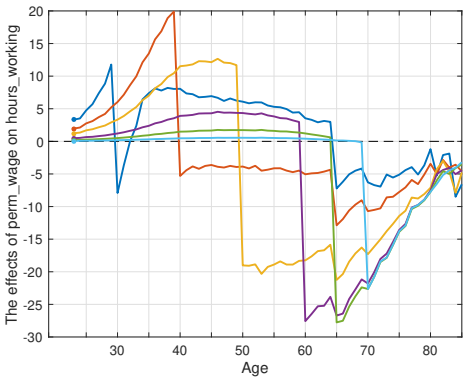
perm-wage.hours-working.highschool.antic.abs.eps

Education group: Dropout



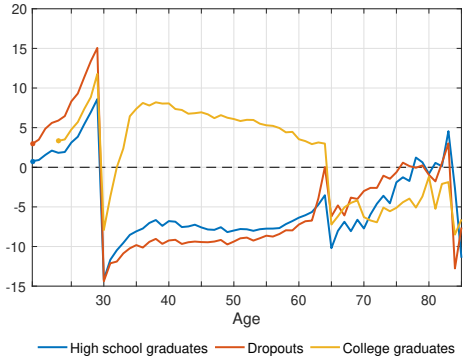
perm-wage.hours-working.dropout.antic.abs.eps

Education group: College



perm-wage.hours-working.college.antic.abs.eps

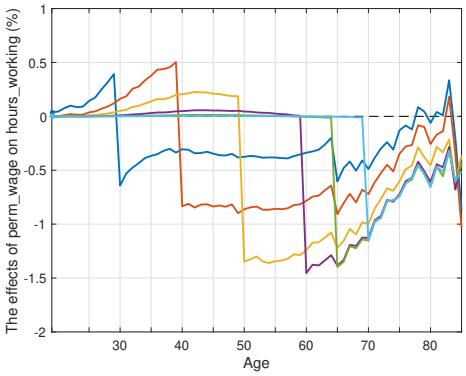
Education group: Combined



perm-wage.hours-working.antic.abs.eps

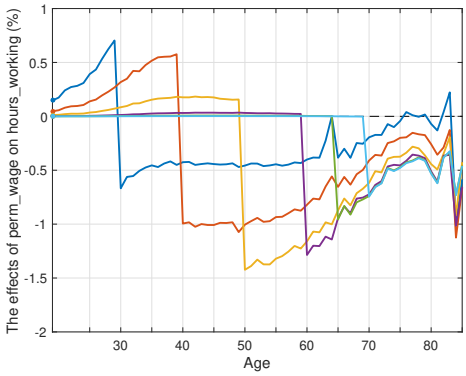
Plotted differences: Relative

Education group: Highschool



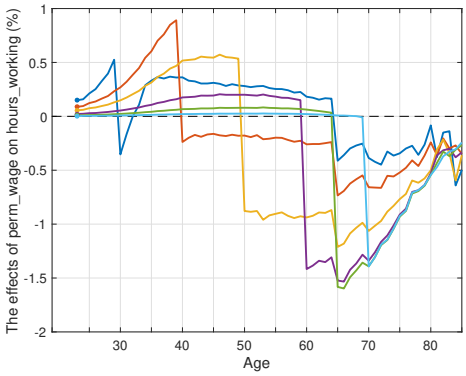
perm-wage.hours-working.highschool.antic.rel.eps

Education group: Dropout



perm-wage.hours-working.dropout.antic.rel.eps

Education group: College

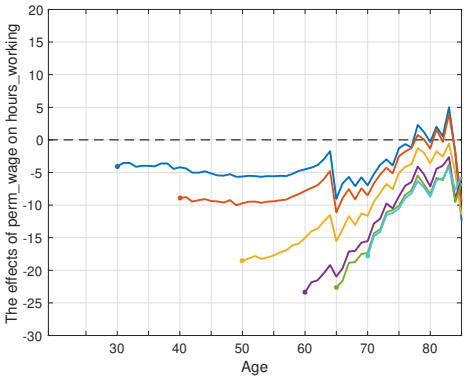


perm-wage.hours-working.college.antic.rel.eps

2.2.2 Policy change: Unanticipated

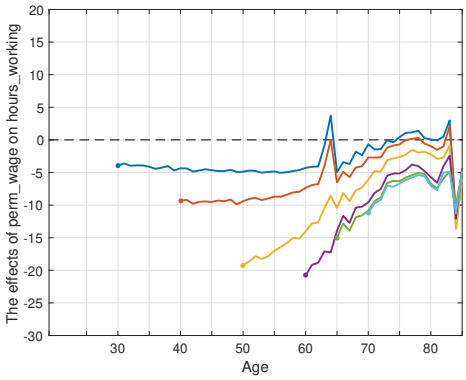
Plotted differences: Absolute

Education group: Highschool



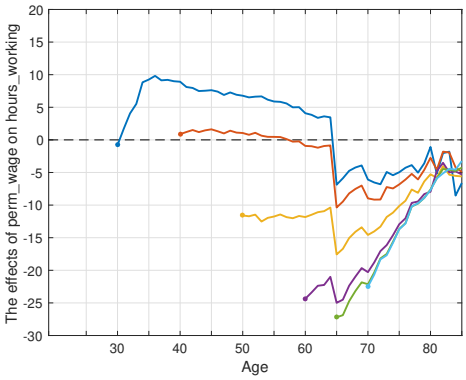
perm-wage.hours-working.highschool.unant.abs.eps

Education group: Dropout



perm-wage.hours-working.dropout.unant.abs.eps

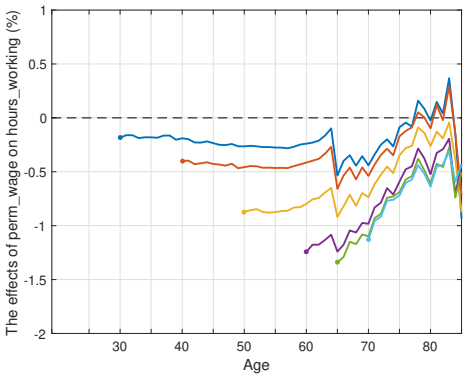
Education group: College



perm-wage.hours-working.college.unant.abs.eps

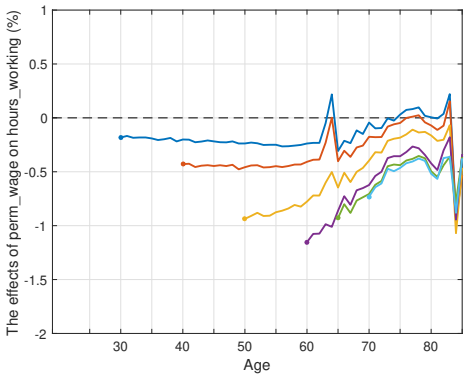
Plotted differences: Relative

Education group: Highschool



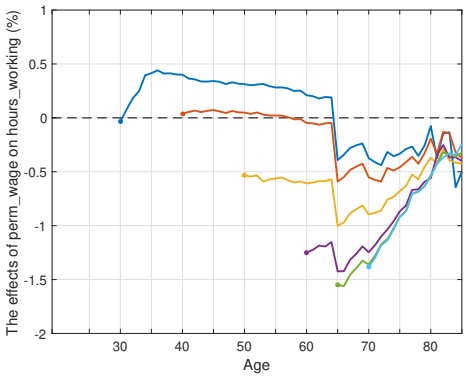
perm-wage.hours-working.highschool.unant.rel.eps

Education group: Dropout



perm-wage.hours-working.dropout.unant.rel.eps

Education group: College



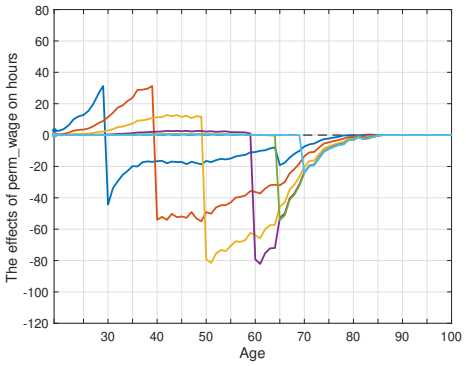
perm-wage.hours-working.college.unant.rel.eps

2.3 Simulated moment: Hours

2.3.1 Policy change: Anticipated

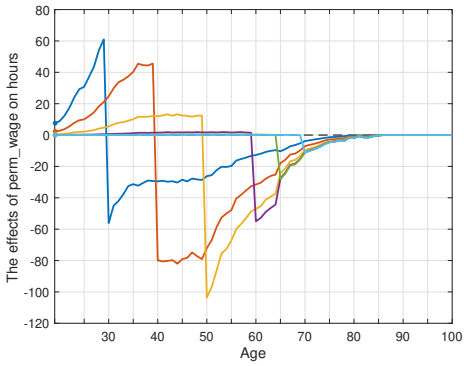
Plotted differences: Absolute

Education group: Highschool



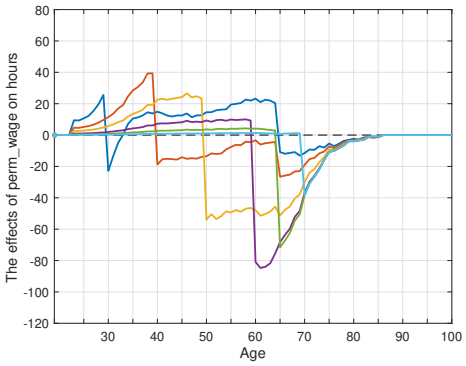
perm-wage.hours.highschool.antic.abs.eps

Education group: Dropout



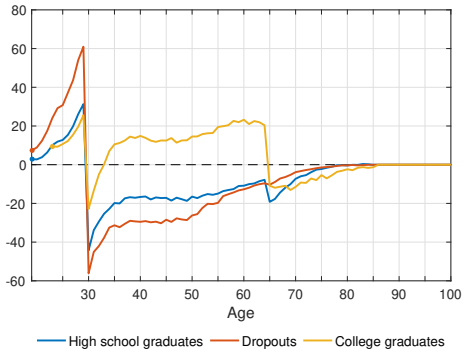
perm-wage.hours.dropout.antic.abs.eps

Education group: College



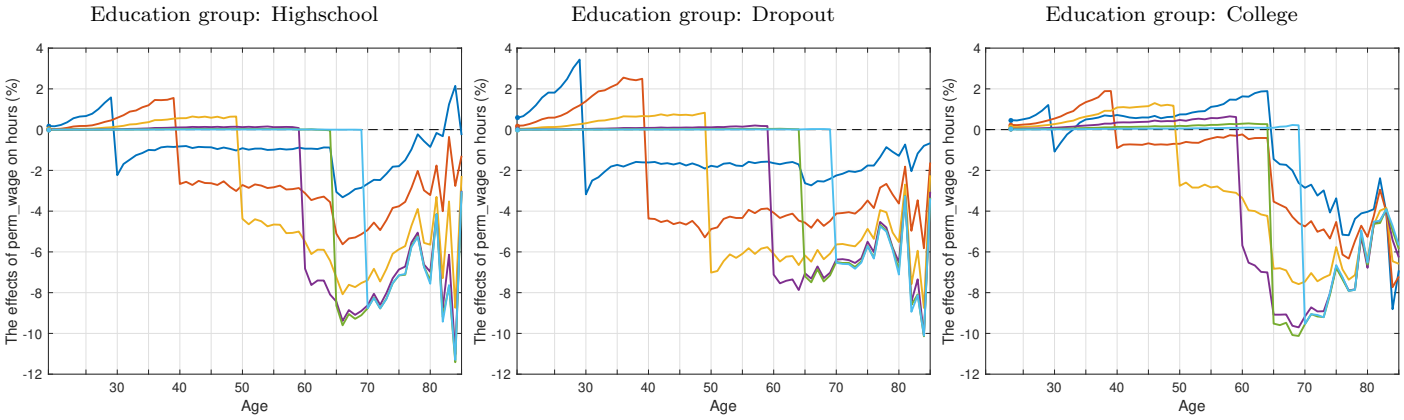
perm-wage.hours.college.antic.abs.eps

Education group: Combined



perm-wage.hours.antic.abs.eps

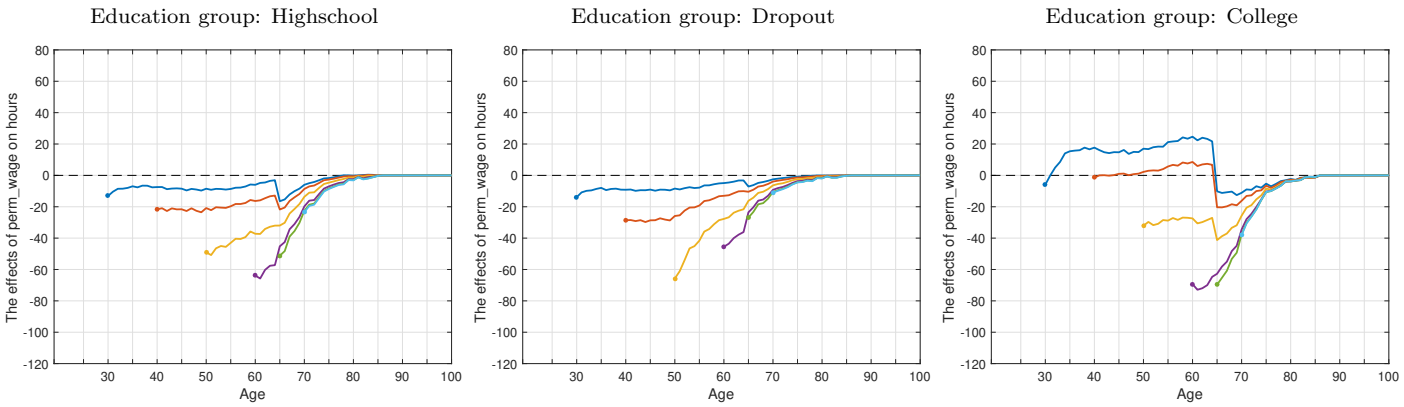
Plotted differences: Relative



perm-wage.hours.highschool.antic.rel.eps perm-wage.hours.dropout.antic.rel.eps perm-wage.hours.college.antic.rel.eps

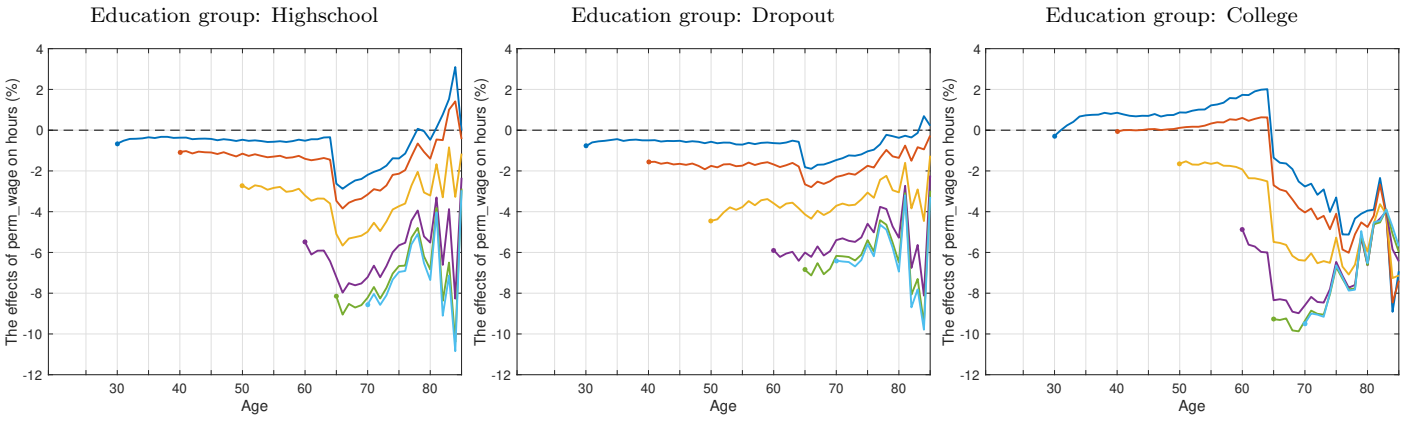
2.3.2 Policy change: Unanticipated

Plotted differences: Absolute



perm-wage.hours.highschool.unant.abs.eps perm-wage.hours.dropout.unant.abs.eps perm-wage.hours.college.unant.abs.eps

Plotted differences: Relative

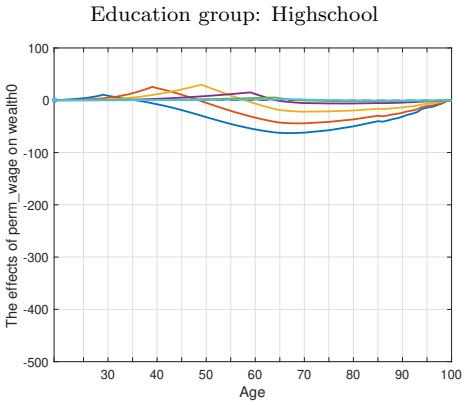


perm-wage.hours.highschool.unant.rel.eps perm-wage.hours.dropout.unant.rel.eps perm-wage.hours.college.unant.rel.eps

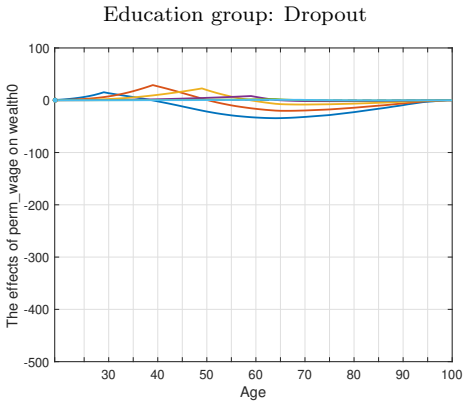
2.4 Simulated moment: Wealth0

2.4.1 Policy change: Anticipated

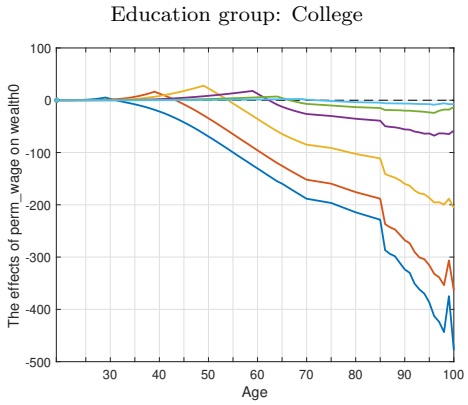
Plotted differences: Absolute



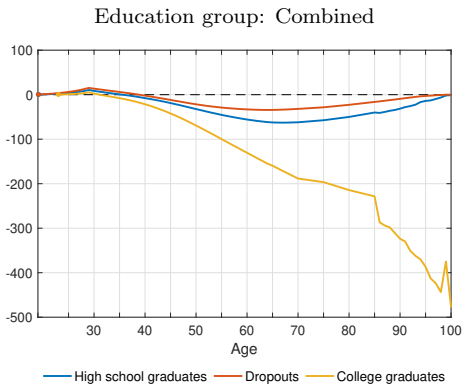
perm-wage.wealth0.highschool.antic.abs.eps



perm-wage.wealth0.dropout.antic.abs.eps

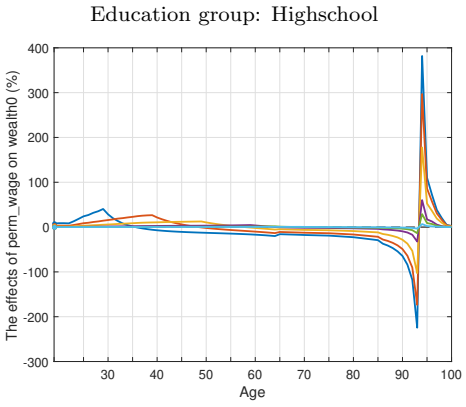


perm-wage.wealth0.college.antic.abs.eps

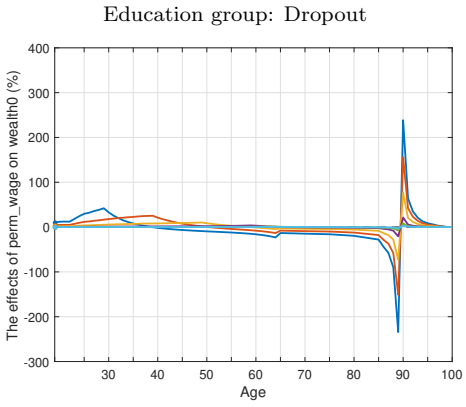


perm-wage.wealth0.antic.abs.eps

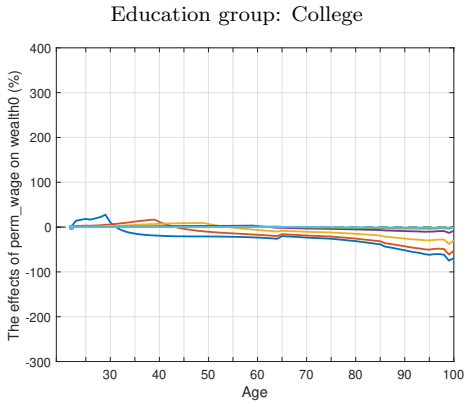
Plotted differences: Relative



perm-wage.wealth0.highschool.antic.rel.eps



perm-wage.wealth0.dropout.antic.rel.eps

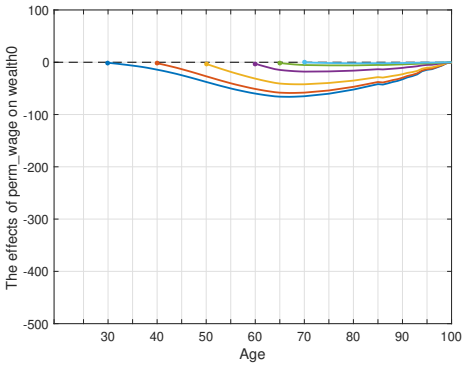


perm-wage.wealth0.college.antic.rel.eps

2.4.2 Policy change: Unanticipated

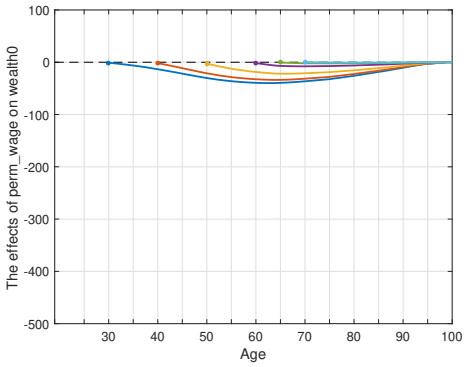
Plotted differences: Absolute

Education group: Highschool



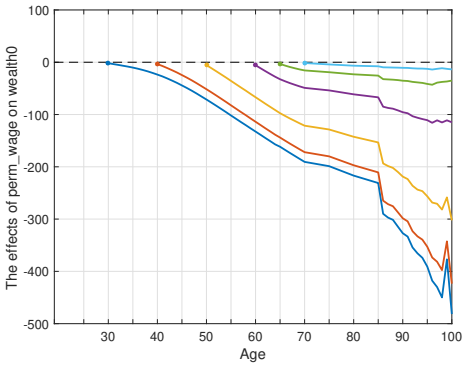
perm-wage.wealth0.highschool.unant.abs.eps

Education group: Dropout



perm-wage.wealth0.dropout.unant.abs.eps

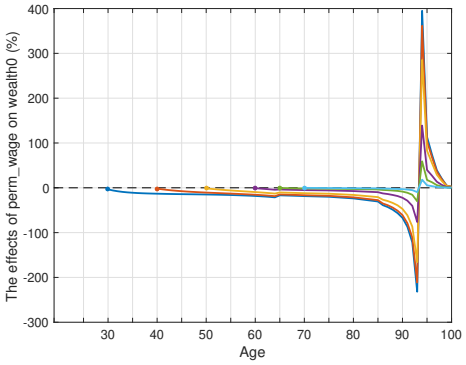
Education group: College



perm-wage.wealth0.college.unant.abs.eps

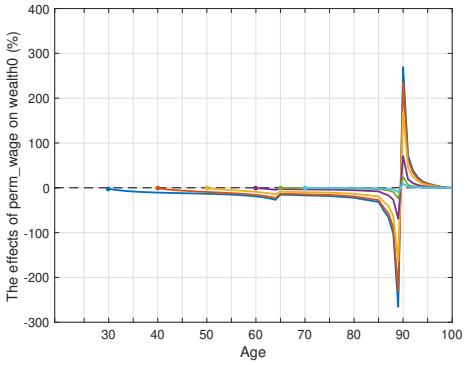
Plotted differences: Relative

Education group: Highschool



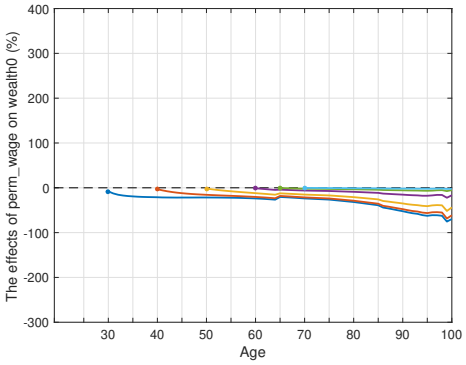
perm-wage.wealth0.highschool.unant.rel.eps

Education group: Dropout



perm-wage.wealth0.dropout.unant.rel.eps

Education group: College



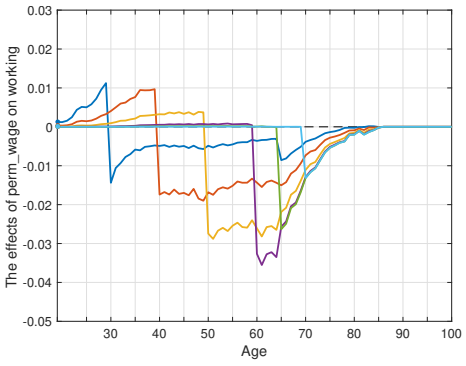
perm-wage.wealth0.college.unant.rel.eps

2.5 Simulated moment: Working

2.5.1 Policy change: Anticipated

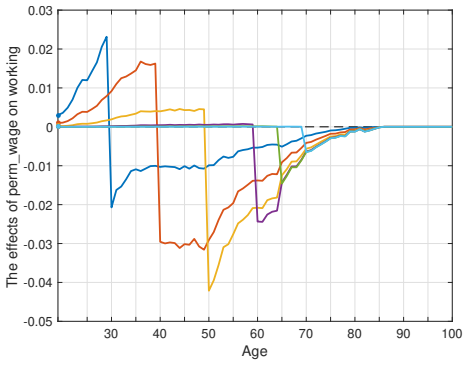
Plotted differences: Absolute

Education group: Highschool



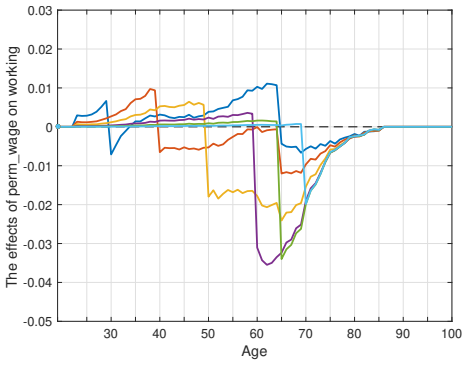
perm-wage.working.highschool.antic.abs.eps

Education group: Dropout



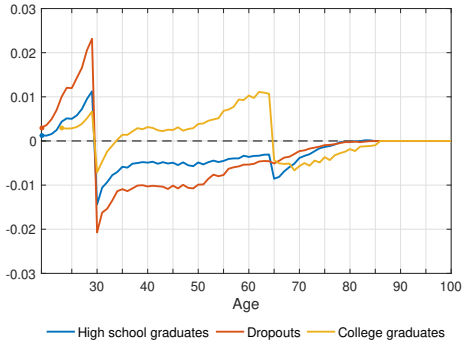
perm-wage.working.dropout.antic.abs.eps

Education group: College



perm-wage.working.college.antic.abs.eps

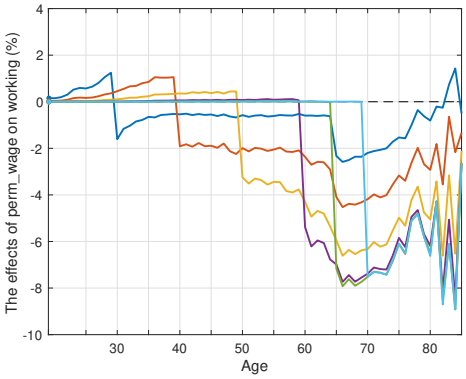
Education group: Combined



perm-wage.working.antic.abs.eps

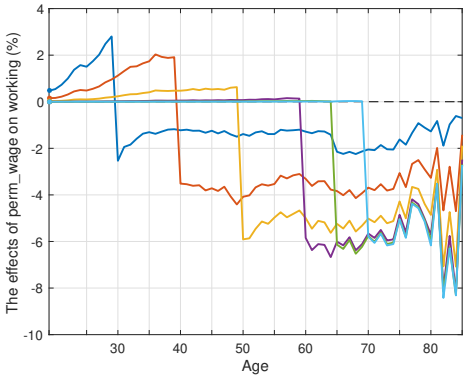
Plotted differences: Relative

Education group: Highschool



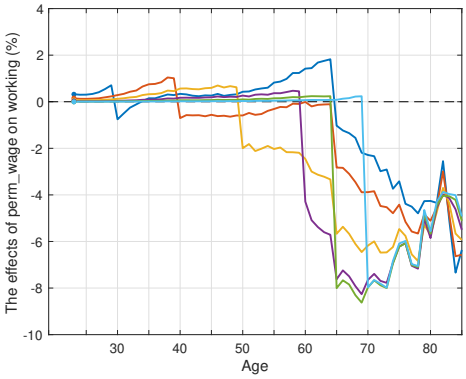
perm-wage.working.highschool.antic.rel.eps

Education group: Dropout



perm-wage.working.dropout.antic.rel.eps

Education group: College

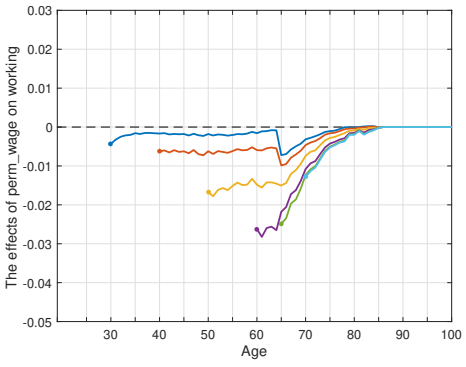


perm-wage.working.college.antic.rel.eps

2.5.2 Policy change: Unanticipated

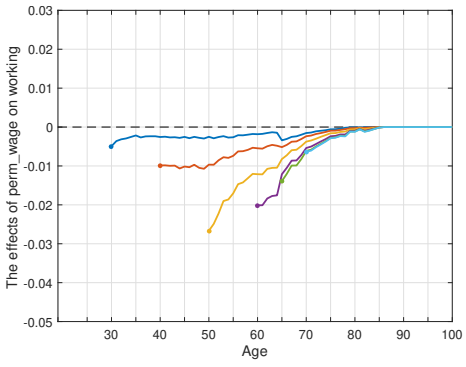
Plotted differences: Absolute

Education group: Highschool



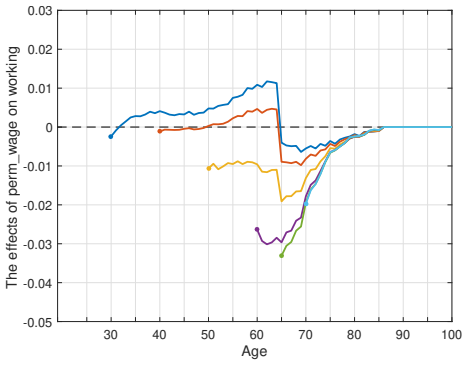
perm-wage.working.highschool.unant.abs.eps

Education group: Dropout



perm-wage.working.dropout.unant.abs.eps

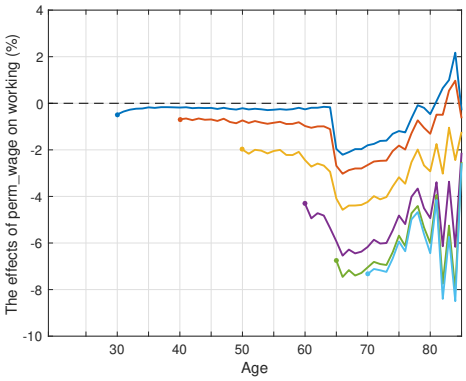
Education group: College



perm-wage.working.college.unant.abs.eps

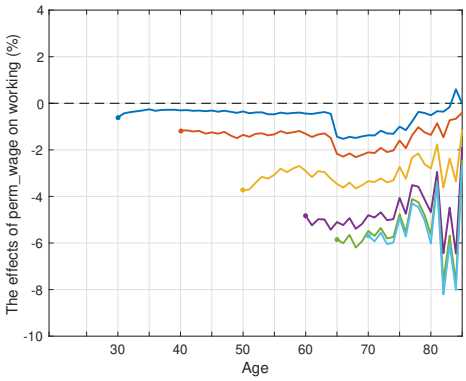
Plotted differences: Relative

Education group: Highschool



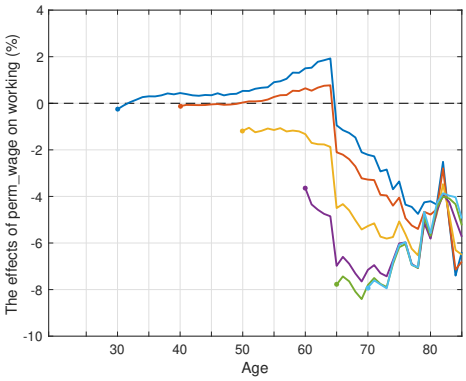
perm-wage.working.highschool.unant.rel.eps

Education group: Dropout



perm-wage.working.dropout.unant.rel.eps

Education group: College



perm-wage.working.college.unant.rel.eps

3 Policy: Revneutral

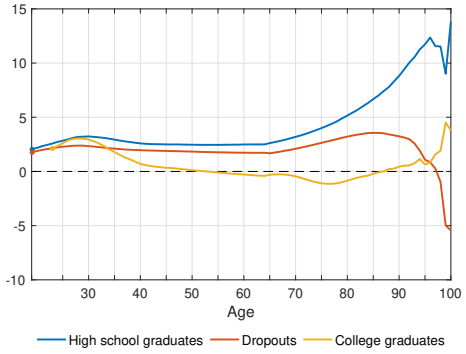
Note: Revenue neutral calibration is performed in the following way. Policy parameters are set to implement a combination of policies. The model is solved. Initial conditions for the simulation are set for $nsim = 1000$ individuals of each education and type: altogether $6 * nsims$ simulated lifecycles which share 6 identical sets of idiosyncratic shocks. The unobserved types are integrated over when education specific moments are computed.
The policy simulations are done in the usual way to produce both anticipated and unanticipated effects at given policy change revelation ages.
Along with the usual moments, government revenue and expenditure is also simulated for each of the 6 groups of individuals, and weighted by unobserved type membership probabilities to result in education specific values for each revelation age.
The computed scalar measure of government deficit/surplus is loosely based on the OLG framework using the observed structure of the population. Namely, the observed counts in each education by age cell are aggregated to represent the given set of revelation ages by education (as if population only consisted of cohorts at given revelation ages). The constructed discrete distribution is then converted into weights, which are applied to the simulated budget deficit/surplus. Simple summation is then used over all ages in the simulated lifecycles.
To calibrate RN policies, the anticipated variant of the aggregated measure is brought below a tolerance level ($100 per capita annually) by moving the parameter of one of the policy.

3.1 Simulated moment: Consumption

3.1.1 Policy change: Anticipated

Plotted differences: Absolute

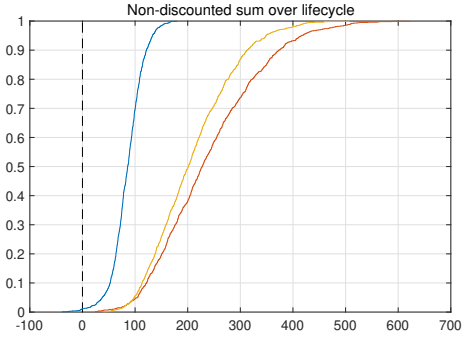
Education group: Combined



revneutral.consumption.antic.abs.eps

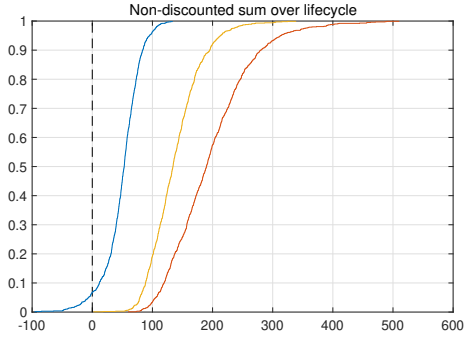
Distribution

Education group: Highschool



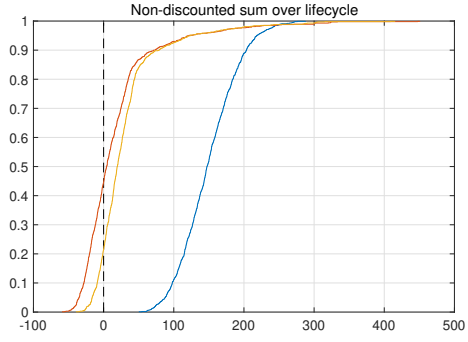
revneutral.consumption.highschool.antic.abs.distribution.eps

Education group: Dropout



revneutral.consumption.dropout.antic.abs.distribution.eps

Education group: College

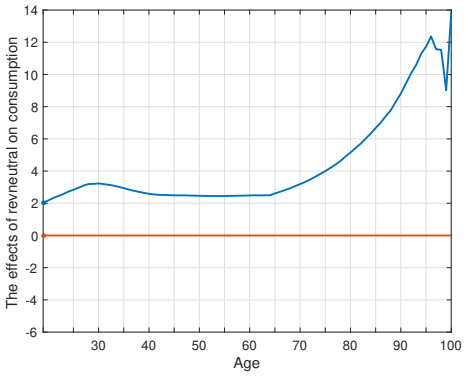


revneutral.consumption.college.antic.abs.distribution.eps

3.1.2 Policy change: Combined anticipated and unanticipated

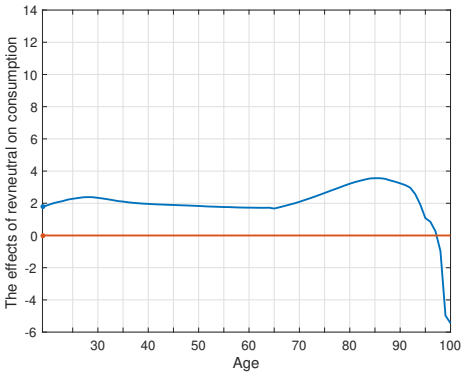
Plotted differences: Absolute

Education group: Highschool



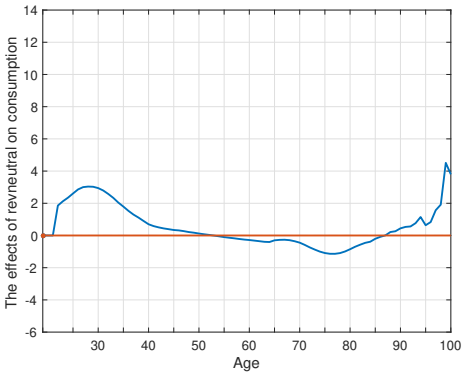
revneutral.consumption.highschool.abs.eps

Education group: Dropout



revneutral.consumption.dropout.abs.eps

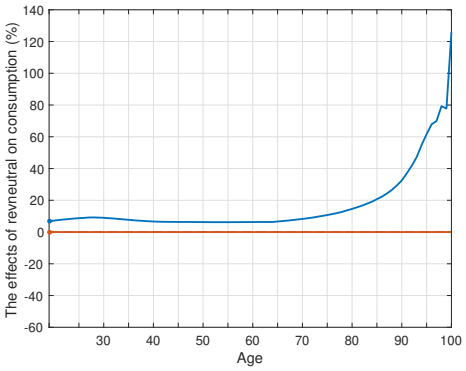
Education group: College



revneutral.consumption.college.abs.eps

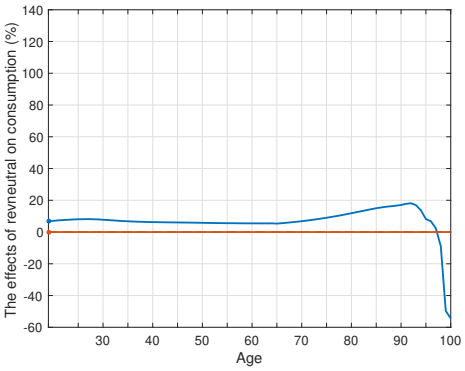
Plotted differences: Relative

Education group: Highschool



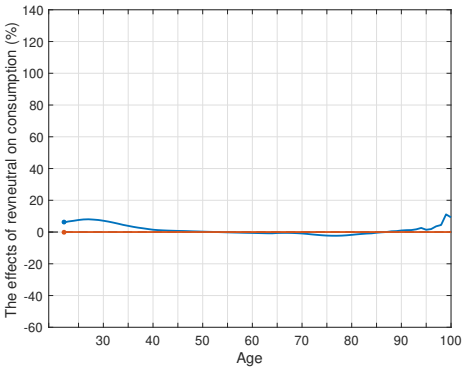
revneutral.consumption.highschool.rel.eps

Education group: Dropout



revneutral.consumption.dropout.rel.eps

Education group: College



revneutral.consumption.college.rel.eps

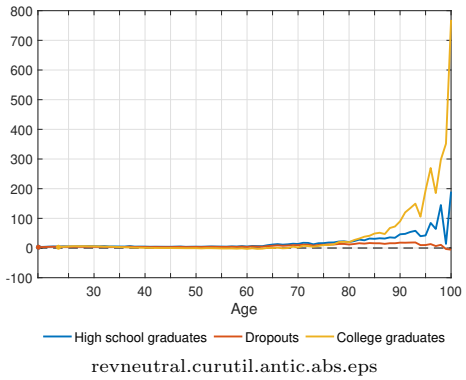
3.2 Simulated moment: Curutil

Note: Mean of current realized utility in by age plots. Discounted sum of realized utility in distribution plots.

3.2.1 Policy change: Anticipated

Plotted differences: Absolute

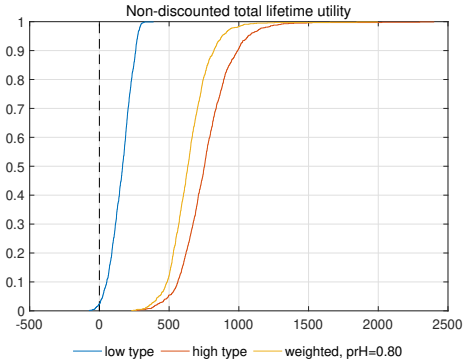
Education group: Combined



revneutral.curutil.antic.abs.eps

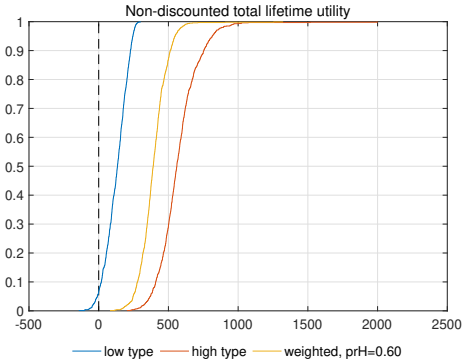
Distribution

Education group: Highschool



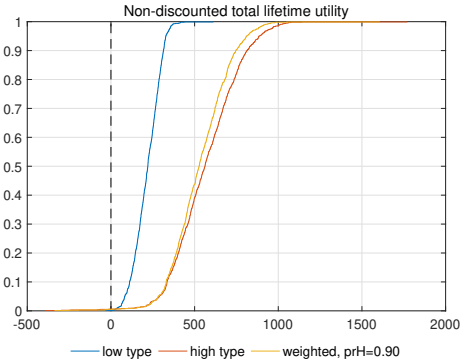
revneutral.curutil.highschool.antic.abs.distribution.eps

Education group: Dropout



revneutral.curutil.dropout.antic.abs.distribution.eps

Education group: College

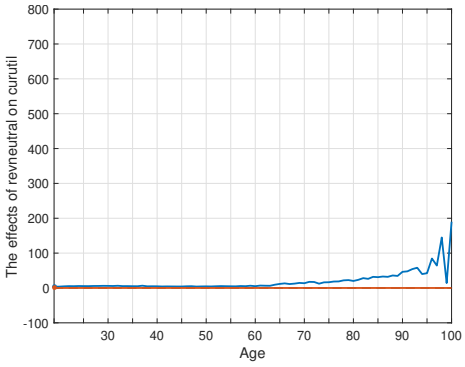


revneutral.curutil.college.antic.abs.distribution.eps

3.2.2 Policy change: Combined anticipated and unanticipated

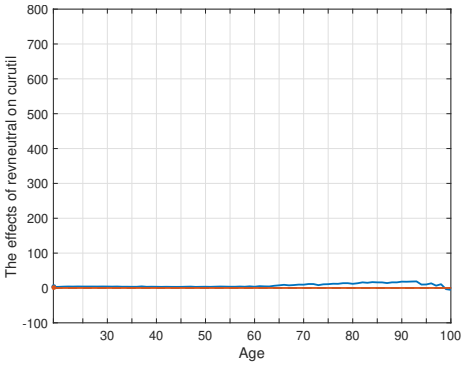
Plotted differences: Absolute

Education group: Highschool



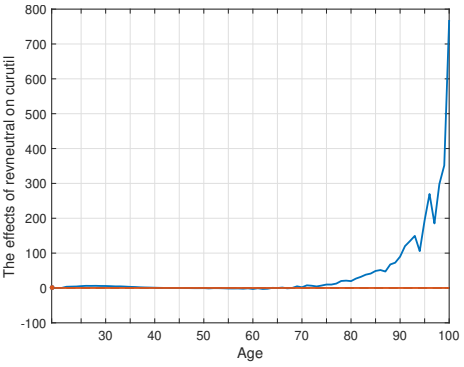
revneutral.curutil.highschool.abs.eps

Education group: Dropout



revneutral.curutil.dropout.abs.eps

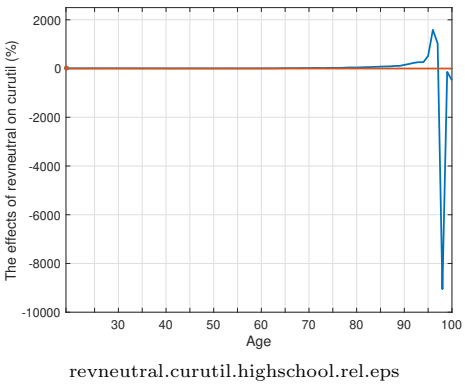
Education group: College



revneutral.curutil.college.abs.eps

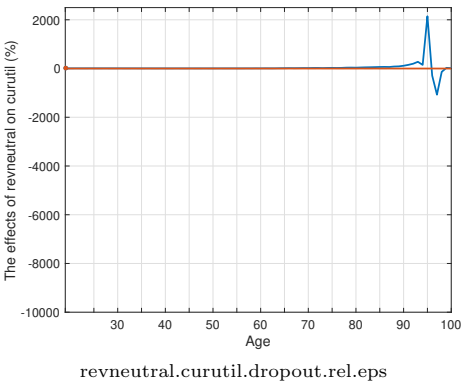
Plotted differences: Relative

Education group: Highschool



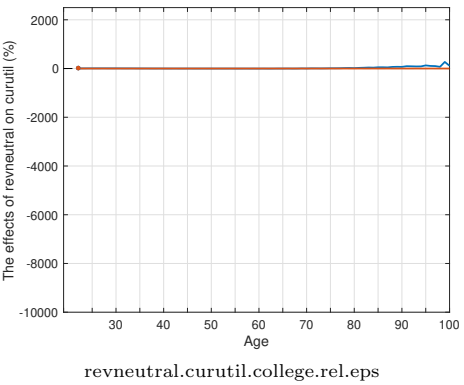
revneutral.curutil.highschool.rel.eps

Education group: Dropout



revneutral.curutil.dropout.rel.eps

Education group: College



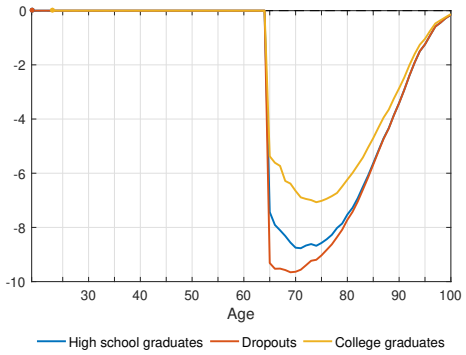
revneutral.curutil.college.rel.eps

3.3 Simulated moment: Govt-exp

3.3.1 Policy change: Anticipated

Plotted differences: Absolute

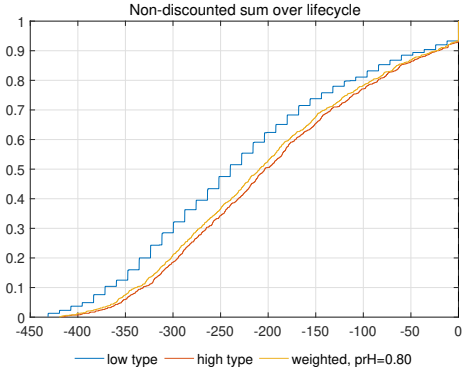
Education group: Combined



revneutral.govt-exp.antic.abs.eps

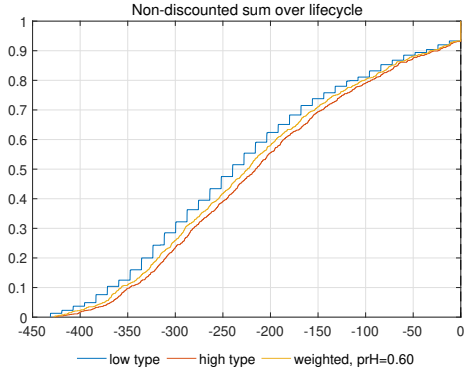
Distribution

Education group: Highschool



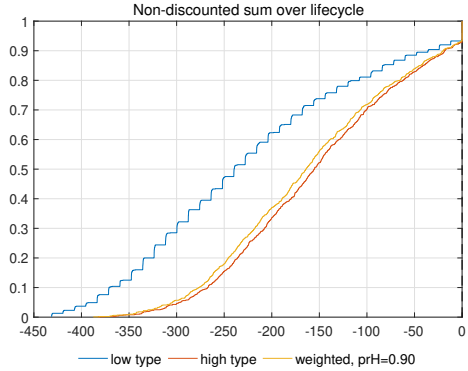
revneutral.govt-exp.highschool.antic.abs.distribution.eps

Education group: Dropout



revneutral.govt-exp.dropout.antic.abs.distribution.eps

Education group: College

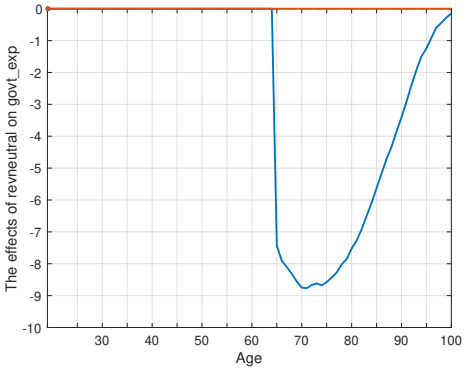


revneutral.govt-exp.college.antic.abs.distribution.eps

3.3.2 Policy change: Combined anticipated and unanticipated

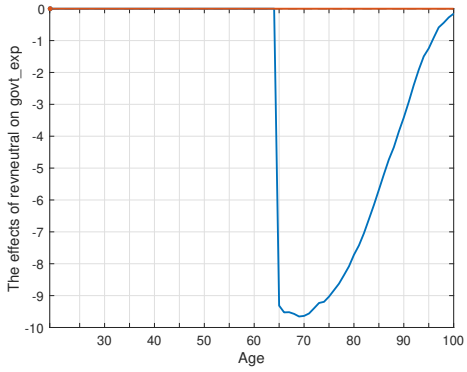
Plotted differences: Absolute

Education group: Highschool



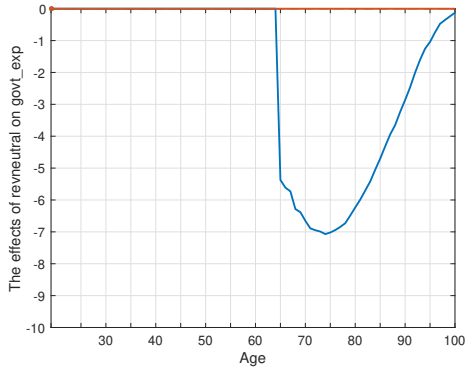
revneutral.govt-exp.highschool.abs.eps

Education group: Dropout



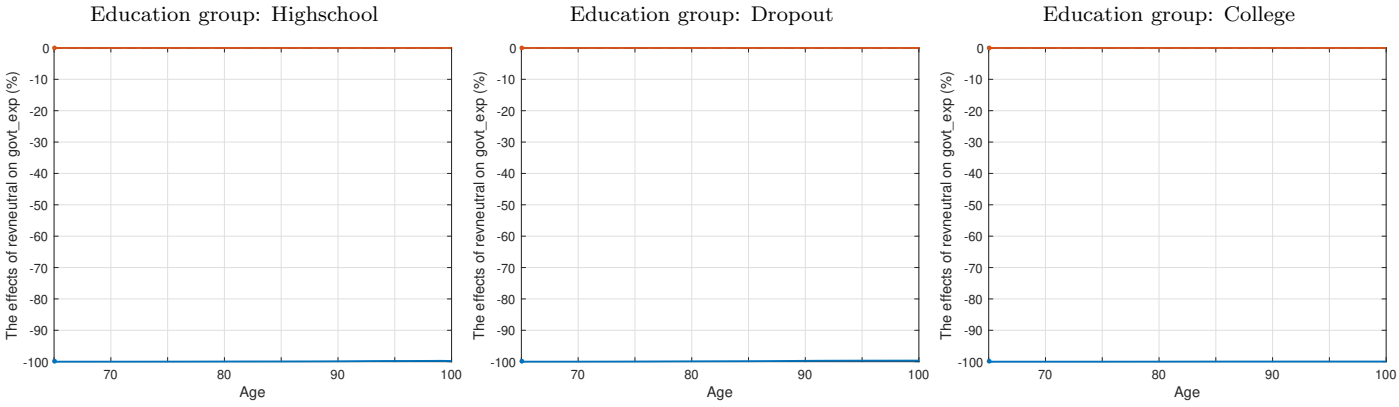
revneutral.govt-exp.dropout.abs.eps

Education group: College



revneutral.govt-exp.college.abs.eps

Plotted differences: Relative

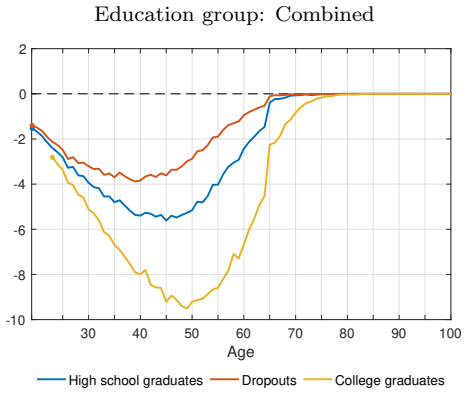


revneutral.govt-exp.highschool.rel.eps revneutral.govt-exp.dropout.rel.eps revneutral.govt-exp.college.rel.eps

3.4 Simulated moment: Govt-rev

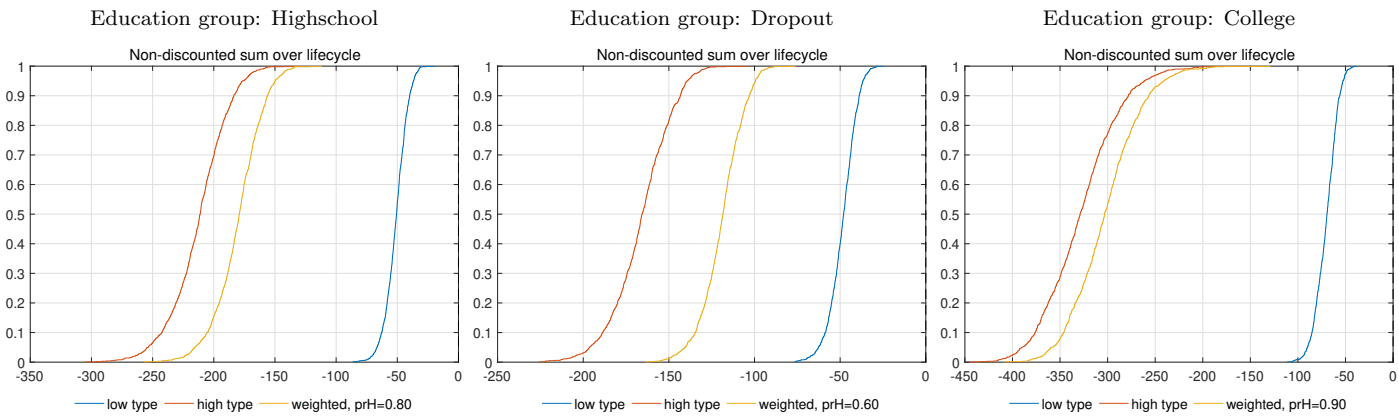
3.4.1 Policy change: Anticipated

Plotted differences: Absolute



revneutral.govt-rev.antic.abs.eps

Distribution

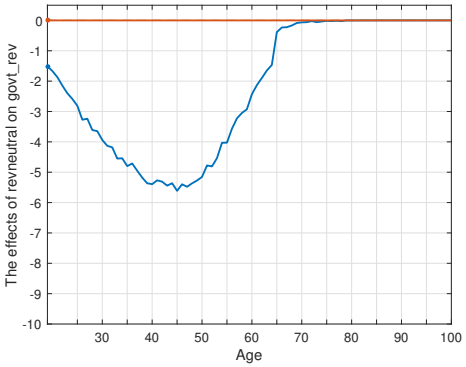


revneutral.govt-rev.highschool.antic.abs.distribution.eps revneutral.govt-rev.dropout.antic.abs.distribution.eps revneutral.govt-rev.college.antic.abs.distribution.eps

3.4.2 Policy change: Combined anticipated and unanticipated

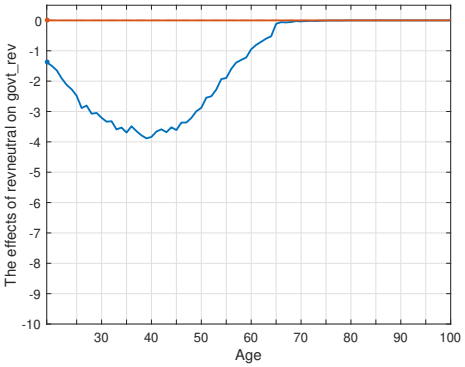
Plotted differences: Absolute

Education group: Highschool



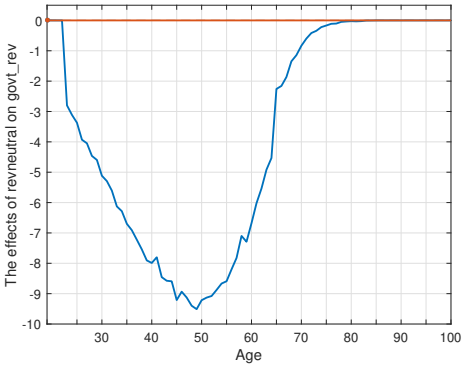
revneutral.govt-rev.highschool.abs.eps

Education group: Dropout



revneutral.govt-rev.dropout.abs.eps

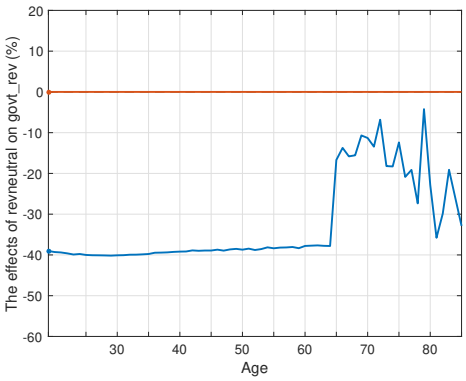
Education group: College



revneutral.govt-rev.college.abs.eps

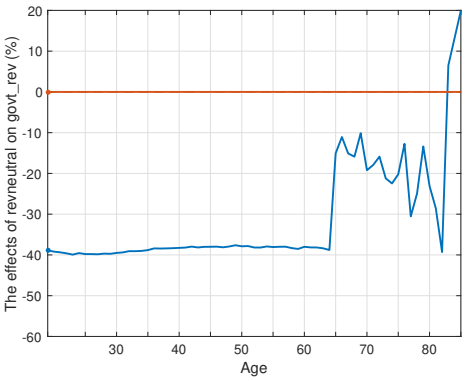
Plotted differences: Relative

Education group: Highschool



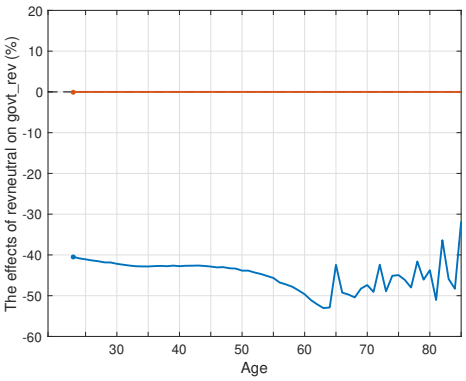
revneutral.govt-rev.highschool.rel.eps

Education group: Dropout



revneutral.govt-rev.dropout.rel.eps

Education group: College



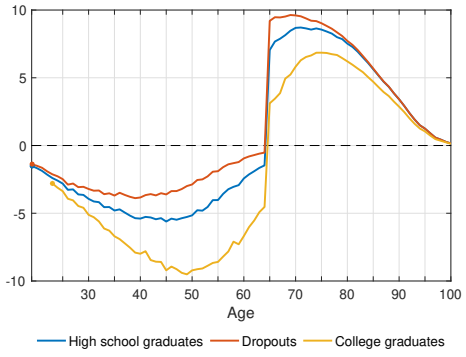
revneutral.govt-rev.college.rel.eps

3.5 Simulated moment: Govt

3.5.1 Policy change: Anticipated

Plotted differences: Absolute

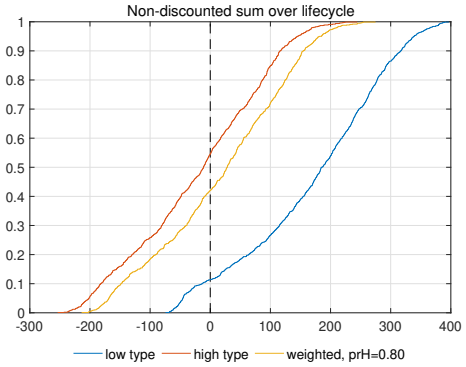
Education group: Combined



revneutral.govt.antic.abs.eps

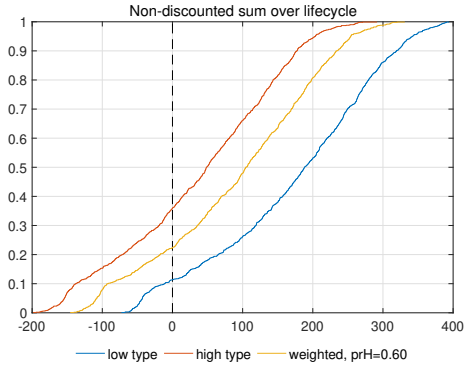
Distribution

Education group: Highschool



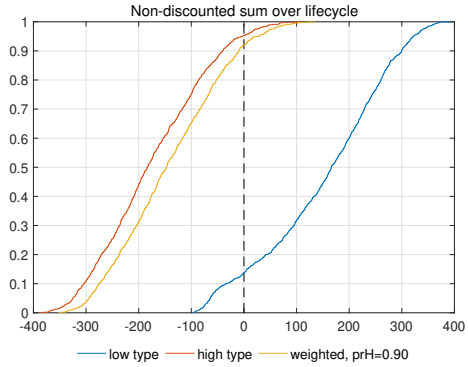
revneutral.govt.highschool.antic.abs.distribution.eps

Education group: Dropout



revneutral.govt.dropout.antic.abs.distribution.eps

Education group: College

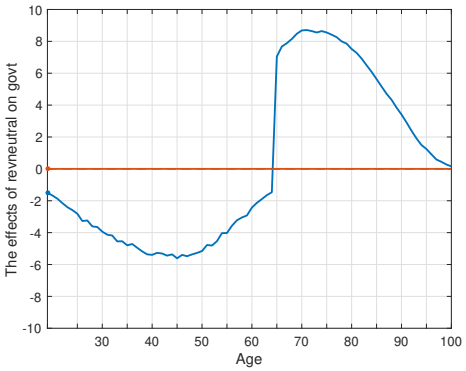


revneutral.govt.college.antic.abs.distribution.eps

3.5.2 Policy change: Combined anticipated and unanticipated

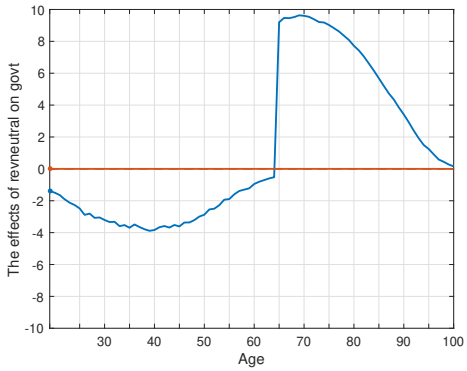
Plotted differences: Absolute

Education group: Highschool



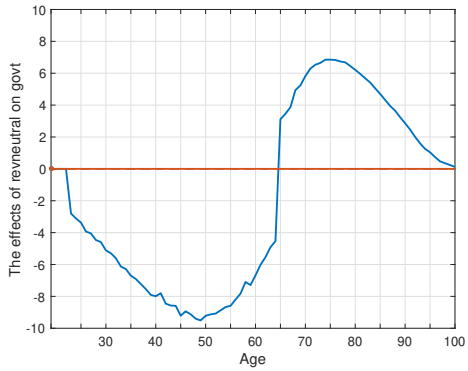
revneutral.govt.highschool.abs.eps

Education group: Dropout



revneutral.govt.dropout.abs.eps

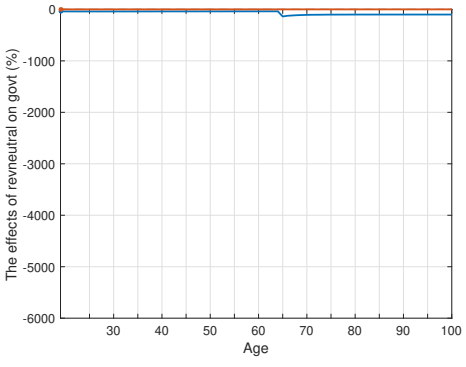
Education group: College



revneutral.govt.college.abs.eps

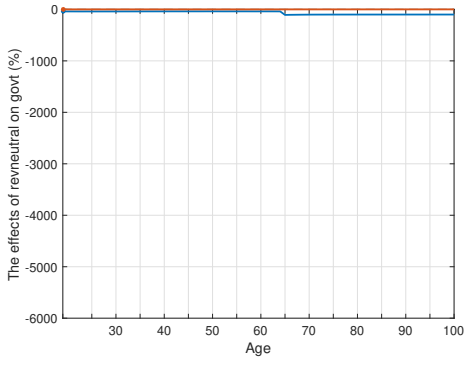
Plotted differences: Relative

Education group: Highschool



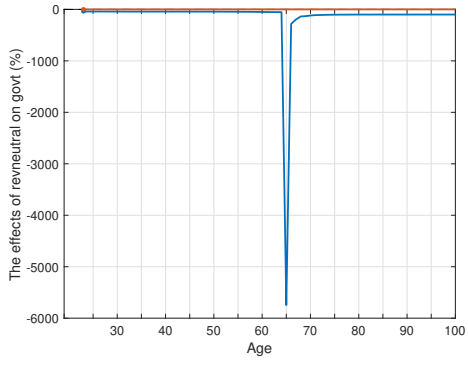
revneutral.govt.highschool.rel.eps

Education group: Dropout



revneutral.govt.dropout.rel.eps

Education group: College



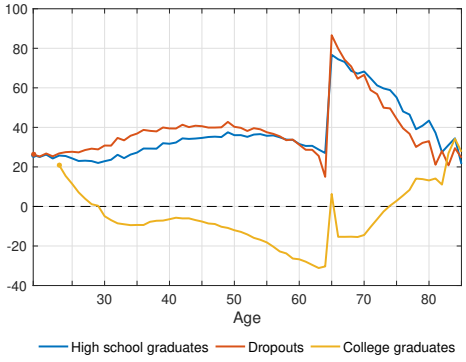
revneutral.govt.college.rel.eps

3.6 Simulated moment: Hours-working

3.6.1 Policy change: Anticipated

Plotted differences: Absolute

Education group: Combined



revneutral.hours-working.antic.abs.eps

Distribution

Education group: Highschool

revneutral.hours-working.highschool.antic.abs.distribution.eps

Education group: Dropout

revneutral.hours-working.dropout.antic.abs.distribution.eps

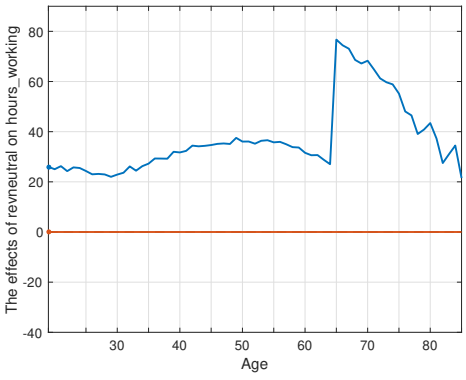
Education group: College

revneutral.hours-working.college.antic.abs.distribution.eps

3.6.2 Policy change: Combined anticipated and unanticipated

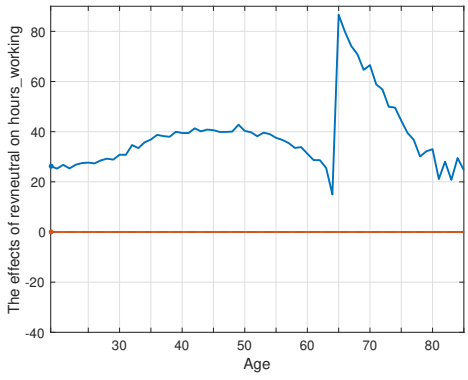
Plotted differences: Absolute

Education group: Highschool



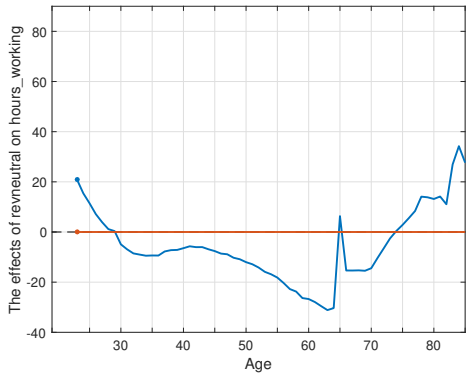
revneutral.hours-working.highschool.abs.eps

Education group: Dropout



revneutral.hours-working.dropout.abs.eps

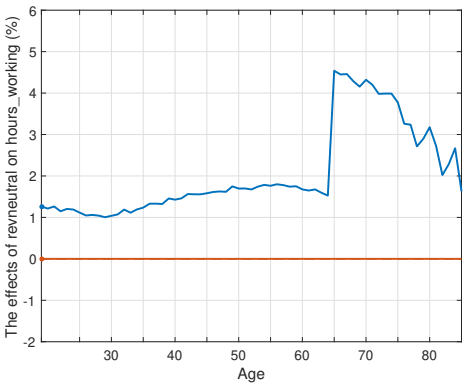
Education group: College



revneutral.hours-working.college.abs.eps

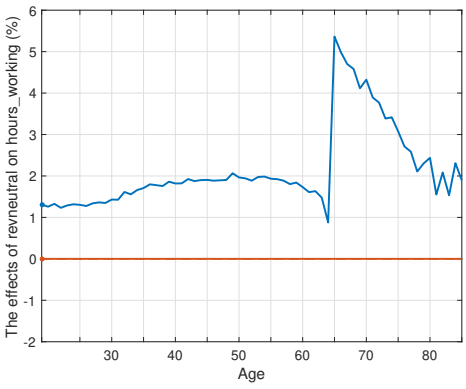
Plotted differences: Relative

Education group: Highschool



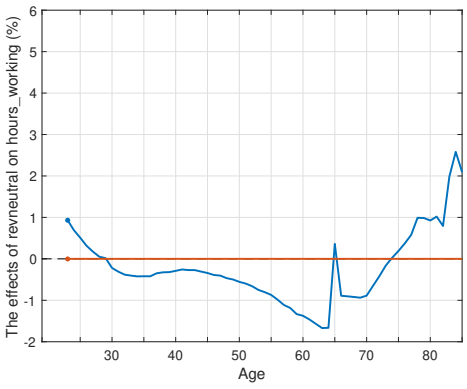
revneutral.hours-working.highschool.rel.eps

Education group: Dropout



revneutral.hours-working.dropout.rel.eps

Education group: College



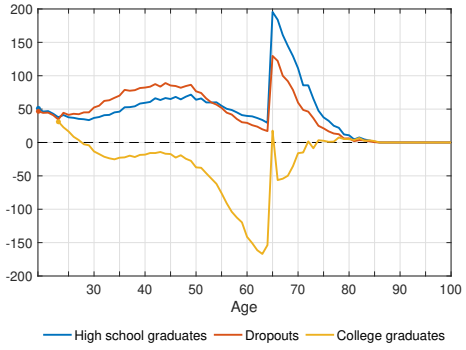
revneutral.hours-working.college.rel.eps

3.7 Simulated moment: Hours

3.7.1 Policy change: Anticipated

Plotted differences: Absolute

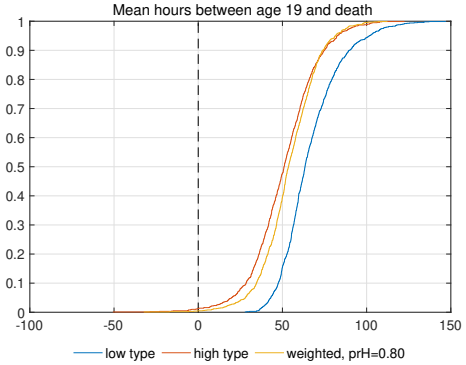
Education group: Combined



revneutral.hours.antic.abs.eps

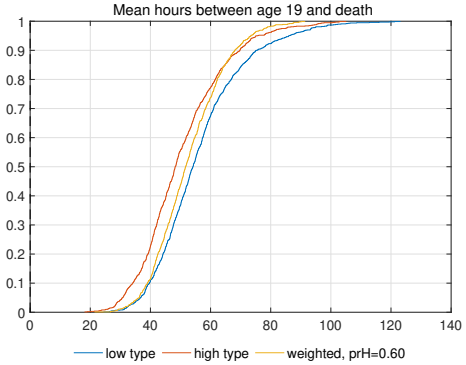
Distribution

Education group: Highschool



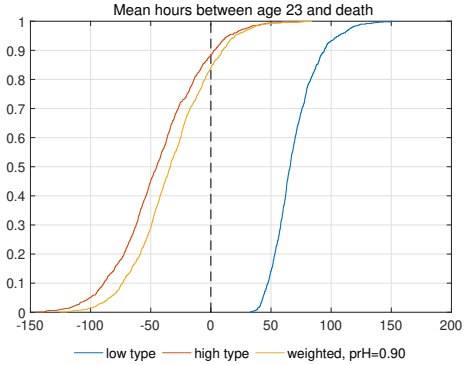
revneutral.hours.highschool.antic.abs.distribution.eps

Education group: Dropout



revneutral.hours.dropout.antic.abs.distribution.eps

Education group: College

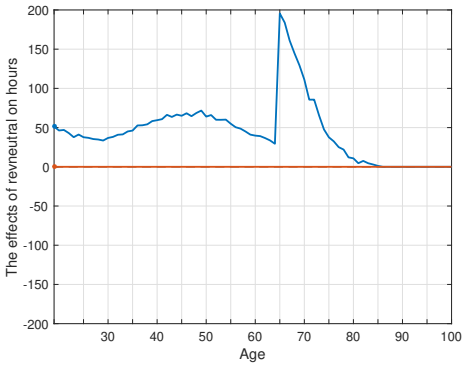


revneutral.hours.college.antic.abs.distribution.eps

3.7.2 Policy change: Combined anticipated and unanticipated

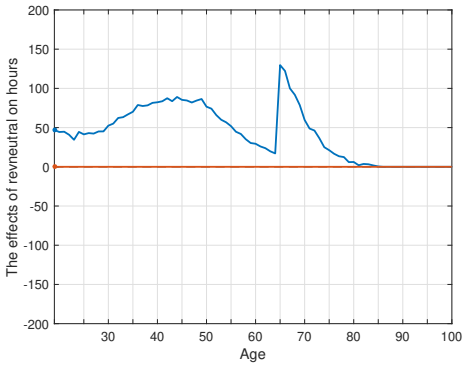
Plotted differences: Absolute

Education group: Highschool



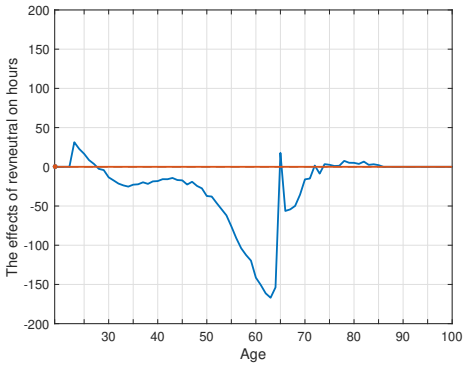
revneutral.hours.highschool.abs.eps

Education group: Dropout



revneutral.hours.dropout.abs.eps

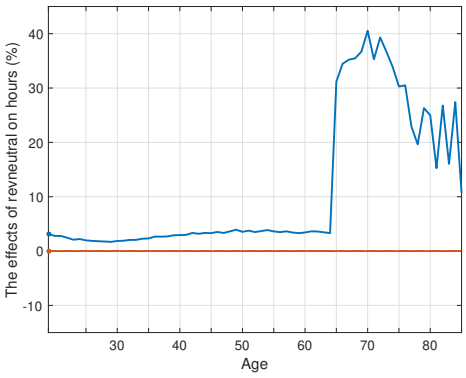
Education group: College



revneutral.hours.college.abs.eps

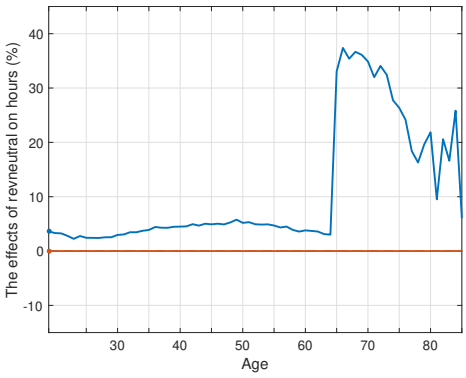
Plotted differences: Relative

Education group: Highschool



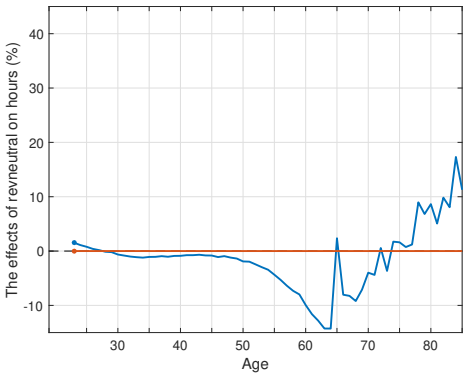
revneutral.hours.highschool.rel.eps

Education group: Dropout



revneutral.hours.dropout.rel.eps

Education group: College



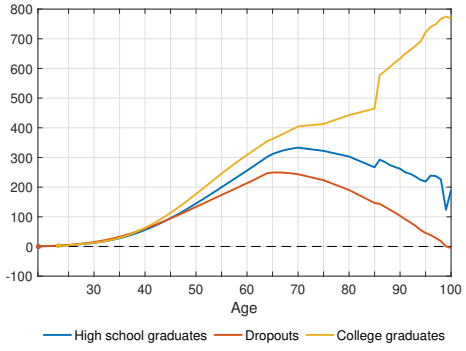
revneutral.hours.college.rel.eps

3.8 Simulated moment: Wealth0

3.8.1 Policy change: Anticipated

Plotted differences: Absolute

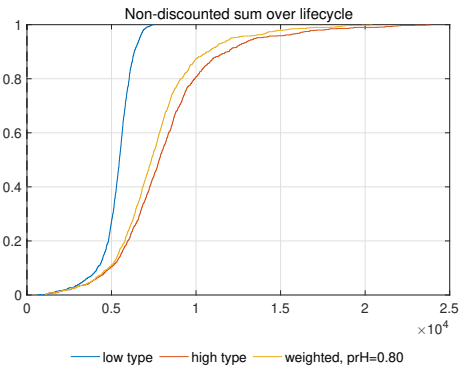
Education group: Combined



revneutral.wealth0.antic.abs.eps

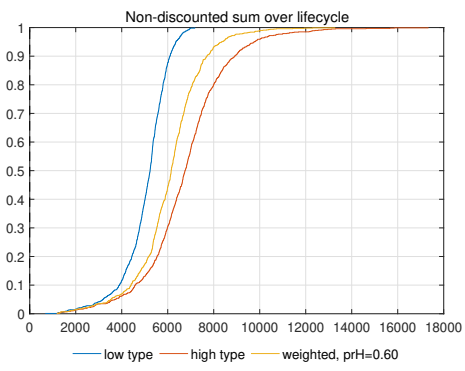
Distribution

Education group: Highschool



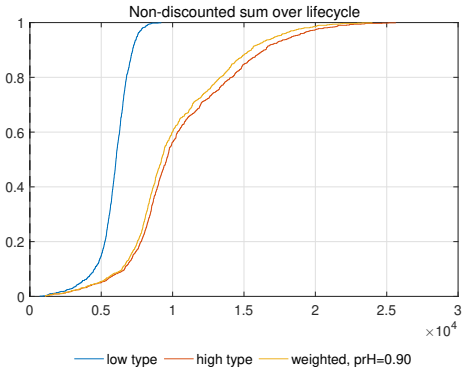
revneutral.wealth0.highschool.antic.abs.distribution.eps

Education group: Dropout



revneutral.wealth0.dropout.antic.abs.distribution.eps

Education group: College

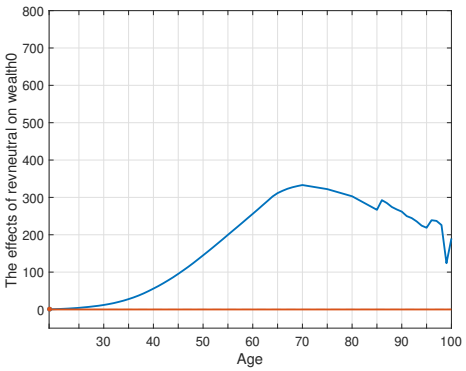


revneutral.wealth0.college.antic.abs.distribution.eps

3.8.2 Policy change: Combined anticipated and unanticipated

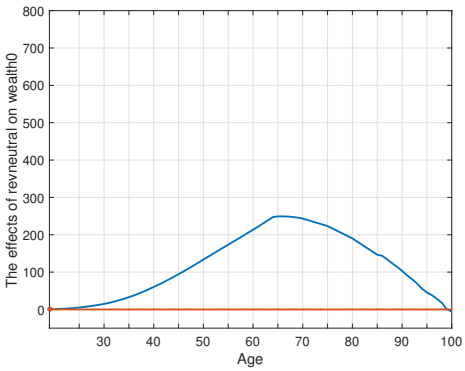
Plotted differences: Absolute

Education group: Highschool



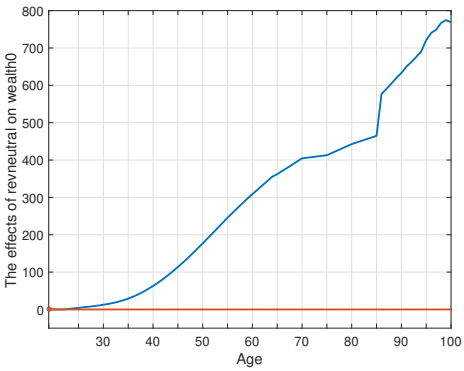
revneutral.wealth0.highschool.abs.eps

Education group: Dropout



revneutral.wealth0.dropout.abs.eps

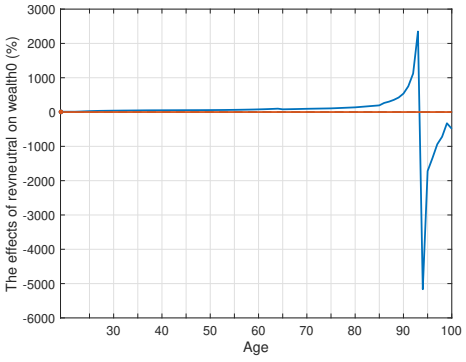
Education group: College



revneutral.wealth0.college.abs.eps

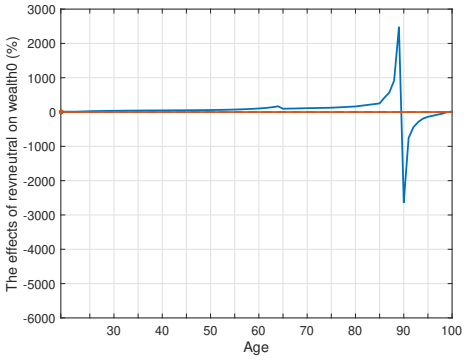
Plotted differences: Relative

Education group: Highschool



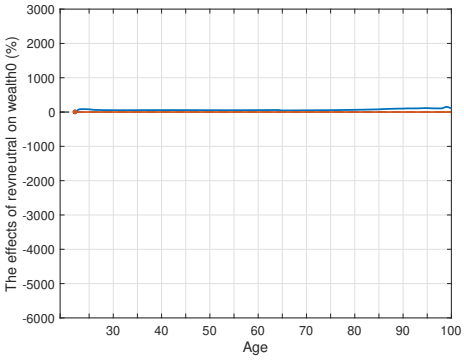
revneutral.wealth0.highschool.rel.eps

Education group: Dropout



revneutral.wealth0.dropout.rel.eps

Education group: College



revneutral.wealth0.college.rel.eps

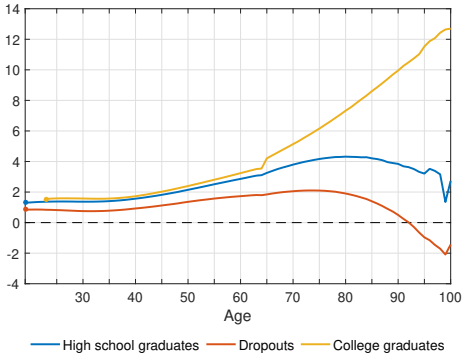
3.9 Simulated moment: Welfare

Note: Mean of value function at simulated points in by age plots. Expected lifetime utility at initial age in distribution plots.

3.9.1 Policy change: Anticipated

Plotted differences: Absolute

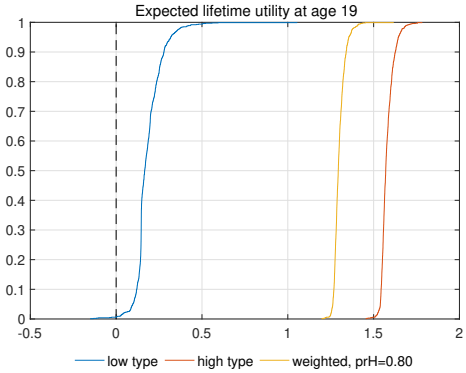
Education group: Combined



revneutral.welfare.antic.abs.eps

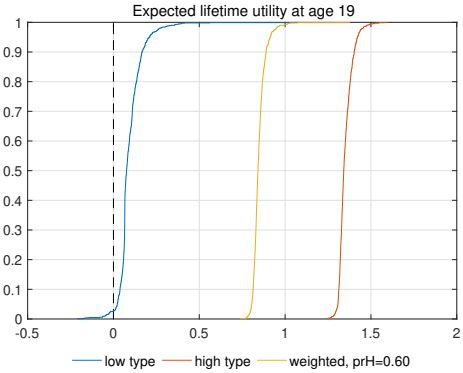
Distribution

Education group: Highschool



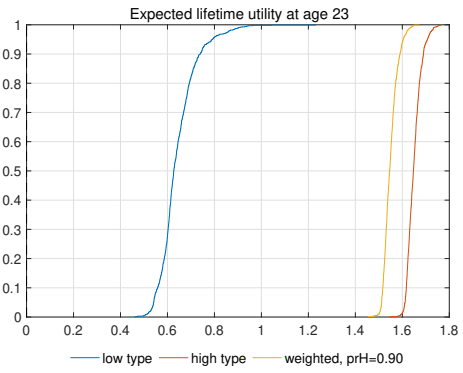
revneutral.welfare.highschool.antic.abs.distribution.eps

Education group: Dropout



revneutral.welfare.dropout.antic.abs.distribution.eps

Education group: College

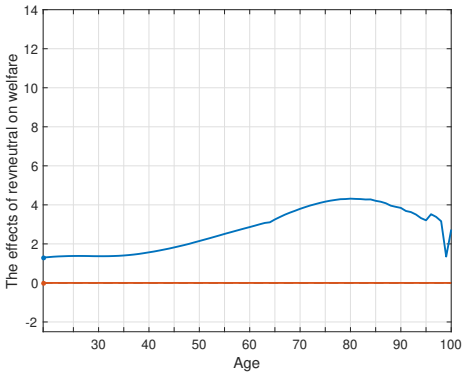


revneutral.welfare.college.antic.abs.distribution.eps

3.9.2 Policy change: Combined anticipated and unanticipated

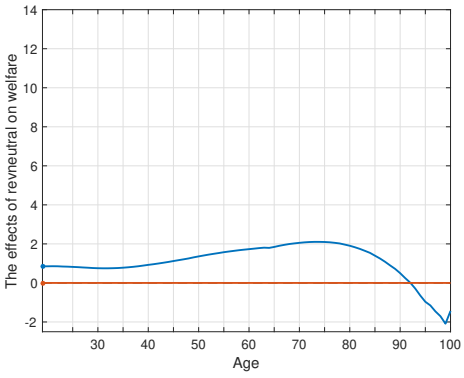
Plotted differences: Absolute

Education group: Highschool



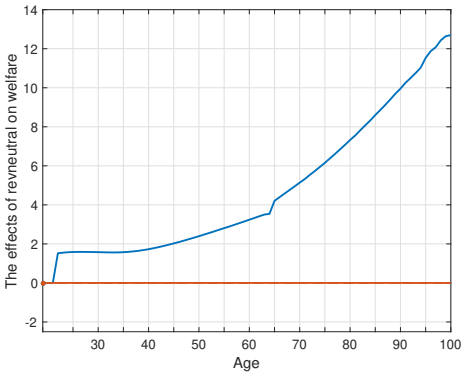
revneutral.welfare.highschool.abs.eps

Education group: Dropout



revneutral.welfare.dropout.abs.eps

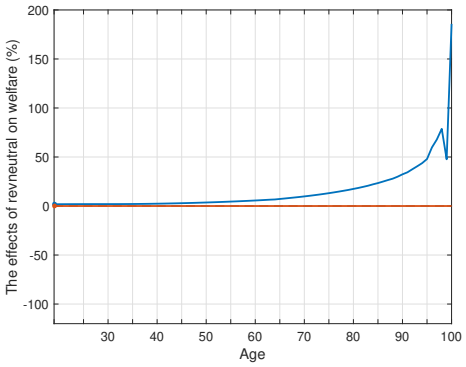
Education group: College



revneutral.welfare.college.abs.eps

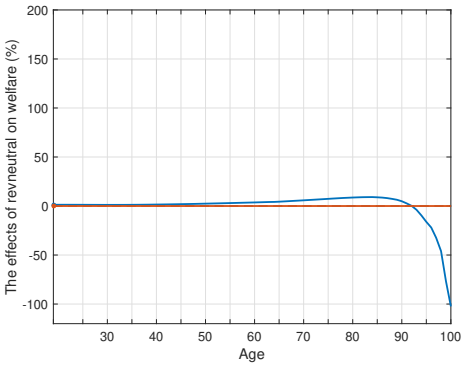
Plotted differences: Relative

Education group: Highschool



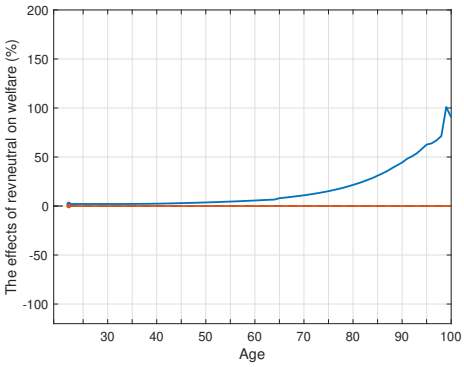
revneutral.welfare.highschool.rel.eps

Education group: Dropout



revneutral.welfare.dropout.rel.eps

Education group: College



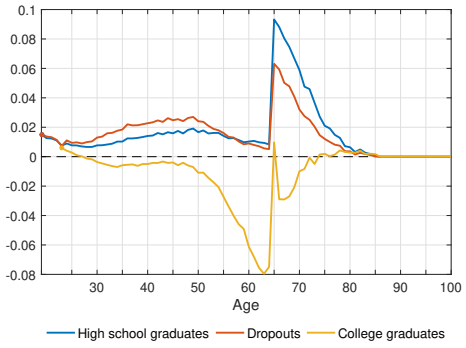
revneutral.welfare.college.rel.eps

3.10 Simulated moment: Working

3.10.1 Policy change: Anticipated

Plotted differences: Absolute

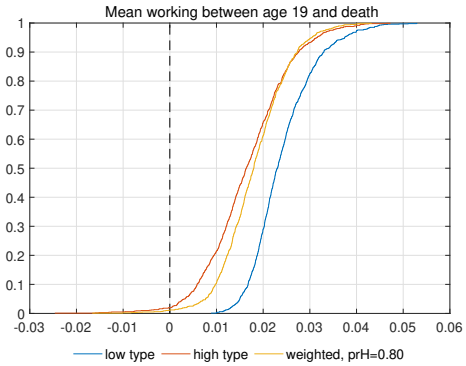
Education group: Combined



revneutral.working.antic.abs.eps

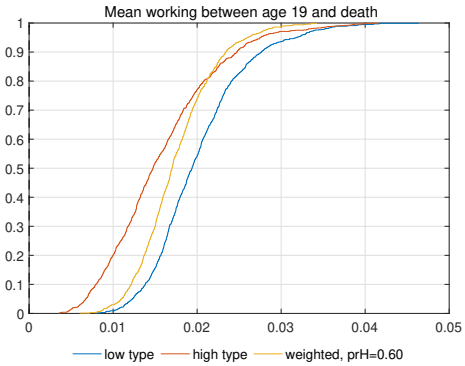
Distribution

Education group: Highschool



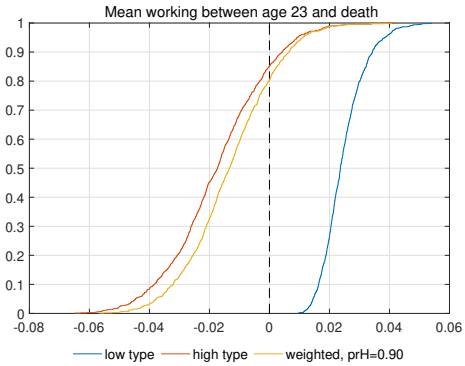
revneutral.working.highschool.antic.abs.distribution.eps

Education group: Dropout



revneutral.working.dropout.antic.abs.distribution.eps

Education group: College

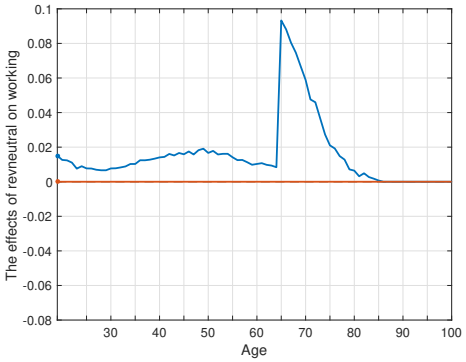


revneutral.working.college.antic.abs.distribution.eps

3.10.2 Policy change: Combined anticipated and unanticipated

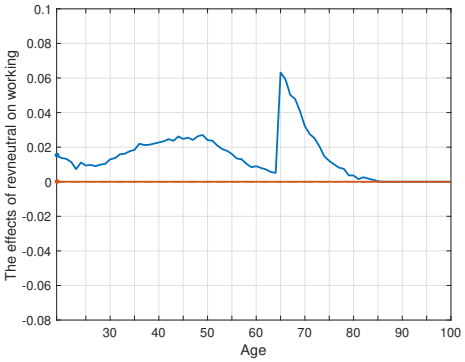
Plotted differences: Absolute

Education group: Highschool



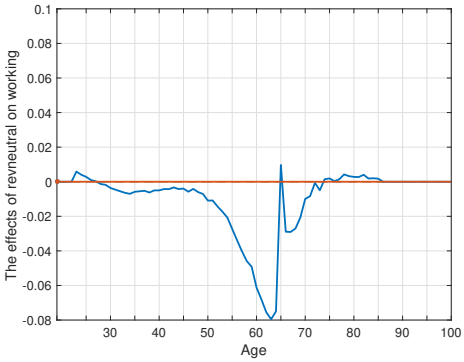
revneutral.working.highschool.abs.eps

Education group: Dropout



revneutral.working.dropout.abs.eps

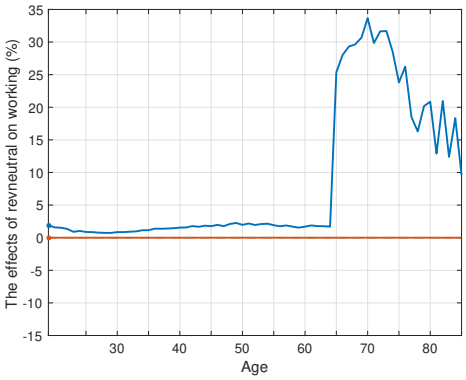
Education group: College



revneutral.working.college.abs.eps

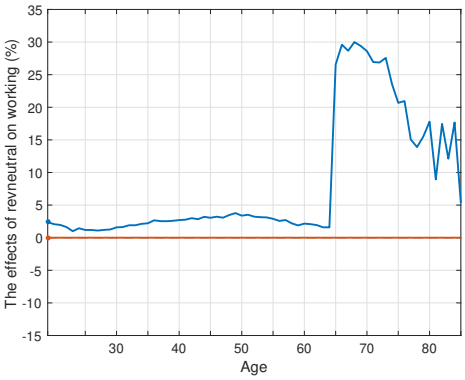
Plotted differences: Relative

Education group: Highschool



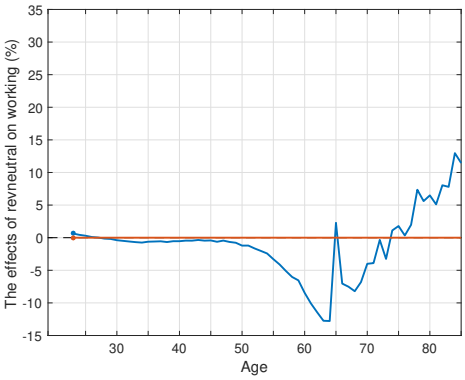
revneutral.working.highschool.rel.eps

Education group: Dropout



revneutral.working.dropout.rel.eps

Education group: College



revneutral.working.college.rel.eps

4 Policy: Temp wage

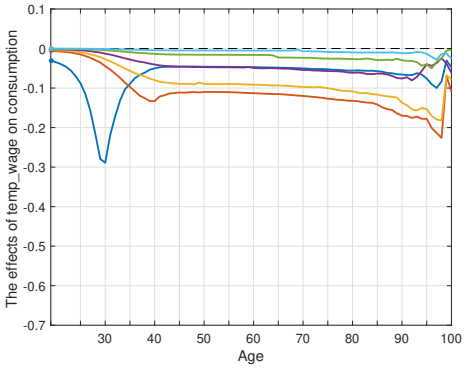
Temporary wage reduction (-10%)

4.1 Simulated moment: Consumption

4.1.1 Policy change: Anticipated

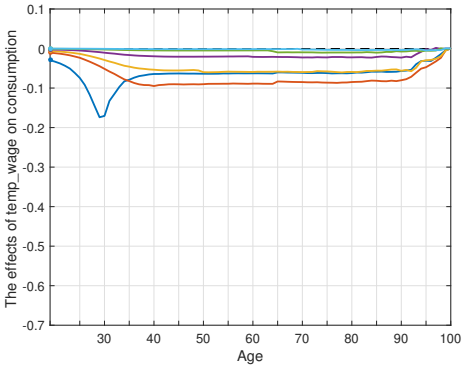
Plotted differences: Absolute

Education group: Highschool



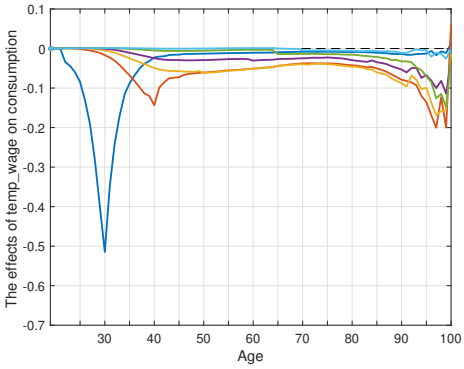
temp-wage.consumption.highschool.antic.abs.eps

Education group: Dropout



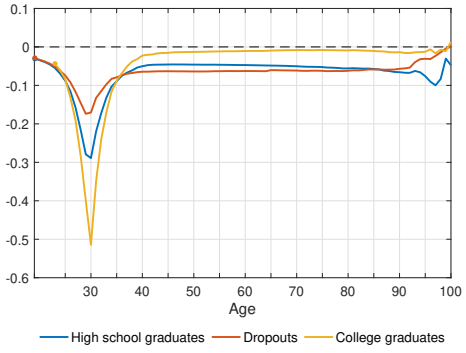
temp-wage.consumption.dropout.antic.abs.eps

Education group: College



temp-wage.consumption.college.antic.abs.eps

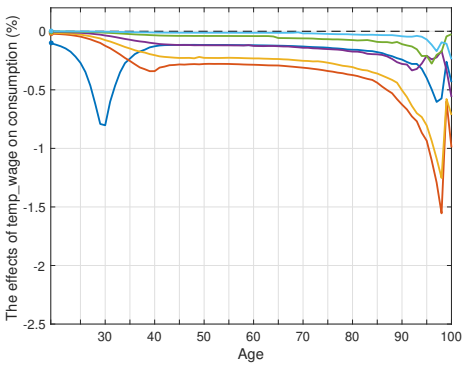
Education group: Combined



temp-wage.consumption.antic.abs.eps

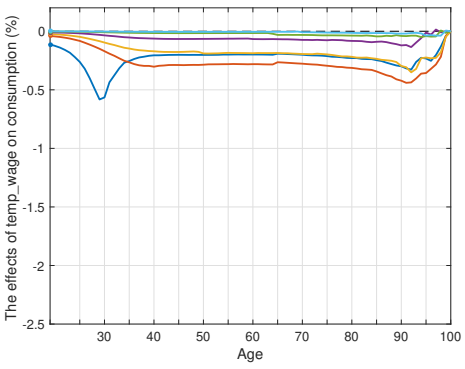
Plotted differences: Relative

Education group: Highschool



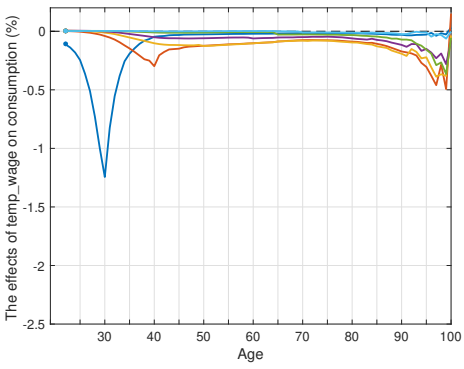
temp-wage.consumption.highschool.antic.rel.eps

Education group: Dropout



temp-wage.consumption.dropout.antic.rel.eps

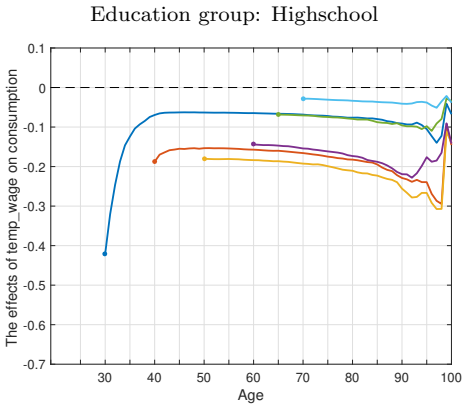
Education group: College



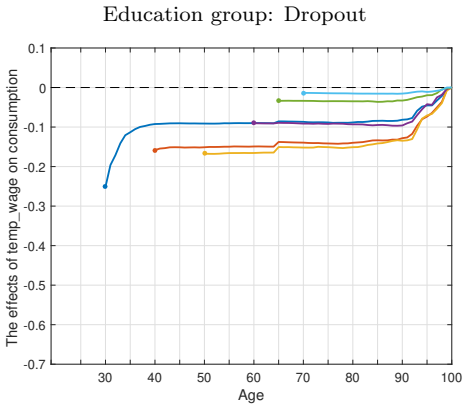
temp-wage.consumption.college.antic.rel.eps

4.1.2 Policy change: Unanticipated

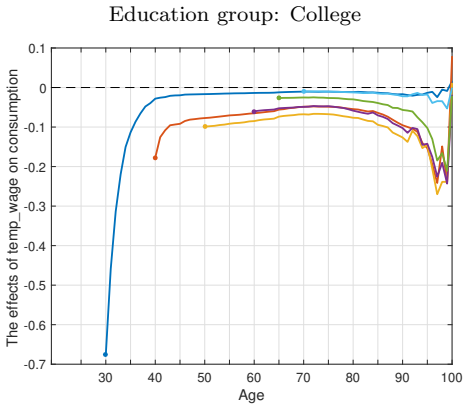
Plotted differences: Absolute



temp-wage.consumption.highschool.unant.abs.eps

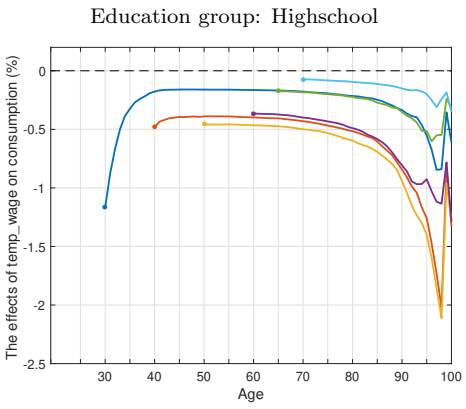


temp-wage.consumption.dropout.unant.abs.eps

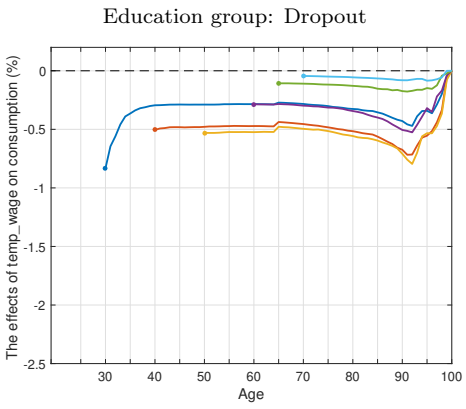


temp-wage.consumption.college.unant.abs.eps

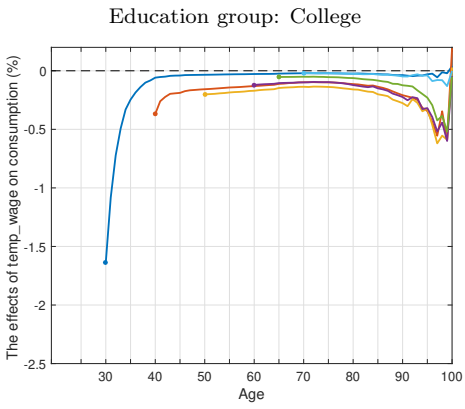
Plotted differences: Relative



temp-wage.consumption.highschool.unant.rel.eps



temp-wage.consumption.dropout.unant.rel.eps

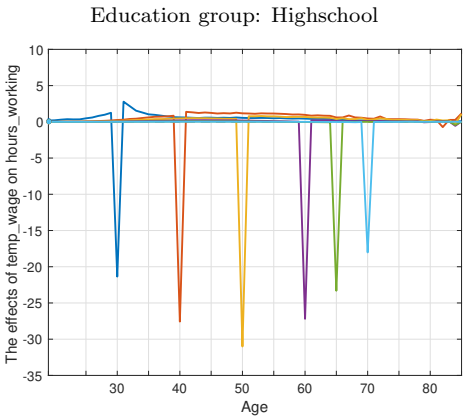


temp-wage.consumption.college.unant.rel.eps

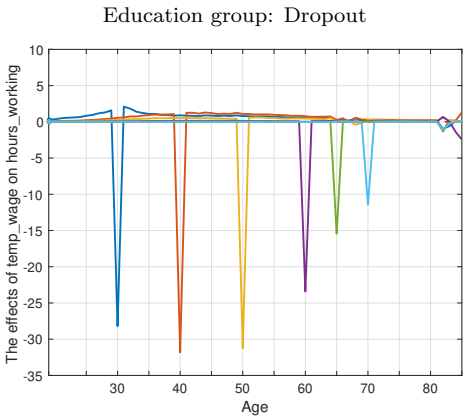
4.2 Simulated moment: Hours-working

4.2.1 Policy change: Anticipated

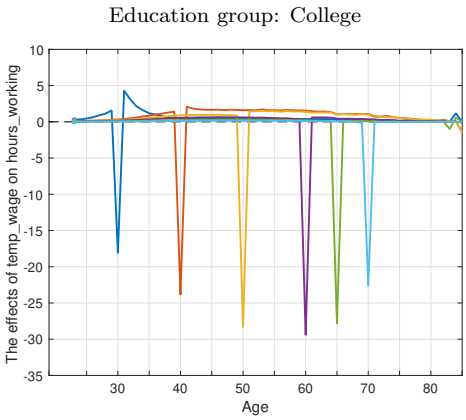
Plotted differences: Absolute



temp-wage.hours-working.highschool.antic.abs.eps

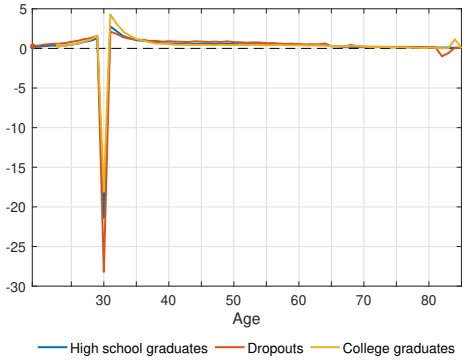


temp-wage.hours-working.dropout.antic.abs.eps



temp-wage.hours-working.college.antic.abs.eps

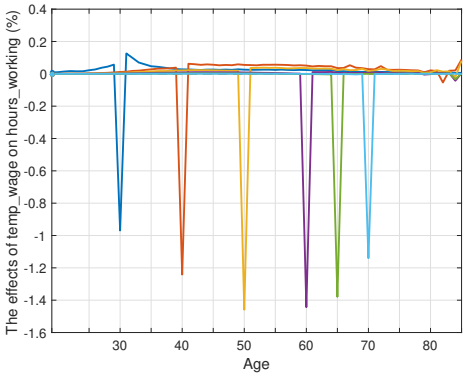
Education group: Combined



temp-wage.hours-working.antic.abs.eps

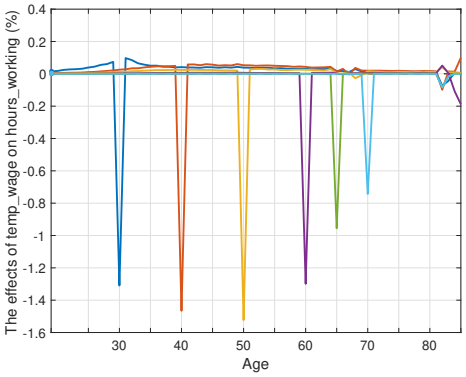
Plotted differences: Relative

Education group: Highschool



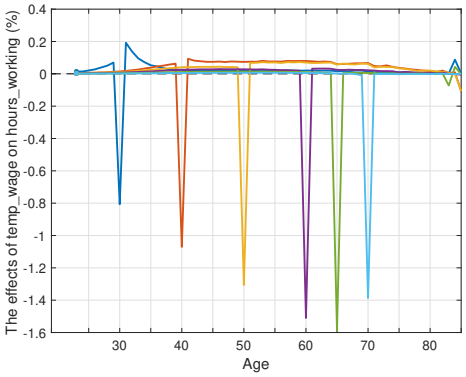
temp-wage.hours-working.highschool.antic.rel.eps

Education group: Dropout



temp-wage.hours-working.dropout.antic.rel.eps

Education group: College

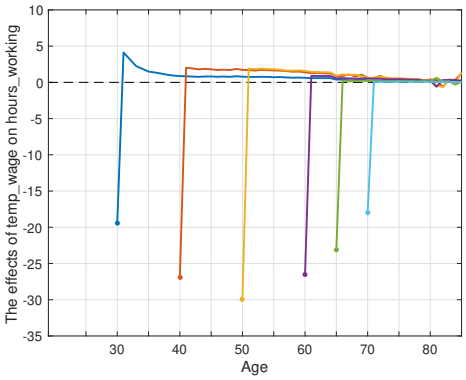


temp-wage.hours-working.college.antic.rel.eps

4.2.2 Policy change: Unanticipated

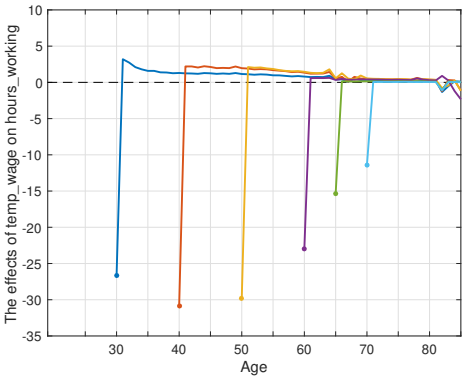
Plotted differences: Absolute

Education group: Highschool



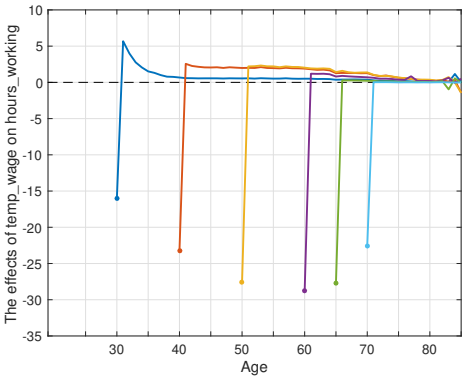
temp-wage.hours-working.highschool.unant.abs.eps

Education group: Dropout



temp-wage.hours-working.dropout.unant.abs.eps

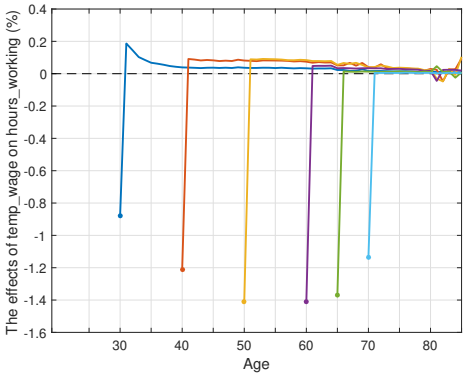
Education group: College



temp-wage.hours-working.college.unant.abs.eps

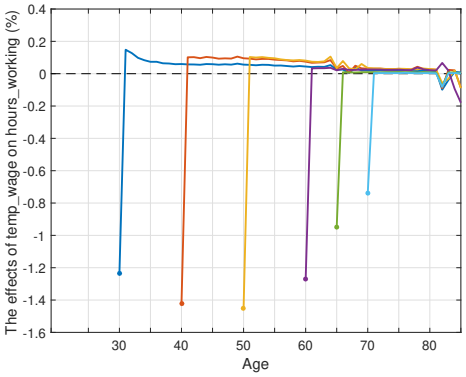
Plotted differences: Relative

Education group: Highschool



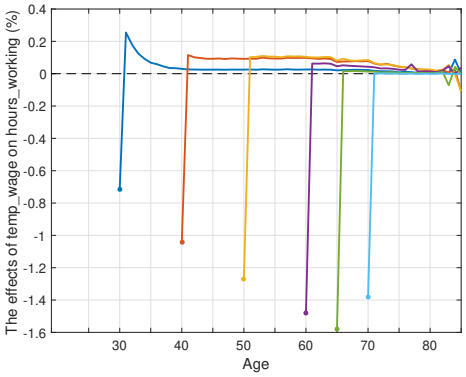
temp-wage.hours-working.highschool.unant.rel.eps

Education group: Dropout



temp-wage.hours-working.dropout.unant.rel.eps

Education group: College



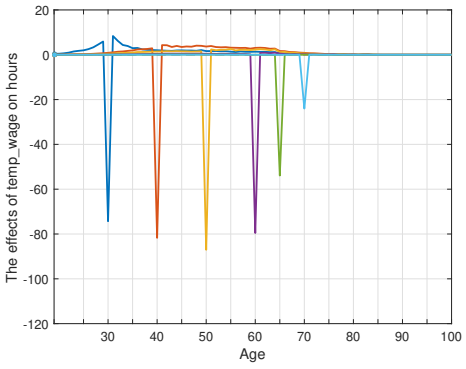
temp-wage.hours-working.college.unant.rel.eps

4.3 Simulated moment: Hours

4.3.1 Policy change: Anticipated

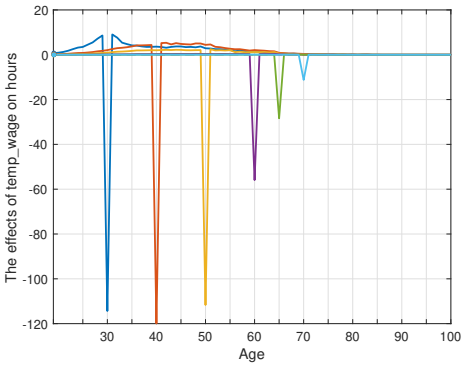
Plotted differences: Absolute

Education group: Highschool



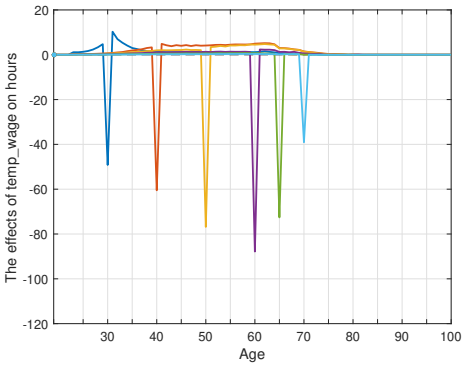
temp-wage.hours.highschool.antic.abs.eps

Education group: Dropout



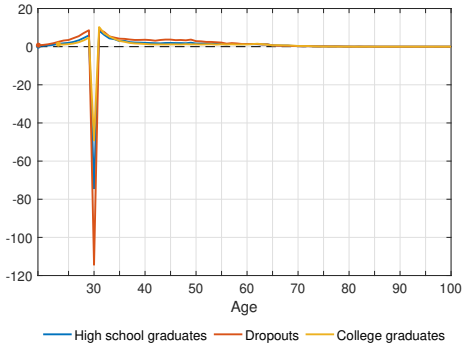
temp-wage.hours.dropout.antic.abs.eps

Education group: College



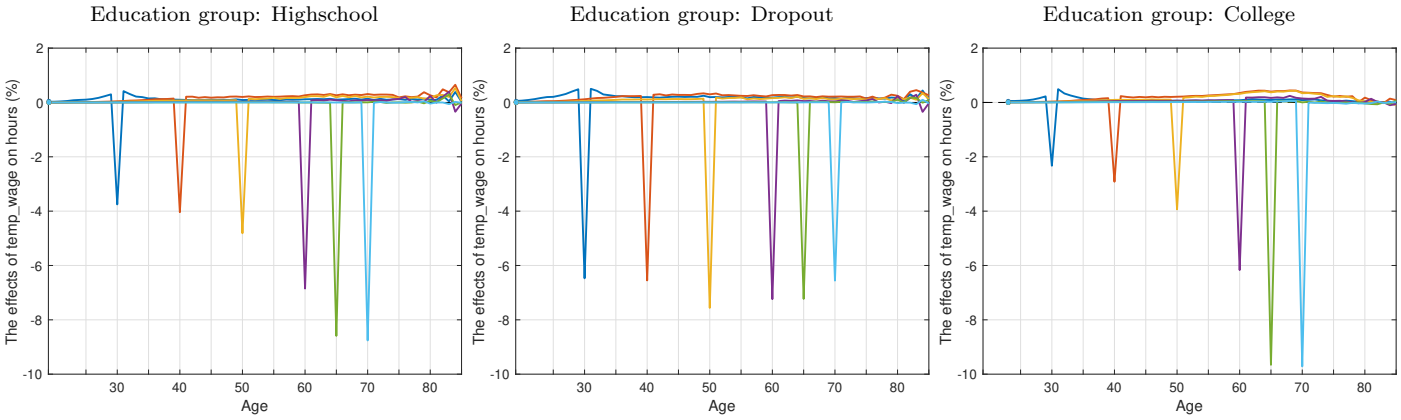
temp-wage.hours.college.antic.abs.eps

Education group: Combined



temp-wage.hours.antic.abs.eps

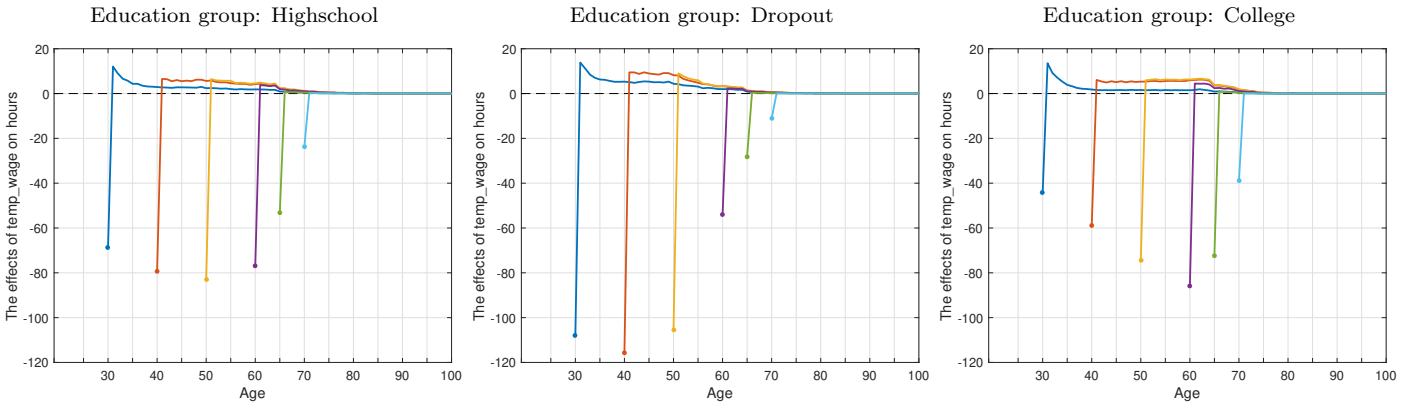
Plotted differences: Relative



temp-wage.hours.highschool.antic.rel.eps temp-wage.hours.dropout.antic.rel.eps temp-wage.hours.college.antic.rel.eps

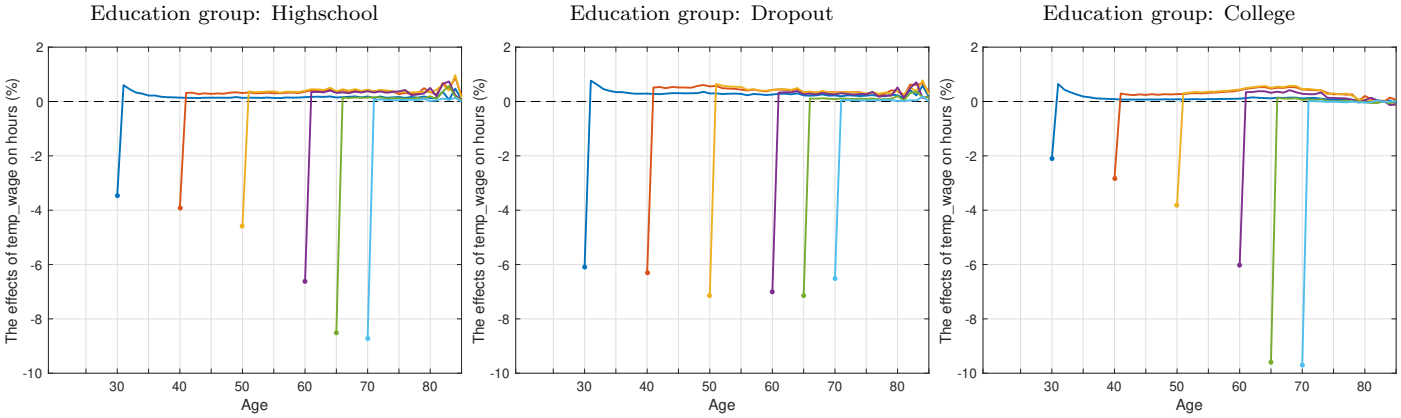
4.3.2 Policy change: Unanticipated

Plotted differences: Absolute



temp-wage.hours.highschool.unant.abs.eps temp-wage.hours.dropout.unant.abs.eps temp-wage.hours.college.unant.abs.eps

Plotted differences: Relative



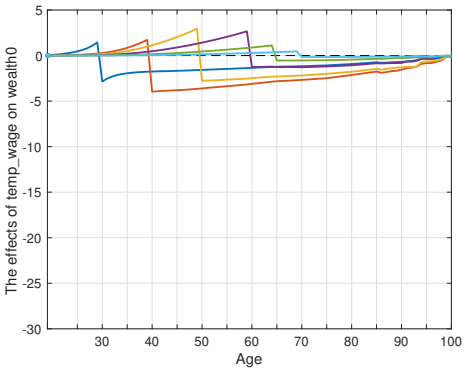
temp-wage.hours.highschool.unant.rel.eps temp-wage.hours.dropout.unant.rel.eps temp-wage.hours.college.unant.rel.eps

4.4 Simulated moment: Wealth0

4.4.1 Policy change: Anticipated

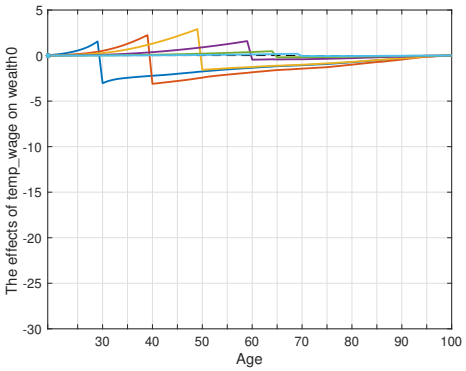
Plotted differences: Absolute

Education group: Highschool



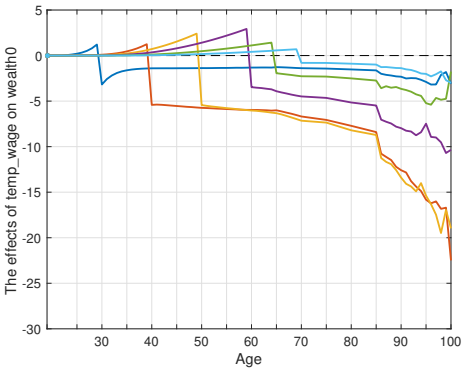
temp-wage.wealth0.highschool.antic.abs.eps

Education group: Dropout



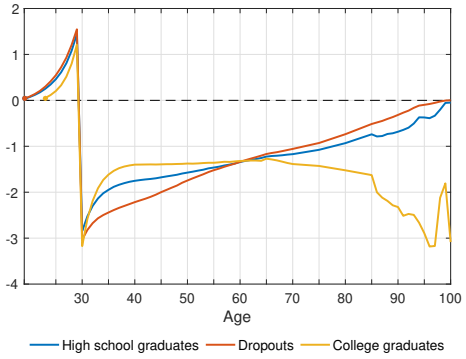
temp-wage.wealth0.dropout.antic.abs.eps

Education group: College



temp-wage.wealth0.college.antic.abs.eps

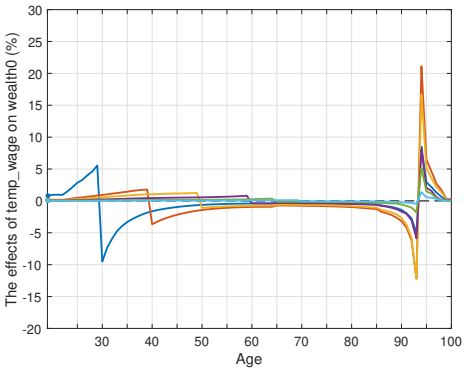
Education group: Combined



temp-wage.wealth0.antic.abs.eps

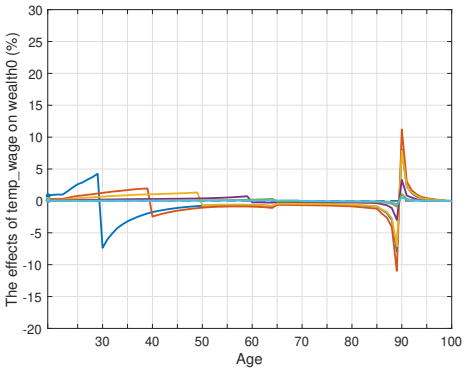
Plotted differences: Relative

Education group: Highschool



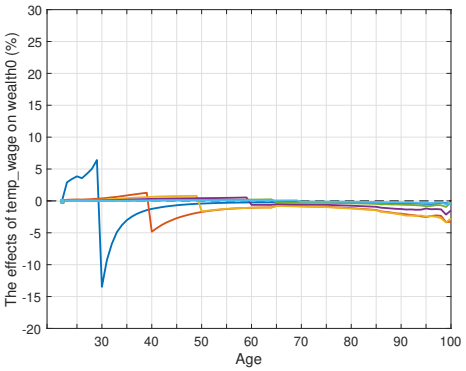
temp-wage.wealth0.highschool.antic.rel.eps

Education group: Dropout



temp-wage.wealth0.dropout.antic.rel.eps

Education group: College

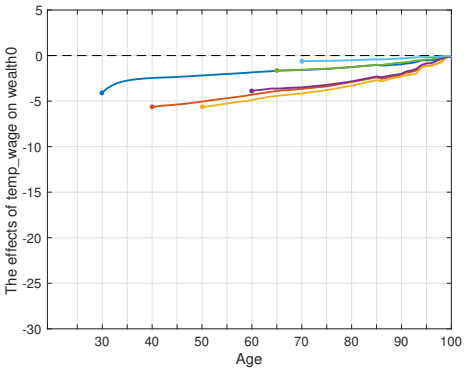


temp-wage.wealth0.college.antic.rel.eps

4.4.2 Policy change: Unanticipated

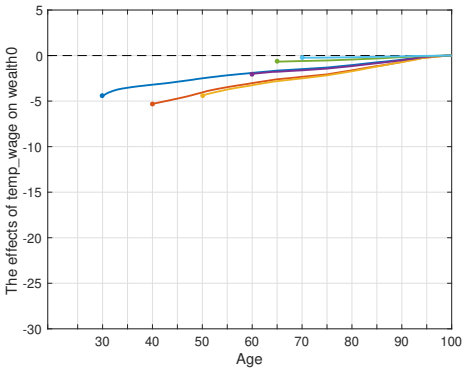
Plotted differences: Absolute

Education group: Highschool



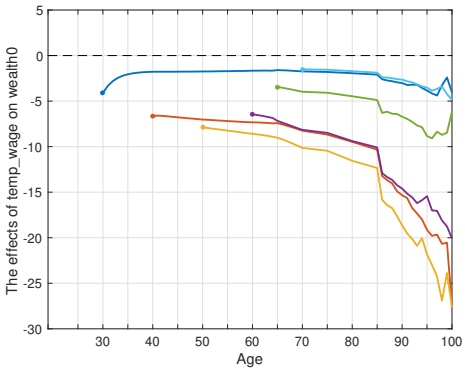
temp-wage.wealth0.highschool.unant.abs.eps

Education group: Dropout



temp-wage.wealth0.dropout.unant.abs.eps

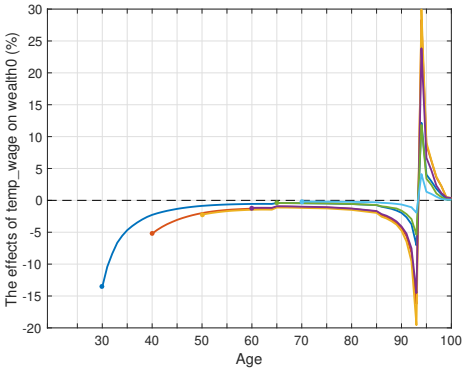
Education group: College



temp-wage.wealth0.college.unant.abs.eps

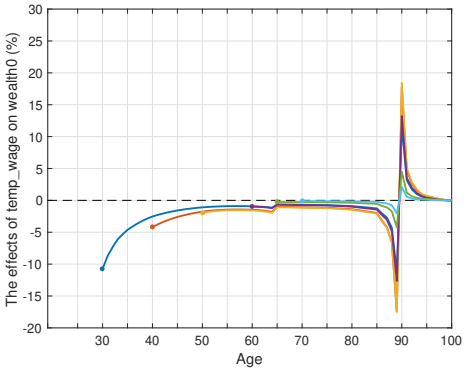
Plotted differences: Relative

Education group: Highschool



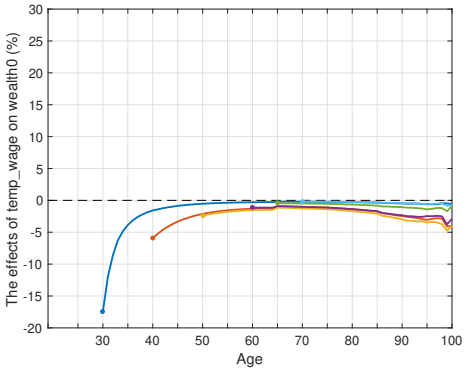
temp-wage.wealth0.highschool.unant.rel.eps

Education group: Dropout



temp-wage.wealth0.dropout.unant.rel.eps

Education group: College



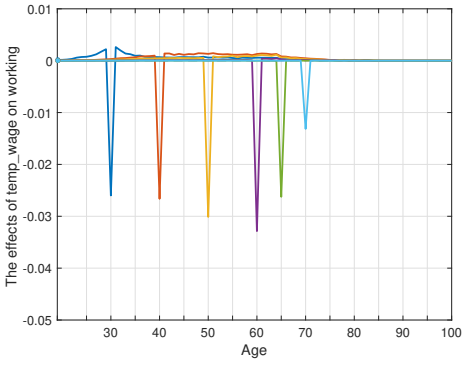
temp-wage.wealth0.college.unant.rel.eps

4.5 Simulated moment: Working

4.5.1 Policy change: Anticipated

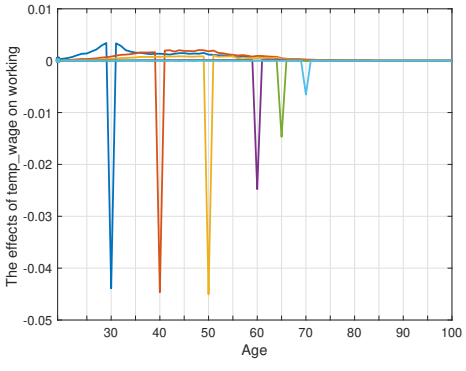
Plotted differences: Absolute

Education group: Highschool



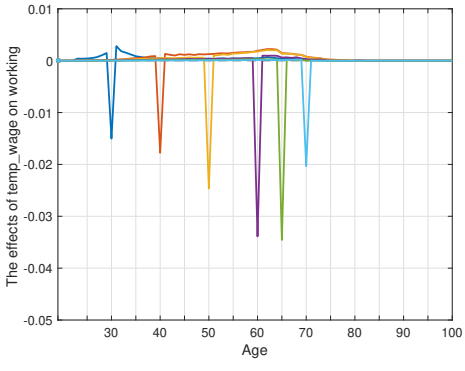
temp-wage.working.highschool.antic.abs.eps

Education group: Dropout



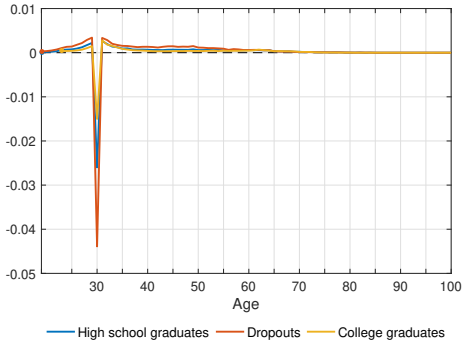
temp-wage.working.dropout.antic.abs.eps

Education group: College



temp-wage.working.college.antic.abs.eps

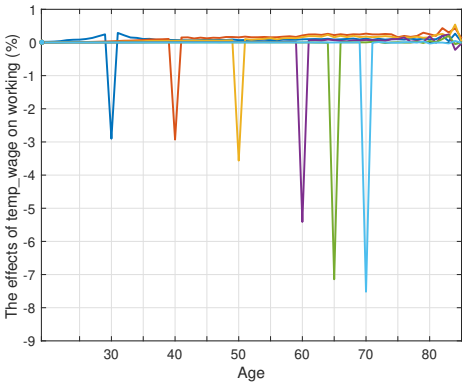
Education group: Combined



temp-wage.working.antic.abs.eps

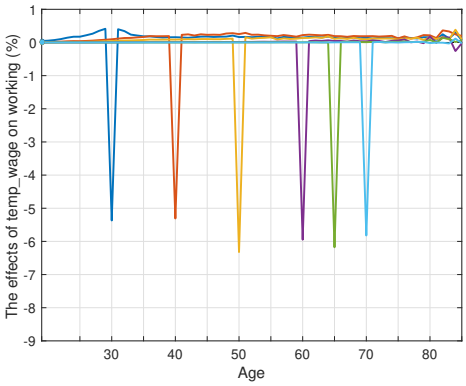
Plotted differences: Relative

Education group: Highschool



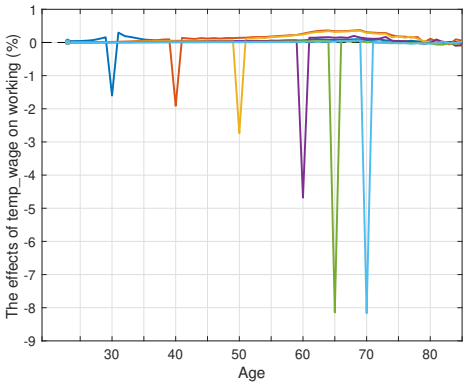
temp-wage.working.highschool.antic.rel.eps

Education group: Dropout



temp-wage.working.dropout.antic.rel.eps

Education group: College

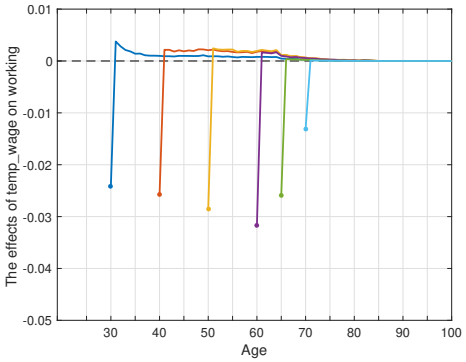


temp-wage.working.college.antic.rel.eps

4.5.2 Policy change: Unanticipated

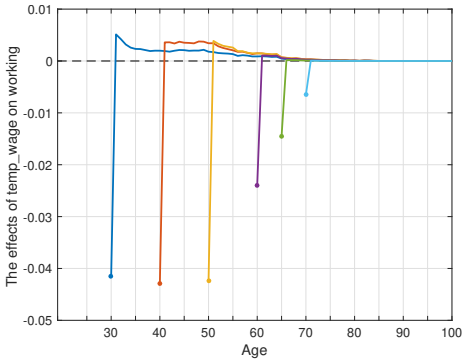
Plotted differences: Absolute

Education group: Highschool



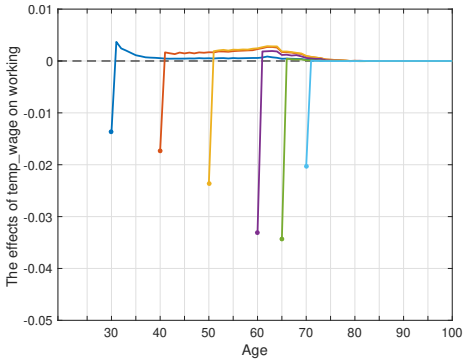
temp-wage.working.highschool.unant.abs.eps

Education group: Dropout



temp-wage.working.dropout.unant.abs.eps

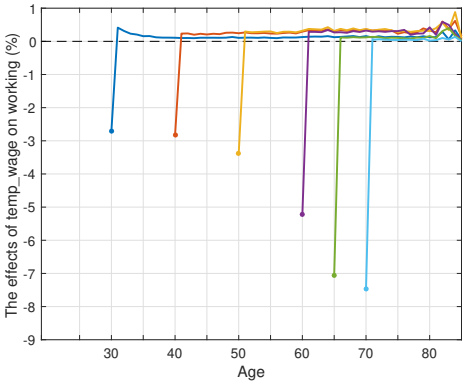
Education group: College



temp-wage.working.college.unant.abs.eps

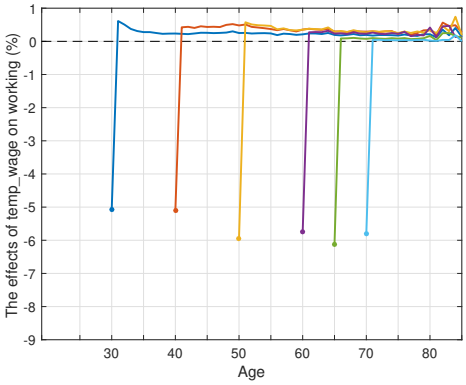
Plotted differences: Relative

Education group: Highschool



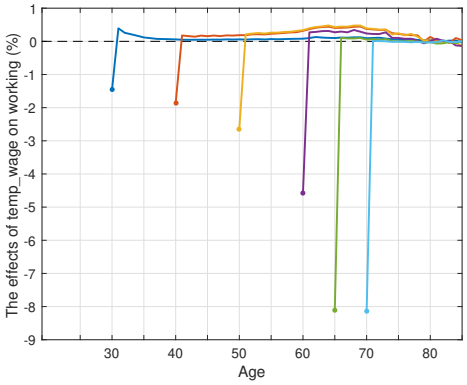
temp-wage.working.highschool.unant.rel.eps

Education group: Dropout



temp-wage.working.dropout.unant.rel.eps

Education group: College



temp-wage.working.college.unant.rel.eps