```
function [V0, U Cube, Policy] = SolveConsumerProblem(Asset, Labor, WageShocks, wage, ✓
eco param, displayInfo, displayIter)
    % Fill in unset optional values.
    switch nargin
        case {5}
            displayInfo = 0;
            displayIter = 0;
        case 6
            displayIter = 0;
    end
    if displayInfo == 1
        fprintf('Beging solving Consumer Problem.\n');
    end
    U Cube 1 = UtilityCube(Asset.Values, Labor.Values, wage*WageShocks.Values(1), ✓
eco param);
    U Cube 2 = UtilityCube(Asset.Values, Labor.Values, wage*WageShocks.Values(2), ✓
eco param);
    U Cube 3 = UtilityCube(Asset.Values, Labor.Values, wage*WageShocks.Values(3), ✓
eco param);
    U Cube 4 = UtilityCube(Asset.Values, Labor.Values, wage*WageShocks.Values(4), 🗸
eco param);
    U Cube 5 = UtilityCube(Asset.Values, Labor.Values, wage*WageShocks.Values(5), ✓
eco param);
    U Cube 6 = UtilityCube(Asset.Values, Labor.Values, wage*WageShocks.Values(6), 🗸
    U Cube 7 = UtilityCube(Asset.Values, Labor.Values, wage*WageShocks.Values(7), ✓
eco param);
    % define vetor inicial de chutes (lin:asset col:income)
   V star 1 = zeros(Asset.Grid.N, 1);
   V star 2 = zeros(Asset.Grid.N, 1);
   V star 3 = zeros(Asset.Grid.N, 1);
   V_star_4 = zeros(Asset.Grid.N, 1);
   V star 5 = zeros(Asset.Grid.N, 1);
   V star 6 = zeros(Asset.Grid.N, 1);
    V star 7 = zeros(Asset.Grid.N, 1);
    % Initializa a condicao de parada das interacoes (um para cada estado)
    check=ones(1, 7);
    % inicializa os vetores de politica (K x z)
    policyIndex L = nan(Asset.Grid.N, 7);
   policyIndex A = nan(Asset.Grid.N, 7);
    Test param.tolerance = 0.0001;
    Test param.error = 1;
    nIter = 0;
```

```
if displayIter==1
   fprintf('___
    fprintf('Interação | eps (%f)\n', Test param.tolerance);
end
while Test param.error > Test param.tolerance
    % Incrementa o contador de interacoes
   nIter = nIter + 1;
    % CALCULA AS MATRIZES DE MEDIA DO TVi
    TV1 average = WageShocks.PI(1,1)*V star 1 + ...
        WageShocks.PI(1,2)*V star 2 + ...
        WageShocks.PI(1,3)*V star 3 + ...
        WageShocks.PI(1,4)*V star 4 + ...
        WageShocks.PI(1,5)*V star 5 + \dots
        WageShocks.PI(1,6)*V star 6 + ...
        WageShocks.PI(1,7)*V star 7;
    TV2 average = WageShocks.PI(2,1)*V star 1 + ...
        WageShocks.PI(2,2)*V star 2 + ...
        WageShocks.PI(2,3)*V star 3 + ...
        WageShocks.PI(2,4)*V star 4 + \dots
        WageShocks.PI(2,5)*V star 5 + \dots
        WageShocks.PI(2,6)*V star 6 + ...
        WageShocks.PI(2,7)*V star 7;
    TV3 average = WageShocks.PI(3,1)*V star 1 + ...
        WageShocks.PI(3,2)*V star 2 + ...
        WageShocks.PI(3,3)*V star 3 + ...
        WageShocks.PI(3,4)*V star 4 + ...
        WageShocks.PI(3,5)*V star 5 + ...
        WageShocks.PI(3,6)*V_star_6 + ...
        WageShocks.PI(3,7)*V star 7;
    TV4 average = WageShocks.PI(4,1)*V star 1 + ...
        WageShocks.PI(4,2)*V star 2 + ...
        WageShocks.PI(4,3)*V_star_3 + ...
        WageShocks.PI(4,4)*V star 4 + ...
        WageShocks.PI(4,5)*V star 5 + \dots
        WageShocks.PI(4,6)*V star 6 + ...
        WageShocks.PI(4,7)*V star 7;
    TV5_average = WageShocks.PI(5,1)*V_star_1 + ...
        WageShocks.PI(5,2)*V star 2 + ...
        WageShocks.PI(5,3)*V star 3 + ...
        WageShocks.PI(5,4)*V star 4 + ...
        WageShocks.PI(5,5)*V star 5 + ...
        WageShocks.PI(5,6)*V star 6 + ...
        WageShocks.PI(5,7)*V_star_7;
    TV6 average = WageShocks.PI(6,1)*V star 1 + ...
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WageShocks.PI(6,2)*V star 2 + ...
            WageShocks.PI(6,3)*V_star_3 + ...
            WageShocks.PI(6,4)*V star 4 + ...
            WageShocks.PI(6,5)*V star 5 + ...
            WageShocks.PI(6,6)*V star 6 + ...
            WageShocks.PI(6,7)*V star 7;
        TV7 average = WageShocks.PI(7,1)*V_star_1 + ...
            WageShocks.PI(7,2)*V star 2 + ...
            WageShocks.PI(7,3)*V_star_3 + ...
            WageShocks.PI(7,4)*V star 4 + ...
            WageShocks.PI(7,5)*V star 5 + ...
            WageShocks.PI(7,6)*V star 6 + ...
            WageShocks.PI(7,7)*V star 7;
        % Dimensionaliza as matrizes
        % Atencao, inverto TV1 average pois ele eh funcao de k
        V cube 1 = repmat(TV1 average', Labor.Grid.N, 1, Asset.Grid.N);
        V cube 2 = repmat(TV2 average', Labor.Grid.N, 1, Asset.Grid.N);
        V cube 3 = repmat(TV3 average', Labor.Grid.N, 1, Asset.Grid.N);
        V cube 4 = repmat(TV4 average', Labor.Grid.N, 1, Asset.Grid.N);
        V_cube_5 = repmat(TV5_average', Labor.Grid.N, 1, Asset.Grid.N);
        V cube 6 = repmat(TV6 average', Labor.Grid.N, 1, Asset.Grid.N);
        V cube 7 = repmat(TV7 average', Labor.Grid.N, 1, Asset.Grid.N);
        % Finds the new TV1
        [TV 1, policyIndex L(:,1), policyIndex A(:,1)] = TV op(U Cube 1.Values, \checkmark
eco param, V cube 1);
        [TV 2, policyIndex L(:,2), policyIndex A(:,2)] = TV op(U Cube 2.Values, \checkmark
eco param, V cube 2);
        [TV 3, policyIndex L(:,3), policyIndex A(:,3)] = TV op(U Cube 3.Values, \checkmark
eco param, V cube 3);
        [TV 4, policyIndex L(:,4), policyIndex A(:,4)] = TV op(U Cube 4.Values, \checkmark
eco param, V cube 4);
        [TV 5, policyIndex L(:,5), policyIndex A(:,5)] = TV op(U Cube 5. Values, \checkmark
eco_param, V_cube_5);
        [TV 6, policyIndex L(:,6), policyIndex A(:,6)] = TV op(U Cube 6.Values, \checkmark
eco param, V cube 6);
        [TV 7, policyIndex L(:,7), policyIndex A(:,7)] = TV op(U Cube 7. Values, \checkmark
eco param, V cube 7);
        % Sets the new numerical value for the stopping rule
        check(1) = norm(TV_1 - V_star_1)/norm(V_star_1);
        check(2) = norm(TV 2 - V star 2)/norm(V star 2);
        check(3) = norm(TV_3 - V_star_3)/norm(V_star_3);
        check(4) = norm(TV 4 - V star 4)/norm(V star 4);
        check(5) = norm(TV 5 - V star 5)/norm(V star 5);
        check(6) = norm(TV_6 - V_star_6)/norm(V_star_6);
        check(7) = norm(TV 7 - V star 7)/norm(V star 7);
```

```
Test param.error = max(check);
       % Sets V to be the last TV we found
       V_star 1 = TV 1;
       V_star_2 = TV_2;
       V star 3 = TV 3;
       V star 4 = TV 4;
       V star 5 = TV 5;
       V star 6 = TV 6;
       V_star_7 = TV_7;
       if (displayIter==1) & (mod(nIter, 25) == 0)
           fprintf(' %13d| %12.10f \n', nIter, max(check));
       end
   end
   if displayIter==1
       fprintf('
       fprintf('Total %7d| %12.10f\n', nIter, max(check));
       fprintf('----\n');
   end
   V0=[V star 1 V star 2 V star 3 V star 4 V star 5 V star 6 V star 7];
   U Cube=[U Cube 1 U Cube 2 U Cube 3 U Cube 4 U Cube 5 U Cube 6 U Cube 7];
   % DEFINICAO DAS POLITICAS
   Policy.AssetDomain = Asset.Values;
   Policy.LaborDomain = Labor.Values;
   Policy.AssetPrime.Index = policyIndex A;
   Policy.Labor.Index = policyIndex L;
   Policy.AssetPrime.Values = Policy.AssetDomain(Policy.AssetPrime.Index );
   Policy.Labor.Values = Policy.LaborDomain(Policy.Labor.Index);
   Policy.Wealth.Values = Asset.Values'*ones(1,7).*(1 + eco param.r) ...
       + Policy.Labor.Values * diag(wage*WageShocks.Values);
   Policy.Consumption.Values = Asset.Values'*ones(1,7).*(1 + eco param.r) ...
       + Policy.Labor.Values * diag(wage*WageShocks.Values) ...
       - Policy.AssetPrime.Values;
   Policy.Wages.Values = Policy.Labor.Values * diag(wage*WageShocks.Values);
   Policy.Asset.Values = Asset.Values'*ones(1,7);
   if displayInfo == 1
       fprintf('\nEnd of Consumer Problem.\n');
end % end of fucntion
```