1 Robustness Checks

The results in the previous section depend on the specified parameter values in each of the tables above. The next step for this project is to see how much my estimates for the optimal rate of return (with and without heterogeneity) changes for other plausible values for other parameters of interest to the consumption-saving problem. For example, empirical estimates of the time preference factor are known to vary substantially across methodologies used, but can typically be found in the range of 1% to 10%. Estimates of the CRRA factor in similar frameworks are generally between 1 and 4.