TABLE 4—INTERNALLY CALIBRATED PARAMETERS AND MOMENTS: MODEL VERSUS DATA

Parameter and interpretation		Moment	Model	Data
$\phi_1 = 1.39$	Utility from	$\Pr(\# \text{ child} = 1)$	0.176	0.196
$\phi_2 = 2.18$	number of	$\Pr(\# \text{ child} = 2)$	0.633	0.631
$\phi_3 = 2.57$	children	$\Pr(\# \text{ child} \geq 3)$	0.158	0.144
$\sigma_\kappa = 0.361$	Ability dispersion	Gini income	0.266	0.263
$\nu = 1.87$	Leisure constant	Avg total hours worked	0.290	0.301
$\sigma_b = 0.587$	Preference dispersion	Income elasticity of fertility	0.080	0.082
$\chi = 0.078$	Status externality	Education inv. spillover estimate	0.038	0.039
		Childless in first income quintile	0.052	0.053
$\theta = 1.08$	HK production	Avg. investment-income ratio	0.110	0.092
$\alpha = 0.668$	technology	Income elasticity of investment	0.775	0.698
$\rho_\kappa = 0.376$	Ability persistence	Intergenerat. income elasticity	0.327	0.320
$A_h = 2.23$	HK scale	Output per capita (normalization)	0.958	1.00