# Estimation results v2.5

**This version**: results from estimating discount factor distributions separately for the three education groups. In this version we use the new, updated calibration **except** for the shock standard deviations which are set to the old, low values.



**Targets:** For each group the targets are the median LW/PI ratio and the [20,40,60,80] Lorenz Pts for that group’s liquid wealth distribution.

## Dropouts

Estimated (beta, nabla) = **[0.8769138 0.13952285]**

|  |  |  |
| --- | --- | --- |
|  | Median LW/PI ratio | Lorenz points |
| Data | 4.64 | [0., 0.01, 0.6, 3.58] |
| Model | 4.64 | [0., 0.02817, 0.6664, 3.5657] |

## Highschool

Estimated (beta, nabla) = **[0.97097283 0.02996364]**

|  |  |  |
| --- | --- | --- |
|  | Median LW/PI ratio | Lorenz points |
| Data | 30.2 | [ 0.06, 0.63, 2.98, 11.6 ] |
| Model | 30.13 | [ 0.2935, 1.5042, 4.234, 10.9352]  [ 0.2537, 1.3490, 3.9593, 11.1340] |

## College

Estimated (beta, nabla) = **[0.99264389, 0.00596917]**

|  |  |  |
| --- | --- | --- |
|  | Median LW/PI ratio | Lorenz points |
| Data | 112.8 | [ 0.15, 0.92, 3.27, 10.3 ] |
| Model | 112.8 | [0.4799, 1.7370, 4.1887, 9.6515 ] |

## Discount factor distributions

With the above estimates, the actual discount factor distributions we are using that are generated via the command   
Uniform(beta-nabla, beta+nabla).approx(DiscFacCount)   
(where DiscFacCount = 7 in our case)  
have the following end points:



## Overall population

With the discount factor distributions estimated for each group as above, we can calculate statistics for the overall population which were **not targeted** in the estimation.

|  |  |  |
| --- | --- | --- |
|  | Lorenz points – whole popl. | Wealth shares [d, h, c] |
| Data | [0.03, 0.35, 1.84, 7.42] | [ 0.8, 17.9, 81.2] |
| Model | [0.1125, 0.7847, 2.7159, 8.0362] | [1.04, 19.09, 79.87] |

## Average MPCs

With these estimates we also get the following average MPCs for each of the education groups:

|  |  |
| --- | --- |
| Group | Average MPC |
| Droupouts | 0.57 |
| Highschool | 0.24 |
| College | 0.07 |
| All | 0.21 |