Table 1 Estimated discount factor distributions and estimation targets

Panel A: Estimated discount factor distributions

	Dropout	Highschool	College
(β_e, ∇_e)	(0.719, 0.318)	(0.925, 0.077)	(0.983, 0.014)
(Min, max) in approximation	(0.447, 0.991)	(0.859, 0.990)	(0.971, 0.995)

Panel B: Estimation targets

	Dropout	Highschool	College
Median LW/ quarterly PI (data, percent)	4.64	30.2	112.8
Median LW/ quarterly PI (model, percent)	4.64	30.2	112.8

Note: Panel (A) shows the estimated parameters of the discount distributions for each education group. It also shows the minimum and maximum values we use in our discrete approximation to the uniform distribution of discount factors for each group. Panel (B) shows the weighted median ratio of liquid wealth to permanent income from the 2004 SCF and in the model. In the annual data from the SCF, the annual PI is divided by 4 to obtain a quarterly number.