

# Presentation Hugget 1996 Part I

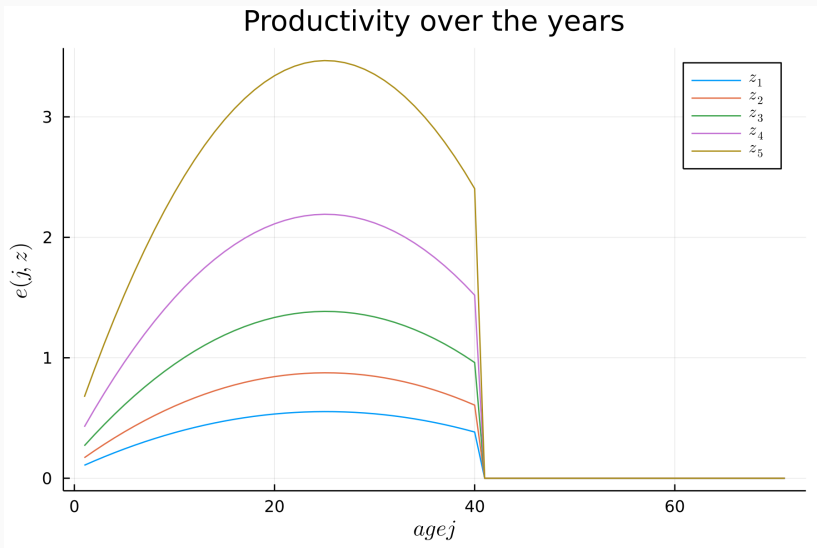
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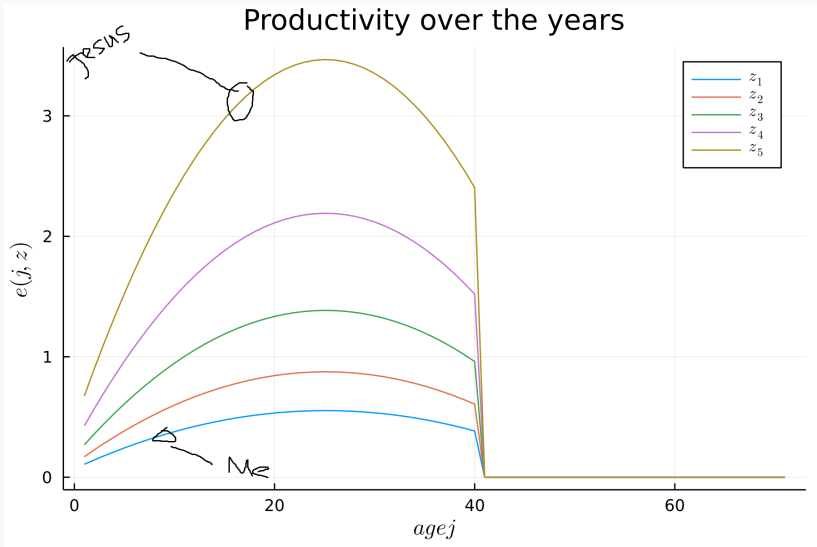
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# Household efficiency



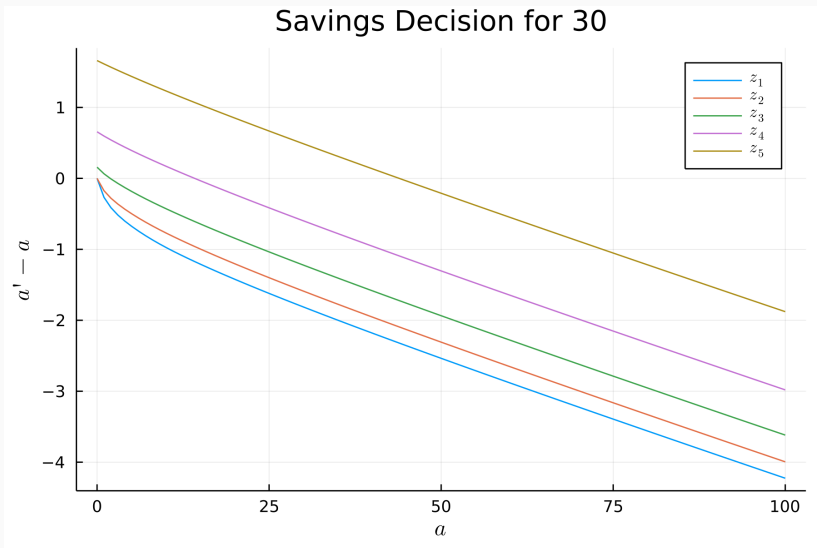
# Household efficiency



# Efficiency Code

```
1  P = zeros(J)
2  for j = 1:(J_r-1)
3      P[j] =  $\lambda_0$  +  $\lambda_1*j$  +  $\lambda_2*(j^2)$ 
4  end
5  hh_prod = zeros(nz,J)
6
7  for j = 1:(J_r-1)
8      for i = 1:nz
9          hh_prod[i,j] = z_grid[i]*P[j]
10     end
11 end
```

## Savings decision at age 30



# Savings Code

```
1 for (j,(z,_)) in zip(reverse(1:J-1),enumerate(z_grid))
2     for (q,a) in enumerate(a_grid)
3
4         pol_a[q] = (( $\beta$ *(1+rg)*sj[j]*trans_mat[z,:]'*
5                     ((1+rg)*a .+ d[:,j+1] - Kg[:,q,j+1])
6                     .^(- $\sigma$ )).^(-1/ $\sigma$ ) + a - d[i,j])/(1+rg)
7
8     end
9 end
```

## Savings decision at age 70

