

NSF Draft Models

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1 Introduction

This document will document the live progression of a structural macro model that I am building for my 2024 NSF Grant proposal. The general goal is building a HANK (or lifecycle, not sure yet) model that captures the credit restrictiveness across different racial groups. Beyond the general idea of intrinsic heterogeneity across households, I want to try to build in heterogenous shocks as well.

2 Model 1: Simple Infinitely Lived Agent w/ Production Technology

In this economy, there exists only households who make choices about how much they want to consume and how much time to spend working at each time period t . Specifically the household