

## Readme.txt

This is a readme file for Song, Storesletten, Wang and Zilibotti 2014,  
"Sharing High Growth Across Generations", AEJ Macro, forthcoming.

### ----- Overview -----

The zip file contains three main blocks, "Demography", "OLG" and "Results".

"Demography" for computing the demographic model.

"OLG" is for computing the quantitative OLG models.

"Results" generates all the graphs and simulation results in the paper.

There is also a main.m file, which automatically run all the codes in all the folders

and generate all the graphs and results in the paper.

The rest of the document will explain the content in each folder in order.

### ----- Demography -----

This block is for computing the demographic model.

There are four folders, all headed with "Demography...", corresponding to four different

scenarios.

There is a main file (main.m) in each subfolder that you can run to generate the results.

The main file is self-explanatory in providing the detailed computational structures.

#### 1. /Demography1\_MigrationProjection

This folder contains files to project the rural-urban migration rate.

#### 2. /Demography2\_PopulationProjection

Compute the population from 2000 on, given the migration rates computed and stored in

/Demography1\_MigrationProjection.

#### 3. /Demography3\_LowFertility

Assume low fertility rates and calculate the alternative population dynamics.

#### 4. /Demography4\_LowMigration

Assume low migration rate and compute the population dynamics.

### ----- OLG -----

This block is for computing the quantitative OLG models.

There are eleven folders, all headed with "Pension...".

There is a main file (main.m) in each subfolder that you can run to generate the

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results.

The main file is self-explanatory in providing the detailed computational structures.

### 1. /Pension1\_BaselineScenario

This folder contains files for the baseline scenario.

### 2. /Pension2\_LowFertility

The scenario with low fertility

### 3. /Pension3\_HighInterest

The scenario with high interest

### 4. /Pension4\_LowWageGrowth

The scenario with low wage growth (2%) forever

### 5. /Pension5\_LowBeta

The scenario with low beta (the discount factor)

### 6. /Pension6\_FinancialLiberalization

The scenario with financial liberalization (relaxation of the financial constraint on E-type

firms)

### 7. /Pension7\_SlowConvergence

The scenario with slow convergence to the same steady state wage level as in the baseline

### 8. /Pension8\_LowMigration

The scenario with low migration rate (about 55% of the rate in the baseline)

### 9. /Pension9\_TwoTierSystem

The scenario with a non-empty second pillar (individual account)

### 10. /Pension10\_Retire57

The scenario with the retirement age of 57 (instead of 60)

### 11. /Pension11\_PerfectForesight

The scenario with anticipated reforms

Specifically, we assume that agents have expected all the reforms (delayed reform, fully

funded reform, etc..) in 2000.

Instead, the baseline assumes that agents are not aware of the reforms until 2013.

----- Results -----

/Results

main.m generates all the graphs and simulation results in the paper.

It is necessary to run main files in other folders to generate the data before running this

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main file.