Data and Computer Codes for the Results Reported in

"The Effects of Health, Wealth, and Wages on Labor Supply and Retirement Behavior"

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1. Attached are the data profiles and computer codes used to generate the results in "The Effects of Health, Wealth, and Wages on Labor Supply and Retirement Behavior".

2. Because the programs call each other, and pass files between themselves, the program will work only if directories are properly specified. If you copy the entire "restud" directory to your c: drive, the links should all work.

3. The data inputs into the dynamic programming model are generated by stata. If you are interested in the data, go to the "stata" subdirectory, and read the documentation file provided there. This subdirectory contains raw data and the code that generates the dynamic programming inputs.

4. The stata datasets that are output by the do files must be converted into dat/dht format before they could be read in by GAUSS. See the stata code documentation.

5. The codes solving for the value functions are written in the C language. The code is located in the "cpp" subdirectory. The output is "ret30.dll". Put this file in C:\restud\gauss\retire\opt.

6. We use GAUSS for the econometrics. The GAUSS code is located in the "gauss" subdirectory. The GAUSS program calls the C programs and the stata inputs to compute the GMM criterion function. See the GAUSS documentation file provided in the subdirectory.

7. The master program is msm16.gau, located in C:\restud\gauss\retire\opt. The GAUSS files that generate the graphs and tables are located in C:\restud\gauss\retire\graphs. See the graph documentation file.

Estimating parameters:

- Run msm16.gau, setting exper=0 and job=1.
- The estimated parameters will be saved in the file params.out.
- In params.out, there are two vectors.
- The first vector gives unscaled parameters; these are the parameters reported in Table 2
- The second vector gives scaled parameters; to replicate the policy experiments in Table 4, input these values into to variable "bigp" (see the section /* here are the big numbers I am using */ at line 393)

- order is: consumption weight, CRRA of utility, time endowment, time lost when in bad health, fixed cost of work, beta, theta_B (bequest weight)

Replicating output:

- Figure 1,2: the code to replicate these is located in C:\restud\gauss\retire\graphs\grphdata
- Table 2: in msm16.gau, set exper=0 and job=1.
    - specification (1), set tied = 0, select = 0
    - specification (2), set tied = 0, select = 1
    - specification (3), set tied = 1, select = 0
    - specification (4), set tied = 1, select = 1
- Figure 3: the code to replicate these is located in C:\restud\gauss\retire\graphs\simvdata
- Table 4: in msm16.gau, set exper=30, job=3 and input the scaled parameters into “bigp”, after running msm16.gau, run ssexper1.gau located in C:\restud\gauss\retire\graphs\exper
- Figure 4: These graphs are generated by ssexper1.gau