

This directory contains input files and code files for replicating the results in “Wealth Inequality , Family Background, and Estate Taxation” by Mariacristina De Nardi and Fang Yang

The main computation programs are written in generic C. They can only be run in Linux machines and require a very large amount of memory and disk space. C programs generate output files and Matlab codes make graphs and compute relevant statistics.

Please put all the input files in the same folder.

- mainFile.c solves the model. It uses mat.c, wealth4.c wealth4.h
- welfare.c generates files need to calculate welfare comparison (tables 6, 7, 8)
- sim33.c does simulation in benchmark
- input_50: joint distribution of income and social security income at age 50
- input_eff5: age-efficiency profile (5-year)
- input_inv: distribution of income at each age
- input_mkpoint: discretized income
- input_mktransit: transition process of income
- input_Qyh: transition process of income from parents to children
- input_sur5: survival probability (5-year)

To run the gross bequest model, in wealth4.h set switchModel 2, and para[7]={0.0, 0.9454867, 0.1920135, -6.1560904, 4.8765910, 0.2130148, 17.9429395}.

To run no bequest model, in wealth4.h set para[7]={0.0, 0.9525219 , 0.1920068, 0.0000000, 9.5105363 , 0.6293866 , 17.0188408}.

printCutAll.m generates Figure 1.

wealthDis.m calculates wealth distribution

compdiffModel4.m and compdiffModel5.m calculate assets compensation.

compdiff.m calculate welfare results.