

Supplementary files for ``Aggregate Implications of Corporate Debt Choices"

This folder and its subfolder contains code and data sources used in the construction of the figures of the paper.

The Matlab script "run.m", when executed, creates the following figures:

```
% Section 3
%
% % figure 5a - optimal composition of debt
% % figure 5b - borrowing levels
% % figure 6 - cross-sectional distribution
% % figure 7 - other aspect of firm dynamics
% % figure 8 - optimal policies with interim equity issuance
%
% Section 4
%
% % figure 9 - patterns of debt composition in US data during the
Great Recession
% % figure 10 - response to a credit supply shock
%
% Section 5
%
% % figure 12 - effects of subsidies to bond issuance costs for small
firms
```

These figures are created using data saved from solutions of the model; these are stored in mat files in ~/model solutions/. In order to generate these files again, uncomment the corresponding portions of run.m .

~/data sources/ contains the data sources used in the construction of the figures in the paper, in particular of figure 9.

~/figures/ contains the output figures from the code.

~/xxx - auxiliary functions/ contains the functions called by the script run.m in order to construct the solution to the model and the graphs of the paper. It also contains sub-routines to these functions. The main wrapper function is solve_steady_state_functional. This function takes a structure "model" as an argument, which structural parameters and optimization parameters. It returns the steady-state policy functions and the steady-state distribution of the model. Depending on the arguments in the "model" structure, this function may be paralellized.

For any questions, please email:

n-crouzet at kellogg dot northwestern dot edu OR
nicolas dot crouzet0 at gmail dot com

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Nicolas Crouzet