

# README for Temptation, Self-Control, and the Design of Optimal Unemployment Insurance

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## README FILE FOR “TEMPTATION, SELF-CONTROL, AND THE DESIGN OF OPTIMAL UNEMPLOYMENT INSURANCE”

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### System Requirements

- **MATLAB:** R2024a
- **Toolboxes:** Standard optimization functionality (e.g., `fsolve`, `fmincon`)

### How to Run the Code (Main Entry Point)

All figures can be generated by running the main script **in order**.

1. Open MATLAB.
2. Set the working directory to the folder containing the code (and `main.m`).
3. Open `main.m` and run it.

This will execute the scripts **in the correct order** to generate all figures.

### Notes on Table 1

**Table 1:** The numbers and how they are obtained are described in the text (Section 4.1). No additional program is required.

### Expected Outputs (Figures)

After running `main.m`, the following files should be generated.

**Figure 1** (folder: **Figure 1**)

- `example_corrected.jpg`

**Figure 2 (folder: Figure 2)**

- PolFunc\_b.png
- PolFunc\_tau.png
- PolFunc\_Uu.png

**Figure 3 (folder: Figure 3)**

- Sim\_US.png

**Figure 4 (folder: Figure 4)**

- CompStat\_b.png
- CompStat\_tau0.png
- CompStat\_tau.png
- CompStat\_U1.png

**Figure 5 (folder: Figure 5)**

- Sim\_US\_combined.png

**Figure 6 (folder: Figure 6)**

- Sim\_b\_shrtcomp.png
- Sim\_tau\_shrtcomp.png
- Sim\_budget\_shrtcomp.png

**Figure 7 (folder: Figure 7)**

- Sim\_b\_shrtcomp\_sameRepRate.png
- Sim\_tau\_shrtcomp\_sameRepRate.png
- Sim\_budget\_shrtcomp\_sameRepRate.png

**Figure 8 (folder: Figure 8)**

- Comparegam\_search\_b.png
- Comparegam\_search\_tautau0.png
- Comparegam\_search\_aaT.png

**Figure 9 (folder: Figure 9)**

- Sim\_Searchint\_U1.eps

**Figure 10 (folder: Figure 10)**

- Sim\_PB\_b\_shrt.png
- Sim\_PB\_tau\_shrt.png