

## Contract Structure, Risk Sharing & Investment Choice

### Summary of files used to generate constrained efficient transfers as described in Section 2 and Table 7

***lambdaFinderFinal.m***: Calculates starting Pareto weights based on investment choices and ratio of marginal utilities in autarky

***localLFinder\_IL\_Final.m***: Using the starting Pareto weights from *lambdaFinderFinal.m* this generates the starting guess for a transfer vector under individual liability. This is separated from the final calculating file to reduce run times for checking alternative transfer profiles.

***localLFinder\_JL\_Final.m***: Using the starting Pareto weights from *lambdaFinderFinal.m* and the outside option conditional on the joint liability contract from *jlOutsideOptionFinal.m* this generates the starting guess for a transfer vector under joint liability. This is separated from the final calculating file to reduce run times for checking alternative transfer profiles.

***jlOutsideOptionFinal.m***: This calculates the outside option for an agent who opts out of all informal transfers under a joint liability contract. This file is reorganized in the Excel file

***jlOutsideOptionProcess.xlsx***. While this requires manual copying, it was more transparent than the Matlab coding. The results are then manually saved as *vJLMTPMatrix.csv*, which is an input in *localLFinder\_JL\_Final.m*.

***recipTranDebtCPOMat\_IL\_Final.m***: This calculates the transfer vector that generates the payoff vector that is Pareto efficient within the set of equilibrium payoffs for a given Pareto weight under individual liability.

***recipTranDebtCPOMat\_JL\_Final.m***: This calculates the transfer vector that generates the payoff vector that is Pareto efficient within the set of equilibrium payoffs for a given Pareto weight under joint liability.