Twitter Thread by Matt Notowidigdo



Matt Notowidigdo
@ProfNoto

u' - marginal utility
u'' - related to risk aversion
u''' - related to precautionary saving (prudence)
u'''' - ??

I heard once that @mileskimball had intuition for the roles of 4th & higher-order derivatives of u() -- would love to be able to break that out at an Econ party

> The derivatives of the Position vector with respect to time have interesting names:
> Velocity (v) = change in Position
> Acceleration (a) = change in Velocity
> Jerk (j) = change in Acceleration
> Snap (s) = change in Jerk
> Crackle (c) = change in Snap
> Pop (p) = change in Crackle
> \U0001f9d0 pic.twitter.com/fo7RNjum6f
>
> — Fermat's Library (@fermatslibrary) October 19, 2018

[Ain't no party like an Econ party, 'cause an Econ party discusses higher-order risk attitudes]