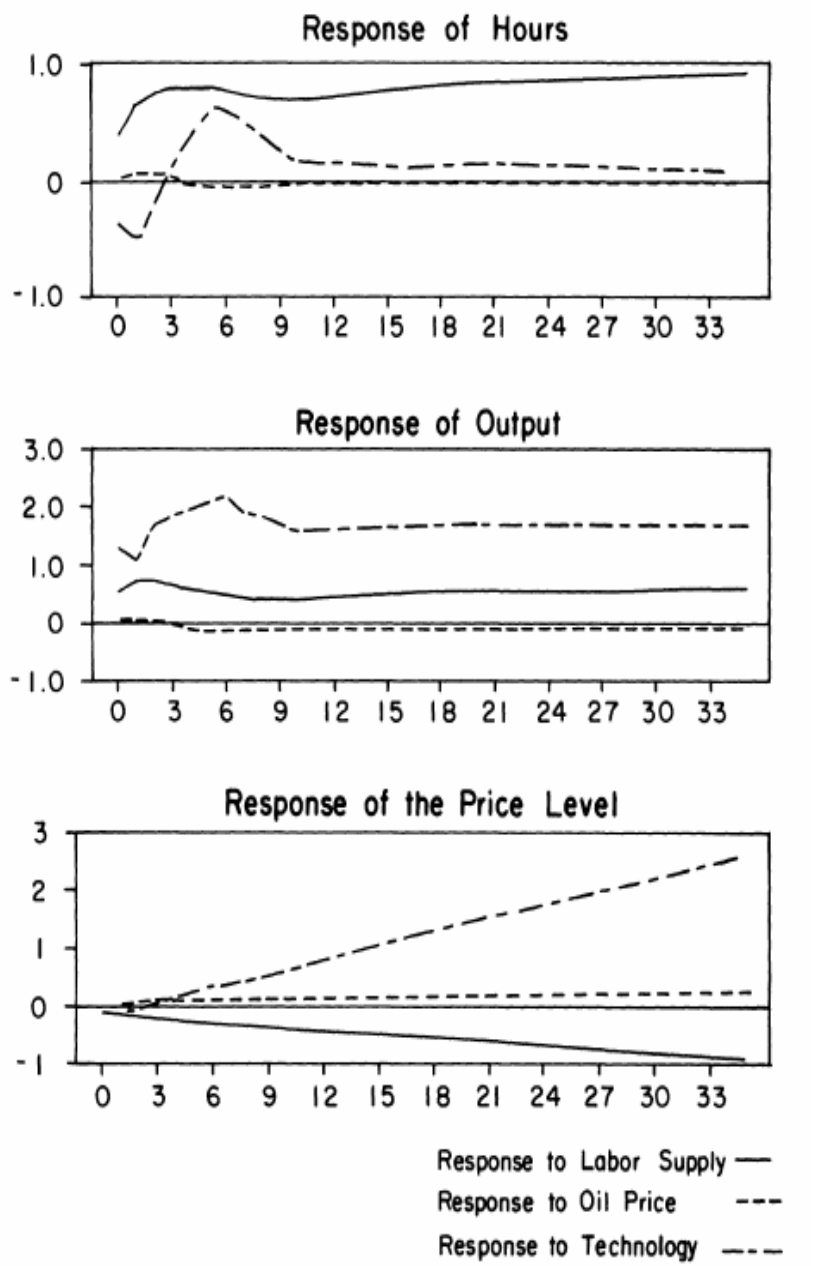
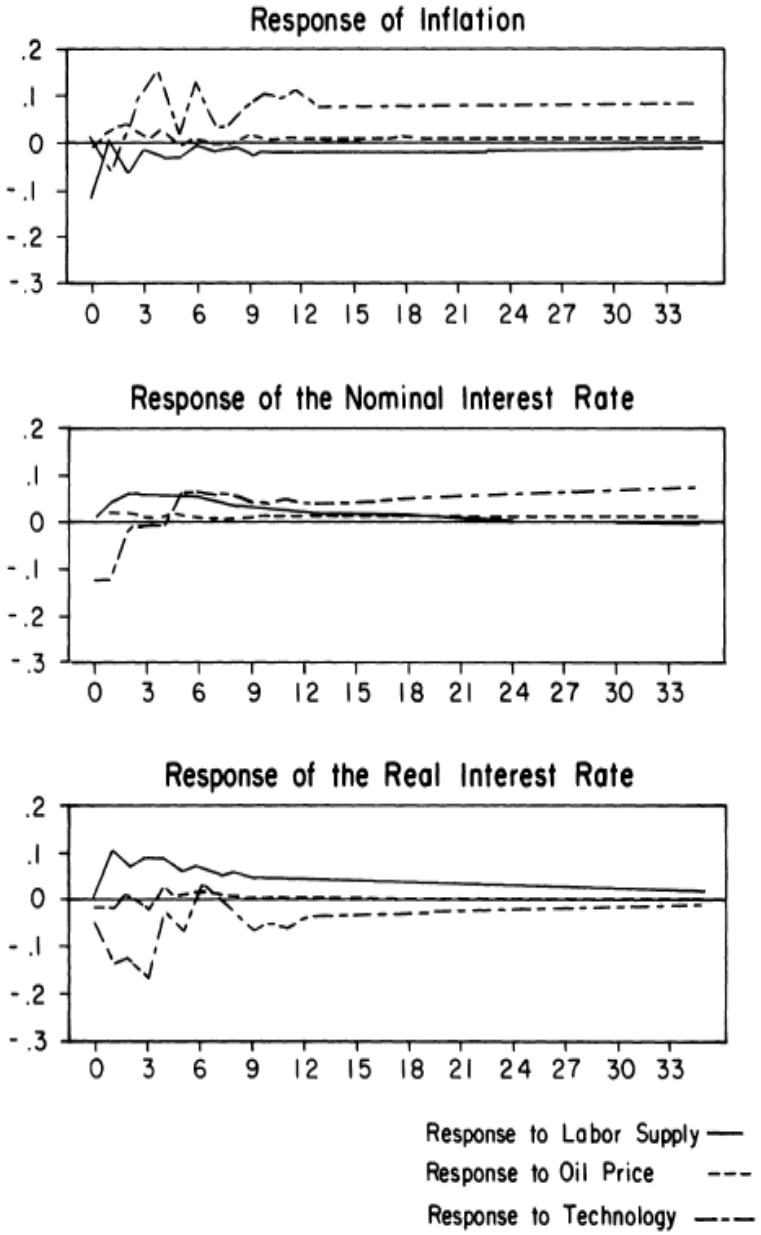
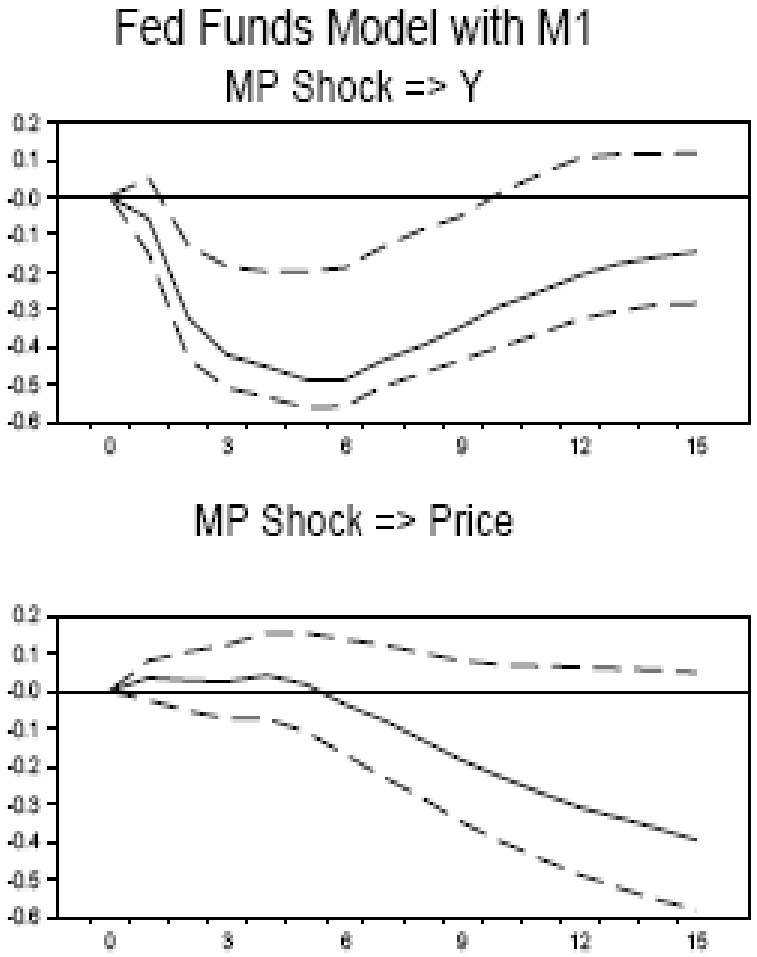
<< Shapiro-Watson >>


Response of Hours
1.0
0
-1.0
0 3 6 9 12 15 18 21 24 27 30 33
Response of Output
3.0
2.0
1.0
0
-1.0
0 3 6 9 12 15 18 21 24 27 30 33
Response of the Price Level
3
2
1
0
-1
0 3 6 9 12 15 18 21 24 27 30 33
Response to Labor Supply
Response to Oil Price
Response to Technology


Response of Inflation
.2
.1
0
-.1
-.2
-.3
0 3 6 9 12 15 18 21 24 27 30 33
Response of the Nominal Interest Rate
.2
.1
0
-.1
-.2
-.3
0 3 6 9 12 15 18 21 24 27 30 33
Response of the Real Interest Rate
.2
.1
0
-.1
-.2
-.3
0 3 6 9 12 15 18 21 24 27 30 33
Response to Labor Supply
Response to Oil Price
Response to Technology

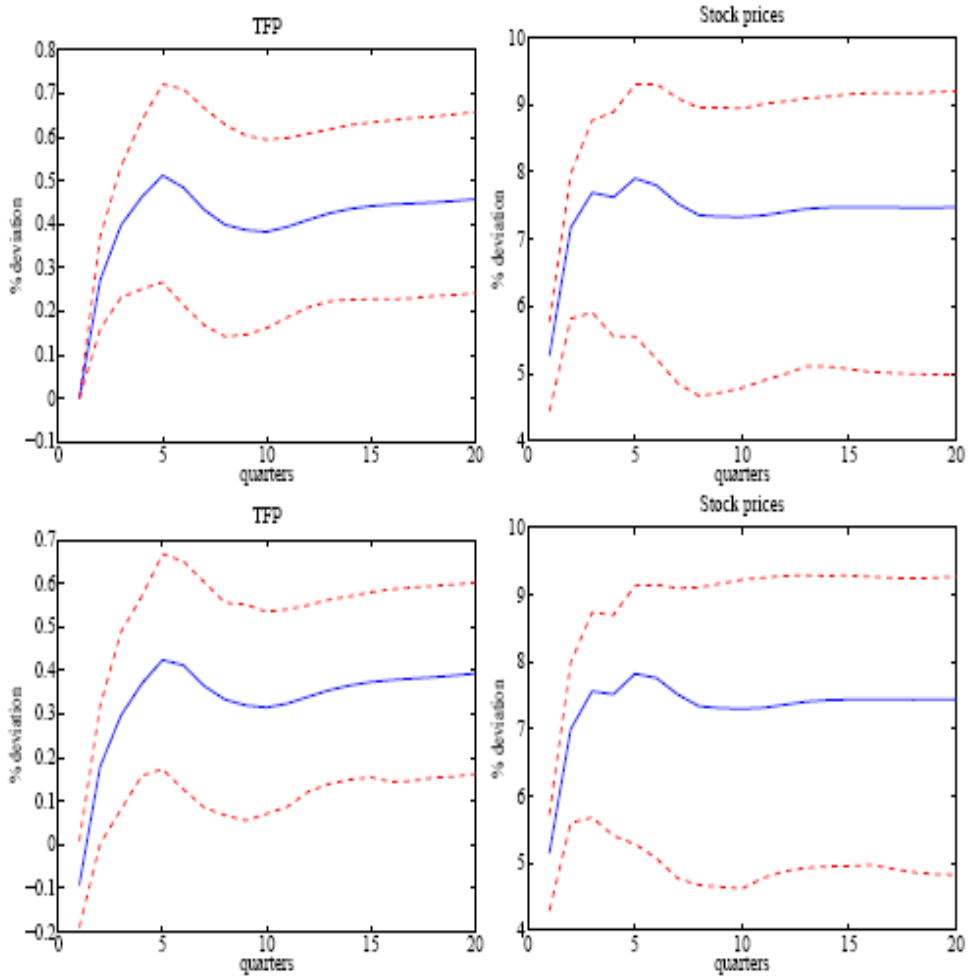
<<Christiano, Eichenbaum, and Evans>>

Effect of a MP Shock



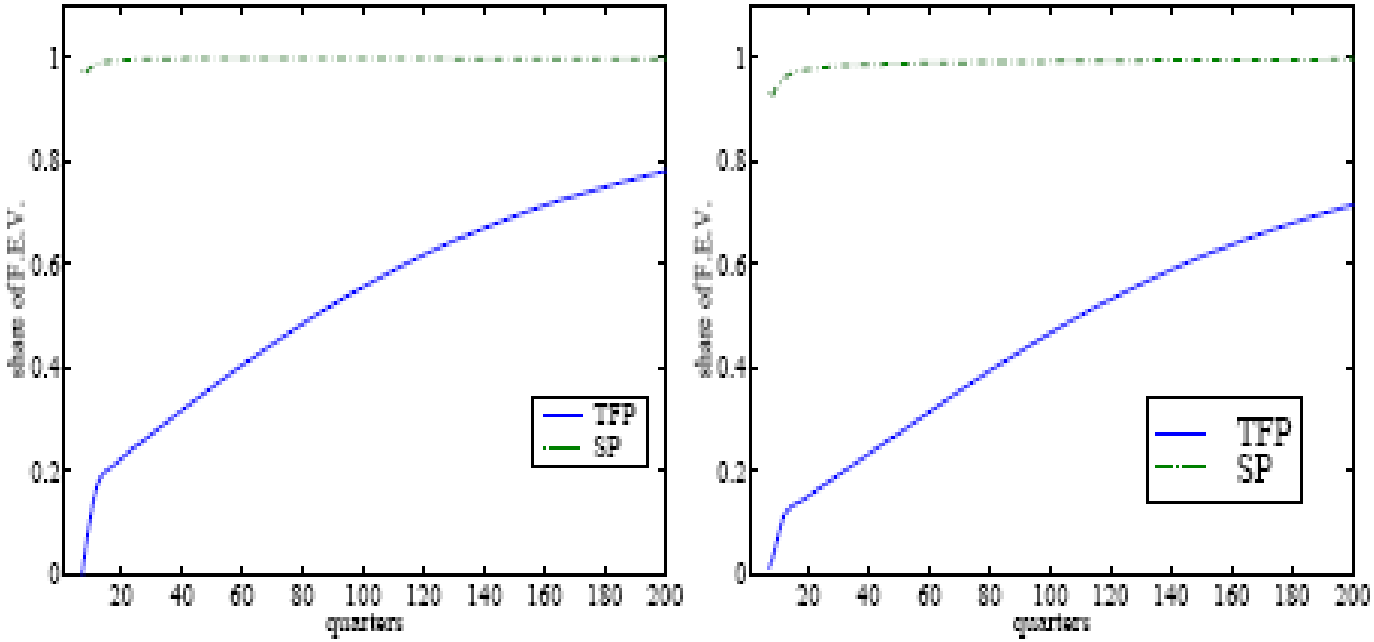
<<Beaudry and Portier>>

Figure 2: Impulse Responses to ϵ_2 (upper panels) and $\tilde{\epsilon}_1$ (lower panels) in the (TFP, SP) VAR



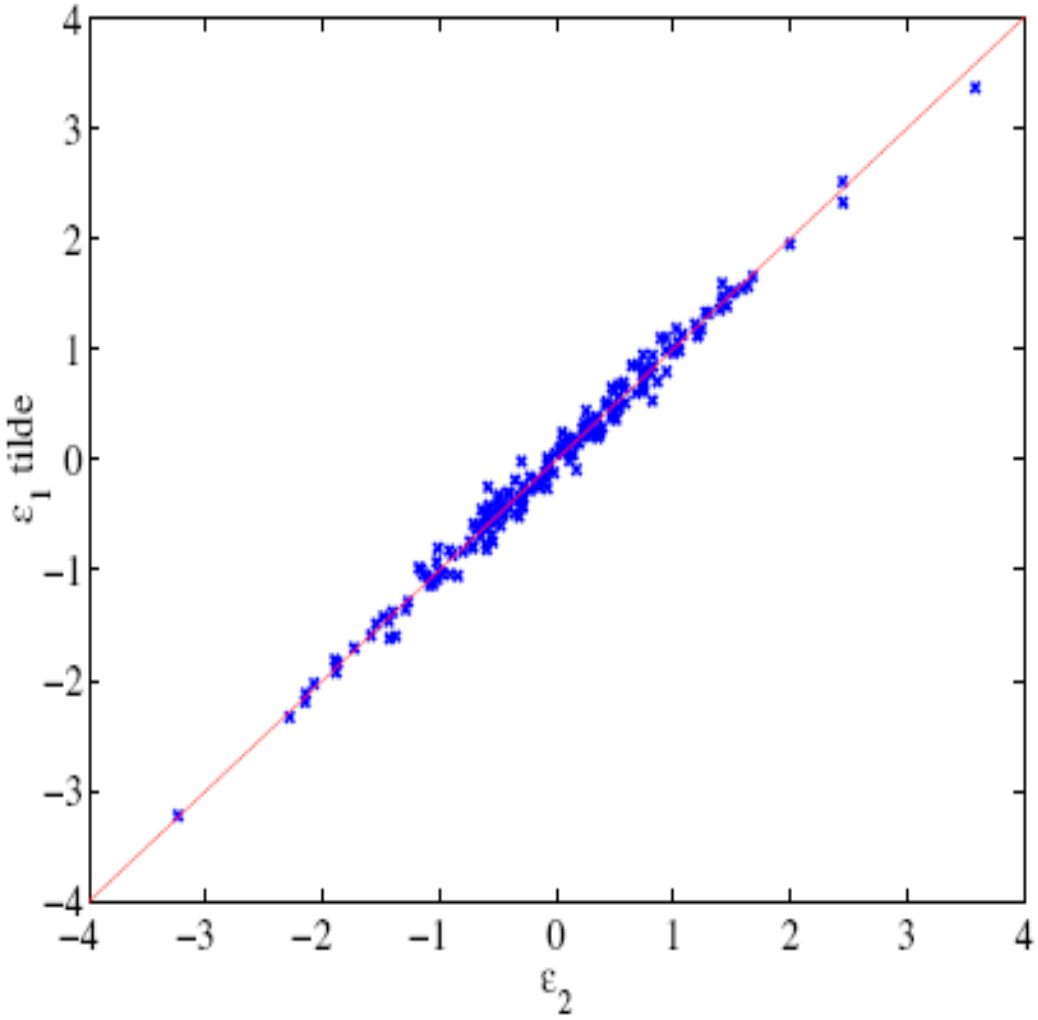
This figure displays the responses of TFP (upper left panel) and stock prices (upper right panel) to a unit ϵ_2 shock (the shock that does not have instantaneous impact of TFP in the short run identification), and the responses of TFP (lower right panel) and stock prices (lower left panel) to a unit $\tilde{\epsilon}_1$ shock (the shock that has a permanent impact on TFP in the long run identification). Both identifications are done in the baseline bivariate specification. The unit of the vertical axis is percentage deviation from the situation without shock. Dotted lines represent the 5% and 95% quantiles of the distribution of the IRF, this distribution being simulated by bootstrapping 1000 times the residuals of the VAR.

Figure 3: Share of the Forecast Error Variance Attributed to the e_2 (left panel) or $\tilde{e}_1$ (right panel) Shock in the baseline (TFP, SP) VAR



This figure displays the share of TFP and SP forecast error variance attributed to e_2 (the shock that does not have instantaneous impact of TFP in the short run identification) (left panel) or to $\tilde{e}_1$ (the shock that has a permanent impact on TFP in the long run identification)(right panel), both in the baseline bivariate specification.

Figure 4: ε_2 Against $\tilde{\varepsilon}_1$ in the (TFP, SP) VAR, baseline specification



This figure plots ε_2 against $\tilde{\varepsilon}_1$. Both shocks are obtained from the baseline (TFP, SP) VAR, with 5 lags and one cointegrating relation. The straight line is the 45° line.

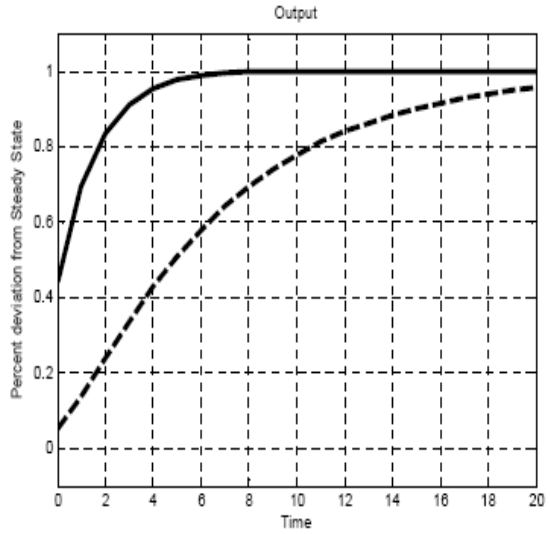
- Schmitt-Grohe’ & Uribe

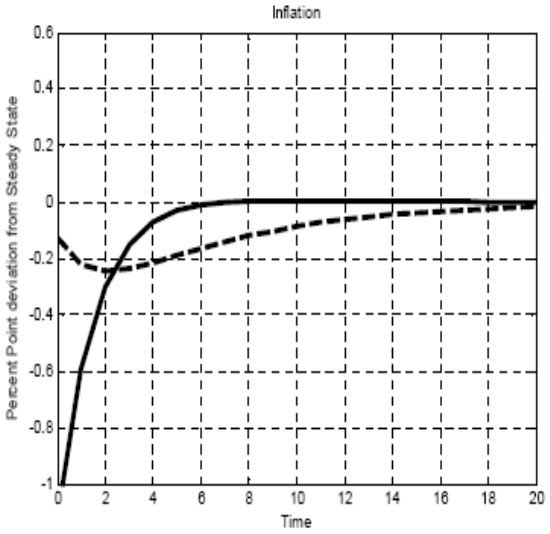
Table 5: Variance Decomposition by Type of Shock

Innovation	g^Y	g^C	g^I	h
Stationary Neutral Tech. Shock, z_t				
$\epsilon^0_{z,t}$	0.28	0.13	0.42	0.30
$\epsilon^1_{z,t}$	0.01	0.01	0.02	0.01
$\epsilon^2_{z,t}$	0.01	0.01	0.02	0.01
$\epsilon^3_{z,t}$	0.35	0.25	0.41	0.18
$\sum_{i=0}^3 \epsilon^i_{z,t}$	0.66	0.40	0.86	0.49
Nonstationary Neutral Tech. Shock, μ^x_t				
$\epsilon^0_{x,t}$	0.02	0.03	0.01	0.03
$\epsilon^1_{x,t}$	0.20	0.37	0.08	0.30
$\epsilon^2_{x,t}$	0.07	0.14	0.03	0.10
$\epsilon^3_{x,t}$	0.03	0.07	0.02	0.05
$\sum_{i=0}^3 \epsilon^i_{x,t}$	0.32	0.60	0.13	0.47
Government Spending Shock, g_t				
$\epsilon^0_{g,t}$	0.00	0.00	0.00	0.01
$\epsilon^1_{g,t}$	0.00	0.00	0.00	0.01
$\epsilon^2_{g,t}$	0.01	0.00	0.00	0.01
$\epsilon^3_{g,t}$	0.00	0.00	0.00	0.00
$\sum_{i=0}^3 \epsilon^i_{g,t}$	0.02	0.00	0.00	0.03
Investment Specific Productivity Shock, μ^a_t				
$\epsilon^0_{a,t}$	0.00	0.00	0.00	0.00
$\epsilon^0_{a,t}$	0.00	0.00	0.00	0.00
$\epsilon^0_{a,t}$	0.00	0.00	0.00	0.00
$\epsilon^0_{a,t}$	0.00	0.00	0.00	0.00
$\sum_{i=0}^3 \epsilon^i_{a,t}$	0.00	0.00	0.00	0.00

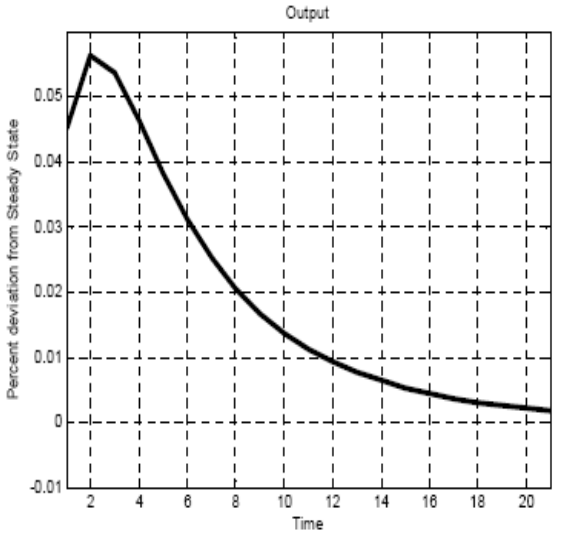
<<Barsky and E. Sims>>

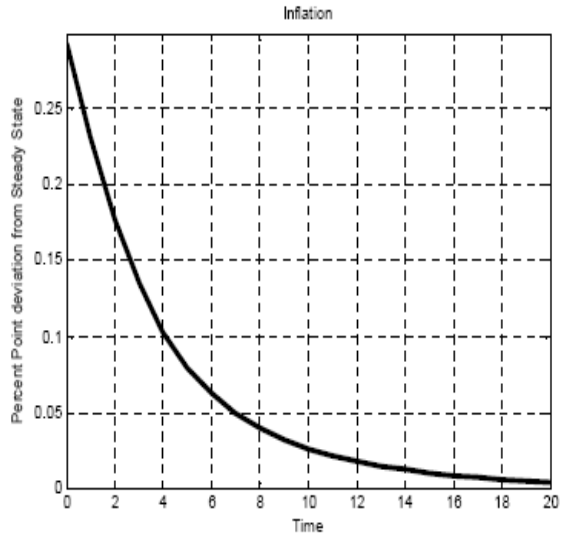
Info Shock


Output
Percent deviation from Steady State
Time
0
0.2
0.4
0.6
0.8
1
0
2
4
6
8
10
12
14
16
18
20


Inflation
Percent Point deviation from Steady State
Time
-1
-0.8
-0.6
-0.4
-0.2
0
0.2
0.4
0.6
0
2
4
6
8
10
12
14
16
18
20

Animal Spirits Shock





Expanded VAR

Expanded Empirical VAR