

FIGURE 1

Model Impulse Response of Hours to a Technology Shock

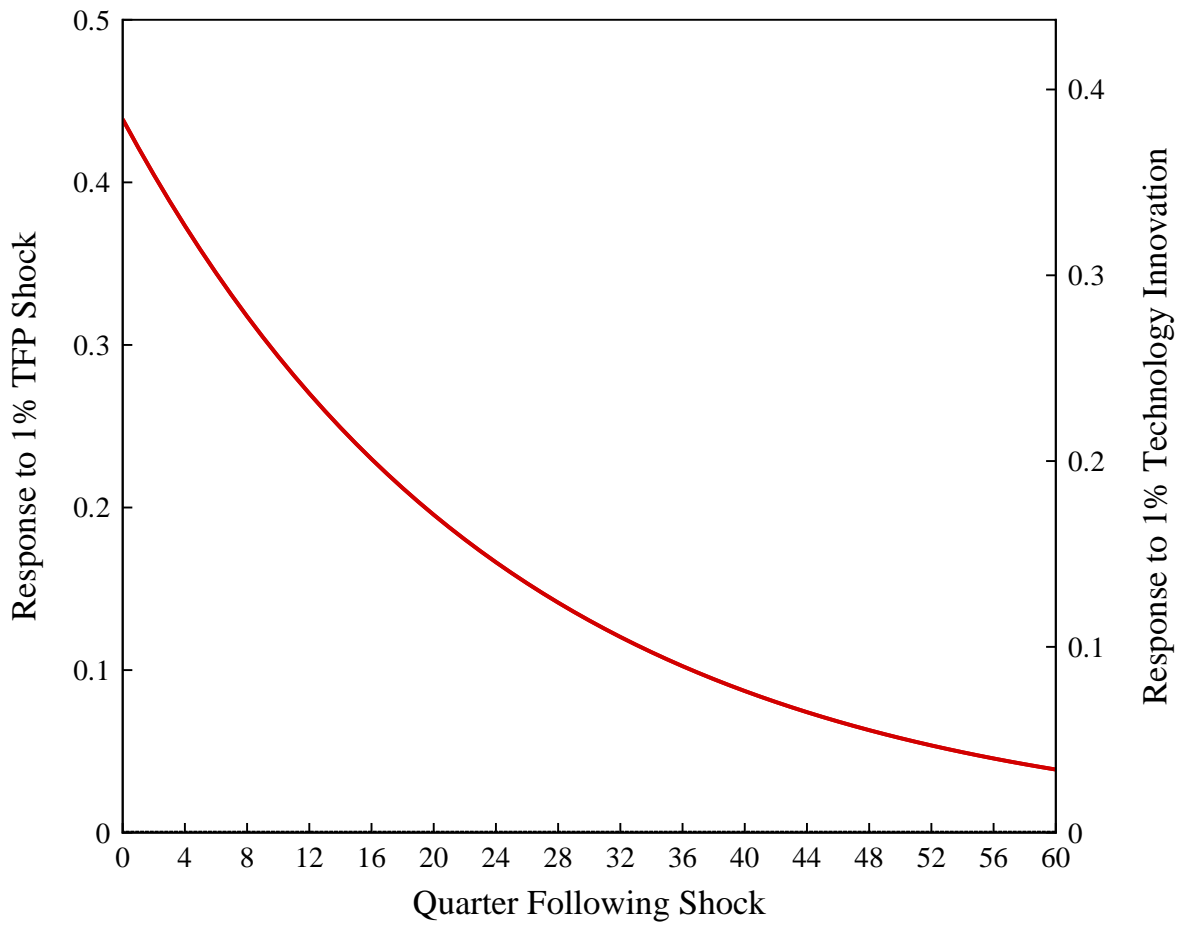


FIGURE 2

Impulse Responses of Hours for the Model and Population Responses for the DSVAR and LSVAR Procedures with Four AR Lags

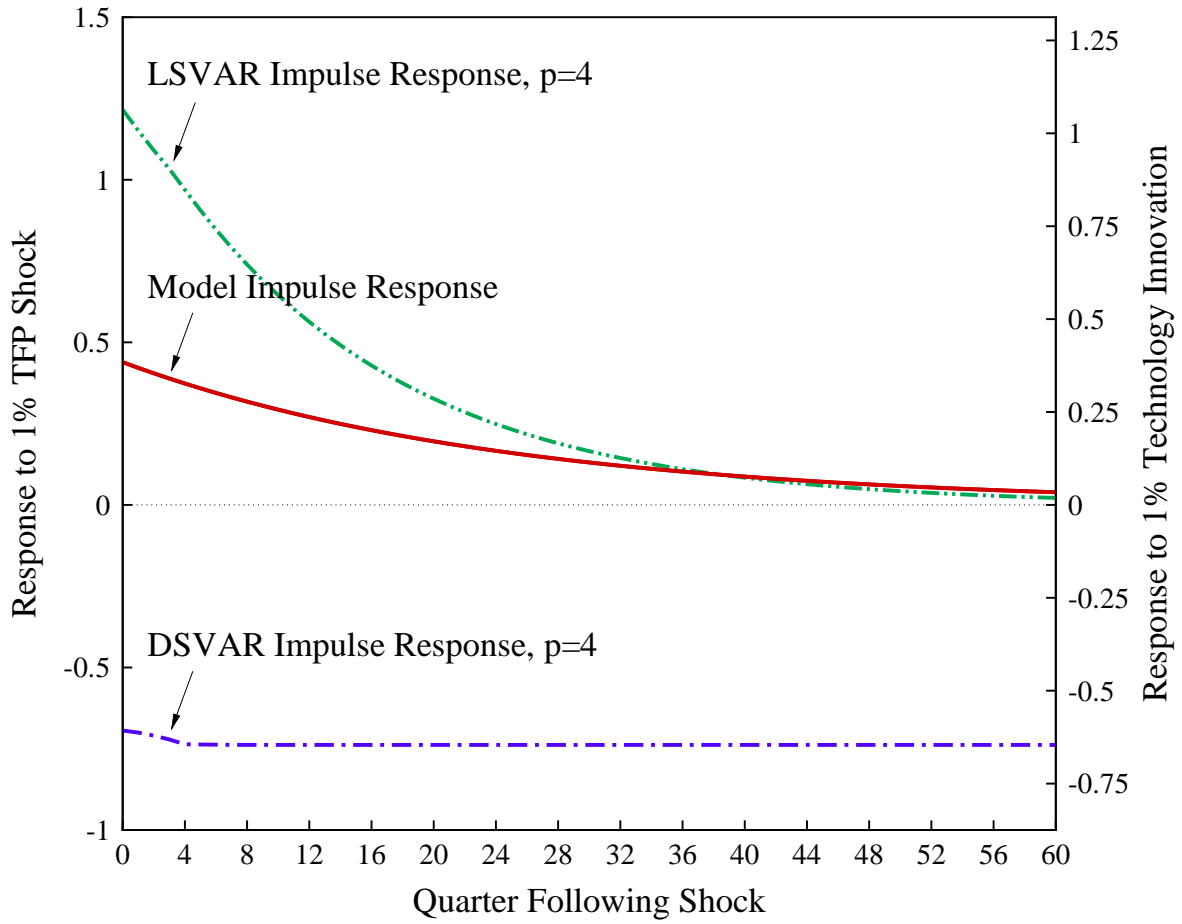


FIGURE 3

Impulse Responses of Hours for the Model and Population Responses for the QDSVAR Procedure with Various AR Lags

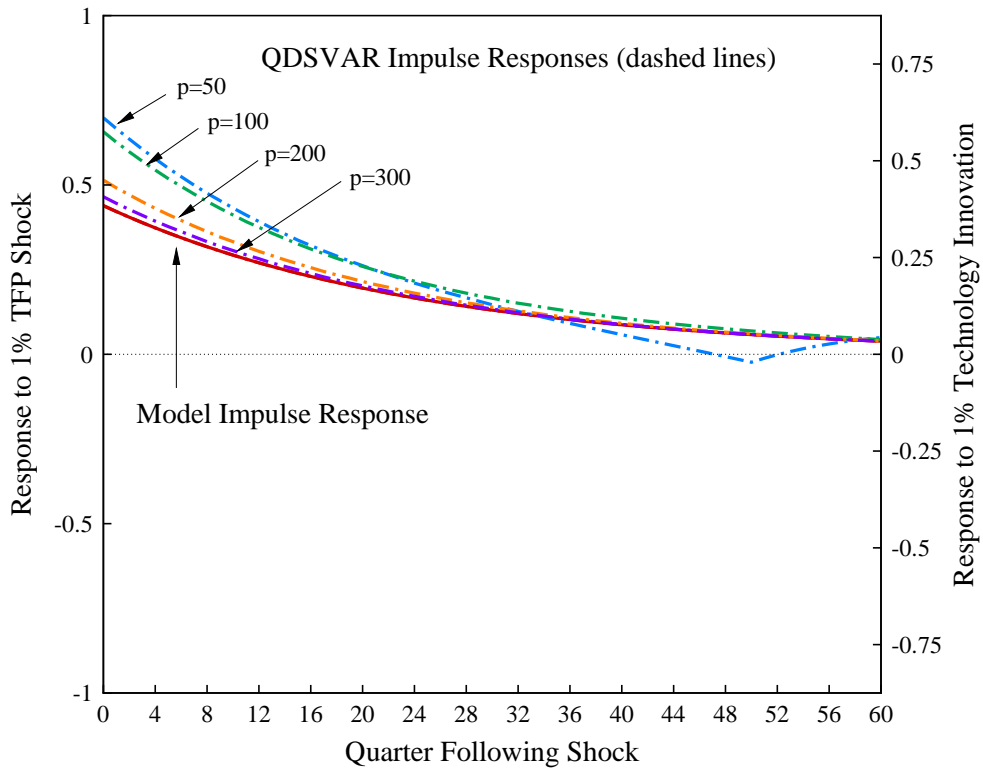
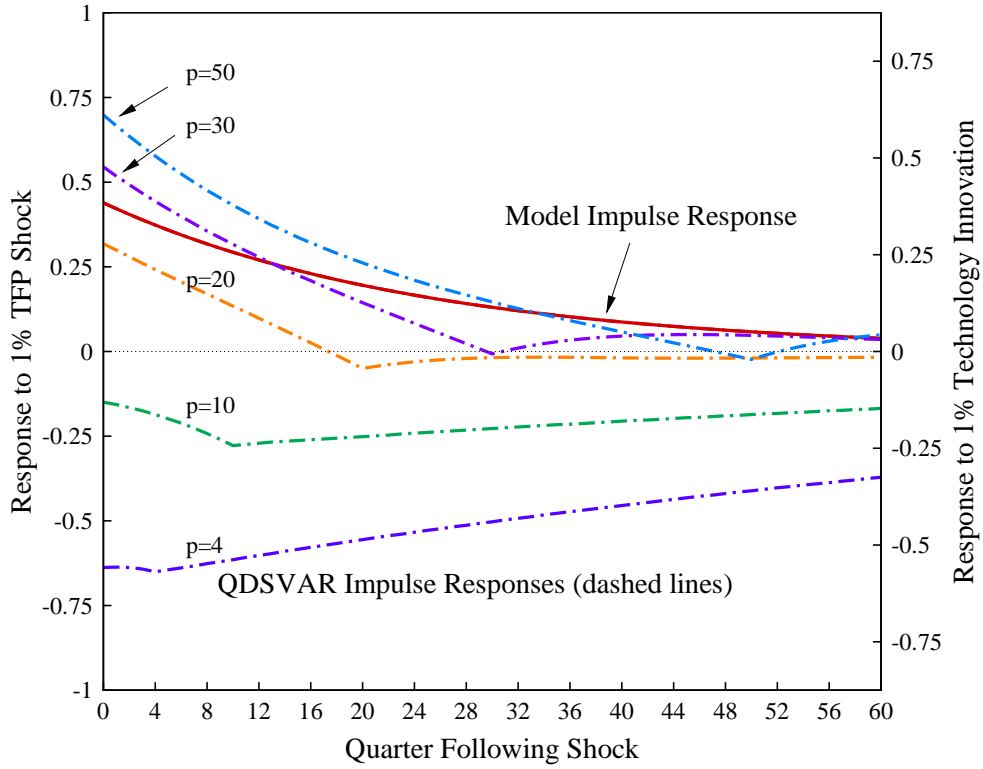


FIGURE 4

Impulse Responses of Hours for the Model and Population Responses for LSVAR Procedure with Various AR Lags

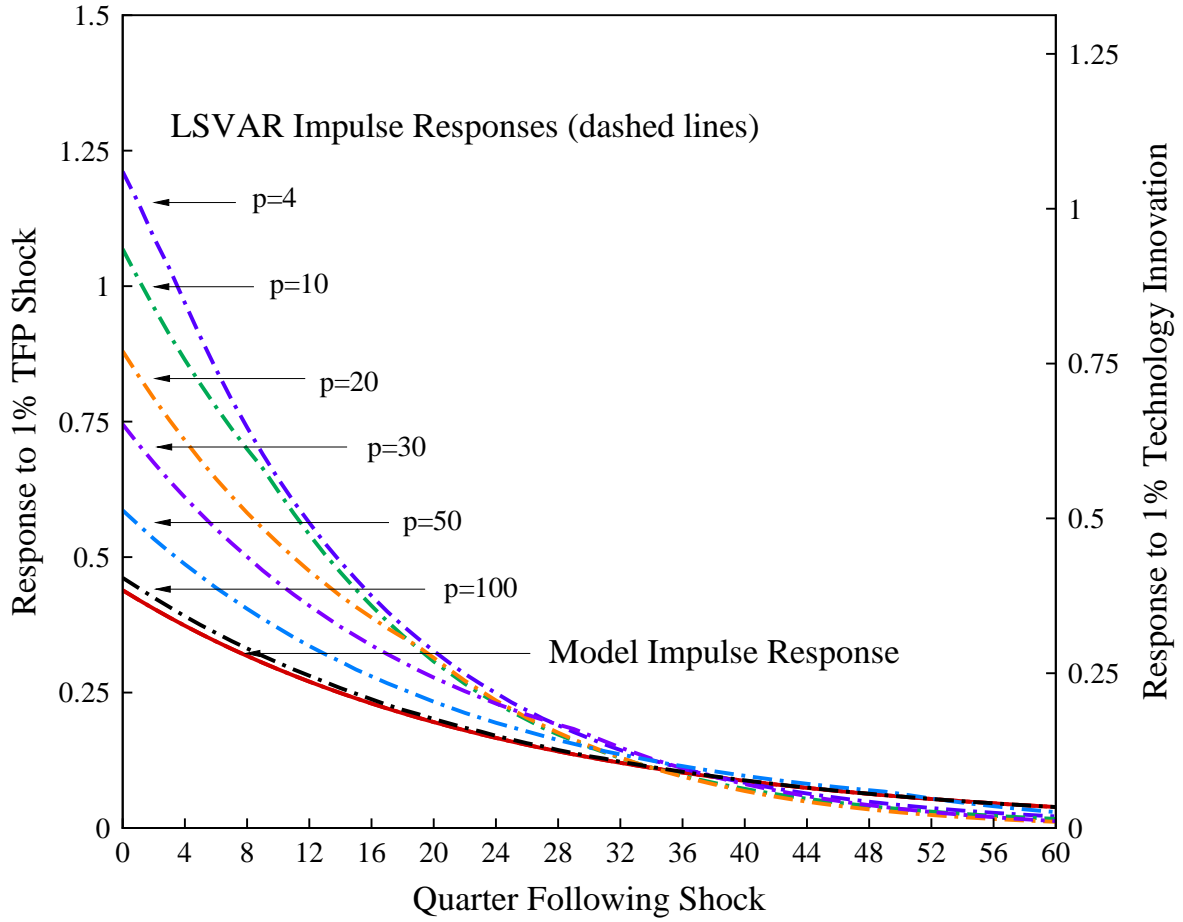
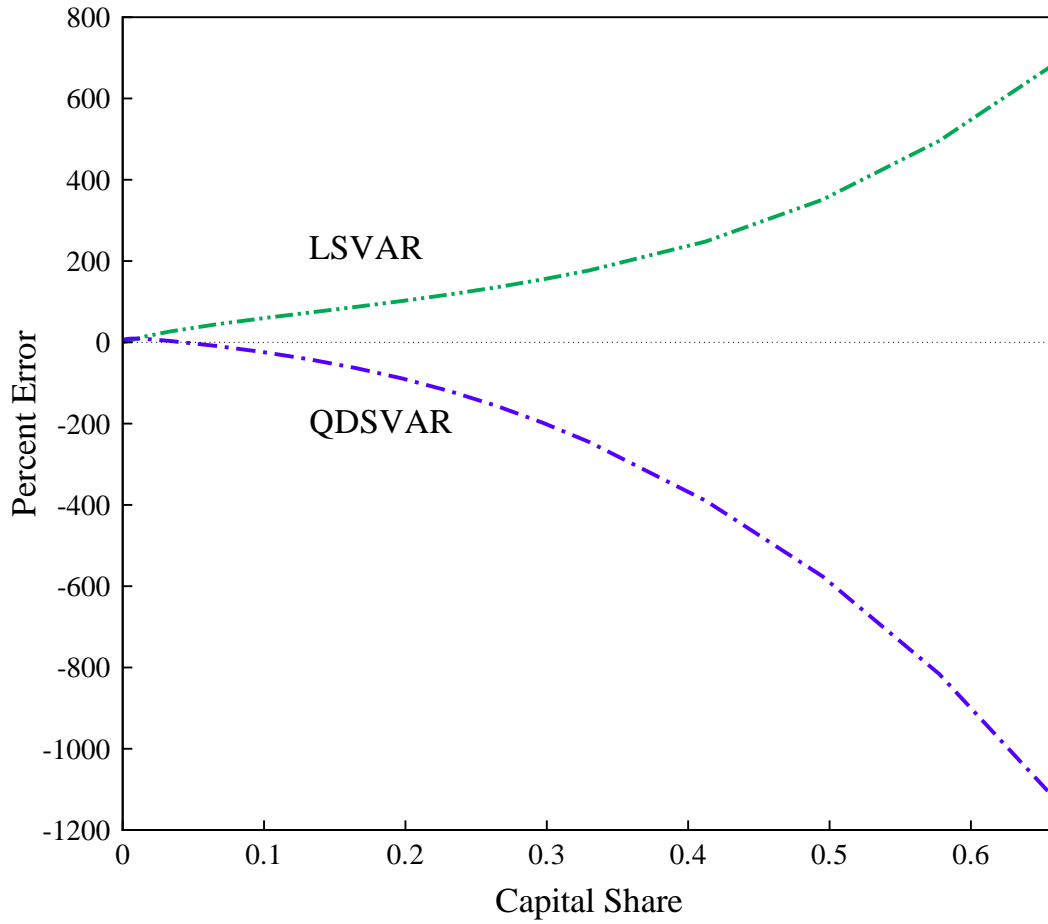


FIGURE 5A

Specification Error in the Impact Coefficient for the Four-Lag
SVAR Procedures, Varying the Capital Share



NOTE: The specification error is defined to be the percent error in the SVAR response of hours to technology on impact relative to the model's theoretical response.

FIGURE 5B

Half-Lives of the Impulse Responses for the Four-Lag
LSVAR Procedure, Varying the Capital Share

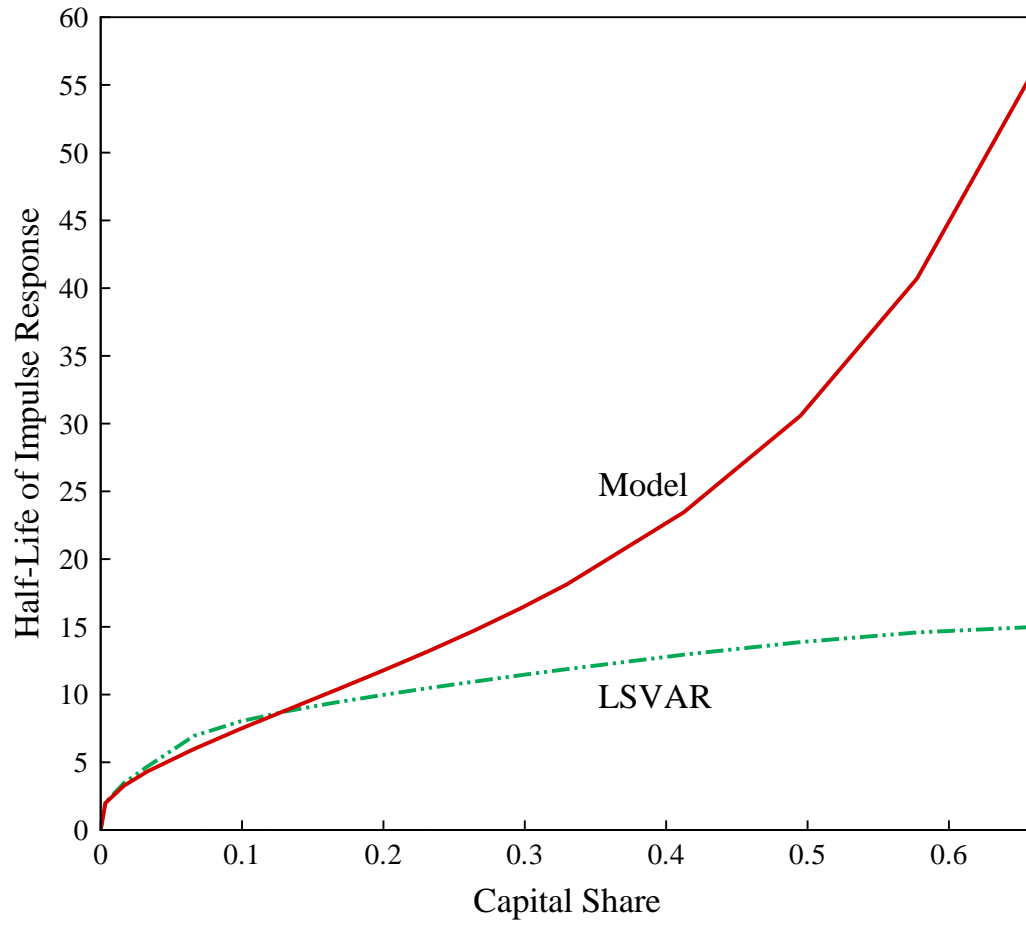
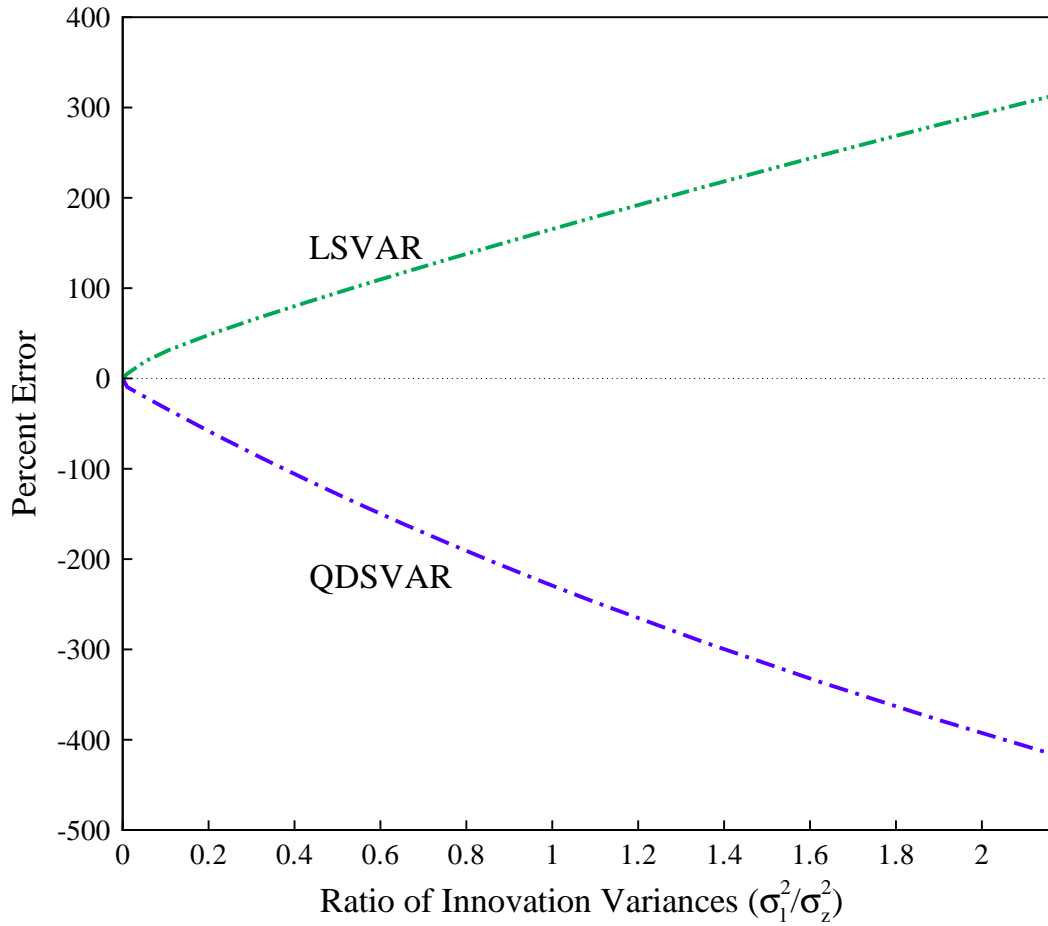


FIGURE 6A

Specification Error in the Impact Coefficient for the Four-Lag SVAR Procedures, Varying the Ratio of Innovation Variances



NOTE: The specification error is defined to be the percent error in the SVAR response of hours to technology on impact relative to the model's theoretical response.

FIGURE 6B

Half-Lives of Impulse Responses for the Four-Lag
LSVAR Procedure, Varying the Ratio of Innovation Variances

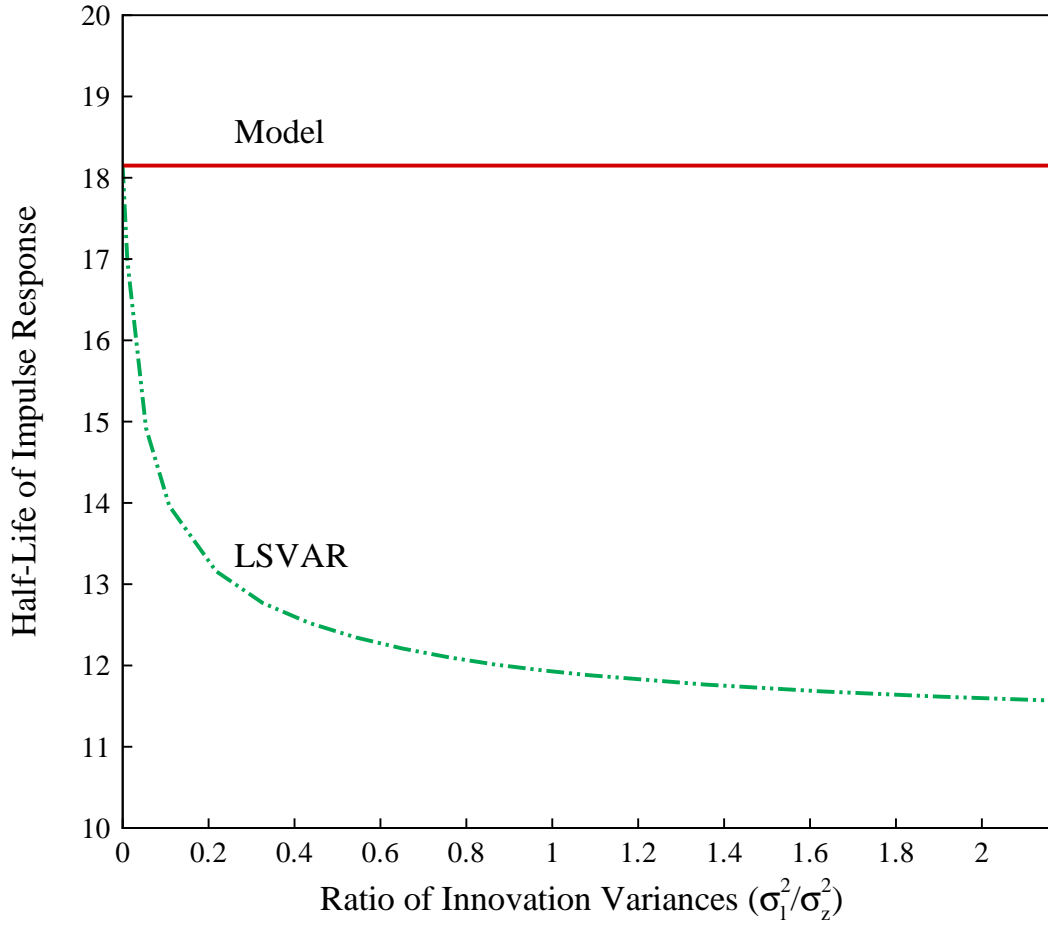
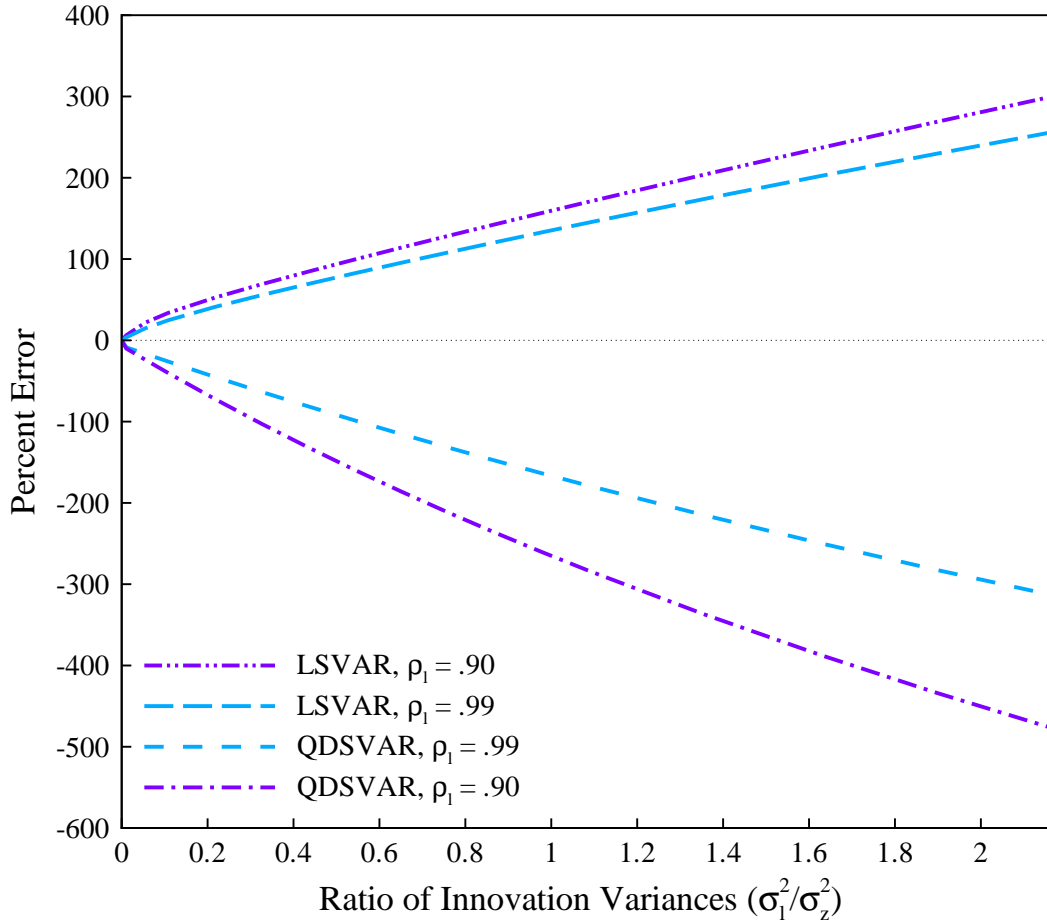


FIGURE 7A

Specification Error in the Impact Coefficient for the Four-Lag SVAR Procedures, Varying the Ratio of Innovation Variances and the Serial Correlation of the Labor Tax Rate



NOTE: The specification error is defined to be the percent error in the SVAR response of hours to technology on impact relative to the model's theoretical response.

FIGURE 7B

Half-Lives of Impulse Responses for the Four-Lag LSVAR Procedure, Varying the Ratio of Innovation Variances and the Serial Correlation of the Labor Tax Rate

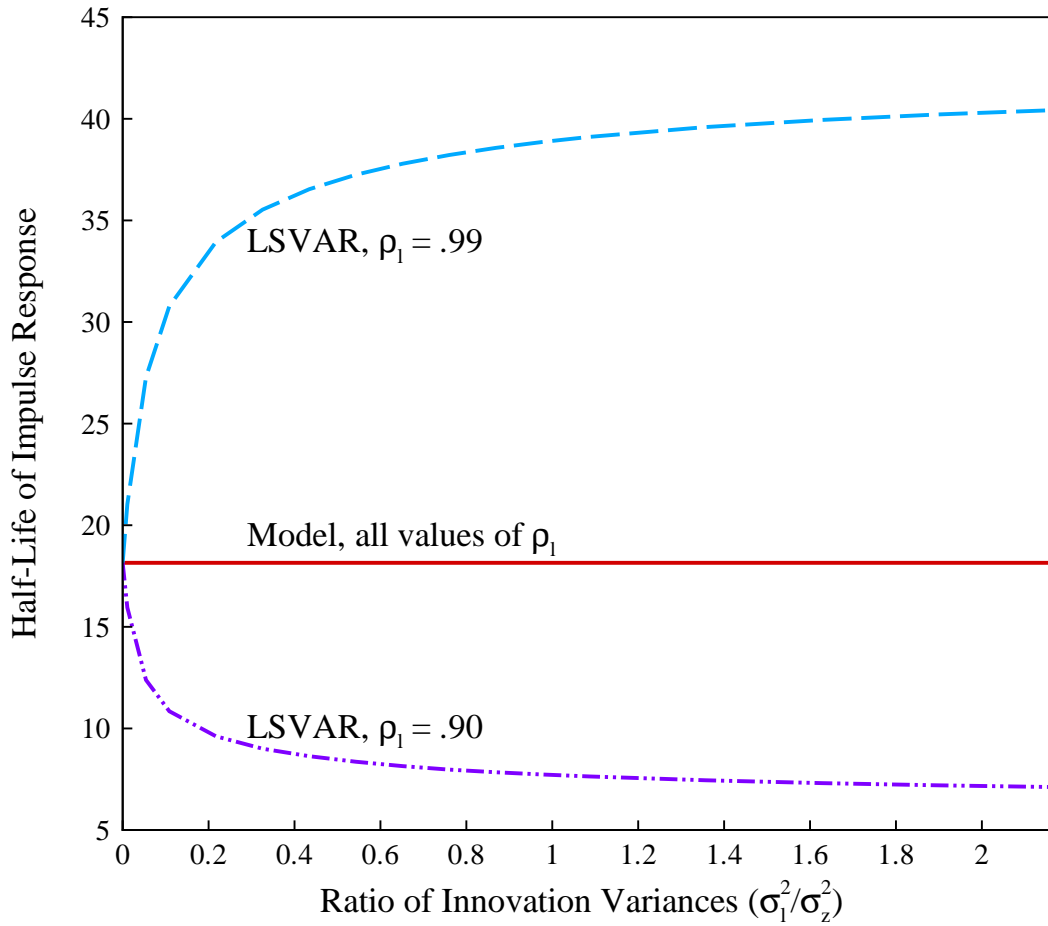


FIGURE 8

Impulse Responses of Hours for the Model and Population Responses for Two- and Three-Variable, Four-Lag LSVAR Procedures

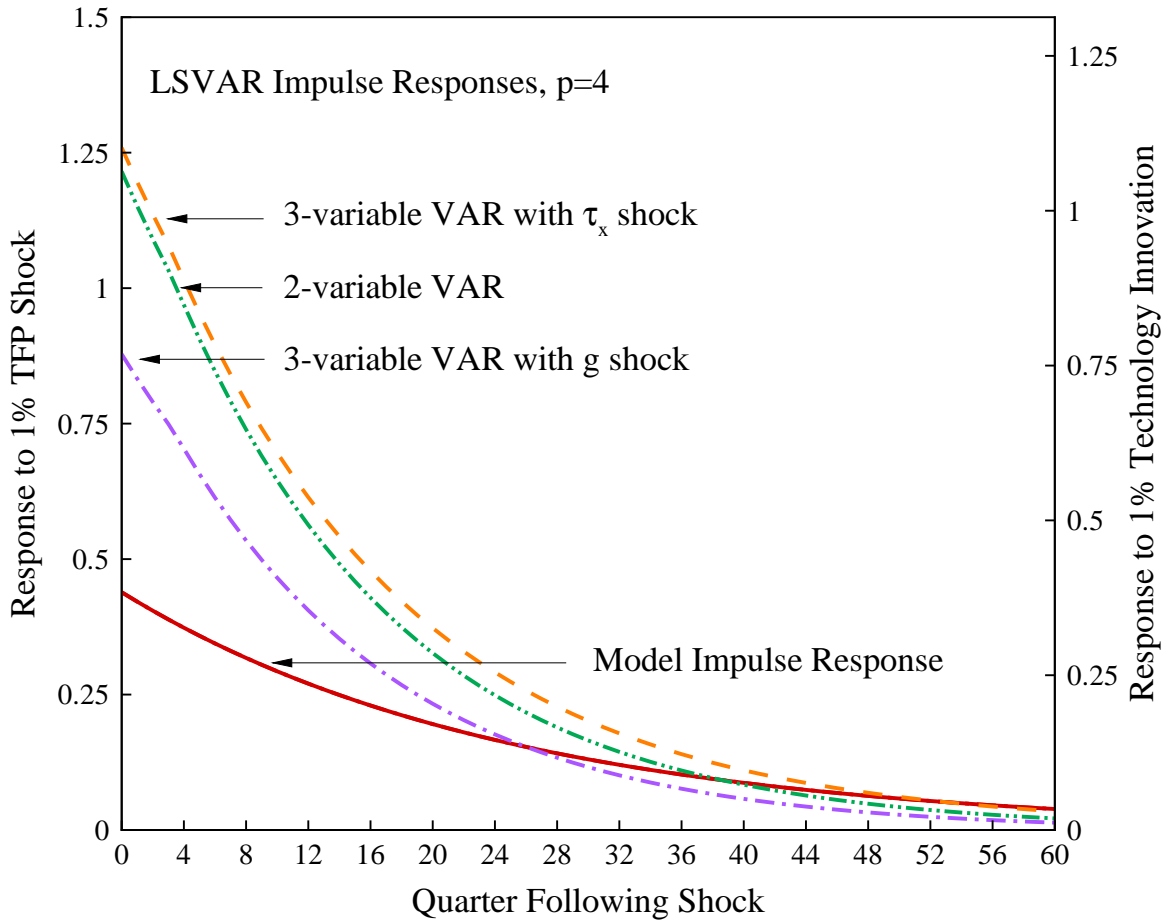


FIGURE 9A

Specification Error in the Impact Coefficient for the Three-Variable, Four-Lag LSVAR Procedure, Varying the Variance of the Third Innovation

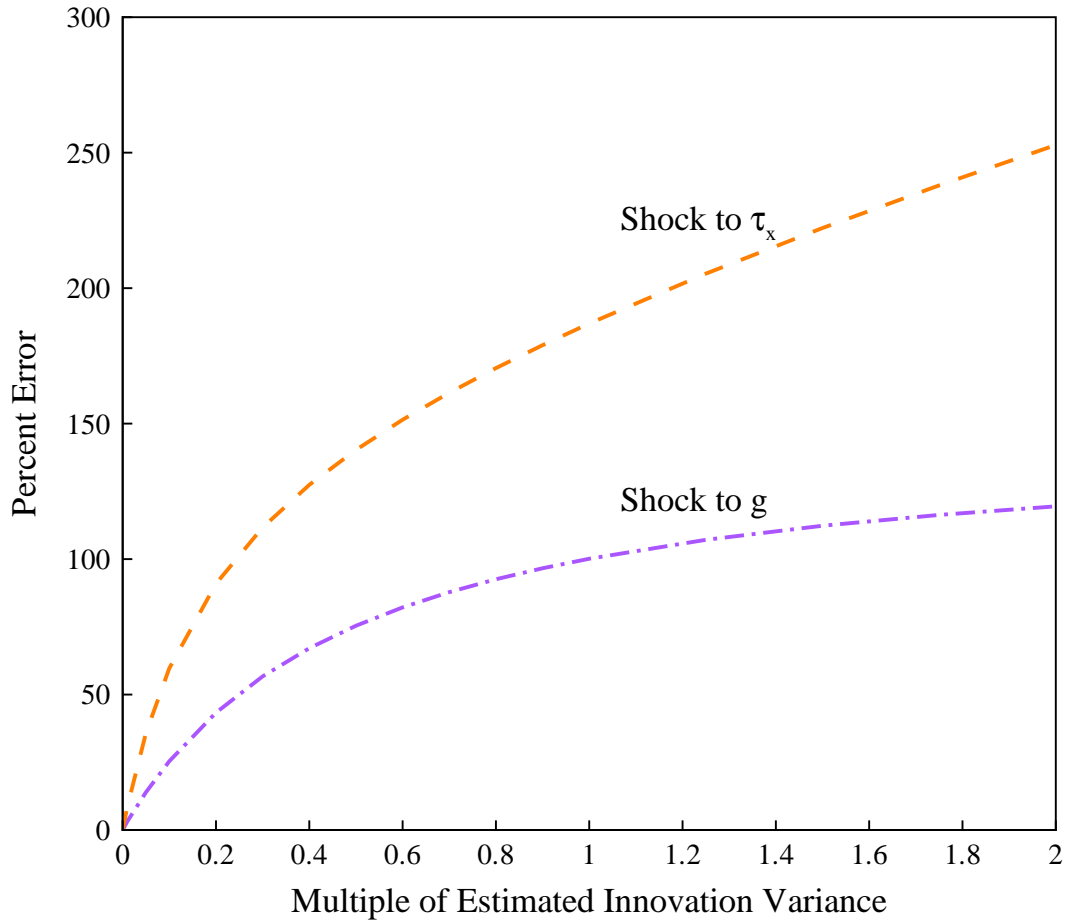


FIGURE 9B

Half-Lives of Impulse Responses for the Three-Variable, Four-Lag LSVAR Procedure, Varying the Variance of the Third Innovation

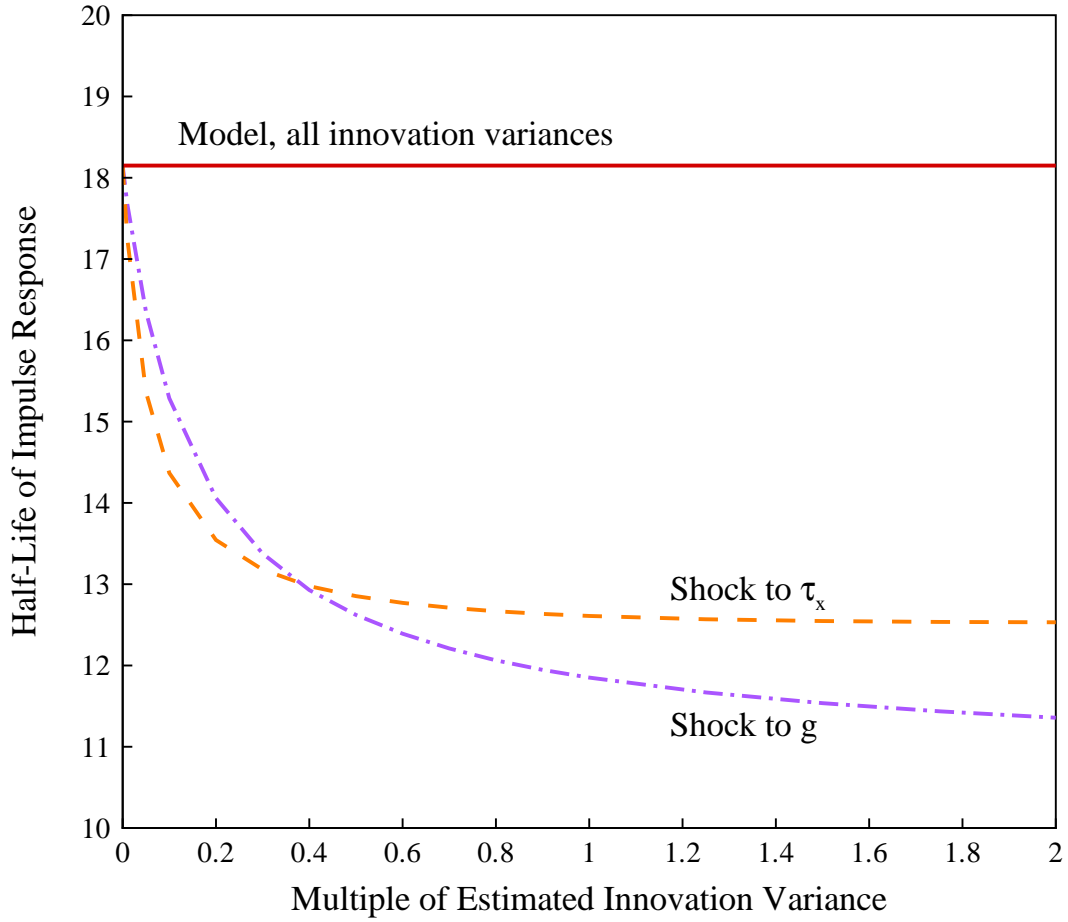


FIGURE 10A

Histogram of Initial Impulse Response of Hours and 95% Bounds on Responses Across 1,000 Applications of Four-Lag QDSVAR Procedure to Model Simulations of Length 180

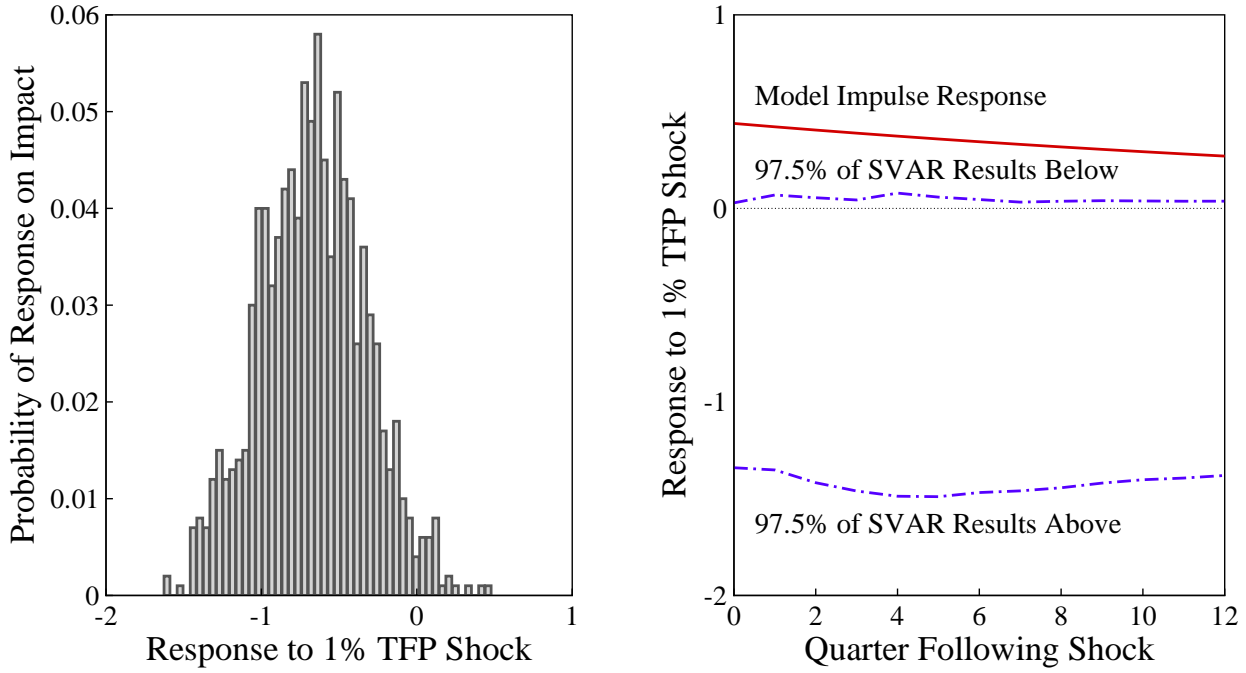


FIGURE 10B

Mean Impulse Response of Hours (solid line) and Mean of 95% Bootstrapped Confidence Bands (dashed lines) Averaged Across 1,000 Applications of the Four-Lag QDSVAR Procedure to Model Simulations of Length 180

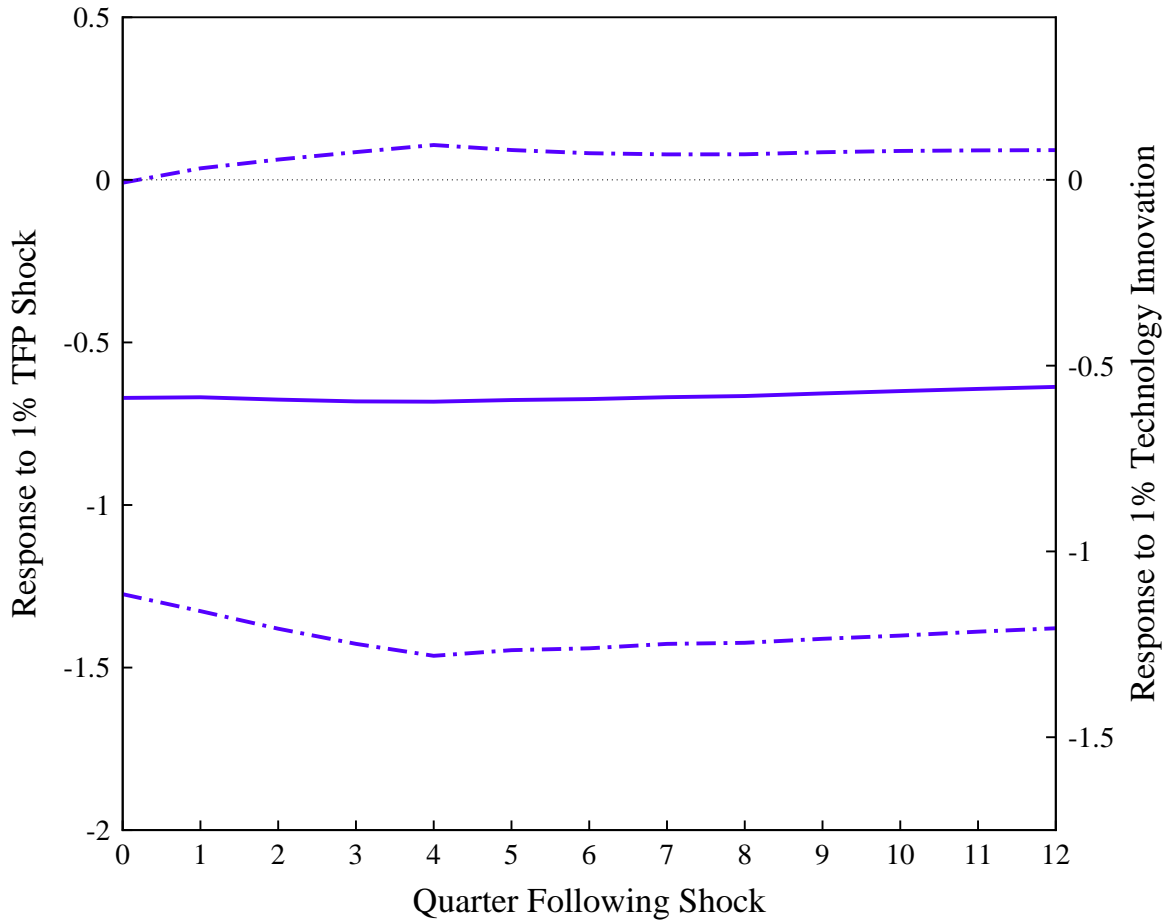


FIGURE 11A

Histogram of Initial Impulse Response of Hours and 95% Bounds on Responses Across 1,000 Applications of Four-Lag LSVAR Procedure to Model Simulations of Length 180

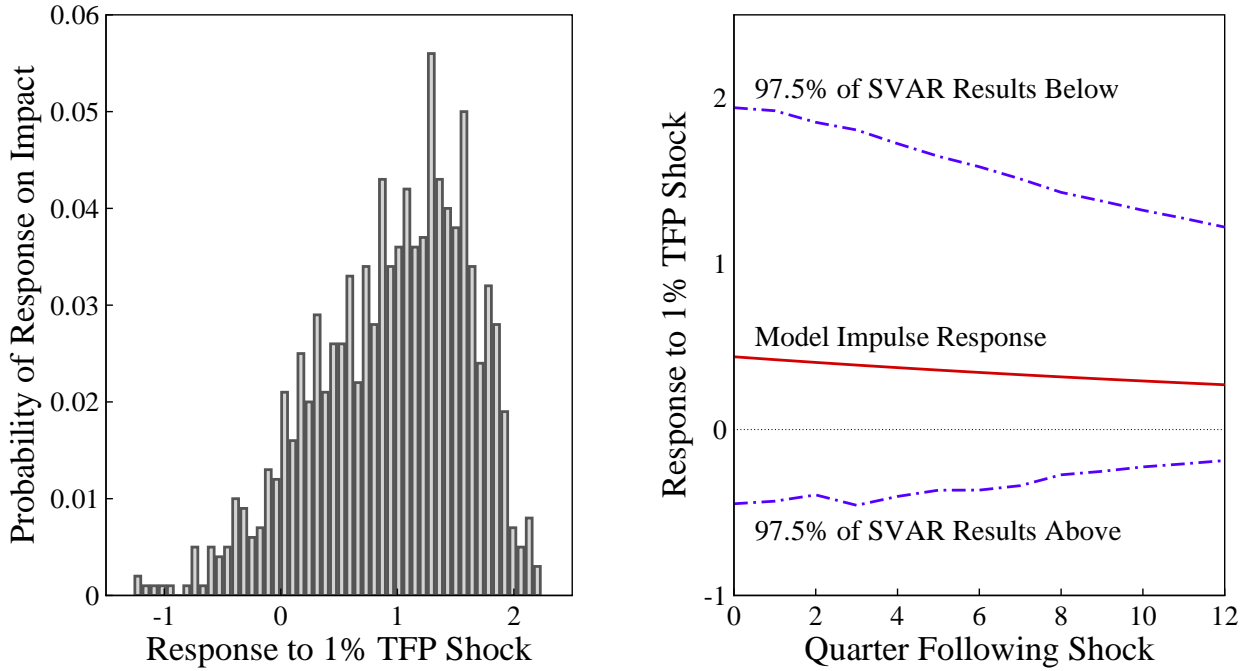


FIGURE 11B

Mean Impulse Response of Hours (solid line) and Mean of 95% Bootstrapped Confidence Bands (dashed lines) Averaged Across 1,000 Applications of the Four-Lag LSVAR Procedure to Model Simulations of Length 180

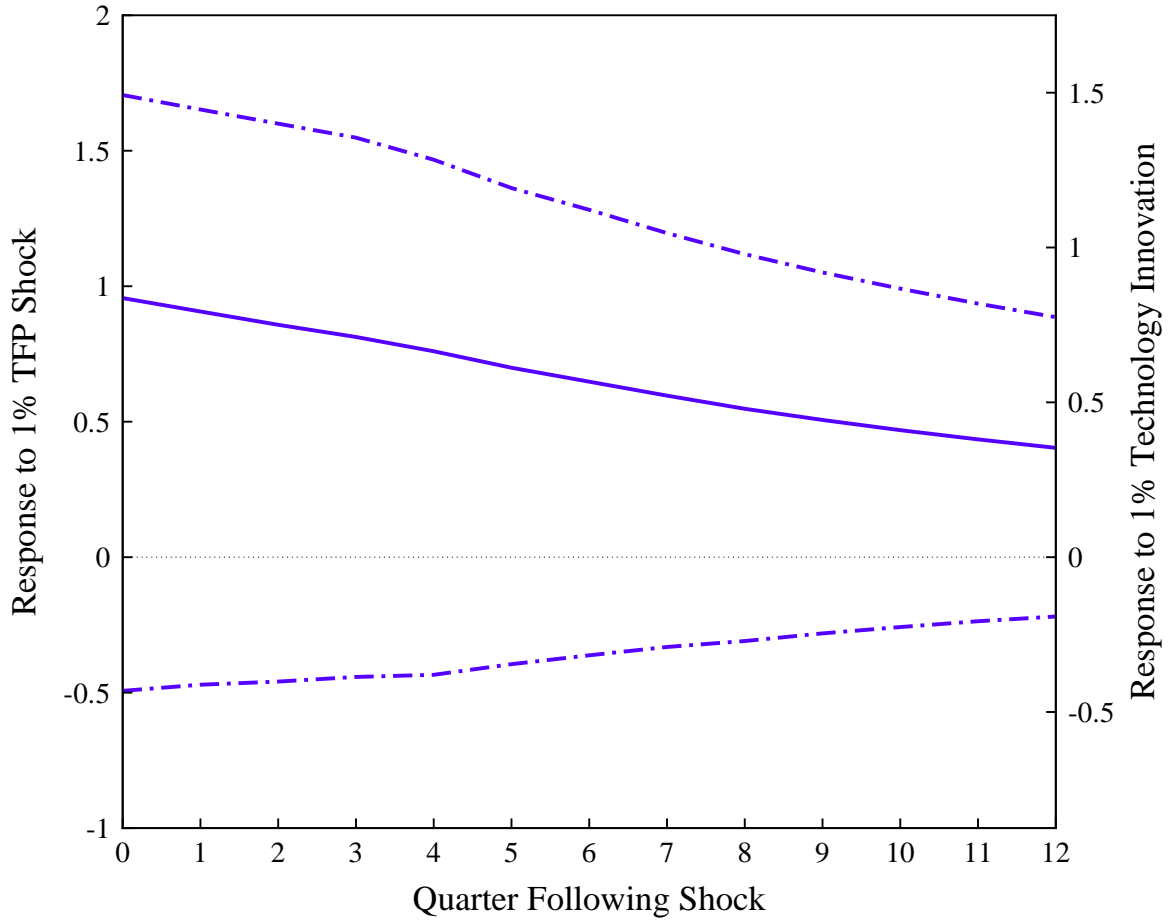


FIGURE 12A

Impulse Response of Hours to a Technology Shock (solid line)
and Confidence Bands (dashed lines) Using the Four-Lag LSVAR
Procedure with U.S. Data Set of Francis and Ramey (2004)

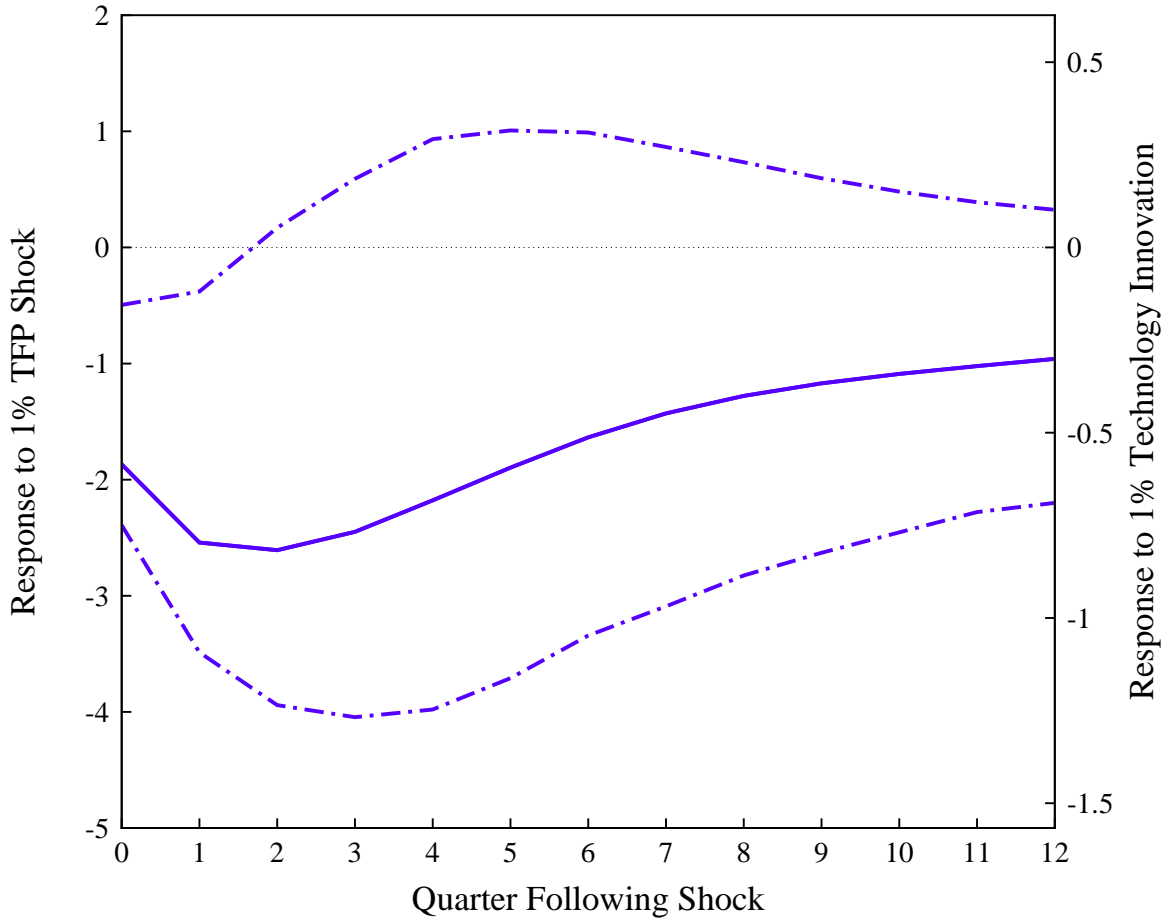


FIGURE 12B

Impulse Response of Hours to a Technology Shock (solid line)
and Confidence Bands (dashed lines) Using the Four-Lag LSVAR Procedure
with U.S. Data Set of Christiano, Eichenbaum, and Vigfusson (2003)

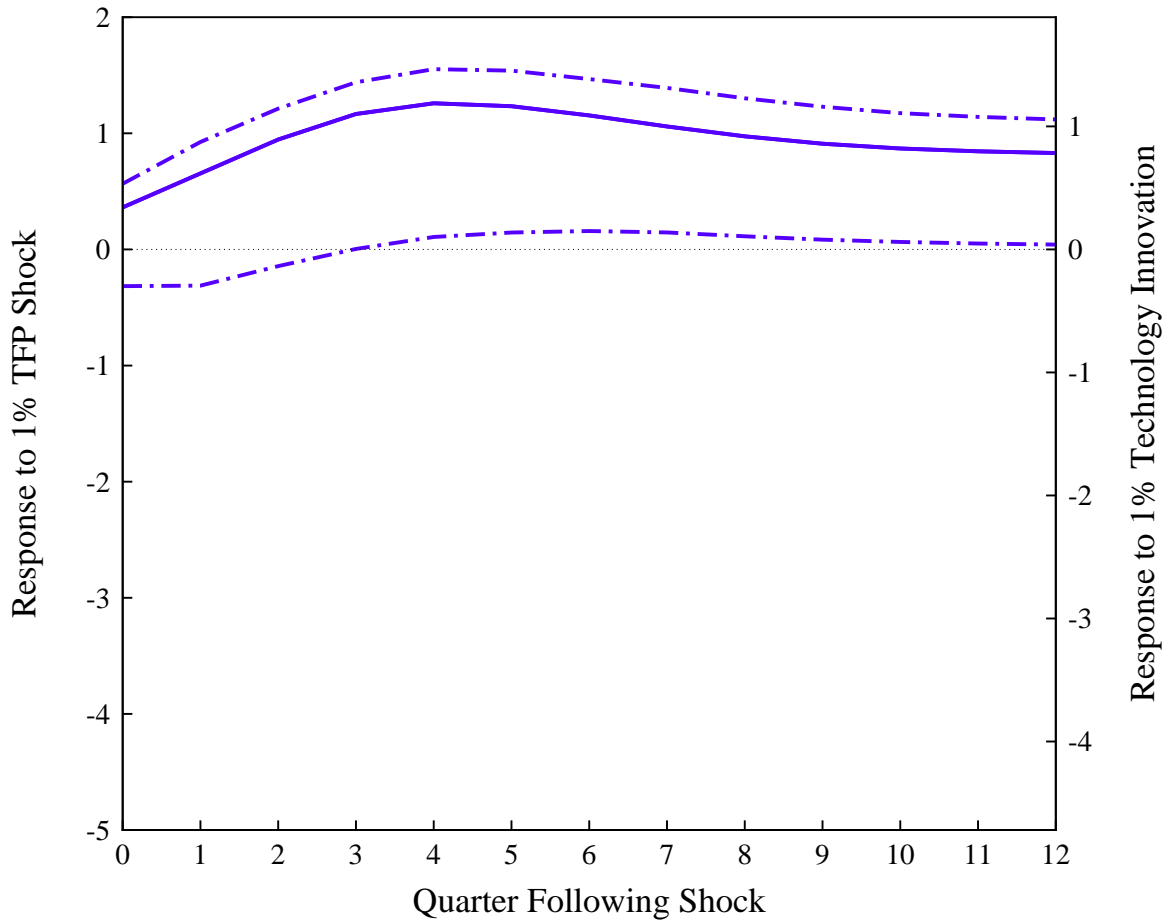


FIGURE 12C

Impulse Response of Hours to a Technology Shock (solid line)
and Confidence Bands (dashed lines) Using the Four-Lag LSVAR
Procedure with U.S. Data Set of Gali and Rabanal (2004)

