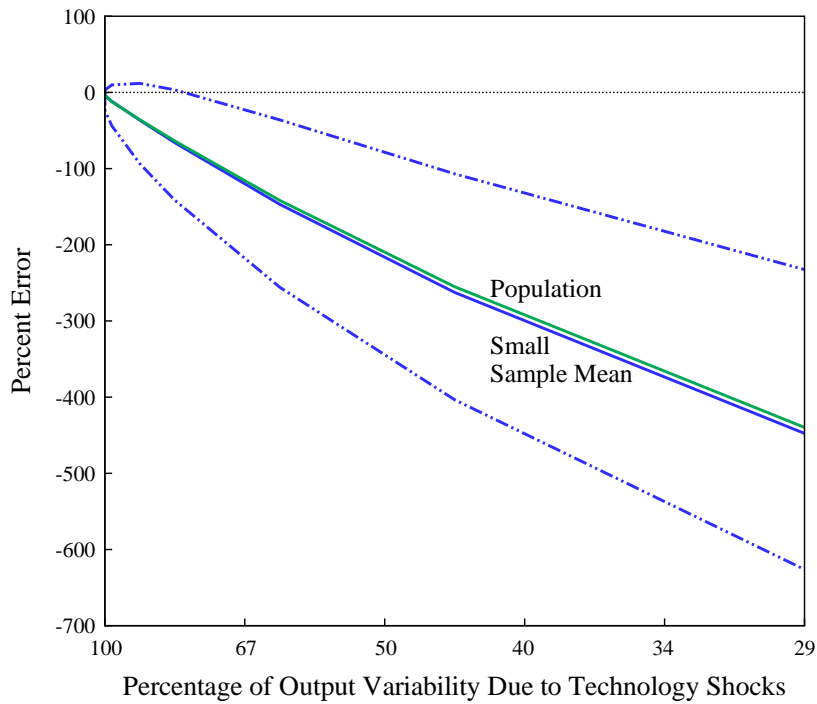
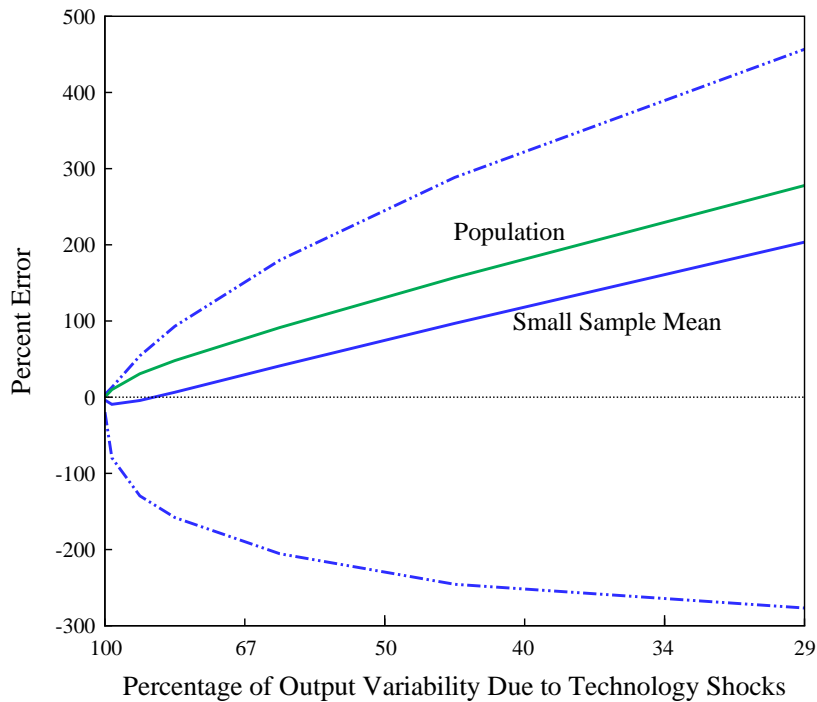


FIGURE 1
 IMPACT ERRORS AND CONFIDENCE BANDS OF THE SVAR PROCEDURES^a

A. QDSVAR



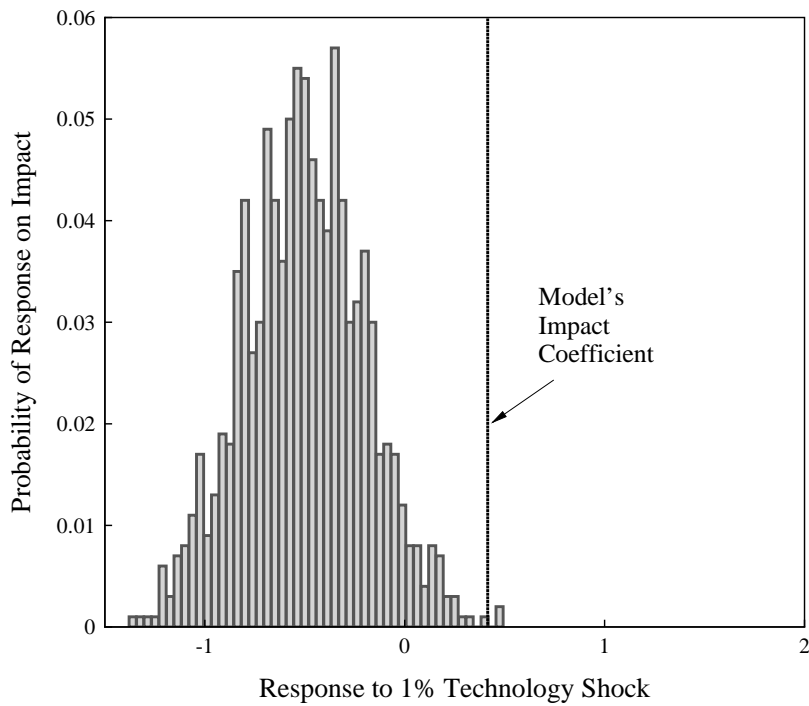
B. LSVAR



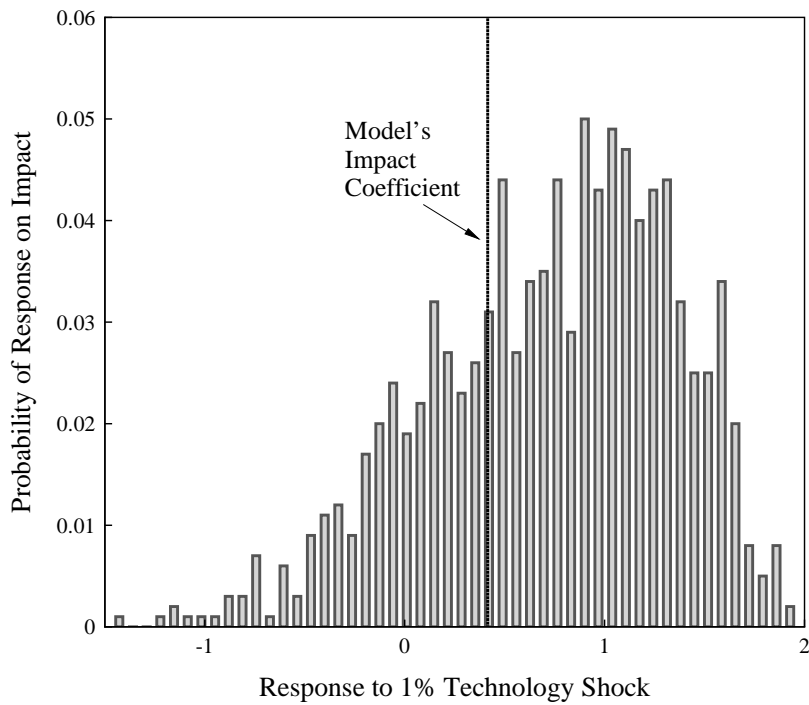
^a In both panels, small sample impact errors are mean errors in the impact coefficient of hours from 1,000 applications of the four-lag SVAR procedures with $\rho_t = .95$ applied to model simulations of length 180. Dashed lines are 95% confidence bands. Population errors are also shown.

FIGURE 2
HISTOGRAM OF ERRORS FOR GALÍ PARAMETERS^a

A. QDSVAR



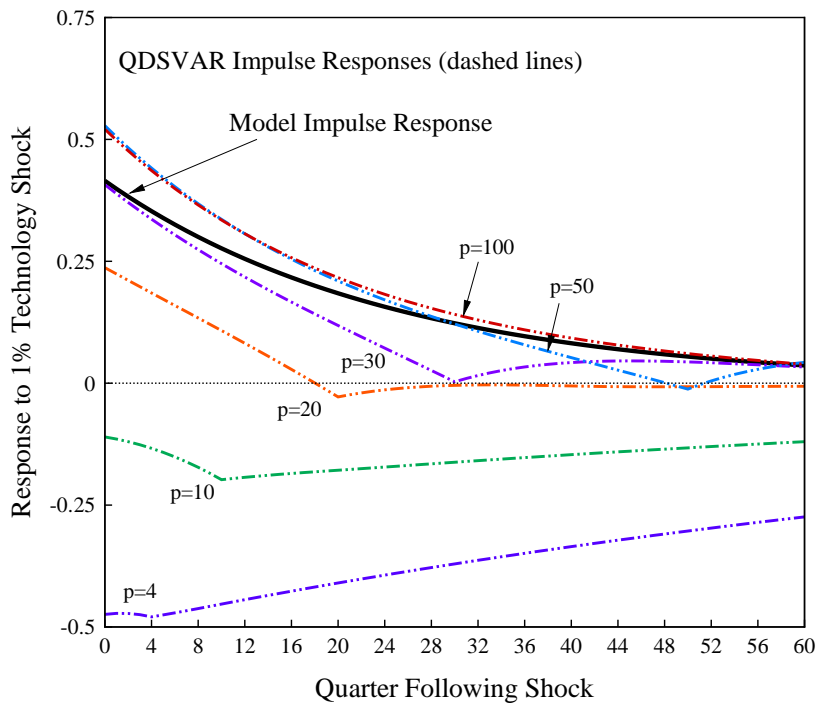
B. LSVAR



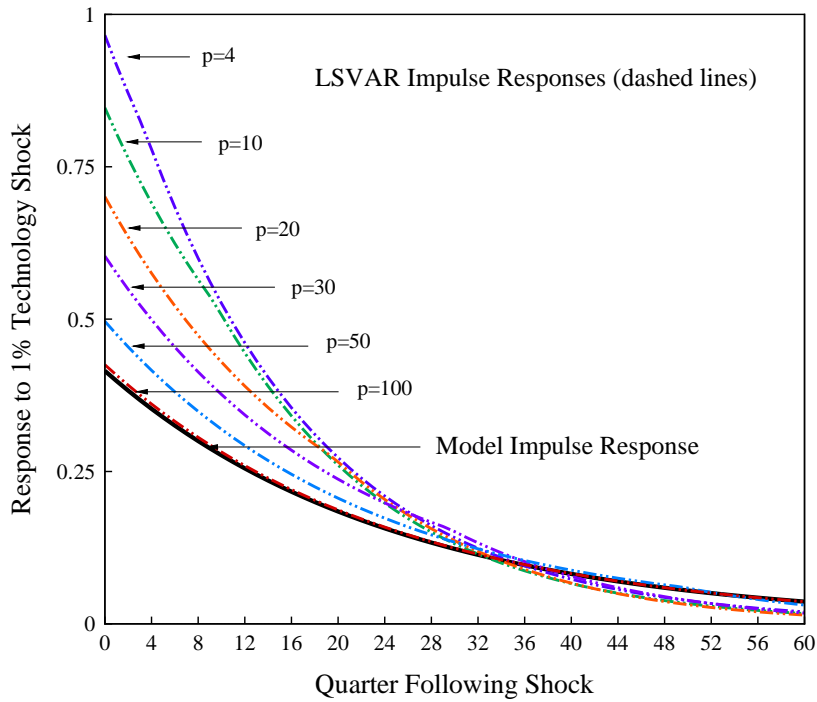
^a In both panels, histograms show the impact coefficients of hours from 1,000 applications of the four-lag SVAR procedures to model simulations of length 180 using Galí (1999) parameters.

FIGURE 3
 MODEL AND SVAR POPULATION RESPONSES OF HOURS^a

A. QDSVAR



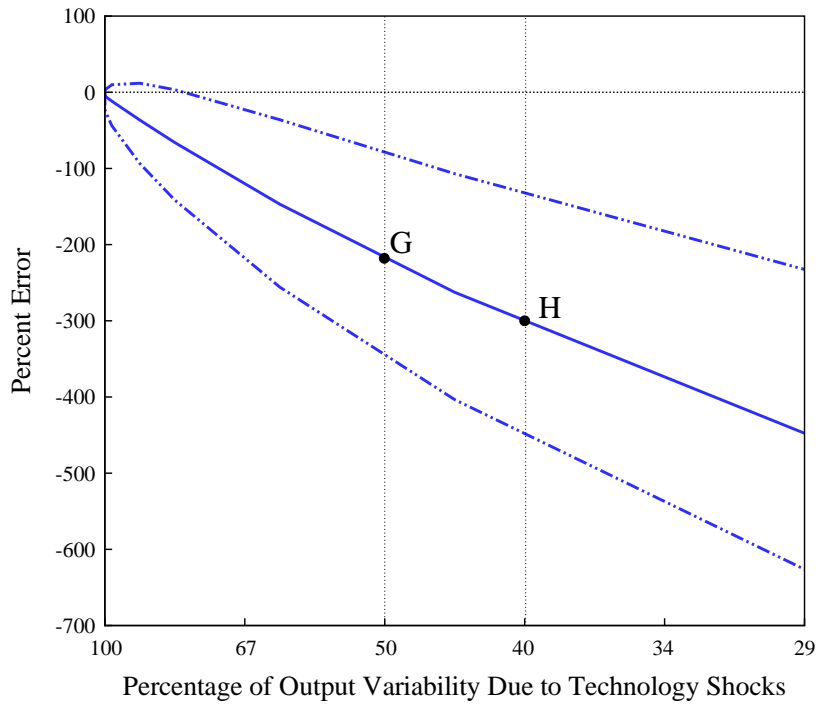
B. LSVAR



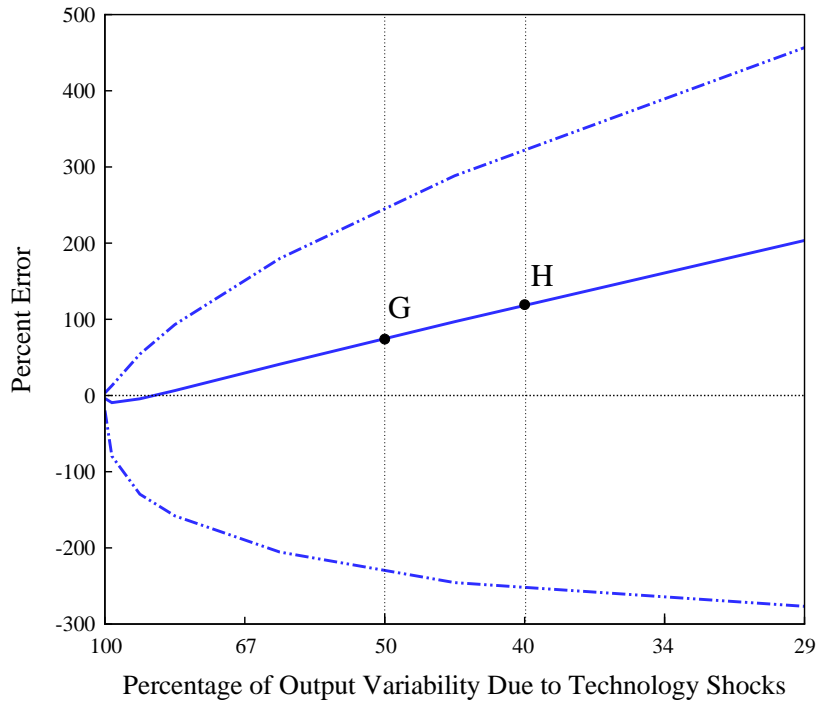
^a In both panels, dashed lines are population impulse responses of hours to a technology shock using Galí (1999) parameters and varying the lag length p in the SVAR procedures.

FIGURE 4
 INNOVATION VARIANCE RATIO IMPLIED BY GALÍ PARAMETERS (G) AND U.S. HOURS (H)^a

A. QDSVAR



B. LSVAR



^a In both panels, the solid line is the small sample mean impact error in the coefficient of hours from 1,000 applications of the four-lag SVAR procedures with $\rho_t = .95$ applied to model simulations of length 180. Dashed lines are 95% confidence bands. Point G corresponds to the Galí (1999) parameters, while point H corresponds to parameters which reproduce the variance of U.S. hours.