

FIGURE 1

MODEL IMPULSE RESPONSE OF HOURS TO A TECHNOLOGY SHOCK

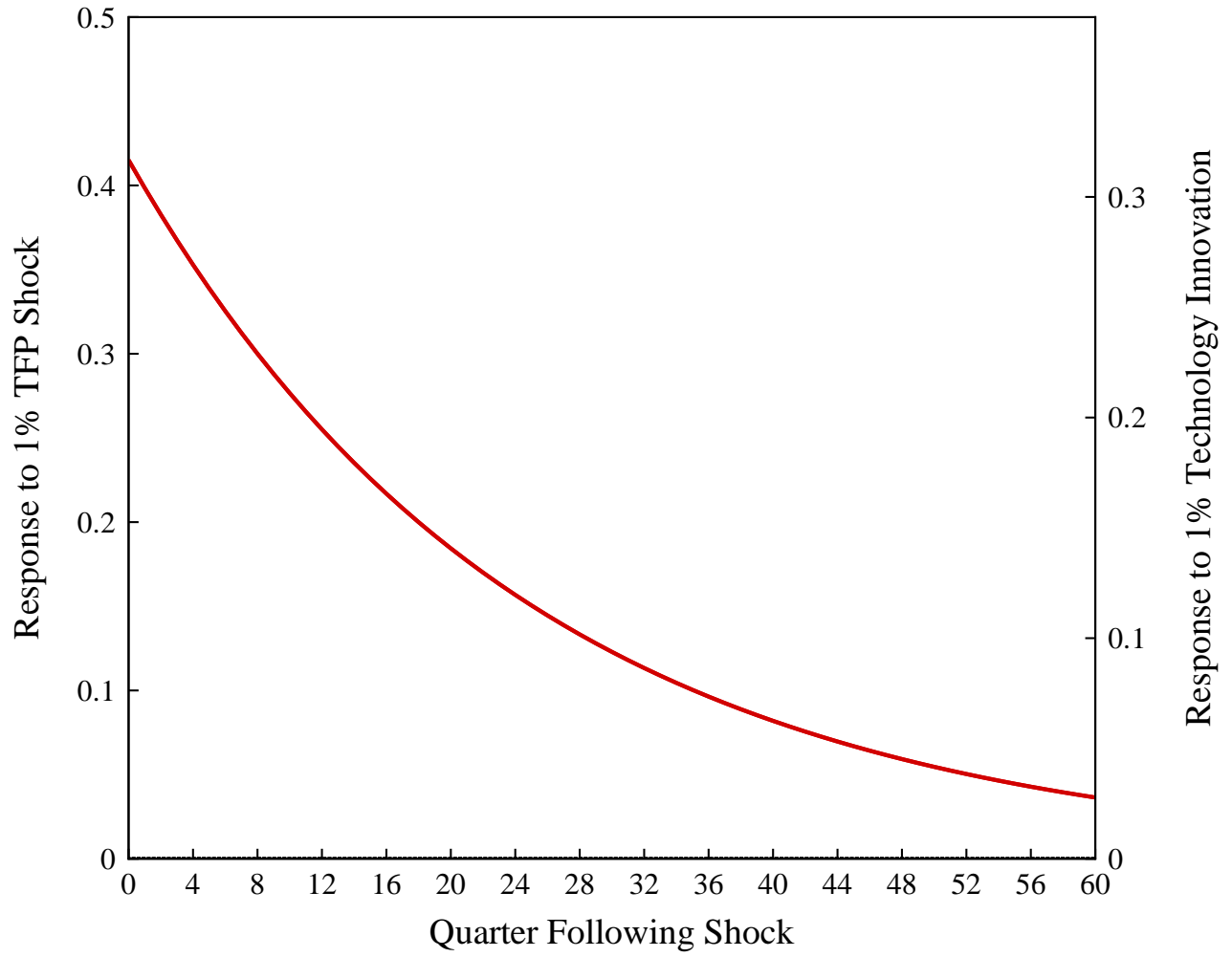


FIGURE 2

IMPACT ERRORS OF THE SVAR PROCEDURES

Mean Error in the Impact Coefficient of Hours From 1,000 Applications of the Four-Lag SVAR Procedures Applied to Model Simulations of Length 180, Varying Innovations of the Shock Processes

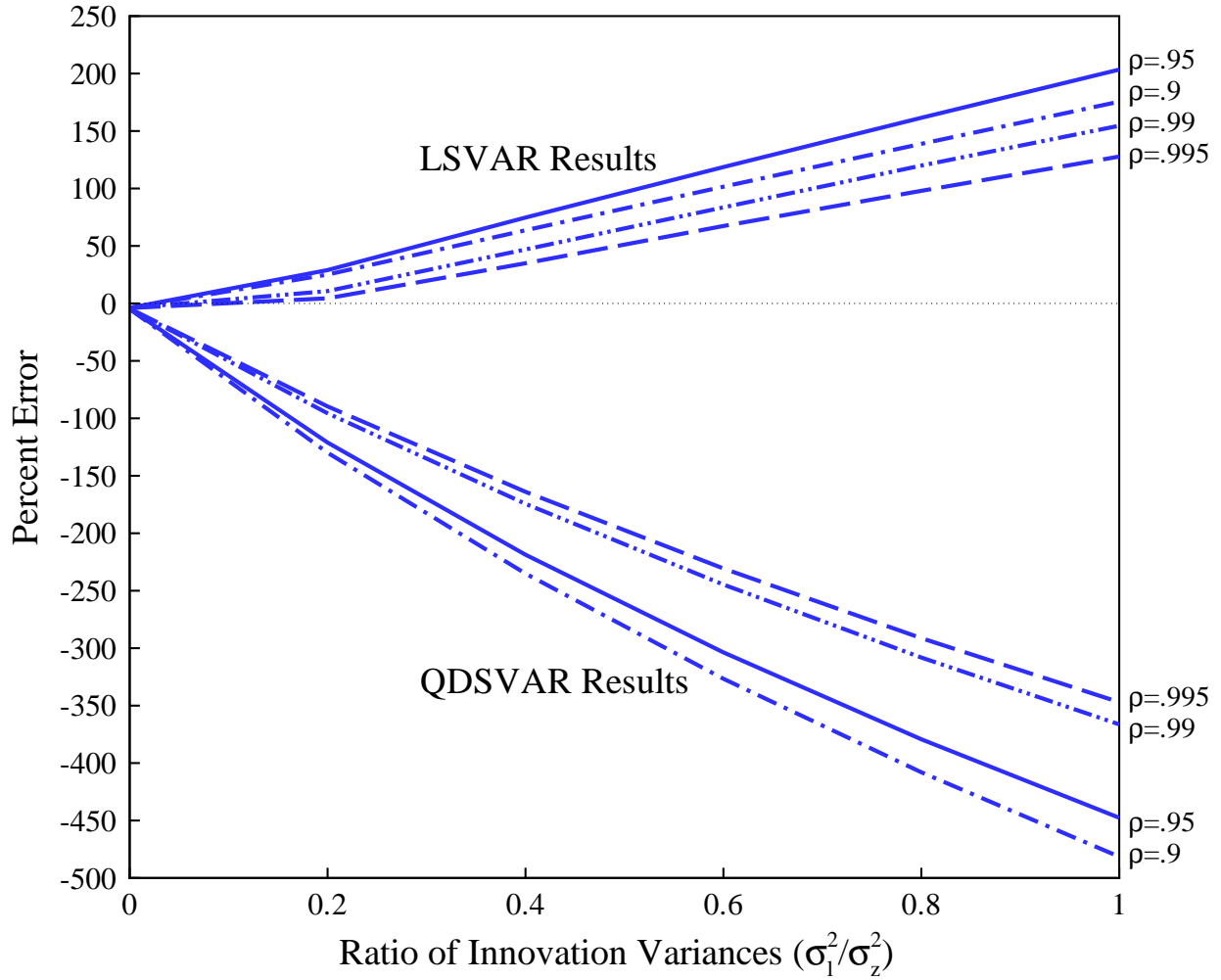


FIGURE 3A

IMPACT ERRORS AND BANDS OF THE QDSVAR PROCEDURE

Mean Error in the Impact Coefficient of Hours (solid line) and 95% Confidence Bands (dashed lines) From 1,000 Applications of the Four-Lag QDSVAR Procedure with $\rho_l = .95$ Applied to Model Simulations of Length 180, Varying the Variance of Output Due to Technology

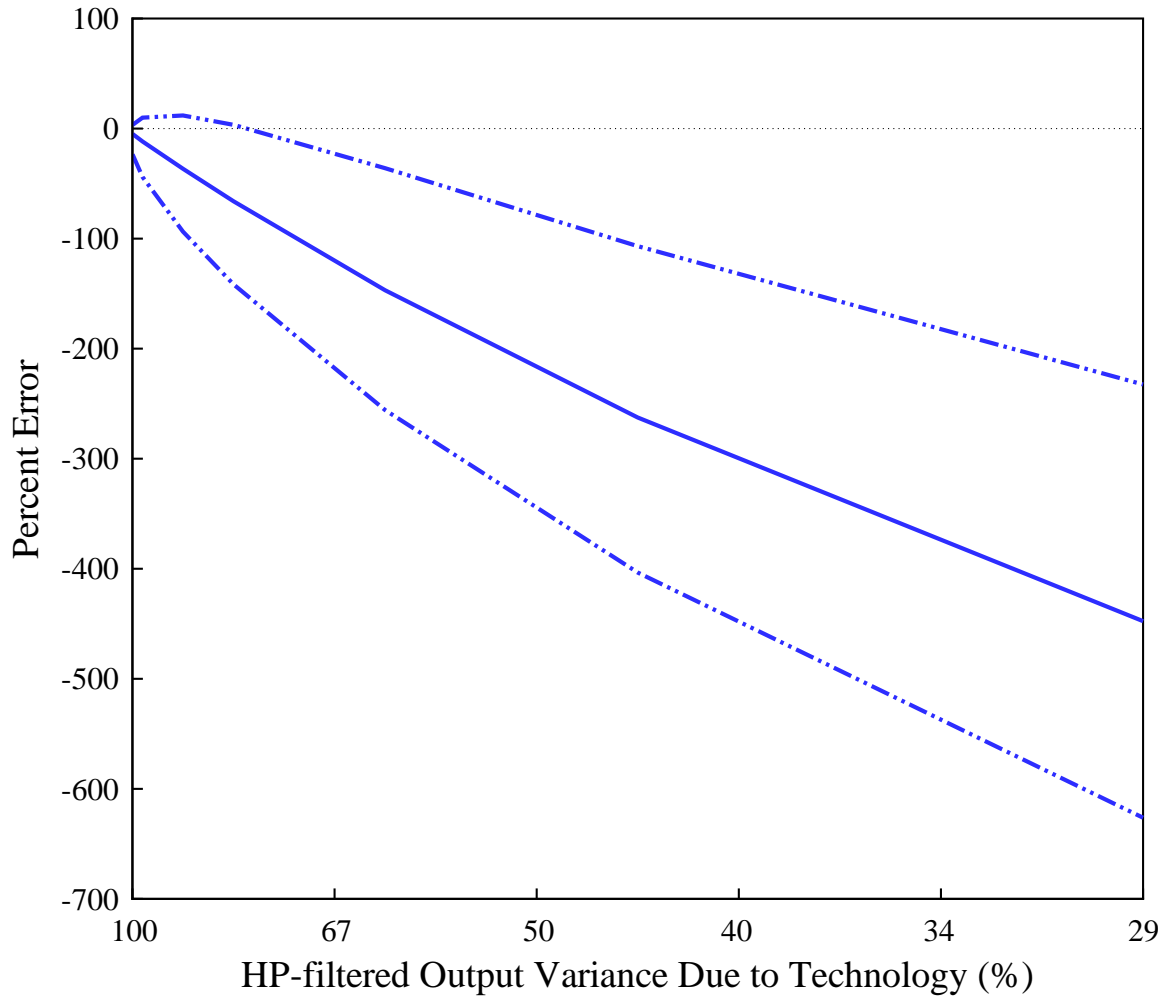


FIGURE 3B

IMPACT ERRORS AND BANDS OF THE LSVAR PROCEDURE

Mean Error in the Impact Coefficient of Hours (solid line) and 95% Confidence Bands (dashed lines) From 1,000 Applications of the Four-Lag LSVAR Procedure with $\rho_t = .95$ Applied to Model Simulations of Length 180, Varying the Variance of Output Due to Technology

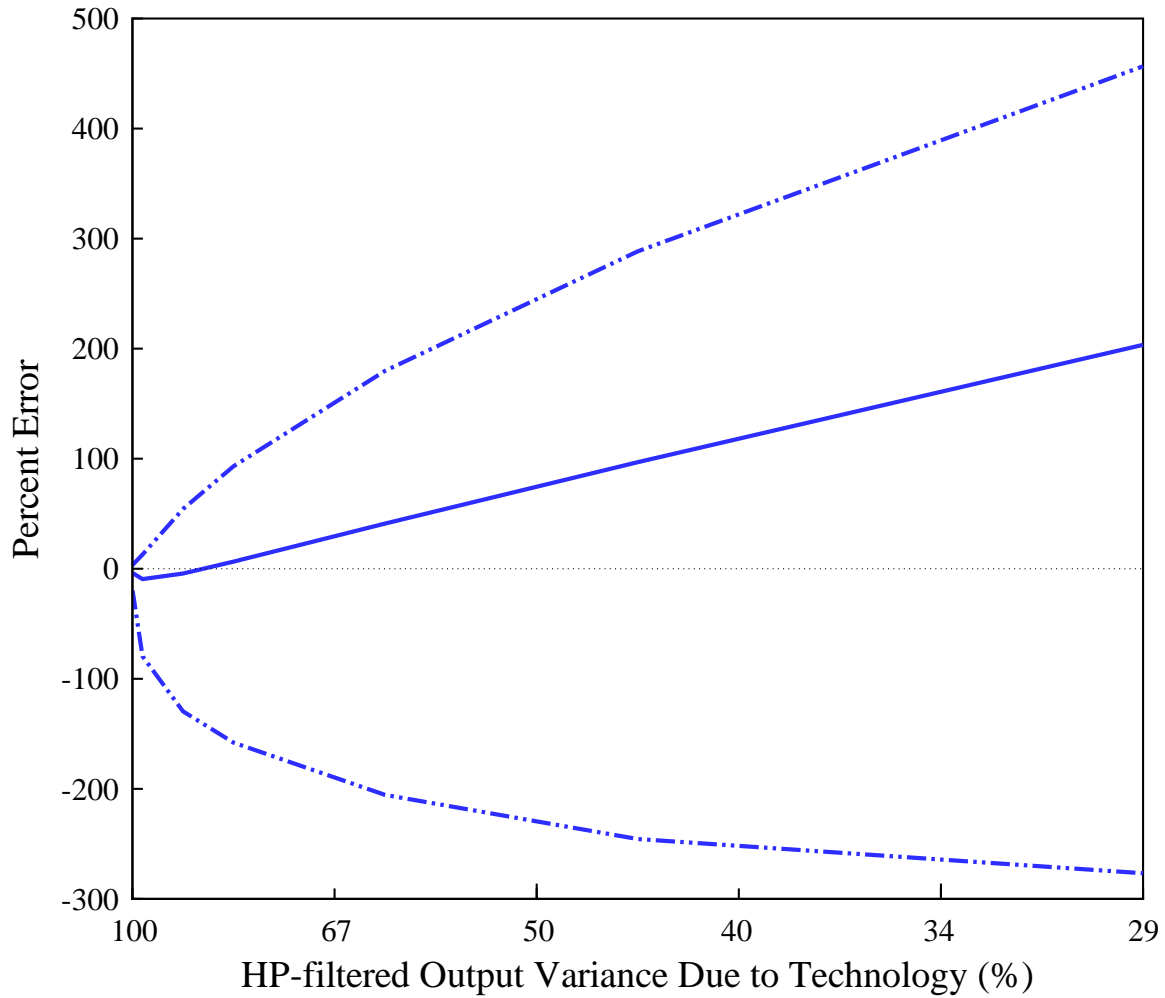


FIGURE 4A

QDSVAR HISTOGRAM AND BOUNDS FOR GALÍ PARAMETERS
Histogram of Impact Coefficient of Hours and 95% Bounds on Impulse Responses From 1,000 Applications of the Four-Lag QDSVAR Procedure to Model Simulations of Length 180

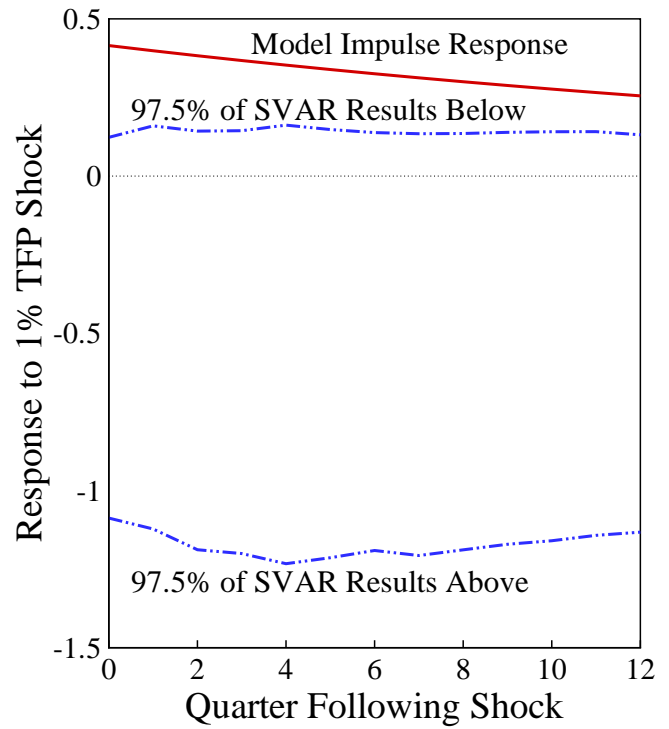
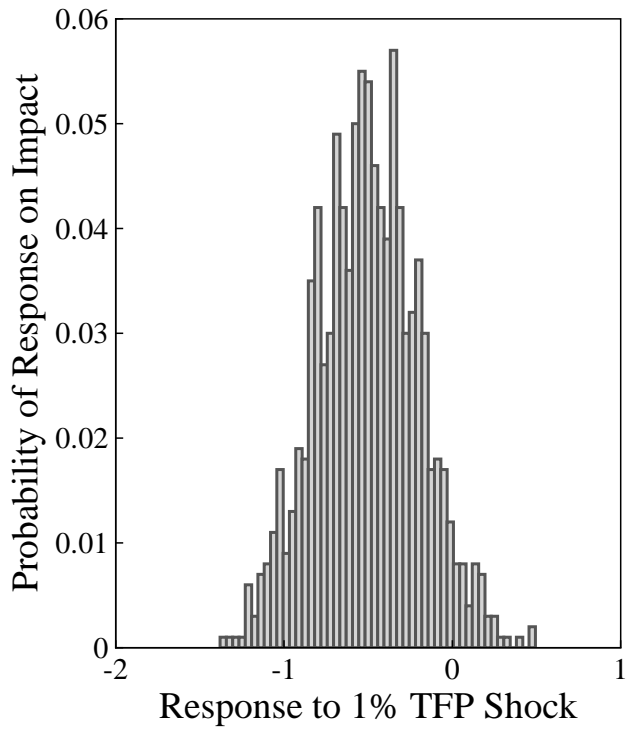


FIGURE 4B

QDSVAR RESPONSES AND BANDS FOR GALÍ PARAMETERS

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

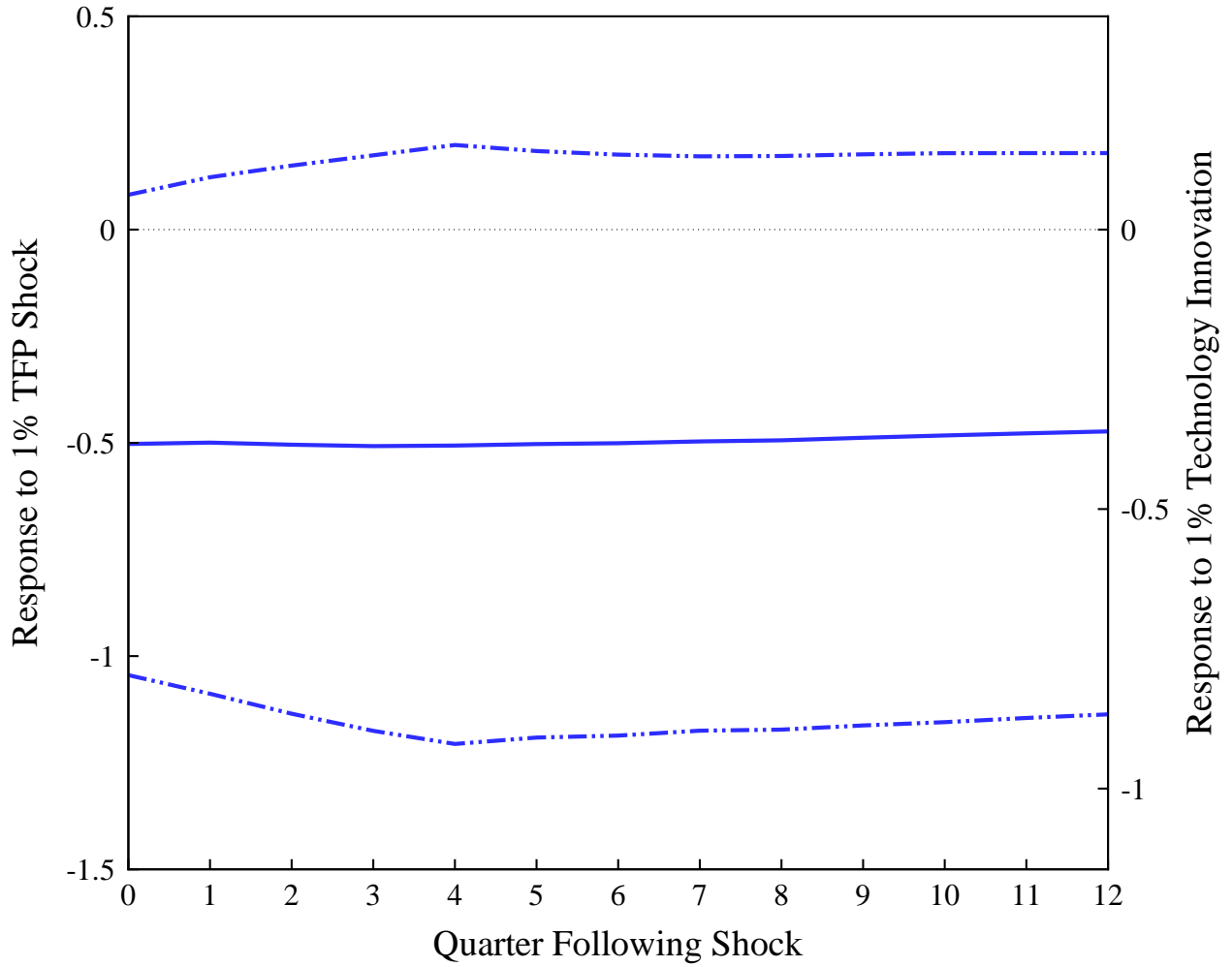


FIGURE 5A

LSVAR HISTOGRAM AND BOUNDS FOR GALÍ PARAMETERS

Histogram of Impact Coefficient of Hours and 95% Bounds on Impulse Responses From 1,000 Applications of the Four-Lag QDSVAR Procedure to Model Simulations of Length 180

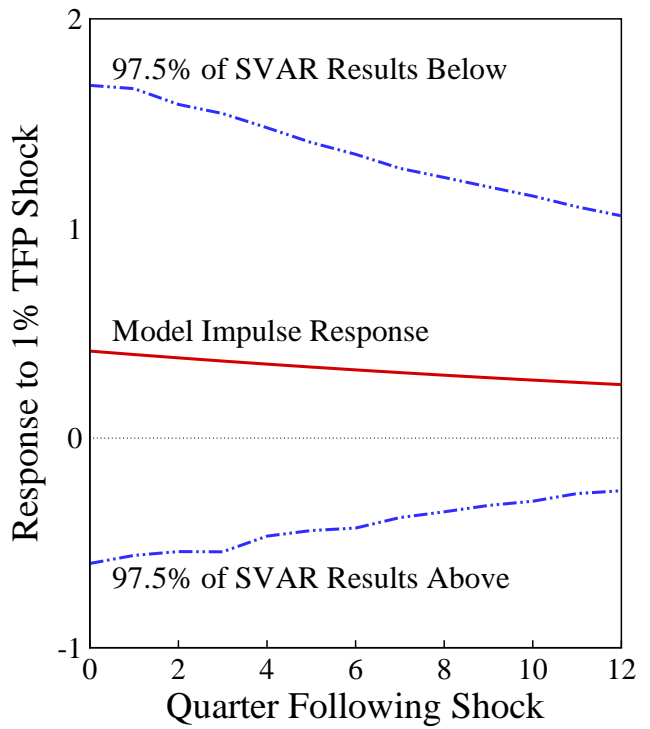
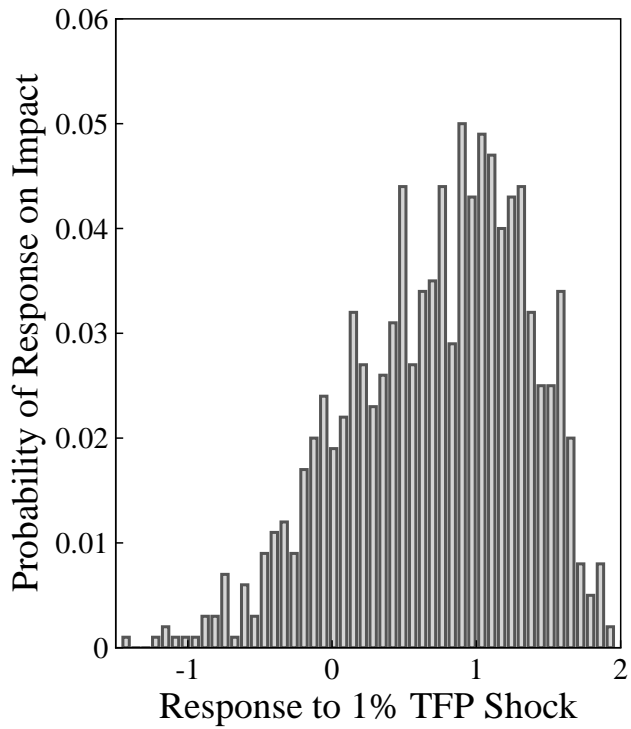


FIGURE 5B

LSVAR RESPONSES AND BANDS FOR GALÍ PARAMETERS

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

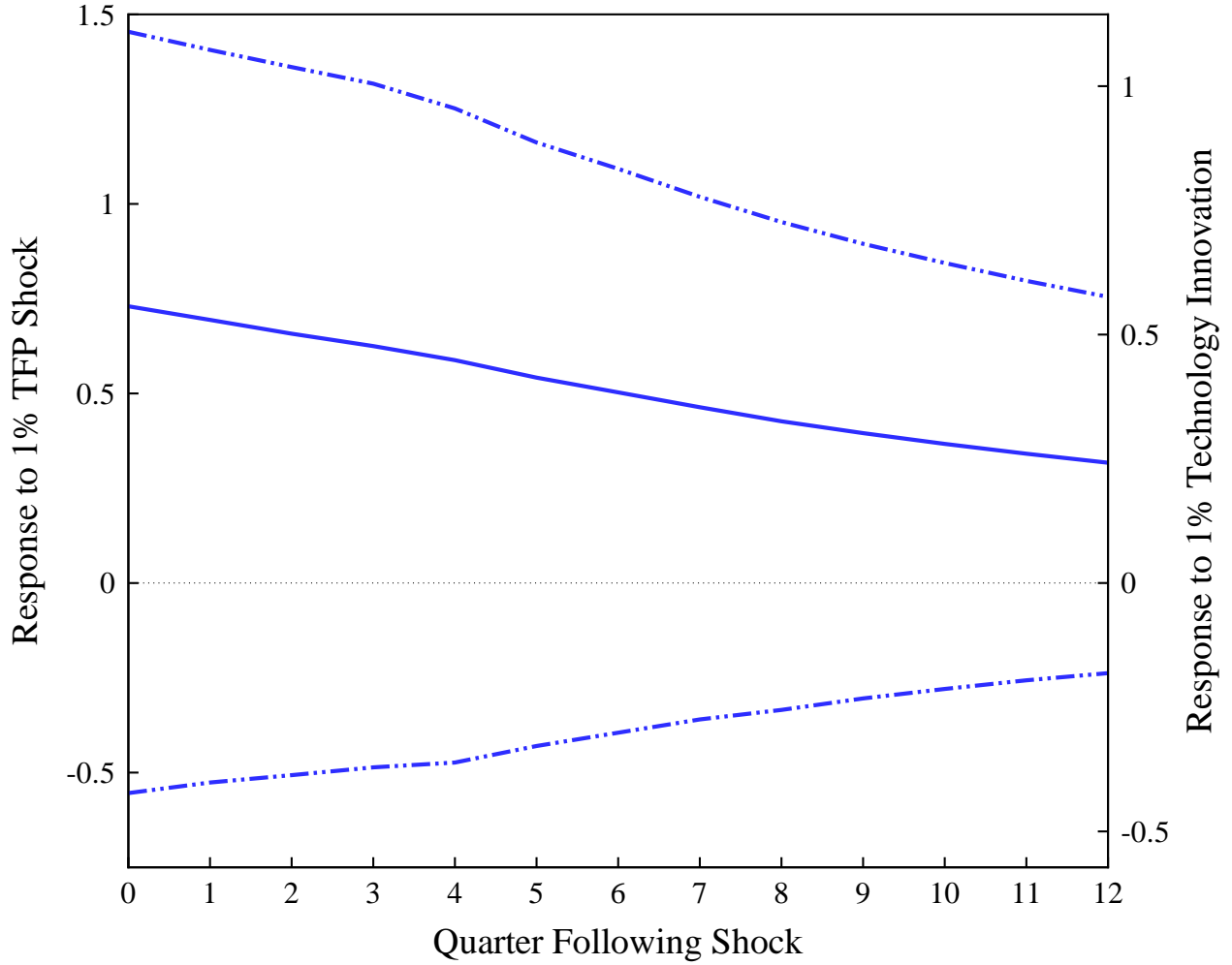


FIGURE 6A

IMPACT ERRORS AND BANDS OF THE QDSVAR PROCEDURE

Mean Error in the Impact Coefficient of Hours (solid line) and 95% Confidence Bands (dashed lines) From 1,000 Applications of the Four-Lag QDSVAR Procedure with $\rho_l = .95$ Applied to Model Simulations of Length 180 and Population Errors (dotted line), Varying the Variance of Output Due to Technology

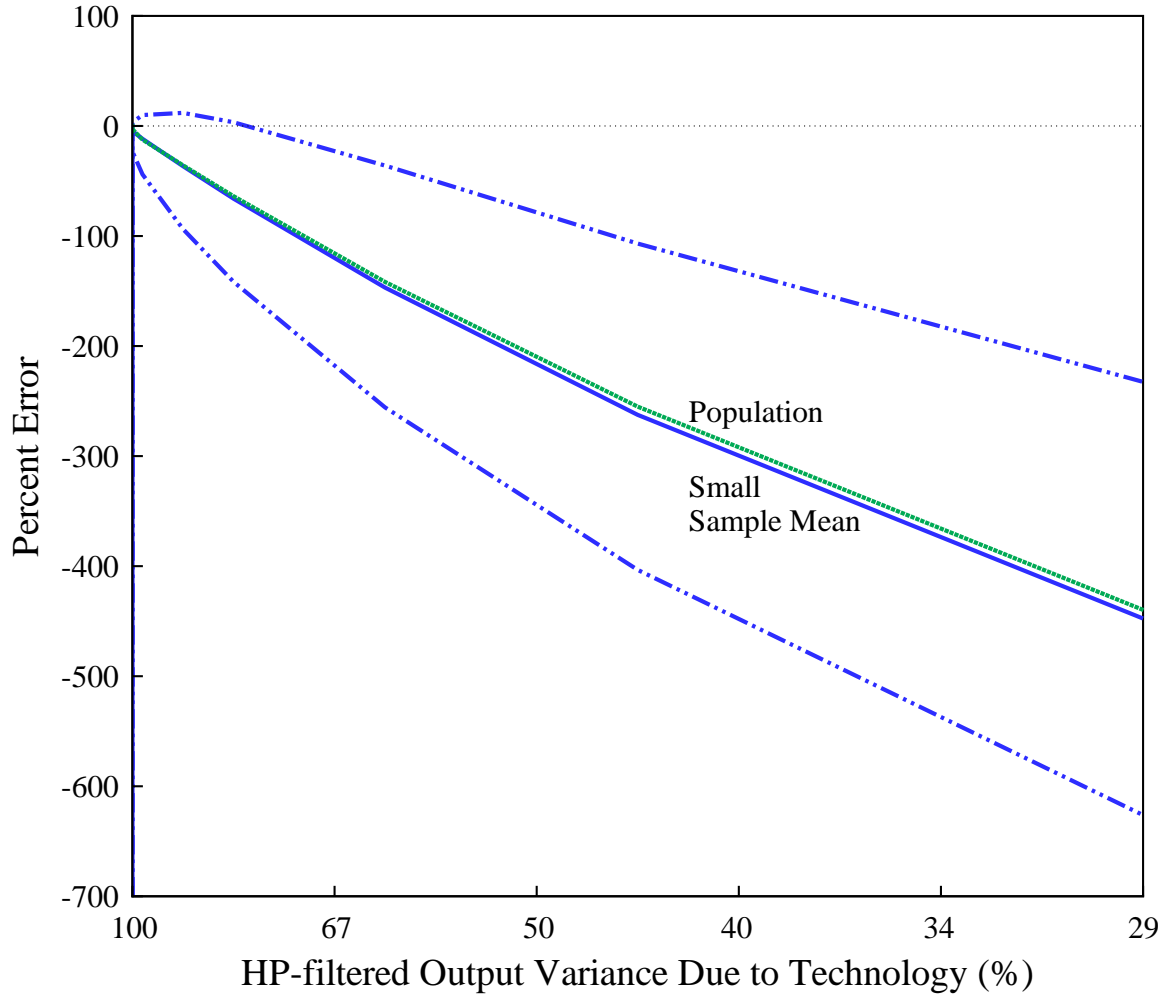


FIGURE 6B

IMPACT ERRORS AND BANDS OF THE LSVAR PROCEDURE

Mean Error in the Impact Coefficient of Hours (solid line) and 95% Confidence Bands (dashed lines) From 1,000 Applications of the Four-Lag LSVAR Procedure with $\rho_l = .95$ Applied to Model Simulations of Length 180 and Population Errors (dotted line), Varying the Variance of Output Due to Technology

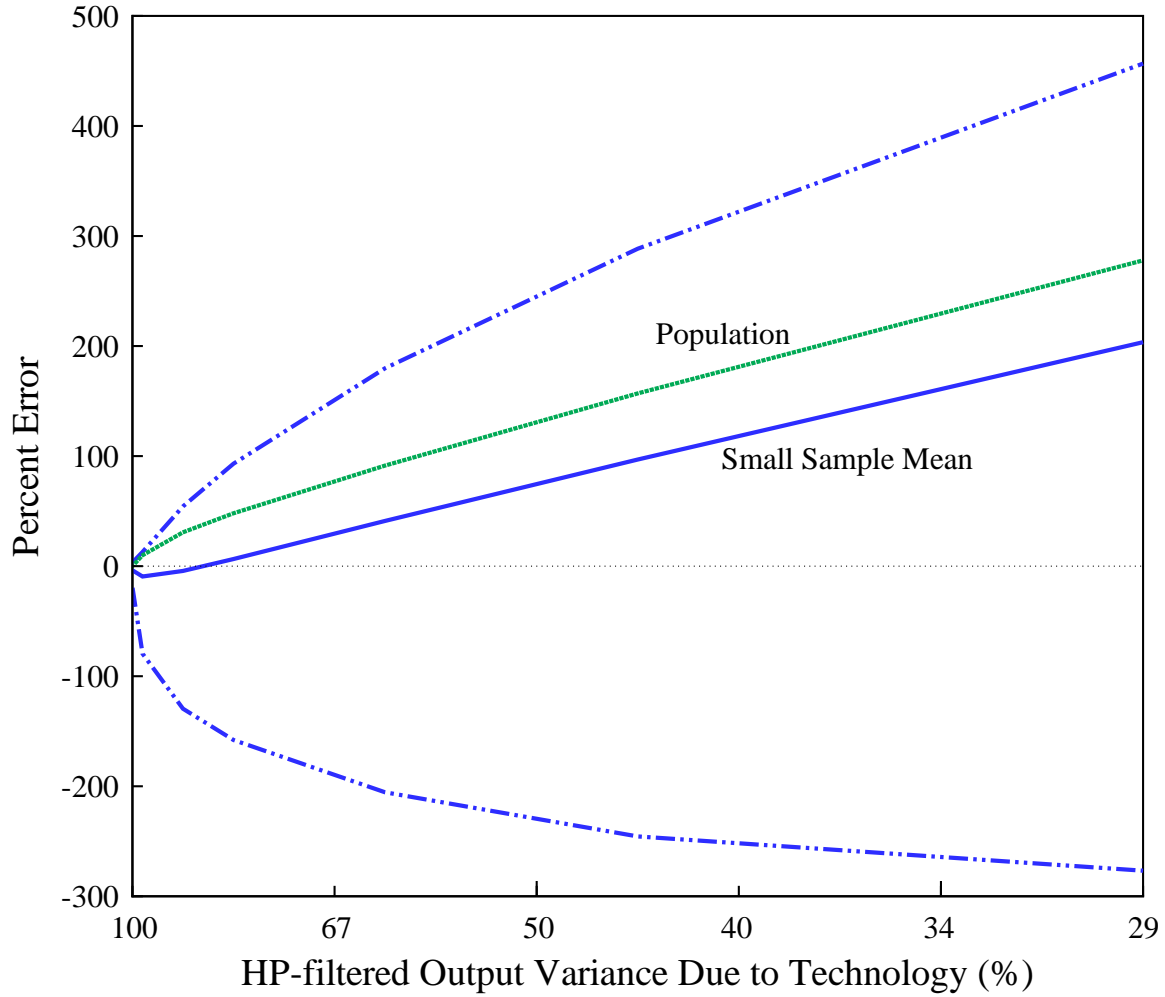


FIGURE 7

MODEL AND QDSVAR POPULATION RESPONSES OF HOURS
Using Galí Parameters and Varying Lag Length p in QDSVAR Procedure

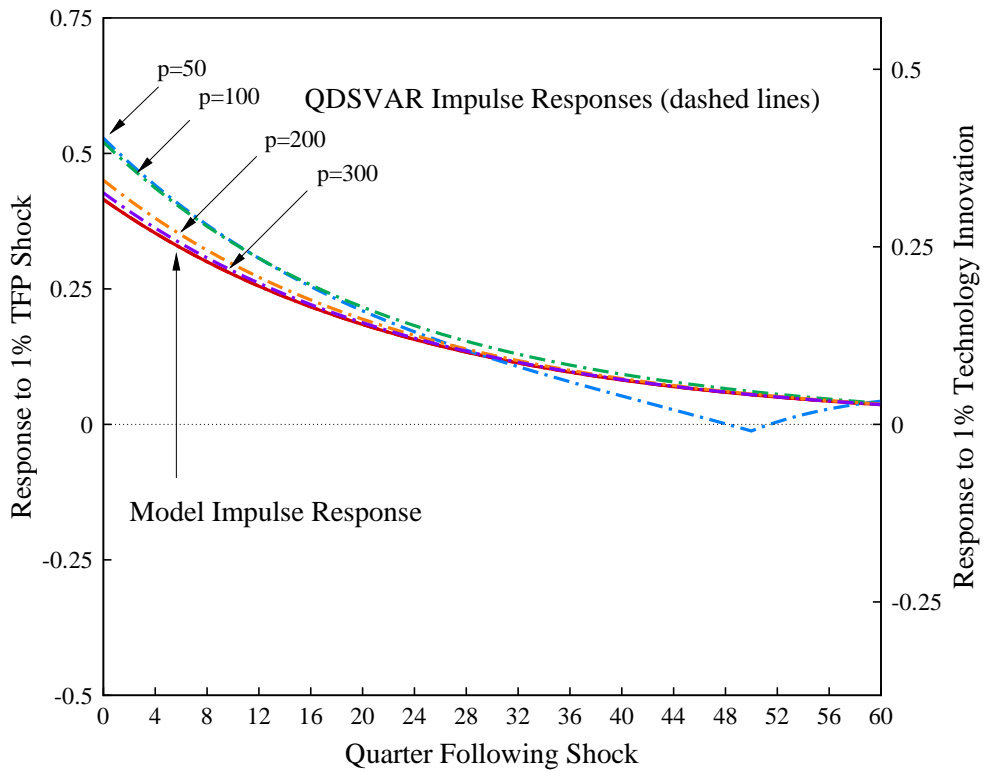
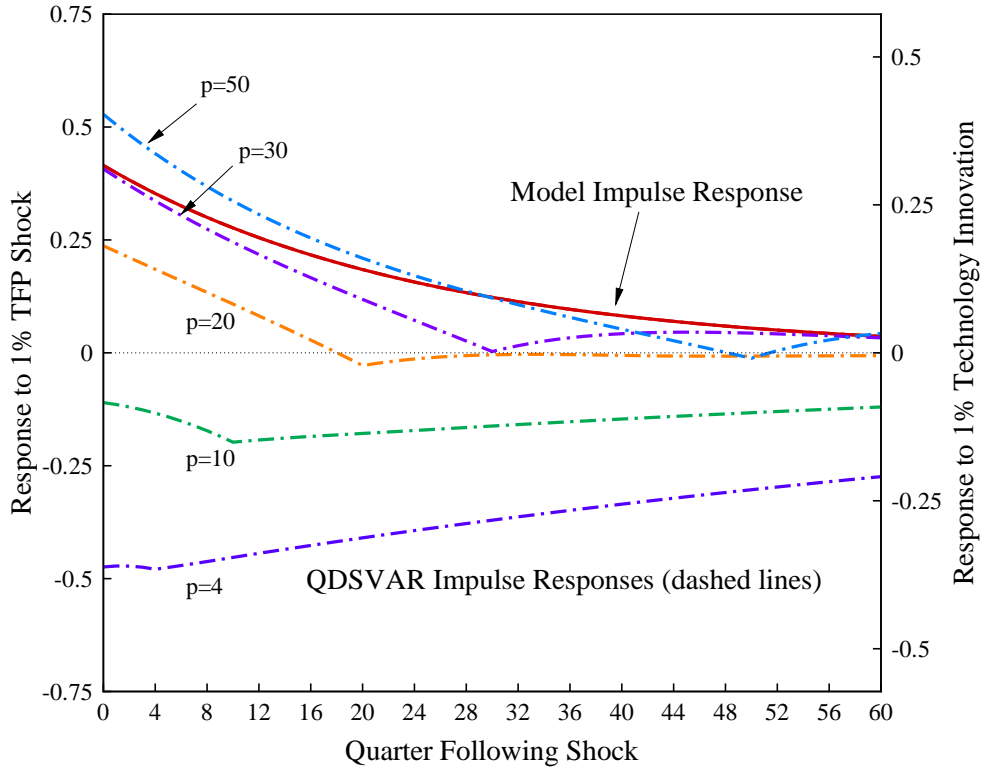


FIGURE 9A
LAG-LENGTH TESTS WITH PER CAPITA HOURS QUASI-DIFFERENCED
Information Criteria for Tests of 1,000 Model Simulations of Length 180

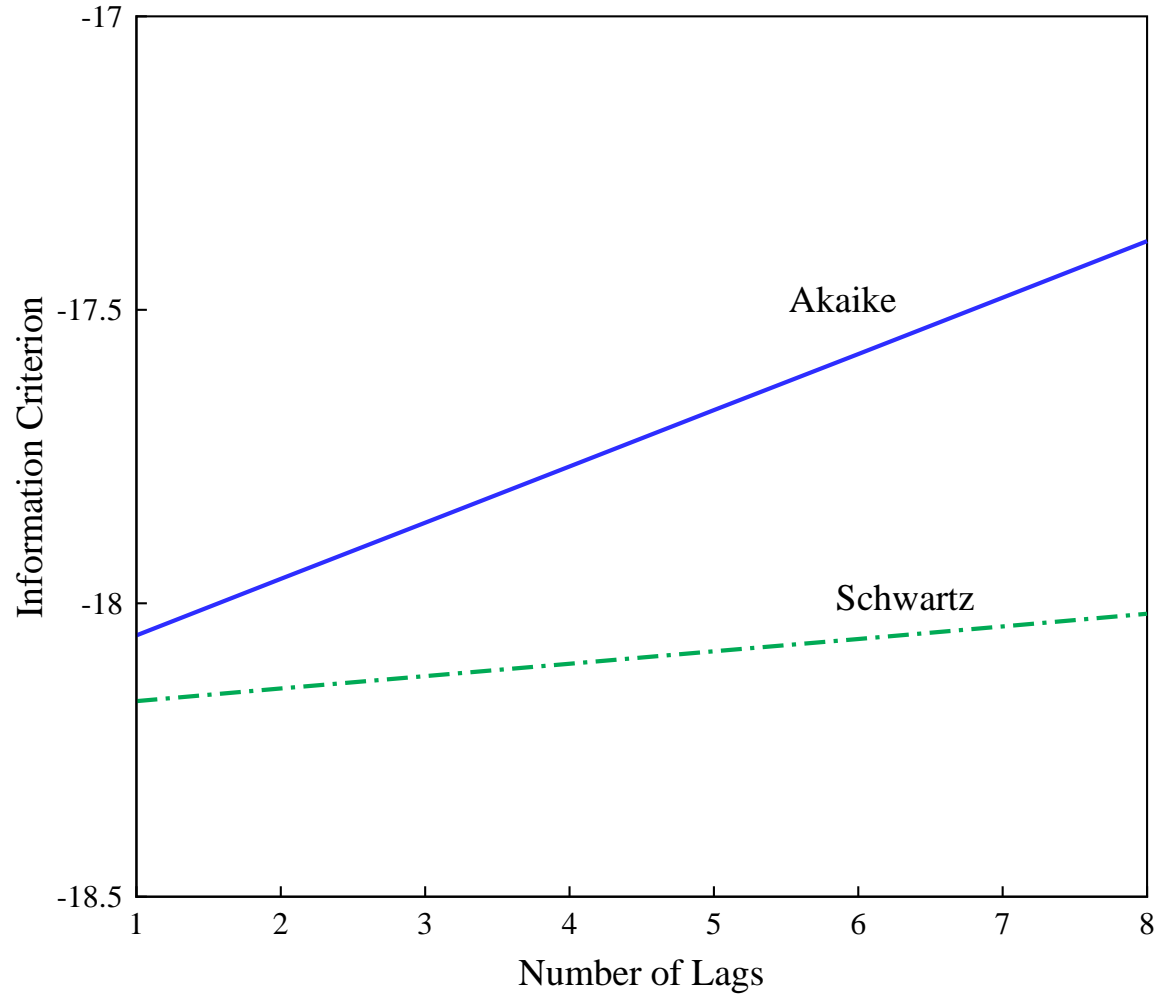


FIGURE 9B

LAG-LENGTH TESTS WITH PER CAPITA HOURS IN LEVELS

Information Criteria for Tests of 1,000 Model Simulations of Length 180

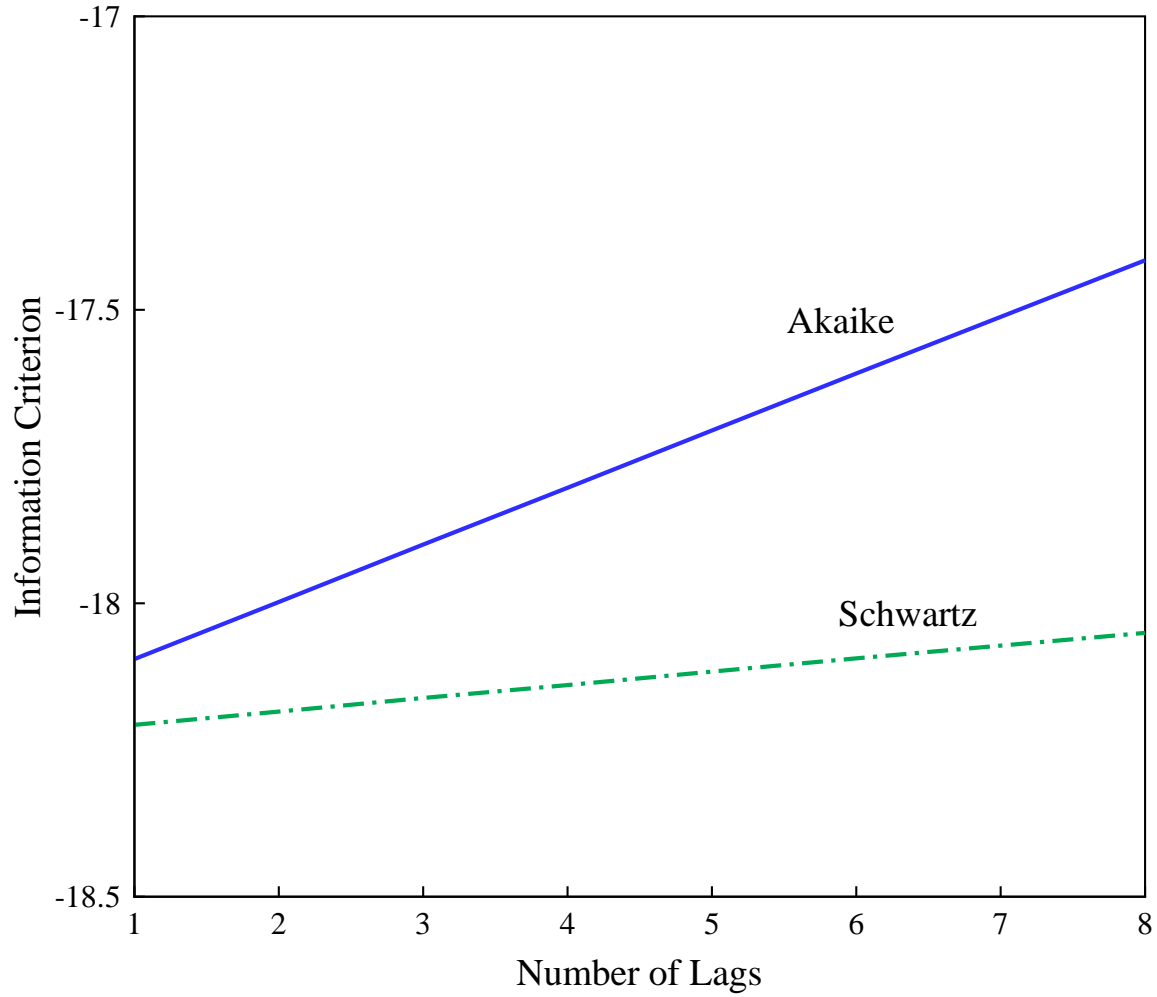


FIGURE 10

IMPACT ERRORS OF THE THREE-VARIABLE LSVAR PROCEDURE

Mean Error in the Impact Coefficient of Hours (solid line) and 95% Confidence Bands (dashed lines) From 1,000 Applications of the Four-Lag, Three-Variable LSVAR Procedure Applied to Model Simulations of Length 180 and Population Errors (dotted line), Varying Innovations of the Shock Processes

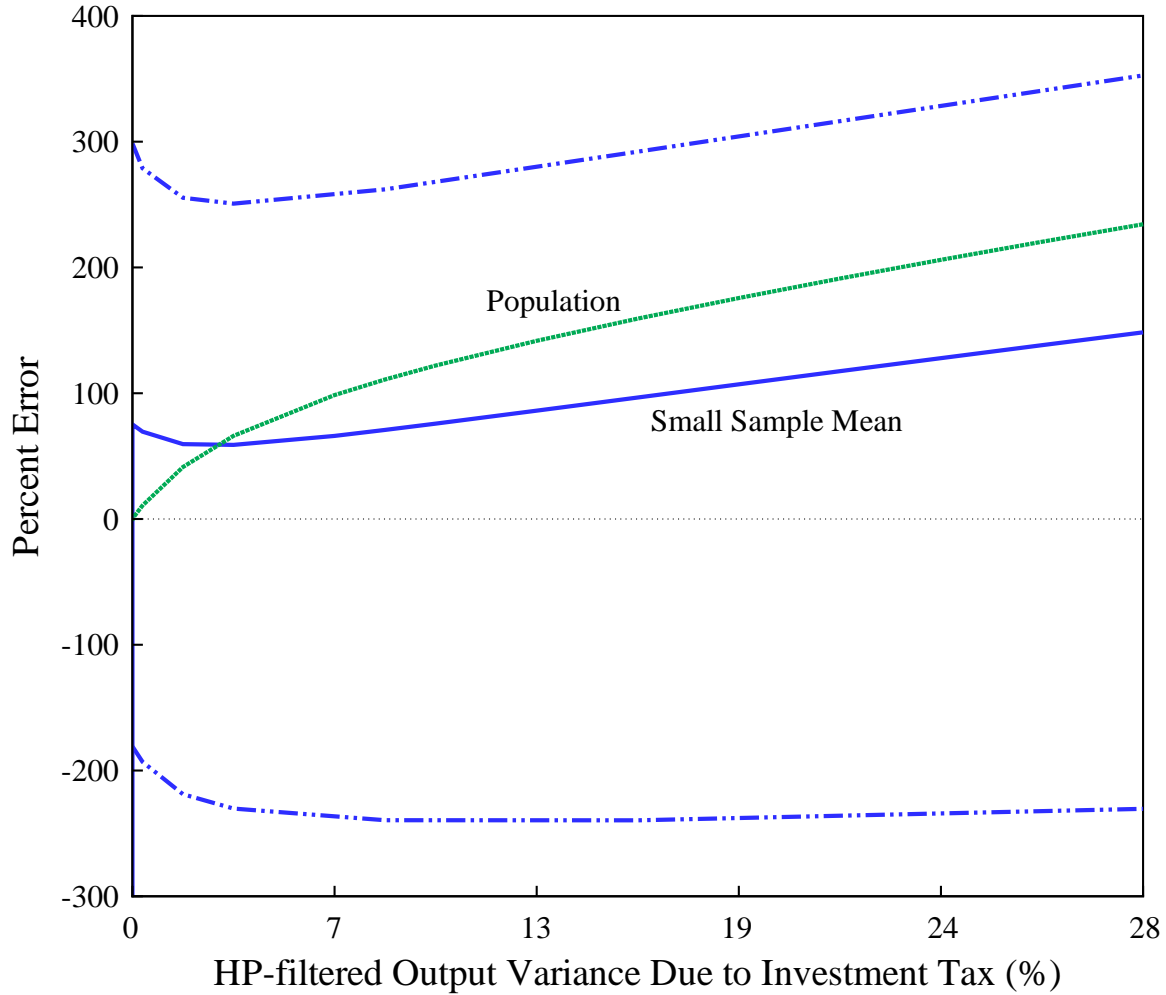


FIGURE 11

INNOVATION VARIANCE RATIO IMPLIED BY GALÍ (1999) AND U.S. HOURS

Demand Shock Innovation is Varied to Reproduce Galí's (1999) Estimate for the Impulse Response of Hours to a Technology Shock and to Generate the Same Variance of Hours as in U.S. Data

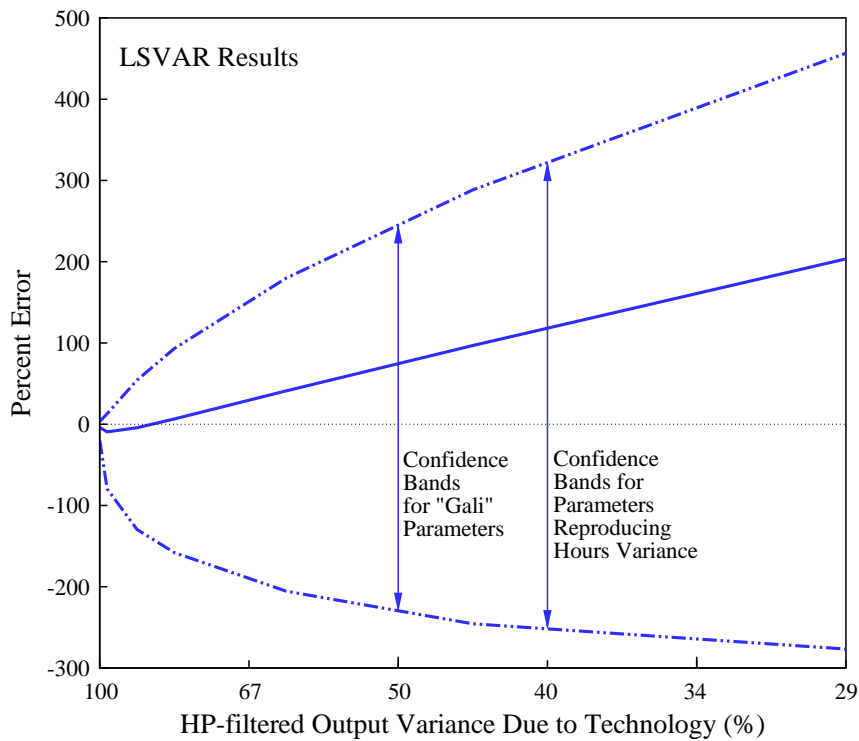
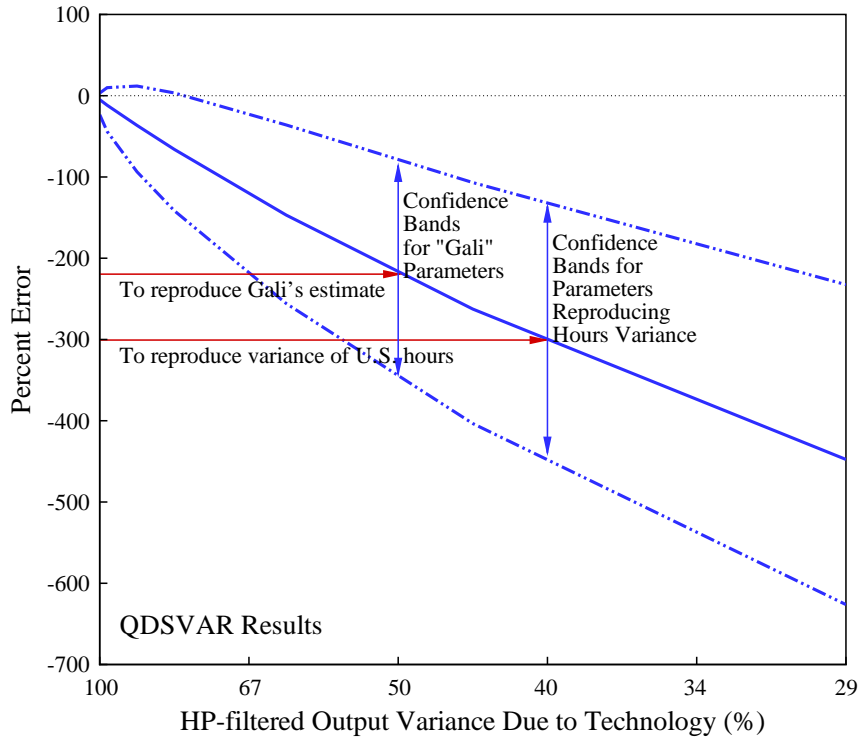


FIGURE 12A
THREE SERIES FOR THE HOURS PER CAPITA INDEX

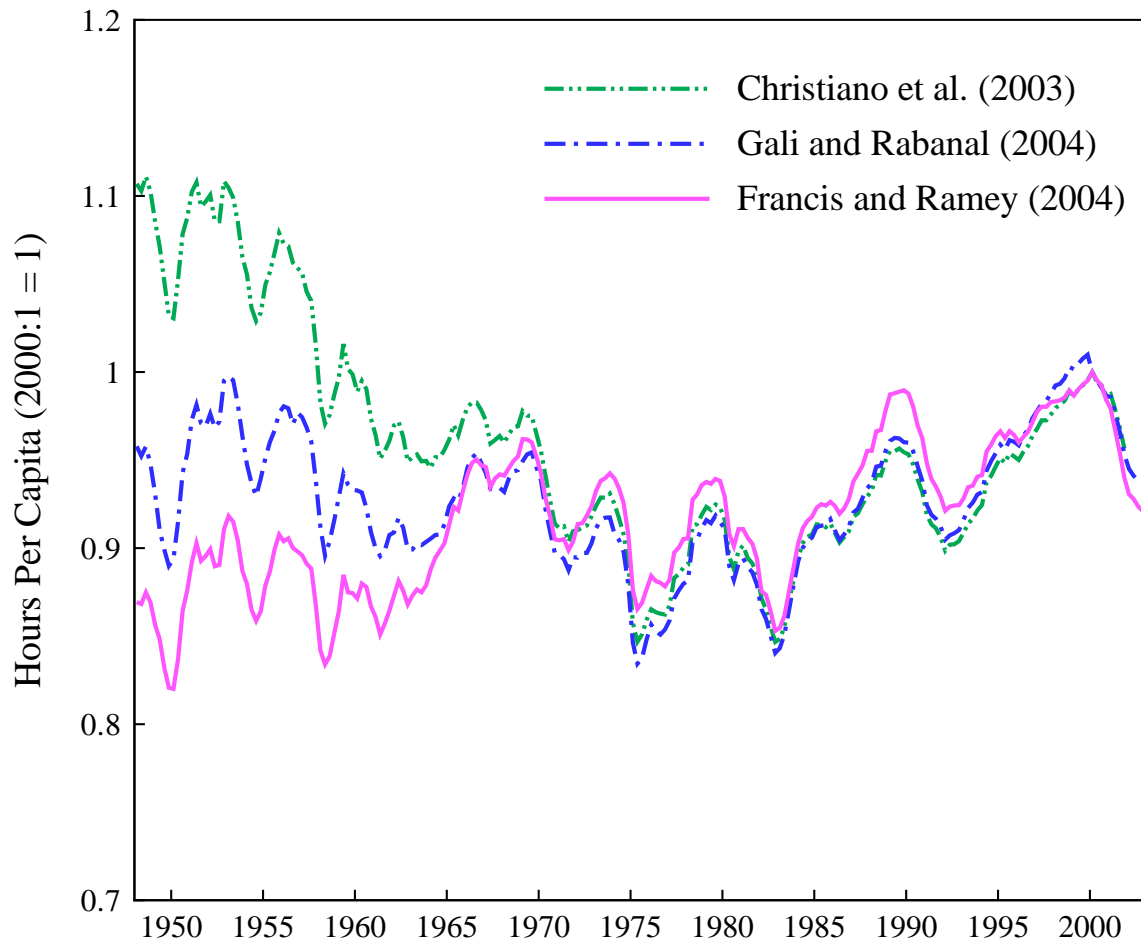


FIGURE 12B

THREE HP-FILTERED SERIES FOR THE HOURS PER CAPITA INDEX

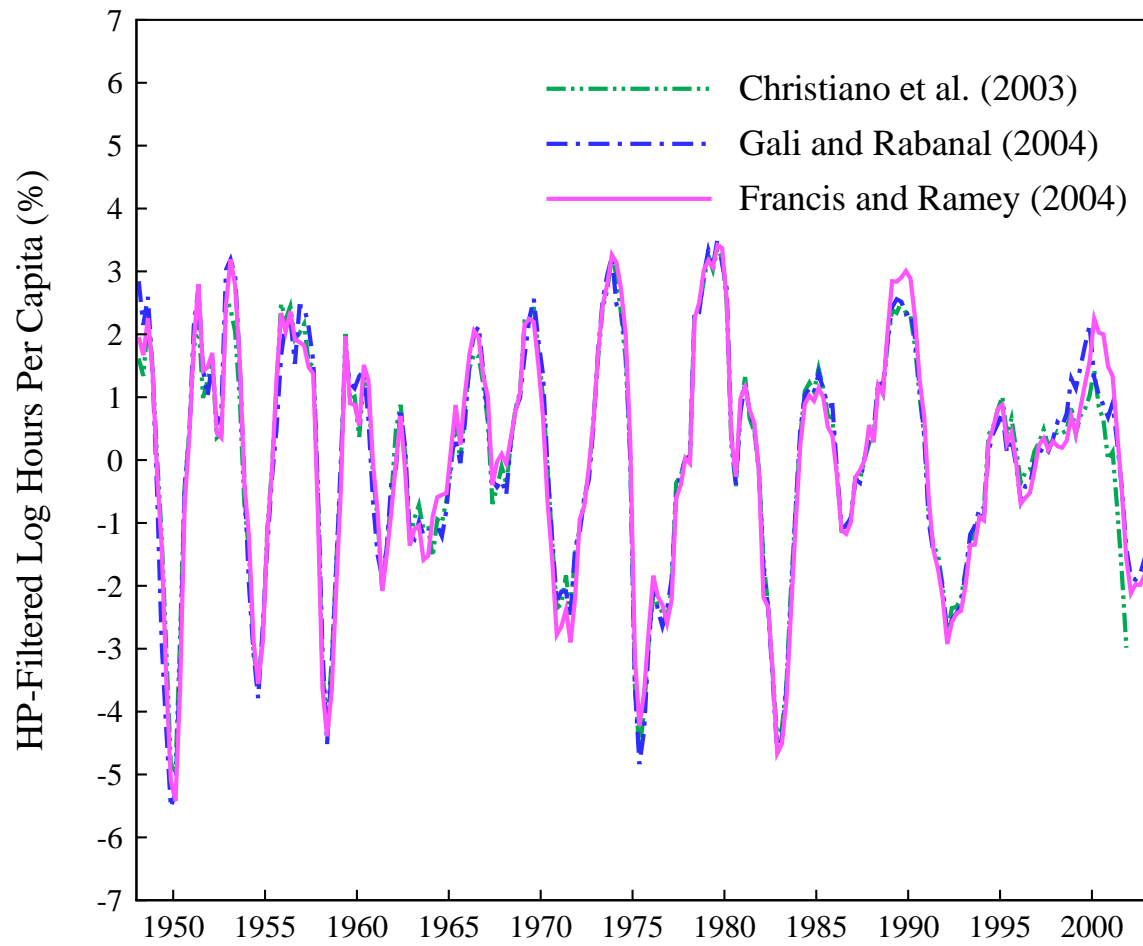


FIGURE 12C

IMPULSE RESPONSE FOR FRANCIS AND RAMEY (2004) DATA

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)

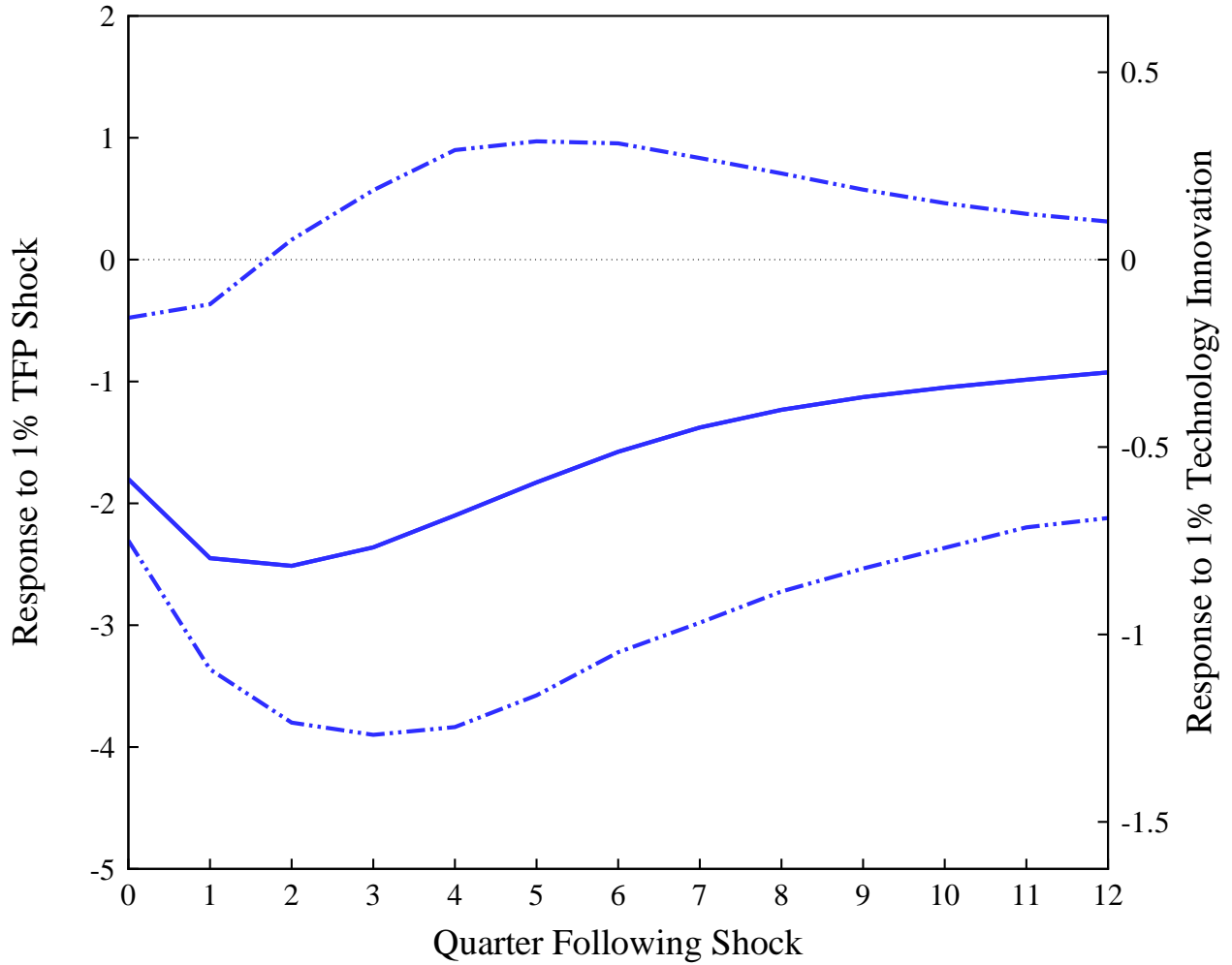


FIGURE 12D

IMPULSE RESPONSE FOR CHRISTIANO ET AL. (2003) DATA

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)

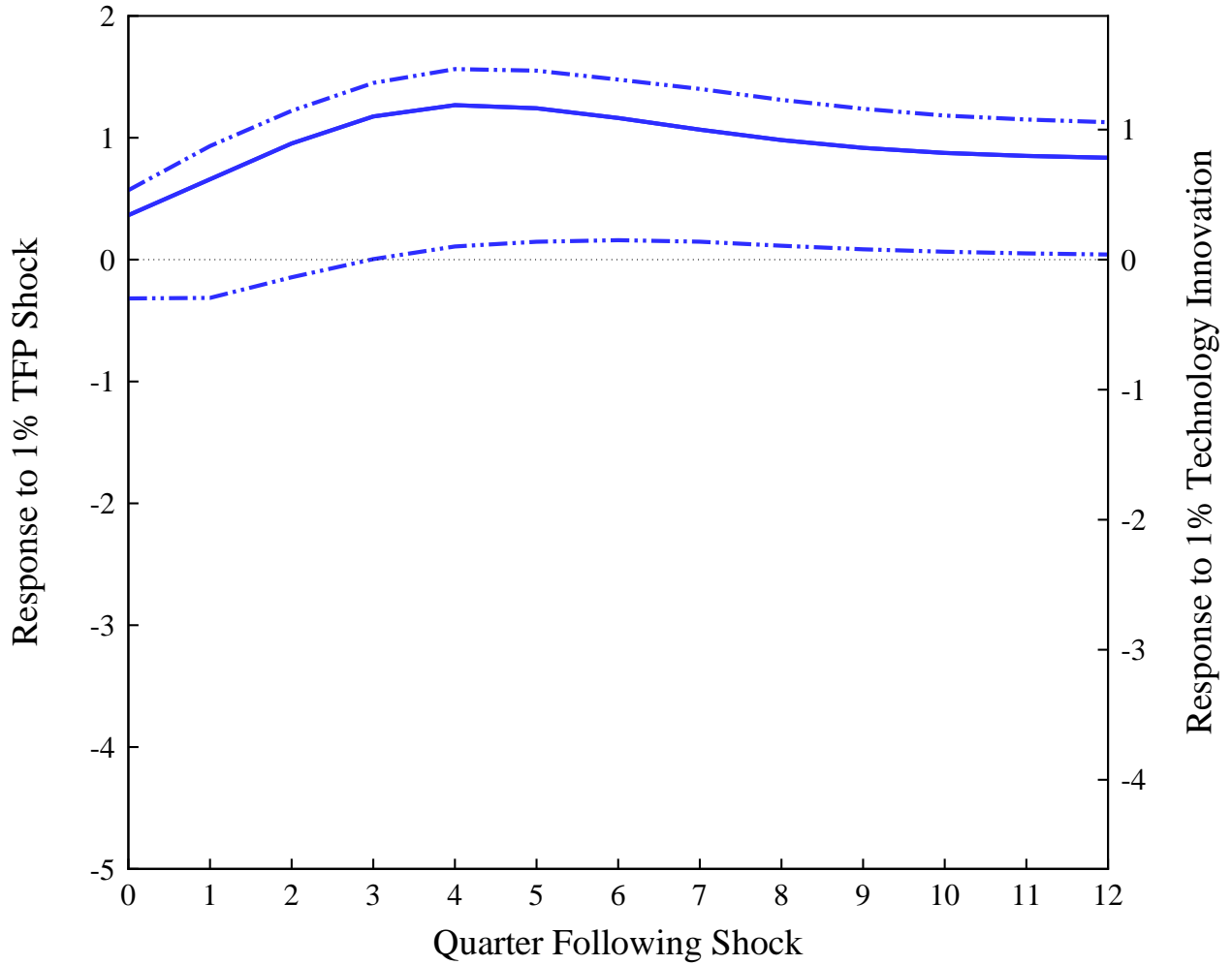


FIGURE 12E

IMPULSE RESPONSE FOR GALÍ AND RABANAL (2004) DATA

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 Galí and Rabanal (2004)

