A contemporaneous re-assessment

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Slide 1

Table: Microeconomic Model Calibration

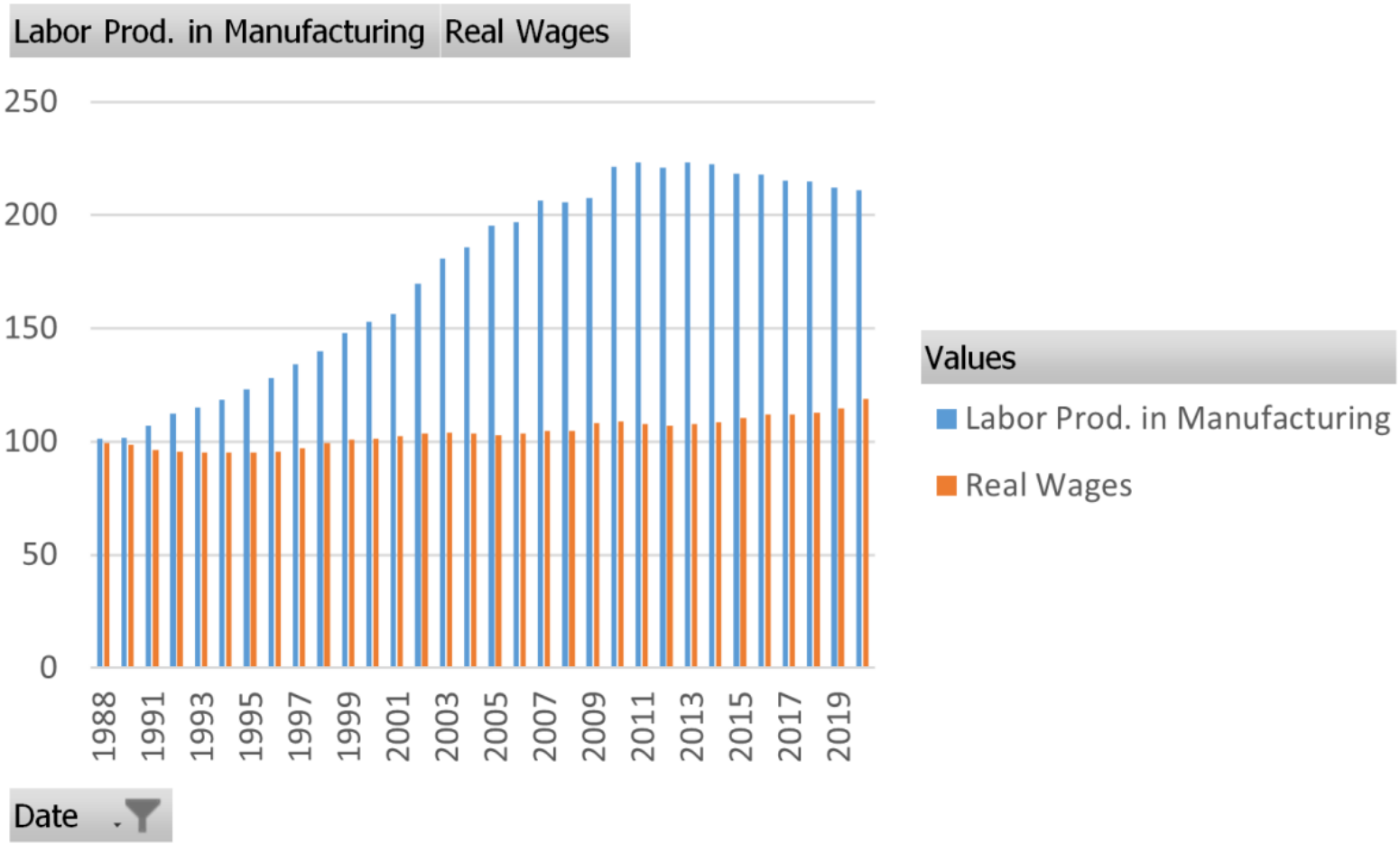
Calibrated Parameters			
Test1	Parameter	Value	Source
Test2	Γ	1.03	PSID: Carroll (1992)
Test3	R	1.04	Conventional
Test4	β	0.96	Conventional
Test5	ρ	2	Conventional
Test6	$\wp$	0.005	PSID: Carroll (1992)
Test7	σ_ψ	0.1	PSID: Carroll (1992)
Test8	σ_θ	0.1	PSID: Carroll (1992)

$$\omega = \alpha + \pi_{-1} - \gamma\mathcal{U} + \delta\theta + (1-\delta)A + \eta \tag{1}$$

Figure1

Abating Factors:
Import Competition
Market Concentration
Wage-Productivity Gap?
Wages
Wage Price Spiral
Prices

Figure2


Labor Prod. in Manufacturing
Real Wages
250
200
150
100
50
0
1988
1991
1993
1995
1997
1999
2001
2003
2005
2007
2009
2011
2013
2015
2017
2019
Date
Values
Labor Prod. in Manufacturing
Real Wages