

Ryan meeting

14 Dec 2017

Basic comments:

1. Data: TFP of Femald has IT or R&D things built into it. "yes but these are pretty small portions"

↳ but info is available to do the Femald exercise w/o IT

2. "TFP is an uncompensated input"  
- an externality

"IT is a compensated one - it wouldn't show up in TFP"

$$C = \left( \sum_{i=1}^N m_i^{\frac{1}{\theta}} \right)^{\theta}$$

$$p_i = \mu(m_i)$$

to produce  $C$ , I need  $C = \left( n \bar{m}^{\frac{1}{\theta}} \right)^{\theta} = n^{\theta} \bar{m}$

Cost is  $\mu(m_i) n \frac{C}{n^{\theta}} = \mu(m_i) n^{1-\theta} C$  ↑  
all  $m_i$   
equal,  
let that be  $\bar{m}$

So cost goes down when ↑.

→ seems like we need to show at least  
a productivity jet

Ryan:

Intro needs to be quick.

Is there an endog. component to  
productivity? If so, is there a  
R&D element? If so, do these  
implications look different than just  
a tech shock? → 3 bullet points!  
(3 min)

The essence of our contrib is the identification

27 min to argue ID ass.

"here we show a PF to show our ID  
makes sense"

30 min to show results.