

Notes for the actual Macro Lunch 13 Dec 2017

· ~~Perm~~ prod is $I(1)$ \rightarrow not permanent fluctuations

· Jaromir confused b/c too vague.

· \rightarrow discuss

· Need to do more work to argue IT is better.

eye-balling not super-precise

\rightarrow put lag-evidence

· Basu: extensitikes in use of IT

· instead use: ~~CPI~~ PCE deflator

\hookrightarrow all quality adj in CPI are in PCE too!

· identify IT v/o using IT and just use RP.

- Pierce :
- 1) grapple w/ endog mech
reallocation \rightarrow endog TFP mechanism
 - 2) simple model of IT inv decision to
test ID
 - 3) Evidence on news coming from
the investment sector

Giacomo:

- 1) what happens w/ surprise tech shock?
 \hookrightarrow ppl have got inflationary effects
to that shock.

- Vito:
- 1) Sign Res on IT need to rationalize
 - 2) Restriction on rel. magnitude on shock
"news has a smaller effect on RP
than IT does"
 - 3) Need to get to the results much
earlier

Remove IT
shock and
check the
FEV.

- 4) Need to show cointegration b/c then the
residuals are stationary.

Tom: good news on IT prod. in the future
might affect RP.

↳ specify the interpretation of each
share better

Liyang: 1) -11-

2.) Need some criteria to judge that
IT is better than R&D.

↳ structural argument for that