Read Me For 'Some Inference Perils of Imposing a Taylor Rule'

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March 2023

Note: You will need to have `DYNARE` installed in order to run the codes. This can be installed from https://www.dynare.org/download. We used `DYNARE V4.6.3` to generate all the results

Section 1

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Section 2

- **Table 2:** Run `Table2.m`. This estimates the NK model with a Taylor rule and the NK model with a state rule on US data and also computes the model comparison statistics.
- **Figure 4:** Run `Figure4.m`. This estimates the two models and plots the posterior distribution of κ from each.
- **Table 3:** Run `Table3.m`. This sets all parameters in the NK model with a state rule equal to their posterior mean from the estimates in Table 2 and then computes the implied Taylor rule.
- **Table 4:** Run `Table4.m`. This sets the parameters of the state rule NK model equal to its posterior mean on pre- and post-Volcker data and then computes the implied Taylor rule in each case.
- **Figure 5:** Run `Figure5.m`. This estimates the state rule NK model on pre- and post-Volcker data and then computes the posterior distribution of the determinacy condition, Ω.

Section 3

- **Figure 6:** Run `Figure6.m`. This sets the parameters of the SW model with either a state rule or a Taylor rule equal to their respective posterior means and then plots the IRFs from each model.

- **Table 5:** Run `Table5.m`. This sets the parameters of the SW model with either a state rule or a Taylor rule equal to their respective posterior means and then calculates the unconditional variance of inflation from each, which can be found in the `DYNARE` output.
- **Table 6:** Run `Table6.m`. This sets the parameters of the SW model with either a state rule or a Taylor rule equal to their respective posterior means and then calculates the implied Taylor rule from each.

Appendix

- **Table A.1:** Run `TableA1.m`. This estimates the NK model with a Taylor rule.
- **Table A.2:** Run `TableA2.m`. This estimates the NK model with a state rule.
- **Table A.3:** Run `TableA3.m`. This estimates the NK model with a state rule in the pre-Volcker period.
- **Table A.4:** Run `TableA4.m`. This estimates the NK model with a state rule in the post-Volcker period.
- **Table A.5:** Run `TableA5.m`. This estimates the NK model with a Taylor rule in the pre-Volcker period.
- **Table A.6:** Run `TableA6.m`. This estimates the NK model with a Taylor rule in the post-Volcker period.
- **Table A.7:** Run `TableA7.m`. This estimates the extended NK model with a Taylor rule.
- **Table A.8:** Run `TableA8.m`. This estimates the extended NK model with a state rule.
- **Table A.9:** Run `TableA9.m`. This estimates the extended NK model with a longer Taylor rule.
- **Table A.10:** Run `TableA10.m`. This estimates the HANK model with a Taylor rule.
- **Table A.11:** Run `TableA11.m`. This estimates the HANK model with a state rule.
- **Table A.12 and Table A.13:** Run `TableA12A13.m`. This estimates the SW model with a Taylor rule.
- **Table A.14 and Table A.15L** Run `TableA14A15.m`. This estimates the SW model with a state rule.

- **Table A.16:** Run **Table5.m**. This sets the parameters of the SW model with either a state rule or a Taylor rule equal to their respective posterior means and then calculates the unconditional variance of output from each, which can be found in the `DYNARE` output.