Table 1: Aggre	gate Consur	nption Dy	namics in	Rep A	gent Economy
Table 1. Aggle	gaic Consui	$\mathbf{n}$	mannes m	100011	gone Doomonny

Expe	ectations: De	ep Var	OLS	2nd Stage	IV $F$ $p$ -val
Inde	pendent Var	iables	or IV	$ar{R}^2$	IV OID
Fricti	$\Delta = \Delta \log S$	$g \mathbf{C}_{t+1}$			
$\Delta \log \mathbf{C}_t$	$\Delta \log \mathbf{Y}_{t+1}$	$A_t$			
0.017			OLS		
(0.819)					
	0.392		IV		
	(0.114)				
		0.0001	IV		
		(-0.0003)			
0.226	0.335	-0.0001	IV		
(0.704)	(0.131)	(-0.0001)			
Sti	icky : $\Delta \log \mathbf{C}$	<b>7</b> ⊘t+1			
	$\Delta \log \mathbf{Y}_{t+1}$	$A_t$			
0.819	0 11-	-	OLS		
(0.041)					
S	$\frac{1}{\text{ticky}: \Delta \log}$	$\widetilde{\widetilde{\mathbf{C}}}_{t}$			
~ .	$\Delta \log \mathbf{Y}_{t+1}$	$A_t$			
0.364	0 0/1	U	OLS		
(0.066)					
0.718			IV		
(0.142)					
, ,	0.114		IV		
	(0.162)				
	, ,	-0.0003	IV		
		(0.0001)			
0.704	0.131	-0.0001	IV		
(0.209)	(0.185)	(0.0002)			
	Memo: For	instrument	$\mathbf{z} \cdot \mathbf{Z}_{\mu} \wedge 1_{\alpha}$	$\bar{R}^2 = \mathbf{Z}_t \zeta$ , $\bar{R}^2 = \mathbf{Z}_t \zeta$	: 7??

Memo: For instruments  $\mathbf{Z}_t$ ,  $\Delta \log \mathbf{C}_{t+1} = \mathbf{Z}_t \zeta$ ,  $\bar{R}^2 = ???$ 

Horserace coefficient on  $\Delta \log \widetilde{\mathbf{C}}_t$  significant at 95% level for 12 of 12 subintervals. Horserace coefficient on  $\Delta \log \widetilde{\mathbf{C}}_t$  significant at 90% level for 12 of 12 subintervals.

Table 2: Aggregate Consumption Dynamics in Rep Agent Markov Economy (11 states)

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Expe	ctations : De	ep Var	OLS	2nd Stage	IV F p-val
Inde	pendent Var	iables	or IV	$ar{R}^2$	IV OID
Fricti	onless : $\Delta$ lo	$g C_{t+1}$			
$\Delta \log \mathbf{C}_t$	$\Delta \log \mathbf{Y}_{t+1}$	$A_t$			
-0.015			OLS		
(0.778)					
	0.097		IV		
	(0.652)				
		0.0000	IV		
		(-0.0001)			
-0.273	-0.310	0.0001	IV		
(0.494)	(0.240)	(0.0000)			
Sti	$cky:\Delta\log C$	$S_{t+1}$			
$\Delta \log \mathbf{C}_t$	$\Delta \log \mathbf{Y}_{t+1}$	$A_t$			
0.778			OLS		
(0.044)					
St	ticky : $\Delta \log$	$\widetilde{ ilde{\mathbf{C}}}_t$			
$\Delta \log \widetilde{\mathbf{C}}_t$	$\Delta \log \mathbf{Y}_{t+1}$	$A_t$			
0.243			OLS		
(0.069)					
0.693			IV		
(0.178)					
	0.652		IV		
	(0.269)				
		-0.0001	IV		
		(0.0001)			
0.494	0.240	0.0000	IV		
(0.260)	(0.442)	(0.0001)			

Memo: For instruments  $\mathbf{Z}_t$ ,  $\Delta \log \mathbf{C}_{t+1} = \mathbf{Z}_t \zeta$ ,  $\bar{R}^2 = ???$ 

Horserace coefficient on  $\Delta \log \widetilde{\mathbf{C}}_t$  significant at 95% level for 8 of 12 subintervals. Horserace coefficient on  $\Delta \log \widetilde{\mathbf{C}}_t$  significant at 90% level for 8 of 12 subintervals.

Table 3: Aggregate	Consum	ntion D	vnamice ii	Small	Open	Economy
rable 5. Aggregate	Consum	рион р	vitatines n	ı əman	Open	ECOHOHIV

Expe	ctations : De	ep Var	OLS	2nd Stage	IV F p-val
Inde	pendent Var	iables	or IV	$ar{R}^2$	IV OID
Fricti	onless : $\Delta$ lo	$g C_{t+1}$			
$\Delta \log \mathbf{C}_t$	$\Delta \log \mathbf{Y}_{t+1}$	$A_t$			
0.023			OLS		
(0.599)					
	0.343		IV		
	(0.067)				
		0.0021	IV		
		(-0.0186)			
0.101	0.312	0.0000	IV		
(0.659)	(0.167)	(-0.0023)			
	.1	7			
	$\operatorname{cky}:\Delta\log\mathbf{C}$				
	$\Delta \log \mathbf{Y}_{t+1}$	$A_t$	OLC		
0.599			OLS		
(0.057)					
St	$\frac{1}{\text{ticky}}: \Delta \log$	$\widetilde{ ilde{\mathbf{C}}}_t$			
$\Delta \log \widetilde{\mathbf{C}}_t$	$\Delta \log \mathbf{Y}_{t+1}$	$A_t$			
0.247			OLS		
(0.069)					
0.658			IV		
(0.143)					
	0.067		IV		
	(0.150)				
		-0.0186	IV		
		(0.0042)			
0.659	0.167	-0.0023	IV		
(0.253)	(0.180)	(0.0099)			
	Memo: For	instrument	$\mathbf{z}_t, \Delta \log$	$g \mathbf{C}_{t+1} = \mathbf{Z}_t \zeta,  \bar{R}^2 =$	???

Horserace coefficient on  $\Delta \log \widetilde{\mathbf{C}}_t$  significant at 95% level for 10 of 12 subintervals. Horserace coefficient on  $\Delta \log \widetilde{\mathbf{C}}_t$  significant at 90% level for 10 of 12 subintervals.

Table 4: Aggregate Consumption Dynamics in Small Open Markov Economy (11 states)

	Aggregate C		г рупап	nes in sman Open Ma	arkov Economy (11 s
Expe	ctations : De	ep Var	OLS	2nd Stage	IV F p-val
Inde	pendent Var	iables	or IV	$ar{R}^2$	IV OID
Fricti	ionless : $\Delta$ lo	$g \mathbf{C}_{t+1}$			
$\Delta \log \mathbf{C}_t$	$\Delta \log \mathbf{Y}_{t+1}$	$A_t$			
0.385			OLS		
(0.848)					
	0.432		IV		
	(0.993)				
		-0.0011	IV		
		(-0.0016)			
-0.128	0.226	-0.0007	IV		
(0.618)	(0.343)	(0.0002)			
Sti	$1  ext{cky} : \Delta \log \mathbf{C}$	$S_{t+1}$			
$\Delta \log \mathbf{C}_t$	$\Delta \log \mathbf{Y}_{t+1}$	$A_t$			
0.848			OLS		
(0.037)					
S1	$\frac{1}{\text{ticky}: \Delta \log}$	$\widetilde{\widetilde{\mathbf{C}}}_{4}$			
~	$\Delta \log \mathbf{Y}_{t+1}$	$A_t$			
0.355	— - · · · · · · · · · · · · · · · · · ·		OLS		
(0.066)					
0.778			IV		
(0.121)					
	0.993		IV		
	(0.252)				
		-0.0016	IV		
		(0.0005)			
0.618	0.343	0.0002	IV		
(0.248)	(0.455)	(0.0008)			
	Memo: For	instrument	· σ 7 Λ	$\overline{\log \mathbf{C}_{u+1} = \mathbf{Z}_u \ell}  \bar{R}^2 =$	7??

Memo: For instruments  $\mathbf{Z}_t$ ,  $\Delta \log \mathbf{C}_{t+1} = \mathbf{Z}_t \zeta$ ,  $\bar{R}^2 = ???$ 

Horserace coefficient on  $\Delta \log \widetilde{\mathbf{C}}_t$  significant at 95% level for 10 of 12 subintervals. Horserace coefficient on  $\Delta \log \widetilde{\mathbf{C}}_t$  significant at 90% level for 10 of 12 subintervals.

Table 5: Aggregate Consumption Dynamics in HA-DS	SGE Economy	HA-D	in	vnamics	ption [	Consum	Aggregate	Table 5:
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	10010 0. 11	502 50 000 00	in dinperc	II D'J HOIHHOS III IIII I	3 2 2 2 2 3 1 3 1 J
Expe	ctations : De	ep Var	OLS	2nd Stage	IV $F$ $p$ -val
Inde	pendent Var	iables	or IV	$ar{R}^2$	IV OID
Fricti	$\Delta$ ionless: $\Delta$ lo	$g \mathbf{C}_{t+1}$			
$\Delta \log \mathbf{C}_t$	$\Delta \log \mathbf{Y}_{t+1}$	$A_t$			
0.040			OLS		
(0.557)					
	0.236		IV		
	(0.086)				
		-0.0002	IV		
		(-0.0008)			
0.100	0.217	-0.0003	IV		
(0.338)	(0.082)	(-0.0002)			
Sti	ho = 1 $ ho = 1$ $ ho = 1$ $ ho = 1$	$\mathcal{I}_{t+1}$			
$\Delta \log \mathbf{C}_t$	$\Delta \log \mathbf{Y}_{t+1}$	$A_t$			
0.557			OLS		
(0.059)					
S	ticky : $\Delta \log$	$\widetilde{ ilde{\mathbf{C}}}_t$			
$\Delta \log \widetilde{\mathbf{C}}_t$	$\Delta \log \mathbf{Y}_{t+1}$	$A_t$			
0.213			OLS		
(0.069)					
0.372			IV		
(0.113)					
	0.086		IV		
	(0.157)				
		-0.0008	IV		
		(0.0004)			
0.338	0.082	-0.0002	IV		
(0.151)	(0.168)	(0.0005)			
	Memo: For	instrument	$\mathbf{z} \mathbf{Z}_{\mu} \wedge \mathbf{l}_{\alpha}$	$\bar{\mathbf{C}}_{t+1} = \mathbf{Z}_t \zeta,  \bar{R}^2 =$	: 7??

Memo: For instruments  $\mathbf{Z}_t$ ,  $\Delta \log \mathbf{C}_{t+1} = \mathbf{Z}_t \zeta$ ,  $\bar{R}^2 = ???$ 

Horserace coefficient on  $\Delta \log \widetilde{\mathbf{C}}_t$  significant at 95% level for 6 of 12 subintervals. Horserace coefficient on  $\Delta \log \widetilde{\mathbf{C}}_t$  significant at 90% level for 10 of 12 subintervals. Table 6: Aggregate Consumption Dynamics in HA-DSGE Markov Economy (11 states)

	ctations : De		OLS	2nd Stage	IV F p-val
_	pendent Vari	_	or IV	$ar{R}^2$	IV OID
	onless : $\Delta$ lo		01 1 7		1, 012
	$\Delta \log \mathbf{Y}_{t+1}$	$A_t$			
0.383	<b>—</b> 108 <b>-</b> <i>t</i> +1	116	OLS		
(0.775)			020		
,	0.513		IV		
	(0.930)				
		-0.0005	IV		
		(-0.0006)			
-0.076	0.148	-0.0004	IV		
(0.498)	(0.249)	(-0.0001)			
Sti	cky : $\Delta \log \mathbf{C}$	$C_{t+1}$			
$\Delta \log \mathbf{C}_t$	$\Delta \log \mathbf{Y}_{t+1}$	$A_t$			
0.775			OLS		
(0.044)					
		~			
	ticky : $\Delta \log$				
_	$\Delta \log \mathbf{Y}_{t+1}$	$A_t$			
0.277			OLS		
(0.068)					
0.689			IV		
(0.110)					
	0.930		IV		
	(0.233)				
		-0.0006	IV		
		(0.0001)			
0.498	0.249	-0.0001	IV		
(0.194)	(0.409) Memo: For	(0.0003)	<b>.</b>	$og C_{u+1} = \mathbf{Z}_{u}$	$\bar{R}^2 = ???$

Memo: For instruments  $\mathbf{Z}_t$ ,  $\Delta \log \mathbf{C}_{t+1} = \mathbf{Z}_t \zeta$ ,  $\bar{R}^2 = ???$ 

Horserace coefficient on  $\Delta \log \widetilde{\mathbf{C}}_t$  significant at 95% level for 11 of 12 subintervals. Horserace coefficient on  $\Delta \log \widetilde{\mathbf{C}}_t$  significant at 90% level for 11 of 12 subintervals.