Table 1: Aggregate Consumption Dynamics in Rep Agent Markov Economy (11 states)

$$\Delta \log \mathbf{C}_{t+1} = \varsigma + \chi \Delta \log \mathbf{C}_t + \eta \mathbb{E}_t[\Delta \log \mathbf{Y}_{t+1}] + \alpha A_t + \epsilon$$

Expectations : Dep Var			OLS	(2nd Stage)	F p-val
Independent Variables			or IV	$\bar{R}^2$	IV OID
Frictionless : $\Delta \log \mathbf{C}_{t+1}$					
$\Delta \log \mathbf{C}_{t+1}$	$\Delta \log \mathbf{Y}_{t+1}$	A_t			
0.016			OLS	-0.000	
(0.070)					
0.238			IV	0.001	0.494
(0.425)					
	0.094		IV	0.025	0.519
	(0.233)				
		0.94e-4	IV	-0.000	0.000
		(2.33e-4)			
0.083	0.451•••	−0.64e-4	IV	0.019	
(0.317)	(0.175)	(1.86e-4)			
Memo: For instruments $\mathbf{Z}_t$, $\Delta \log \mathbf{C}_{t+1} = \mathbf{Z}_t \zeta$, $\bar{R}^2$ =0.000					

Notes: Reported statistics are the average values for 100 subsamples of 200 simulated quarters each. Bullets indicate that the average subsample coefficient divided by average subsample standard error is outside of the inner 90%, 95%, and 99% of the standard normal distribution. Instruments $\mathbf{Z}_t = \{\Delta \log \mathbf{C}_{t-2}, \Delta \log \mathbf{C}_{t-3}, \Delta \log \mathbf{Y}_{t-2}, \Delta \log \mathbf{Y}_{t-3}, A_{t-2}, A_{t-3}, \Delta_8 \log \mathbf{C}_{t-2}, \Delta_8 \log \mathbf{Y}_{t-2}\}$.

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

$$\Delta \log \mathbf{C}_{t+1} = \varsigma + \chi \Delta \log \mathbf{C}_t + \eta \mathbb{E}_t[\Delta \log \mathbf{Y}_{t+1}] + \alpha A_t + \epsilon$$

Expectations : Dep Var			OLS	(2nd Stage)	F p-val
Independent Variables			or IV	$\bar{R}^2$	IV OID
Sticky : $\Delta \log \mathbf{C}_{t+1}$					
$\Delta \log \mathbf{C}_{t+1}$	$\Delta \log \mathbf{Y}_{t+1}$	A_t			
0.785•••			OLS	0.617	
(0.044)					
0.809•••			IV	0.291	0.000
(0.071)					
	0.617•••		IV	0.177	0.091
	(0.150)				
		−0.71e-4	IV	0.099	0.000
		(0.49e-4)			
0.715•••	0.093	0.13e-4	IV	0.291	
(0.109)	(0.138)	(0.42e-4)			
Memo: For instruments $\mathbf{Z}_t$, $\Delta \log \mathbf{C}_{t+1} = \mathbf{Z}_t \zeta$, $\bar{R}^2$ =0.284					
Sticky : $\Delta \log \widetilde{\mathbf{C}}_{t+1}$					
$\Delta \log \widetilde{\mathbf{C}}_{t+1}$	$\Delta \log \mathbf{Y}_{t+1}$	A_t			
0.397•••			OLS	0.167	
(0.064)					
0.770•••			IV	0.173	0.000
(0.144)					
	0.582•••		IV	0.115	0.096
	(0.171)				
		−0.68e-4	IV	0.069	0.000
		(0.61e-4)			
0.634•••	0.130	0.11e-4	IV	0.174	
(0.216)	(0.259)	(0.81e-4)			
Memo: For instruments $\mathbf{Z}_t$, $\Delta \log \widetilde{\mathbf{C}}_{t+1} = \mathbf{Z}_t \zeta$, $\bar{R}^2$ =0.176					

Notes: Reported statistics are the average values for 100 subsamples of 200 simulated quarters each. Bullets indicate that the average subsample coefficient divided by average subsample standard error is outside of the inner 90%, 95%, and 99% of the standard normal distribution. Instruments $\mathbf{Z}_t = \{\Delta \log \mathbf{C}_{t-2}, \Delta \log \mathbf{C}_{t-3}, \Delta \log \mathbf{Y}_{t-2}, \Delta \log \mathbf{Y}_{t-3}, A_{t-2}, A_{t-3}, \Delta_8 \log \mathbf{C}_{t-2}, \Delta_8 \log \mathbf{Y}_{t-2}\}$.

Table 3: Aggregate Consumption Dynamics in Small Open Markov Economy (11 states)

$$\Delta \log \mathbf{C}_{t+1} = \varsigma + \chi \Delta \log \mathbf{C}_t + \eta \mathbb{E}_t[\Delta \log \mathbf{Y}_{t+1}] + \alpha A_t + \epsilon$$

Expectations : Dep Var			OLS	(2nd Stage)	F p-val
Independent Variables			or IV	$\bar{R}^2$	IV OID
Frictionless : $\Delta \log \mathbf{C}_{t+1}$					
$\Delta \log \mathbf{C}_{t+1}$	$\Delta \log \mathbf{Y}_{t+1}$	A_t			
0.358$^{\bullet\bullet\bullet}$			OLS	0.129	
(0.064)					
0.676$^{\bullet\bullet}$			IV	0.045	0.236
(0.296)					
	0.492$^{\bullet\bullet}$		IV	0.039	0.071
	(0.207)				
		−6.36e-4	IV	0.030	0.000
		(5.36e-4)			
0.432	0.291	1.30e-4	IV	0.047	
(0.421)	(0.378)	(8.72e-4)			
Memo: For instruments $\mathbf{Z}_t$, $\Delta \log \mathbf{C}_{t+1} = \mathbf{Z}_t \zeta$, $\bar{R}^2$ =0.045					

Notes: Reported statistics are the average values for 100 subsamples of 200 simulated quarters each. Bullets indicate that the average subsample coefficient divided by average subsample standard error is outside of the inner 90%, 95%, and 99% of the standard normal distribution. Instruments $\mathbf{Z}_t = \{\Delta \log \mathbf{C}_{t-2}, \Delta \log \mathbf{C}_{t-3}, \Delta \log \mathbf{Y}_{t-2}, \Delta \log \mathbf{Y}_{t-3}, A_{t-2}, A_{t-3}, \Delta_8 \log \mathbf{C}_{t-2}, \Delta_8 \log \mathbf{Y}_{t-2}\}$.

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

$$\Delta \log \mathbf{C}_{t+1} = \varsigma + \chi \Delta \log \mathbf{C}_t + \eta \mathbb{E}_t[\Delta \log \mathbf{Y}_{t+1}] + \alpha A_t + \epsilon$$

Expectations : Dep Var			OLS	(2nd Stage)	F p-val
Independent Variables			or IV	$\bar{R}^2$	IV OID
Sticky : $\Delta \log \mathbf{C}_{t+1}$					
$\Delta \log \mathbf{C}_{t+1}$	$\Delta \log \mathbf{Y}_{t+1}$	A_t			
0.862•••			OLS	0.743	
(0.035)					
0.826•••			IV	0.382	0.000
(0.050)					
	0.882•••		IV	0.260	0.066
	(0.163)				
		−7.63e-4••	IV	0.090	0.000
		(3.18e-4)			
0.728•••	0.148	0.82e-4	IV	0.382	
(0.077)	(0.119)	(2.10e-4)			
Memo: For instruments $\mathbf{Z}_t$, $\Delta \log \mathbf{C}_{t+1} = \mathbf{Z}_t \zeta$, $\bar{R}^2$ =0.373					
Sticky : $\Delta \log \widetilde{\mathbf{C}}_{t+1}$					
$\Delta \log \widetilde{\mathbf{C}}_{t+1}$	$\Delta \log \mathbf{Y}_{t+1}$	A_t			
0.496•••			OLS	0.252	
(0.059)					
0.797•••			IV	0.251	0.000
(0.108)					
	0.836•••		IV	0.182	0.069
	(0.174)				
		−7.60e-4••	IV	0.065	0.000
		(3.83e-4)			
0.657•••	0.208	0.85e-4	IV	0.254	
(0.185)	(0.284)	(5.08e-4)			
Memo: For instruments $\mathbf{Z}_t$, $\Delta \log \widetilde{\mathbf{C}}_{t+1} = \mathbf{Z}_t \zeta$, $\bar{R}^2$ =0.251					

Notes: Reported statistics are the average values for 100 subsamples of 200 simulated quarters each. Bullets indicate that the average subsample coefficient divided by average subsample standard error is outside of the inner 90%, 95%, and 99% of the standard normal distribution. Instruments $\mathbf{Z}_t = \{\Delta \log \mathbf{C}_{t-2}, \Delta \log \mathbf{C}_{t-3}, \Delta \log \mathbf{Y}_{t-2}, \Delta \log \mathbf{Y}_{t-3}, A_{t-2}, A_{t-3}, \Delta_8 \log \mathbf{C}_{t-2}, \Delta_8 \log \mathbf{Y}_{t-2}\}$.

Table 5: Aggregate Consumption Dynamics in HA-DSGE Markov Economy (11 states)

$$\Delta \log \mathbf{C}_{t+1} = \varsigma + \chi \Delta \log \mathbf{C}_t + \eta \mathbb{E}_t[\Delta \log \mathbf{Y}_{t+1}] + \alpha A_t + \epsilon$$

Expectations : Dep Var			OLS	(2nd Stage)	F p-val
Independent Variables			or IV	$\bar{R}^2$	IV OID
Frictionless : $\Delta \log \mathbf{C}_{t+1}$					
$\Delta \log \mathbf{C}_{t+1}$	$\Delta \log \mathbf{Y}_{t+1}$	A_t			
0.349$^{\bullet\bullet\bullet}$			OLS	0.124	
(0.064)					
0.685$^{\bullet\bullet}$			IV	0.070	0.181
(0.272)					
	0.508$^{\bullet\bullet\bullet}$		IV	0.063	0.055
	(0.163)				
		−3.35e-4$^{\bullet\bullet}$	IV	0.066	0.000
		(1.60e-4)			
0.360	0.185	−0.98e-4	IV	0.075	
(0.445)	(0.342)	(3.25e-4)			
Memo: For instruments $\mathbf{Z}_t$, $\Delta \log \mathbf{C}_{t+1} = \mathbf{Z}_t \zeta$, $\bar{R}^2$ =0.074					

Notes: Reported statistics are the average values for 100 subsamples of 200 simulated quarters each. Bullets indicate that the average subsample coefficient divided by average subsample standard error is outside of the inner 90%, 95%, and 99% of the standard normal distribution. Instruments $\mathbf{Z}_t = \{\Delta \log \mathbf{C}_{t-2}, \Delta \log \mathbf{C}_{t-3}, \Delta \log \mathbf{Y}_{t-2}, \Delta \log \mathbf{Y}_{t-3}, A_{t-2}, A_{t-3}, \Delta_8 \log \mathbf{C}_{t-2}, \Delta_8 \log \mathbf{Y}_{t-2}\}$.

Table 6: Aggregate Consumption Dynamics in HA-DSGE Markov Economy (11 states)

$$\Delta \log \mathbf{C}_{t+1} = \varsigma + \chi \Delta \log \mathbf{C}_t + \eta \mathbb{E}_t[\Delta \log \mathbf{Y}_{t+1}] + \alpha A_t + \epsilon$$

Expectations : Dep Var			OLS	(2nd Stage)	F p-val
Independent Variables			or IV	$\bar{R}^2$	IV OID
Sticky : $\Delta \log \mathbf{C}_{t+1}$					
$\Delta \log \mathbf{C}_{t+1}$	$\Delta \log \mathbf{Y}_{t+1}$	A_t			
0.859•••			OLS	0.738	
(0.036)					
0.841•••			IV	0.430	0.000
(0.048)					
	0.809•••		IV	0.313	0.052
	(0.137)				
		−4.34e-4•••	IV	0.193	0.000
		(0.88e-4)			
0.734•••	0.097	−0.22e-4	IV	0.431	
(0.088)	(0.120)	(0.78e-4)			
Memo: For instruments $\mathbf{Z}_t$, $\Delta \log \mathbf{C}_{t+1} = \mathbf{Z}_t \zeta$, $\bar{R}^2$ =0.423					
Sticky : $\Delta \log \widetilde{\mathbf{C}}_{t+1}$					
$\Delta \log \widetilde{\mathbf{C}}_{t+1}$	$\Delta \log \mathbf{Y}_{t+1}$	A_t			
0.437•••			OLS	0.198	
(0.061)					
0.807•••			IV	0.269	0.000
(0.113)					
	0.775•••		IV	0.211	0.051
	(0.149)				
		−4.32e-4•••	IV	0.136	0.000
		(1.11e-4)			
0.642•••	0.154	−0.45e-4	IV	0.274	
(0.208)	(0.281)	(1.82e-4)			
Memo: For instruments $\mathbf{Z}_t$, $\Delta \log \widetilde{\mathbf{C}}_{t+1} = \mathbf{Z}_t \zeta$, $\bar{R}^2$ =0.273					

Notes: Reported statistics are the average values for 100 subsamples of 200 simulated quarters each. Bullets indicate that the average subsample coefficient divided by average subsample standard error is outside of the inner 90%, 95%, and 99% of the standard normal distribution. Instruments $\mathbf{Z}_t = \{\Delta \log \mathbf{C}_{t-2}, \Delta \log \mathbf{C}_{t-3}, \Delta \log \mathbf{Y}_{t-2}, \Delta \log \mathbf{Y}_{t-3}, A_{t-2}, A_{t-3}, \Delta_8 \log \mathbf{C}_{t-2}, \Delta_8 \log \mathbf{Y}_{t-2}\}$.