Table 1: Aggregate Consumption Dynamics in Rep Agent Economy

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

Expectations : Dep Var			OLS	(2nd Stage)	F p-val
Independent Variables			or IV	$\bar{R}^2$	IV OID
Frictionless : $\Delta \log \mathbf{C}_{t+1}$					
$\Delta \log \mathbf{C}_t$	$\Delta \log \mathbf{Y}_{t+1}$	A_t			
0.018			OLS	-0.002	0.654
(0.070)					
	0.410		IV	0.018	0.160
	(0.234)				
		0.0001	IV	-0.000	0.546
		(0.0002)			
0.085	0.411	-0.0001	IV	0.012	0.313
(0.564)	(0.325)	(0.0003)			
Memo: For instruments $\mathbf{Z}_t$, $\Delta \log \mathbf{C}_{t+1} = \mathbf{Z}_t \zeta$, $\bar{R}^2 = 0.003$					
Sticky : $\Delta \log \mathbf{C}_{t+1}$					
$\Delta \log \mathbf{C}_t$	$\Delta \log \mathbf{Y}_{t+1}$	A_t			
0.814			OLS	0.662	0.000
(0.040)					
Sticky : $\Delta \log \widetilde{\mathbf{C}}_{t+1}$					
$\Delta \log \widetilde{\mathbf{C}}_t$	$\Delta \log \mathbf{Y}_{t+1}$	A_t			
0.360			OLS	0.133	0.001
(0.064)					
0.705			IV	0.136	0.000
(0.131)					
	0.081		IV	0.014	0.366
	(0.130)				
		-0.0004	IV	0.046	0.044
		(0.0001)			
0.681	0.082	-0.0000	IV	0.136	0.001
(0.177)	(0.157)	(0.0002)			
Memo: For instruments $\mathbf{Z}_t$, $\Delta \log \widetilde{\mathbf{C}}_{t+1} = \mathbf{Z}_t \zeta$, $\bar{R}^2 = 0.139$					

Horserace coefficient on $\Delta \log \widetilde{\mathbf{C}}_t$ significant at 95% level for 19 of 20 subintervals.

Horserace coefficient on $\mathbb{E}[\Delta \log \mathbf{Y}_{t+1}]$ significant at 95% level for 3 of 20 subintervals.

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
Frictionless : $\Delta \log \mathbf{C}_{t+1}$					
$\Delta \log \mathbf{C}_t$	$\Delta \log \mathbf{Y}_{t+1}$	A_t			
-0.028			OLS	0.007	0.379
(0.076)					
	0.302		IV	0.016	0.330
	(0.427)				
		-0.0000	IV	0.018	0.360
		(0.0001)			
-0.073	0.019	0.0000	IV	0.019	0.368
(0.792)	(0.748)	(0.0002)			
Memo: For instruments $\mathbf{Z}_t$, $\Delta \log \mathbf{C}_{t+1} = \mathbf{Z}_t \zeta$, $\bar{R}^2 = 0.026$					
Sticky : $\Delta \log \mathbf{C}_{t+1}$					
$\Delta \log \mathbf{C}_t$	$\Delta \log \mathbf{Y}_{t+1}$	A_t			
0.776			OLS	0.605	0.000
(0.045)					
Sticky : $\Delta \log \widetilde{\mathbf{C}}_{t+1}$					
$\Delta \log \widetilde{\mathbf{C}}_t$	$\Delta \log \mathbf{Y}_{t+1}$	A_t			
0.224			OLS	0.059	0.074
(0.066)					
0.715			IV	0.125	0.007
(0.154)					
	0.614		IV	0.101	0.079
	(0.211)				
		-0.0001	IV	0.062	0.214
		(0.0001)			
0.474	0.244	0.0000	IV	0.127	0.016
(0.252)	(0.363)	(0.0001)			
Memo: For instruments $\mathbf{Z}_t$, $\Delta \log \widetilde{\mathbf{C}}_{t+1} = \mathbf{Z}_t \zeta$, $\bar{R}^2 = 0.131$					

Horserace coefficient on $\Delta \log \widetilde{\mathbf{C}}_t$ significant at 95% level for 10 of 20 subintervals.

Horserace coefficient on $\mathbb{E}[\Delta \log \mathbf{Y}_{t+1}]$ significant at 95% level for 1 of 20 subintervals.

Table 3: Aggregate Consumption Dynamics in Small Open Economy

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

Expectations : Dep Var			OLS	(2nd Stage)	F p-val
Independent Variables			or IV	$\bar{R}^2$	IV OID
Frictionless : $\Delta \log \mathbf{C}_{t+1}$					
$\Delta \log \mathbf{C}_t$	$\Delta \log \mathbf{Y}_{t+1}$	A_t			
0.011			OLS	-0.001	0.570
(0.070)					
	0.404		IV	0.018	0.152
	(0.215)				
		0.0011	IV	0.002	0.475
		(0.0040)			
0.074	0.383	-0.0004	IV	0.012	0.321
(0.487)	(0.239)	(0.0046)			
Memo: For instruments $\mathbf{Z}_t$, $\Delta \log \mathbf{C}_{t+1} = \mathbf{Z}_t \zeta$, $\bar{R}^2 = 0.006$					
Sticky : $\Delta \log \mathbf{C}_{t+1}$					
$\Delta \log \mathbf{C}_t$	$\Delta \log \mathbf{Y}_{t+1}$	A_t			
0.584			OLS	0.344	0.000
(0.057)					
Sticky : $\Delta \log \widetilde{\mathbf{C}}_{t+1}$					
$\Delta \log \widetilde{\mathbf{C}}_t$	$\Delta \log \mathbf{Y}_{t+1}$	A_t			
0.223			OLS	0.055	0.090
(0.065)					
0.657			IV	0.123	0.004
(0.131)					
	0.109		IV	0.009	0.369
	(0.139)				
		-0.0183	IV	0.080	0.097
		(0.0047)			
0.643	0.162	-0.0027	IV	0.127	0.001
(0.223)	(0.158)	(0.0081)			
Memo: For instruments $\mathbf{Z}_t$, $\Delta \log \widetilde{\mathbf{C}}_{t+1} = \mathbf{Z}_t \zeta$, $\bar{R}^2 = 0.130$					

Horserace coefficient on $\Delta \log \widetilde{\mathbf{C}}_t$ significant at 95% level for 17 of 20 subintervals.

Horserace coefficient on $\mathbb{E}[\Delta \log \mathbf{Y}_{t+1}]$ significant at 95% level for 4 of 20 subintervals.

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
Frictionless : $\Delta \log \mathbf{C}_{t+1}$					
$\Delta \log \mathbf{C}_t$	$\Delta \log \mathbf{Y}_{t+1}$	A_t			
0.380			OLS	0.147	0.000
(0.064)					
	0.481		IV	0.050	0.119
	(0.227)				
		-0.0009	IV	0.047	0.210
		(0.0005)			
-0.081	0.302	-0.0005	IV	0.054	0.170
(0.237)	(0.509)	(0.0010)			
Memo: For instruments $\mathbf{Z}_t$, $\Delta \log \mathbf{C}_{t+1} = \mathbf{Z}_t \zeta$, $\bar{R}^2 = 0.057$					
Sticky : $\Delta \log \mathbf{C}_{t+1}$					
$\Delta \log \mathbf{C}_t$	$\Delta \log \mathbf{Y}_{t+1}$	A_t			
0.860			OLS	0.740	0.000
(0.037)					
Sticky : $\Delta \log \widetilde{\mathbf{C}}_{t+1}$					
$\Delta \log \widetilde{\mathbf{C}}_t$	$\Delta \log \mathbf{Y}_{t+1}$	A_t			
0.318			OLS	0.111	0.025
(0.063)					
0.783			IV	0.237	0.000
(0.104)					
	1.016		IV	0.205	0.003
	(0.156)				
		-0.0012	IV	0.089	0.092
		(0.0004)			
0.605	0.276	0.0001	IV	0.240	0.000
(0.233)	(0.399)	(0.0005)			
Memo: For instruments $\mathbf{Z}_t$, $\Delta \log \widetilde{\mathbf{C}}_{t+1} = \mathbf{Z}_t \zeta$, $\bar{R}^2 = 0.243$					

Horserace coefficient on $\Delta \log \widetilde{\mathbf{C}}_t$ significant at 95% level for 15 of 20 subintervals.

Horserace coefficient on $\mathbb{E}[\Delta \log \mathbf{Y}_{t+1}]$ significant at 95% level for 2 of 20 subintervals.

Table 5: Aggregate Consumption Dynamics in HA-DSGE Economy

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

Expectations : Dep Var			OLS	(2nd Stage)	F p-val
Independent Variables			or IV	$\bar{R}^2$	IV OID
Frictionless : $\Delta \log \mathbf{C}_{t+1}$					
$\Delta \log \mathbf{C}_t$	$\Delta \log \mathbf{Y}_{t+1}$	A_t			
0.025			OLS	-0.000	0.524
(0.070)					
	0.287		IV	0.015	0.208
	(0.170)				
		-0.0002	IV	0.008	0.436
		(0.0004)			
0.035	0.279	-0.0003	IV	0.014	0.341
(0.540)	(0.190)	(0.0005)			
Memo: For instruments $\mathbf{Z}_t$, $\Delta \log \mathbf{C}_{t+1} = \mathbf{Z}_t \zeta$, $\bar{R}^2 = 0.008$					
Sticky : $\Delta \log \mathbf{C}_{t+1}$					
$\Delta \log \mathbf{C}_t$	$\Delta \log \mathbf{Y}_{t+1}$	A_t			
0.532			OLS	0.286	0.000
(0.057)					
Sticky : $\Delta \log \widetilde{\mathbf{C}}_{t+1}$					
$\Delta \log \widetilde{\mathbf{C}}_t$	$\Delta \log \mathbf{Y}_{t+1}$	A_t			
0.189			OLS	0.039	0.108
(0.066)					
0.350			IV	0.051	0.036
(0.114)					
	0.111		IV	0.007	0.365
	(0.140)				
		-0.0007	IV	0.030	0.097
		(0.0003)			
0.315	0.073	-0.0002	IV	0.056	0.043
(0.153)	(0.163)	(0.0004)			
Memo: For instruments $\mathbf{Z}_t$, $\Delta \log \widetilde{\mathbf{C}}_{t+1} = \mathbf{Z}_t \zeta$, $\bar{R}^2 = 0.056$					

Horserace coefficient on $\Delta \log \widetilde{\mathbf{C}}_t$ significant at 95% level for 11 of 20 subintervals.

Horserace coefficient on $\mathbb{E}[\Delta \log \mathbf{Y}_{t+1}]$ significant at 95% level for 1 of 20 subintervals.

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
Frictionless : $\Delta \log \mathbf{C}_{t+1}$					
$\Delta \log \mathbf{C}_t$	$\Delta \log \mathbf{Y}_{t+1}$	A_t			
0.378			OLS	0.148	0.000
(0.063)					
	0.530		IV	0.087	0.121
	(0.181)				
		-0.0004	IV	0.091	0.101
		(0.0001)			
-0.051	0.210	-0.0003	IV	0.095	0.131
(0.154)	(0.473)	(0.0003)			
Memo: For instruments $\mathbf{Z}_t$, $\Delta \log \mathbf{C}_{t+1} = \mathbf{Z}_t \zeta$, $\bar{R}^2 = 0.098$					
Sticky : $\Delta \log \mathbf{C}_{t+1}$					
$\Delta \log \mathbf{C}_t$	$\Delta \log \mathbf{Y}_{t+1}$	A_t			
0.788			OLS	0.623	0.000
(0.043)					
Sticky : $\Delta \log \widetilde{\mathbf{C}}_{t+1}$					
$\Delta \log \widetilde{\mathbf{C}}_t$	$\Delta \log \mathbf{Y}_{t+1}$	A_t			
0.225			OLS	0.061	0.114
(0.064)					
0.698			IV	0.220	0.000
(0.098)					
	0.922		IV	0.203	0.000
	(0.148)				
		-0.0005	IV	0.140	0.053
		(0.0001)			
0.435	0.259	-0.0001	IV	0.233	0.000
(0.221)	(0.405)	(0.0002)			
Memo: For instruments $\mathbf{Z}_t$, $\Delta \log \widetilde{\mathbf{C}}_{t+1} = \mathbf{Z}_t \zeta$, $\bar{R}^2 = 0.235$					

Horserace coefficient on $\Delta \log \widetilde{\mathbf{C}}_t$ significant at 95% level for 14 of 20 subintervals.

Horserace coefficient on $\mathbb{E}[\Delta \log \mathbf{Y}_{t+1}]$ significant at 95% level for 1 of 20 subintervals.