

Table 1: Dynamic Fixed Effects (DFE) Error Correction Model

	Baseline		+ Covid		+ Scarring	
	Long Run	Short Run	Long Run	Short Run	Long Run	Short Run
Panel A. Long-Run Relationship						
ln_ntl	0.332*** (0.114)		-0.0617 (0.181)		0.589** (0.283)	
covid			-0.0668 (0.0947)			
scarring					-0.100 (0.186)	
Panel B. Error Correction Term						
ECT		-0.0374*** (0.00851)		-0.0332*** (0.00955)		-0.0169* (0.00939)
Panel C. Short-Run Dynamics						
<i>Lagged Δln_pdrb</i>						
L1.		-0.602***		-0.605***		-0.654***
L2.		-0.551***		-0.549***		-0.583***
L3.		-0.507***		-0.500***		-0.544***
L4.		0.264***		0.267***		0.270***
<i>Lagged Δln_ntl</i>						
D		0.0130**		0.0128**		0.00275
L1.		0.0101*		0.00918*		0.000825
L2.		0.0170***		0.0121**		0.00564
L3.		0.00425		-0.00369		-0.00491
L4.		-0.00271		-0.00343		-0.00439
<i>Covid dynamics</i>						
D			-0.0346***			
L1.			0.00367			
L2.			-0.0365***			
L3.			-0.0223***			
L4.			0.0458***			
<i>Scarring dynamics</i>						
D				-0.0563***		
L1.				-0.000834		
L2.				-0.0707***		
L3.				-0.0407***		
L4.				0.0380***		
Constant		0.438*** (0.0959)		0.372*** (0.105)		0.224** (0.103)
Observations				.		

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1