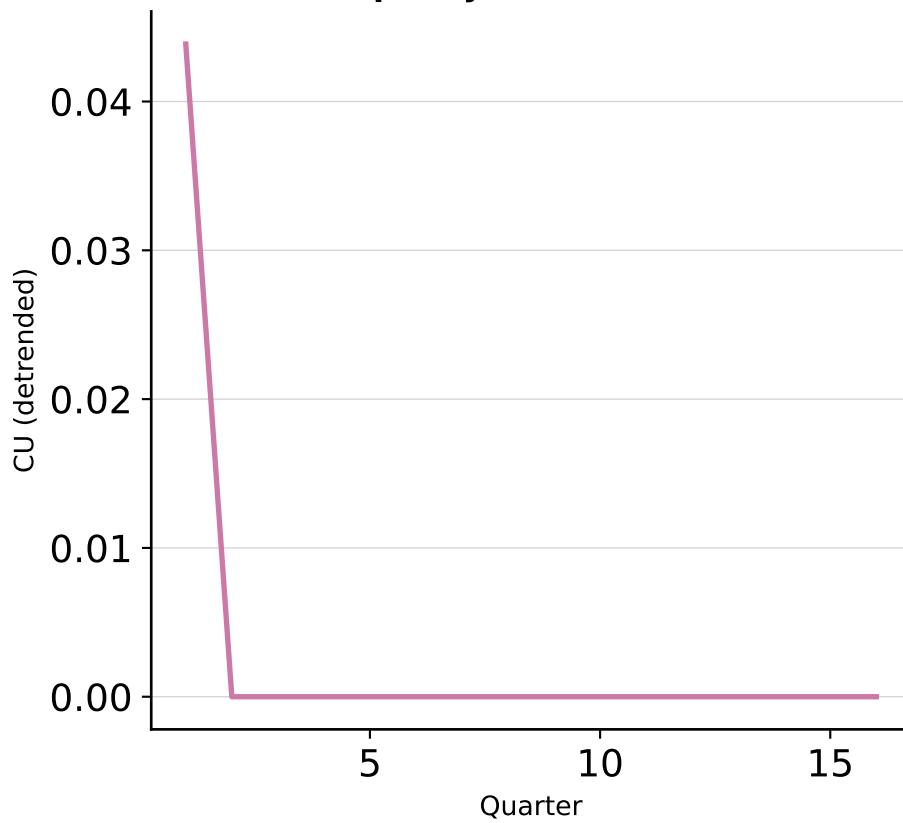


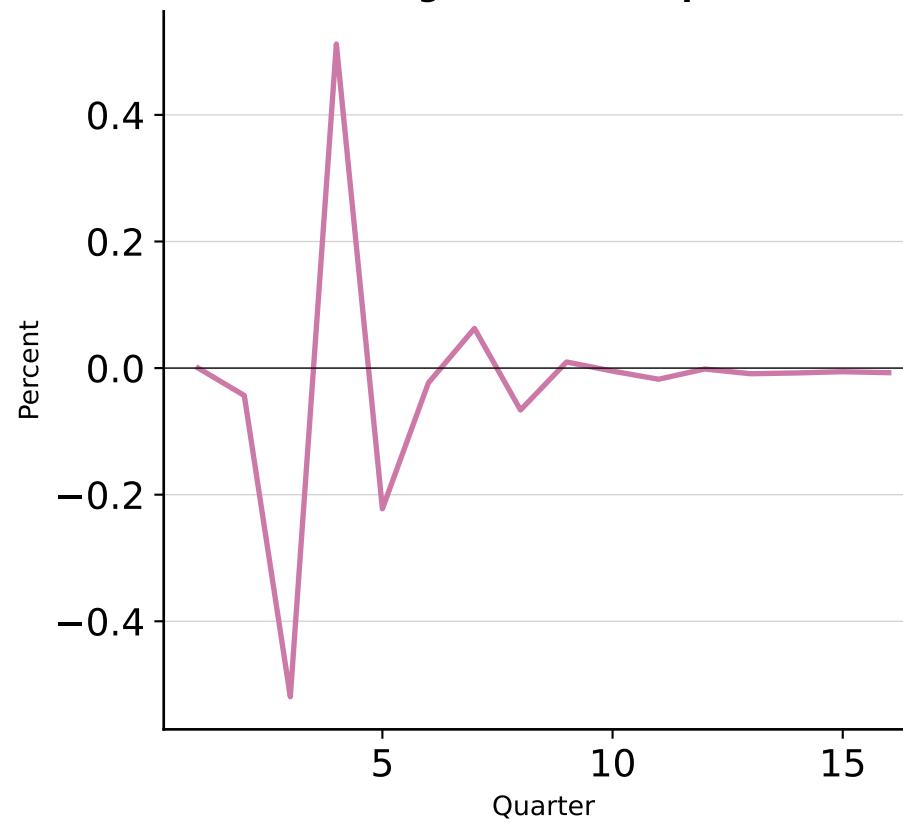
Capacity Utilization Shock: Endogenous Feedback Loop

(cu → gw → W → ed → shortage → gcpi)

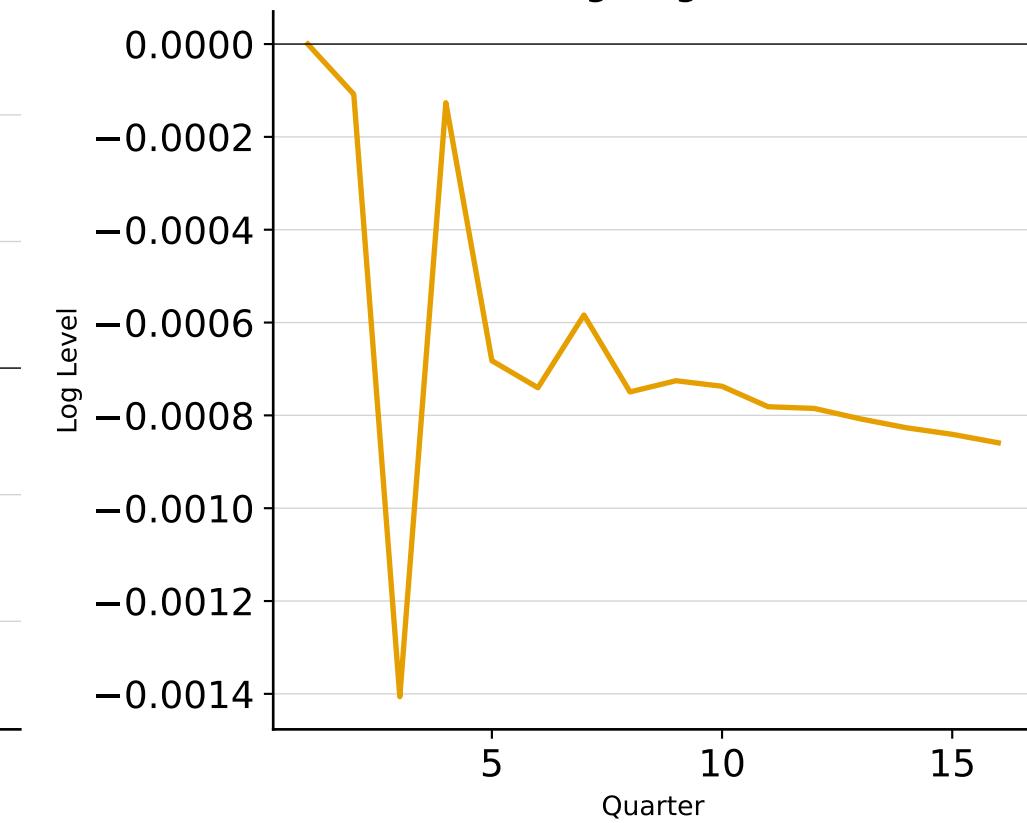
(A) Capacity Utilization Shock



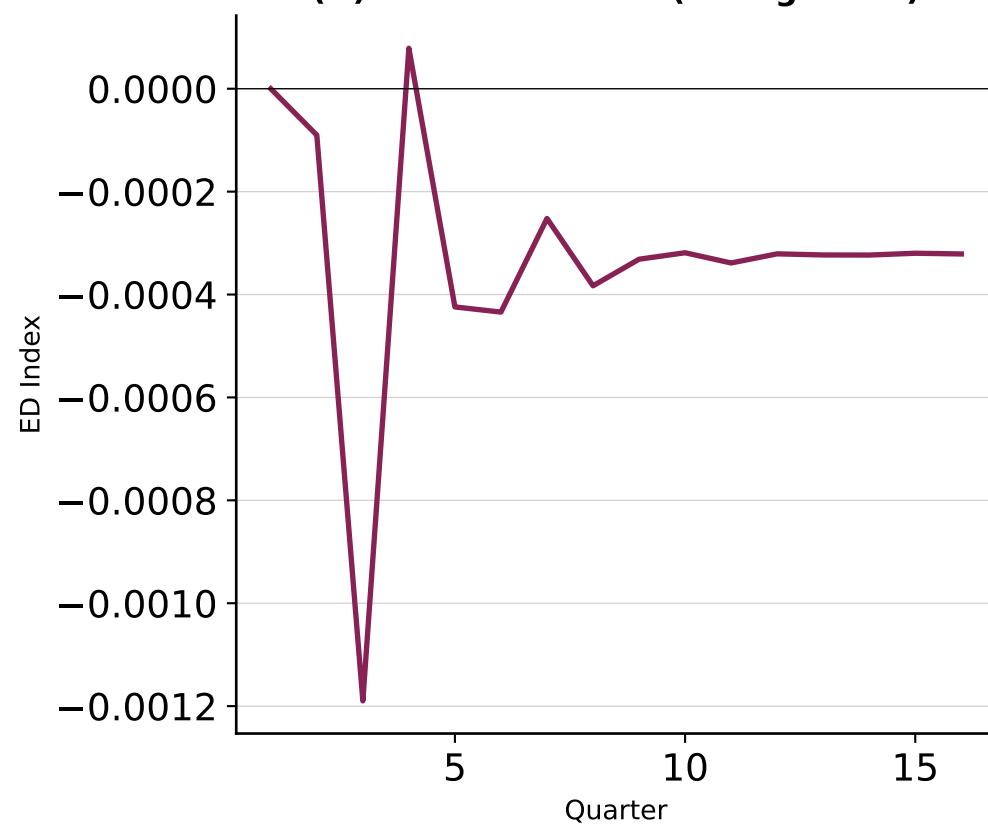
(B) Wage Growth Response



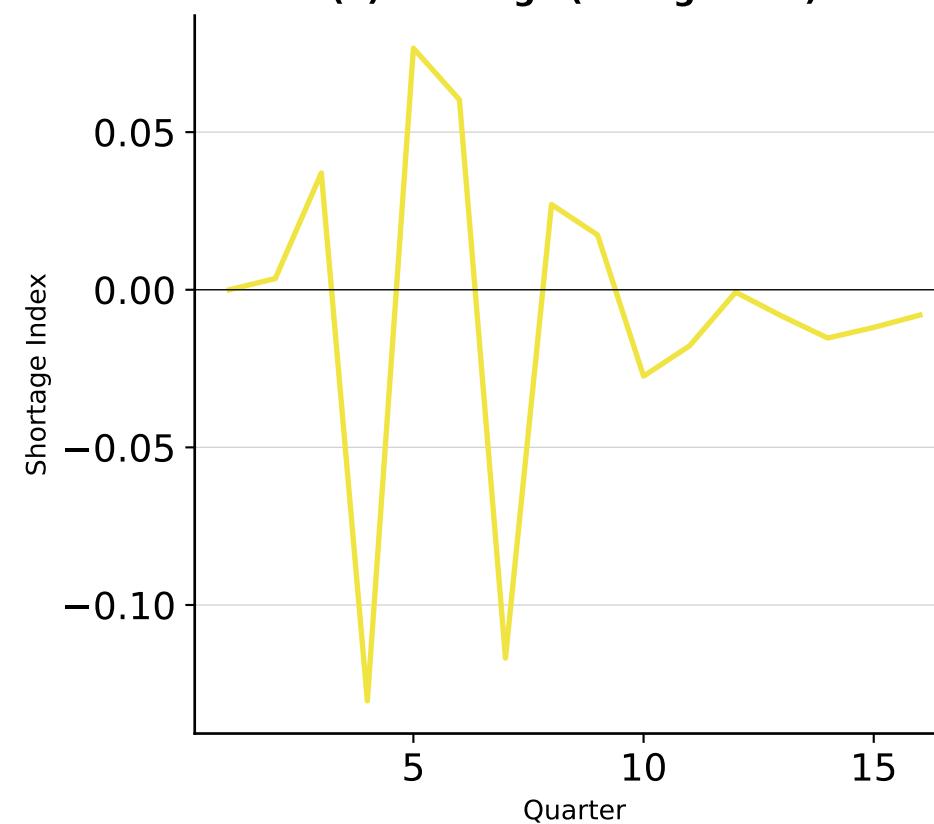
(C) Log Wage Level



(D) Excess Demand (Endogenous)



(E) Shortage (Endogenous)



(F) Inflation Response

