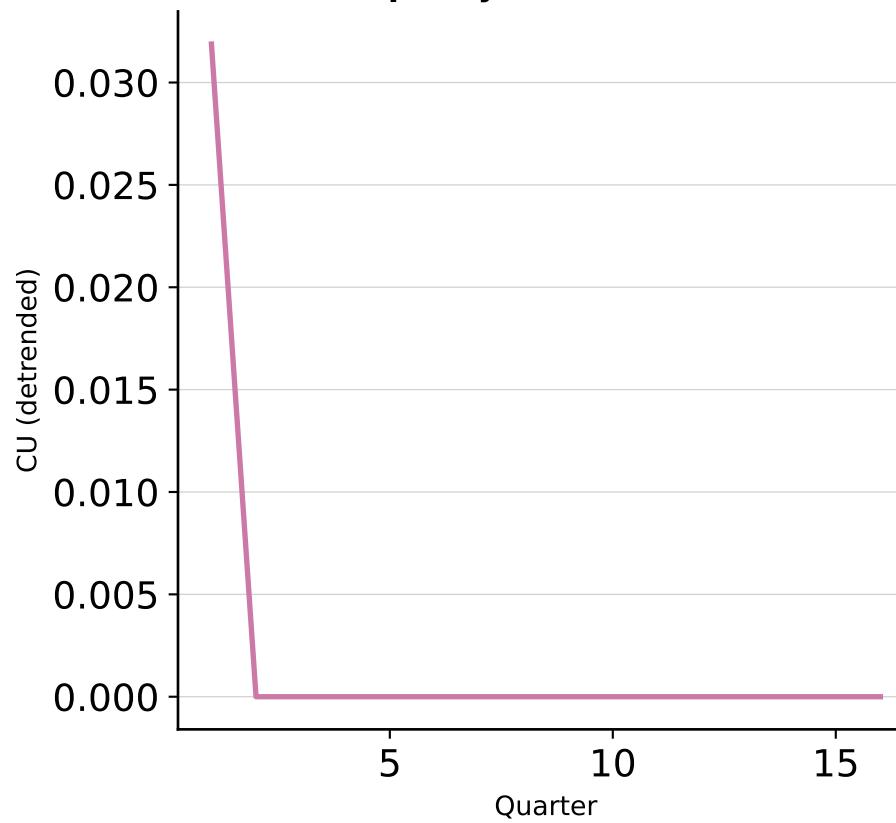


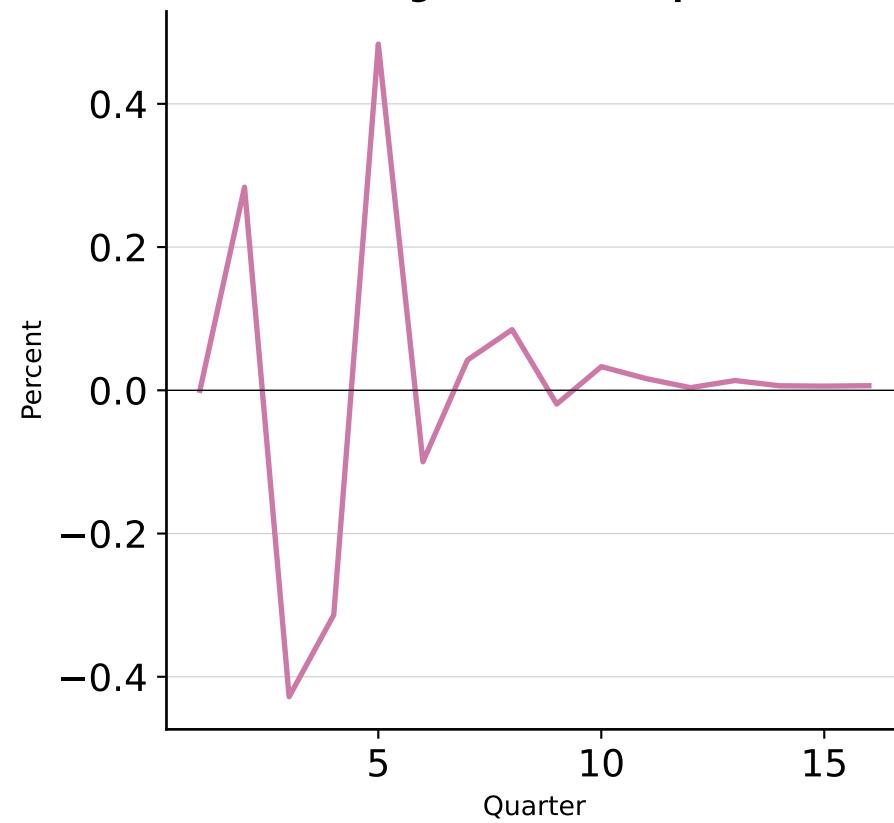
# Capacity Utilization Shock: Endogenous Feedback Loop

(cu → gw → W → ed → shortage → gcpi)

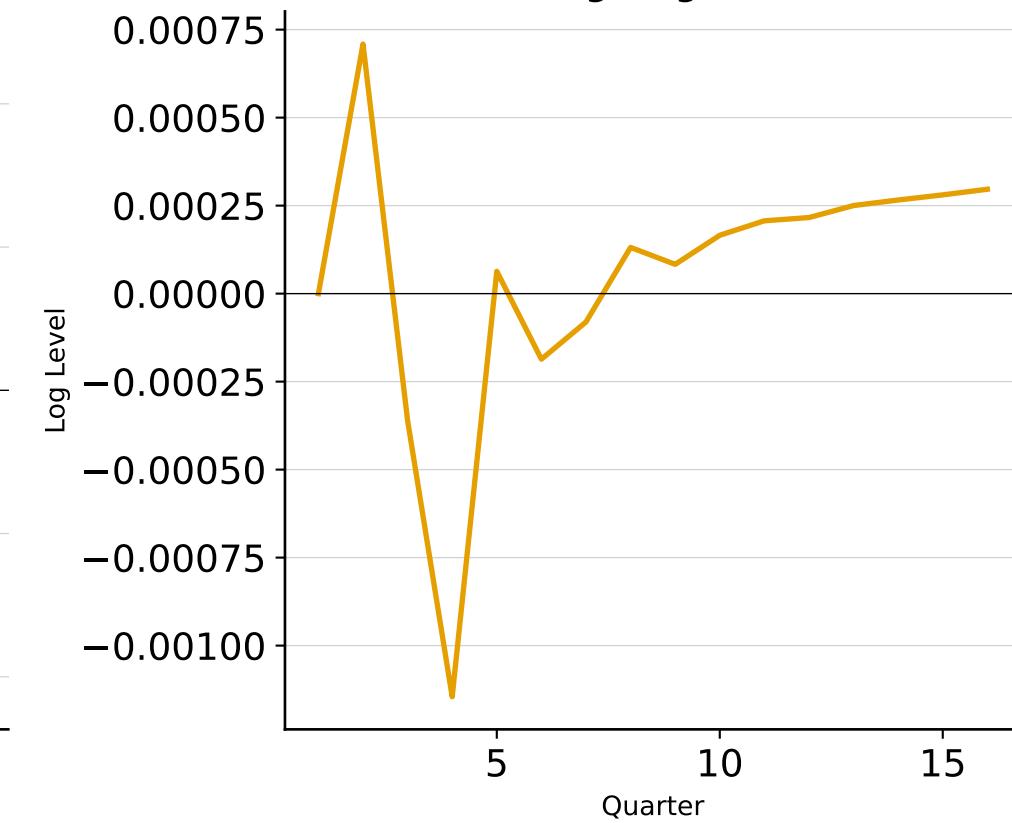
**(A) Capacity Utilization Shock**



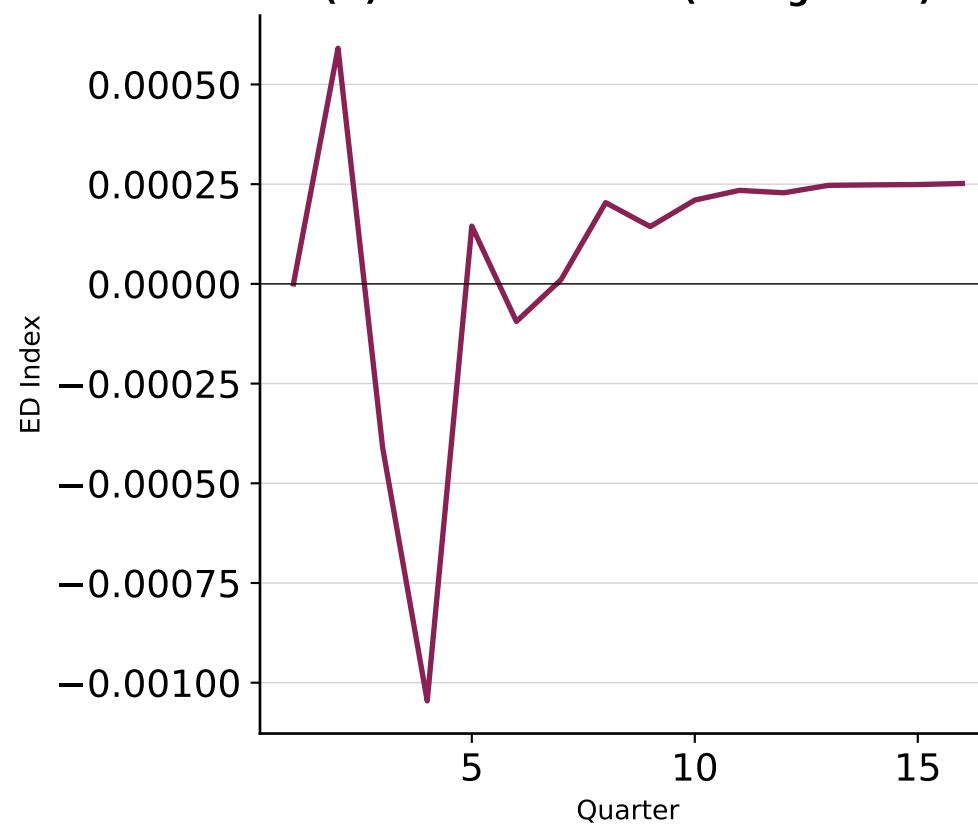
**(B) Wage Growth Response**



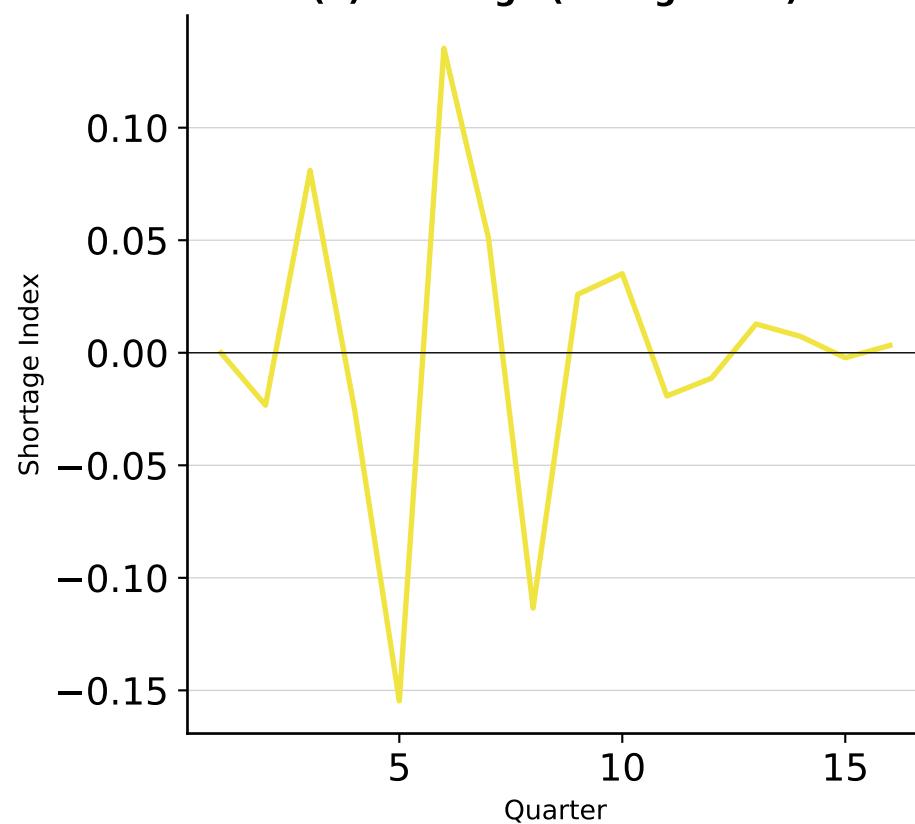
**(C) Log Wage Level**



**(D) Excess Demand (Endogenous)**



**(E) Shortage (Endogenous)**



**(F) Inflation Response**

