* “Depreciation of incented employment”
  + Treatment of this is very strange and often seems illogical — it’s also set to 0 in baseline and doesn’t seem like something we’d change from 0, so likely doesn’t matter in terms of using model.
* **In wages tab, “wages absent incentive” (or “baseline wages by year”)**

It just grows by the secular growth rate. But at the same time, unemployment is changing b/c it is reverting to LR equilibrium. The model estimates change in wages due to “unemployment due to new jobs due to incentive” — but it leaves out changes in wages due to new jobs due to pre-existing reversion to equilibrium unemployment.

There’s also an implicit assumption here that the new jobs don’t impact the employment rate enough to change the rate of reversion to the LR unemployment rate.

These two things contradict each other: the new jobs due to the incentive *aren’t* significant enough to impact the UR. But the pre-existing change in the UR isn’t significant enough to impact wages (only the incented jobs are.) First, the one effect is significant but not the other; then, the second effect is significant but not the first. (need to think through to make sure it’s not a “only counting what wouldn’t have happened anyway in a way that’s actually appropriate”)

—But I think it’s more an issue with the organizational workbook in excel ? because “baseline wages by year” can just be removed, and the wage effect of the emp change due to incentives can just be weighed by the secular growth rate and you get the same outcome.