

**Table 1** Calibrated Model Parameters — Recession

Panel A: Parameters that apply to all types

Parameter	Notation	Value
Avg. duration of unemp. spell in a recession (quarters)		4
Prob. of leaving unemployment in a recession	$\pi_{ue}$	0.25

Panel B: Parameters calibrated for each education group

	Dropout	Highschool	College
Unemp. rate at the start of a recession (percent)	17.0	8.8	5.4
Prob. of entering unemployment ( $\pi_{eu}^e$ , percent)	5.1	2.4	1.4

Panel C: Parameters describing policy experiments

Parameter	Value
Average length of recession	6 quarters
Size of stimulus check	\$1,200
PI threshold for reducing check size	\$100,000
PI threshold for not receiving check	\$150,000
Extended unemployment benefits	4 quarters
Length of payroll tax cut	8 quarters
Income increase from payroll tax cut	2 percent
Belief (probability) that tax cut is extended	50 percent

**Note:** “PI” refers to Permanent Income