

Table 1: Endogenous

Variable	$\LaTeX$	Description
C	$C$	C
cm	$c_M$	cm
ch	$c_H$	ch
l	$l$	l
hm	$h_M$	hm
hh	$h_H$	hh
k	$k$	k
km	$k_M$	km
kh	$k_H$	kh
x	$x$	x
xm	$x_M$	xm
xh	$x_H$	xh
r	$r$	r
T	$T$	T
w	$w$	w
y	$y$	y
zm	$z_M$	zm
zh	$z_H$	zh

Table 2: Exogenous

Variable	$\LaTeX$	Description
eh	$\epsilon_H$	eh
em	$\epsilon_M$	em

Table 3: Parameters

Variable	$\LaTeX$	Description
a	$a$	a
b	$b$	b
e	$e$	e
beta	$\beta$	beta
delta_m	$\delta_M$	delta_m
delta_h	$\delta_H$	delta_h
eta	$\eta$	eta
lambda	$\lambda$	lambda
rho_h	$\rho_H$	rho_h

Table 3 – Continued

Variable	L <sup>A</sup> T <sub>E</sub> X	Description
rho_m	$\rho_M$	rho_m
tau_k	$\tau_k$	tau_k
tau_h	$\tau_h$	tau_h
theta	$\theta$	theta
sigma_m	$\sigma_M$	sigma_m
sigma_h	$\sigma_H$	sigma_h
gamma	$\gamma$	gamma
psi	$\psi$	psi

Table 4: Parameter Values

Parameter	Value
$a$	0.557
$b$	0.665
$e$	0.000
$\beta$	0.990
$\delta_M$	0.024
$\delta_H$	0.024
$\eta$	0.325
$\lambda$	1.005
$\rho_H$	0.950
$\rho_M$	0.950
$\tau_k$	0.700
$\tau_h$	0.250
$\theta$	0.294
$\sigma_M$	0.010
$\sigma_H$	0.010
$\gamma$	0.667
$\psi$	-0.502