

Table 1: Endogenous

Variable	$\LaTeX$	Description
C	$C$	Total consumption
cm	$c_M$	Market consumption
ch	$c_H$	Home consumption
l	$l$	Leisure
hm	$h_M$	Market hours
hh	$h_H$	Home hours
k	$k$	Total capital
km	$k_M$	Market capital
kh	$k_H$	Home capital
x	$x$	Total investment
xm	$x_M$	Market investment
xh	$x_H$	Home investment
r	$r$	Rental rate
T	$T$	Lump sum transfer
w	$w$	Wage
y	$y$	Output
zm	$z_M$	Market technology
zh	$z_H$	Home technology

Table 2: Exogenous

Variable	$\LaTeX$	Description
eh	$\epsilon_H$	Home innovation
em	$\epsilon_M$	Market innovation

Table 3: Parameters

Variable	LaTeX	Description
<code>a</code>	$a$	Share of market consumption of total consumption
<code>b</code>	$b$	Weight factor of consumption vis-a-vis leisure
<code>e</code>	$e$	Willingness of a household to substitute between market consumption and home
<code>beta</code>	$\beta$	Discount factor
<code>delta_m</code>	$\delta_M$	Depreciation rate on business capital (tax-deductible)
<code>delta_h</code>	$\delta_H$	Depreciation rate on household capital
<code>eta</code>	$\eta$	Capital share in the home production function
<code>lambda</code>	$\lambda$	Growth rate of endogenous variables
<code>rho_h</code>	$\rho_H$	Persistence of market technology shock
<code>rho_m</code>	$\rho_M$	Persistence of home technology shock
<code>tau_k</code>	$\tau_k$	Tax rate on capital income
<code>tau_h</code>	$\tau_h$	Tax rate on labour income
<code>theta</code>	$\theta$	Capital share in the market production function
<code>sigma_m</code>	$\sigma_M$	Standard deviation of innovations in the market
<code>sigma_h</code>	$\sigma_H$	Standard deviation of innovations in the household
<code>gamma</code>	$\gamma$	Measures the household's incentive, to move economic activity between the home and the market
<code>psi</code>	$\psi$	Willingness of a household to substitute between capital and time in the home production

Table 4: Parameter Values

Parameter	Value	Description
$a$	0.580	Share of market consumption of total consumption
$b$	0.665	Weight factor of consumption vis-a-vis leisure
$e$	0.400	Willingness of a household to substitute between market consumption and home
$\beta$	0.990	Discount factor
$\delta_M$	0.024	Depreciation rate on business capital (tax-deductible)
$\delta_H$	0.024	Depreciation rate on household capital
$\eta$	0.325	Capital share in the home production function
$\lambda$	1.005	Growth rate of endogenous variables
$\rho_H$	0.950	Persistence of market technology shock
$\rho_M$	0.950	Persistence of home technology shock

Table 4 – Continued

Parameter	Value	Description
$\tau_k$	0.700	Tax rate on capital income
$\tau_h$	0.250	Tax rate on labour income
$\theta$	0.294	Capital share in the market production function
$\sigma_M$	0.010	Standard deviation of innovations in the market
$\sigma_H$	0.010	Standard deviation of innovations in the household
$\gamma$	0.000	Measures the household's incentive, to move economic activity between the home and the market
$\psi$	-0.502	Willingness of a household to substitute between capital and time in the home production