

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	L <sup>A</sup> T <sub>E</sub> X	Description
a	$a$	Share of market consumption
b	$b$	Weight factor of consumption vis-a-vis leisure
e	$e$	Willingness to substitute between kinds of consumption
beta	$\beta$	Discount factor
delta_m	$\delta_M$	Depreciation rate on business capital
delta_h	$\delta_H$	Depreciation rate on household capital
eta	$\eta$	Capital share in the home
lambda	$\lambda$	Growth rate of endogenous variables
rho_h	$\rho_H$	Persistence of market technology shock
rho_m	$\rho_M$	Persistence of home technology shock
tau_k	$\tau_k$	Tax rate on capital income
tau_h	$\tau_h$	Tax rate on labour income
theta	$\theta$	Capital share in the market
sigma_m	$\sigma_M$	Standard deviation of innovations in the market
sigma_h	$\sigma_H$	Standard deviation of innovations in the household
gamma	$\gamma$	Incentive to move activity between home and market
psi	$\psi$	Willingness to substitute between capital and time

Table 4: Parameter Values

Parameter	Value	Description
$a$	0.557	Share of market consumption
$b$	0.665	Weight factor of consumption vis-a-vis leisure
$e$	0.000	Willingness to substitute between kinds of consumption
$\beta$	0.990	Discount factor
$\delta_M$	0.024	Depreciation rate on business capital
$\delta_H$	0.024	Depreciation rate on household capital
$\eta$	0.325	Capital share in the home
$\lambda$	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
$\sigma_M$	0.010	Standard deviation of innovations in the market
$\sigma_H$	0.010	Standard deviation of innovations in the household
$\gamma$	0.667	Incentive to move activity between home and market
$\psi$	-0.502	Willingness to substitute between capital and time