General Equilibrium ($\beta_n = 1.0$) General Equilibrium ($\beta_n = .6$) 1e-5 1e-5 3.5 Unemployment Effect (No Cyclical Urisk) 1.4 Unemployment Effect 3.0 Precautionary effect 2.5 1.0 2.0 8.0 1.5 0.6 1.0 0.4 0.5 0.2 0.0 8.0 8.0 0.2 0.6 0.0 0.2 0.6 0.0 0.4 0.4 Persistence of Monetary Policy Shock Persistence of Monetary Policy Shock