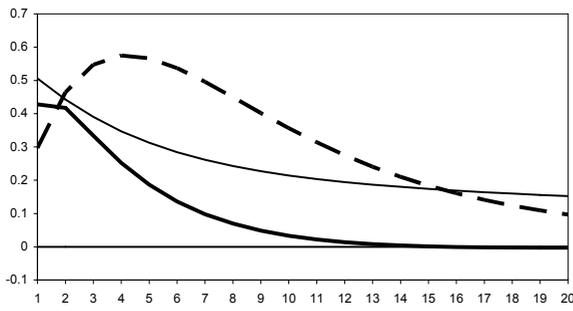
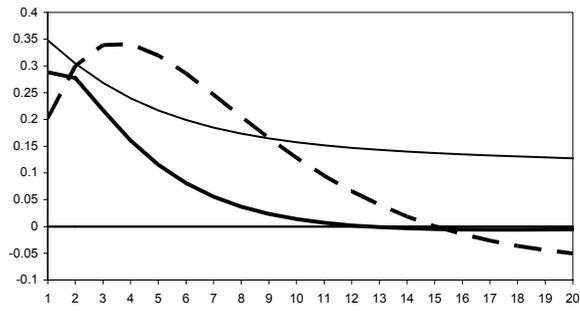


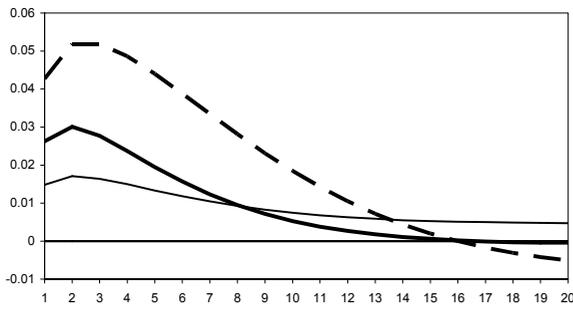
Figure 2: The estimated mean impulse responses to “demand” shocks



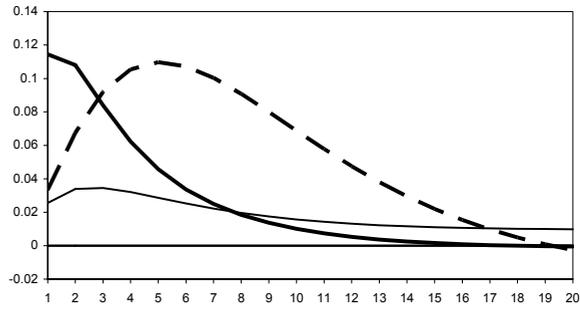
Output



Hours



Inflation



Interest rate

Notes: Bold solid line: risk premium shock; thin solid line: exogenous spending shock; dashed line: investment shock.