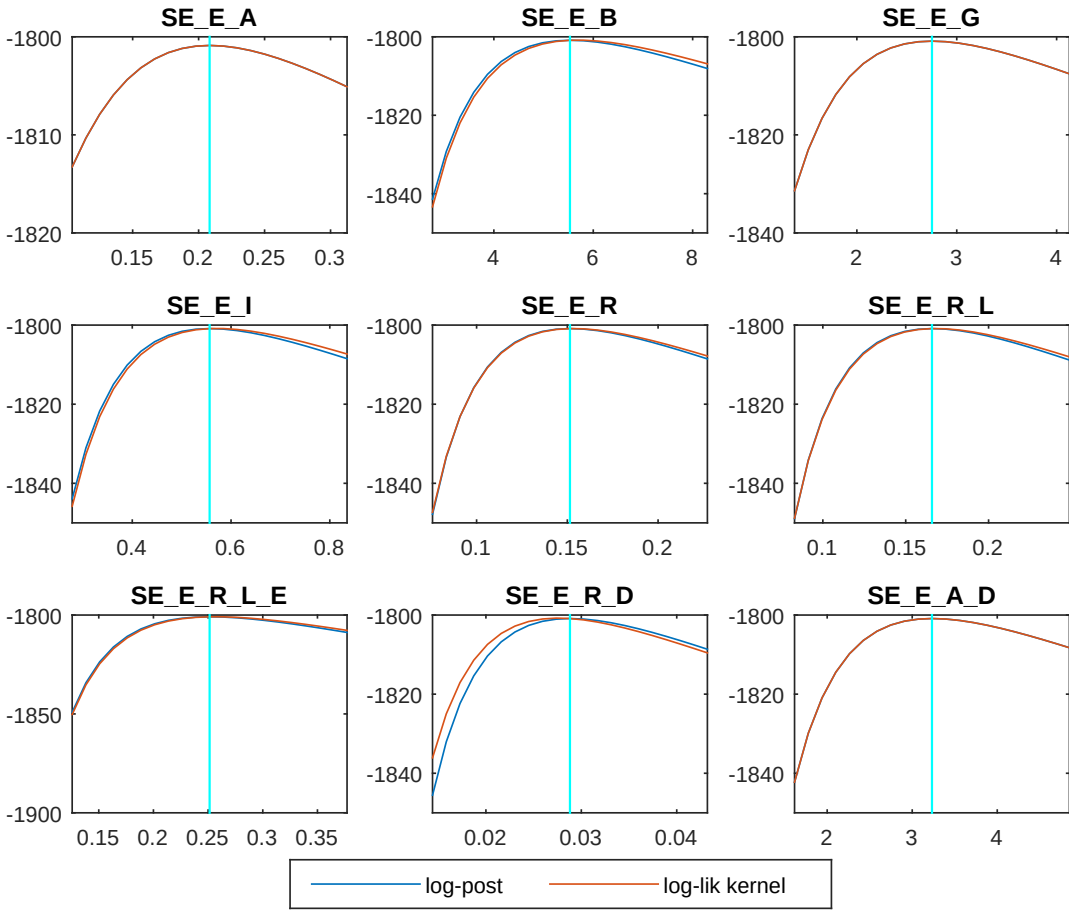

Figure 1: Check plots.

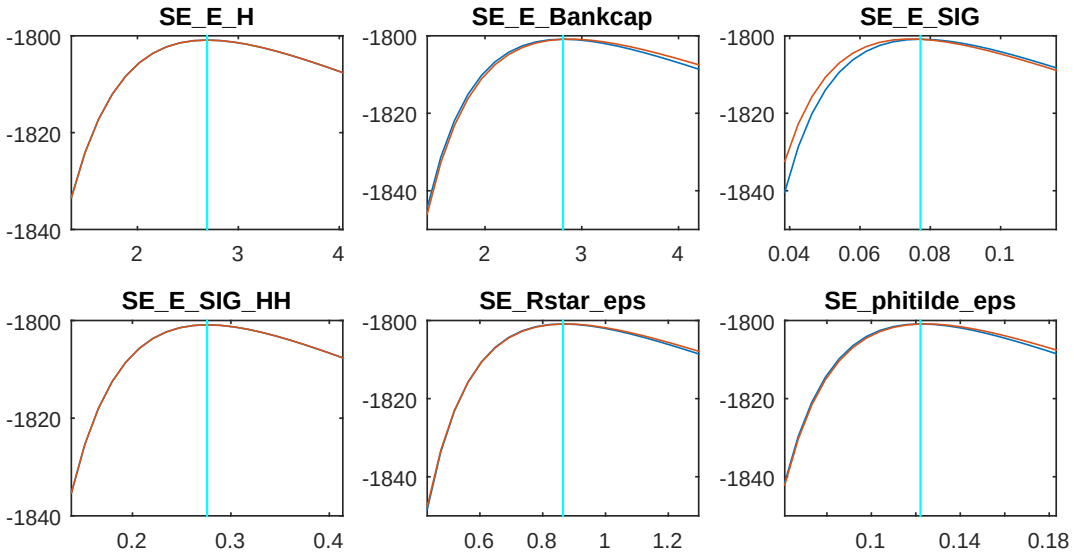

Figure 2: Check plots.

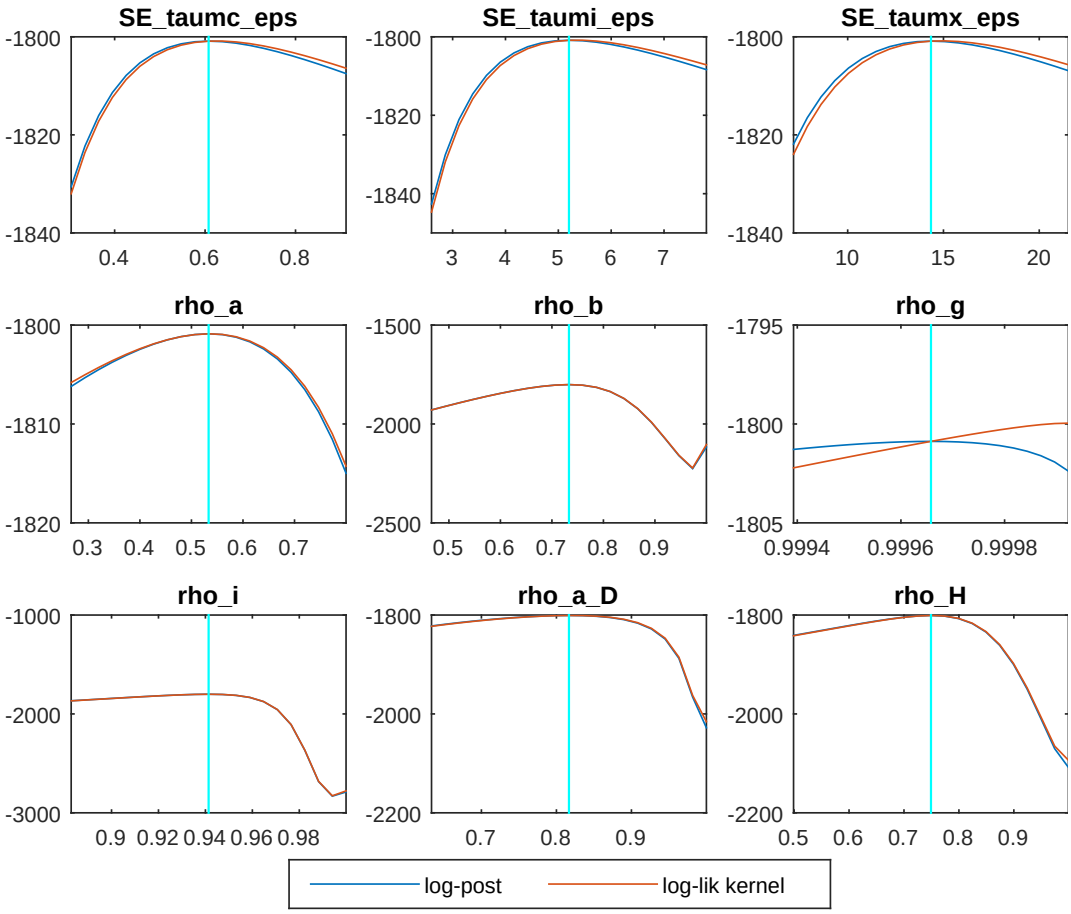

Figure 3: Check plots.

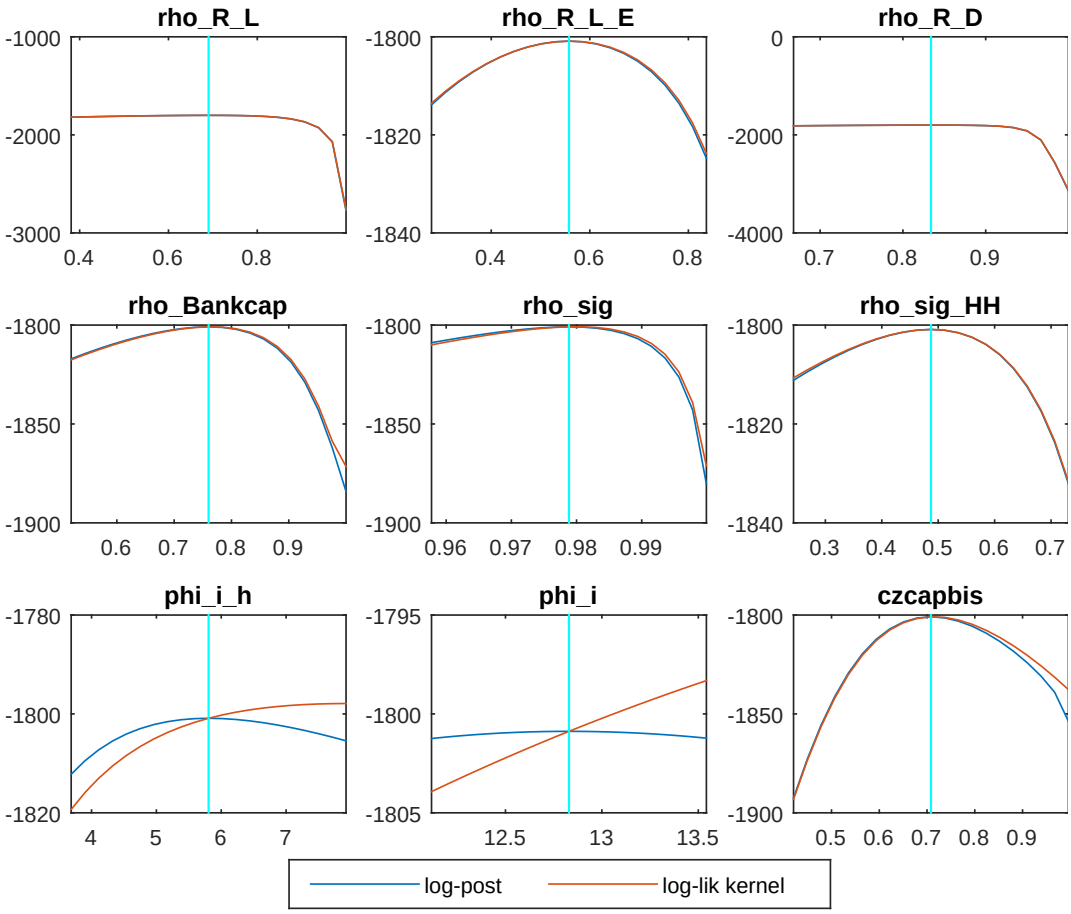

Figure 4: Check plots.

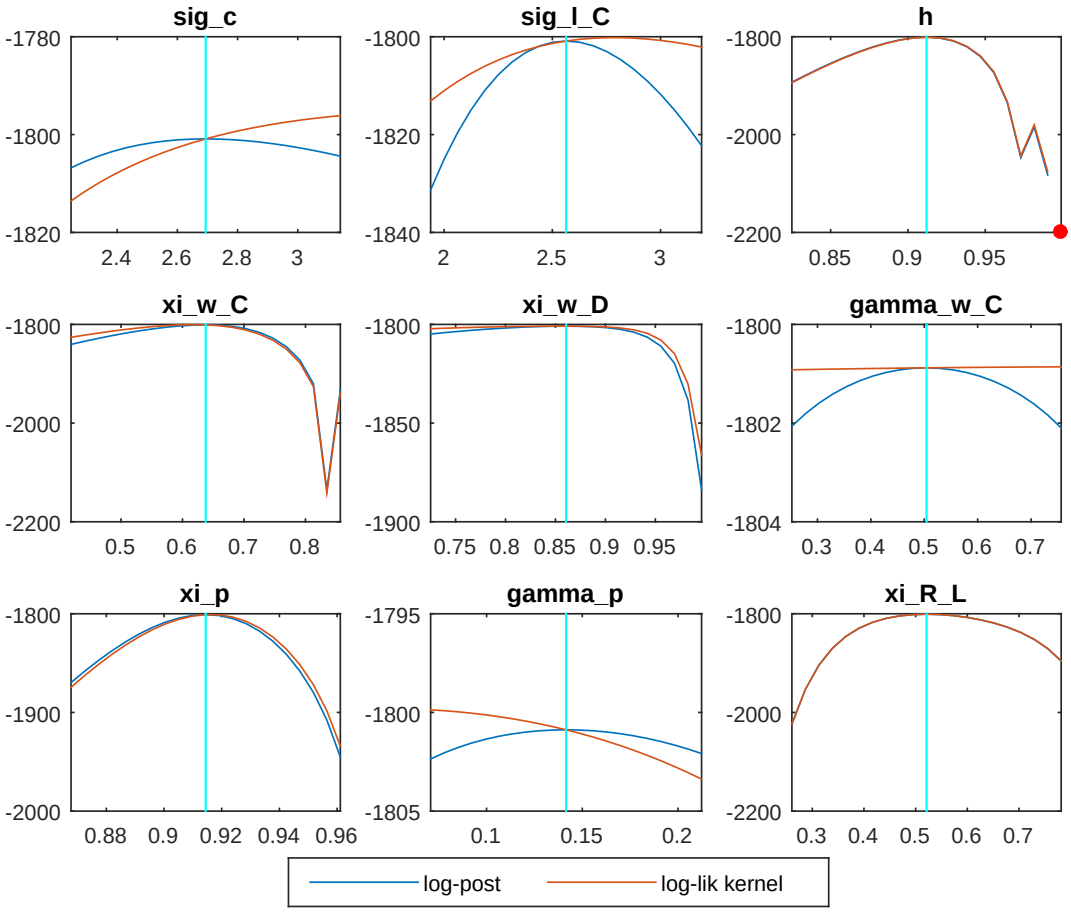

Figure 5: Check plots.

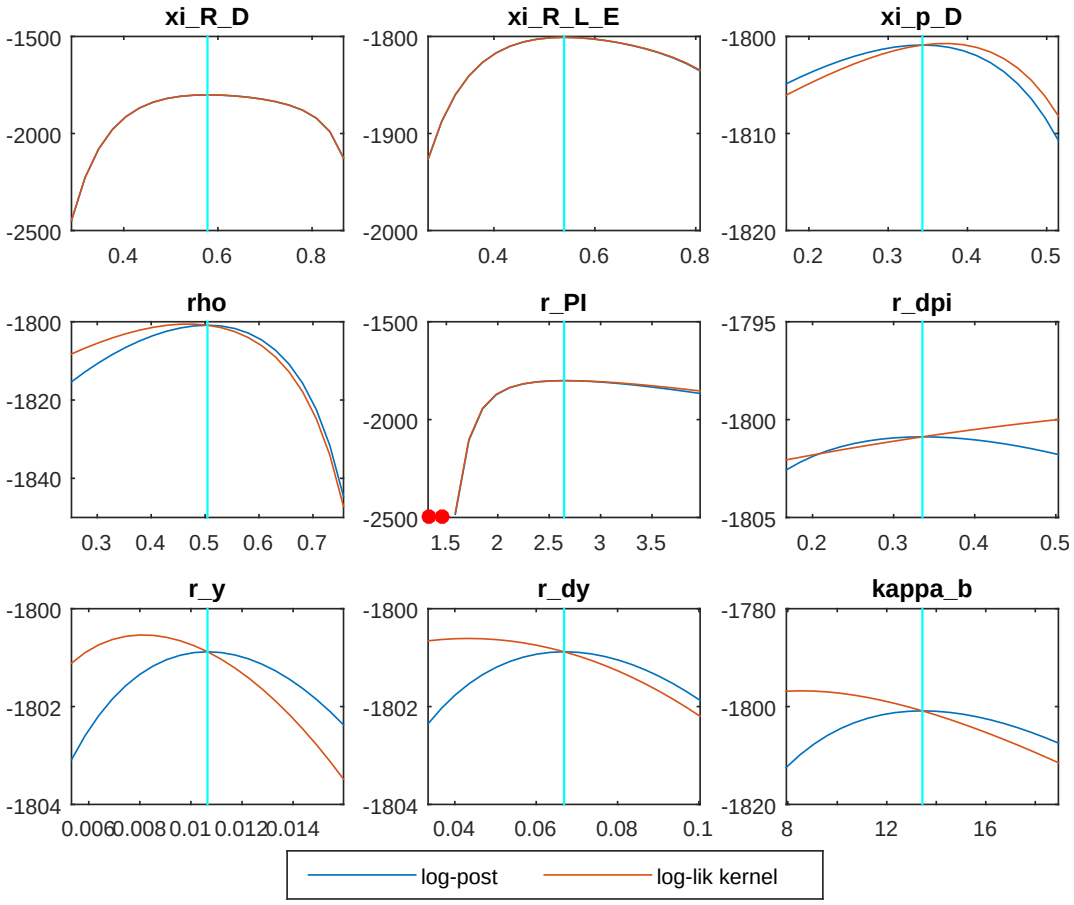

Figure 6: Check plots.

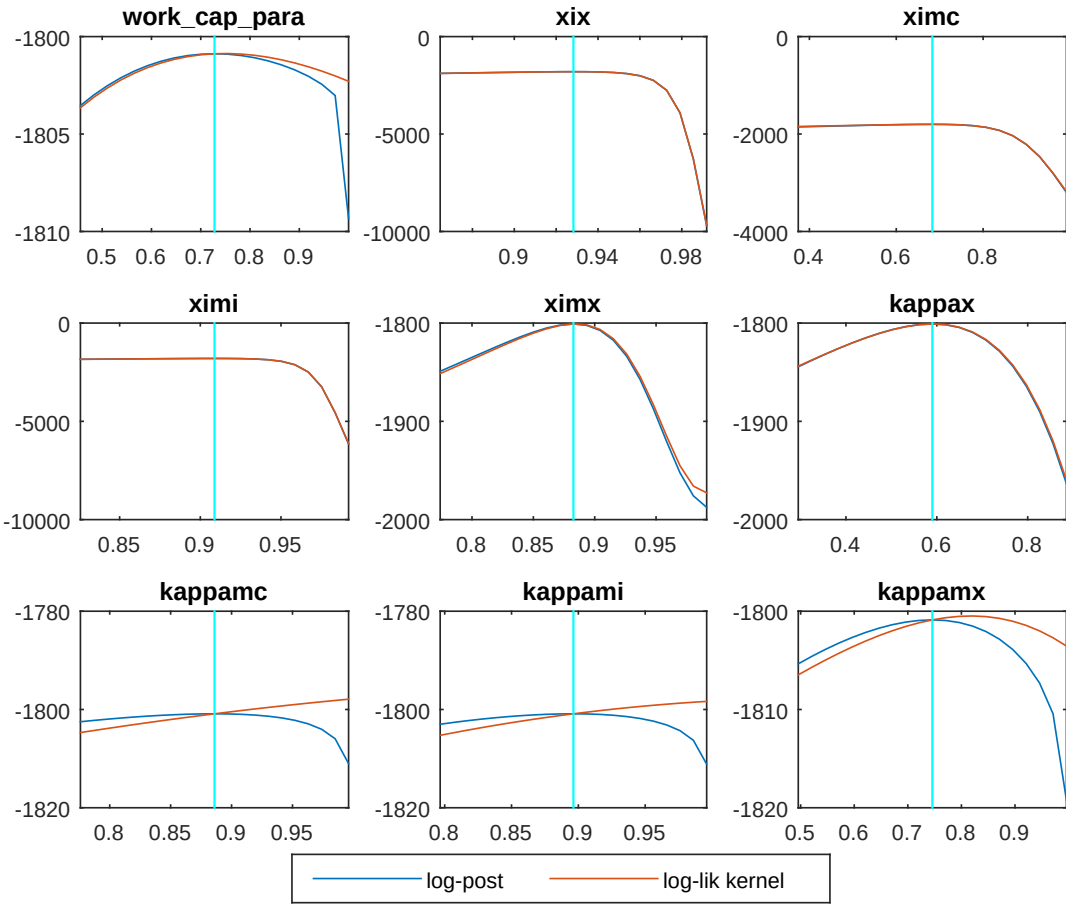

Figure 7: Check plots.

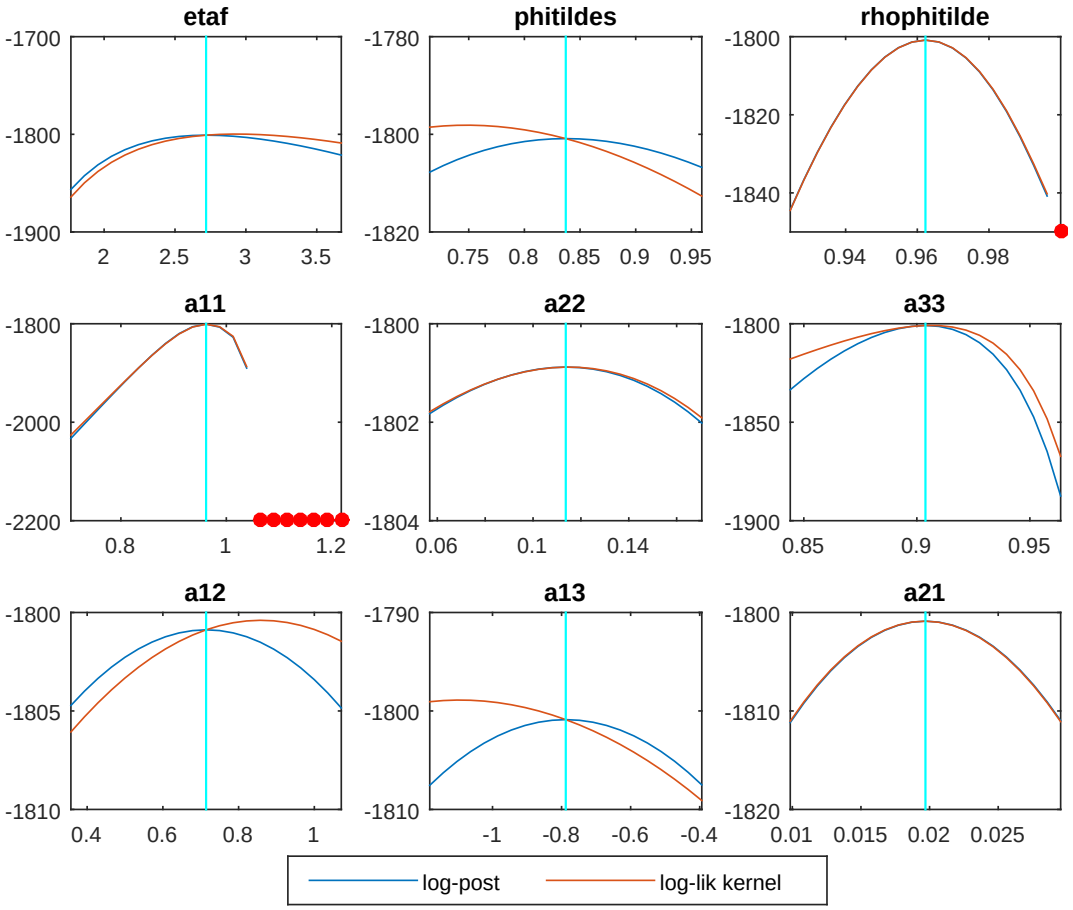

Figure 8: Check plots.

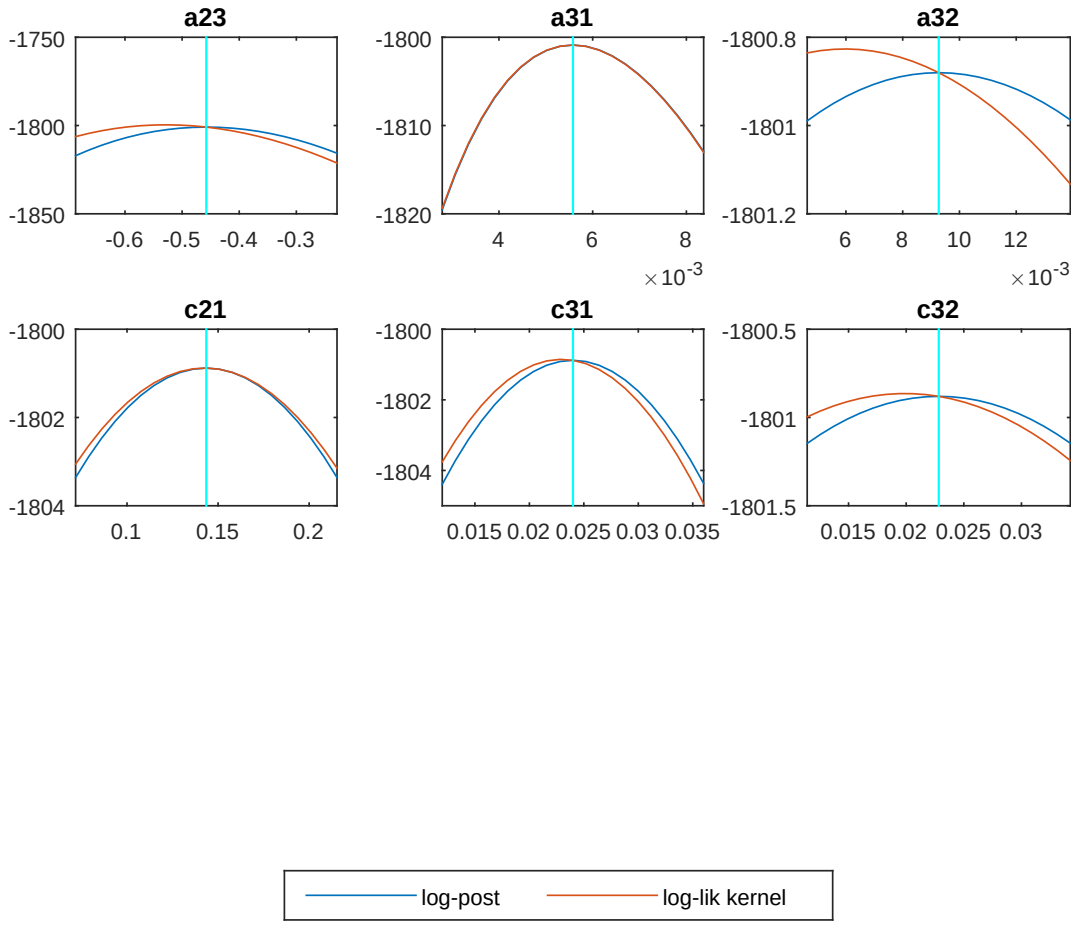

Figure 9: Check plots.

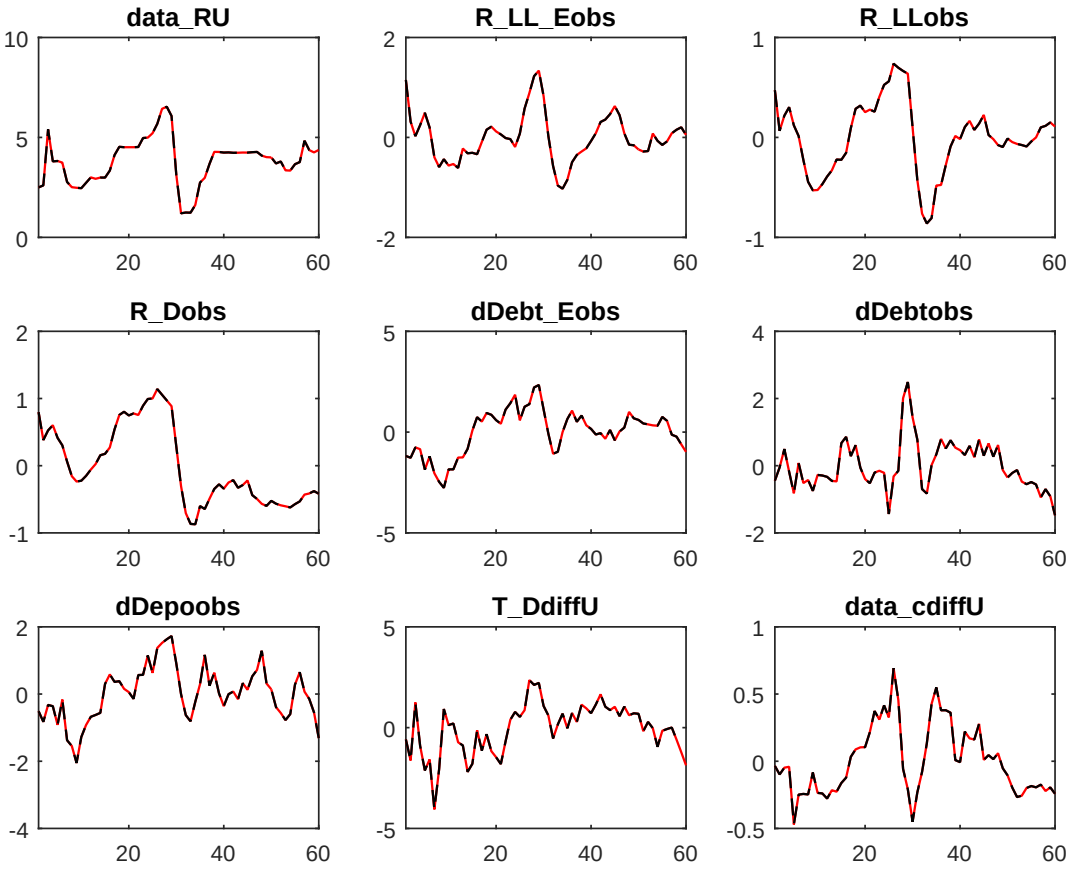

Figure 10: Historical and smoothed variables.

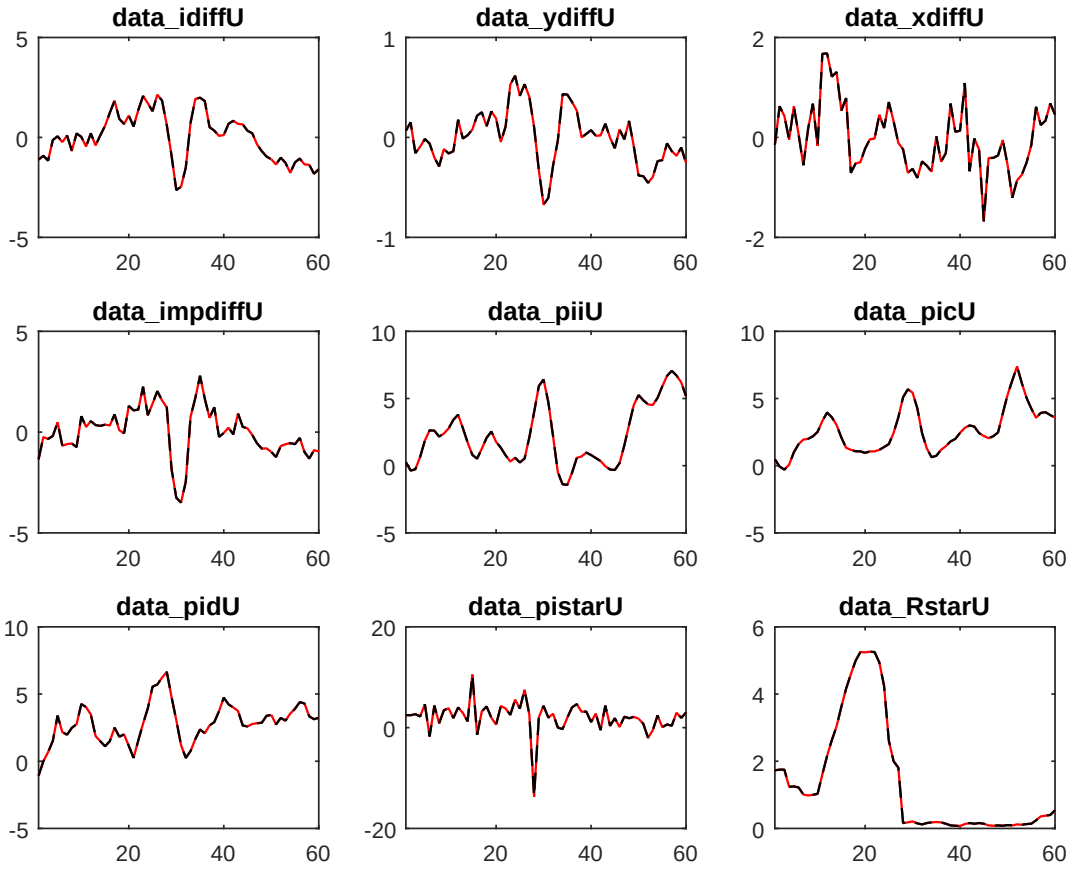

Figure 11: Historical and smoothed variables.

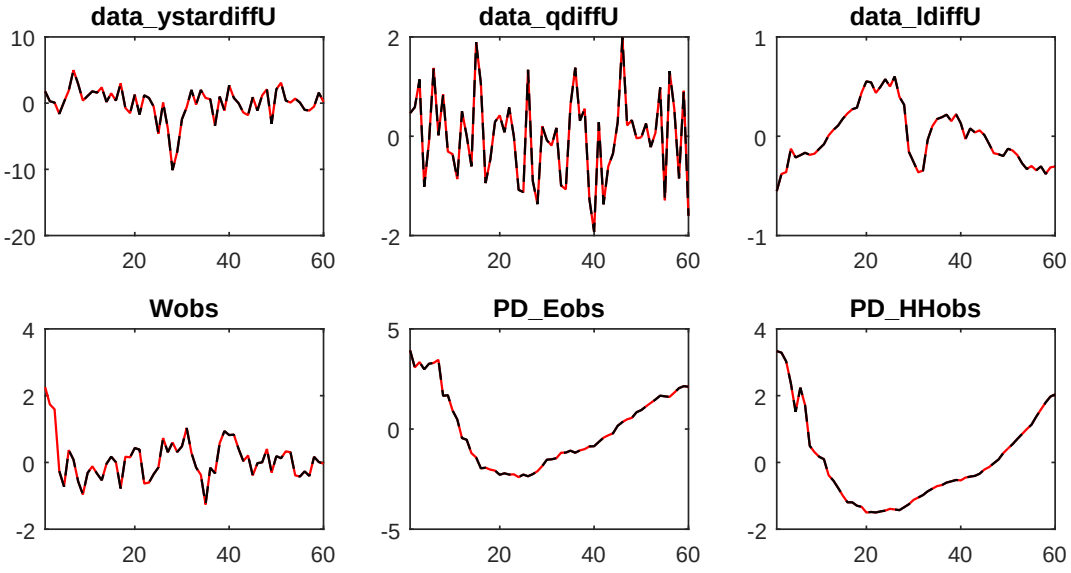

Figure 12: Historical and smoothed variables.

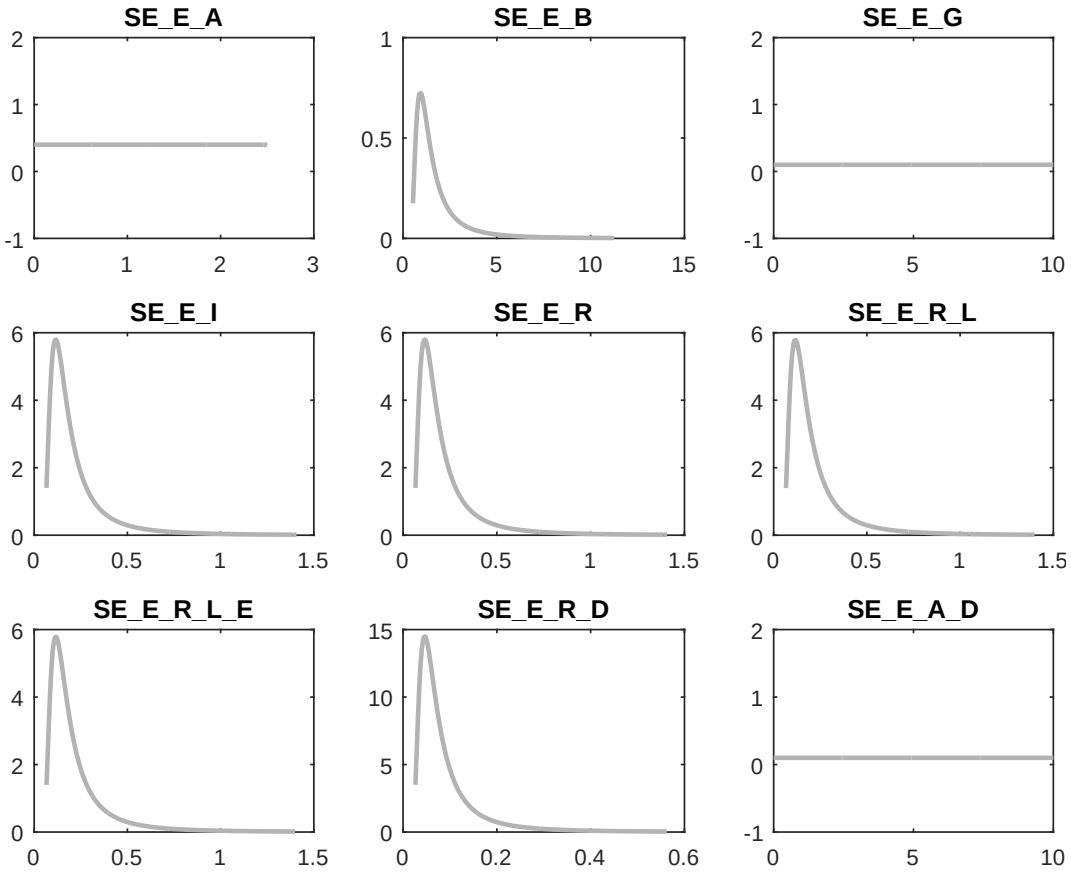

Figure 13: Priors.

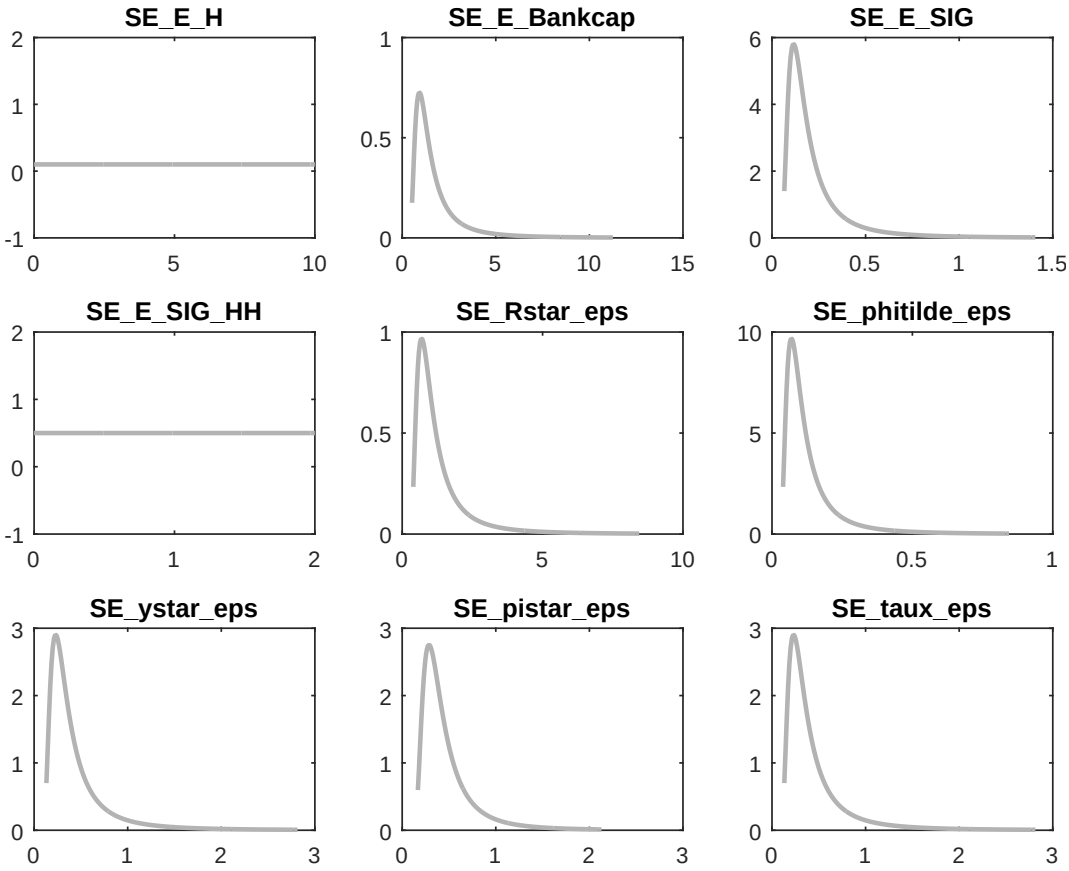

Figure 14: Priors.

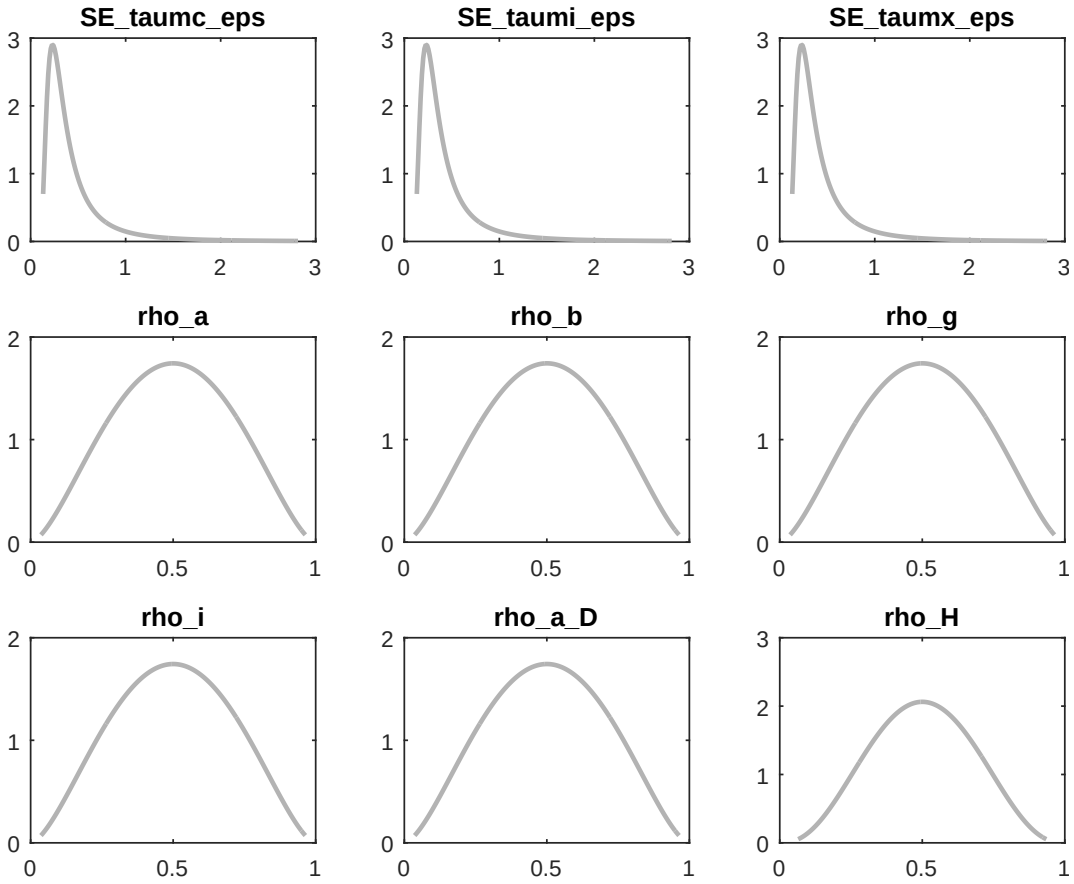

Figure 15: Priors.

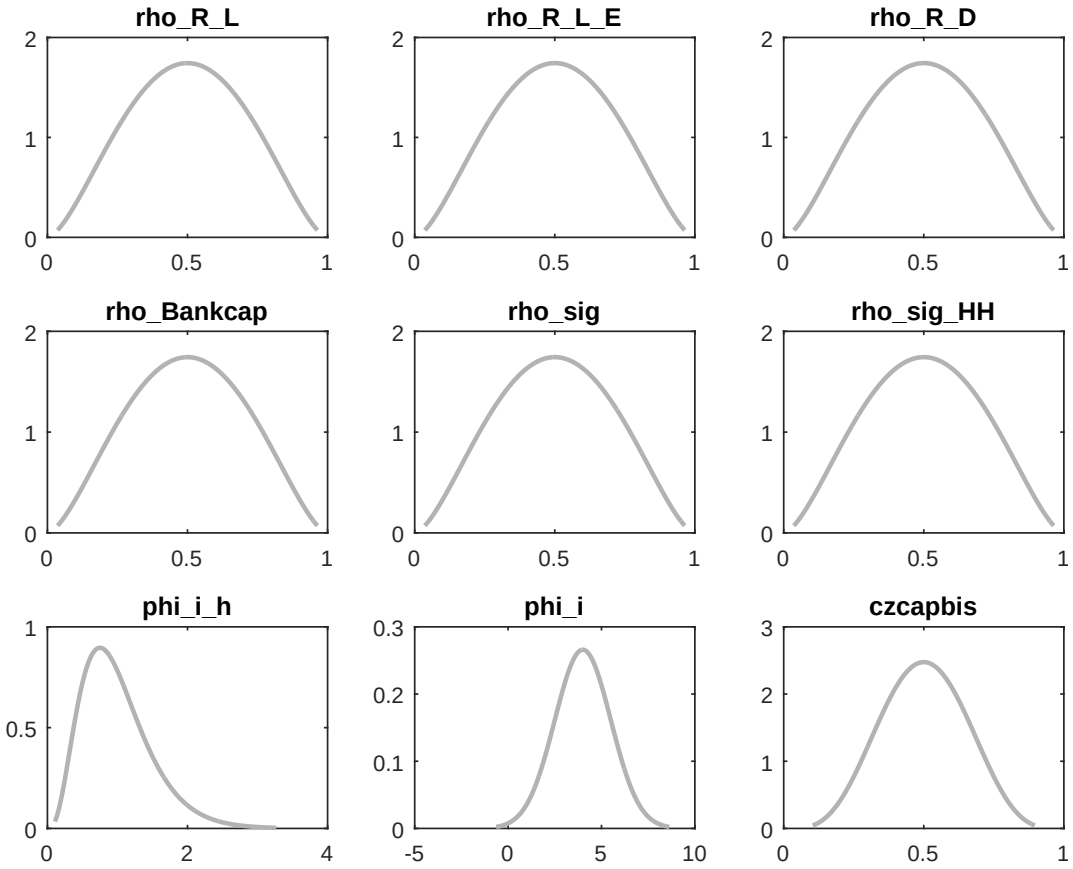

Figure 16: Priors.

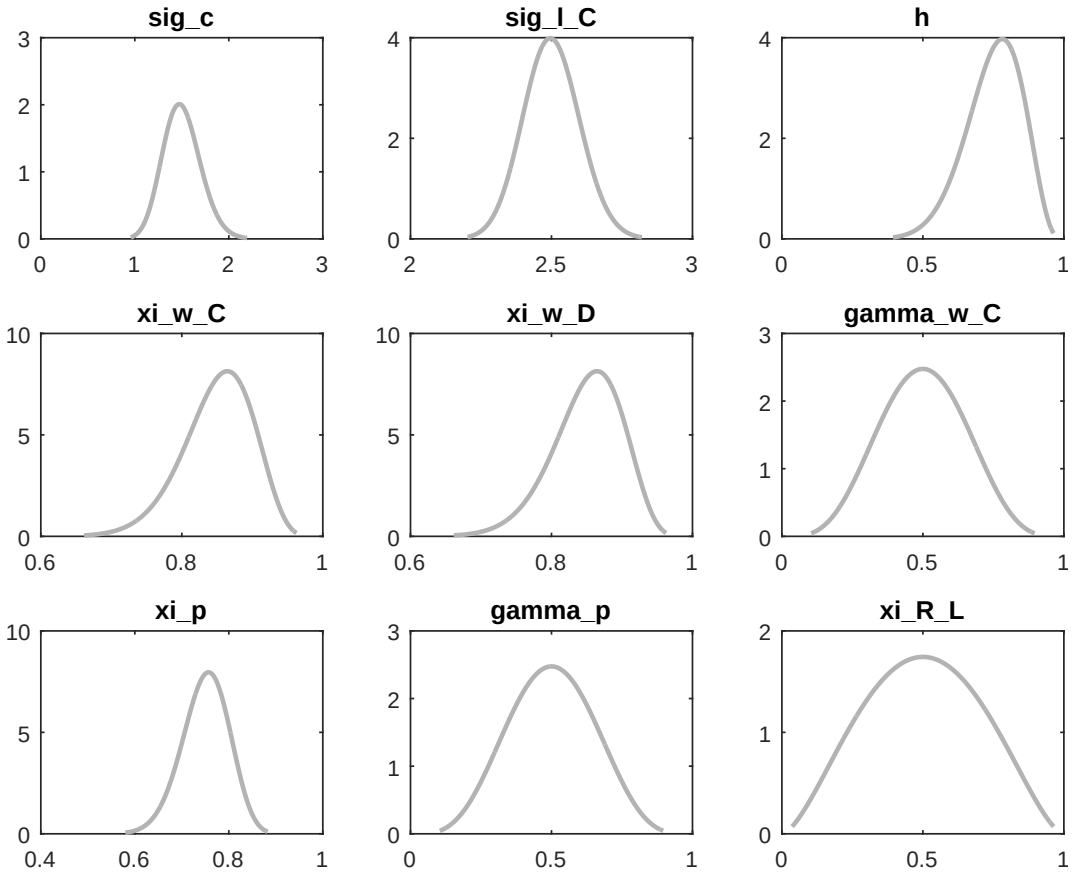

Figure 17: Priors.

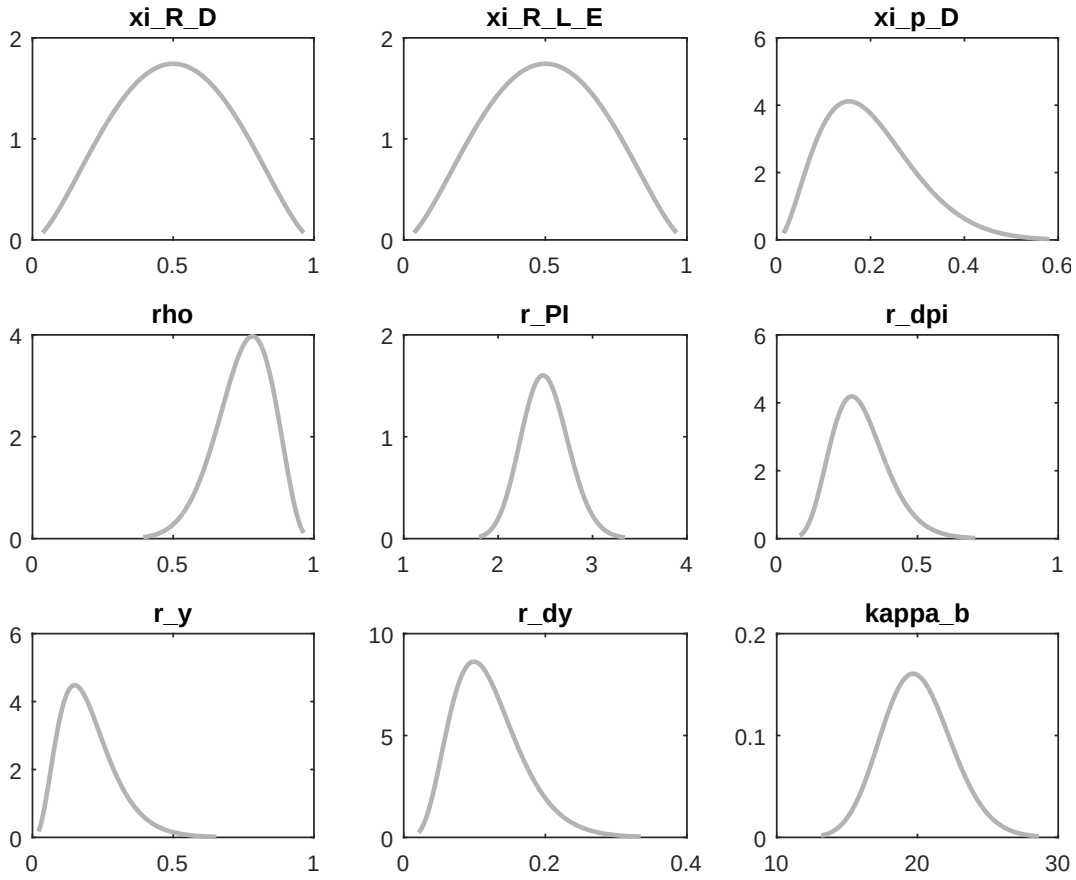

Figure 18: Priors.

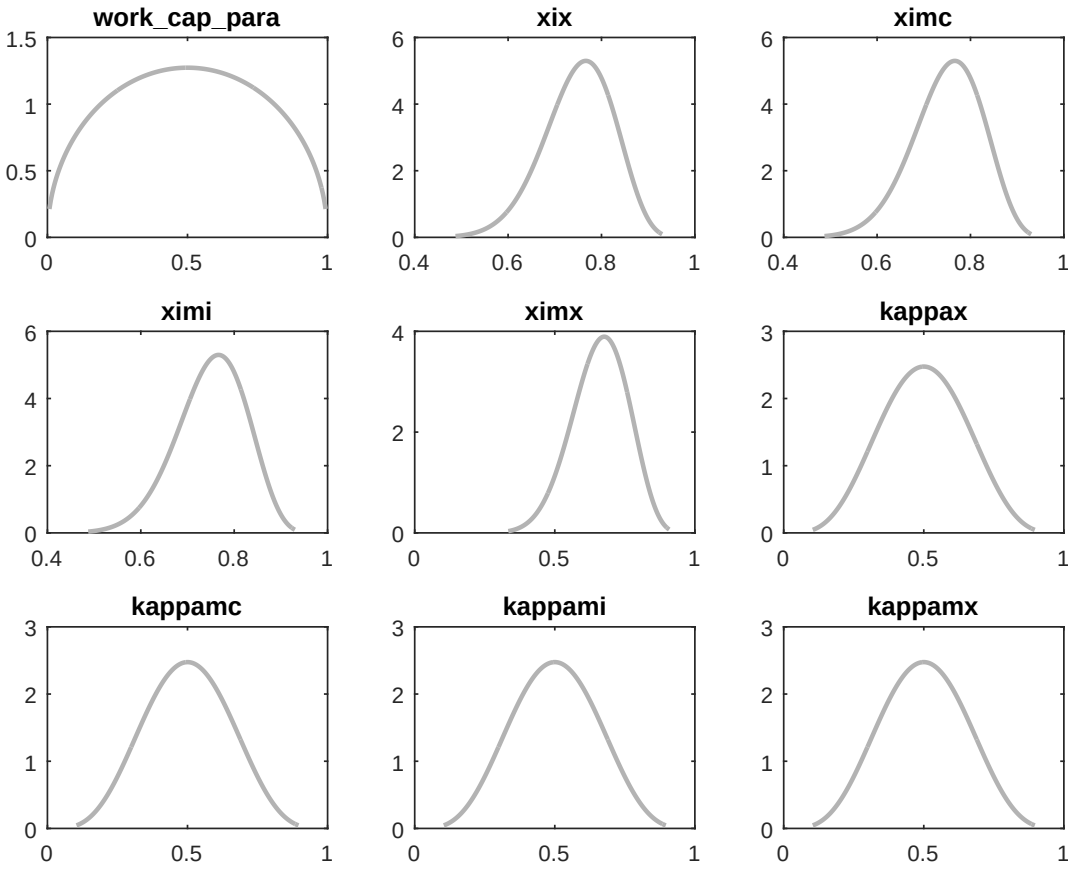

Figure 19: Priors.

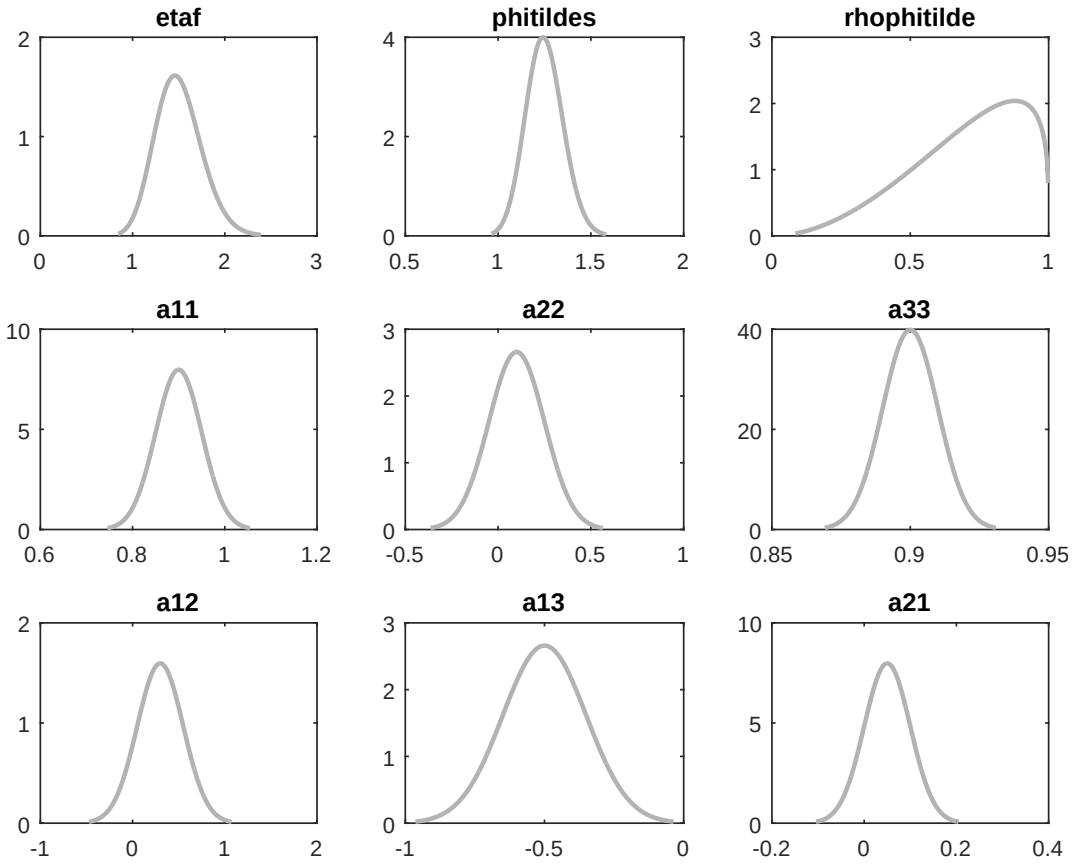

Figure 20: Priors.

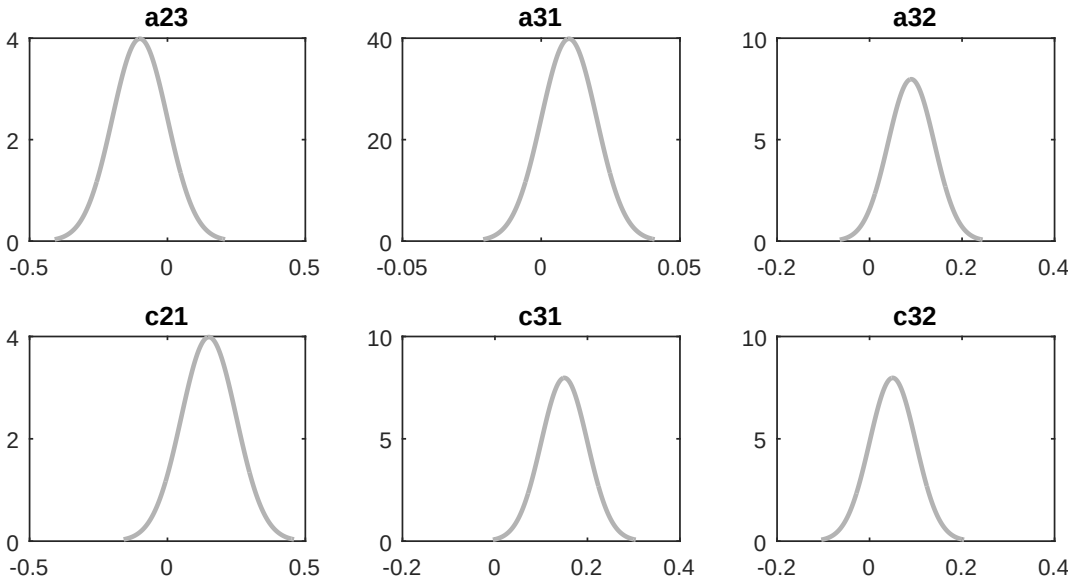

Figure 21: Priors.

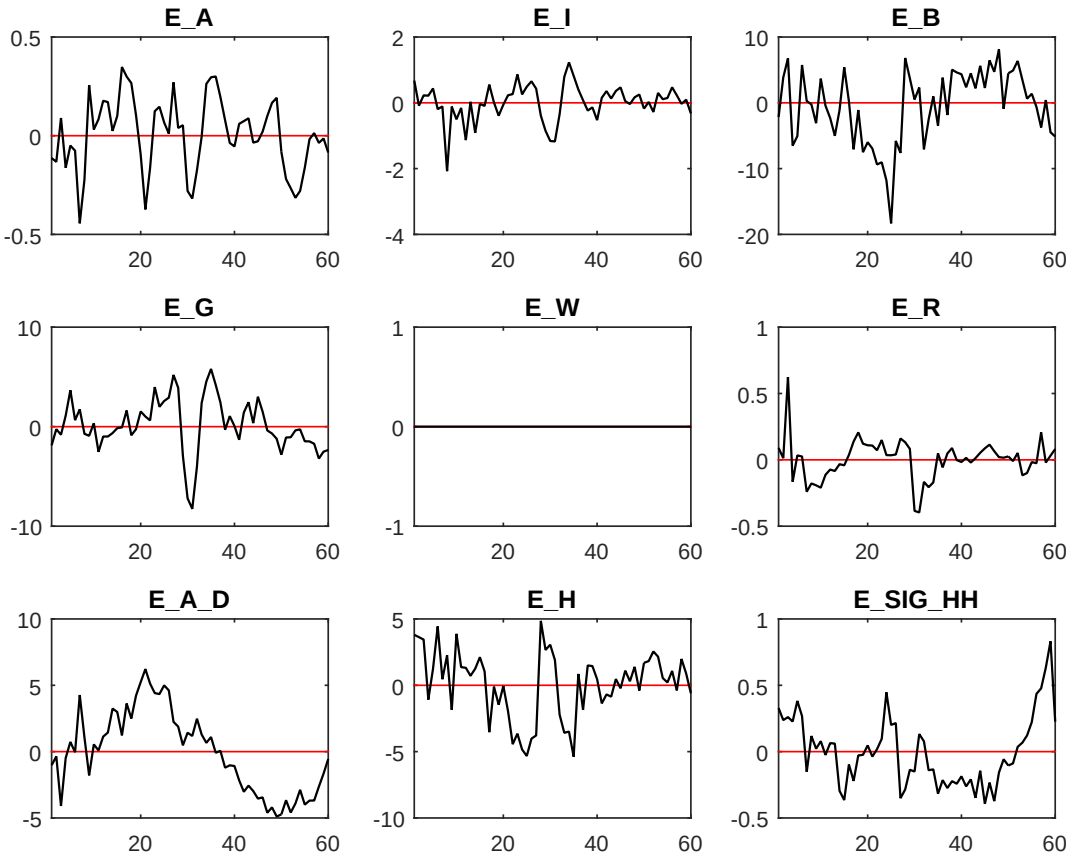

Figure 22: Smoothed shocks.

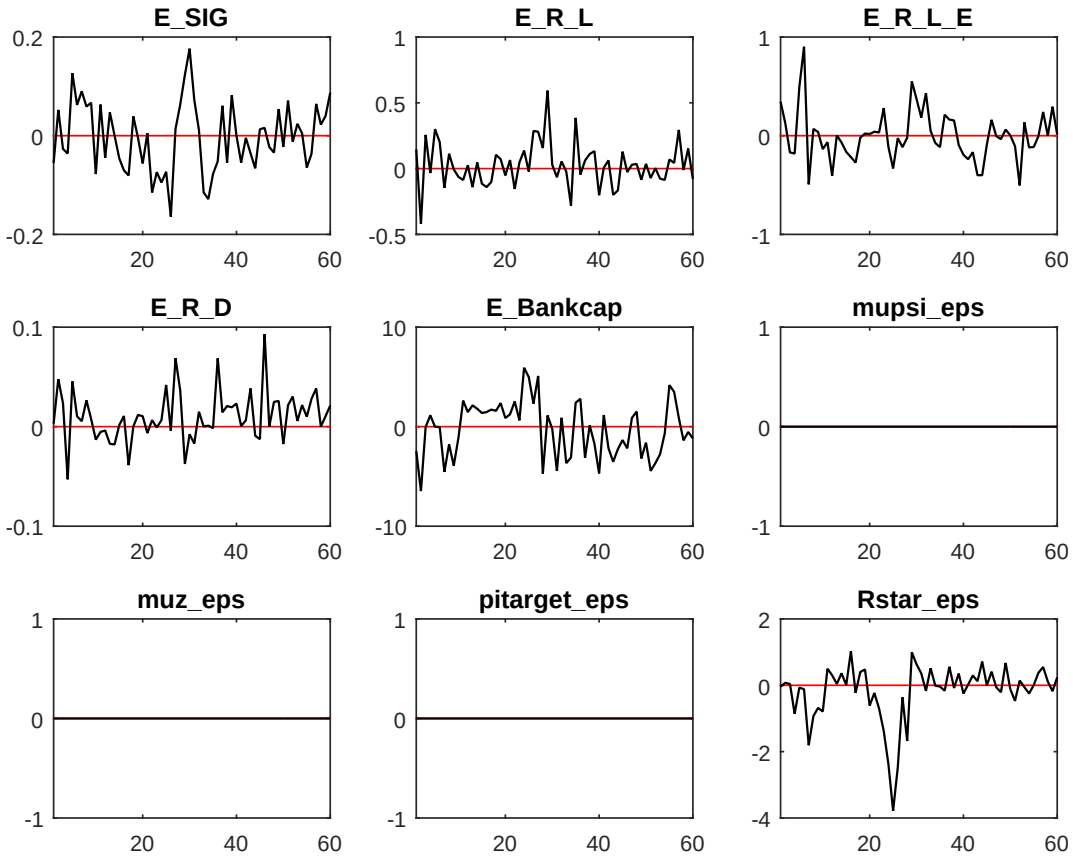

Figure 23: Smoothed shocks.

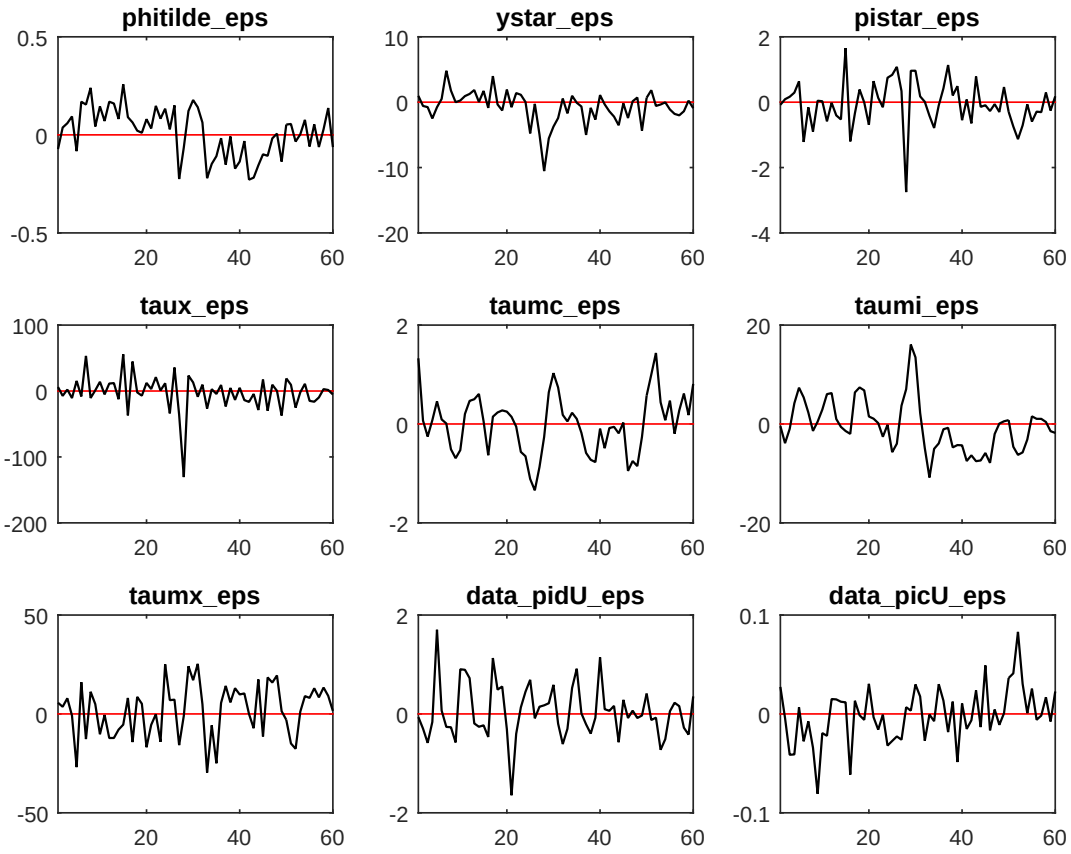

Figure 24: Smoothed shocks.

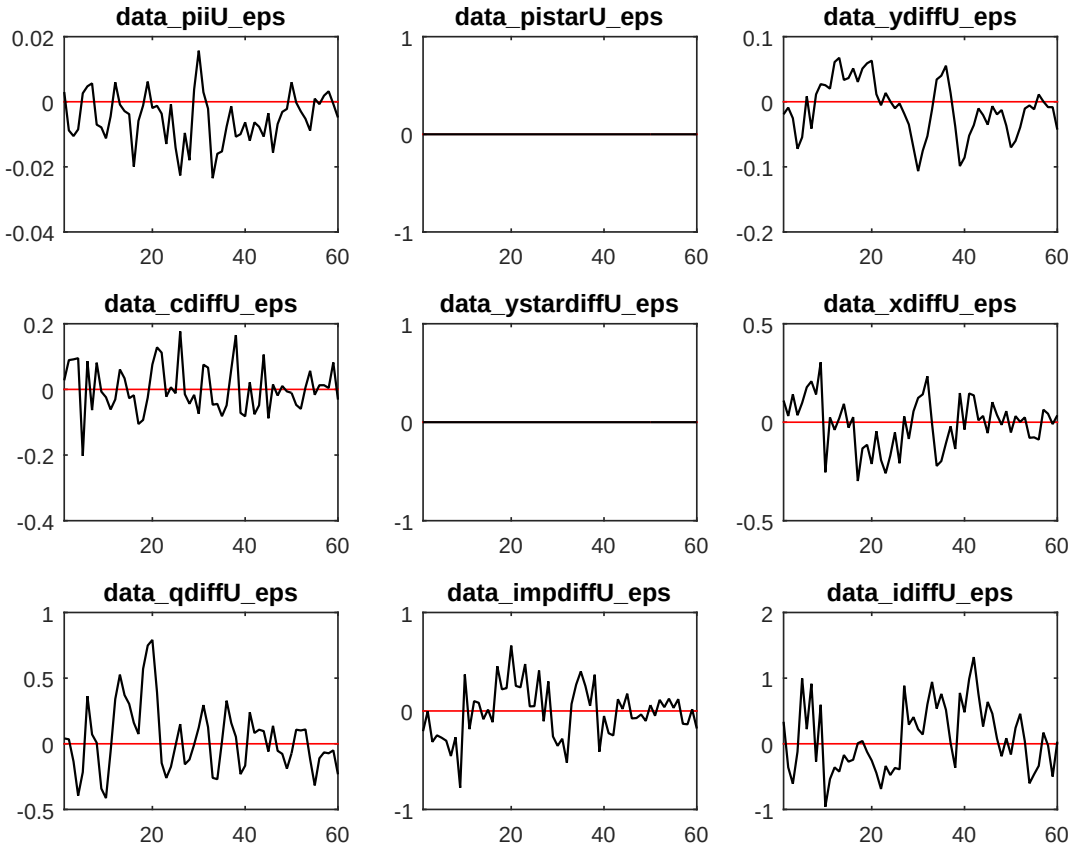

Figure 25: Smoothed shocks.

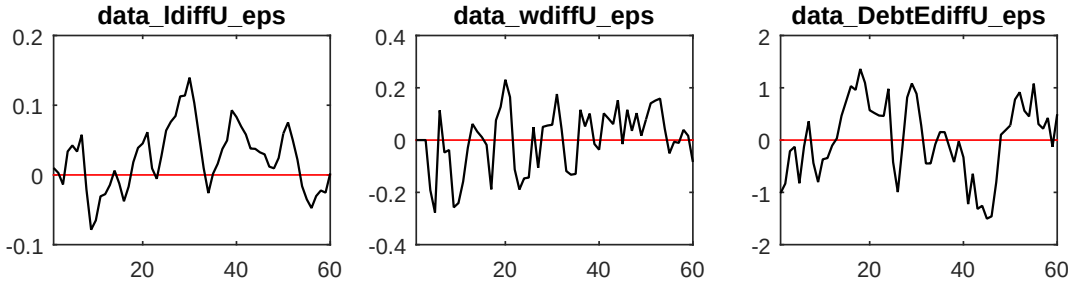

Figure 26: Smoothed shocks.

Table 1: Results from posterior maximization (parameters)

	Prior			Posterior	
	Dist.	Mean	Stdev	Mode	Stdev
rho_a	beta	0.500	0.2000	0.5333	0.0771
rho_b	beta	0.500	0.2000	0.7331	0.0180
rho_g	beta	0.500	0.2000	0.9997	0.0005
rho_i	beta	0.500	0.2000	0.9414	0.0013
rho_a_D	beta	0.500	0.2000	0.8167	0.0273
rho_H	beta	0.500	0.1750	0.7491	0.0088
rho_R_L	beta	0.500	0.2000	0.6904	0.0502
rho_R_L_E	beta	0.500	0.2000	0.5577	0.0788
rho_R_D	beta	0.500	0.2000	0.8339	0.0274
rho_Bankcap	beta	0.500	0.2000	0.7601	0.0404
rho_sig	beta	0.500	0.2000	0.9788	0.0056
rho_sig_HH	beta	0.500	0.2000	0.4872	0.0583
phi_i_h	gamm	1.000	0.5000	5.8053	0.3770
phi_i	norm	4.000	1.5000	12.8293	0.3435
czcapbis	beta	0.500	0.1500	0.7082	0.0071
sig_c	gamm	1.500	0.2000	2.6940	0.1262
sig_l_C	gamm	2.500	0.1000	2.5638	0.0483
h	beta	0.750	0.1000	0.9120	0.0021
xi_w_C	beta	0.850	0.0500	0.6377	0.0207
xi_w_D	beta	0.850	0.0500	0.8607	0.0150
gamma_w_C	beta	0.500	0.1500	0.5043	0.0548
xi_p	beta	0.750	0.0500	0.9144	0.0035
gamma_p	beta	0.500	0.1500	0.1416	0.0623
xi_R_L	beta	0.500	0.2000	0.5211	0.0140
xi_R_D	beta	0.500	0.2000	0.5779	0.0202
xi_R_L_E	beta	0.500	0.2000	0.5391	0.0095
xi_p_D	beta	0.200	0.1000	0.3432	0.0161
rho	beta	0.750	0.1000	0.5045	0.0554
r_PI	gamm	2.500	0.2500	2.6450	0.0252
r_dpi	gamm	0.300	0.1000	0.3354	0.0823
r_y	gamm	0.200	0.1000	0.0106	0.0047
r_dy	gamm	0.120	0.0500	0.0669	0.0105
kappa_b	gamm	20.000	2.5000	13.4388	1.0556
work_cap_para	beta	0.500	0.2500	0.7279	0.0288
xix	beta	0.750	0.0750	0.9282	0.0055
ximc	beta	0.750	0.0750	0.6831	0.0127
ximi	beta	0.750	0.0750	0.9088	0.0055
ximx	beta	0.660	0.1000	0.8827	0.0140
kappax	beta	0.500	0.1500	0.5902	0.0090
kappamc	beta	0.500	0.1500	0.8860	0.0337

(Continued on next page)

Table 1: (continued)

	Prior			Posterior	
	Dist.	Mean	Stdev	Mode	Stdev
kappami	beta	0.500	0.1500	0.8963	0.0299
kappamx	beta	0.500	0.1500	0.7458	0.0306
etaf	gamm	1.500	0.2500	2.7194	0.0867
phitildes	gamm	1.250	0.1000	0.8372	0.0512
rhophitilde	beta	0.700	0.2000	0.9623	0.0061
$a11$	norm	0.900	0.0500	0.9616	0.0119
$a22$	norm	0.100	0.1500	0.1137	0.0257
$a33$	norm	0.900	0.0100	0.9038	0.0019
$a12$	norm	0.300	0.2500	0.7141	0.0016
$a13$	norm	-0.500	0.1500	-0.7878	0.0723
$a21$	norm	0.050	0.0500	0.0197	0.0041
$a23$	norm	-0.100	0.1000	-0.4576	0.0289
$a31$	norm	0.010	0.0100	0.0056	0.0007
$a32$	norm	0.090	0.0500	0.0093	0.0092
$c21$	norm	0.150	0.1000	0.1435	0.0444
$c31$	norm	0.150	0.0500	0.0240	0.0051
$c32$	norm	0.050	0.0500	0.0228	0.0170

Table 2: Results from posterior maximization (standard deviation of structural shocks)

	Prior			Posterior	
	Dist.	Mean	Stdev	Mode	Stdev
E_A	unif	1.250	0.7217	0.2083	0.0321
E_B	invg	2.000	Inf	5.5311	0.6854
E_G	unif	5.000	2.8868	2.7520	0.3284
E_I	invg	0.250	Inf	0.5566	0.0606
E_R	invg	0.250	Inf	0.1514	0.0156
E_R_L	invg	0.250	2.0000	0.1658	0.0235
E_R_L_E	invg	0.250	2.0000	0.2514	0.0383
E_R_D	invg	0.100	2.0000	0.0288	0.0038
E_A_D	unif	5.000	2.8868	3.2324	0.3617
E_H	unif	5.000	2.8868	2.6901	0.4724
E_Bankcap	invg	2.000	Inf	2.8055	0.2828
E_SIG	invg	0.250	Inf	0.0772	0.0088
E_SIG_HH	unif	1.000	0.5774	0.2758	0.0347
Rstar_eps	invg	1.500	Inf	0.8645	0.0959
phitilde_eps	invg	0.150	Inf	0.1221	0.0147
ystar_eps	invg	0.500	Inf	2.4801	0.3376
pistar_eps	invg	0.500	0.5000	0.6730	0.0737
taux_eps	invg	0.500	Inf	25.5723	5.6189
taumc_eps	invg	0.500	Inf	0.6078	0.1198
taumi_eps	invg	0.500	Inf	5.2011	1.1165
taumx_eps	invg	0.500	Inf	14.3483	3.8481

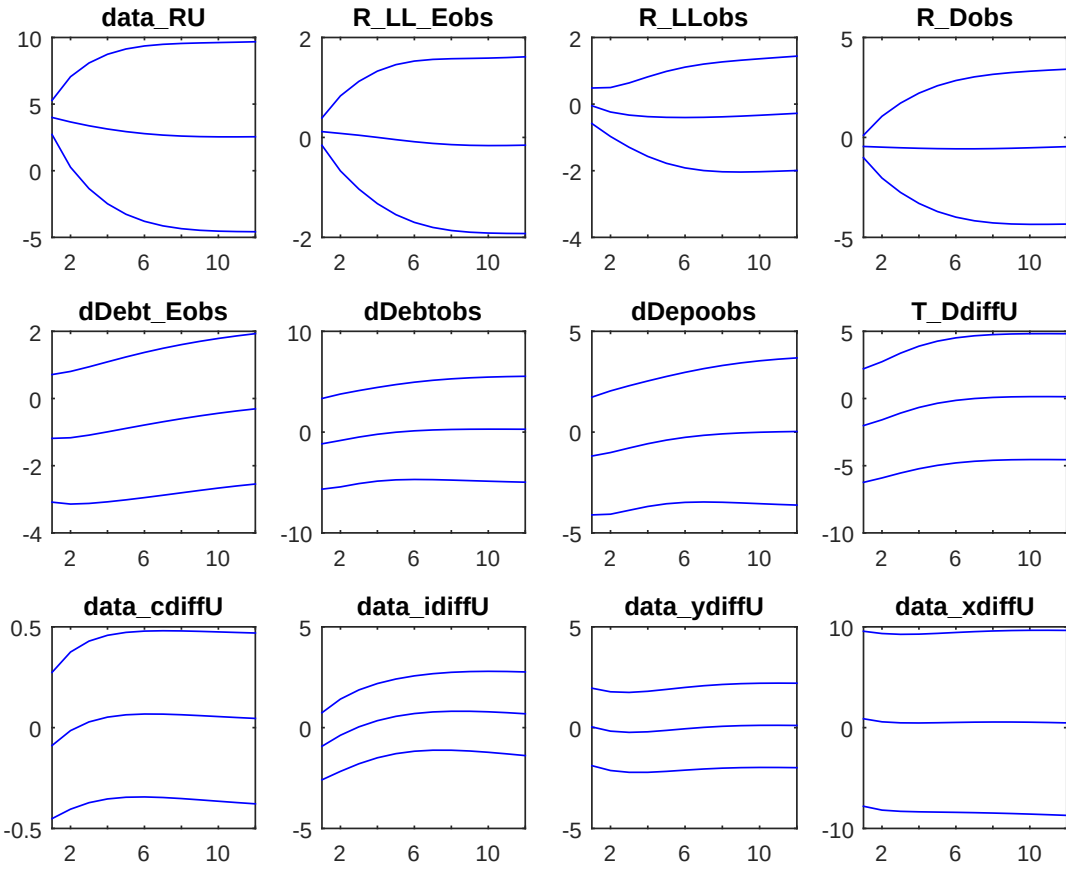

Figure 27: Mean forecasts and 90% confidence intervals

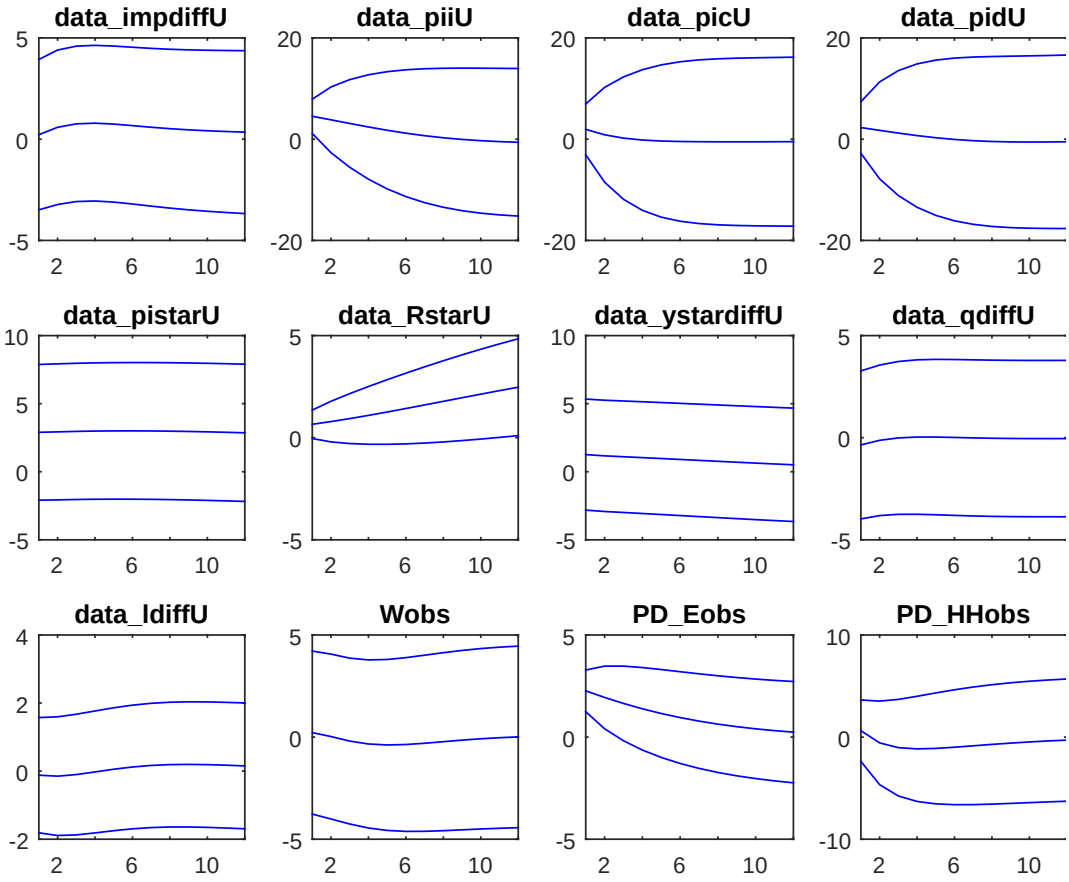

Figure 28: Mean forecasts and 90% confidence intervals

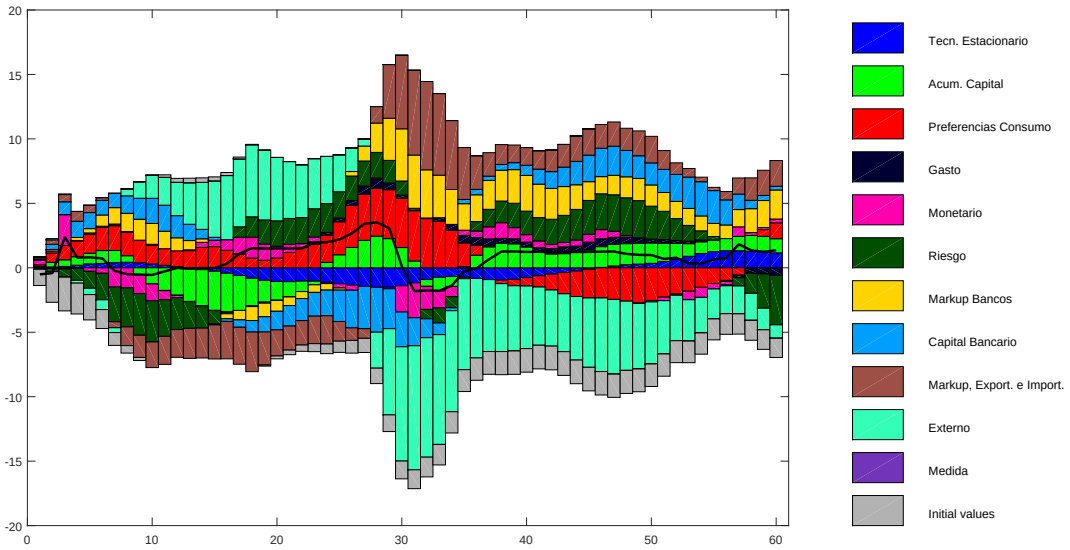

Figure 29: Historical shock decomposition group group1: *data_RU*.

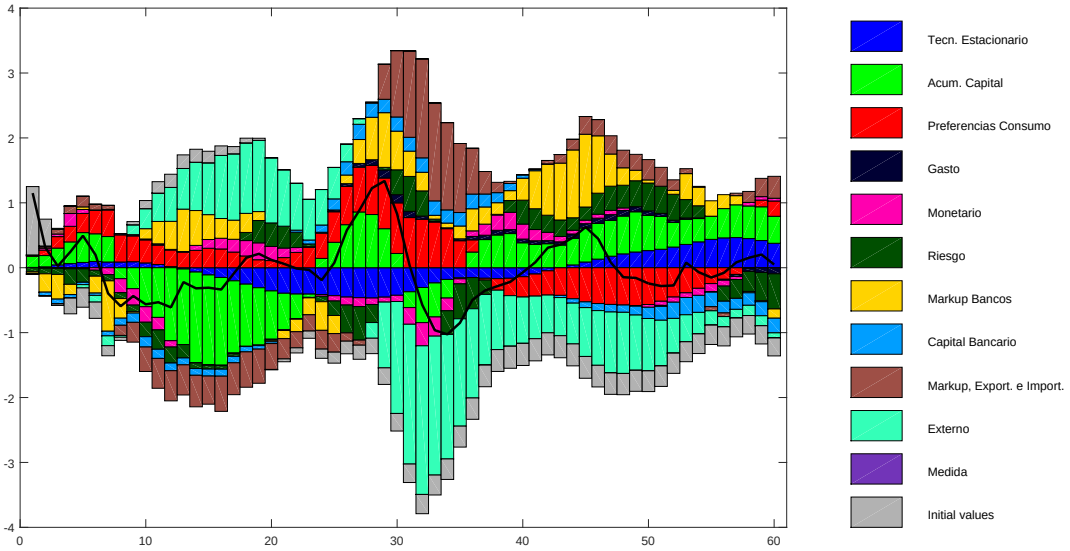

Figure 30: Historical shock decomposition group group1: *R_LL_Eobs*.

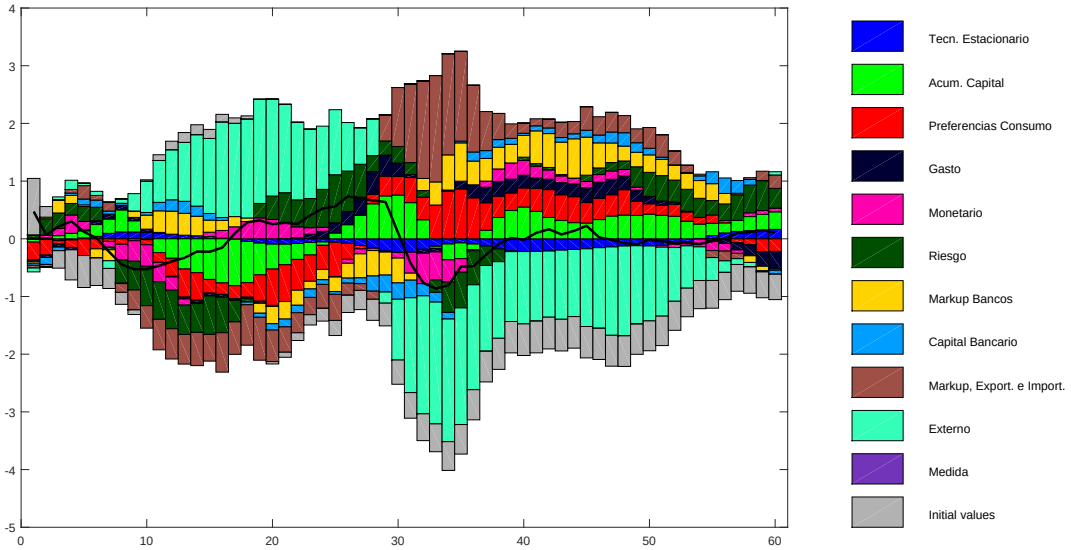

Figure 31: Historical shock decomposition group group1: *R_LLobs*.

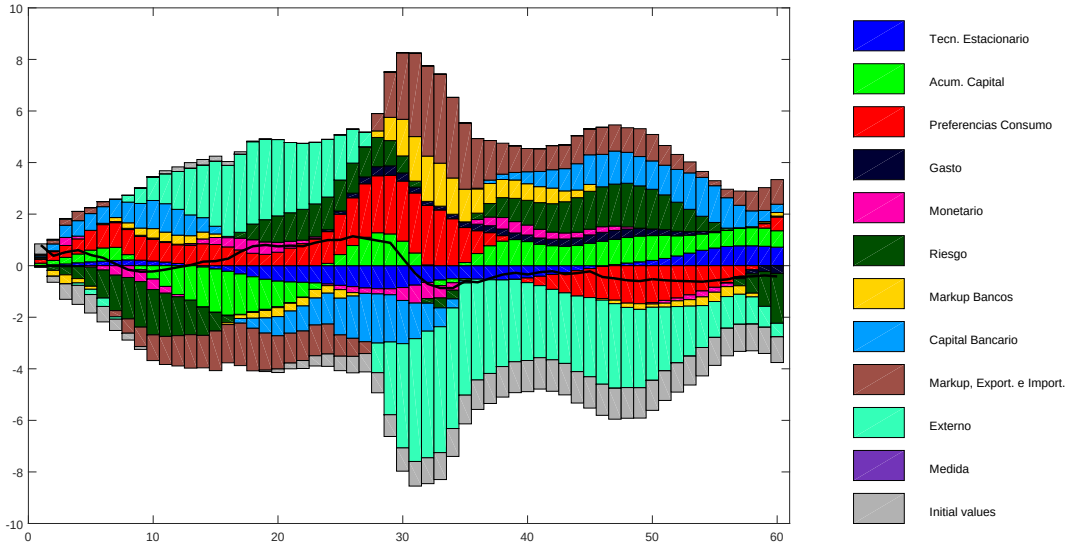

Figure 32: Historical shock decomposition group group1: *R_Dobs*.

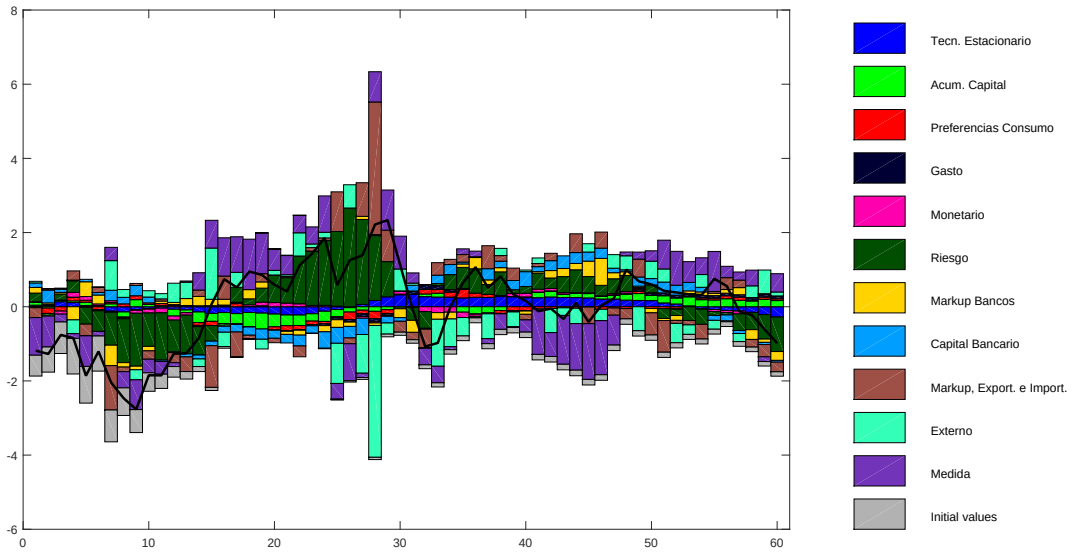

Figure 33: Historical shock decomposition group group1: *dDebt_Eobs*.

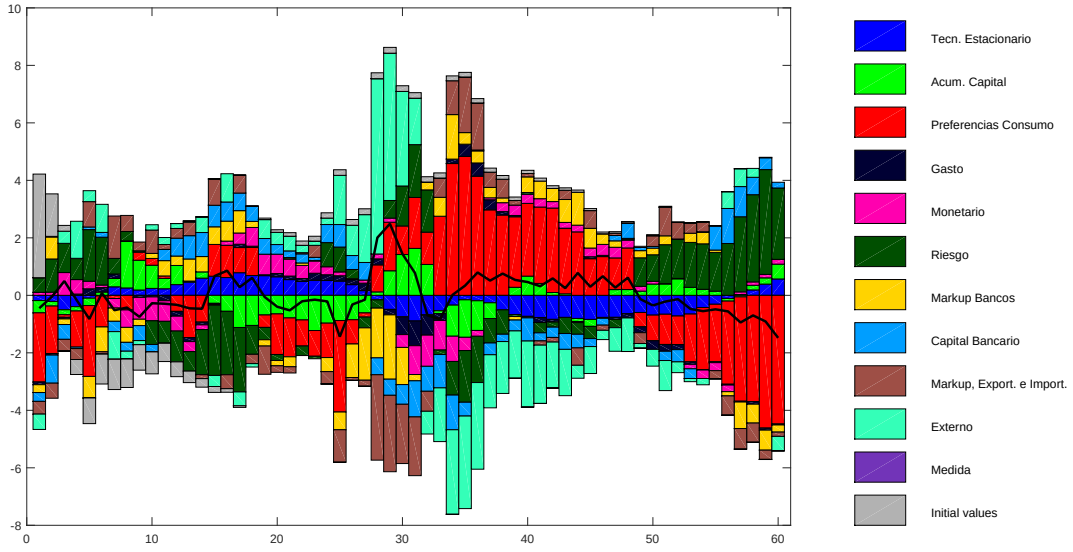

Figure 34: Historical shock decomposition group group1: *dDebtobs*.

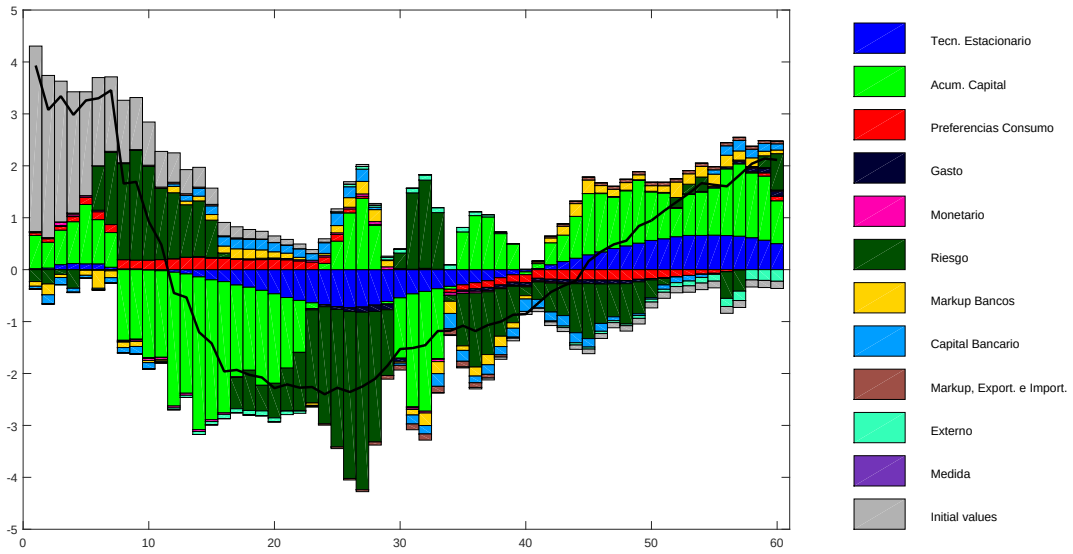

Figure 35: Historical shock decomposition group group1: PD_Eobs.

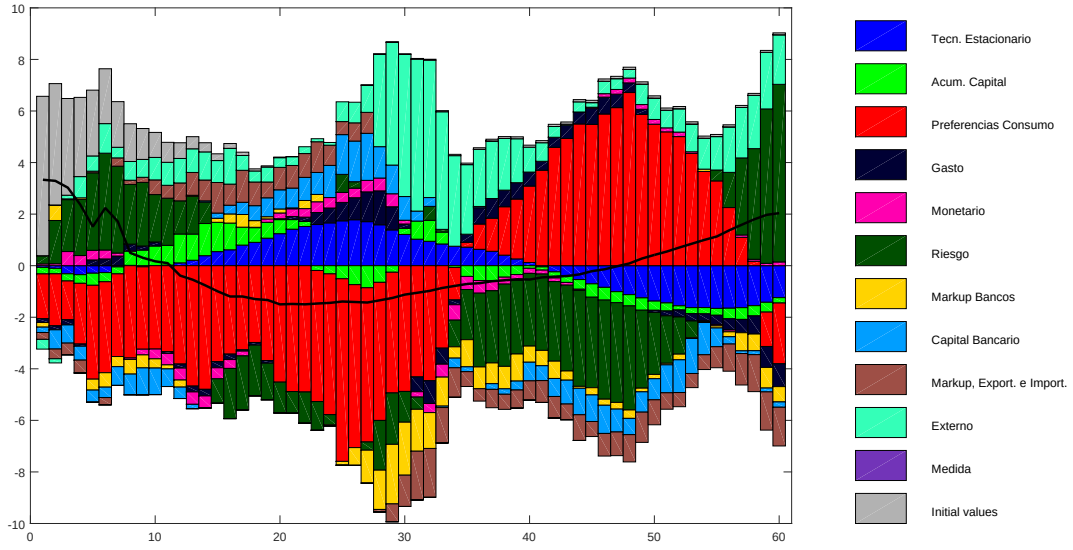

Figure 36: Historical shock decomposition group group1: PD_HHobs.

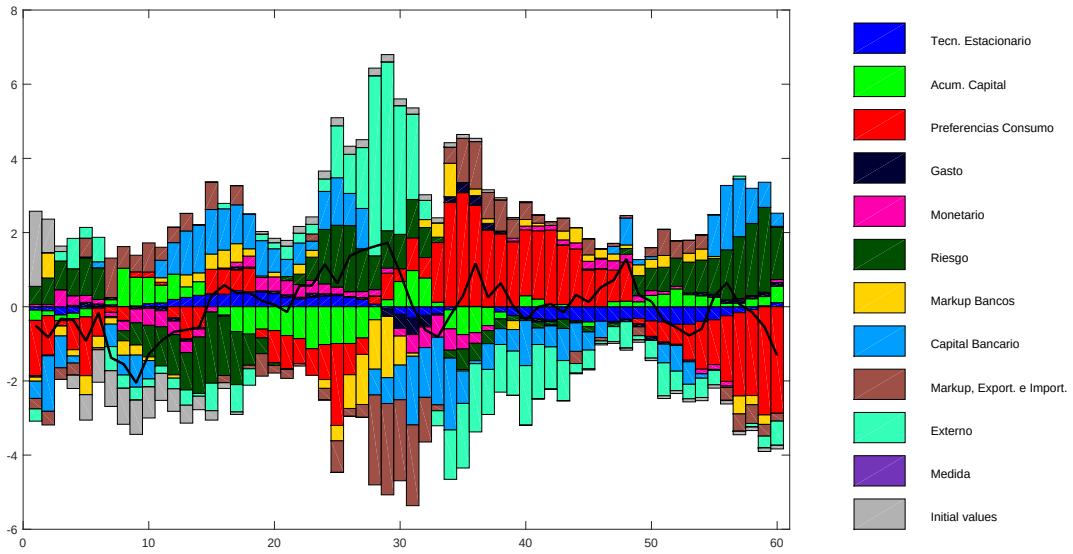

Figure 37: Historical shock decomposition group group1: $dDepoobs$.

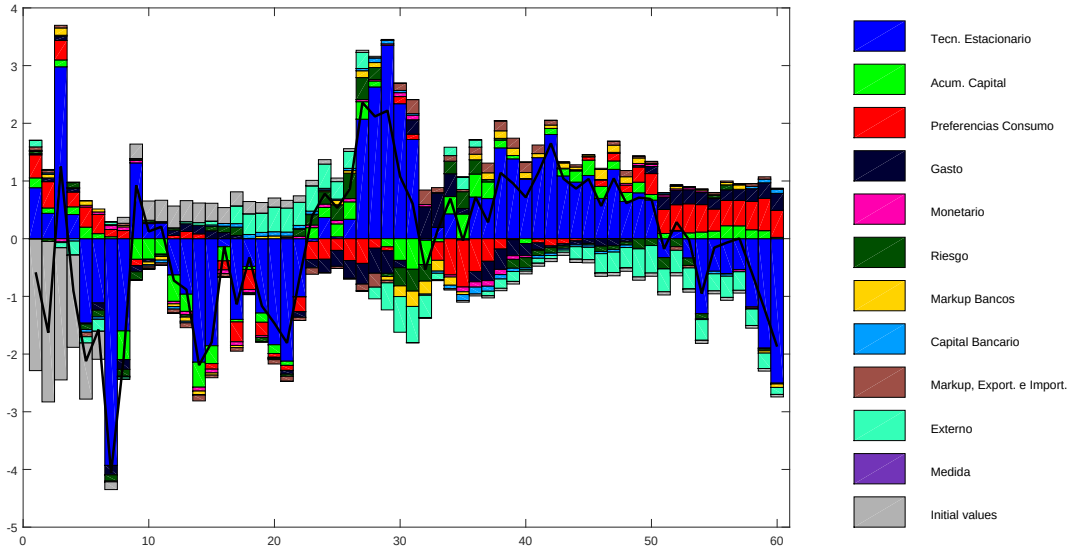

Figure 38: Historical shock decomposition group group1: T_DdiffU.

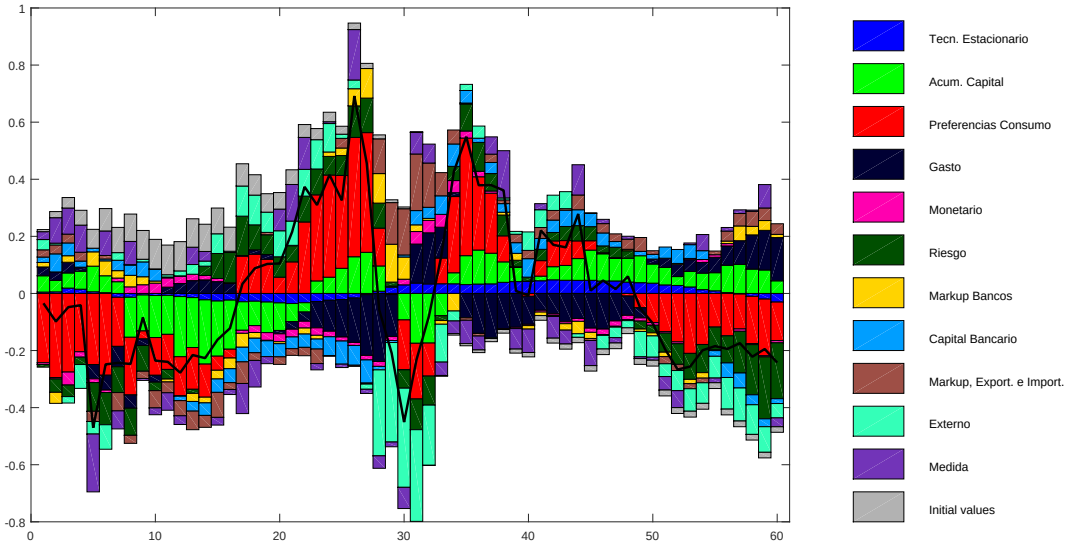

Figure 39: Historical shock decomposition group group1: $data\_cdiffU$.

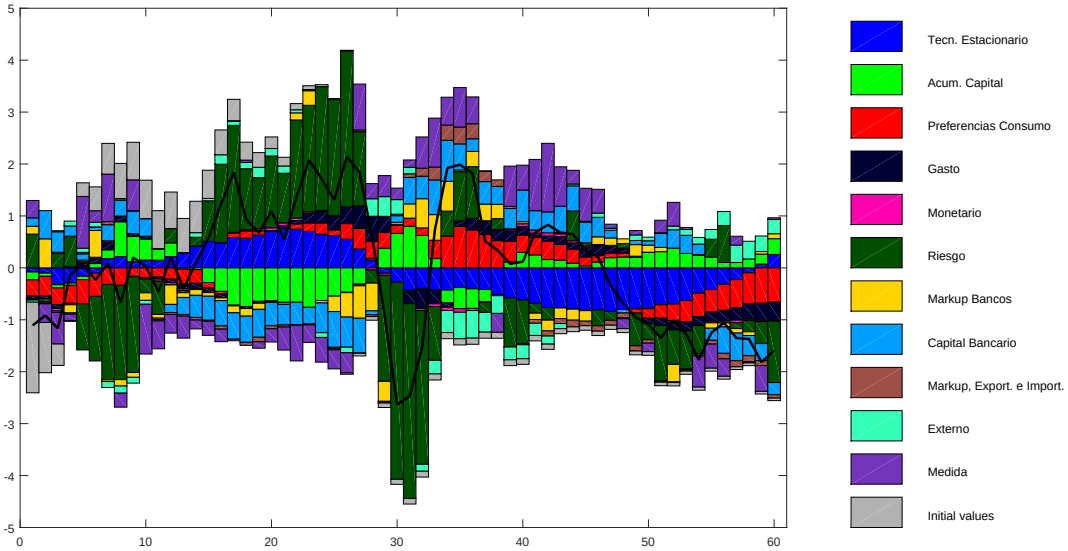

Figure 40: Historical shock decomposition group group1: $data\_idiffU$.

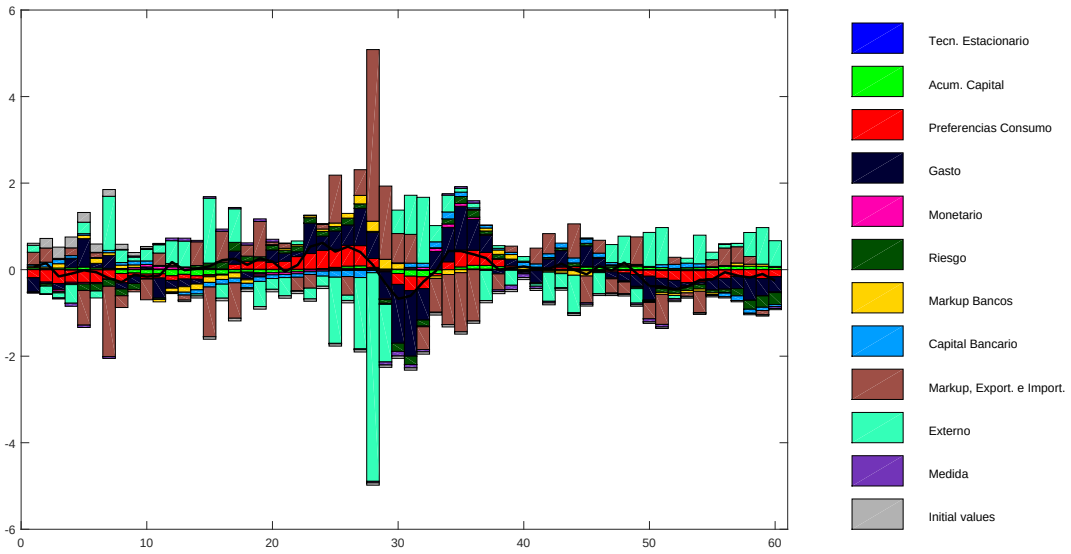

Figure 41: Historical shock decomposition group group1: $data\_ydiffU$.

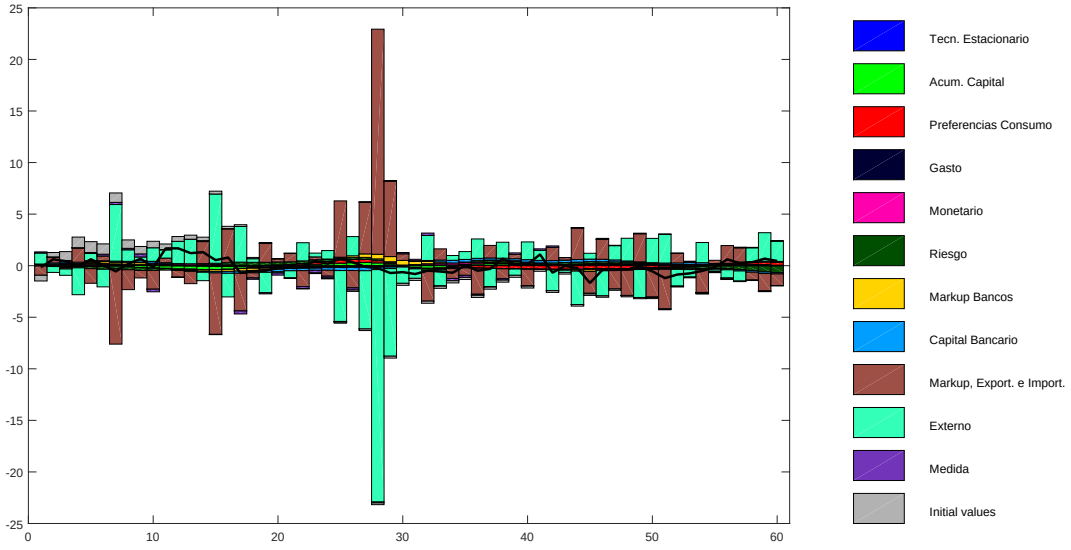

Figure 42: Historical shock decomposition group group1: $data\_xdiffU$.

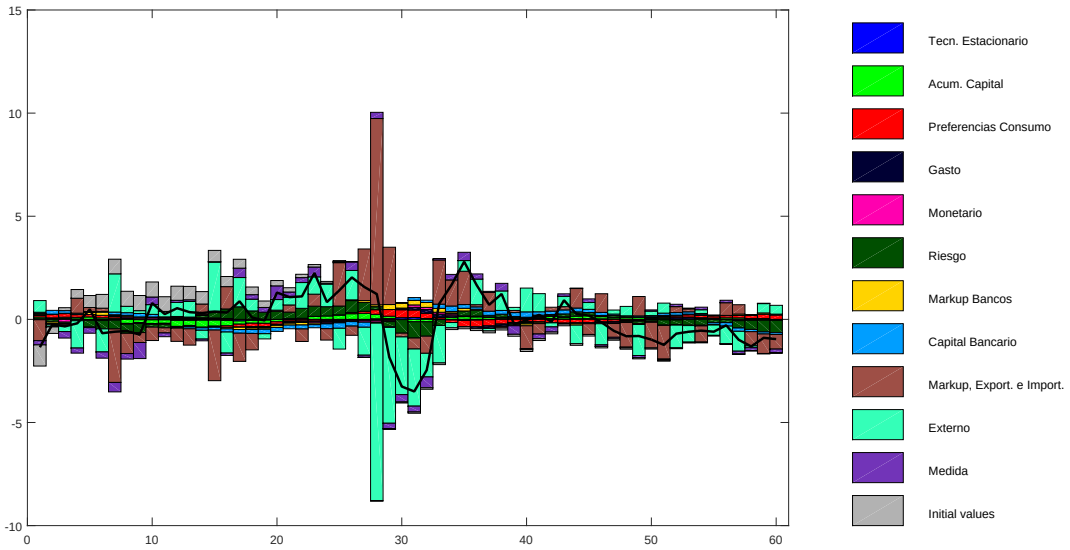

Figure 43: Historical shock decomposition group group1: $data\_impdiffU$.

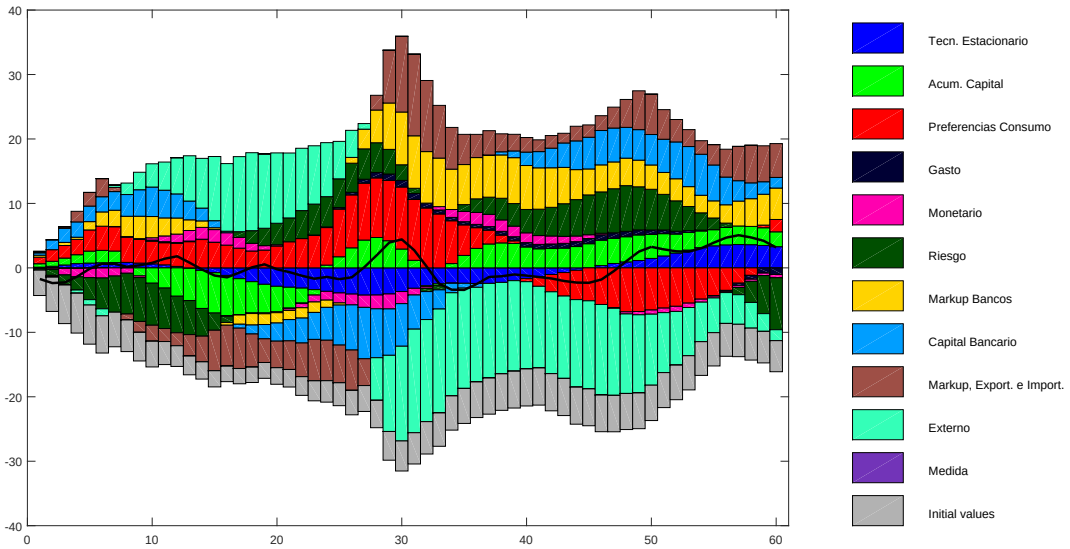

Figure 44: Historical shock decomposition group group1: $data\_piiU$.

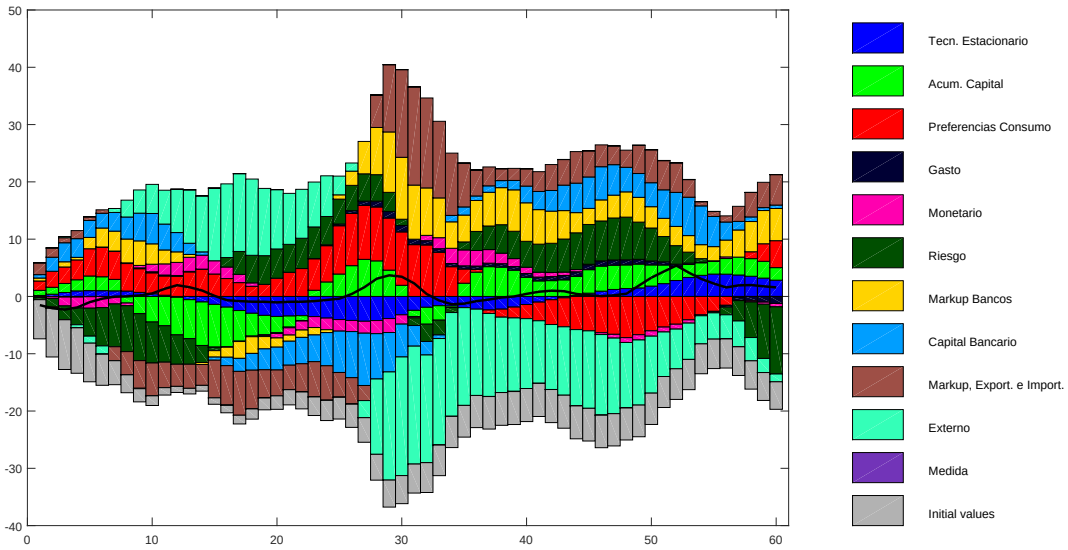

Figure 45: Historical shock decomposition group group1: *data_picU*.

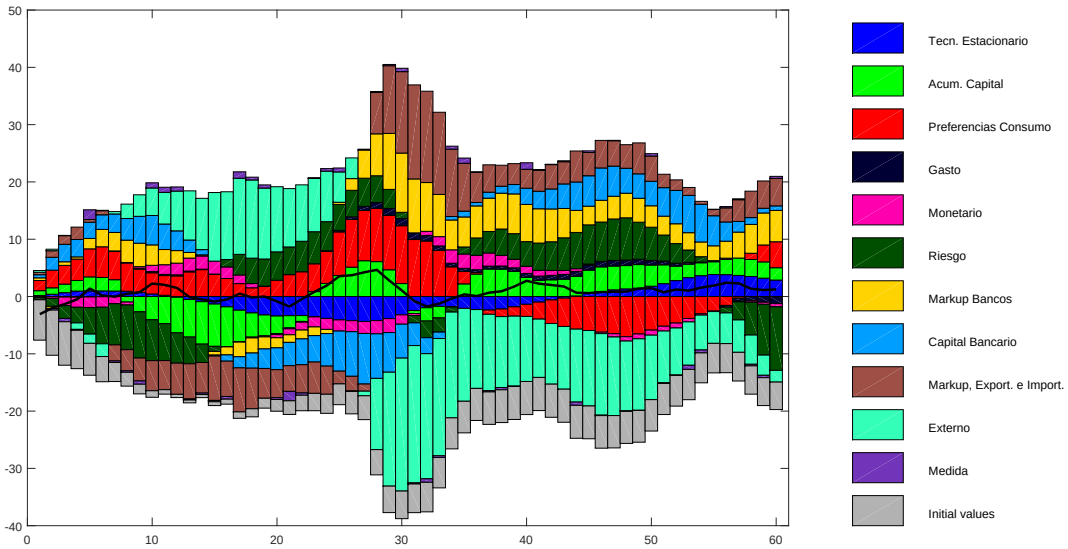

Figure 46: Historical shock decomposition group group1: *data_pidU*.

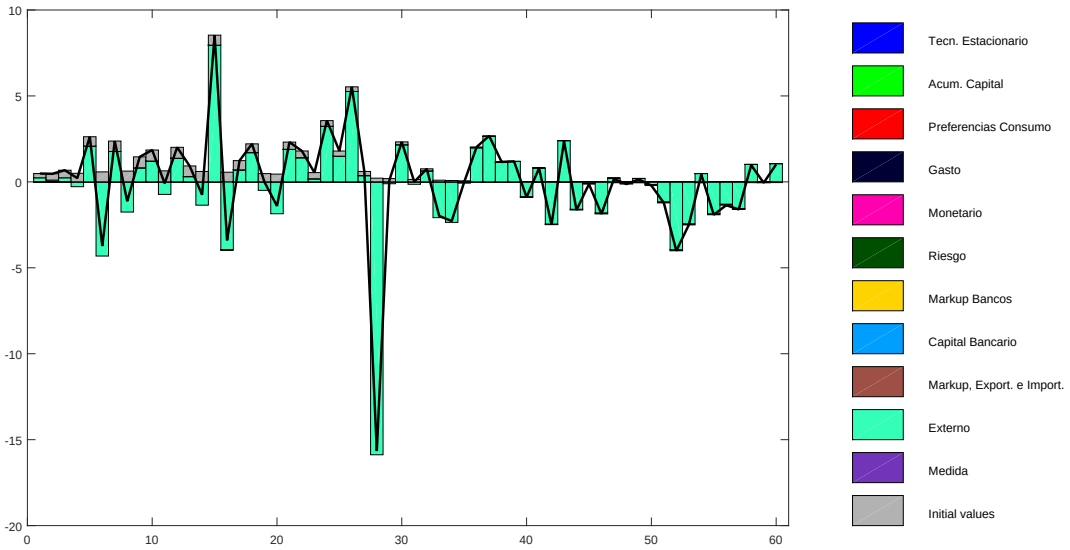

Figure 47: Historical shock decomposition group group1: *data_pistarU*.

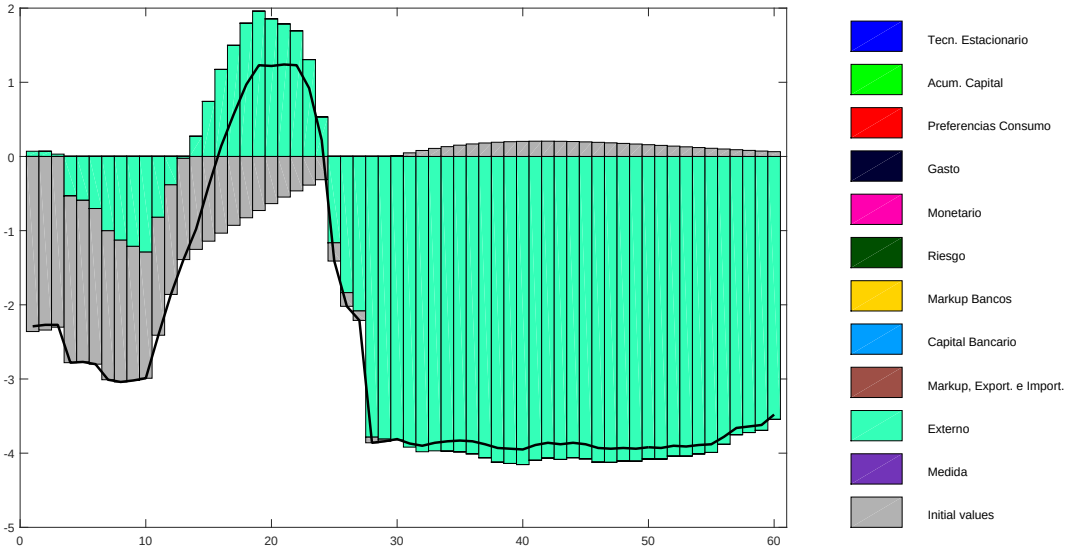

Figure 48: Historical shock decomposition group group1: *data_RstarU*.

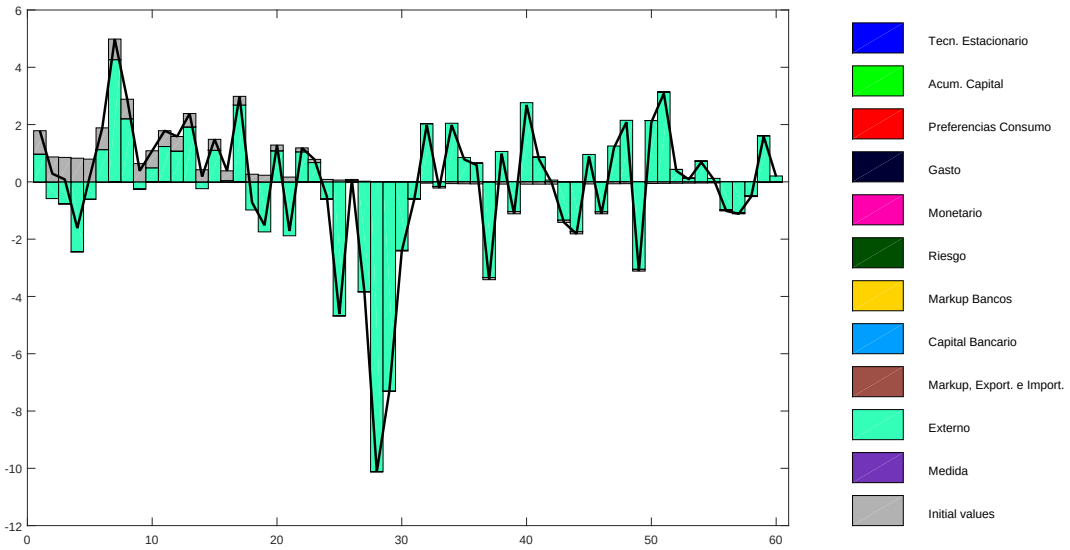

Figure 49: Historical shock decomposition group group1: $data\_ystardiffU$.

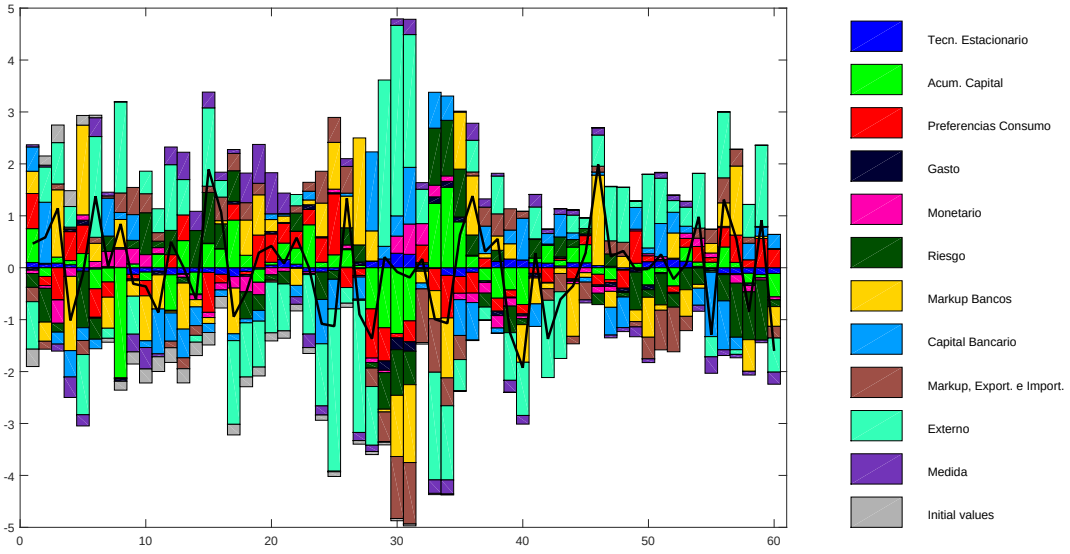

Figure 50: Historical shock decomposition group group1: $data\_qdiffU$.

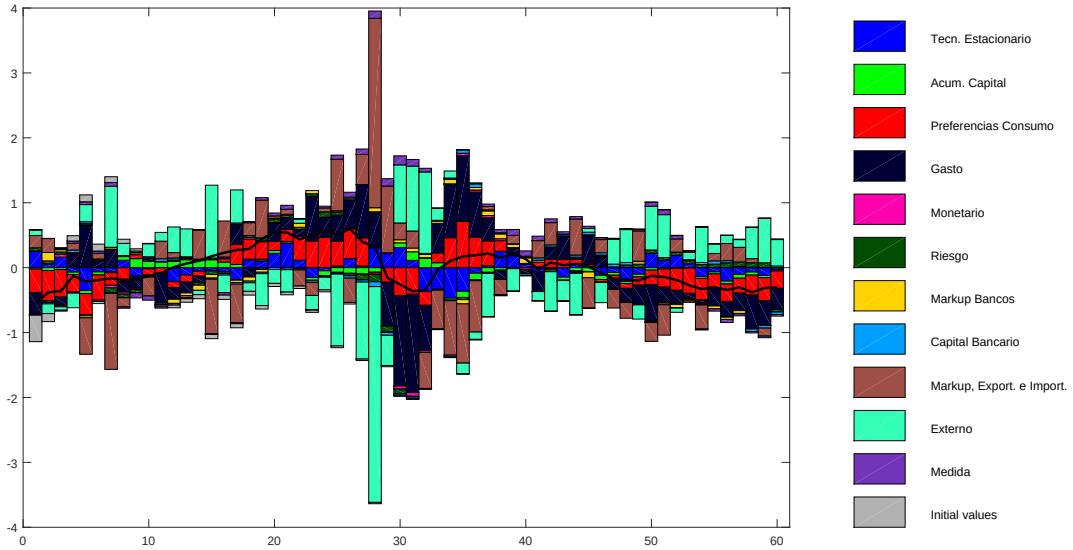

Figure 51: Historical shock decomposition group group1: $data\_ldiffU$.