

<i>Parameter</i>	<i>Description</i>	<i>Value</i>	<i>Source</i>
α	Labor elasticity of production function	0.646	NIPA income share
κ_k	Capital adjustment cost	8	Hall (2004)
κ_d	Durables adjustment cost	8	See text
δ_k	Capital depreciation rate	0.0188	NIPA Fixed Asset Tables
δ_d	Durables depreciation rate	0.0129	NIPA Fixed Asset Tables
ϕ	Nondurables consumption share	0.82	NIPA
β	Utility discount factor	0.9950	Derived from real federal funds rate
σ	Intertemporal elasticity of substitution	0.5	Hall (2009)
ω	Fraction of constrained consumption	0.58	See text
\bar{n}	Normal employment rate	0.945	Average, 1948-2007
ψ	Elasticity of employment function	2.8	See text
γ/q	Job-filling cost	.14 of quarterly wage	Silva-Todeto (2007)
v	Separation rate	0.12	JOLTS, adjusted