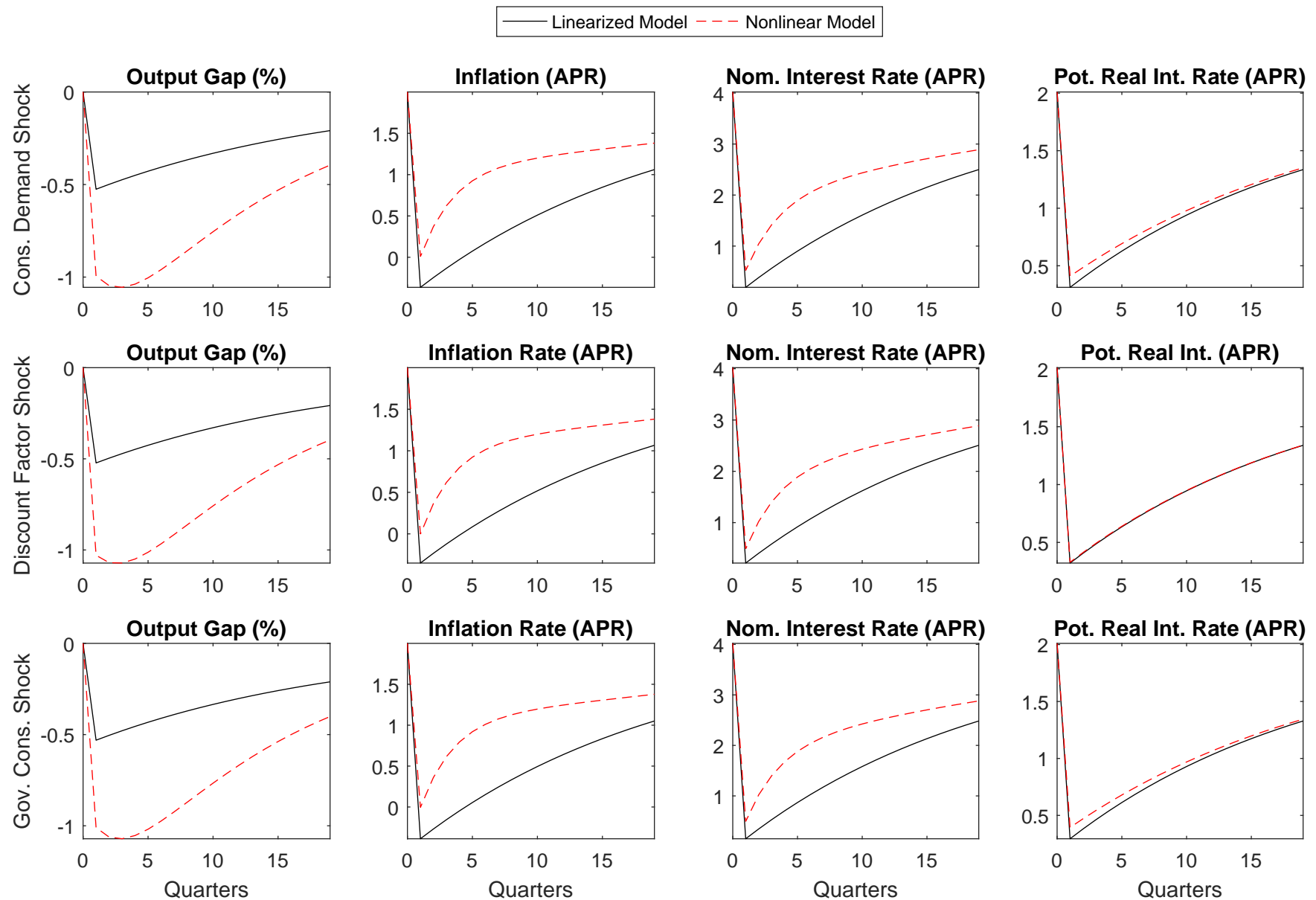


Figure A.1: Impulse Responses to Shocks I: Linearized vs. Nonlinear Model



Notes: Shocks are sized so that inflation falls on impact from 2% to 0% in the nonlinear model. All shocks have $AR(1)=0.95$.