Data description

- For Tables 1 and 2 please refer to the file "hourworked.xls".
  - The data for the U.S. is included in the worksheet "USA".
  - The data for Japan is included in the worksheet "Japan".
- The data for Table 3 is publicly available, but requires a subscription to the OECD, so it cannot be made freely available here. The data can be downloaded directly from the OECD Labour Force Statistics database at:
  - http://stats.oecd.org/wbos/Index.aspx?usercontext=sourceoecd
- For Tables 4 - 8 refer to the file "Data for AER.xls".
  - The worksheet "Read ME" has a definition of the 33 variables used in estimation.
  - The worksheet "G7 data" includes the actual data (based on the definition in the "Read Me" worksheet).

Program description

- For Tables 1 - 3 use an HP-filter with a smoothing parameter of 6.25.
- For Tables 4 - 7, analysis was performed in Stata as follows:
  - Panel data structure should be declared.
  - For the Benchmark regressions:
    - newey2 var2 var4 var27 var28 var29 var30 var31 var32 dyr13-dyr48 if (var33>16 & var33<54),lag (2)
    - newey2 var3 var4 var27 var28 var29 var30 var31 var32 dyr13-dyr48 if (var33>16 & var33<54),lag (2)
  - Our "rolling window" measure of volatility was constructed as described in the paper using an HP-filter with smoothing parameter of 1600. For the instantaneous standard deviation of real GDP growth, the code can be obtained from Professor Mark Watson's webpage:
    - http://www.princeton.edu/~mwatson/publi.html
  - For the Age Distribution regressions, replace "var4" by "var5 var6 var7 var8" in the Stata commands for the Benchmark regression.
  - For IV regressions use country specific birth rates and population specific shares as instruments.
- For Table 8, the reader is referred to the code at Professor Valerie Ramey's webpage, as the estimation is based on the Ramey-Ramey paper, available at:

- "http://weber.ucsd.edu/~vramey/research/volat/volat.html"
- The code was rewritten in SAS in order to avoid the "zero bound" that the TSP program generates.