Figure 1:
i) Future annual aggregate demand = $\sum_0^3 \{[\ln(M_{t+\theta}) - \ln(M_{t-\theta})] - [(\ln(LF_{t+\theta}) - \ln(LF_{t-\theta})] - [(\ln(W_{t+\theta}) - \ln(W_{t-\theta})] \}$, where $M_t$ is nominal GDP, $LF_t$ is labor force, and $W_t$ is the average of nominal wages, given by compensation per hour – business sector. All taken from the FRED database.

$ii)$ Bad times = the share of subjects that believe that there will be bad times in the economy in the next 12 months, from the Michigan Survey.

Figure 2:
i) Job finding rate (Job finding probability), found in Robert Shimer’s data page: https://sites.google.com/site/robertshimer/research/flows

$ii)$ Bad times, as in figure 1.

Figure 3:
i) $4dW_t - (\pi_{t-1} + \pi_{t-2} + \pi_{t-3} + \pi_{t-4})$, where $dW_t = (\ln(W_t) - \ln(W_{t-1})$, the first difference of the log of the average nominal wage, with nominal wages given as in figure 1, and $\pi_t = \log(CPI_t) - \log(CPI_{t-1})$, where CPI is the consumer price index, all urban consumers, all items.

$ii)$ Bad times, as in figure 1

Figure 4:
i) $dW_t$ is as in figure 3.

$ii)$ Bad times, as in figure 1.

$iii)$ $u_t$ = civilian unemployment rate, seasonally adjusted, with data taken from the FRED.

$iv)$ Inflation expectation = $E_{t+1} [\pi_t + \pi_{t+1} + \pi_{t+2} + \pi_{t+3}]$, with expectations taken from the Michigan Survey.

Figures 5 and 6:
i) $m_t - m_{t-1}$ annualized = $4\{[\ln(M_t) - \ln(M_{t-1})] - [(\ln(LF_t) - \ln(LF_{t-1})] \}$ = 4 times the first difference of the log of nominal GDP less the first difference of the log of the labor force, with $M_t$ and $LF_t$ as in figure 1.

$ii)$ $m_t - m_{t-1}$ annualized = $4dW_t$, with $dW_t$ as in figure 3.

$iii)$ $u_t$, as in figure 4

$iv)$ log($A_t$) – log($A_{t-1}$) = productivity growth in one year, with $A_t$ in chart (5a) given by real output per hour, all persons, business sector, taken from the FRED database. The values of $A_t$ in the other charts (simulations) are as described in the text of the paper.

$v)$ $p_t = \log(CPI_t)$, with $CPI_t$ as in figure 3.

$vi)$ $(p_{t-1} - p_{t-5}) + aspirated = past\ inflation\ (CPI)\ plus\ the\ aspirated\ real\ wage\ readjustment,\ with\ this\ later\ term\ as\ discussed\ in\ section\ 5.2.$