

Data and Programs for
"Estimation and Evaluation of DSGE Models: Progress and Challenges"
Frank Schorfheide

Contact Information:

F. Schorfheide: Department of Economics, 3718 Locust Walk, University of Pennsylvania, Philadelphia, PA 19104. Email: schorf@ssc.upenn.edu.

This readme file accompanies a zip file with data and programs that contains the following subdirectories:

Preliminaries: For the DSGE model analysis:

1. Read An and Schorfheide (2007) "Bayesian Analysis of DSGE Models" Econometric Reviews, 26(2-4), 113-172 to learn about the Bayesian estimation of DSGE models.
2. Install GAUSS programs, update desired directory structure in [pathspec.g]
3. Attach file library files contained in \usersrc\ to your user library
4. Download and install procedures to solve linear rational expectations models from:
<http://www.econ.upenn.edu/~schorf> -> computing

There are several subdirectories:

Usersrc: GAUSS libraries to solve and estimate DSGE models

MIU: GAUSS procedures to analyze the DSGE model (Section 2)

VAR: GAUSS procedures to analyze the VAR with Minnesota prior (Section 2)

ExampleID: Identification example (Section 3)

MIU-DSGEVARMinn: GAUSS procedures to analyze the DSGE-VAR (Section 5.2)

A brief roadmap for the analysis:

Generating draws from prior for DSGE model: dsge_pri1, dsge_pri2, dsge_pm(select prior), dsge_hess(select prior), dsge_mh(select prior). Paramom

Generating draws from posterior for DSGE model: dsge_pm(select posterior), dsge_hess(select posterior), dsge_mh(select posterior), paramom

Figure 1: dsge_paratr, paratrdens, fig_paratrdens

Figure 2: dsge_wcinfl, wcinflmom, fic_wcinfl

Figure 3: dsge_mh(mhrun=2 for second set of draws), dsge_paratr, paratrhpdpd, fig_paratrhpdpd

Figure 4: dsge_histdecomp

Figure 5: dsge_irf, irf_pmom (make sure nu is not fixed at 3), then continue with VAR analysis

Generating draws from VAR posterior: vm_dummy, vm_mdd, vm_postdraws, vm_irf, vm_irfpmom

Figure 5 (continued): fig_irfs_v_vs_d.g

Figure 6: dsge_irf (fix nu=3, use mhrun=3 to store results), irfpmom, dsge_wcinfl (fix nu=3, use mhrun=3 to store results) wcinflmom.g, fig_irfs_welfare

Figure 7: run ExampleID programs

Figure 8: run DSGE-VAR programs