A MULTIPLE BREAK PANEL APPROACH TO ESTIMATING UNITED STATES PHILLIPS CURVES

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The data are seasonally adjusted and quarterly for the period March 1960 to June 2007 for the United States. The United States national accounts data are from the National Income and Product Account tables from the United States of America, Bureau of Economic Analysis. The data were downloaded from via the internet on the 9th October 2007.

United States Data
In file titled 'Untied States Data'

Variable	*Details*
GDP implicit price deflator at factor cost dlpfc in file	Nominal GDP at factor cost is nominal GDP (Table 1.1.5, line 2) plus subsidies (Table 1.10, line 10) less taxes (Table 1.10, line 9). GDP implicit price deflator is nominal GDP at factor cost divided by constant price GDP at 2000 prices, Table 1.1.6, line 1. Inflation is the first difference of the natural logarithm of the GDP implicit price deflator at factor cost. Note that Graph 1 shows the estimated inflation regimes multiplied by 400 to be consistent with annualised inflation data.
The Markup lmufc in file	Calculated as the natural logarithm of nominal GDP at factor cost divided by wages, salaries and supplements, Table 1.10, line 2.

The Generated Data for the Monte Carlo Analysis

The data are generated using WinRATS pro 6.2. The forcing variable, x_t, is generated as: $x_t = 0.937967\, x_{t-1} + \omega_t$ where the first observation, x_0, is zero and ω_t is a random draw from a normal distribution with mean zero and a standard error of 0.006388. The 'seed' value is: 250305.

The 'inflation' series, y_t, such that $y_t = -0.205406\, x_t + \upsilon_t$ where υ_t is a random draw from a normal distribution with a mean of zero and a standard error of 0.004753. The 'seed' value is: 171193

The mean-shift 'inflation' variable, y_t^{MS}, is: $y_t^{MS} = y_t + \mu_t^i$ where μ_t^i is the mean rate of inflation in regime *i* as reported in Table A2 of Appendix 2.

The generated data is provided in the file titled 'Monte Carlo Data'. The file contains the 10,000 simulations of three generated series. (i) x_t are identified as X(1) to X(10000) in the file; (ii) y_t are identified as Z(1) to Z(10000); and (iii) y_t^{MS} are identified as Y(1) to Y(10000).