This PDF is a selection from an out-of-print volume from the National Bureau of Economic Research

Volume Title: NBER Macroeconomics Annual 1998, volume 13

Volume Author/Editor: Ben S. Bernanke and Julio Rotemberg, editors

Volume Publisher: MIT Press

Volume ISBN: 0-262-52271-3

Volume URL: http://www.nber.org/books/bern99-1

Publication Date: January 1999

Chapter Title: Front matter, table of contents

Chapter Author: Ben S. Bernanke, Julio J. Rotemberg

Chapter URL: http://www.nber.org/chapters/c11243

Chapter pages in book: (p. -7 - 0)

NBER

Macroeconomics Annual 1998

National Bureau of Economic Research

NBER Macroeconomics Annual 1998

Editors Ben S. Bernanke and Julio J. Rotemberg

THE MIT PRESS Cambridge, Massachusetts London, England

Send orders and business information to: The MIT Press Five Cambridge Center Cambridge, MA 02142

In the United Kingdom, continental Europe, and the Middle East and Africa, send orders and business correspondence to: The MIT Press, Ltd. Fitzroy House, 11 Chenies Street London WC1E 7ET England

ISSN: 0889-3365 ISBN: hardcover 0-262-02455-1 paperback 0-262-52256-X

Copyright Information

Permission to photocopy articles for internal or personal use, or the internal or personal use of specific clients, is granted by the copyright owner for users registered with the Copyright Clearance Center (CCC) Transactional Reporting Service, provided that the fee of \$10.00 per copy is paid directly to CCC, 222 Rosewood Drive, Danvers, MA 01923. The fee code for users of the Transactional Reporting Service is: 0889-3365/98 \$10.00. For those organizations that have been granted a photocopy license with CCC, a separate system of payment has been arranged.

 $\ensuremath{\mathbbm C}$ 1999 by the National Bureau of Economic Research and the Massachusetts Institute of Technology.

NBER BOARD OF DIRECTORS BY AFFILIATION

OFFICERS

John H. Biggs, Chairman Carl F. Christ, Vice Chairman Martin Feldstein, President and Chief Executive Officer Gerald A. Polansky, Treasurer Sam Parker, Director of Finance Susan Colligan, Corporate Secretary Kelly Horak, Assistant Corporate Secretary Gerri Johnson, Assistant Corporate Secretary

DIRECTORS AT LARGE

Peter C. Aldrich Elizabeth E. Bailey John H. Biggs Andrew Brimmer Carl F. Christ Don R. Conlan Kathleen B. Cooper George C. Eads Martin Feldstein Stephen Friedman George Hatsopoulos Karen N. Horn Lawrence R. Klein John Lipsky Leo Melamed Merton H. Miller Michael H. Moskow Robert T. Parry Peter G. Peterson Richard N. Rosett Bert Seidman Kathleen P. Utgoff Marina v.N. Whitman John O. Wilson

DIRECTORS BY UNIVERSITY APPOINTMENT

George Akerlof, California, Berkeley Jagdish Bhagwati, Columbia William C. Brainard, Yale Glen G. Cain, Wisconsin Franklin Fisher, Massachusetts Institute of Technology Saul H. Hymans, Michigan Marjorie B. McElroy, Duke Joel Mokyr, Northwestern Andrew Postlewaite, Pennsylvania Nathan Rosenberg, Stanford Harold T. Shapiro, Princeton Craig Swan, Minnesota David B. Yoffie, Harvard Arnold Zellner, Chicago

DIRECTORS BY APPOINTMENT OF OTHER ORGANIZATIONS

Marcel Boyer, Canadian Economics Association Mark Drabenstott, American Agricultural Economics Association William C. Dunkelberg, National Association of Business Economists Gail D. Fosler, The Conference Board A. Ronald Gallant, American Statistical Association Robert S. Hamada, American Finance Association Rudolph A. Oswald, American Federation of Labor and Congress of Industrial Organizations Gerald A. Polansky, American Institute of Certified Public Accountants John J. Siegfried, American Economics Association Josh S. Weston, Committee for Economic Development Gavin Wright, Economic History Association

DIRECTORS EMERITI

Moses Abramovitz	Thomas D. Flynn	Geoffrey H. Moore
George T. Conklin, Jr.	Franklin A. Lindsay	James J. O'Leary
Jean A. Crockett	Paul W. McCracken	Eli Shapiro

Because this volume is a record of conference proceedings, it has been exempted from the rules governing critical review of manuscripts by the Board of Directors of the National Bureau (resolution adopted 8 June 1948, as revised 21 November 1949 and 20 April 1968).

Contents

Editorial, NBER Macroeconomics Annual 1998 1

Abstracts 7

WHY IS THE U.S. UNEMPLOYMENT RATE SO MUCH LOWER? 11 Robert Shimer COMMENTS: Richard Rogerson 61 Robert Topel 67 DISCUSSION 72

SUBSTITUTION OVER TIME: ANOTHER LOOK AT LIFE-CYCLE LABOR SUPPLY 75 Casey B. Mulligan COMMENTS: Robert E. Hall 134 Jörn-Steffen Pischke 138 DISCUSSION 151

EXCHANGE RATES AND JOBS: WHAT DO WE LEARN FROM JOB FLOWS? 153 Pierre-Olivier Gourinchas COMMENTS: David Backus 208 Russell Cooper 212 DISCUSSION 221

INVESTMENT: FUNDAMENTALS AND FINANCE 223 Simon Gilchrist and Charles Himmelberg

$vi \cdot CONTENTS$

COMMENTS: David B. Gross 262 Kenneth D. West 266 DISCUSSION 272

WHAT DO TECHNOLOGY SHOCKS DO? 275 John Shea COMMENTS: Jordi Galí 310 Adam B. Jaffe 317 DISCUSSION 320

A FRICTIONLESS VIEW OF U.S. INFLATION 323 John H. Cochrane COMMENTS: Henning Bohn 384 Michael Woodford 390 DISCUSSION 418