Table 2

Steady-state effects and welfare implications.

	Steady-state effects (%)								Welfare	
	ΔG	ΔTE	$\Delta \frac{Y^u}{Y}$	ΔY^u	ΔY^m	ΔY	ΔC	ΔK	ΔU	$\frac{Ce}{C_b}$
Tax cut	1.37	−17.7	−15.7	−12.0	7.09	4.40	7.24	6.83	3.11	1.06
Larger p	1.37	−8.24	−5.48	−5.45	0.92	0.02	−0.90	−2.17	−0.34	0.99
Mix	2.52	−24.5	−20.4	−16.8	7.91	4.42	6.47	4.99	2.85	1.05

Note: for each variable, steady-state effects are computed as percentage deviations from their benchmark counterparts. ΔG refers to fiscal revenues.