Discussion of "The Demographic Deficit"

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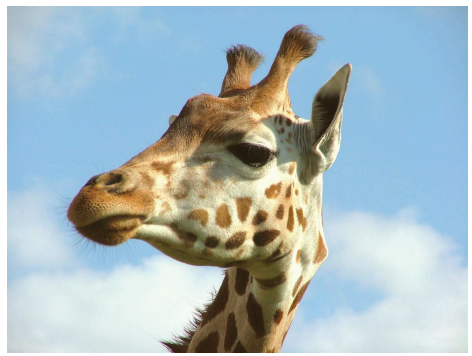

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- Lower public investment.
- Higher demand for safe assets...

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My summary: it's primarily about hours.

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Slowdown in TFP, more generally, is not easy to explain with measurement problems.

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Frisch elasticity depends on h but "leisure Frisch" constant (governed by γ only).

Historical data U.S.

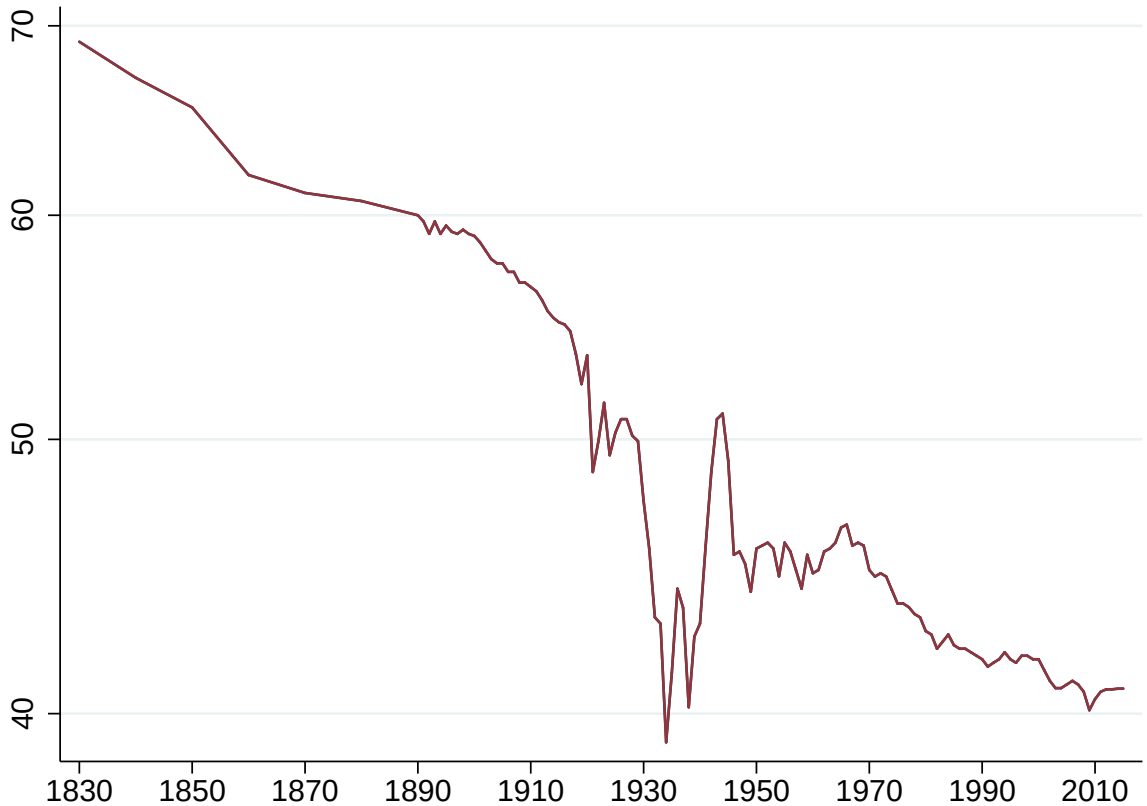

Figure 1: U.S. hours per worker

Source: Average weekly hours data for 1830–80: Whaples (1990, Table 2.1). 1890-1970: Historical Statistics of the United States: Colonial Times to 1970 (Series D765 and D803). 1970–2015: Statistical Abstract of the United States the number for nonfarm establishments. This graph shows an updates series of the data in Greenwood and Vandenbroucke (2008). Regressing the log of hours on a constant and year gives a slope coefficient of -0.00315 in the full sample (and -0.00208 for the years 1970–2015).

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Yes, with very closely related utility function, if $\sigma > 1$:

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Option to create extensive choice: $h \in \{0\} \cup [\underline{h}, 1]$ (pure non-convexity—no explicit cost).

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Results

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- Connection?