To use the replication programs, please follow these steps:

1. You need to first run the MATLAB code that produces the model results and simulations. This is done in two steps
    a. First, run the script file "model_replication.m" to produce all model results except for Figure 4 (monetary IRFs, produced in next step) and Figures 3 and A3 (produced via Stata code described below).
        i. This file will solve and simulate the model for 1000 firms that live 5000 periods. Note that this is computationally heavy and require large amount of RAM memory – on a computational server, a batch job with 28 processors takes about 1 hour.
        ii. For familiarizing oneself with the code, it would be beneficial to reduce the size of the simulations – on a standard desktop, T =500, N = 250 would generally take only a couple of minutes.
    b. To produce Figure 4, run the script file "monetary_nonneutrality.m".
        i. This file also solves and simulates the alternative nominal rigidity models "Calvo", "Menu Cost", and "Kimball"
        ii. It is similarly computationally intensive, so if you are running it on a standard desktop reduce the size of the simulation first.
2. The file "model_replication.m" produces two spreadsheets – "dp_distribution_sim.xlsx" and "hazard_cells_n200.xlsx". These spreadsheets are needed by the Stata code that reproduces Figures 3 and A.3, as those Figures juxtapose model simulations and data side-by-side.
3. Move these two spreadsheets to the folder "Empirical/data"
4. Then follow the instructions in the file "Empirical_replication_readme.pdf"