Title

Intro — Introduction to DSGE manual

Description   Remarks and examples   Also see

Description

DSGE stands for dynamic stochastic general equilibrium. DSGE models are multivariate time-series models that are used in economics, in particular, macroeconomics, for policy analysis and forecasting. These models are systems of equations that are typically derived from economic theory. As such, the parameters are often directly interpretable based on theory. DSGE models are unique in that equations in the system allow current values of variables to depend not only on past values but also on expectations of future values.

The dsgenl command estimates parameters of nonlinear DSGE models.

The dsge command estimates parameters of linear DSGE models.

Remarks and examples

We recommend that you read this manual beginning with [DSGE] **Intro 1** and then continue with the remaining introductions. In these introductions, we will introduce DSGE models, show you how to use the dsgenl and dsge commands, walk you through worked examples of classic models, and present solutions to common stumbling blocks.

[DSGE] **Intro 1** and [DSGE] **Intro 2** are essential reading. Read them first. Here you will find an overview of DSGE models, descriptions of concepts used throughout the manual, discussion of assumptions, a first worked example, and an introduction to the syntax.

[DSGE] **Intro 1**	Introduction to DSGEs
[DSGE] **Intro 2**	Learning the syntax

[DSGE] **Intro 3** focuses on classical DSGE models. It includes a series of examples that illustrate model solution, model estimation, and postestimation procedures for simple variants of common models.

[DSGE] **Intro 3**	Classic DSGE examples
[DSGE] **Intro 3a**	New Keynesian model
[DSGE] **Intro 3b**	New Classical model
[DSGE] **Intro 3c**	Financial frictions model
[DSGE] **Intro 3d**	Nonlinear New Keynesian model
[DSGE] **Intro 3e**	Nonlinear New Classical model
[DSGE] **Intro 3f**	Stochastic growth model

[DSGE] **Intro 4** discusses some features commonly found in DSGE models and how to specify models with those features to dsge and dsgenl. The structural equations of the DSGE model must have a specific structure so that the model can be solved. Often, DSGE models are written using intuitive forms that do not have this structure. These intuitive forms can be rewritten in a logically equivalent form that has the structure required for solution. [DSGE] **Intro 4** provides an overview of this topic and examples demonstrating solutions.

[DSGE] **Intro 5**–[DSGE] **Intro 8** discuss technical issues. These introductions are essential reading, even though they are last.

[DSGE] **Intro 9**, [DSGE] **Intro 9a**, and [DSGE] **Intro 9b** discuss Bayesian estimation.

The main command entries are references for syntax and implementation details. All the examples are in the introductions discussed above.

Also see

[DSGE] **Intro 1** — Introduction to DSGEs