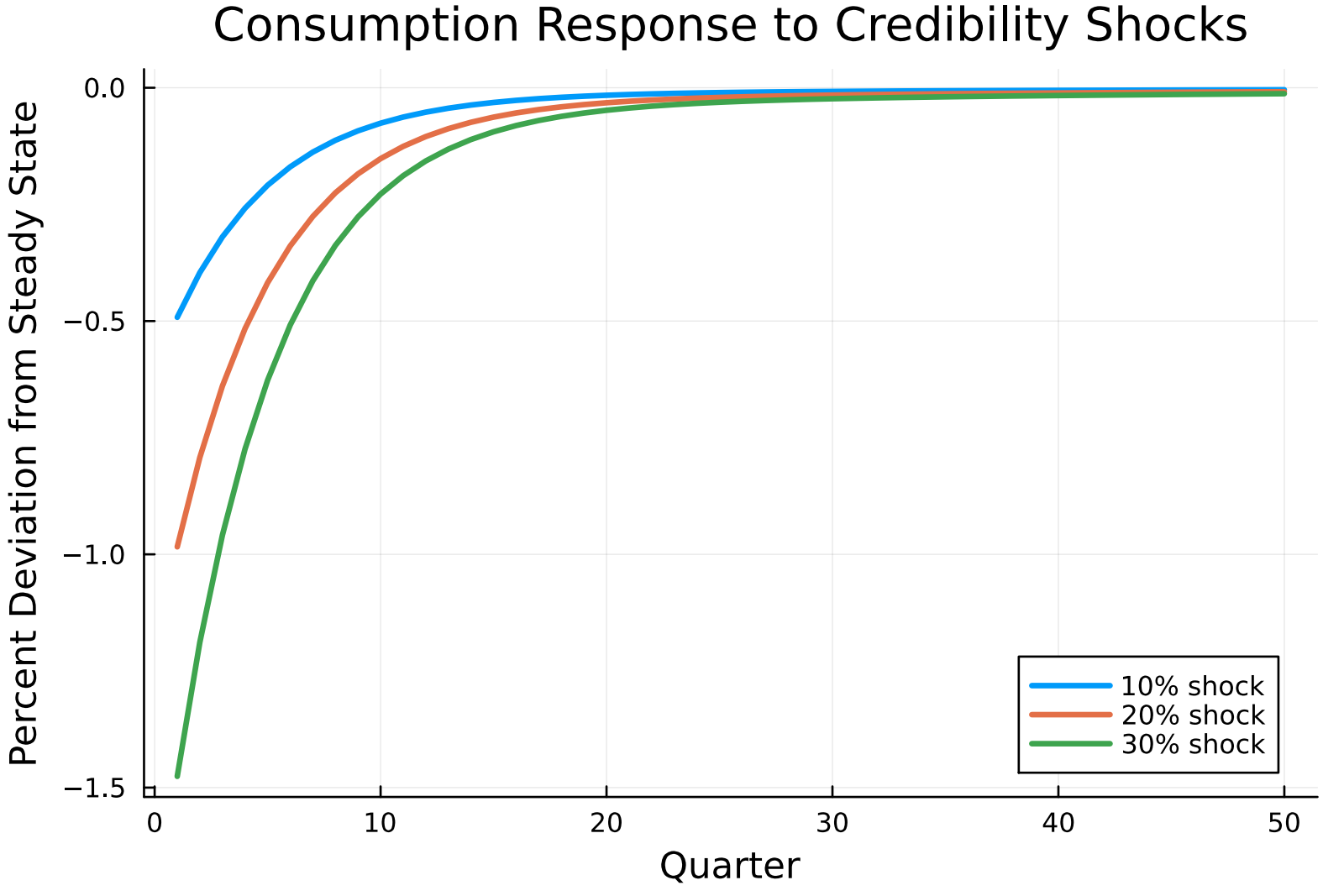
Consumption Response to Credibility Shocks
Percent Deviation from Steady State
0.0
−0.5
−1.0
−1.5
0
10
20
30
40
50
Quarter
10% shock
20% shock
30% shock