Table 1: Endogenous

Variable	LaTeX	Description
C	C	Total consumption
cm	c_M	Market consumption
ch	c_H	Home consumption
l	l	Leisure
hm	h_M	Market hours
hh	h_H	Home hours
k	k	Total capital
km	k_M	Market capital
kh	k_H	Home capital
x	x	Total investment
xm	x_M	Market investment
xh	x_H	Home investment
r	r	Rental rate
T	T	Lump sum transfer
w	w	Wage
y	y	Output
zm	z_M	Market technology
zh	z_H	Home technology

Table 2: Exogenous

Variable	LaTeX	Description
eh	ϵ_H	Home innovation
em	ϵ_M	Market innovation

Table 3: Parameters

Variable	LaTeX	Description
a	a	Share of market consumption
b	b	Weight factor of consumption vis-a-vis leisure
e	e	Willingness to substitute between kinds of consumption
beta	β	Discount factor
delta_m	δ_M	Depreciation rate on business capital
delta_h	δ_H	Depreciation rate on household capital
eta	η	Capital share in the home
lambda	λ	Growth rate of endogenous variables
rho_h	ρ_H	Persistence of market technology shock
rho_m	ρ_M	Persistence of home technology shock
tau_k	τ_k	Tax rate on capital income
tau_h	τ_h	Tax rate on labour income
theta	θ	Capital share in the market
sigma_m	σ_M	Standard deviation of innovations in the market
sigma_h	σ_H	Standard deviation of innovations in the household
gamma	γ	Incentive to move activity between home and market
psi	ψ	Willingness to substitute between capital and time

Table 4: Parameter Values

Parameter	Value	Description
a	0.595	Share of market consumption
b	0.665	Weight factor of consumption vis-a-vis leisure
e	0.667	Willingness to substitute between kinds of consumption
β	0.990	Discount factor
δ_M	0.024	Depreciation rate on business capital
δ_H	0.024	Depreciation rate on household capital
η	0.325	Capital share in the home
λ	1.005	Growth rate of endogenous variables
ρ_H	0.950	Persistence of market technology shock
ρ_M	0.950	Persistence of home technology shock

Table 4 – Continued

Parameter	Value	Description
τ_k	0.700	Tax rate on capital income
τ_h	0.250	Tax rate on labour income
θ	0.294	Capital share in the market
σ_M	0.010	Standard deviation of innovations in the market
σ_H	0.010	Standard deviation of innovations in the household
γ	0.990	Incentive to move activity between home and market
ψ	-0.040	Willingness to substitute between capital and time