Introduction to IRIS and Models of Potential Output

You can make a PDF of this M-file by typing

```
latex.publish('README.m');
```

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Prerequisites

The user is assumed to have:

- Matlab – Version R2008b or higher.
- MiKTeX – A free typesetting system required for report generation. Please visit www.miktex.org for more information. Please choose the full installation.
- The IRIS Toolbox – A copy is included with these materials. For more information, please visit www.iris-toolbox.com.

Organization

The materials in this package are organized as follows:

- `IRIS` – A copy of the IRIS toolbox.
- `Presentation` – The directory contains a presentation of a multivariate filter for estimating potential output. Please see "Estimating Potential Output with a Multivariate Filter", IMF Working Paper No. 10/285, available at www.imf.org. The presentation also includes a brief introduction to the IRIS toolbox.
- `IntroToIRIS` – The directory contains a more detailed introduction to the IRIS toolbox through sample codes.

The remaining directories pertain to the model of potential output:

- `MODEL` – Presents the basic model codes. Please consult the `README.pdf` contained therein.
- `Example1` – How to change priors on parameter values in the basic model. See the `README.pdf`.
- `Example2` – How to add a hard prior on unobservable variables. See `README.pdf`.
- `Example3` – How to add a soft prior on unobservable variables. See `README.pdf`.
- `PAPER` – The version of the codes and data necessary to reproduce the results from "Estimating Potential Output with a Multivariate Filter", IMF Working Paper No. 10/285. See `README.pdf`.
- `PAPER_RESULTS` – For those users not interested in running the model, we are providing the paper results in CSV format.
- `LABOR` – An extension of the basic model where potential output is explictly modeled as a function of trend productivity (output per worker) and trend employment. See the appendix of `Presentation/INTRO.pdf` and `README.pdf`.
- `Extras` – An example of experimenting with multiple parameterizations of a model using IRIS.