Appendix for “Fiscal Adjustment to Monetary Shocks”

A Tables and Figures

Table A.1: Calibration

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Target</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>$i^*$</td>
<td>0.005</td>
<td>Sample mean</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Annual: 6%</td>
</tr>
<tr>
<td>$\pi^*$</td>
<td>0.004</td>
<td>Sample mean</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Annual: 4%</td>
</tr>
<tr>
<td>$g^<em>/d^</em>$</td>
<td>0.045</td>
<td>Average spending to debt ratio</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Annual: 54%</td>
</tr>
<tr>
<td>$t^<em>/d^</em>$</td>
<td>0.047</td>
<td>Steady state budget constraint</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Annual: 57%</td>
</tr>
<tr>
<td>$\rho$</td>
<td>0.978</td>
<td>Weighted average maturity of debt</td>
</tr>
<tr>
<td></td>
<td></td>
<td>45 months</td>
</tr>
<tr>
<td>$\tau$</td>
<td>1.358</td>
<td>Response of receipts</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Elasticity of taxes with respect to output</td>
</tr>
</tbody>
</table>

Figure A.1: An Example of the data

Table FFO-1: Summary of Fiscal Operations

(see table)
Figure A.2: Results with a year of lags as controls

(a) Receipts

(b) Outlays excl. interest payments

(c) Interest payments

(d) Debt

(e) Primary surplus

(f) Budget surplus

Note: response to a 100 basis point increase in the FFR target. The grey area is the 95% confidence interval with HAC standard errors. Time is in months.
Figure A.3: Results with Coibion et al. (2017) shocks

(a) Receipts  
(b) Outlays excl. interest payments  
(c) Interest payments  
(d) Debt  
(e) Primary surplus  
(f) Total surplus

Note: response to a 100 basis point increase in the FFR target. The grey area is the 95% confidence interval with HAC standard errors. Time is in months.
Figure A.4: Results including state and local governments

(a) Receipts
(b) Outlays excl. interest payments
(c) Interest payments
(d) Debt

Note: response to a 100 basis point increase in the FFR target. Lines are point estimates. The grey area is the 95% confidence interval with HAC standard errors, for the general government sector. Time is in quarters. Data series for general government: (a) total receipts (NIPA), (b) total expenditures minus interest payments (NIPA), (c) interest payments (NIPA), (d) consolidated total liabilities of the general government (Flow of Funds).
Figure A.5: Receipts response with controls

(a) No controls, quarterly  

(b) Exogenous tax changes

(c) Endogenous tax changes  

(d) Industrial production

Note: response to a 100 basis point increase in the FFR target. The grey area is the 95% confidence interval with HAC standard errors. Time is in months.
B Data Sources

The exact terminology fluctuated over the years. When it did, I checked the underlying accounting concept stayed the same by comparing values for overlapping dates.

Receipts. *Treasury Bulletin* until October 1980 (February or March edition); table: “Summary of Fiscal Operations” (FF0-1); column: “Net receipts” or “Net budget receipts”. *Monthly Treasury Statement* from October 1980; available in Excel format from: [https://fiscal.treasury.gov/reports-statements/mts/current.html](https://fiscal.treasury.gov/reports-statements/mts/current.html); column B.


Interest paid by the Treasury: *Treasury Bulletin*; table: “Budget Outlays by Agencies” (table FF0-3); column: “Department of the Treasury - Interest on the public debt”.


Federal debt in the hands of the public: *Treasury Bulletin*; table: “Summary of Federal Debt” (FD-1); column: “Securities held by the public - Total”.


Social insurance taxes: see income taxes. Column: “Net social insurance and retirement receipts”.

Legislated tax changes: Romer and Romer (2010). I use the measure that includes retroactive tax changes.

Greenbook forecasts: online appendices of Coibion et al. (2017) and Croushore and van Norden (2018).

Others: FRED.