LECTURE 15
FISCAL POLICY IN THE GREAT RECESSION

MARCH 14, 2013

I. OVERVIEW OF FISCAL POLICY IN THE GREAT RECESSION
   A. Economic Stimulus Act of 2008
   B. American Recovery and Reinvestment Act of 2009
   C. Subsequent stimulus measures
   D. Recent fiscal actions

II. ESTIMATING THE IMPACT OF THE 2008 TAX REBATE
   A. Expected effects
   B. Taylor’s test
      1. Evidence
      2. Evaluating Taylor’s approach
   C. Another test
   D. Discussion

III. ESTIMATED IMPACT OF THE RECOVERY ACT
   A. Reasons to expect the effects to be larger or smaller than usual
   B. Comparison to a statistical baseline
      1. The approach
      2. Strengths and weaknesses
   C. Cross-country evidence
      1. The approach
      2. Strengths and weaknesses
   D. A natural experiment
      1. The approach
      2. Strengths and weaknesses