

Replication files for ‘One Size Fits All? Monetary Policy and Asymmetric Household Debt Cycles in US States’

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1. Run **1_Import_data.do** file to import and transform the data (both aggregate and state-level). It creates two main datasets:
 - a. **US_data.dta**: data at the US aggregate level to estimate the Taylor rules
 - b. **States_data.dta**: data for the 30 US states
2. Run **2_Estimate_Taylor.do** file to first estimate the Taylor rule for the US aggregate and then apply the estimated coefficients to the US states to generate the MPSG. This file is also used to estimate the alternative specifications for the robustness checks (see point 4 below):
 - a. **Lines 1-101**: benchmark specification (also creates Figures 4-5 in the paper)
 - b. **Lines 107-172**: shadow rate
 - c. **Lines 178-262**: financial cycle
 - d. **Lines 268-334**: unemployment gap
 - e. **Lines 344-399**: actual data
3. The **3_LP.do** file computes the main LPs results, together with some additional figures shown in the paper, more specifically:
 - a. Figures 6-9
 - b. Figures B.14-18, and Figures B.20-21.
4. To compute the IRF for the robustness checks in Section 6, follow this sequence:
 - a. Run first **2_Estimate_Taylor.do** to estimate the Taylor rule and compute the MPSG for the selected specification.
 - b. Run **4_LP_robust.do**. to compute the IRF for the selected specification.
 - c. Run **5_Fig_robust.do** to rename the variables and save the dataset with the selected specification.
 - d. Re-run steps a-c for all specifications (including the benchmark).
 - e. Run lines 174-232 of **5_Fig_robust.do** to produce Figures 10-12.
5. **Other fig&tab.do** file generates Figure 1, 3, B.13, B.19, B.22; Table 1, and A.1 in the main paper. It also creates Figures 2-4 and Table 1 in the Online Appendix.