Read Me File for “Does the Government Spending Multiplier Depend on the Business Cycle?”

**Data**

* data\_switching\_series.txt includes the set of state variables used in the paper and online appendix.
* data\_macro\_series.txt includes the set of macroeconomic variables used in the paper and online appendix
* data\_actual\_series.m includes the set of fiscal variables used in the paper and online appendix
* data\_ramey\_0.m includes Ramey’s news shocks in the paper and online appendix

**Files**

* code\_fullsample.m generates multiplier estimates and standard errors for **Table 1** using linear IRFs (LIRFs)
* code\_ramey.m generates multiplier estimates and standard errors for **Table 1** using linear IRFs (LIRFs) with Ramey’s news shocks
* Girfs\_AG generates multiplier estimates as well as the estimate of the difference between recessionary and expansionary multipliers for **Table 1** using Generalized IRFs (GIRFs)
* Girfs\_AG\_Ramey generates multiplier estimates as well as the estimate of the difference between recessionary and expansionary multipliers for **Table 1** using Generalized IRFs (GIRFs) with Ramey’s news shocks
* Bayesian\_STVAR\_Model\_centered\_7Q.m generates multiplier estimates for **Table 2** using linear IRFs (LIRFs) based on a centered 7Q MA of the real GDP growth rate using Cholesky and Sign restrictions for identification.
* Bayesian\_STVAR\_Model\_backward\_4Q generates multiplier estimates for **Table 2** using linear IRFs (LIRFs) based on a backward 4Q MA of the real GDP growth rate using Cholesky and Sign restrictions for identification.
* Bayesian\_STVAR\_Model\_Ramey\_centered\_7Q.m generates multiplier estimates for **Table 2** using linear IRFs (LIRFs) based on a centered 7Q MA of the real GDP growth rate using Ramey’s narrative method for identification.
* Bayesian\_STVAR\_Model\_Ramey\_backward\_4Q generates multiplier estimates for **Table 2** using linear IRFs (LIRFs) based on a backward 4Q MA of the real GDP growth rate using Ramey’s narrative method for identification.
* BAYESIAN\_GIRFs\_SR\_centered\_7Q.m generates multiplier estimates for **Table 2** using generalized IRFs (GIRFs) based on a centered 7Q MA of the real GDP growth rate using sign restrictions for identification.[[1]](#footnote-2)
* BAYESIAN\_GIRFs\_SR\_backward\_4Q.m generates multiplier estimates for **Table 2** using generalized IRFs (GIRFs) based on a backward 4Q MA of the real GDP growth rate using sign restrictions for identification.
* BAYESIAN\_GIRFs\_Recursive\_backward.m generates multiplier estimates for **Table 2** using generalized IRFs (GIRFs rate using Cholesky for identification.
* BAYESIAN\_GIRFs\_Narrative\_backward.m generates multiplier estimates for **Table 2** using generalized IRFs (GIRFs) using Ramey’s narrative method for identification.
* Scalarposteriors.m generates figures A1 and A2 in the online appendix.
* Figure\_F\_Info\_Content.m generates figure B3 in the online appendix.

1. We recommended using a high-performance computing cluster to generate the GIRF multipliers with sign restrictions. We used the Keeling cluster from the Applied Technologies for Learning in the Arts & Sciences at the University of Illinois Urbana-Champaign. [↑](#footnote-ref-2)