

VFCI Business Cycle VAR IRFs

Adding VFCI to VAR

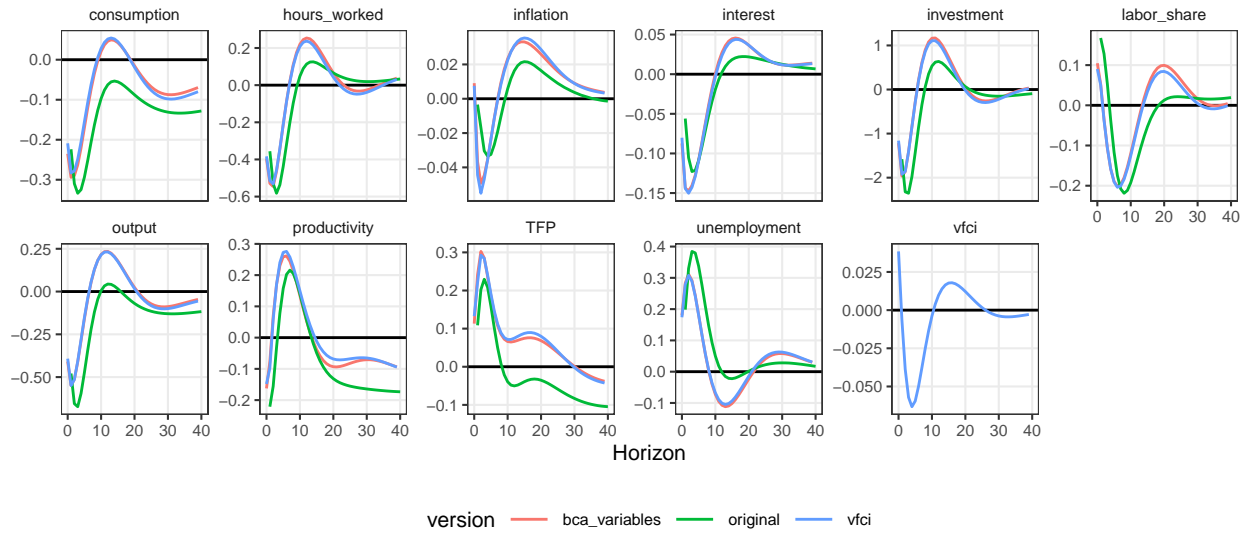
All VARs are identified by targetting unemployment in the business cycle frequency.

Comparing here three VARs:

- original: 10 variables, BCA sample
- bca_variables: 10 variables, vfc sample
- vfc: 11 variables, vfc sample

The original BCA paper uses data from 1955 to 2017. The new vfc data uses a sample from 1962-01-01 to 2022-07-01.

Adding in the vfc series does not change much for the 10 variables already in the VAR. The change in the sample does have an impact, but all of the impulse response are still similar to before.



Targetting VFCI Instead

