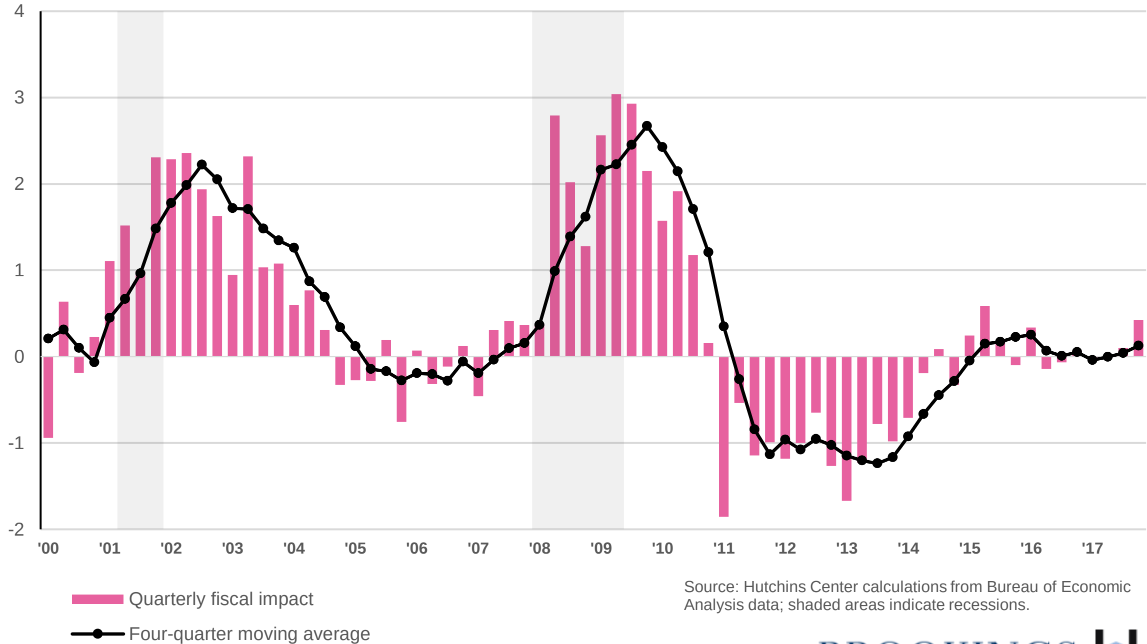
Hutchins Center Fiscal Impact Measure: Total

Contribution of Fiscal Policy to Real GDP Growth (percentage points)

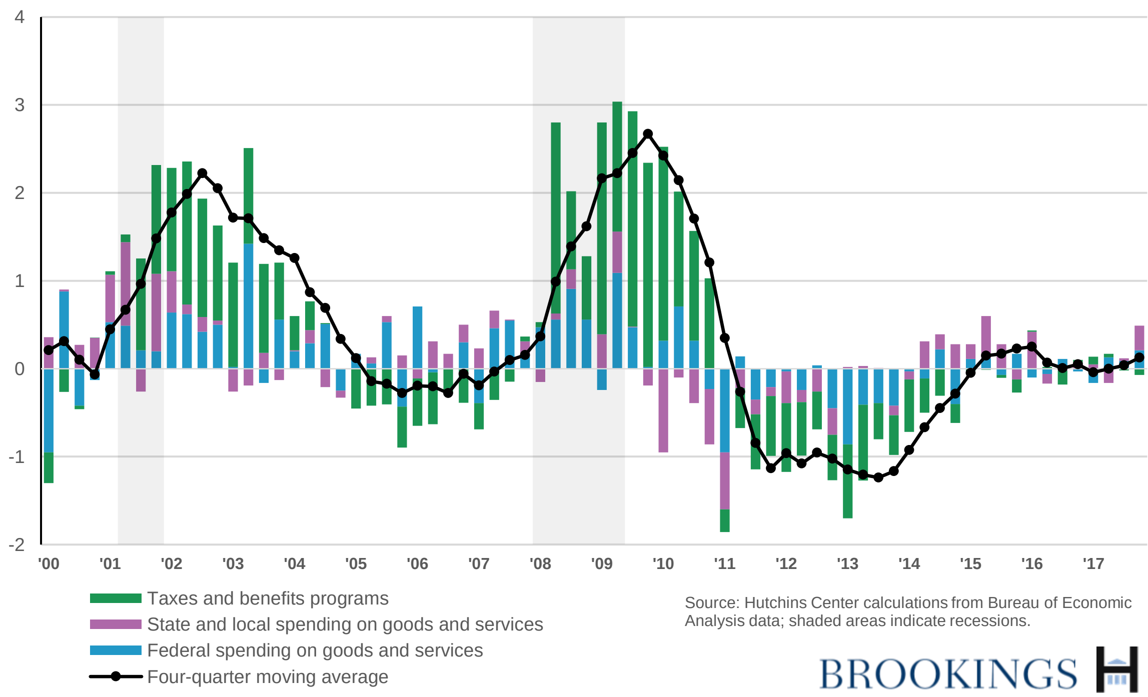


Source: Hutchins Center calculations from Bureau of Economic Analysis data; shaded areas indicate recessions.

BROOKINGS

Hutchins Center Fiscal Impact Measure: Components

Contribution of Fiscal Policy to Real GDP Growth (percentage points)



Source: Hutchins Center calculations from Bureau of Economic Analysis data; shaded areas indicate recessions.

BROOKINGS

The fiscal impact measure shows how much federal, state, and local government taxes and spending added to or subtracted from the overall pace of economic growth. Between 2008 and 2011, fiscal impact was positive, indicating that government policy was stimulative. For several subsequent years, the fiscal impact was negative, indicating a restraint on growth. For the past couple of years, government spending and taxes were close to neutral, neither stimulating nor restraining growth.
[For more on the methodology, see here.] [For the Hutchins Center Fiscal Impact Measure, see here.]

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