We recently updated the Hutchins Center Fiscal Impact Measure (FIM) with the latest government data. The FIM is a tool created by experts with the Hutchins Center to illustrate how much fiscal policy adds to or subtracts from overall economic growth.

[View the updated FIM](https://www.brookings.edu/interactives/hutchins-center-fiscal-impact-measure/?preview_id=364199&preview_nonce=fd0e1ab9b9&_thumbnail_id=364263&preview=true&language_slug=en)

According to the latest reading, federal, state and local fiscal policies added to the pace of economic growth in the second quarter. Fiscal policy at all levels of government contributed 0.6 percentage points to GDP growth in the second quarter, its highest contribution in over two years.

The FIM now sits above what we estimate to be neutral—that is, the level at which fiscal policy’s contribution to GDP is in line with potential real GDP growth. While we expect the FIM to be positive, on average, the most recent reading suggests federal policies are providing additional stimulus to the economy beyond what is consistent with trend growth.

Want to know more about the FIM? Read an [explainer from Louise Sheiner on the methodology](https://www.brookings.edu/research/the-hutchins-centers-fiscal-impact-measure/?utm_campaign=Hutchins%20Center&utm_source=hs_email&utm_medium=email&utm_content=54810632).

Sincerely,

David Wessel

Director, Hutchins Center on Fiscal and Monetary Policy at Brookings