

Macro Roundup Article

Headline: [Moonshot: Public R&D; and Growth](#)

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Summary: Figure 1 shows that the ambitious mission to send a manned crew to the Moon led to a massive expansion of federal investment in R&D – NASA received over 0.7 percent of GDP at the peak of the Space Race. Space Race spending was economically large so we might expect local effects through a fiscal multiplier channel even without technological spillovers. We compare the fiscal multiplier for NASA contractor spending implied by our estimates to the literature to get a sense of this. We find that R&D contractor spending on the Space Race had a similar impact as typical government expenditures. There is no credible empirical estimate of the space mission's contribution to economic growth. The magnitudes of the estimated effects seem to align with those of other non-R&D types of government expenditures.

Primary Topic: Investment

Topics: Academic paper, Database, Fiscal Policy, Government Spending, Investment, Productivity

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