

TABLE 6—EXPLAINING THE D-R GROWTH GAP

| Shock   | Sample period     | Total D-R gap | Explained D-R gap             |                     |
|---|-------------------|---------------|-------------------------------|---------------------|
|   |                   |               | Distributed lag specification |                     |
|   |                   |               | Common                        | Party-specific      |
| <i>Panel A. Oil</i>   |                   |               |                               |                     |
| Prices (Hamilton)   | 1949:II–2013:I    | 1.79 (0.64)   | 0.49 (0.10)                   | 0.51 (0.11) [0.72]  |
| Quantities (Kilian)   | 1972:III–2004:III | 0.81 (0.75)   | 0.21 (0.19)                   | 0.40 (0.18) [0.00]  |
| <i>Panel B. Productivity</i>                                      |                   |               |                               |                     |
| TFP (util. adj., Fernald)   | 1949:II–2013:I    | 1.79 (0.64)   | 0.05 (0.02)                   | 0.05 (0.02) [0.65]  |
| Labor prod. (LR-VAR)  | 1950:III–2013:I   | 1.72 (0.62)   | 0.20 (0.08)                   | 0.16 (0.07) [0.07]  |
| TFP (LR-VAR)  | 1950:III–2013:I   | 1.72 (0.62)   | 0.29 (0.05)                   | 0.29 (0.05) [0.99]  |
| TFP (util. adj. by authors)                                       | 1950:III–2013:I   | 1.72 (0.62)   | 0.50 (0.07)                   | 0.50 (0.07) [0.15]  |
| <i>Panel C. Defense spending</i>                                  |                   |               |                               |                     |
| Ramey   | 1949:II–2013:I    | 1.79 (0.64)   | 0.21 (0.04)                   | −0.04 (0.44) [0.70] |
| Fisher-Peters   | 1949:II– 2008:IV  | 2.12 (0.65)   | 0.02 (0.06)                   | 0.02 (0.05) [0.59]  |
| <i>Panel D. International</i>                                     |                   |               |                               |                     |
| GDP growth Europe   | 1963:IV–2013:I    | 1.18 (0.65)   | 0.03 (0.16)                   | 0.04 (0.15) [0.27]  |
| Exchange rates  | 1975:IV–2013:I    | 0.64 (0.69)   | 0.00 (0.06)                   | −0.04 (0.07) [0.01] |
| <i>Panel E. Taxes</i>   |                   |               |                               |                     |
| Romer and Romer   | 1949:II–2007:IV   | 1.97 (0.64)   | 0.01 (0.06)                   | −0.01 (0.04) [0.17] |
| <i>Panel F. Monetary policy</i>                                   |                   |               |                               |                     |
| Romer and Romer   | 1970:III–1996:IV  | 0.47 (0.95)   | −0.09 (0.17)                  | −0.15 (0.13) [0.43] |
| SVAR (Sims and Zha)   | 1961:I–2003:I     | 1.49 (0.70)   | 0.05 (0.13)                   | −0.10 (0.12) [0.03] |
| SVAR (authors)  | 1957:II–2008:IV   | 1.77 (0.64)   | −0.23 (0.12)                  | −0.32 (0.12) [0.20] |
| <i>Panel G. Interest rates and loan surveys</i>                   |                   |               |                               |                     |
| Baa-Aaa spread  | 1950:I–2013:I     | 1.91 (0.67)   | 0.25 (0.18)                   | 0.17 (0.19) [0.00]  |
| GZ spread   | 1975:III–2012:IV  | 0.60 (0.70)   | 0.51 (0.21)                   | 0.34 (0.16) [0.10]  |
| TED spread  | 1973:III–2013:I   | 0.90 (0.69)   | 0.16 (0.07)                   | 0.03 (0.07) [0.00]  |
| FRB SLOOS   | 1972:III–2013:I   | 0.74 (0.67)   | −0.11 (0.08)                  | −0.08 (0.07) [0.00] |
| <i>Panel H. Consumer sentiment, expectations, and uncertainty</i> |                   |               |                               |                     |
| Consumer sentiment  | 1962:III–2013:I   | 1.24 (0.64)   | 0.05 (0.05)                   | 0.04 (0.05) [0.05]  |
| Consumer expectations   | 1962:III–2013:I   | 1.24 (0.64)   | 0.23 (0.11)                   | 0.17 (0.10) [0.08]  |
| Uncertainty Index (BBD)   | 1950:I–2013:IV    | 1.91 (0.67)   | −0.13 (0.06)                  | −0.14 (0.06) [0.19] |
| Uncertainty Index (JLN)   | 1963:I–2013:IV    | 1.26 (0.64)   | 0.18 (0.09)                   | 0.17 (0.09) [0.27]  |