Table 4

Fiscal Multiplier, Effect of d.CAPB, IV Estimates (binary IV), Booms versus Slumps

Deviation in log real GDP (relative to Year 0, × 100)						
	(1) Year 1	(2) Year 2	(3) Year 3	(4) Year 4	(5) Year 5	(6) Sum
Fiscal multiplier, $y^C > 0$, boom	−0.34	−0.32	−0.13	−0.59	−0.81	−1.36
	(0.33)	(0.50)	(0.51)	(0.52)	(0.59)	(1.78)
First stage F-statistic	11.60	10.22	8.16	11.67	11.87	11.87
Observations	222	205	192	180	175	175
Fiscal multiplier, $y^C \leq 0$, slump	−0.25	−0.76***	−0.95***	−0.79**	−0.93*	−3.35**
	(0.15)	(0.25)	(0.31)	(0.33)	(0.45)	(1.19)
First stage F-statistic	32.45	32.45	27.74	28.34	28.10	28.10
Observations	235	235	231	226	214	214

Horizon	
(1)	Number of obs = 222 ly1 | Coef. Robust Std. Err. z P>|z| [95% Conf. Interval] fAA | -.3364402 .3020982 -1.11 0.265 -.9285417 .2556613 Weak identification test (Cragg-Donald Wald F statistic): 10.448 (Kleibergen-Paap rk Wald F statistic): 11.602 Number of obs = 235 fAA | -.2467068 .1376605 -1.79 0.073 -.5165163 .0231028 Weak identification test (Cragg-Donald Wald F statistic): 40.007 (Kleibergen-Paap rk Wald F statistic): 32.446
(2)	Number of obs = 205 fAA | -.3212279 .4642084 -0.69 0.489 -1.23106 .5886038 Weak identification test (Cragg-Donald Wald F statistic): 8.859 (Kleibergen-Paap rk Wald F statistic): 10.217 Number of obs = 235 fAA | -.7592792 .2308218 -3.29 0.001 -1.211682 -.3068767 Weak identification test (Cragg-Donald Wald F statistic): 40.007 (Kleibergen-Paap rk Wald F statistic): 32.446
(3)	Number of obs = 192 fAA | -.1283532 .4660857 -0.28 0.783 -1.041864 .785158 Weak identification test (Cragg-Donald Wald F statistic): 8.642 (Kleibergen-Paap rk Wald F statistic): 8.162 Number of obs = 231 fAA | -.9478581 .2870965 -3.30 0.001 -1.510557 -.3851593 Weak identification test (Cragg-Donald Wald F statistic): 36.423 (Kleibergen-Paap rk Wald F statistic): 27.741

(4)	Number of obs = 180 fAA | -.5907066 .4731726 -1.25 0.212 -1.518108 .3366946 Weak identification test (Cragg-Donald Wald F statistic): 9.642 (Kleibergen-Paap rk Wald F statistic): 11.669 Number of obs = 226 fAA | -.7901855 .3058553 -2.58 0.010 -1.389651 -.1907201 Weak identification test (Cragg-Donald Wald F statistic): 41.698 (Kleibergen-Paap rk Wald F statistic): 28.345
(5)	Number of obs = 175 fAA | -.8103212 .5397478 -1.50 0.133 -1.868208 .247565 Weak identification test (Cragg-Donald Wald F statistic): 9.892 (Kleibergen-Paap rk Wald F statistic): 11.867 Number of obs = 214 fAA | -.9263745 .4176029 -2.22 0.027 -1.744861 -.1078878 Weak identification test (Cragg-Donald Wald F statistic): 41.867 (Kleibergen-Paap rk Wald F statistic): 28.104
sum (6)	Number of obs = 175 fAA | -1.363188 1.624715 -0.84 0.401 -4.547571 1.821194 Weak identification test (Cragg-Donald Wald F statistic): 9.892 (Kleibergen-Paap rk Wald F statistic): 11.867 Number of obs = 214 fAA | -3.351519 1.099076 -3.05 0.002 -5.505668 -1.19737 Weak identification test (Cragg-Donald Wald F statistic): 41.867 (Kleibergen-Paap rk Wald F statistic): 28.104