

Table 7
Fiscal Treatment Regression, Pooled Probit Estimators (average marginal effects)

Probit model of treatment at time $t + 1$ (fiscal consolidation event)				
Model	(1)	(2)	(3)	(4)
Public debt/GDP (t)	0.33*** (0.073)	0.28*** (0.073)	0.12* (0.064)	0.11* (0.064)
Cyclical component of log y (t) (y^C)		-0.026** (0.011)	-0.012 (0.009)	
Growth rate of output (t)		-0.030** (0.012)		-0.024** (0.010)
Treatment (t)			0.41*** (0.020)	0.41*** (0.019)
Observations	457	457	457	457
Classification test: AUC	0.61 (0.03)	0.66 (0.03)	0.81 (0.02)	0.82 (0.02)

Notes. Standard errors in parentheses. ***/**/* Indicate $p < 0.01/0.05/0.10$. y^C is the cyclical component of log y (log real GDP), from HP filter with $\lambda = 100$. AUC is the area under CCF curve. $AUC \in [0.5, 1]$; $H_0: AUC = 0.5$. See text.

Column (1)

	Delta-method				
	dy/dx	Std. Err.	z	P> z	[95% Conf. Interval]
debtgdp	.3282209	.0734062	4.47	0.000	.1843475 .4720944
Obs	ROC Area	Std. Err.	-Asymptotic Normal-- [95% Conf. Interval]		
487	0.6134	0.0267	0.56099	0.66581	

Column (2)

	Delta-method				
	dy/dx	Std. Err.	z	P> z	[95% Conf. Interval]
debtgdp	.2834388	.073077	3.88	0.000	.1402106 .4266671
hply	-.0260771	.0107575	-2.42	0.015	-.0471614 -.0049928
dly	-.0299928	.011714	-2.56	0.010	-.0529519 -.0070337
Obs	ROC Area	Std. Err.	-Asymptotic Normal-- [95% Conf. Interval]		
487	0.6570	0.0261	0.60578	0.70819	

Column (3)

	Delta-method				
	dy/dx	Std. Err.	z	P> z	[95% Conf. Interval]
debtgdp	.1153461	.0644954	1.79	0.074	-.0110626 .2417549
hply	-.0119242	.0090105	-1.32	0.186	-.0295845 .0057362
treatment	.4131704	.0203286	20.32	0.000	.373327 .4530138
Obs	ROC Area	Std. Err.	-Asymptotic Normal-- [95% Conf. Interval]		
487	0.8050	0.0222	0.76141	0.84853	

Column (4)

	Delta-method				
	dy/dx	Std. Err.	z	P> z	[95% Conf. Interval]
debtgdp	.1126234	.0641247	1.76	0.079	-.0130588 .2383055
dly	-.0240249	.0097442	-2.47	0.014	-.0431231 -.0049266
treatment	.4125618	.0194066	21.26	0.000	.3745256 .4505979
Obs	ROC Area	Std. Err.	-Asymptotic Normal-- [95% Conf. Interval]		
487	0.8155	0.0219	0.77257	0.85835	