Table 1

Fiscal Multiplier, Effect of d.CAPB, OLS Estimates

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, full sample	0.11** (0.04)	0.12** (0.05)	−0.04 (0.04)	−0.21*** (0.07)	−0.32** (0.12)	−0.42** (0.16)
Fiscal multiplier, large change in CAPB (>1.5%)	0.12** (0.04)	0.13** (0.05)	−0.04 (0.04)	−0.23*** (0.07)	−0.33** (0.12)	−0.41* (0.19)
Fiscal multiplier, small change in CAPB (≤1.5%)	0.06 (0.07)	0.11 (0.15)	0.03 (0.14)	−0.07 (0.19)	−0.23 (0.28)	−0.53 (0.50)
Observations	457	440	423	406	389	389

Notes. Standard errors (clustered by country) in parentheses. ***/**/* Indicate p < 0.01/0.05/0.10. Additional controls: cyclical component of *y*, two lags of change in *y*, country fixed effects.

Horizon (1)

```
Number of obs      =       457
------------------------------------------------------------------------------
             |               Robust
         ly1 |      Coef.   Std. Err.      t    P>|t|     [95% Conf. Interval]
-------------+----------------------------------------------------------------
         fAA |   .1148758   .0403991     2.84   0.012     .0292337    .200518
-------------+----------------------------------------------------------------
       smfAA |   .0562097   .0734119     0.77   0.455    -.0994165    .2118359
       lgfAA |   .1237715   .0438159     2.82   0.012     .0308861    .216657
```

(2)

```
Number of obs      =       440
-------------+----------------------------------------------------------------
         fAA |   .1239696   .0521561     2.38   0.030     .0134037    .2345355
-------------+----------------------------------------------------------------
       smfAA |   .1083591   .1492654     0.73   0.478    -.2080695    .4247876
       lgfAA |   .1263152   .0534039     2.37   0.031     .0131039    .2395265
```

(3)

```
Number of obs      =       423
-------------+----------------------------------------------------------------
         fAA |  -.0350636   .0369413    -0.95   0.357    -.1133757    .0432486
-------------+----------------------------------------------------------------
       smfAA |   .0288546   .1428788     0.20   0.843    -.2740349    .3317441
       lgfAA |  -.0444405   .0423366    -1.05   0.309      -.13419    .0453091
```

(4)

```
Number of obs      =       406
-------------+----------------------------------------------------------------
         fAA |  -.2053227   .0701557    -2.93   0.010    -.3540462   -.0565991
-------------+----------------------------------------------------------------
       smfAA |  -.0658113   .1933824    -0.34   0.738    -.4757637    .3441411
       lgfAA |  -.2255097   .0742749    -3.04   0.008    -.3829653    -.068054
```

(5)

```
Number of obs      =       389
-------------+----------------------------------------------------------------
         fAA |  -.3201197   .1184924    -2.70   0.016    -.5713124    -.068927
-------------+----------------------------------------------------------------
       smfAA |  -.2331764   .2823108    -0.83   0.421    -.8316485    .3652957
       lgfAA |  -.3320837    .12201    -2.72   0.015    -.5907334   -.0734339
```

sum (6)

```
Number of obs      =       389
-------------+----------------------------------------------------------------
         fAA |  -.4234556   .1646643    -2.57   0.020    -.7725282   -.0743829
-------------+----------------------------------------------------------------
       smfAA |  -.5277924   .4952502    -1.07   0.302    -1.577676    .5220911
       lgfAA |  -.4090981   .1946225    -2.10   0.052    -.8216794    .0034832
```