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Fiscal Volatility Shocks and Economic Activity

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Article Information

Abstract

We study how unexpected changes in uncertainty about fiscal policy affect economic activity. First, we estimate tax and spending processes for the United States with time-varying volatility to uncover evidence of time-varying volatility. Second, we estimate a

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Additional Materials

[Replication Package \(128.75 KB\)](#)

[Supplemental Appendix \(406.83 KB\)](#)

[Author Disclosure Statement\(s\) \(177.67 KB\)](#)

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E12 General Aggregative Models: Keynes; Keynesian; Post-Keynesian

E23 Macroeconomics: Production

E32 Business Fluctuations; Cycles

E52 Monetary Policy

E62 Fiscal Policy

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