

**ECONOMICS 210C/236A
MACROECONOMIC HISTORY**

SYLLABUS

I. OVERVIEW OF U.S. MACROECONOMIC HISTORY AND DATA

August 22

Ben S. Bernanke. 2013. "A Century of U.S. Central Banking: Goals, Frameworks, Accountability." *Journal of Economic Perspectives* 27 (Fall): 3–16.
www.jstor.org/stable/pdf/23560019.pdf.

Christina D. Romer. 1986. "Is the Stabilization of the Postwar Economy a Figment of the Data?" *American Economic Review* 76 (June): 314–334.
<https://www.jstor.org/stable/pdf/1813353.pdf>.

Joseph H. Davis. 2004. "An Annual Index of U.S. Industrial Production, 1790–1915." *Quarterly Journal of Economics* 119 (November): 1177–1215.
www.jstor.org/stable/pdf/25098716.pdf.

Robert A. Margo. 1991. "The Microeconomics of Depression Unemployment." *Journal of Economic History* 51 (June): 333–341. <https://www.jstor.org/stable/pdf/2122578.pdf>.

II. THE EFFECTS OF MONETARY CHANGES

August 29 **(Narrative Evidence and Natural Experiments)**

Milton Friedman and Anna Jacobson Schwartz. 1963. "A Summing Up." Chapter 13 of *A Monetary History of the United States, 1867–1960* (Princeton: Princeton University Press for NBER): 676–700.

Christina D. Romer and David H. Romer. 1989. "Does Monetary Policy Matter? A New Test in the Spirit of Friedman and Schwartz." *NBER Macroeconomics Annual* 4: 121–170.
www.jstor.org/stable/pdf/3584969.pdf.

Gary Richardson and William Troost. 2009. "Monetary Intervention Mitigated Banking Panics during the Great Depression: Quasi-Experimental Evidence from a Federal Reserve District Border, 1929–1933." *Journal of Political Economy* 117 (December): 1031–1071.
www.jstor.org/stable/pdf/10.1086/649603.pdf.

September 5 (Statistical Identification)

Lawrence J. Christiano, Martin Eichenbaum, and Charles Evans. 1996. “The Effects of Monetary Policy Shocks: Evidence from the Flow of Funds.” *Review of Economics and Statistics* 78 (February): 16–34. www.jstor.org/stable/pdf/2109845.pdf.

Christina D. Romer and David H. Romer. 2004. “A New Measure of Monetary Policy Shocks: Derivation and Implications.” *American Economic Review* 94 (September): 1055–1084. www.jstor.org/stable/pdf/3592805.pdf.

Mark Gertler and Peter Karadi. 2015. “Monetary Policy Surprises, Credit Costs, and Economic Activity.” *American Economic Journal: Macroeconomics* 7 (January): 44–76. <https://www.jstor.org/stable/pdf/43189950.pdf>.

September 12 (Monetary Transmission Mechanism)

Joshua K. Hausman, Paul W. Rhode, and Johannes F. Wieland. 2018. “Recovery from the Great Depression: The Farm Channel in Spring 1933.” *American Economic Review*, forthcoming. https://sites.google.com/site/johannesfwieland/farm_channel.pdf.

Emi Nakamura and Jón Steinsson. 2018. “High-Frequency Identification of Monetary Non-Neutrality: The Information Effect.” *Quarterly Journal of Economics* 133 (August): 1283–1330. <https://doi.org/10.1093/qje/qjy004>.

James Cloyne, Clodomiro Ferreira, and Paolo Surico. 2018. “Monetary Policy When Households Have Debt: New Evidence on the Transmission Mechanism.” *Review of Economic Studies*, forthcoming. <https://drive.google.com/file/d/1MJ6x-Y1O5VR7ARQslUyQtYplYLjUNYak/view>.

III. THE EFFECTS OF FISCAL CHANGES

September 19 (Aggregate Evidence)

Robert E. Hall. 2009. “By How Much Does GDP Rise If the Government Buys More Output?” *Brookings Papers on Economic Activity* (Fall): 183–195 only. www.jstor.org/stable/pdf/25652733.pdf.

Valerie A. Ramey. 2011. “Identifying Government Spending Shocks: It’s All in the Timing.” *Quarterly Journal of Economics* 126 (February): 1–50. <https://www.jstor.org/stable/pdf/23015663.pdf>.

Christina D. Romer and David H. Romer. 2010. “The Macroeconomic Effects of Tax Changes: Estimates Based on a New Measure of Fiscal Shocks.” *American Economic Review* 100 (June): 763–801. www.jstor.org/stable/pdf/27871230.pdf.

Alan J. Auerbach and Yuriy Gorodnichenko. 2012. “Measuring the Output Responses to Fiscal Policy.” *American Economic Journal: Economic Policy* 4 (May): 1–27. www.jstor.org/stable/pdf/23249811.pdf.

September 26 (Cross-Section Evidence)

Gabriel Chodorow-Reich, Laura Feiveson, Zachary Liscow, and William Gui Woolston. 2012. "Does State Fiscal Relief During Recessions Increase Employment? Evidence from the American Recovery and Reinvestment Act." *American Economic Journal: Economic Policy* 4 (August): 118–145. www.jstor.org/stable/pdf/23249923.pdf.

Emi Nakamura and Jón Steinsson. 2014. "Fiscal Stimulus in a Monetary Union: Evidence from U.S. Regions." *American Economic Review* 104 (March): 753–792. <https://www.jstor.org/stable/pdf/42920719.pdf>.

Joshua K. Hausman. 2016. "Fiscal Policy and Economic Recovery: The Case of the 1936 Veterans' Bonus." *American Economic Review* 106 (April): 1100–1143. <https://www.aeaweb.org/articles/pdf/doi/10.1257/aer.20130957>.

IV. MONETARY POLICY AT THE ZERO LOWER BOUND

October 3 (Expectations Effects)

Peter Temin and Barrie A. Wigmore. 1990. "The End of One Big Deflation." *Explorations in Economic History* 27 (October): 483–502. [https://doi.org/10.1016/0014-4983\(90\)90026-U](https://doi.org/10.1016/0014-4983(90)90026-U).

Gauti B. Eggertsson and Benjamin Pugsley. 2006. "The Mistake of 1937: A General Equilibrium Analysis." *Monetary and Economic Studies* 24 (December): 151–190 (focus particularly on pages 151–155 and 172–188). www.imes.boj.or.jp/english/publication/mes/2006/me24-s1-8.pdf.

Johannes F. Wieland. 2017. "Are Negative Supply Shocks Expansionary at the Zero Lower Bound?" *Journal of Political Economy*, forthcoming. https://sites.google.com/site/johannesfwieland/Negative_Supply_Shocks_ZLB.pdf.

October 10 (Financial Markets and Quantitative Easing)

Arvind Krishnamurthy and Annette Vissing-Jorgensen. 2011. "The Effects of Quantitative Easing on Interest Rates." *Brookings Papers on Economic Activity* (Fall): 215–265. www.jstor.org/stable/pdf/41473600.pdf.

Eric T. Swanson and John C. Williams. 2014. "Measuring the Effect of the Zero Lower Bound on Medium- and Longer-Term Interest Rates." *American Economic Review* 104 (October): 3154–3185. <https://www.jstor.org/stable/pdf/43495316.pdf>.

Eric T. Swanson. 2011. "Let's Twist Again: A High-Frequency Event-Study Analysis of Operation Twist and Its Implications for QE2." *Brookings Papers on Economic Activity* (Spring): 151–188. www.jstor.org/stable/pdf/41228525.pdf.

October 12 **Deadline for Approval of Paper Topic**

October 17 **No Class**

V. THE EFFECTS OF CREDIT CONTRACTION AND FINANCIAL CRISES

October 24 (Balance Sheet and Cash Flow Effects)

Atif Mian, Kamalesh Rao, and Amir Sufi. 2013. “Household Balance Sheets, Consumption, and the Economic Slump.” *Quarterly Journal of Economics* 128 (November): 1687–1726. <https://doi.org/10.1093/qje/qjt020>.

Charles W. Calomiris and R. Glenn Hubbard. 1995. “Internal Finance and Investment: Evidence from the Undistributed Profits Tax of 1936–37.” *Journal of Business* 68 (October): 443–482. www.jstor.org/stable/pdf/2353142.pdf.

Chen Lian and Yueran Ma. 2018. “Anatomy of Corporate Borrowing Constraints.” Working paper (July). <https://scholar.harvard.edu/files/yueranma/files/cflabl.pdf>.

October 31 (Financial Crises)

Andrew J. Jalil. 2015. “A New History of Banking Panics in the United States, 1825–1929: Construction and Implications.” *American Economic Journal: Macroeconomics* 7 (July): 295–330. <https://www.jstor.org/stable/pdf/24739337.pdf>.

Christina D. Romer and David H. Romer. 2018. “Why Some Times Are Different: Macroeconomic Policy and the Aftermath of Financial Crises.” *Economica* 85 (January): 1–40. <https://onlinelibrary.wiley.com/doi/epdf/10.1111/ecca.12258>.

Òscar Jordà, Moritz Schularick, and Alan M. Taylor. 2013. “When Credit Bites Back.” *Journal of Money, Credit, and Banking* 45 (December): 3–28. <https://onlinelibrary.wiley.com/doi/epdf/10.1111/jmcb.12069>.

November 7 **Class Presentations**

November 14 **Class Presentations**

November 21 **Thanksgiving Recess, No Class**

November 28 (Credit Market Disruptions)

Joe Peek and Eric R. Rosengren. 2000. “Collateral Damage: Effects of the Japanese Bank Crisis on Real Activity in the United States.” *American Economic Review* 90 (March): 30–45. www.jstor.org/stable/pdf/117280.pdf.

Gabriel Chodorow-Reich. 2014. “The Employment Effects of Credit Market Disruptions: Firm-Level Evidence from the 2008–09 Financial Crisis.” *Quarterly Journal of Economics* 129 (February): 1–59. <https://doi.org/10.1093/qje/qjt031>.

Kilian Huber. 2018. “Disentangling the Effects of a Banking Crisis: Evidence from German Firms and Counties.” *American Economic Review* 108 (March): 868–898. <https://www.aeaweb.org/articles/pdf/doi/10.1257/aer.20161534>.

VI. THE DETERMINANTS OF MACROECONOMIC POLICY

December 5

Richard Clarida, Jordi Galí, and Mark Gertler. 2000. "Monetary Policy Rules and Macroeconomic Stability: Evidence and Some Theory." *Quarterly Journal of Economics* 115 (February): 147–180. www.jstor.org/stable/pdf/2586937.pdf.

Christina D. Romer and David H. Romer. 2002. "The Evolution of Economic Understanding and Postwar Stabilization Policy." In *Rethinking Stabilization Policy* (Federal Reserve Bank of Kansas City): 11–78.
<https://www.kansascityfed.org/publicat/sympos/2002/pdf/S02RomerandRomer.pdf>.

Ulrike Malmendier, Stefan Nagel, and Zhen Yan. 2018. "The Making of Hawks and Doves: Inflation Experiences on the FOMC." Working paper (January).
<https://www.dropbox.com/s/uioc82dswctg4vs/FOMC.pdf?dl=0>.

Barry Eichengreen and Peter Temin. 2000. "The Gold Standard and the Great Depression." *Contemporary European History* 9 (July): 183–207.
www.jstor.org/stable/pdf/20081742.pdf.

December 10 Paper Due by 5 p.m.