

ERRATUM

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Disentangling the Channels of the 2007-09 Recession

The article (*Brookings Papers on Economic Activity*, Spring 2012) contains errors in Tables 6-8, associated with an error made when copying the Ramey-Vine gasoline price data across Excel spreadsheets. We thank Dan Taylor of the Wharton School at the University of Pennsylvania for finding the error and bringing it to our attention. The corrections to Tables 6-8 are given below.

Table 6. Subsample R^2 's of Regressions Evaluating the Factor component of GDP Growth Associated with Individual Identified Shocks

Structural Shock	F	R^2 for Structural Shock								
		1959-2007Q3	1984-2007Q3	Computed over 15 quarters starting at NBER peak						
				69Q4	73Q4	80Q1	81Q3	90Q3	01Q1	07Q4
1. Oil										
Hamilton	2.9	0.18	0.01	0.26	0.49	0.10	0.11	0.23	-0.55	-0.14
Killian	1.1	0.08	-0.03	0.15	0.10	0.20	0.24	-0.03	-0.26	0.37
Ramey-Vine - ORIGINAL	1.8	0.14	-0.04	0.27	0.24	0.38	0.49	0.20	0.40	0.23
Ramey-Vine - CORRECTED	10.0	0.12	0.01	0.23	0.10	0.16	0.10	-0.08	-0.40	-0.50
2. Monetary policy										
Romer and Romer	4.5	0.23	-0.16	0.35	0.31	0.57	0.57	0.16	0.08	0.26
Smets-Wouters	9.0	0.18	-0.01	0.24	0.25	0.32	0.23	0.37	0.16	0.46
Sims-Zha	6.5	0.19	-0.30	0.29	0.44	0.54	0.51	-0.01	0.03	0.03
GSS	0.6	0.12	-0.07	0.07	0.39	0.26	0.26	0.00	-0.05	0.34
3. Productivity										
Fernald TFP	14.5	0.29	0.14	0.39	0.08	0.31	0.28	0.33	-0.42	-0.14
Gali (long-run OPH)	na	0.07	0.02	0.12	0.06	0.10	0.05	0.00	-0.11	-0.04
Smets-Wouters	7.0	0.20	-0.04	0.35	0.39	0.18	0.17	-0.05	-0.36	-0.17
4. Uncertainty										
Fin Unc (VIX)	43.2	0.08	0.03	0.12	0.16	0.18	0.31	0.22	0.23	0.34
Pol Unc (BBD)	12.5	0.11	0.02	0.15	0.40	0.15	0.14	0.48	0.15	0.62
5. Liquidity/risk										
GZ EBP Spread	4.5	0.12	-0.09	0.17	0.21	0.25	0.38	0.07	0.30	0.57
TED Spread	12.3	0.18	-0.08	0.28	0.45	0.31	0.21	0.21	0.30	0.38
BCDZ Bank Loan	4.4	0.11	0.04	0.20	0.25	0.13	0.31	0.27	0.45	0.41
6. Fiscal policy										
Ramey Spending	0.5	0.21	-0.06	0.36	0.35	0.50	0.55	0.06	0.01	0.19
Fisher-Peters Spending	1.3	0.23	0.04	0.27	0.02	0.32	0.36	0.41	-0.06	0.09
Romer-Romer Taxes	0.5	0.16	-0.20	0.21	0.25	0.36	0.31	0.08	-0.38	-0.02
PCs of uncertainty and credit spread shocks										
1 PC	na	0.14	-0.03	0.21	0.36	0.25	0.26	0.30	0.23	0.48
2 PCs	na	0.19	0.07	0.17	0.49	0.31	0.40	0.38	0.32	0.54

Table 7. Correlations among Estimated Structural Shocks

	O _H	O _K	O _{RV} Original	O _{RV} Corrected	M _{RR}	M _{SW}	M _{SZ}	M _{GSS}	P _F	P _G	P _{SW}	U _B	U _{BBD}	S _{GZ}	S _{TED}	B _{BCDZ}	F _R	F _{FP}	F _{RR}
O _H	1.00																		
O _K	0.42	1.00																	
O _{RV} Original	0.15	0.60	1.00																
O _{RV} Corrected	0.77	0.16	1.00																
M _{RR}	0.37	0.65	0.77	0.25	1.00														
M _{SW}	0.09	0.11	0.39	-0.36	0.09	1.00													
M _{SZ}	0.33	0.35	0.68	0.27	0.93	0.16	1.00												
M _{GSS}	0.44	-0.12	-0.08	-0.03	0.24	0.43	0.39	1.00											
P _F	-0.64	0.30	0.24	-0.53	0.20	-0.09	0.06	-0.57	1.00										
P _G	-0.40	0.34	0.01	-0.65	-0.30	0.35	-0.53	-0.37	0.52	1.00									
P _{SW}	-0.91	-0.03	0.00	-0.78	-0.24	-0.07	-0.36	-0.59	0.82	0.68	1.00								
U _B	-0.37	-0.37	-0.58	-0.69	-0.39	0.30	-0.29	0.37	0.19	0.34	0.27	1.00							
U _{BBD}	0.10	0.11	-0.37	-0.50	-0.17	0.45	-0.22	0.57	-0.06	0.45	-0.01	0.78	1.00						
L _{GZ}	-0.20	-0.42	-0.51	-0.47	-0.41	0.44	-0.24	0.34	0.07	0.24	0.08	0.92	0.66	1.00					
L _{TED}	-0.09	0.01	-0.05	-0.57	0.03	0.73	0.10	0.48	0.21	0.37	0.09	0.80	0.76	0.84	1.00				
L _{BCDZ}	0.04	0.22	0.79	0.14	0.56	0.13	0.55	0.04	-0.09	-0.28	-0.06	-0.69	-0.54	-0.73	-0.40	1.00			
F _R	-0.17	-0.64	-0.77	0.13	-0.84	-0.32	-0.72	-0.34	-0.17	-0.01	0.01	0.26	-0.08	0.40	-0.13	-0.13	1.00		
F _{FP}	0.04	-0.21	-0.35	-0.09	-0.72	0.20	-0.78	-0.03	-0.49	0.40	-0.02	0.03	0.25	0.03	-0.12	-0.12	0.38	1.00	
F _{RR}	0.20	0.15	0.30	0.19	0.77	-0.10	0.88	0.37	0.18	-0.59	-0.28	0.01	-0.10	0.02	0.19	0.19	-0.45	-0.93	1.00

Table 8. Contributions of Identified Shocks to Cumulative Post-2007Q4 Growth of GDP and Employment

	Cumulative Percentage Change in Detrended GDP			Cumulative Percentage Change in Detrended Payroll Employment			2009Q2 Forecast Growth in Factor Component 2009Q2-2011Q2	
	2007Q4-2008Q3	2007Q4-2009Q2	2007Q4-2011Q2	2007Q4-2008Q3	2007Q4-2009Q2	2007Q4-2011Q2	GDP	Emp
Actual	-2.8	-8.7	-8.2	-1.4	-6.2	-7.4		
Factor Component	-4.0	-9.2	-6.0	-2.1	-7.3	-8.9		
1. Oil								
Hamilton	-1.0	-0.8	-0.8	-0.4	-1.1	-1.0	1.8	1.0
Killian	-1.0	-2.1	-0.6	-0.5	-1.7	-1.2	1.3	0.3
Ramey-Vine - ORIGINAL	-1.4	-1.6	0.7	-1.1	-2.1	0.2	1.5	1.2
Ramey-Vine - CORRECTED	0.3	0.6	2.3	0.0	-0.4	1.0	2.1	1.5
2. Monetary policy								
Romer and Romer	-1.1	-1.6	0.1	-0.7	-2.1	0.4	1.4	1.2
Smets-Wouters	-0.4	-3.7	-5.0	-0.5	-2.5	-6.2	-0.6	-3.3
Sims-Zha	-0.3	-0.1	-0.1	-0.5	-1.0	0.3	0.4	0.8
GSS	-0.8	-3.2	-4.3	0.0	-1.0	-3.8	-1.3	-2.7
3. Productivity								
Fernald	-0.7	0.0	1.4	-0.1	0.1	0.9	0.2	0.2
Gali	0.4	0.3	1.1	0.0	-0.6	-0.9	1.0	0.5
Smets-Wouters	-0.5	-0.1	0.6	0.2	-0.1	0.4	0.9	0.7
4. Uncertainty								
Fin Unc (VIX)	-1.0	-4.1	0.2	-0.9	-3.7	-2.2	3.5	0.6
Pol Unc (BBD)	-2.3	-5.8	-4.8	-1.6	-4.6	-6.8	1.4	-2.0
5. Liquidity/risk								
GZ EBP Spread	-1.5	-6.3	-1.2	-0.8	-4.6	-3.5	3.6	-0.4
TED Spread	-1.2	-5.6	-4.9	-0.8	-3.7	-6.8	0.8	-3.2
BCDZ Bank Loan	-2.0	-3.2	0.1	-1.5	-3.5	-1.1	2.7	1.3
6. Fiscal policy								
Ramey Spending	-1.6	-1.6	-1.0	-0.9	-1.6	-0.5	0.3	0.1
Fisher-Peters Spending	-0.3	-0.3	0.3	-0.2	-0.7	0.3	0.4	0.5
Romer-Romer Taxes	0.2	0.3	-0.2	0.2	0.0	0.3	-0.1	0.3
PCs of uncertainty and credit spread shocks								
1 PC	-1.5	-6.2	-3.4	-1.0	-4.5	-5.8	2.4	-1.8
2 PCs	-2.3	-7.6	-5.4	-1.5	-5.8	-8.4	2.7	-2.5