TRANSFER PAYMENTS AND THE MACROECONOMY:
THE EFFECTS OF SOCIAL SECURITY BENEFIT INCREASES, 1952–1991

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GUIDE TO ONLINE MATERIALS

I. ONLINE APPENDIXES

There are two online appendixes:

A. Romer&RomerTransfersAppendixADescriptionOfSocialSecurityBenefitIncreases.pdf. This is online Appendix A. As described in Section I of the paper, it provides a brief description of each legislated increase in Social Security benefits over the period 1952–1991 and the key information about it. It also provides additional details about automatic cost-of-living increases and one-time payments over the period 1975–1991.

B. Romer&RomerTransfersAppendixBSupplementalFigures.pdf. This is online Appendix B. It presents figures corresponding to the various robustness checks that are described in the text of the paper.

II. DATA AND PROGRAMS

The programs were run in RATS. The program files are plain text files that can be opened with any word processor. The ".DED" files are RATS data banks containing the data in the form they are accessed by RATS.

Some of the programs include code for specifications that ended up not being included in the final version of the paper. For example, PCEREG.RAT has code for specifications that include lags of the growth rate of consumption. Because this approach is intermediate between the simple regressions and the VARs and did not yield any particularly unexpected or noteworthy results, we did include any results from this approach in the final version.

A. ORIGINAL DATA AND BASIC MANIPULATIONS

1. Basic data

Romer&RomerTransfersData.xlsx. Almost all of the raw data are in the file Romer&RomerTransfersData.xlsx. The file has seven sheets:

> **Soc. Sec. Benefit Changes** has our new series on Social Security benefit increases for 1951–1991. The construction of the series is described in Section I of the paper and in online Appendix A. It shows both permanent and temporary benefit increases, both in billions of dollars at an annual rate and as a percent of personal income. The core series date increases when Social Security checks reflected the higher benefits. The sheet also

shows the variant that dates the increases when the relevant legislation was passed (see, for example, Section II.D of the paper).

Monthly NIPA Data has the monthly NIPA data for personal income, Social Security payments, and real personal consumption expenditure (total, durables, and nondurables) used in the paper.

Quarterly NIPA Data has the quarterly NIPA data for personal income and real personal consumption expenditure (total, durables, and nondurables) used in the paper.

Retail Sales has the monthly, seasonally adjusted data for nominal retail sales (total, durables, and nondurables) used in the paper.

Constructed Monthly Data has data series that we constructed from other series: real retail sales (total, durables, and nondurables), as described in n. 10 and n. 25 in the paper; and monthly real personal consumption expenditures before 1959 (total, durables, and nondurables), as described in Section II.A and n. 25. It also has the monthly values of personal income that we use to compute benefit increases as a share of personal income for the years before 1959. As described in n. 6 in the paper, for these years we use the quarterly number for each month of the quarter.

Other Monthly Macro Data has the CPI for all items, the CPI for all items less shelter, the CPI for durables, the CPI for nondurables, nonfarm employment, industrial production, oil prices, and the federal funds rate.

Other Romer-Romer Variables has the Romer-Romer dummy variable for shifts to anti-inflationary monetary policy and the Romer-Romer tax series that are used in the paper.

2. Manipulations of the basic data

Several programs are used to create the constructed monthly data described above.

RETAIL.RAT. Used to read in, deflate, and ratio splice the retail sales data.

CHOWLIN.RAT. Used to construct the monthly real PCE data before 1959.

CHOWLINALT.RAT. A variant of CHOWLIN.RAT that uses a different sample period. (mentioned in n. 9 in the paper).

One Time Payments in 2013 and 2014 Dollars.xlsx. Used to compute the numbers reported in Section I.D of the paper for the value of one-time payments in the 1980s in 2014 dollars.

B. PROGRAMS

1. Key programs

Most of the empirical work is done in four programs.

PCEREG.RAT. Performs most of the regressions reported in Sections II and III of the paper, as well as the Appendix B regressions that are referred to in those sections of the paper. Specifically, it performs the regressions reported in Figures 3, 7, and 9 and Table 2 in the paper, and Figures B1, B2, B3, B5, B6, B7, and B8 in Appendix B. It also performs the regression reported in Figure B11 (referred to in Section IV of the paper).

PCEVAR_SES.RAT. Performs the VARs reported in Sections II and III of the paper. Specifically, it performs the VARs reported in Figures 5, 6, and 8 in the paper.

FFREG.RAT. Performs most of the regressions reported in Section IV of the paper, as well as the Appendix B regressions that are referred to in that section of the paper. Specifically, it performs the regressions reported in Figures 10 and 12 in the paper, and Figures B10, B12, B13, B14, B16, and B17 in Appendix B.

FFVAR_SES.RAT. Performs the VARs reported in Section IV of the paper, as well as the Appendix B VARs that are referred to in that section of the paper. Specifically, it performs the VARs reported in Figure 11 in the paper and Figures B15 and B18 in Appendix B.

2. Programs that perform other parts of the empirical work

PERSISTENCE.RAT. Performs the regression reported in Figure 2 of the paper.

PCEREGPASSAGE.RAT. Performs the regression reported in Figure 4 of the paper.

PCEJORDA.RAT. Performs the regressions reported in Figure B4 in Appendix B.

PCEREGWH.RAT. Performs the regressions reported in Figure B9 in Appendix B. It also shows the specifics of how we adjust the timing of the 1964 tax cut and the Reagan tax cut to more closely reflect the change in withholding.

Correlation with Other Fiscal Measures.xls. Computes the correlations reported in Section II.B of our measure of Social Security benefit changes with measures of other changes in government spending.

3. RATS data banks

The ".DED" files are RATS data banks containing the data in the form they are accessed by RATS.