

1. Record Nr.	UNINA9910452775403321
Autore	Gruss Bertrand
Titolo	Macroeconomic and welfare costs of U.S. fiscal imbalances [[electronic resource] /] / prepared by Bertrand Gruss and Jose L. Torres
Pubbl/distr/stampa	[Washington D.C.], : International Monetary Fund, [2012]
ISBN	1-4639-8823-0 1-4639-5149-3
Descrizione fisica	1 online resource (37 p.)
Collana	IMF working paper ; ; WP/12/38
Altri autori (Persone)	TorresJose L
Soggetti	Fiscal policy - United States Balance of payments - United States Electronic books.
Lingua di pubblicazione	Inglese
Formato	Materiale a stampa
Livello bibliografico	Monografia
Note generali	"January 2012".
Nota di bibliografia	Includes bibliographical references.
Nota di contenuto	Cover; Contents; I. Introduction; II. The Model; A. Preferences; B. Occupational Choice; C. Consumer's Problem; D. Entrepreneur's Problem and Financial Intermediation; E. The Government; F. Aggregates; G. Market Clearance; H. Timing of Events; I. Equilibrium; III. Calibration; IV. The Policy Experiments; A. The Delay Scenario; B. The Adjust Scenarios; V. Results; A. The Long-Run Effects; B. The Transitional Dynamics; C. Overall Welfare Cost of Delaying Fiscal Consolidation; VI. Conclutions; Tables; 1. Calibration 2. Non-Interest Expenditures from the U.S. Federal Government as a percentage of GDP (2007)3. Steady State Comparison; Figures; 1. Projections from CBO alternative scenario, Long Term Budget Outlook of 2011; 2. Primary expenditures in the delay and adjust scenarios; 3. Primary deficit in the delay scenario and CBO's forecasts; 4. CBO's Alternative Fiscal Scenario and the Bowles-Simpson Commission's plan; 4. Differences in the percentage of total wealth held by the top percentiles in the delay and passive adjust scenarios 5. Discounted sum of utility in steady state by wealth percentiles in delay and passive adjust scenarios6. Model Simulations-Fiscal Variables; 7. Model Simulations-Main Macroeconomic Variables; 8. Share of Entrepreneurs in Economy; 9. Present Discounted Sum of Utility by Deciles; References

## Sommario/riassunto

In this paper we use a general equilibrium model with heterogeneous agents to assess the macroeconomic and welfare consequences in the United States of alternative fiscal policies over the medium-term. We find that failing to address the fiscal imbalances associated with current federal fiscal policies for a prolonged period would result in a significant crowding-out of private investment and a severe drag on growth. Compared to adopting a reform that gradually reduces federal debt to its pre-crisis level, postponing debt stabilization for two decades would entail a permanent output loss of ab

---