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Nota di contenuto	Cover; Abstract; Contents; I. Introduction; II. Related Literature; III. Empirical Model, Estimation, and Data; A. Empirical Model; B. Estimation and Impulse Responses; C. Data and Descriptive Statistics; IV. Public Debt Dynamics and Impulse Responses; A. Debt Impulse Responses to an Austerity Shock; B. Debt Impulse Responses to Inflation and Growth Shocks; V. Concluding Remarks; References; Tables; 1. Descriptive Statistics; Figures; 1. Evolution of Public Debt (Percent of GDP, 1947:II-2011:III); 2. Debt Impulse Response: The Effect of a One Standard Deviation Primary Surplus Shock 3. Decomposition of the Debt Impulse Response under the Narrative Identification 4. Debt Impulse Responses to a One Standard Deviation Primary Surplus Shock: Average Initial Conditions (Normal Times); 5. Debt Impulse Responses to a One Standard Deviation Primary Surplus Shock: Initial Conditions of 2011; 6. A Recent History and Forecast of the Debt Ratio Based on the Past Dynamics (2011:IV-); 7. Debt Impulse Responses to Macro Shocks and Decomposition: Blanchard-Perotti Identification; A1. A Comparison of VAR Models: Debt Impulse Responses (GIR Identification); Appendix A A2. A Comparison of VAR Models: Debt Forecast, Starting 2011:IVA 3. A Comparison of VAR Models: Debt Forecast, Starting 2009:III; Appendix B
Sommario/riassunto	We study how macroeconomic shocks affect U.S. public debt dynamics using a VAR with debt feedback. Following a fiscal austerity shock, the debt ratio initially declines and then returns to its pre-shock path. Yet, the effect is not statistically significant. In a weak economic environment, the likelihood of a self-defeating austerity shock is much higher than in normal times. An inflation shock only slightly reduces the debt ratio for a few quarters. A positive growth shock unambiguously lowers debt. In our specification, the debt ratio is stationary, whereas a VAR excluding debt may imply an explosive debt path.