

Partially Successful Replication of Brunner's (2000) JMCB Article

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Making use of data/code archives maintained by the *Journal of Money, Credit and Banking*, it can be shown that most of the tables containing numerical results (Tables 2,3,5 and 6) in the article by Brunner (2000) contain minor errors. Below are presented Brunner's Table 3, as it appeared in his article, and the correct Table 3.

Economic Variable	Estimate of H_2	Significance Levels				R^2
		$H_2 = 0$	$H_2 = 1$	$G_2 = 0$	$H_2 = 1$ $G_2 = 0$	
UR_{t-1}	.57	<.01	.01	.03	.03	.19
$\% \Delta RSLSt_{t-1}$	.80	<.01	.02	<.01	<.01	.36
$\% \Delta IP_{t-1}$	.85	<.01	.05	.06	.01	.24
$\% \Delta CPI_{t-1}$	.95	<.01	.69	.71	.73	.00

Published Table 3

Economic Variable	Estimate of H_2	Significance Levels				R^2
		$H_2 = 0$	$H_2 = 1$	$G_2 = 0$	$H_2 = 1$ $G_2 = 0$	
UR_{t-1}	.57	<.01	.01	.03	.03	.58
$\% \Delta RSLSt_{t-1}$	1.20	<.01	.02	<.01	<.01	.67
$\% \Delta IP_{t-1}$	1.15	<.01	.05	.06	.01	.60
$\% \Delta CPI_{t-1}$	1.05	<.01	.69	.71	.73	.44

Correct Table 3, corrected errors in boldface

Most of the errors are due to mistakenly reporting \bar{R}^2 instead of R^2 . See the last column of numbers in the table. Note in particular that an R^2 reported to be zero actually is 0.44. Three other errors were due to ignoring a minus sign in an estimated coefficient; see the first column of numbers in the table below, which

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reports the estimate of H_2 . The program actually estimated H_2-1 , and for the variable UR_{t-1} this coefficient was -0.43 . Hence the estimate of $H_2-1 = -0.43 \Rightarrow H_2 = 1-0.43 = 0.57$, and Brunner got this right. For $\% \Delta RSLSt-1$ this coefficient was $+0.198$ but Brunner treated it as if it were -0.198 , and so reported 0.80 instead of the correct 1.20 .

The correct Tables 2,5 and 6, also can be found at this journal's website.

Dr. Brunner kindly reviewed that document, and decided that the main conclusions of his paper remain unchanged.

REFERENCES

1. Brunner, Allan D. (2000), "On the Derivation of Monetary Policy Shocks: Should We Throw the VAR Out with the Bath Water?" *Journal of Money, Credit and Banking* 32(2), 254-279.
2. Brunner, Allan D (2003), Personal Communications.