This folder contains the replication files for “Proxy SVARs: Asymptotic Theory, Bootstrap Inference, and the Effects of Income Tax Changes in the United States” by Carsten Jentsch and Kurt G. Lunsford.

SimScript.m runs the Monte Carlo simulations in Section 3. It calls IdentifyFunc.m, which is a function that executes identification with proxy variables. The results of the simulations can be found in SimResults.xlsx.

Figures1and2.m produces Figures 1 and 2 in Section 4 of the paper. It also produces the figures in the appendix of the paper. It calls IdentifyFunc.m and acf.m, which produces the autocovariance functions presented in the paper’s appendix. It also calls VARData.mat, which is a workspace containing the data for the benchmark VAR in Mertens and Ravn (2013), and ProxyData.mat, which is a workspace containing the proxy variables used by Mertens and Ravn (2013).

Figure3.m, Figure4.m, and Figure5.m produce Figures 3, 4 and 5 in Section 4 of the paper. They call IdentifyFunc.m, VARDataAll.mat, and ProxyData.mat.

MR\_AER\_DATASET.xlsx is the file that contains all Mertens and Ravn’s (2013) data.