| Name of Experiment: | Deficit Financing Experiment |
|---|---|

| ENDOGENOUS VARIABLES | | History | **** | Short Run | | **** | **** | Long Run | | **** |
|---|---|---|---|---|---|---|---|---|---|---|
| **ACCOUNTING IDENTITIES** | | 2008 | 2009 | 2010 | 2011 | 2012 | 2019 | 2024 | 2029 | 2034 |
| Gross Domestic Product **(GDP)** | New Sim | $7,000.0 | $7,064.8 | $7,067.9 | $7,034.1 | $6,995.3 | $7,014.1 | $6,998.7 | $6,999.8 | $7,000.1 |
| | Base Case | $7,000.0 | $7,000.0 | $7,000.0 | $7,000.0 | $7,000.0 | $7,000.0 | $7,000.0 | $7,000.0 | $7,000.0 |
| | **Diff** | $0.0 | $64.8 | $67.9 | $34.1 | -$4.7 | $14.1 | -$1.3 | -$0.2 | $0.1 |
| Taxes **(T)** | New Sim | $1,050.0 | $1,059.7 | $1,060.2 | $1,055.1 | $1,049.3 | $1,052.1 | $1,049.8 | $1,050.0 | $1,050.0 |
| | Base Case | $1,050.0 | $1,050.0 | $1,050.0 | $1,050.0 | $1,050.0 | $1,050.0 | $1,050.0 | $1,050.0 | $1,050.0 |
| | **Diff** | $0.0 | $9.7 | $10.2 | $5.1 | -$0.7 | $2.1 | -$0.2 | $0.0 | $0.0 |
| Disposable Income **(YDP)** | New Sim | $5,950.0 | $6,005.1 | $6,007.7 | $5,979.0 | $5,946.0 | $5,962.0 | $5,948.9 | $5,949.9 | $5,950.1 |
| | Base Case | $5,950.0 | $5,950.0 | $5,950.0 | $5,950.0 | $5,950.0 | $5,950.0 | $5,950.0 | $5,950.0 | $5,950.0 |
| | **Diff** | $0.0 | $55.1 | $57.7 | $29.0 | -$4.0 | $12.0 | -$1.1 | -$0.1 | $0.1 |
| Net Exports **(NETEX)** | New Sim | ($248.2) | ($320.5) | ($392.6) | ($466.8) | ($544.2) | ($544.2) | ($544.2) | ($544.2) | ($544.2) |
| | Base Case | ($248.2) | ($248.2) | ($248.2) | ($248.2) | ($248.2) | ($248.2) | ($248.2) | ($248.2) | ($248.2) |
| | **Diff** | $0.0 | -$72.3 | -$144.3 | -$218.6 | -$295.9 | -$296.0 | -$295.9 | -$295.9 | -$295.9 |
| Price Level **(P)** | New Sim | 1.00 | 1.01 | 1.04 | 1.08 | 1.12 | 1.11 | 1.12 | 1.12 | 1.12 |
| | Base Case | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| | **Diff** | 0.00 | 0.01 | 0.04 | 0.08 | 0.12 | 0.11 | 0.12 | 0.12 | 0.12 |
| **BEHAVIORAL EQUATIONS** | | | | | | | | | | |
| Consumption Expenditure **( C)** | New Sim | $5,483.3 | $5,534.1 | $5,536.5 | $5,510.1 | $5,479.6 | $5,494.4 | $5,482.3 | $5,483.2 | $5,483.4 |
| | Base Case | $5,483.3 | $5,483.3 | $5,483.3 | $5,483.3 | $5,483.3 | $5,483.3 | $5,483.3 | $5,483.3 | $5,483.3 |
| | **Diff** | $0.0 | $50.7 | $53.1 | $26.7 | -$3.7 | $11.0 | -$1.0 | -$0.1 | $0.1 |
| Real Interest Rate **( R)** | New Sim | 4.0 | 4.5 | 5.2 | 6.0 | 6.9 | 6.9 | 6.9 | 6.9 | 6.9 |
| | Base Case | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 |
| | **Diff** | 0.0 | 0.5 | 1.2 | 2.0 | 2.9 | 2.9 | 2.9 | 2.9 | 2.9 |
| Investment **(I)** | New Sim | $1,000.0 | $986.3 | $959.0 | $926.0 | $894.9 | $896.6 | $895.6 | $895.9 | $896.0 |
| | Base Case | $1,000.0 | $1,000.0 | $1,000.0 | $1,000.0 | $1,000.0 | $1,000.0 | $1,000.0 | $1,000.0 | $1,000.0 |
| | **Diff** | $0.0 | -$13.7 | -$40.9 | -$74.0 | -$105.1 | -$103.4 | -$104.4 | -$104.1 | -$104.0 |
| Real Exchange Rate **(EXCH)** | New Sim | 1.00 | 1.00 | 1.00 | 0.99 | 0.99 | 0.99 | 0.99 | 0.99 | 0.99 |
| | Base Case | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| | **Diff** | 0.00 | 0.00 | 0.00 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 | -0.01 |
| Exports **(EX)** | New Sim | $1,764.3 | $1,670.4 | $1,631.1 | $1,620.2 | $1,619.8 | $1,633.9 | $1,631.6 | $1,631.8 | $1,631.8 |
| | Base Case | $1,764.3 | $1,764.3 | $1,764.3 | $1,764.3 | $1,764.3 | $1,764.3 | $1,764.3 | $1,764.3 | $1,764.3 |
| | **Diff** | $0.0 | -$93.9 | -$133.2 | -$144.1 | -$144.5 | -$130.4 | -$132.7 | -$132.5 | -$132.5 |
| Imports **(IM)** | New Sim | $2,012.5 | $2,061.1 | $2,101.0 | $2,137.2 | $2,175.2 | $2,178.1 | $2,175.8 | $2,175.9 | $2,176.0 |
| | Base Case | $2,012.5 | $2,012.5 | $2,012.5 | $2,012.5 | $2,012.5 | $2,012.5 | $2,012.5 | $2,012.5 | $2,012.5 |
| | **Diff** | $0.0 | $48.6 | $88.4 | $124.7 | $162.7 | $165.6 | $163.2 | $163.4 | $163.4 |
| Inflation **(P%)** | New Sim | 0.0 | 1.4 | 2.8 | 3.6 | 3.5 | 0.2 | -0.1 | 0.0 | 0.0 |
| | Base Case | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | **Diff** | 0.0 | 1.4 | 2.8 | 3.6 | 3.5 | 0.2 | -0.1 | 0.0 | 0.0 |
| **EXOGENOUS VARIABLES** | | | | | | | | | | |
| **POLICY VARIABLES** | | | | | | | | | | |
| Money Supply **(M)** | New Sim | $3,500.0 | $3,500.0 | $3,500.0 | $3,500.0 | $3,500.0 | $3,500.0 | $3,500.0 | $3,500.0 | $3,500.0 |
| | Base Case | $3,500.0 | $3,500.0 | $3,500.0 | $3,500.0 | $3,500.0 | $3,500.0 | $3,500.0 | $3,500.0 | $3,500.0 |
| | **Diff** | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 |
| Government Purchases **(G)** | New Sim | $764.9 | $864.9 | $964.9 | $1,064.9 | $1,164.9 | $1,164.9 | $1,164.9 | $1,164.9 | $1,164.9 |
| | Base Case | $764.9 | $764.9 | $764.9 | $764.9 | $764.9 | $764.9 | $764.9 | $764.9 | $764.9 |
| | **Diff** | $0.0 | $100.0 | $200.0 | $300.0 | $400.0 | $400.0 | $400.0 | $400.0 | $400.0 |
| Tax Rate **(TAX%)** | New Sim | 15% | 15% | 15% | 15% | 15% | 15% | 15% | 15% | 15% |
| | Base Case | 15% | 15% | 15% | 15% | 15% | 15% | 15% | 15% | 15% |
| | **Diff** | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| **REST-OF-WORLD VARIABLES** | | | | | | | | | | |
| Price Level, ROW | New Sim | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| | Base Case | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| | **Diff** | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Real Interest Rate, ROW | New Sim | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 |
| | Base Case | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 | 4.0 |
| | **Diff** | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| GDP @ Rest of World | New Sim | $7,000.0 | $7,000.0 | $7,000.0 | $7,000.0 | $7,000.0 | $7,000.0 | $7,000.0 | $7,000.0 | $7,000.0 |
| | Base Case | $7,000.0 | $7,000.0 | $7,000.0 | $7,000.0 | $7,000.0 | $7,000.0 | $7,000.0 | $7,000.0 | $7,000.0 |
| | **Diff** | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 |
| **OTHERS** | | | | | | | | | | |
| Potential GDP **(GDP@FULL)** | New Sim | $7,000.0 | $7,000.0 | $7,000.0 | $7,000.0 | $7,000.0 | $7,000.0 | $7,000.0 | $7,000.0 | $7,000.0 |
| | Base Case | $7,000.0 | $7,000.0 | $7,000.0 | $7,000.0 | $7,000.0 | $7,000.0 | $7,000.0 | $7,000.0 | $7,000.0 |
| | **Diff** | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 |