
Measuring the MPC

- Parker, Souleles, Johnson, McClelland (2012):
 - Look at 2008 Economic Stimulus Payments
 - People got checks from the government (~1000 USD)
 - Timing was random (based on last digits of SS#)
 - Compare those that got a check at time t with those that didn't (treatment vs. control)
 - How much more did treated people spend over a 3-month period
- ... **Another natural experiment!**
 - Randomisation means on average the treated and control people are the same