

# The Monetary Policy Multiplier

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## The Monetary Policy Multiplier

**Faculty Member:** [William English](#)

### Proposal Description:

Many monetary policy decisions depend on the monetary policy multiplier – that is, how big an effect monetary policy has on output and inflation. Somewhat surprisingly, the many models used for monetary policy analysis incorporate very different monetary policy multipliers, both in terms of the timing of the effects of monetary policy and their size. This project aims to gather information on the size of the monetary policy multiplier from a broad range of empirical macro models along with a range of information about the models used and the specifics of the simulations performed. In some cases, this will require running original simulations to get measures of the monetary policy multipliers on the same basis. The results will allow us to assess what sorts of models result in larger multipliers and what sorts smaller multipliers, and to make judgements on the appropriate models to use in different policy simulations.

### Requisite Skills and Qualifications:

Intermediate macroeconomics and at least one course requiring computer programming skills. Some knowledge of Matlab (or its freeware version Octave) would be a plus.

**Award:** Liang Yuan Wong

**Tobin Application Link:** [Tobin Application](#)

**Project Type:** Tobin RA

**Project Year:** 2020

**Term:** Spring 2020

**Source URL:** <https://economics.yale.edu/undergraduate/tobin-ra/spring-2020/monetary-policy-multiplier>