

Replication Kit for Predictable Financial Crises (2021) by Greenwood, Hanson, Shleifer and Sørensen

This replication kit generates the data for Tables 1-11 of Predictable Financial Crisis (2021) by Greenwood, Hanson, Shleifer and Sørensen (henceforth GHSS2021). The only configuration required is updating the current directory in line 17 of the “PCF_Tables.do” such that it points to the “ReplicationKit”-folder which contains:

1. The “PCF_Tables.do”-file which contains the code to generate the data for the Tables 1-11.
2. The “Data.csv” file which contains the dataset used in GHSS2021
3. The “xtsccfixedb.ado” and “xtsccfixedb_tab.ado” files which allow us to calculate p-values using fixed-b asymptotics (Kiefer and Vogelsang (2005)). The code is written by Do Won Kwak and Timothy Vogelsang, and the files are retrieved from Timothy Vogelsang’s webpage (<https://sites.google.com/view/tim-vogelsang-msu/code?authuser=0>).

“Data.csv” contains information on the following variables at a country-year level:

Variable	Description
debt_to_gdp_bus_d3	3-year change in business debt to gdp
debt_to_gdp_hh_d3	3-year change in household debt to gdp
debt_to_gdp_private_d3	3-year change in private debt to gdp
debt_private_real_lg3	3-year log change in private debt adjusted for inflation
equities_real_lg3	3-year log change in equity index adjusted for inflation
housing_real_lg3	3-year log change in house price index adjusted for inflation
gdp_real_lg1	1-year log change in GDP adjusted for inflation
crisis_ind_bvx	Onset of financial crisis according to Baron, Verner and Xiong (2021)
crisis_ind_st	Onset of financial crisis according to Jordá, Schularick and Taylor (2017)
crisis_ind_rr	Onset of financial crisis according to Reinhart and Rogoff (2011)
bvx_bank_eq_decline	Bank equity crash indicator of Baron, Verner and Xiong (2021)
bvx_bank_failures	Bank failure indicator of Baron, Verner and Xiong (2021)
bvx_panic	Panic indicator of Baron, Verner and Xiong (2021)
developed	Indicator variable taking the value of 1 if the country was defined as high-income by the World Bank in 1995