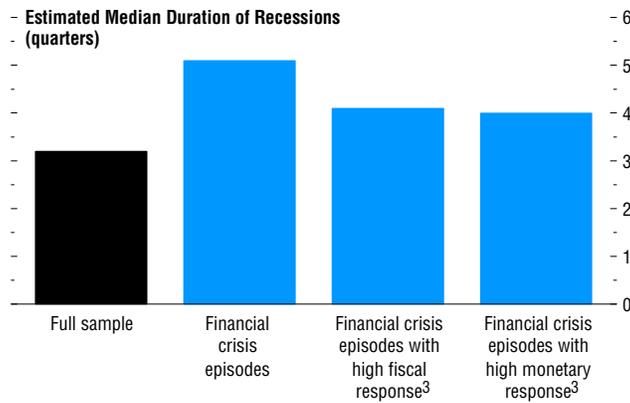
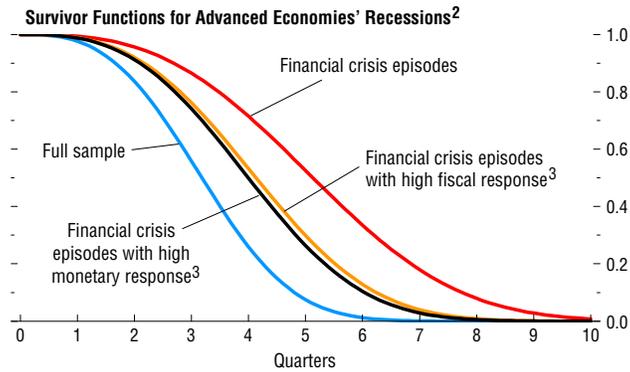


### Figure 3.12. Impact of Policies during Financial Crisis Episodes<sup>1</sup>

Recessions associated with financial crises tend to be more protracted. The duration of these recessions, however, can be mitigated by expansionary fiscal and monetary policies.



Source: IMF staff calculations.

<sup>1</sup>Recessions associated with financial crises, as described in the text.

<sup>2</sup>Survivor functions show the probability of remaining in a recession beyond a certain number of quarters.

<sup>3</sup>Refers to a one-standard-deviation increase in government consumption or decrease in real interest rates, respectively.