Discretionary fiscal policy has been used less frequently than monetary policy and automatic stabilizers during downturns, and has taken longer to arrive.

Figure 5.1. How Often and Quickly Has Fiscal Stimulus Been Used in G7 Economies?¹

Share of downturns with easing in:

- Cyclically adjusted primary balance
- Cyclical primary balance
- Cyclically adjusted revenue
- Cyclically adjusted current spending
- Capital spending
- Nominal policy interest rate

Lag after start of downturn until policies eased

Source: IMF staff calculations.
¹G7 comprises Canada, France, Germany, Italy, Japan, United Kingdom, and United States.