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THE EFFECT OF INFLATION UNCERTAINTY ON HOUSEHOLD EXPECTATIONS AND
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ABSTRACT

Using a new Canadian household survey, we examine how inflation expectations and uncertainty shape spending. Randomized information treatments provide the first moment of various inflation statistics, with or without second moments, generating variation in both expectations and uncertainty. All information types lower expectations and uncertainty. Communicating uncertainty does not shift expectation or uncertainty levels, but raises the probability households assign to inflation near the communicated ranges. In Nielsen IQ Homescan data, higher inflation uncertainty persistently reduces spending on both durables and non-durables over the year following treatment, while higher inflation expectations raise durable spending one month after treatment.

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1 Introduction

Managing inflation expectations has been a critical challenge for central banks worldwide during the COVID-19 pandemic and the post-pandemic inflation surge, accompanied by macroeconomic uncertainty and uncertainty about inflation. Central banks take different approaches to communicating their inflation outlooks and the uncertainty surrounding their forecasts, and these strategies have evolved over time. For example, the Bank of England and the European Central Bank publish their inflation forecasts with confidence intervals, Bank of Canada and Banco de México provide only point forecast, and Bank of Japan provides inflation forecasts of different board members. Communication about inflation and monetary policy has been shown to significantly affect household inflation expectations and their spending [Coibion et al., 2022, 2023a,b]. It is important for central banks to know how and when to communicate about inflation uncertainty and what the effects on households' views about inflation and its uncertainty and on their decisions are.

This paper assesses the causal impact of inflation expectations and uncertainty about inflation on spending decisions using a large representative survey of Canadian households conducted in April–May 2020 and Nielsen IQ's Homescan panel. Within the survey, we implement a randomized control trial providing different types of information about first and second moment of inflation. Our information treatments included past inflation, the inflation target of the Bank of Canada (with or without information about the inflation target control range), the Bank of Canada one-year-ahead inflation outlook (with or without a 95% confidence interval), and professional forecasters' one-year-ahead inflation forecasts (with or without a range of outlooks), where information about ranges conveys uncertainty about inflation. Our analysis investigates how communication about inflation uncertainty influences households' inflation expectations, subjective uncertainty regarding future inflation and spending decisions. To assess the persistence of the information effects, we conducted a follow-up survey of the same households in November and December 2020. We also identify demographic groups that benefit the most from communication.

Before our information interventions, survey respondents were largely uninformed about publicly available information about inflation. The average respondent believed that the Bank of Canada inflation target was 6.7% and its outlook for one-year-ahead inflation was 6.9% (whereas both were 2%). Only about one-third of our survey respondents reported being aware of the publicly available information provided in the interventions. Respondents were relatively more informed about past inflation and the target than about inflation forecasts. A similar lack of knowledge has been previously reported in other countries by Coibion et al. [2022], Binder [2017].¹ On average, our survey participants expected inflation to be 7.9% over the next year (it ended up being 3.5%) and reported substantial uncertainty around this forecast as measured by interquartile range of their subjective probability distribution of 6.6 percentage points. These findings indicate the potential

¹Coibion et al. [2022] observe that less than 20% of U.S. households know the Fed's inflation target and 40% believe it is 10% or higher.

for information interventions to guide household expectations.

All of our information interventions significantly lowered respondents’ inflation expectations toward the provided inflation rate and reduced the dispersion in inflation expectations among respondents. The treatments also decreased uncertainty surrounding respondents’ expected inflation by 0.2 to 0.5 percentage points. The information interventions reduced the probabilities respondents assigned to extreme inflation outcomes and increased the probabilities assigned close to the inflation target control range between 1 and 3%. These effects are increasing in respondents’ prior uncertainty, most strongly for treatments that convey information about the uncertainty surrounding inflation forecasts. Interestingly, we find that inflation in frequently purchased items experienced by each household before the information interventions does *not* play a role in how respondents revise their inflation expectations or their inflation uncertainty.² We also find that those respondents who reported that inflation is important for their spending decision are not more responsive to information treatments.

We introduce new evidence about how households respond to communication of uncertainty surrounding inflation statistics. Surprisingly, our results demonstrate that communicating uncertainty about inflation does not have detrimental effects on inflation expectations—neither on their level nor on their uncertainty about future inflation. Information about inflation uncertainty neither weakens the effects of information interventions nor unanchors inflation expectations. In fact, providing information about the Bank of Canada’s inflation outlook with a confidence interval or inflation outlook of professional forecasters with a range is significantly more effective at anchoring both point and probabilistic expectations than providing only point forecast. Information interventions with inflation uncertainty are most impactful in reducing subjective uncertainty of individuals with high prior levels of subjective uncertainty.

Overall, we find limited persistent effects of our information interventions on consumer expectations, consistent with the literature [Cavallo et al., 2017, Coibion et al., 2023a,b, Ehrmann et al., 2025]. Only relevant and easy-to-process information such as the Bank of Canada’s outlook and professional forecasts communicated precisely (without uncertainty) continue to have anchoring effects on the level of expected inflation when we resurvey households six months later. Our finding suggests that *simpler* communication may be easier for households to retain information, consistent with Bholat et al. [2019].

Does it matter to *whom* uncertainty about inflation is communicated? We observe some differences in the impact on inflation expectations across demographics among respondents when they first received the information. The groups who typically have the most unanchored inflation ex-

²D’Acunto et al. [2021] find that consumers’ inflation expectations are strongly linked to inflation in frequently purchased goods, such as food.

pectations (young and those with lower levels of education) are more responsive to information about inflation presented without uncertainty. And in our follow-up survey six months later, we find that respondents’ age and education play an important role in their ability to retain information communicated with uncertainty: precise communication more effectively anchors inflation expectations among young people and those with lower levels of education.³ On the other hand, the inflation expectations of those with a university degree and above are 1.2 percentage points lower in Wave 2 when treated with information containing inflation uncertainty than in treatments without uncertainty. These results suggest that information about inflation uncertainty is more cognitively demanding to process and may not be universally useful in managing inflation expectations.

We further examine two channels through which the information interventions influence survey respondents’ *realized* household spending using transaction-level data from Nielsen IQ Homescan Panel: the level of inflation expectations and uncertainty about future inflation. Uncertainty is the dominant channel. Higher inflation uncertainty causally reduces total, durable, and non-durable spending, and the effect is persistent, lasting up to a year after treatment. A 1% increase in inflation uncertainty lowers total spending and non-durables spending by about 0.2% during 1, 3, 6, and 12 months after the treatment. The impact of uncertainty on durables spending is higher: about 0.7 to 0.9% during 3, 6 and 12 months after the intervention. Higher inflation expectations, by contrast, raise durable spending only in the first month after treatment. Because our interventions lowered both the level of and uncertainty about inflation expectations—that is, they anchored expectations—their overall effect on household spending was positive.

Our main contribution is to provide evidence about the impact of communicating inflation uncertainty on household inflation expectations and *realized* spending decisions. Our paper is the first to document the benefits of communicating uncertainty around inflation not only on inflation expectations but also on spending in transaction-level data. Furthermore, we show heterogeneity in the impact of communicating uncertainty about inflation across demographic groups, which suggests an important role for tailored central bank communication with different demographics.

Our paper is most closely related to [Georgarakos et al. \[2024\]](#) and [Fischer et al. \[2025\]](#), who also conduct randomized controlled trials providing information about the first and second moments of professional forecasters’ inflation expectations to study the effect of inflation uncertainty on consumers’ beliefs and spending. [Table 1](#) summarizes the key differences in experimental design across the three studies. These papers show that inflation uncertainty has a negative causal effect on *self-reported* spending in the Euro area. [[Georgarakos et al., 2024](#)] and on *expected* spending growth, spending *plans*, and *self-reported* spending in the U.K. [[Fischer et al., 2025](#)]. Both papers also find that, conditional on uncertainty, higher inflation expectations raise spending. Our contribution is

³[D’Acunto et al. \[2020\]](#) also find that communicating simpler information about the Federal Reserve’s monetary policy targets and objectives is more effective with communication about instruments, especially among less-sophisticated demographic groups.

to identify the uncertainty channel in *realized* household spending using transaction data, and our results are consistent with theirs in finding a negative effect of inflation uncertainty on spending. We also find some evidence of positive effects of inflation expectations on household spending on durables.

The consistency of these results is notable, all the more so given that the three studies – ours, [Georgarakos et al. \[2024\]](#) and [Fischer et al. \[2025\]](#) – were conducted in three different countries (Canada, the USA, and the United Kingdom) in three distinct environments ([Figure 1](#)): low inflation and peak inflation uncertainty with high background uncertainty due to the COVID-19 pandemic in Canada (our paper), high post-pandemic inflation and high uncertainty in the Euro area [[Georgarakos et al., 2024](#)], and declining inflation and rising inflation uncertainty in the U.K. [[Fischer et al., 2025](#)].

Our paper further contributes by identifying what *type* of information about inflation and inflation uncertainty is most effective on the expectations about inflation and its uncertainty. *Forward-looking* statistics such as forecasts of inflation by the Bank of Canada and by the professional forecasters are the most effective in revising households’ posterior views about both the level of future inflation and uncertainty about it ([Table 4](#), interaction coefficients of -0.96 to -0.98).⁴ Communicating the Bank of Canada’s inflation target is substantially less effective (-0.01 to -0.04), however, its influence increases substantially when communicated with the inflation target control range (-0.645 on inflation expectations).

Our paper, together with [Georgarakos et al. \[2024\]](#) and [Fischer et al. \[2025\]](#), provides important evidence on how *communication* about inflation and inflation uncertainty shapes households’ inflation *expectations* and *uncertainty* about inflation across *environments* that differ in their levels of inflation and uncertainty. When does communication have the greatest impact? Our study shows that communication about inflation is the most effective at moving expectations away from prior views (coefficients of -0.96 to -0.98) during periods of *low* inflation and *elevated* uncertainty. In such environments, information about both the first moment of inflation and inflation uncertainty is treated as credible and is especially effective at reducing inflation uncertainty. [Georgarakos et al. \[2024\]](#) find smaller effects of communication on posterior inflation expectations and uncertainty ([Appendix Table 3](#); interaction coefficients between -0.2 to -0.27 on inflation expectations and -0.14 to -0.19 on inflation uncertainty). Finally, the effects of communication appear weakest once inflation has moderated and inflation uncertainty has largely subsided: [Fischer et al. \[2025\]](#) report effects on inflation expectations (-0.23 to -0.26) similar to [Georgarakos et al. \[2024\]](#), but a much smaller impact on uncertainty (-0.03 to -0.05).

⁴When information interventions are effective, coefficient c_2 in regression $E_i Y_{1yr}^{posterior} = c_0 + c_1 Treatment_i + c_2 Treatment_i E_i Y_{1yr}^{prior} + c_3 X_i + error_i$ is negative, indicating that the link to prior beliefs is diminished by the information treatment.

Table 1: Summary of studies with RCTs examining communication of inflation with uncertainty on inflation expectations, inflation uncertainty and spending

Dimension	Kostyshyna-Petersen (this paper)	Georgarakos- Gorodnichenko- Coibion-Kenny (2024)	Fischer-Herler- Schnattinger (2026)
Time period	Wave 1: April-May 2020 Wave 2: Nov-Dec 2020	Sept 2023	Wave 1: March 2024 Wave 2: Sept 2024 Wave 3: March 2025
Country	Canada	European Union	United Kingdom
Inflation	2%, stable	4.3%, declining	3.7%, declining
Inf Uncertainty	Peak	Declining	Rising
Treatments	Past inflation Bank target w/wo range Bank forecast w/wo CI Prof. forecast w/wo range	Prof. forecast Range of prof. forecasts Prof. forecast w/ range	
Spending Data	Transaction-level durable, non-durable	Self-reported	
		durable, non-durable	total spending (exc. rent)
Impact of Prof. Forecasts on... †			
• Inf expectations	[-0.965, -0.981]	[-0.238, -0.193, -0.270]	[-0.23, -0.08, -0.26]
• Inf uncertainty	[-0.887, -0.889]	[-0.181, -0.137, -0.189]	[-0.03, -0.05, -0.03]
Effect of... on Spending			
• Inf expectations	durable: insig. non-durable: insig.	durable: positive non-durable: insig.	negative
• Inf uncertainty	durable: negative non-durable: negative	durable: negative non-durable: insig.	insig.

Note: This table summarizes design differences and key spending results from this paper, [Georgarakos et al. \[2024\]](#) and [Fischer et al. \[2025\]](#). The table compares only results with common treatments (information about inflation forecasts of professional forecasters) and results on spending. See papers for further results. †Here we present the values of coefficient c_2 across papers in regression $E_i Y_{1yr}^{posterior} = c_0 + c_1 Treatment_i + c_2 Treatment_i E_i Y_{1yr}^{prior} + c_3 X_i + error_i$, where $E_i Y_{1yr}^{posterior}$ is inflation expectaitons or inflation uncertainty. The ordering of treatment effects in the column describing our paper are professional forecasts and professional forecasts with range. In columns for GGCK and FHS, the orderings are professional forecast, range of professional forecasts, and professional forecast with range.

The effects of communication about inflation and inflation uncertainty are consequential – inflation uncertainty has a significant negative effect on spending. Thus, the reduction of inflation uncertainty can support consumer spending. Our findings have important implications for central bank communication. Although consumers report that inflation is important to their spending decisions, we find that they do not know much about inflation and respond to the communication about it. Communication about inflation forecasts and uncertainty about the forecast is beneficial to anchoring inflation expectations and reducing consumers’ uncertainty about inflation. We show when consumers are less uncertain about inflation and more confident about low inflation, this supports their spending. Using such communication by the central bank can be especially beneficial during times of heightened uncertainty such as during the COVID-19 pandemic.

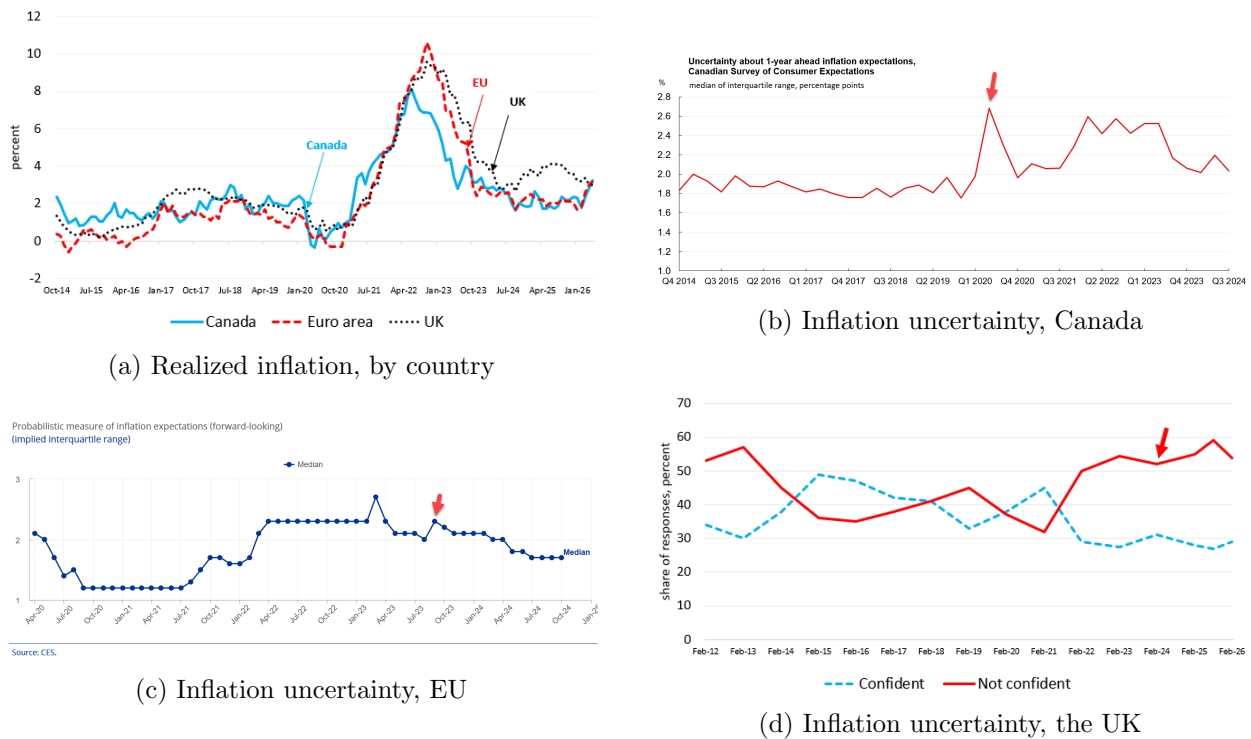


Figure 1: Inflation and inflation uncertainty

Notes: The red arrows in panels b, c and d indicate the timing of the surveys in our paper, GGCK and FSH, respectively.

Panel d presents shares of respondents in the Bank of England Inflation Attitudes Survey who reported that they are confident or not confident in response to the following survey question “How confident are you that inflation will be close to the 2% target set by the government in two to three years time? By close I mean that inflation will be between 1% and 3%.—

2 Data and Survey Design

Data collection was conducted through a two-wave survey administered by the survey company NielsenIQ and sponsored by the Bank of Canada. Participants were based in Canada and belonged to the NielsenIQ HomeScan Panel, a longitudinal representative panel that tracks household purchases and invites panelists to participate in online consumer surveys. Among its many benefits,

this panel had not previously participated in surveys related to macroeconomic conditions or monetary policy. Wave 1 included a randomized control trial and was conducted between April 13 and May 7, 2020. In Wave 2, a follow-up survey was conducted six months later between November 23 and December 11, 2020. All respondents’ survey data were matched to their spending data.

We use transaction data from the NielsenIQ Homescan Panel for Canada to study the effects of expectations on household spending. These data were used by [Cavallo and Kryvtsov \[2024\]](#) to study expenditure switching toward cheaper products households during post-pandemic inflation surge and by [Kostyshyna and Oullet \[2026\]](#) to study household food inflation in Canada. Data from NielsenIQ Homescan are a Canadian equivalent of the U.S. Nielsen Homescan Panel used in studies of inflation [[Kaplan and Schulhofer-Wohl, 2017](#)], inflation expectations and spending [[Gorodnichenko et al., 2022](#), [Coibion et al., forthcoming](#)]. We use data from April 2020 to May 2021. The panel includes approximately 12,300 households in 9 Canadian provinces (excluding Newfoundland and Labrador and the territories), participants must be at least 18 years old. It is a voluntary consumer panel.

In NielsenIQ Homescan panel, the participants scan their weekly purchases using a barcode scanner or a mobile app. For each purchased item, they enter the quantities and total expenditure. These data include households’ expenditures on frequently purchased items such food and household items. Non-durables account for about 98% of observations and 95% of spending, with food and beverages counting for 80% of total spending and 87% of observations. The panel includes about 168 product classes, which we use to classify products as non-durables and durables.

Using NielsenIQ Homescan data, we compute quarterly year-over-year household food inflation rates experienced by each household before our information interventions during 2019Q2–2020Q1. We use Fisher inflation rates computed as in [Kostyshyna and Oullet \[2026\]](#).

2.1 Design of the randomized control trial

The Wave 1 survey consisted of three parts. In the first part, we elicited respondents’ prior inflation expectations for the next 12 months, expectations about household income growth, interest rates and their demographic characteristics. In the second part, respondents were either presented with randomly assigned information about inflation or placed in a control group that received no information. In the third part, we elicited respondents’ posterior inflation, income growth, and interest rate expectations.

In the Wave 1 survey, participants were asked to provide their one-year-ahead inflation expectations using both point forecasts and subjective probability distributions. The survey questions were designed similarly to those used in the FRBNY’s Survey of Consumer Expectations [[Armantier et al.,](#)

2017] and the Canadian Survey of Consumer Expectations [CSCE, 2024]. The survey questions can be found in Online Appendix A. For the subjective probability distributions, participants were instructed to assign probabilities to different bins representing inflation ranges. The bins consisted of ranges of less than -12%, -12% to -8%, -8% to -4%, -4% to -4%, -2% to 0%, 0% to 2%, 2% to 4%, 4% to 8%, 8% to 12%, and greater than 12%. Respondents were reminded to ensure the total probabilities summed to 100, and if not, they were prompted to adjust their responses accordingly.

We estimated each respondent’s density function based on their answers to the probability distribution question using parametric technique from [Engelberg et al., 2009]. From these density functions, we calculated the interquartile range (difference between the 75th and 25th percentiles) as a measure of each respondent’s uncertainty about future inflation ($E_i iqr_{1yr}$). We also computed the density mean ($E_i \pi_{1yr}^{mean}$) and the median ($E_i \pi_{1yr}^{median}$) of their inflation expectations.

The survey included questions on respondents’ employment status, and various demographic characteristics such as age, gender, education level, income, and province of residence. Respondents also indicated their familiarity with the concept of inflation and the ease of expressing inflation as a number. Finally, respondents were asked to report the importance of current and future inflation, interest rates, and income were on their spending decisions on a four-point scale ranging from ”Not important at all” to ”Very important”.

Six months after the Wave 1 survey, we conducted a follow-up survey with the same group of respondents to examine the persistence of the information interventions on their expectations. In the Wave 2 survey, participants were asked about their one-year-ahead inflation expectations. Notably, Wave 2 did not include any information interventions; all respondents received the same survey content.

2.2 Treatments

We designed the information treatments to assess how uncertainty surrounding inflation statistics influences household inflation expectations and spending. The design of our information experiment is similar to others in the literature [Gorodnichenko et al., 2022, Ehrmann et al., 2025, Hoffmann et al., 2022]. Each survey participant was randomly assigned to one treatment after completing the first part of the survey. The treatments, detailed in Table 2, provided factually accurate and publicly available information from various sources: past inflation over the last 12 months from Statistics Canada, the Bank of Canada’s inflation target, the Bank of Canada’s inflation forecast for the next year (from the Bank of Canada Monetary Policy Report [Monetary Policy Report, 2020]), and the mean forecast of inflation over the next year from professional forecasters (Consensus Economics). After receiving the information, participants were asked if they were already aware of it before proceeding with follow-up questions regarding their expectations.

We exogenously varied the degree of precision conveyed to respondents about these different inflation statistics. Information about the Bank’s inflation target, its inflation forecast, and the forecasts of professional forecasters was presented either as a point value or a point within a range.⁵ A range conveys the uncertainty about inflation statistic. For example, an inflation-target-control range indicates some flexibility in the targeting approach [Bank of Canada, 2021] and, as such, inherently communicates uncertainty about the inflation outcome. Variation in communicated uncertainty allows us to evaluate the trade-off between the coordination benefits associated with the point information and the potentially lower credibility assigned to overly precise targets and outlooks [Mishkin and Westelius, 2008]. The points and ranges are comparable across treatments and are of similar orders of magnitude. There are some slight differences across treatments, from 1.7% forecast by professional forecasters to a 2.0% Bank target and forecast. The ranges differ across treatments by 0.2 to 0.4 percentage points. And while the Bank of Canada inflation target range and confidence interval around their forecast were symmetric, the professional forecaster’s range was slightly skewed downward.

Information from different sources and different horizons may also be viewed differently by the survey respondents when they formulate their inflation forecasts for the next year. For example, some may view inflation forecasts by the Bank of Canada or by professional forecasters as more relevant for inflation expectations over the next year than the inflation target or past inflation. Past inflation can also serve as a useful starting point for formulating their inflation forecasts for the future, especially given the ample evidence of backward-looking expectations of inflation [Jonung, 1981, Malmendier and Nagel, 2011].

2.3 Sample description

Our survey was conducted over two waves. During Wave 1, survey invitations were sent to roughly 10,000 household panelists, of which 5082 participants completed the survey (about 50% response rate). Table 3 presents summary statistics on the demographic composition of the sample groups across the treatment and control groups in each wave of the experiment. Between 632 and 638 people were randomly assigned into each information treatment in Wave 1, and 66-70% of these respondents completed the follow-up survey in Wave 2.

Table 3 illustrates that the treatment groups were well balanced across key demographic characteristics such as age, gender, education, income and province of residence. The mean participant was in their early- to mid-50s, had some college education, and had a household income in the CAD\$40-100K range. Females made up 70% of the respondents in each treatment. This was a result of the composition of the Nielsen IQ Homescanner panel being based on shoppers as women

⁵The evidence about the role of precision in the design of inflation targets on the anchoring of inflation expectations of professional forecasters is mixed. Ehrmann [2021] finds better anchoring when inflation targeting includes range around point target, whereas Grosse Steffen [2021] find better anchoring with point inflation target, and Castelnovo et al. [2003] shows no difference in anchoring of long-term expectations from targets with or without a range.

are more likely to do the household shopping [Frank and Frenette, 2021].

On average, prior inflation expectations elicited in our Wave 1 survey were relatively high, ranging between 7% and 8% (average of 7.9 percent), while realized CPI inflation was around 2%. This pattern aligns with findings from the Canadian Survey of Consumer Expectations [CSCE, 2024], reflecting a well-documented upward bias in household inflation expectations [Axelrod et al., 2018, Tenreyro, 2019, Schembri, 2020]. D’Acunto et al. [2021] have documented the strong role of inflation in frequently purchased items by the households in their inflation expectations. In the NielsenIQ data, households experienced 3.4% inflation in food items on average during the 12 months before the treatment, which is higher than total CPI inflation. Household food inflation rates ranged from 0.18% (25-th percentile) to 5.86% (75-th percentile). Interestingly, prior inflation expectations do not exhibit a strong link to the food inflation experienced by the households before the treatment (Figure 2). This is likely because of the elevated background uncertainty associated with the COVID-19 pandemic, which had also raised uncertainty about inflation (Figure 1).

There was significant disagreement among respondents about one-year-ahead inflation, with a cross-section standard deviation between 12 to 15 percentage points. Participants also reported high subjective uncertainty about their expected inflation (interquartile range of subjective probability distribution), ranging from 5.75 to 7.23 percentage points across different treatments (with an average of 6.6 percentage points). Additionally, survey participants were not well informed about Bank of Canada’s inflation target or inflation forecast, with the average household believing the Bank’s inflation target was 6.7% and the outlook for one-year-ahead inflation was 6.9% (both were 2% at the time). Summary statistics of respondents’ expectations are available in Table B1 of Online Appendix B.

Despite being publicly available, the treatment information was novel to the vast majority of respondents. Only a relatively small proportion of respondents (8 to 35 percent) reported being aware of the presented information (Figure 3). Respondents showed greater awareness of past inflation (29 percent) and the Bank’s inflation target (28 percent and 35 percent with range) – topics more frequently discussed in the media – compared with their awareness of the inflation forecasts from the Bank or professional forecasters. Additionally, respondents were more aware of the Bank’s inflation forecasts (26 percent; 17 percent with confidence interval) than those of professional forecasters (8 percent; and 12 percent with range), indicating that information from the Bank holds greater prominence and visibility among the Canadian public. Awareness levels varied significantly across demographic groups. Males, individuals with higher levels of education or income reported more frequently being aware of the treatment information. However, no consistent pattern was observed across age groups. Older respondents (aged 55+) showed relatively higher awareness of past inflation compared with younger group, potentially due to their experiences with high inflation episodes [Malmendier and Nagel, 2011, Cavallo et al., 2017].

Respondents who stated that they were already aware of the Bank of Canada’s inflation target had more accurate (i.e. lower) perceptions of the Bank’s inflation target of 2% than those who were not aware (Figure 4, Panels A and B). Those aware reported that Bank of Canada’s target was 4.2 percent on average, and those unaware – 7.4 percent on average. Similarly, participants who reported being aware of the Bank of Canada inflation forecast (2% at the time) had more accurate views of this forecast (Figure 4, Panels C and D). On average, aware participants thought the Bank’s forecast was 3.9 percent, whereas unaware participants thought it was 7.5 percent. Overall, participants’ perceptions about the Bank’s inflation target and its inflation forecast were highly dispersed (Figure 4, Panels E and F).

Respondents were asked how important a range of economic factors were to them when making spending decisions. Respondents rated current and future inflation, interest rates, and income on a four-point scale ranging from ‘Not important at all’ to ‘Very important’. Figure 5 presents the breakdown of importance. Around three quarters of respondents viewed both current and future inflation as somewhat or very important for their spending decisions, with nearly identical proportions for interest rates. The share was considerably higher for income, where more than 90 percent of respondents rated it as somewhat or very important.

3 The effects of information interventions on expectations

The distributions of Wave 1 posterior point inflation forecasts are presented in Figure 6a. The prior expectations of the entire sample are in dark purple. All information treatments reduced one-year-ahead inflation expectations, with fewer extreme forecasts and more forecasts within the 0 to 4% range. Bank of Canada and professional forecasts had a stronger anchoring effect on respondents’ expectations compared with past inflation and the Bank of Canada inflation target. The dispersion of inflation expectations among participants decreased across all treatments, with standard deviations of inflation expectations dropping from 12-15 percentage points in priors to approximately 8-10 percentage points in posteriors.

A similar pattern is observed in the posterior probabilities assigned to different inflation ranges after the information interventions. Figure 6c shows the average probabilities assigned to different inflation ranges before and after the information interventions. The control group’s posterior probability distribution adjust minimally with re-sampling. All information treatments thin the tails of the probability distributions and shift the probability mass toward the provided information ranges (0 to 4%). As with point forecasts, the effects are more pronounced in information treatments with inflation forecasts. These treatments also decrease individual uncertainty regarding expected inflation, with uncertainty levels falling from 5.75 to 7.25 percentage points in prior expectations

to 4.75 to 5.53 percentage points in posterior expectations (Table B1).

Binscatter plots illustrate that all information treatments influenced the posterior beliefs of survey participants. If the treatment information is effective, then the relationship between the posterior and prior beliefs should be weaker for the treatment groups relative to the control group. We find this is the case for one-year-ahead inflation expectations in all of our information treatments. The slopes of the binscatters for the treated groups are lower than the slope of the control group for inflation expectations (Figure 7a).⁶ Lastly, the information provisions increased the level of the posterior probability assigned to the inflation target range relative to the control group (Figure 6c). The steeper slope of the treated groups relative to the control group (Figure 7d) is indicative of the *upward* revision in the probability.

We estimate the following regressions to assess the impact of treatment information on the posterior beliefs following the approach in Gorodnichenko et al. [2022]:

$$E_i Y_{1yr}^{posterior} = c_0 + c_1 Treatment_i + c_2 Treatment_i E_i Y_{1yr}^{prior} + c_3 X_i + error_i \quad (1)$$

where $E_i Y_{1yr}^{posterior}$ is a measure describing posterior one-year-ahead inflation expectations by individual i , and $E_i Y_{1yr}^{prior}$ is a measure describing prior one-year-ahead inflation expectations. X_i are control variables for demographic characteristics (age, gender, education level, income level, province of residence), knowledge of inflation and ease of expressing inflation as a number. If the information treatments affect posterior beliefs, the link between posterior and prior expectations would weaken, implying that the estimated coefficient $\hat{c}_2 < 0$. The estimation results are presented in Table 4.

All treatments except for PastInflation have weakened the link between posterior and prior inflation expectations as indicated by negative coefficient c_2 (column (1)). Similarly, all treatments (except for BankForecast) have weakened the link between posterior uncertainty about future inflation and prior uncertainty (column (2)). The results for probability assigned to the target range are different – coefficient c_2 is small and positive for all treatments except for BankTarget and BankTargetRange. We interpret positive coefficient as consistent with *upward* revisions in the beliefs about probability assigned to the target range in response to information interventions.

3.1 Potential channels for information effects to influence expectations

A growing literature documents that households update their inflation expectations in response to new information, but the extent of updating is far from uniform. We argue that this heterogeneity reflects (at least) three distinct channels through which information can shape beliefs. The first is

⁶This observation also holds for both mean and median density inflation expectations.

credibility: households whose inflation experiences diverge sharply from the information provided may discount it as unrepresentative of their own circumstances, dampening its influence on their forecasts. This channel echoes evidence that personal experience—rather than aggregate statistics—shapes household beliefs [e.g., [Malmendier and Nagel, 2016](#), [D’Acunto et al., 2021](#)], suggesting that the credibility of an intervention is conditional on how closely it maps to what respondents have themselves observed. The second channel operates through perceived relevance: households who view inflation information as consequential for their own spending and saving decisions have a stronger incentive to process and incorporate it, consistent with rational inattention models in which the value of attention is tied to decision relevance [[Sims, 2003](#), [Coibion et al., 2018](#)]. The third channel works through prior uncertainty: in a Bayesian updating framework, respondents who are more uncertain about future inflation should place greater weight on new signals, as their priors are less precise [[Armantier et al., 2016](#)]. Taken together, these three channels—credibility, relevance, and uncertainty—offer complementary explanations for why otherwise similar information treatments can generate very different revisions across households, and motivate our use of household inflation experience, self-reported spending sensitivity to inflation, and prior inflation forecast uncertainty as moderators of treatment response.

To test these channels empirically, we estimate a series of regressions described by [Equation 2](#) below, in which forecast revisions are interacted with each of our three moderators—household inflation experience, self-reported spending sensitivity to inflation, and the interquartile range of respondents’ prior expectations (our proxy for forecast uncertainty)—separately and jointly. If the credibility channel is operative, we expect the treatment effect to attenuate as the gap between household experience and the information provided widens. If the relevance channel is at work, treatment effects should be increasing in self-reported spending sensitivity to inflation. And if the uncertainty channel is at work, respondents with wider prior uncertainty about inflation should exhibit larger revisions in response to treatment. Because these channels are not mutually exclusive, we also examine whether their effects are separately identified once all three moderators are included simultaneously, which allows us to assess their relative explanatory power.

$$E_i Y_{1yr}^{posterior} - E_i Y_{1yr}^{prior} = c_0 + c_1 Treatment_i + c_2 M_i + c_3 Treatment_i \times M_i + c_4 \tilde{M}_i + c_5 X_i + \varepsilon_i \quad (2)$$

where $E_i Y_{1yr}^{posterior} - E_i Y_{1yr}^{prior}$ is the revision in inflation expectations by individual i ; $Treatment_i$ is a vector of treatment-arm dummies, with the control group omitted as the base category; c_1 and c_3 are coefficient vectors on the treatment main effects and treatment–moderator interactions, respectively; $Treatment_i \times M_i$ denotes element-wise multiplication of each treatment dummy by the moderator; M_i is whichever single moderator is interacted with treatment in a given specification, $M \in \{\pi_i^{own}, \mathbb{I}_i^\pi, E_i iqr_{1yr}^{prior}\}$; $\tilde{M}_i$ collects the other two moderators, entered as uninteracted controls; π_i^{own} is food inflation rate experienced by the household of respondent i during the 12 months before the treatment, $\mathbb{I}_i^\pi$ is an indicator variable that takes the value of 1 for respondents

who report that future inflation is somewhat or very important in their spending decisions, and E_{iqr}^{prior} is their prior uncertainty about one-year ahead inflation. Finally, X_i are demographic and inflation-literacy controls (age, gender, education, income, marital status, presence of children, language, province, self-assessed inflation knowledge, and ease of expressing inflation numerically). Coefficients are estimated via robust regression.

The estimation results are presented in [Table 5](#) and examines whether the treatment effects vary with three sources of heterogeneity: households’ experienced inflation, the self-reported importance of inflation for spending decisions, and the prior uncertainty about inflation. For each outcome, we re-estimate our baseline specification interacting the treatment indicators with one moderator at a time, while controlling for the levels of all three. Given the number of interaction terms estimated, we do not emphasize isolated marginally significant coefficients, and confine our interpretation to the patterns that appear consistently across treatments and outcomes.

The heterogeneity we detect operates almost entirely through prior uncertainty. In the control group, respondents with more uncertain priors compress their forecast distributions only modestly when re-elicited and revise their point forecasts no differently from other respondents. Information provision changes this sharply. The interaction terms in column 6 are negative and statistically significant for every treatment, indicating that treated respondents compress their forecast distributions in proportion to their initial uncertainty.⁷ The magnitudes rise steeply with the informational content about uncertainty itself: the compression associated with the central bank’s forecast confidence interval and the professional forecasts is roughly an order of magnitude larger than that associated with past inflation or the point target. Communications that speak directly to the uncertainty surrounding inflation are thus most effective for the households whose expectations are the most uncertain. A similar pattern appears in point forecasts (column 3), where most treatments induce initially uncertain respondents to revise their forecasts downward, consistent with information correcting the inflated point expectations that tend to accompany diffuse priors.

By contrast, we find little evidence that treatment effects vary with households’ experienced inflation. The main effect of experienced inflation is small and statistically insignificant across all outcomes: households facing higher personal inflation rates do not systematically revise their expectations, their uncertainty, or their assessment of the target range differently from other households. Nor do they respond differentially to information. This null is notable given the prominence of experience effects in the expectations literature. One might expect households with high experienced inflation to discount official statistics that conflict with their own experience, or conversely

⁷The coefficient on prior dispersion is also strongly significant in the specifications where it enters only as a control (the IQR Prior row in columns 1–2 and 4–5). This reflects the same forces: because the large majority of the sample receives some form of information, this pooled coefficient averages the small control-group slope with the substantially larger responses of treated respondents, so that dispersed priors predict downward point revisions and distribution compression in the sample as a whole.

to respond more strongly to information that validates it. We find neither.

Treatment effects are similarly uniform across households that differ in the self-reported importance of inflation for their spending decisions. Both the main effects and all interaction terms are statistically indistinguishable from zero. Although salience of inflation for spending is measured with a coarse binary indicator, leaving modest heterogeneity potentially undetected, the pattern suggests that our treatments do not operate primarily through differential attention or engagement: households for whom inflation is highly decision-relevant process the information no differently, on average, than those for whom it is not. Together, these two null results sharpen the interpretation of our main finding. The scope for information to move expectations is governed by how uncertain households are to begin with, rather than by their inflationary experience or the perceived importance of inflation for their spending decisions—consistent with a Bayesian view in which prior precision, not motivation or memory, determines the weight placed on new signals.

3.2 The effects of communicating with uncertainty

We experimentally varied the degree of precision in our inflation target and forecast information treatments to gauge the impact of imprecision and uncertainty (as conveyed by ranges) on inflation expectation formation. In this section, we document how the inclusion of ranges influences posterior expectations.

[Figure 7b](#), [Figure 7d](#) and [Figure 7f](#) compare the impact of precise and imprecise communication on the respondents’ posterior beliefs about one-year-ahead inflation. Information provided with a range has a stronger impact on posterior inflation expectations than information without a range, without controlling for participants’ characteristics.

We introduce a binary variable, $Range_i^T$, which takes the value of 1 for treatments involving ranges and 0 otherwise.⁸ We conduct separate regressions for each type of information provided—Bank’s target, Bank’s forecast, professional forecast—and pool our analysis for both targets and forecasts (all). We define T to represent different types of information presented with and without ranges: $T = \{All, BankTarget, BankForecast, ProfForecast\}$.

We assess the impact of the communication with ranges on posterior expectations by estimating the following equation similar to [Equation 1](#):

$$E_i Y_{1yr}^{posterior} = d_0 + d_1 Range_i^T + d_2 Range_i^T E_i Y_{1yr}^{prior} + d_3 X_i + error_i \quad (3)$$

If the information treatments with ranges lower posterior inflation expectations or lower posterior

⁸We exclude the PastInflation data from our analysis as it does not have a complementary treatment involving information with a range.

uncertainty about expected inflation more than treatments without the range, the interaction term would be negative, $\hat{d}_2 < 0$. The estimation results are presented in [Table 6](#).

Regression results show that communication with ranges is more effective than communication without ranges in affecting posterior inflation expectations and inflation uncertainty (columns 1 and 2 of [Table 6](#)). Inflation expectations are especially responsive to the communication of BankTarget with a range and to a lesser extent to the communication of BankForecast with confidence interval. While we see no notable differences in respondents' posterior subjective uncertainty about future inflation when the information is presented imprecisely in binscatter plot in [Figure 7d](#), regressions show that communication with ranges is more effective at influencing posterior subjective uncertainty than information without ranges (column 2 of [Table 6](#)). And in particular, communication of BankForecast with a range and ProfForecasts with a range has larger impact on uncertainty than communicating these forecasts without a range. Communication of ranges does not appear to have a stronger impact on the probability assigned to the target range ([Figure 7f](#)), which is consistent with regression analysis ([Table 6](#)) as two types of treatments have opposite impacts: communicating BankForecasts with a range strengthens the link, whereas communicating ProfForecast with a range weakens this link.

Further examination indicates that communicating ranges impacts respondents' probability distributions for expected inflation by shrinking the right tail and increasing the mass in the 2% to 4% range. When a range is included, there is an overall increase of 2.6 percentage points in the probabilities assigned to the 2% to 4% inflation range ([Table B3](#)). Specifically, the ProfForecastRange increases this probability by 3.7 percentage points (column 7 in Panel A of [Table B3](#)). Additionally, including a range leads respondents to reduce the probability mass assigned to the upper tail of their inflation expectations. Providing information about range results in an additional 2.4 percentage point decrease in the "above 12%" category, with reductions of 3.1 percentage points in both the BankTarget and ProfForecast (column (10) in [Table B3](#)). Finally, providing information about ranges does not significantly or consistently impact the probabilities assigned to deflation.

3.3 Differences by demographic characteristics

Does it matter to *whom* information is communicated? We estimate the following equations to assess whether treatments have different effects across demographic groups:

$$E_i Y_{1yr}^{posterior} - E_i Y_{1yr}^{prior} = a + b_0 Treatment_i + b_1 Treatment_i \times Demographic_i + b_2 X_i + \epsilon_{i,t} \quad (4)$$

where $Demographic_i$ is a demographic characteristic of individual i . We estimate this equation by focusing the interaction of one demographic characteristic at a time, either gender, age, education, or income. $Y_{i,t}$ is our set of dependent variables, which we described earlier. The estimation results

can be found in [Table C1](#) - [Table C4](#).

To assess whether the impact of communicating about inflation with uncertainty differs across demographic groups, we estimate the following equation:

$$E_i Y_{1yr}^{posterior} - E_i Y_{1yr}^{prior} = a + b_0 Range_i + b_1 Range_i \times Demographic_i + b_2 X_i + \epsilon_{i,t} \quad (5)$$

We estimate this equation by focusing the interaction of one demographic characteristic at a time, either gender, age, education, or income. The estimation results can be found in [Table C5](#) - [Table C8](#).

In Wave 1, the effects of communicating ranges on expectations are generally similar across demographics. Younger respondents revise their expectations less than older cohorts in response to information with uncertainty. When presented with the range of professional forecasts, respondents with the lowest level of education adjust their inflation expectations downward by roughly one percentage point less than those with higher levels of education.

However, we find that age and education play meaningful roles in the persistence of the impact of communicating ranges in Wave 2. Precise communication effectively anchors expectations among young people and those with lower education levels. When presented precisely, the expectations of these demographic groups continue to be affected six months after the treatment. However, participants with higher levels of education were more affected by the communication with uncertainty. Our findings suggest that different types of information can serve different groups of population best.

3.4 The role of prior uncertainty in the effects of communicating with uncertainty

Does prior uncertainty influence the responsiveness of respondents' posterior uncertainty to communication with a range? To explore this, we plot the relationship between respondents' initial uncertainty and their revision in uncertainty, considering the precision of the provided information. We use a fractional polynomial fit to capture this relationship, and the mean estimate is accompanied by 95% confidence intervals. [Figure 8](#) depicts a downward-sloping relationship between initial uncertainty and revisions in uncertainty, suggesting that respondents with greater initial uncertainty revise their inflation expectations more significantly downward.

To formally address this question, we estimate the following general specification:

$$E_i iqr_{1yr}^{posterior} - E_i iqr_{1yr}^{prior} = a + b_0 E_i iqr_{1yr}^{prior} + b_1 Range_i^T + b_2 Range_i^T \times E_i iqr_{1yr}^{prior} + b_3 X_i + error_i \quad (6)$$

We observe a greater downward revision in uncertainty among respondents exhibiting higher levels

of prior uncertainty (Table 7). Presenting a range does not initially have a significant effect on respondents with low levels of uncertainty (coefficient on variable $Range_i^T$ is not significant in column (1)). In fact, for those with the lowest levels of uncertainty in the BankForecast treatments, presenting a range actually increases their posterior uncertainty by 0.369 pp. However, the inclusion of a range leads to a notable reduction in posterior uncertainty for respondents with higher levels of initial uncertainty (coefficient of -0.02 on the interaction term (column (1)), particularly when the Bank’s forecast is presented with a confidence interval (coefficient of -0.238). This is illustrated in Figure 8. The impact of communicating ranges on people with the highest prior uncertainties persists six months later, driven mostly by communicating the BankForecast with a confidence interval (coefficient of -0.0169 on the interaction term, column (6)). However, being exposed to information about the BankTarget with a range increases the uncertainty in Wave 2 among those with higher prior uncertainty (coefficient of 0.04, column (4)).

3.5 The effects of communicating ranges on coordination

Central banks face a trade-off between focusing public attention on a specific inflation point statistic and maintaining credibility by communicating the inherent uncertainty surrounding inflation. In this section, we investigate whether communicating ranges enhances the credibility of the information provided. We examine two dimensions of credibility: credibility of the point in the communicated range and credibility of the range.

Table 8 shows the shares of participants whose one-year-ahead inflation forecast aligns with point inflation statistic (exactly or within 0.5 percentage points) and the shares of participants whose expectations fall within the range provided in our information treatments. For comparison, we also include the proportion of participants whose expectations fall within the relevant range without receiving treatment information about it.

Notably, none of the respondents in the PastInflation treatment had prior inflation expectations equal to past inflation, and only two out of 637 respondents used it as their posterior inflation expectation. This indicates limited coordination on past inflation statistic when forming expectations. All other information interventions increased the proportion of respondents whose posterior expectations were aligned with the precisely communicated information, ranging from 8 to 25 percentage points. The PastInflation and ProfForecastRange treatments exhibited the lowest anchoring influence, while the BankForecast and BankForecastCI treatments showed the highest levels of coordinating expectations on the provided information. Our findings indicate that most participants do not simply *parrot back* the communicated information in their posterior forecast. Instead, they consider both the communicated information and their prior expectations when revising their expectations.

To assess the impact of communicating uncertainty on the coordination on the provided information, we employ the following general probit regression model:

$$\mathbb{1}_i^Y = a + b_0 \text{Range}_i^T + b_1 X_i + \epsilon_i \quad (7)$$

Here, $\mathbb{1}_i^Y$ represents one of two indicator variables. The first indicator, $\mathbb{1}_i^{\text{point}}$, takes the value 1 if the respondent’s forecast is equal to the point statistic and 0 otherwise. The second indicator, $\mathbb{1}_i^{\text{inrange}}$, is equal to 1 if the respondent’s forecast falls within the range of the information intervention and 0 otherwise. Equation 7 is estimated separately for treatments with and without a range (BankTarget, BankForecast, and ProffForecast) as well as a pooled regression combining all six treatments. The estimation results are presented in Table 9. We present the estimation results for all respondents and for those with priors outside the communicated ranges. Respondents with prior expectations outside the ranges provided in information interventions may revise their expectations more than those with priors inside the ranges as the information about range presents more novelty to them, consistent with Bayesian updating.

Our analysis reveals that including ranges has mixed effects on the coordination in inflation expectations on the communicated point statistic or range. When a range is presented alongside information about the Bank’s inflation target or outlook, the coordination on the point statistic remains unaffected. However, presenting a range of professional forecast significantly decreases the likelihood of coordination on the point forecast by 5.85 percentage points.

The communication of ranges has a modest impact on the anchoring of expectations in the communicated range. Only in BankForecastCI do we see a modest 4.6 percentage point increase in the likelihood of posterior expectations falling in the communicated range. The coordination of expectations to the range is stronger among respondents whose prior expectations were outside of the range, by 3.83 percentage points overall and 5.3 percentage point in BankTarget and 4.86 percentage points in BankForecast treatments. Finally, none of the observed effects persist when we resurvey respondents six months later in Wave 2.

4 The effect of inflation expectations and uncertainty on household spending

We next evaluate the impact of inflation expectations and uncertainty about inflation on respondents’ spending decisions. We combine respondents’ survey data with their daily household spending obtained from the Nielsen IQ Homescan Panel. We conduct our analysis using total spending, spending on durables and non-durables.

Standard models of consumer dynamic optimization show that spending is determined by the Euler

equation. When log-linearized around a deterministic steady state, both expectations of inflation $\mathbb{E}_t[\pi_{t+1}]$ and variance of inflation $\text{Var}_t(\pi_{t+1})$ affect the level of household spending:

$$\log c_t = \mathbb{E}_t[\log c_{t+1}] - \frac{1}{\sigma} \left[i_t - \mathbb{E}_t[\pi_{t+1}] - \frac{1}{2} \text{Var}_t(\pi_{t+1}) + \Phi_t \right] + \text{const}, \quad (8)$$

where

$$\Phi_t \equiv -\sigma \frac{\text{Cov}_t(c_{t+1}^{-\sigma}, (1 + \pi_{t+1})^{-1})}{\mathbb{E}_t[c_{t+1}^{-\sigma}] \mathbb{E}_t[(1 + \pi_{t+1})^{-1}]} > 0.$$

To evaluate the relevance of this framework, we estimate the causal effect of inflation expectations and inflation uncertainty on household spending. Following [Georgarakos et al. \[2024\]](#), [Coibion et al. \[2021\]](#), [Coibion et al. \[2024\]](#), [Kumar et al. \[2023\]](#), our econometric strategy is as follows:

$$\begin{aligned} \ln(\text{spending})_{i,t+h}^J &= \alpha + \beta_1 E_i \pi_{1yr}^{\text{posterior}} + \beta_2 E_i \pi_{1yr}^{\text{prior}} + \gamma_1 \ln(E_i iqr_{1yr,i}^{\text{posterior}}) + \gamma_2 \ln(E_i iqr_{1yr}^{\text{prior}}) + \\ &+ \kappa \ln(\text{spending})_{i,t-1}^J + \text{Controls}_i + \epsilon_{i,t+h} \end{aligned} \quad (9)$$

where $\log(\text{spending})_{i,t+h}^J$ is the natural logarithm of the spending type J of the household of respondent i during h months after the treatment. $E_i \pi_{1yr}^{\text{posterior}}$ is posterior inflation expectations of participant i , and $E_i \pi_{1yr}^{\text{prior}}$ is prior inflation expectations of participant i . $\ln(E_i iqr_{1yr,i}^{\text{posterior}})$ is natural logarithm of posterior inflation uncertainty of participant i , and $\ln(E_i iqr_{1yr}^{\text{prior}})$ is the natural logarithm of the prior inflation uncertainty of participant i . Controls_i include demographic variables X_i and $\log(\text{spending})_{i,t-1}^J$, the natural logarithm of the spending type J of household of respondent i during one month before the treatment. We also estimate this specification using $E_i \text{prob}_{1yr}^{\text{target,post}}$ instead of $\ln(E_i iqr_{1yr}^{\text{posterior}})$ and with $E_i \text{prob}_{1yr}^{\text{target,prior}}$ instead of $\ln(E_i \pi_{1yr}^{\text{prior}})$ to assess the impact of *certainty* about inflation being low and close to inflation target control range on spending. Coefficient β_1 in [Equation 9](#) provides an estimate of causal impact of inflation expectations on household spending, and coefficient γ_1 provides an estimate of causal impact of inflation uncertainty on spending. We would like to note that our specification does not estimate an Euler equation.

$E_i \pi_{1yr}^{\text{posterior}}$ and $E_i iqr_{1yr}^{\text{posterior}}$ are instrumented using the following equation:

$$\begin{aligned}
E_i \pi_{1yr,i}^{posterior} &= a + \sum_{j=1}^3 b_j D_i^{treat_j} + \sum_{j=1}^3 c_j E_i \pi_{1yr,i}^{prior} X D_i^{treat_j} + \sum_{j=1}^3 d_j \log(E_i iqr_{1yr,i}^{prior}) X D_i^{treat_j} \\
&\quad + Controls_i + error_i \\
\log(E_i iqr_{1yr,i}^{posterior}) &= \bar{a} + \sum_{j=1}^3 \bar{b}_j D_i^{treat_j} + \sum_{j=1}^3 \bar{c}_j E_i \pi_{1yr,i}^{prior} X D_i^{treat_j} + \sum_{j=1}^3 \bar{d}_j \ln(E_i iqr_{1yr,i}^{prior}) X D_i^{treat_j} + \\
&\quad + Controls_i + error_i
\end{aligned} \tag{10}$$

where $D_i^{treat_j}$ is treatment indicator with $j = 1$ if respondent i is in the control group, $j = 2$ if the respondent i is in treatments communicated without range, $j = 3$ if respondent i is in the treatment communicated without range. (Treatment *PastInflation* is excluded because it does not have equivalent communicated with a range). As in Coibion et al. [2021], we use Huber regressions in the first stage to eliminate the role of outliers and influential observations.

The estimations of Equation 9 are presented in Table 10. The impact of uncertainty on spending is negative and very persistent: during 1, 3, 6 and 12 months after the treatment. A 1% increase in uncertainty leads to 0.263% decline in total spending 1 month, 0.236% 3 months, 0.217% 6 months and 0.203% 12 months after the treatment. The effects of inflation uncertainty on non-durables are comparable: -0.232% after 3 months, -0.199% after 6 months and -0.205% after 12 months. The effect of inflation uncertainty is largest on durables spending: a 1% increase in uncertainty leads to a 0.76% decline in 3 months, 0.912% in 6 months and 0.67% decline in durables spending 12 months after the information intervention. Overall, the effect of uncertainty diminishes as time since treatment elapses. We also find positive effect of inflation expectations on the durables spending 1 month after the treatment: 1-percentage point increase in inflation expectations leads to 2.6% increase in durables spending. A positive effect of inflation expectations is consistent with standard macroeconomic models. However, inflation expectations do not have statistically significant effect on total spending or spending on non-durables at any horizons.

Negative effects of inflation uncertainty on *self-reported* spending are also reported by Georgarakos et al. [2024] in European countries and on spending *plans* and *decisions* by Fischer et al. [2025] in the U.K. These papers also report positive impact of inflation expectations when controlling for inflation uncertainty. Coibion et al. [2021] find positive impacts of higher inflation expectations on *realized* non-durable spending, without controlling for uncertainty.

We also conduct a robustness check using the probability assigned to inflation falling between 0% and 4% as a measure of *certainty* that inflation will be low, with results presented in Table 11. We find that a higher probability assigned to 0 to 4% range, i.e. being more certain that inflation

will be low in the future, has a positive effect on consumer total spending. A 1-percentage-point increase in the probability results in a 1 to 1.2% increase in total spending at all horizons, a 1.1 to 1.2% increase in non-durable spending 3 to 12 months after treatment and about 3 to 4% increase in durable spending. These results underscores the role of the perceptions about low and stable inflation for consumers, a mandate of many central banks around the world.

We present the estimation results of Equation 9, restricted to inflation expectations, in Table D1. We find no significant effects of inflation expectations on total spending or on spending on non-durables or durables. However, the results of estimating Equation 9 with only uncertainty presented in Table D2 show negative statistically significant impact of uncertainty on total spending and spending of durables and non-durables at all horizons. We also estimated Equation 9 with certainty about low inflation. Table D3 shows stronger impact of certainty about low inflation on consumer spending than in regressions with inflation expectations (Table 11). A 1-percentage point increase in the probability assigned to 0 to 4% inflation lead to 2% increase in total spending at all horizons, 3 to 6% increase in spending on durables and about 2% increase in non-durable spending.

Finally, in a further robustness check, we add additional controls to Table 12 – household food inflation π_i^{own} , expectations for the growth of household income over the next 12 months $E_i \text{income}_{1yr}^{posterior}$ and interest rate expectations $E_i \text{interest}_{1yr}^{posterior}$ (average of current interest rate for borrowing, saving and risk-free saving reported by the respondents). The results about no impact of inflation expectations and negative impact of inflation uncertainty are robust to the inclusion of these additional variables. Quantitatively, the impact of inflation uncertainty are comparable. Uncertainty negatively affects total spending at 1, 3 and 6-month horizons (not 12 months), durable spending at all horizons and non-durable spending 3 months after the treatment.

While inflation expectations do not affect household spending, we find a strong negative link between household inflation and spending. Interest rate expectations have a positive link to spending, consistent with Euler equation. Expectations about household income growth have positive impact on total spending and non-durable spending 12 months after the treatment.

5 Discussion

This paper examines the value of providing direct communication to households about inflation and about the uncertainty around inflation statistics. All types of information about inflation are effective in managing inflation expectations, with more relevant information about outlooks being more effective than information about recent inflation or inflation target. On average, we do not observe negative consequences of communicating about inflation uncertainty on either inflation expectations or respondents’ subjective uncertainty about future inflation, with some heterogene-

ity in persistence across demographic groups. Rather, we see positive effects of communicating inflation uncertainty on the distributional inflation expectations being more centered around the communicated ranges. Greater confidence in low future inflation boosts household spending and underscores the importance of low and stable inflation, a mandate of many central banks.

The challenges of central bank communication with the public are well-known [Blinder et al., 2022]. The impacts of information interventions tend to fade over time. For example, Coibion et al. [2023c] note that people quickly forget information about the Federal Reserve’s announcement about their recent move to average inflation targeting. We also observe that the impact of our information interventions on inflation expectations did not persist in most cases during our follow-up survey six months later. The exceptions are for precisely communicated inflation outlooks by the Bank of Canada and professional forecasters. This persistent effect of precise information is more pronounced among respondents with lower levels of education and highlights the value of relevant and easy-to-use information. These results imply the need for repeated and tailored communication with different segments of the population.

Furthermore, information retention can be improved by providing context and explanation of the communicated statistics. Ehrmann et al. [2025] show evidence from a recent ECB survey experiment that the positive anchoring effects of central bank communication about inflation targets can persist six months later when it is supplemented with economic background, such as explanations of how inflation targeting helps to stabilize the economy and contributes to economic growth and employment. Repeat messaging may also be necessary for the ongoing management of expectations. However, repeat messaging not only comes with a pecuniary cost but also has the consequences of creating desensitization and misprocessing of information. Lu et al. [2015] document an inverted U-shape relationship between repetition and revision in beliefs. Moreover, the demographic groups whose expectations are most unanchored (lower income, younger people, females) are also the ones who report experiencing higher information overload, especially when it is obtained over the computer or social media [Holton and Chyi, 2012].

We conclude by pointing to some fruitful areas for future research. There are many ways to communicate uncertainty; for example, using more words indicating risks and uncertainty [Cieslak et al., 2021], visually with box and dot plots as well as using projections with densities. Bholat et al. [2019] show that visuals are more effective at improving comprehension than are written summaries of the Bank of England’s Inflation Reports. Research exploring how people respond to these different presentation styles will further our understanding of how policymakers can more effectively communicate with the public. Public perceptions of and attitudes toward the central bank can influence the success of monetary policy. In uncertain times, being vague about objectives and outlooks can help to improve credibility and may be a useful strategy [Stein, 1989, Salle et al., 2019, Jia and Wu, 2022].

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Figures and tables

Figure 2: Scatter plot of inflation expectations and household inflation

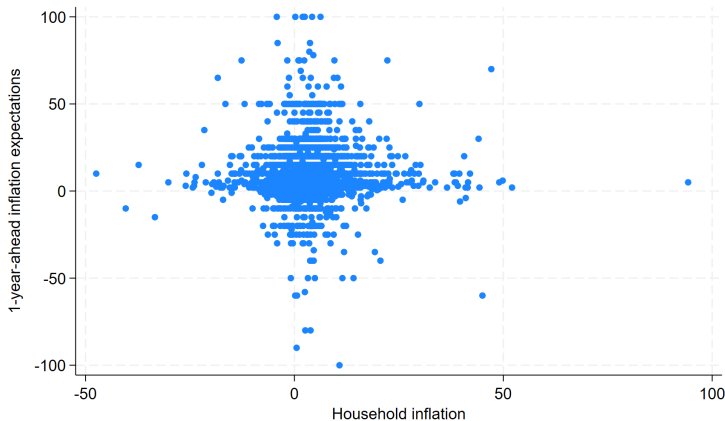


Figure 3: Proportions of participants who reported being aware of the intervention information

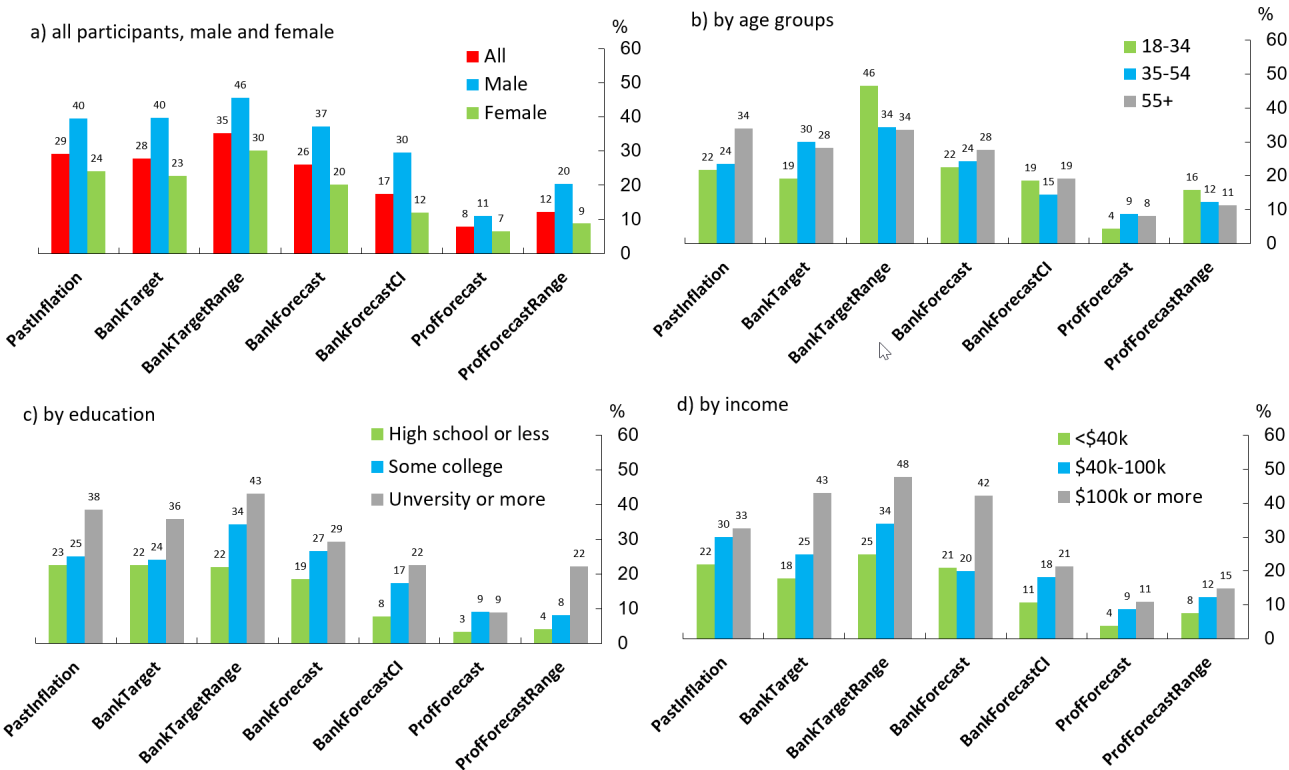


Figure 4: Histograms of perceptions about Bank of Canada inflation target and Bank of Canada inflation forecast

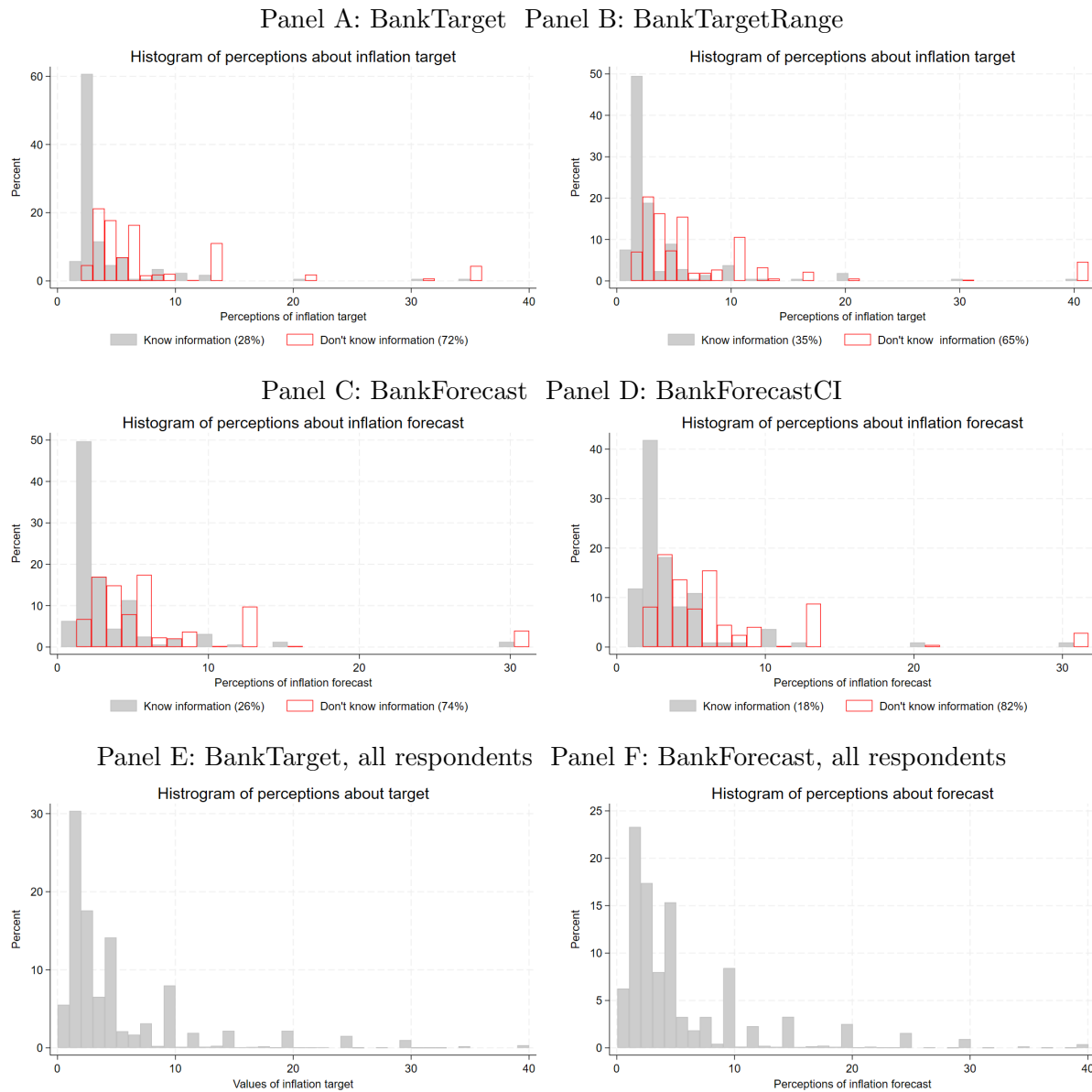


Figure 5: Importance of economic factors for spending decisions

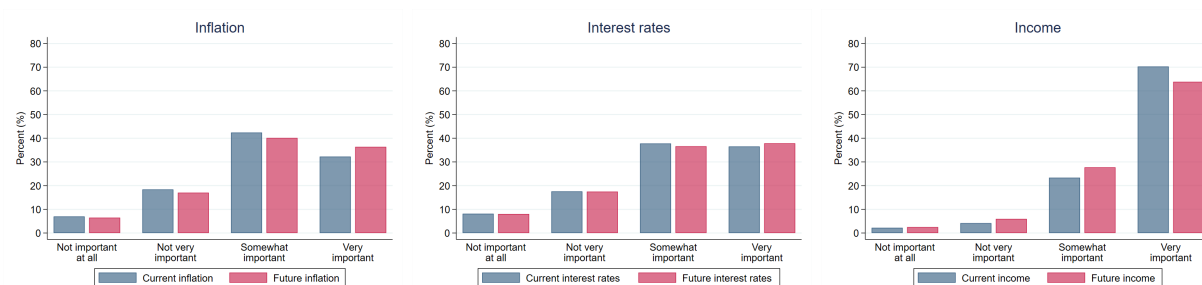
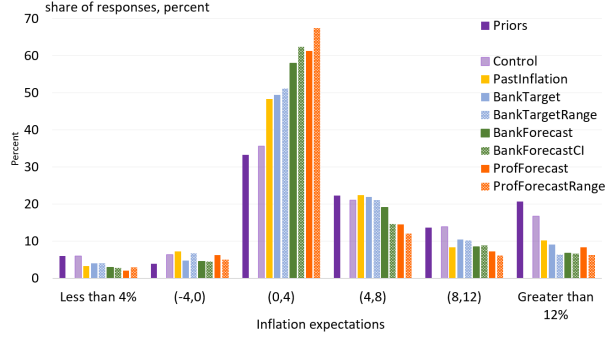
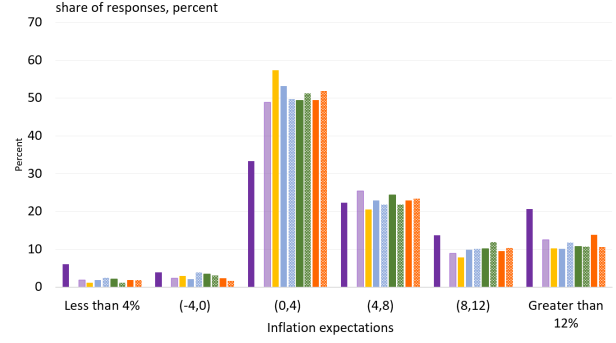


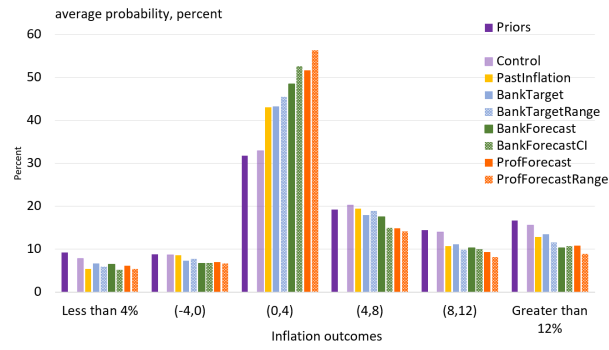
Figure 6: Histograms of 1-year-ahead inflation expectations, by treatment and wave



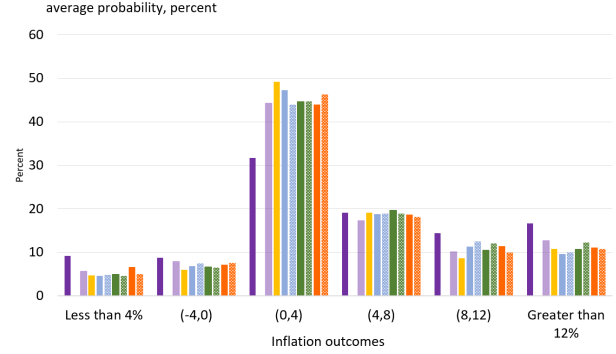
(a) 1-year-ahead inflation expectations, Wave 1



(b) 1-year-ahead inflation expectations, Wave 2

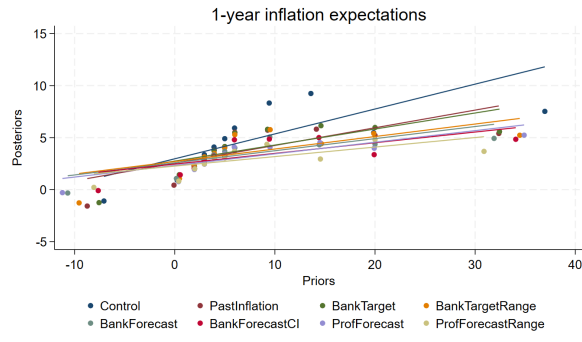


(c) Average probability distribution, Wave 1

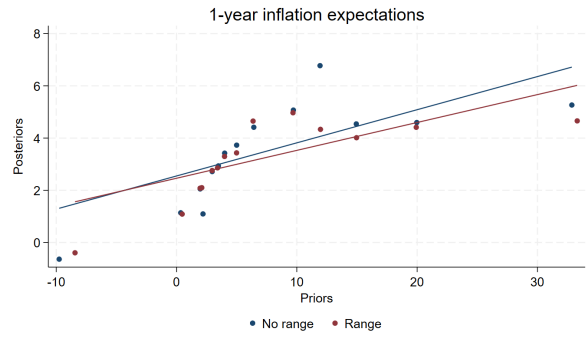


(d) Average probability distribution, Wave 2

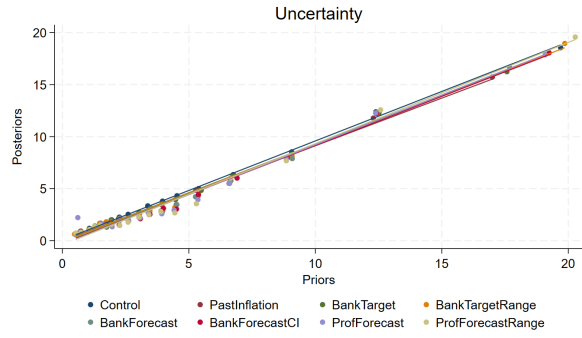
Figure 7: Binscatters of treatment effects, priors vs. posteriors



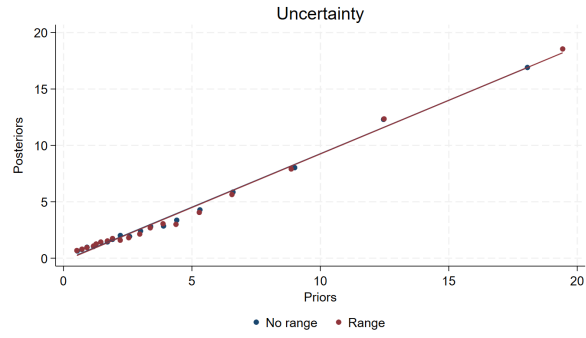
(a)



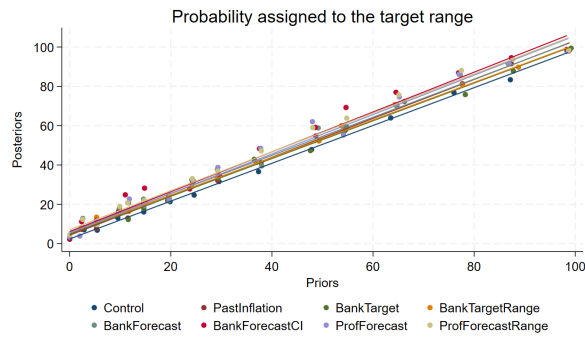
(b)



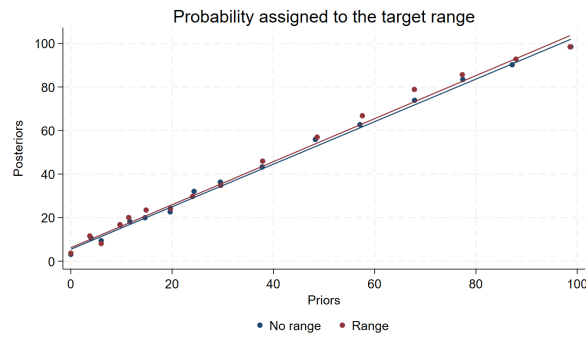
(c)



(d)



(e)



(f)

Figure 8: Communication of ranges and uncertainty

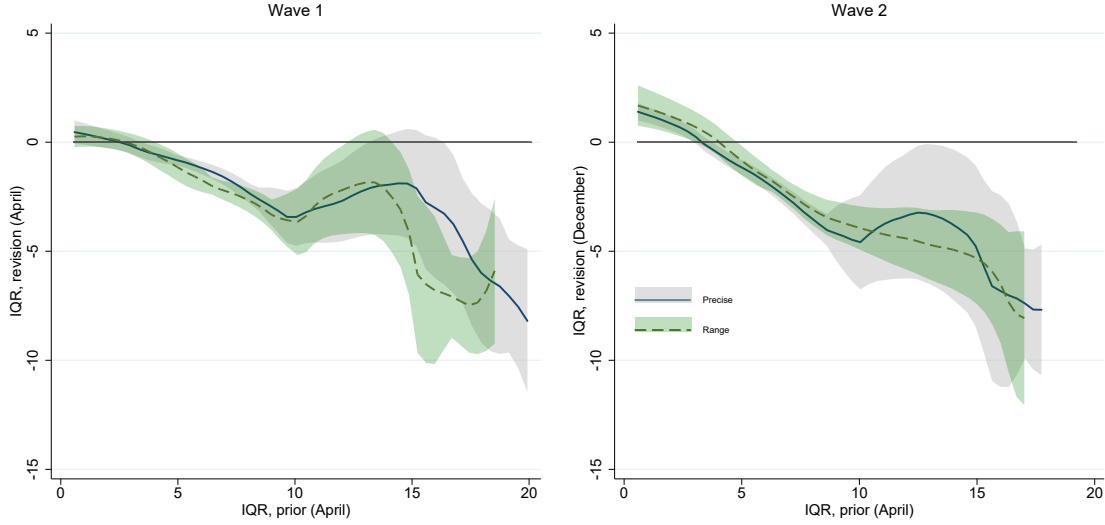


Table 2: Summary of information interventions

Treatment	Summary	Information
T1: PastInflation	Past inflation over the last 12 months	“On average during the last year, January 2019 to January 2020, yearly inflation in Canada was 1.9%.”
T2: BankTarget	The Bank of Canada’s inflation target	“The Bank of Canada’s inflation target is 2%.”
T3: BankTargetRange	The Bank of Canada’s inflation target with the inflation-control target range	“The Bank of Canada’s inflation target is 2% with a range between 1% and 3%.”
T4: BankForecast	The Bank of Canada’s inflation forecast over the next year	“According to the Bank of Canada, inflation is forecast to be around 2% over the next year.”
T5: BankForecastCI	The Bank of Canada’s inflation forecast with a confidence interval	“According to the Bank of Canada, inflation is forecast to be around 2% over the next year with a 90% chance of being between 1.4 and 2.6%.”
T6: ProfForecast	The mean professional forecast of inflation over the next year	“According to Canadian professional forecasters, inflation is forecast to be 1.7% over the next year.”
T7: ProfForecastRange	The mean and range of professional forecasts of inflation over the next year	“According to Canadian professional forecasters, inflation is forecast to be 1.7% over the next year, with forecasts ranging from 1.2% to 2.1%.”

Table 3: Summary statistics about demographic composition

	PastInflation	BankTarget	BankTarget Range	BankForecast	BankForecast CI	ProfForecast	ProfForecast Range	Control	Wave 2 only
Age	55.18 (14.14)	54.23 (14.29)	53.54 (14.65)	55.21 (13.82)	53.00 (14.56)	53.83 (14.59)	53.99 (13.60)	55.02 (14.02)	51.48 (14.54)
Female	0.67	0.69	0.67	0.66	0.70	0.69	0.71	0.69	0.67
Education									
High school or less	0.18	0.20	0.17	0.19	0.18	0.19	0.19	0.19	0.18
College	0.50	0.45	0.48	0.45	0.47	0.46	0.48	0.46	0.46
University+	0.32	0.35	0.35	0.36	0.35	0.35	0.33	0.34	0.36
Income									
Less than 40K	0.23	0.25	0.24	0.23	0.23	0.25	0.21	0.24	0.21
40-100K	0.51	0.49	0.49	0.51	0.47	0.51	0.52	0.50	0.50
More than 100K	0.26	0.27	0.27	0.26	0.30	0.24	0.27	0.26	0.28
Province									
Atlantic	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
QC	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
ON	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
MB, SK	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
AB	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.1
BC	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Number of respondents									
Wave 1	637	635	635	633	638	635	632	637	—
Wave 2	449	436	433	436	422	428	421	425	1414

Notes: This table presents shares of each group and average age and its standard deviations in parentheses for each treatment.

Table 4: Estimation results for posterior expectations

	$E_i Y_{1yr}^{posterior}$		
	$Y_{1yr} = \pi_{1yr}$ (1)	$Y_{1yr} = \text{qqr}_{1yr}$ (2)	$Y_{1yr} = \text{prob}_{1yr}^{target}$ (3)
PastInflation	-0.257*** (0.0634)	0.026 (0.0622)	2.096*** (0.6825)
BankTarget	-0.232*** (0.0641)	-0.128* (0.0659)	2.508*** (0.6485)
BankTargetRange	1.636*** (0.0807)	-0.152** (0.0657)	3.367*** (0.6875)
BankForecast	2.636*** (0.0786)	-0.404*** (0.0755)	4.357*** (0.7689)
BankForecastCI	2.357*** (0.0702)	0.753*** (0.0688)	4.355*** (0.7802)
ProfForecast	2.286*** (0.0726)	1.314*** (0.0734)	3.601*** (0.7546)
ProfForecastRange	2.274*** (0.0687)	1.352*** (0.0796)	5.978*** (0.8718)
$E_i Y_{1yr}^{prior}$	0.993*** (0.0021)	0.962*** (0.0092)	0.959*** (0.0091)
PastInflation $\times E_i Y_{1yr}^{prior}$	-0.005 (0.0052)	-0.109*** (0.0094)	0.026* (0.0147)
BankTarget $\times E_i Y_{1yr}^{prior}$	-0.011* (0.0063)	-0.040*** (0.015)	-0.001 (0.0131)
BankTargetRange $\times E_i Y_{1yr}^{prior}$	-0.645*** (0.0097)	-0.057*** (0.0106)	-0.005 (0.0137)
BankForecast $\times E_i Y_{1yr}^{prior}$	-0.965*** (0.0075)	-0.01 (0.0156)	0.009 (0.0151)
BankForecastCI $\times E_i Y_{1yr}^{prior}$	-0.957*** (0.0063)	-0.640*** (0.0183)	0.063*** (0.0156)
ProfForecast $\times E_i Y_{1yr}^{prior}$	-0.965*** (0.0069)	-0.887*** (0.0152)	0.049*** (0.0161)
ProfForecastRange $\times E_i Y_{1yr}^{prior}$	-0.981*** (0.0059)	-0.889*** (0.0172)	0.033** (0.0163)
constant	-0.024 (0.1284)	-0.130 (0.1242)	1.350 (1.2029)
N	4038	4197	4287
R^2	0.957	0.968	0.883

Notes: This table presents the estimation results for Equation 1. The dependent variable is the variable listed at the top of each column relative to its prior. All regressions control for demographic characteristics. Results are from Huber robust regressions to control for outliers and influential observations. Robust standard errors are reported in parentheses. ***, **, and * represent statistical significance at the 1%, 5%, and 10% levels, respectively.

Table 5: Drivers of Forecast Revisions

	Inflation Revision			IQR Revision			Prob Revision		
	π_i^{own}	High Imp	$E_{i qr}^{prior}$	π_i^{own}	High Imp	$E_{i qr}^{prior}$	π_i^{own}	High Imp	$E_{i qr}^{prior}$
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
π_i^{own}	0.011 (0.01)	-0.000 (0.00)	0.000 (0.00)	-0.004 (0.01)	0.002 (0.00)	0.001 (0.00)	-0.014 (0.10)	-0.030 (0.04)	-0.033 (0.04)
High Imp	-0.044 (0.05)	0.092 (0.15)	-0.053 (0.06)	0.062 (0.06)	0.091 (0.16)	0.028 (0.05)	-0.412 (0.59)	-0.207 (1.61)	-0.443 (0.58)
$E_{i qr}^{prior}$	-0.008*** (0.00)	-0.009*** (0.00)	0.001 (0.01)	-0.089*** (0.00)	-0.076*** (0.00)	-0.034*** (0.01)	-0.018 (0.02)	-0.016 (0.02)	0.075 (0.06)
PastInflation $\times M_i$	-0.006 (0.01)	-0.112 (0.21)	-0.025*** (0.01)	0.018 (0.01)	-0.021 (0.22)	-0.114*** (0.01)	-0.124 (0.15)	-0.842 (2.27)	-0.095 (0.08)
BankTarget $\times M_i$	-0.005 (0.01)	-0.245 (0.22)	-0.002 (0.01)	0.017 (0.02)	-0.077 (0.23)	-0.035*** (0.01)	0.045 (0.15)	-1.583 (2.35)	-0.077 (0.07)
BankTargetRange $\times M_i$	-0.011 (0.01)	-0.180 (0.22)	-0.096*** (0.01)	0.012 (0.01)	-0.035 (0.23)	-0.063*** (0.01)	0.092 (0.14)	0.633 (2.37)	-0.085 (0.07)
BankForecast $\times M_i$	-0.016 (0.01)	0.004 (0.21)	-0.047*** (0.01)	0.008 (0.01)	-0.103 (0.22)	-0.017** (0.01)	-0.010 (0.14)	-0.368 (2.29)	-0.072 (0.08)
BankForecastCI $\times M_i$	-0.014 (0.01)	-0.304 (0.21)	-0.016** (0.01)	-0.020 (0.01)	0.111 (0.22)	-0.601*** (0.01)	0.039 (0.14)	-3.784 (2.31)	-0.111* (0.07)
ProfForecast $\times M_i$	-0.023 (0.01)	-0.055 (0.22)	-0.013 (0.01)	0.017 (0.02)	-0.079 (0.23)	-0.665*** (0.01)	0.013 (0.15)	2.023 (2.37)	-0.111 (0.08)
ProfForecastRange $\times M_i$	-0.026** (0.01)	-0.342 (0.21)	-0.038*** (0.01)	-0.008 (0.01)	-0.035 (0.22)	-0.875*** (0.01)	-0.207 (0.14)	2.489 (2.26)	-0.112 (0.12)
N	3,919	3,919	3,918	3,926	3,926	3,922	3,949	3,949	3,949
R^2	0.058	0.060	0.230	0.460	0.397	0.950	0.038	0.039	0.035

Notes: This table presents the estimation results for Equation 2. The dependent variable is the variable listed at the top of each column relative to its prior. All regressions control for demographic characteristics. In each column, the main effect of the moderator variable is interacted with the treatment indicators. Results are from Huber robust regressions to control for outliers and influential observations. Robust standard errors are reported in parentheses. ***, **, and * represent statistical significance at the 1%, 5%, and 10% levels, respectively.

Table 6: Estimation results for posterior expectations

	$E_i Y_{1yr}^{posterior}$		
	$Y_{1yr} = \pi_{1yr}$	$Y_{1yr} = iqr_{1yr}$	$Y_{1yr} = prob_{1yr}^{target}$
	(1)	(2)	(3)
Range, all	-0.100 (0.0739)	-0.017 (0.0464)	1.310** (0.6215)
$E_i Y_{1yr}^{prior}$	0.073*** (0.0067)	0.924*** (0.0080)	0.954*** (0.0081)
Range, all $\times E_i Y_{1yr}^{prior}$	-0.016* (0.0085)	-0.021** (0.0089)	0.017 (0.0113)
constant	2.177*** (0.2141)	-0.185 (0.1620)	6.221*** (1.6938)
N	3302	3239	3303
R^2	0.137	0.952	0.818
Range, BankTarget	2.060*** (0.1452)	-0.059 (0.0617)	0.665 (0.6423)
$E_i Y_{1yr}^{prior}$	0.634*** (0.0178)	0.928*** (0.0111)	0.972*** (0.0084)
Range, BankTarget $\times E_i Y_{1yr}^{prior}$	-0.550*** (0.0208)	-0.002 (0.0123)	-0.003 (0.0122)
constant	1.136** (0.4513)	-0.284 (0.2069)	4.338** (1.7203)
N	1114	1026	1031
R^2	0.681	0.965	0.929
Range, BankForecast	-0.254** (0.1155)	0.331*** (0.0887)	-0.509 (1.5300)
$E_i Y_{1yr}^{prior}$	0.049*** (0.0096)	0.942*** (0.0140)	0.853*** (0.0193)
Range, BankForecast $\times E_i Y_{1yr}^{prior}$	0.005 (0.0125)	-0.207*** (0.0228)	0.089*** (0.0262)
constant	2.607*** (0.3248)	-0.339 (0.3325)	18.195*** (4.2826)
N	1112	1098	1220
R^2	0.133	0.887	0.676
Range, ProfForecast	-0.027 (0.0898)	2.010*** (0.1037)	7.949*** (2.5567)
$E_i Y_{1yr}^{prior}$	0.028*** (0.0069)	0.921*** (0.0159)	0.740*** (0.0304)
Range, ProfForecast $\times E_i Y_{1yr}^{prior}$	-0.016* (0.0090)	-0.841*** (0.0223)	-0.086** (0.0428)
constant	2.088*** (0.2651)	-0.417 (0.3167)	16.033*** (5.3681)
N	1016	1067	1218
R^2	0.111	0.840	0.376

Notes: This table presents the estimation results for Equation 3. The dependent variable is the variable listed at the top of each column relative to its prior. All regressions control for demographic characteristics. Results are from Huber robust regressions to control for outliers and influential observations. Robust standard errors are reported in parentheses. ***, **, and * represent statistical significance at the 1%, 5%, and 10% levels, respectively.

Table 7: Role of prior uncertainty on impact of communicating with ranges.

	T=All		T=BankTarget		T=BankForecast		T=ProfForecast	
	$E_{iqr}^{post}_{1yr}$ (1)	$E_{iqr}^{Wave2}_{1yr}$ (2)	$E_{iqr}^{post}_{1yr}$ (3)	$E_{iqr}^{Wave2}_{1yr}$ (4)	$E_{iqr}^{post}_{1yr}$ (5)	$E_{iqr}^{Wave2}_{1yr}$ (6)	$E_{iqr}^{post}_{1yr}$ (7)	$E_{iqr}^{Wave2}_{1yr}$ (8)
$E_{iqr}^{prior}_{1yr}$	0.925*** (0.00780)	0.0492*** (0.00990)	0.931*** (0.0104)	0.00303 (0.00432)	0.948*** (0.0133)	0.0156** (0.00704)	0.908*** (0.0165)	0.0542*** (0.0180)
$Range_i^T$	-0.0142 (0.0467)	0.0360 (0.0752)	-0.0496 (0.0607)	-0.293** (0.119)	0.369*** (0.0847)	0.255** (0.116)	0.0704 (0.112)	-0.0680 (0.132)
$Range_i^T \times E_{iqr}^{prior}_{1yr}$	-0.0201** (0.00908)	-0.0149 (0.0120)	-0.00354 (0.0119)	0.0403** (0.0164)	-0.238*** (0.0224)	-0.0169** (0.00798)	-0.0337 (0.0255)	-0.00970 (0.0227)
Constant	-0.155 (0.160)	1.877*** (0.227)	-0.259 (0.202)	2.259*** (0.379)	-0.423 (0.312)	1.894*** (0.441)	0.122 (0.338)	1.769*** (0.382)
Observations	3,324	2,214	1,051	754	1,112	740	1,131	720
R-squared	0.952	0.054	0.966	0.067	0.895	0.039	0.864	0.080

Notes: This table presents the estimation results of Equation 6. The dependent variable is the variable listed at the top of each column relative to its prior. These regressions control for all demographic characteristics. Results are from Huber robust regressions to control for outliers and influential observations. Standard errors are reported in parentheses. ***, **, and * represent statistical significance at the 1%, 5%, and 10% levels, respectively.

Table 8: Shares of inflation expectations at the mid-point and in the range of treatment information in priors and posteriors

	Past Inflation	Bank Target	Bank TargetRange	Bank Forecast	Bank ForecastCI	Prof Forecast	Prof ForecastRange
point, prior	0	10.4	10.4	10.9	11.6	0	0
point, posterior	0.3	22.7	23.1	35.7	36.8	14.7	8.2
point, Wave 2	0.2	17.4	18.7	15.8	19.7	0	0
point (0.5), prior	10	10.9	10.6	11.5	11.8	11.8	10.1
point (0.5), posterior	18.6	23.3	23.3	36.2	38.2	42.4	41.8
point (0.5), Wave 2	18.5	18.3	18.7	16.1	20.1	19.2	21.9
inrange, prior	NA	25.8	25.2	12.6	13.8	12	10.1
inrange, posterior	NA	41.6	43.5	37.6	41.8	42.7	44.4
inrange, Wave 2	NA	44.7	40.4	19.5	23.2	19.4	21.9

Table 9: Estimation results about credibility of mid-point and range information

PANEL A		$1_{i,t}^{point,post}$				$1_{i,t}^{inrange,post}$			
	T=All (1)	T=BankTarget (2)	T=BankForecast (3)	T=ProfForecast (4)	T=All (5)	T=BankTarget (6)	T=BankForecast (7)	T=ProfForecast (8)	
$Range_i^T$	-0.0168 (0.0139)	0.00145 (0.0239)	0.0134 (0.0274)	-0.0585*** (0.0172)	0.0255 (0.0162)	0.0183 (0.0283)	0.0464* (0.0279)	0.0177 (0.0285)	
Observations	3,771	1,252	1,264	1,255	3,771	1,252	1,264	1,255	
Pseudo R ²	0.0147 (9)	0.0176 (10)	0.0216 (11)	0.0712 (12)	0.0170 (13)	0.0230 (14)	0.0216 (15)	0.0257 (16)	
prior outside range									
$Range_i^T$	-0.0119 (0.0139)	0.00813 (0.0231)	0.0187 (0.0278)	-0.0495*** (0.0179)	0.0383** (0.0169)	0.0530* (0.0290)	0.0486* (0.0286)	0.0204 (0.0298)	
Observations	3,119	927	1,091	1,101	3,119	927	1,091	1,101	
Pseudo R2	0.0269	0.0486	0.0327	0.0795	0.0269	0.0562	0.0306	0.0334	
PANEL B		$1_{i,t}^{point,Wave2}$				$1_{i,t}^{inrange,Wave2}$			
	T=All (17)	T=BankTarget (18)	T=BankForecast (19)	T=ProfForecast (20)	T=All (21)	T=BankTarget (22)	T=BankForecast (23)	T=ProfForecast (24)	
$Range_i^T$	0.0176 (0.0128)	0.0138 (0.0262)	0.0395 (0.0263)	0.00583 (0.0179)	-0.0445 (0.0344)	0.0410 (0.0282)	0.0240 (0.0278)		
Observations	2,567	865	856	2,567	865	856	846		
Pseudo R2	0.0127 (24)	0.0217 (25)	0.0157 (26)	0.0246 (27)	0.0379 (28)	0.0260 (29)	0.0538 (30)		
prior outside range									
$Range_i^T$	0.0197 (0.0120)	0.0215 (0.0261)	0.0396 (0.0253)	0.0177 (0.0179)	-0.0387 (0.0376)	0.0427 (0.0274)	0.0409 (0.0280)		
Observations	2,106	633	734	2,106	633	734	739		
Pseudo R ²	0.0143	0.0268	0.0181	0.0237	0.0435	0.0240	0.0615		

Notes: This table presents estimated results for Equation 7. These regressions control for all demographic characteristics. Standard errors are reported in parentheses. ***, **, and * represent statistical significance at the 1%, 5%, and 10% levels, respectively. Estimations for $1_{i,t}^{midpoint}$ for $T = ProfForecast$ were not performed in Wave 2 because nobody forecast inflation equal to the mean professional forecast (Table 8).

Table 10: Effect of inflation expectations and uncertainty on spending decisions

	during 1 month (1)	Actual spending after treatment		during 12 months (4)
		during 3 months (2)	during 6 months (3)	
Total spending				
$E_i \pi_{1yr}^{posterior}$	0.002 (0.003)	-0.001 (0.002)	-0.001 (0.002)	0.000 (0.002)
$\ln(E_i iqr^{posterior})$	-0.263* (0.148)	-0.236** (0.120)	-0.217* (0.113)	-0.203* (0.104)
Observations	2,355	2,389	2,388	2,313
R-squared	0.416	0.501	0.528	0.532
F (posterior mean)	2721	2709	2720	2632
F (ln IQR posterior)	27.87	27.30	27.37	27.93
Kleibergen-Paap Wald F	24.11	22.72	22.78	22.72
Durables				
$E_i \pi_{1yr}^{posterior}$	0.026** (0.011)	0.007 (0.011)	0.009 (0.010)	0.009 (0.010)
$\ln(E_i iqr^{posterior})$	-0.700 (0.515)	-0.760* (0.400)	-0.912** (0.366)	-0.670** (0.323)
Observations	753	1,430	1,828	2,075
R-squared	0.012	0.017	0.018	0.098
F (posterior mean)	1168	1667	1810	2274
F (ln IQR posterior)	9.760	18.71	21.21	26.32
Kleibergen-Paap Wald F	5.802	15.11	17.85	22.58
Nondurables				
$E_i \pi^{posterior}$	0.001 (0.003)	-0.001 (0.002)	-0.002 (0.002)	-0.000 (0.002)
$\ln(E_i iqr^{posterior})$	-0.232 (0.146)	-0.232* (0.123)	-0.199* (0.116)	-0.205* (0.107)
Observations	2,354	2,389	2,388	2,313
R-squared	0.417	0.495	0.526	0.529
F (posterior mean)	2721	2709	2720	2632
F (ln IQR posterior)	27.66	27.30	27.37	27.93
Kleibergen-Paap Wald F	23.90	22.72	22.78	22.72

Notes: This table presents the estimation results for Equation 9 with probability instead of inflation expectations. These regressions control for all demographic characteristics. Results are based on Huber regressions in the first stage to eliminate the impact of influential observations. Robust standard errors are reported in parentheses. ***, **, and * represent statistical significance at the 1%, 5%, and 10% levels, respectively.

Table 11: Effect of inflation expectations and probability in 0 to 4% range on spending

	during 1 month (1)	Actual spending during 3 months (2)	after treatment during 6 months (3)	during 12 months (4)
Total spending				
$E_i \pi_{1yr}^{posterior}$	0.003 (0.003)	-0.000 (0.003)	-0.000 (0.002)	0.001 (0.002)
$E_i prob_{1yr}^{target,post}$	0.011* (0.007)	0.010* (0.005)	0.012** (0.005)	0.011** (0.005)
Observations	2,120	2,151	2,149	2,081
R-squared	0.404	0.485	0.496	0.511
F (posterior mean)	1931	1919	1924	1861
F (probty target posterior)	24.01	24.24	24.16	24.36
Kleibergen-Paap Wald F	20.81	21.12	21.03	21.44
Durables				
$E_i \pi_{1yr}^{posterior}$	0.028** (0.013)	0.009 (0.011)	0.010 (0.010)	0.005 (0.010)
$E_i prob_{1yr}^{target,post}$	0.036 (0.022)	0.041** (0.019)	0.039** (0.017)	0.028* (0.015)
Observations	676	1,292	1,653	1,866
R-squared	-0.046	-0.034	0.007	0.090
F (posterior mean)	1047	1284	1349	1544
F (probty targetposterior)	9.872	14.92	18.20	22.11
Kleibergen-Paap Wald F	7.288	12.84	15.53	19.83
Nondurables				
$E_i \pi_{1yr}^{posterior}$	0.002 (0.003)	-0.001 (0.003)	-0.001 (0.002)	0.001 (0.002)
$E_i prob_{1yr}^{target,post}$	0.009 (0.007)	0.011** (0.005)	0.012** (0.005)	0.012** (0.005)
Observations	2,119	2,151	2,149	2,081
R-squared	0.410	0.479	0.496	0.507
F (posterior mean)	1931	1919	1924	1861
F (probty target posterior)	23.83	24.24	24.16	24.36
Kleibergen-Paap Wald F	20.63	21.12	21.03	21.44

Notes: This table presents the estimation results for Equation 9 with probability instead of inflation expectations. These regressions control for all demographic characteristics. Results are based on Huber regressions in the first stage to eliminate the impact of influential observations. Robust standard errors are reported in parentheses. ***, **, and * represent statistical significance at the 1%, 5%, and 10% levels, respectively.

Table 12: Effect of inflation expectations and uncertainty on spending decisions with additional controls

	during 1 month (1)	Actual spending after treatment during 3 months (2)	during 6 months (3)	during 12 months (4)
Total spending				
$E_i \pi_{1yr}^{posterior}$	0.002 (0.004)	-0.001 (0.003)	-0.002 (0.003)	-0.000 (0.003)
$\ln(E_i iqr^{posterior})$	-0.275* (0.157)	-0.258** (0.122)	-0.193* (0.114)	-0.137 (0.105)
π_i^{own}	-0.005* (0.003)	-0.007*** (0.002)	-0.006*** (0.002)	-0.006*** (0.002)
$E_i income_{1yr}^{posterior}$	0.001 (0.001)	0.000 (0.001)	0.001 (0.001)	0.001* (0.001)
$E_i interest_{1yr}^{posterior}$	0.005** (0.002)	0.003 (0.002)	0.003* (0.002)	0.005*** (0.002)
Constant	2.267*** (0.242)	3.573*** (0.167)	4.343*** (0.158)	5.376*** (0.188)
Observations	1,927	1,953	1,952	1,906
R-squared	0.435	0.543	0.576	0.581
F (posterior mean)	2276	2261	2271	2280
F (ln IQR posterior)	22.82	22.35	22.45	22.76
Kleibergen-Paap Wald F	18.12	17.22	17.28	17.37
Durables				
$E_i \pi_{1yr}^{posterior}$	0.030 (0.022)	-0.001 (0.012)	0.000 (0.012)	-0.003 (0.010)
$\ln(E_i iqr^{posterior})$	-1.126* (0.586)	-0.965** (0.408)	-0.897** (0.370)	-0.552* (0.322)
π_i^{own}	0.015 (0.011)	0.011 (0.007)	0.018*** (0.006)	0.002 (0.005)
$E_i income_{1yr}^{posterior}$	-0.001 (0.003)	-0.003 (0.002)	-0.001 (0.002)	0.002 (0.002)
$E_i interest_{1yr}^{posterior}$	0.001 (0.008)	0.012* (0.007)	0.020*** (0.007)	0.018*** (0.005)
Constant	2.175*** (0.698)	1.710*** (0.536)	1.641*** (0.470)	2.303*** (0.464)
Observations	629	1,186	1,511	1,725
R-squared	-0.085	-0.007	0.033	0.125
F (posterior mean)	653.6	1351	1430	1822
F (ln IQR posterior)	11.81	14.88	17.76	21.81
Kleibergen-Paap Wald F	3.740	10.77	13.58	17.67
Nondurables				
$E_i \pi_{1yr}^{posterior}$	0.001 (0.003)	-0.001 (0.003)	-0.002 (0.003)	-0.000 (0.003)
$\ln(E_i iqr^{posterior})$	-0.222 (0.153)	-0.243** (0.123)	-0.176 (0.117)	-0.151 (0.108)
π_i^{own}	-0.005* (0.003)	-0.008*** (0.002)	-0.007*** (0.002)	-0.007*** (0.002)
$E_i income_{1yr}^{posterior}$	0.001 (0.001)	0.001 (0.001)	0.001 (0.001)	0.001** (0.001)
$E_i interest_{1yr}^{posterior}$	0.005** (0.002)	0.003 (0.002)	0.003 (0.002)	0.005*** (0.002)
Constant	2.211*** (0.236)	3.532*** (0.163)	4.288*** (0.155)	5.271*** (0.181)
Observations	1,926	1,953	1,952	1,906
R-squared	0.441	0.544	0.579	0.578
F (posterior mean)	2276	2261	2271	2280
F (ln IQR posterior)	22.63	22.35	22.45	22.76
Kleibergen-Paap Wald F	17.93	17.22	17.28	17.37

Notes: This table presents the estimation results for Equation 9. These regressions control for all demographic characteristics. Results are based on Huber regressions in the first stage to eliminate the impact of influential observations. Robust standard errors are reported in parentheses. ***, **, and * represent statistical significance at the 1%, 5%, and 10% levels, respectively.

Online Appendix for The Effects of Inflation Uncertainty on Household Expectations and Spending

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Appendix A: Survey questions

Appendix B: Summary statistics

Appendix C: Additional results on treatment effects

C.1 Link between posterior and prior beliefs

C.2 Results for the probability distributions

C.3 The effects of communicating past inflation and inflation target

C.4 The role of awareness and knowledge gap in the expectations revisions

Appendix D: The heterogeneity in effects across demographic characteristics

A Survey questions

- Wave 1
 - Step 1. Prior expectations and demographic questions
 - Step 2. Information interventions and awareness questions
 - Step 3. Posterior expectations
- Wave 2
 - Wave 2 expectations

Survey questions

Introduction

We want to learn about your current economic well-being and your outlook for the future. This survey takes about 15 minutes to complete.

The questions in this survey have no right or wrong answers - we are interested in your views and opinions. Your responses are confidential, and it helps us a great deal if you respond as carefully as possible. If you should come to any question that you can't or don't want to answer, just click on 'NEXT' until the next question appears.

Thank you for your participation!

Step 1. Questions before intervention.

QUESTION 1

Do you think you (and any family living with you) are financially better or worse off these days than you were **12 months ago**?

Please select only one.

☐

Much worse off	Somewhat worse off	About the same	Somewhat better off	Much better off

QUESTION 2

And looking ahead, do you think you (and any family living with you) will be financially better or worse off **12 months from now** than you are these days?

Please select only one.

Much worse off	Somewhat worse off	About the same	Somewhat better off	Much better off

QUESTION 3.1

Over the next 12 months, do you think that there will be inflation (prices will increase) or deflation (prices will decrease)?

Please choose one.

- ☐ Inflation
- ☐ Deflation (the opposite of inflation)

QUESTION 3.2

What do you expect the rate of [inflation/deflation] to be **over the next 12 months**? Please give your best guess.

Please enter a number greater than 0 or equal to 0.

Over the next 12 months, I expect the rate of [inflation/deflation] to be ____ %

QUESTION 4

Now we would like you to think about the different things that may happen to inflation **over the next 12 months**. We realize that this question may take a little more effort.

In your view, what would you say is the percent chance that, **over the next 12 months...**

(Please note: The numbers need to add up to 100.)

the rate of inflation will be 12% or higher	_____ percent chance
the rate of inflation will be between 8% and 12%	_____ percent chance
the rate of inflation will be between 4% and 8%	_____ percent chance
the rate of inflation will be between 2% and 4%	_____ percent chance
the rate of inflation will be between 0% and 2%	_____ percent chance
the rate of deflation (opposite of inflation) will be between 0% and 2%	_____ percent chance
the rate of deflation (opposite of inflation) will be between 2% and 4%	_____ percent chance
the rate of deflation (opposite of inflation) will be between 4% and 8%	_____ percent chance
the rate of deflation (opposite of inflation) will be between 8% and 12%	_____ percent chance
the rate of deflation (opposite of inflation) will be 12% or higher	_____ percent chance
TOTAL	100

QUESTION 5.1

Over the 12-month period between April 2021 and April 2022, do you think that there will be inflation (prices will increase) or deflation (prices will decrease)?

Please choose one.

- ☐ Inflation
- ☐ Deflation (the opposite of inflation)

QUESTION 5.2

What do you expect the rate of [inflation/deflation] to be over that period? Please give your best guess.

Please enter a number greater than 0 or equal to 0.

Over the 12-month period between **April 2021 and April 2022**

I expect the rate of [inflation/deflation] to be ____ %

QUESTION 6

And in your view, what would you say is the percent chance that, over the 12-month period between **April 2021 and April 2022**

(Please note: The numbers need to add up to 100.)

the rate of inflation will be 12% or higher	_____ percent chance
the rate of inflation will be between 8% and 12%	_____ percent chance
the rate of inflation will be between 4% and 8%	_____ percent chance
the rate of inflation will be between 2% and 4%	_____ percent chance
the rate of inflation will be between 0% and 2%	_____ percent chance
the rate of deflation (opposite of inflation) will be between 0% and 2%	_____ percent chance
the rate of deflation (opposite of inflation) will be between 2% and 4%	_____ percent chance
the rate of deflation (opposite of inflation) will be between 4% and 8%	_____ percent chance
the rate of deflation (opposite of inflation) will be between 8% and 12%	_____ percent chance
the rate of deflation (opposite of inflation) will be 12% or higher	_____ percent chance
Total	100

QUESTION 7

What is your current employment situation?

Please select *all that apply*.

- ☐ Working full-time (for someone or self-employed)
- ☐ Working part-time (for someone or self-employed)
- ☐ Unpaid work (e.g. unpaid internship, volunteering, etc.)
- ☐ Not working, but would like to work
- ☐ Temporarily laid off
- ☐ On sick or other leave
- ☐ Permanently disabled or unable to work
- ☐ Retiree or early retiree
- ☐ Student, at school or in training
- ☐ Homemaker
- ☐ Other (please specify) _____

QUESTION 8.1

Over the next 12 months, what do you expect will happen to the total income of all members of your household (including you), from **all sources** before taxes and deductions?

Please choose one.

Over the next 12 months, I expect my total household income to...

- ☐ increase
- ☐ decrease

QUESTION 8.2

By about what percent do you expect your total household income to [increase/decrease]? Please give your best guess.

Please enter a number greater than 0 or equal to 0.

Twelve months from now, I expect my total household income to [increase/decrease] by ____ %

QUESTION 9

Suppose you wanted to borrow additional money to buy day-to-day goods. At what rate of annual interest do you think you would personally be able to borrow money? _____ % annual interest rate

QUESTION 10

Suppose you wanted to save additional money. What annual rate of return do you think you would personally be able to earn on your saving? _____ % annual rate of return

QUESTION 11

Suppose you wanted to save additional money. What annual rate of return do you think you would personally be able to earn on your saving if you were to take no risk? _____ % annual rate of return

QUESTION 12

What do you think the annual inflation target is in Canada? ____% annual inflation target

QUESTION 13

The Bank of Canada has a forecast of inflation over the next year. What do you think the forecast of inflation by the Bank of Canada is over the next year? ____% forecast inflation

QUESTION 14

How important are the following factors when you make decisions about spending?

	Very important (1)	Somewhat important (2)	Not very important (3)	Not important at all (4)
Current inflation				
Future inflation				
Current interest rates				
Future interest rates				
Current income				
Future income				

QUESTION 15

The next few questions are about inflation. On a scale of 1 to 7, how well would you say you understand what "inflation" means?

Please select only one.

I don't know what "inflation" means					I know exactly what "inflation" means	
1	2	3	4	5	6	7

QUESTION 16

On a scale of 1 to 7, how easy is it for you to express the rate of inflation as a number?

Please select only one.

Very difficult						Very easy
1	2	3	4	5	6	7

Socio-economic characteristics

Display "Next, we would like to ask you some questions about you and your household".

QUESTION 20.1

What is your current age?

Please enter a number below.

I am _____ years old

QUESTION 20.2

What is your gender?

Please select one.

- ☐ Female
☐ Male

QUESTION 20.3

What is the highest level of school you have completed, or the highest degree you have received?

Please select only one.

- ☐ Less than high school
☐ High school diploma (or equivalent)
☐ Some college but no degree/certificate (including academic or occupational programs)
☐ College degree/certificate (including academic or occupational programs)
☐ Some university but no degree
☐ Bachelor's Degree (For example: BA, BSC)

- ☐ Master's Degree (For example: MA, MSC, MBA)
- ☐ Doctoral Degree (For example: PhD)
- ☐ Professional Degree (For example: MD)

QUESTION 20.4

Are you currently married or living as a partner with someone?

Please select only one.

- ☐ Yes
- ☐ No

QUESTION 20.5

What is the postal code of your primary residence (the place where you usually live)? _____

QUESTION 20.6

In which province is your primary residence?

Please select only one.

- ☐ Newfoundland and Labrador
- ☐ PEI
- ☐ Nova Scotia
- ☐ New Brunswick
- ☐ Quebec
- ☐ Ontario
- ☐ Manitoba
- ☐ Saskatchewan
- ☐ Alberta
- ☐ British Columbia
- ☐ Nunavut

QUESTION 20.7

If Q15=yes: Do you or your spouse/partner own or rent your current primary residence?

If Q15=no: Do you own or rent your current primary residence?

Please select only one.

- ☐ Own
- ☐ Rent
- ☐ Other (please specify)_____

QUESTION 20.8

Please tell us how many of the following people usually live in your primary residence, **other than yourself** (including those who are temporarily away):

a) Spouse/partner _____

- b) Children ages 25 or older _____
- c) Children ages 18 to 24 _____
- d) Children ages 6 to 17 _____
- e) Children ages 5 or younger _____
- f) Your or your spouse/partner's parents _____
- g) Other relatives (like siblings or cousins) _____
- h) Non-relatives (like roommates or renters) _____
- ___ None of the above, I live alone ;

[Question 6.8 asked only if respondent did NOT choose "None of the above, I live alone" in Q19]

Finally, we have some questions about your household. As a reminder, by household we mean everyone who usually lives in your primary residence (including yourself), excluding those whom you have counted as non-relatives (like roommates and renters).

QUESTION 20.9

On the scale below, which of the following best describes how financial decisions are made in your household?

Please select only one.

Someone else in my household makes all financial decisions		I share financial decisions equally with someone else in my household		I make all financial decisions myself
1	2	3	4	5

QUESTION 20.10

Which category represents the total combined pre-tax income of [you/all members of your household (including you)] during the past 12 months?

Please include money from all jobs, net income from business, farm or rent, pensions, interest on savings or bonds, dividends, social security income, unemployment benefits, workers compensation or disability benefits, child support, scholarships, fellowships, grants, inheritances and gifts, and any other money income received by members of your household who are 15 years of age or older.

Please select only one.

- ☐ Less than \$40,000
- ☐ \$40,000 to \$59,999

- ☐ \$60,000 to \$79,999
- ☐ \$80,000 to \$99,999
- ☐ \$100,000 to \$149,999
- ☐ \$150,000 to \$199,999
- ☐ \$200,000 to \$249,999
- ☐ \$250,000 to \$299,999
- ☐ \$300,000 or more

Step 2. Information intervention.

Treatments and question for each treatment.

T1. Past inflation

QUESTION 22 [Ask Question 11 only if respondent is assigned to group T1]

On average during the last year, January 2019 to January 2020, yearly inflation in Canada was 1.9%. Did you know this?

Yes (1)

No (2)

T2: Inflation Target

QUESTION 23 [Ask Question 12 only if respondent is assigned to group T2]

The Bank of Canada's inflation target is 2%. Did you know this?

Yes (1)

No (2)

T3: Inflation target with band

QUESTION 24 [Ask Question 13 only if respondent is assigned to group T3]

The Bank of Canada's inflation target is 2% with a range between 1% and 3%. Did you know this?

Yes (1)

No (2)

T4: Inflation projection

QUESTION 25 [Ask Question 14 only if respondent is assigned to group T4]

According to the Bank of Canada, inflation is forecasted to be around 2% over the next year. Did you know this?

Yes (1)

No (2)

T5: Inflation projection with CI range

QUESTION 26 [Ask Question 15 only if respondent is assigned to group T5]

According to the Bank of Canada, inflation is forecasted to be around 2% over the next year with a 90% chance of being between 1.4 and 2.6%. Did you know this?

Yes (1)

No (2)

T6: Inflation forecast of professional forecasters

QUESTION 27 [Ask Question 16 only if respondent is assigned to group T6]

According to Canadian professional forecasters, inflation is forecasted to be 1.7% over the next year. Did you know this?

Yes (1)

No (2)

T7: Inflation forecast of professional forecasters with a range of forecasts

QUESTION 28 [Ask Question 16 only if respondent is assigned to group T7]

According to Canadian professional forecasters, inflation is forecasted to be 1.7% over the next year, with forecasts ranging from 1.2% to 2.1%. Did you know this?

Yes (1)

No (2)

Step 3.

We would like to ask you a few more questions. You may notice that some questions are repeated from earlier part of this survey. This is intentional.

QUESTION 29.1

Over the next 12 months, do you think that there will be inflation (prices will increase) or deflation (prices will decrease)?

Please choose one.

- ☐ Inflation
- ☐ Deflation (the opposite of inflation)

QUESTION 29.2

What do you expect the rate of [inflation/deflation] to be **over the next 12 months**? Please give your best guess.

Please enter a number greater than 0 or equal to 0.

Over the next 12 months, I expect the rate of [inflation/deflation] to be ____ %

QUESTION 30

Now we would like you to think about the different things that may happen to inflation **over the next 12 months**. We realize that this question may take a little more effort.

In your view, what would you say is the percent chance that, **over the next 12 months...**

(Please note: The numbers need to add up to 100.)

the rate of inflation will be 12% or higher	_____ percent chance
the rate of inflation will be between 8% and 12%	_____ percent chance
the rate of inflation will be between 4% and 8%	_____ percent chance
the rate of inflation will be between 2% and 4%	_____ percent chance
the rate of inflation will be between 0% and 2%	_____ percent chance
the rate of deflation (opposite of inflation) will be between 0% and 2%	_____ percent chance
the rate of deflation (opposite of inflation) will be between 2% and 4%	_____ percent chance
the rate of deflation (opposite of inflation) will be between 4% and 8%	_____ percent chance
the rate of deflation (opposite of inflation) will be between 8% and 12%	_____ percent chance
the rate of deflation (opposite of inflation) will be 12% or higher	_____ percent chance
TOTAL	100

QUESTION 31.1

Over the 12-month period between **April 2021 and April 2022**, do you think that there will be inflation (prices will increase) or deflation (prices will decrease)?

Please choose one.

- ☐ Inflation
- ☐ Deflation (the opposite of inflation)

QUESTION 31.2

What do you expect the rate of [inflation/deflation] to be over that period? Please give your best guess.

Please enter a number greater than 0 or equal to 0.

Over the 12-month period between **April 2021 and April 2022**,

I expect the rate of [inflation/deflation] to be ____ %

QUESTION 32

And in your view, what would you say is the percent chance that, over the 12-month period between **April 2021 and April 2022**

(Please note: The numbers need to add up to 100.)

the rate of inflation will be 12% or higher	_____ percent chance
the rate of inflation will be between 8% and 12%	_____ percent chance
the rate of inflation will be between 4% and 8%	_____ percent chance
the rate of inflation will be between 2% and 4%	_____ percent chance
the rate of inflation will be between 0% and 2%	_____ percent chance
the rate of deflation (opposite of inflation) will be between 0% and 2%	_____ percent chance
the rate of deflation (opposite of inflation) will be between 2% and 4%	_____ percent chance
the rate of deflation (opposite of inflation) will be between 4% and 8%	_____ percent chance
the rate of deflation (opposite of inflation) will be between 8% and 12%	_____ percent chance
the rate of deflation (opposite of inflation) will be 12% or higher	_____ percent chance
Total	100

QUESTION 33.1

Over the next 12 months, what do you expect will happen to the total income of all members of your household (including you), from all sources before taxes and deductions?

Please choose one.

Over the next 12 months, I expect my total household income to...

- ☐ increase
- ☐ decrease

QUESTION 33.2

By about what percent do you expect your total household income to [increase/decrease]? Please give your best guess.

Please enter a number greater than 0 or equal to 0.

Twelve months from now, I expect my total household income to have [increased/decreased] by ___ %

QUESTION 34

Do you have any comments about the survey or the survey experience?

Please type these in the box below.

Thank you for taking the time to complete this survey!

Survey questions: Wave 2

Introduction

We want to learn about your current economic well-being and your outlook for the future. This survey takes about 15 minutes to complete.

The questions in this survey have no right or wrong answers - we are interested in your views and opinions. Your responses are confidential, and it helps us a great deal if you respond as carefully as possible. If you should come to any question that you can't or don't want to answer, just click on 'NEXT' until the next question appears.

Thank you for your participation!

QUESTION 1

Do you think you (and any family living with you) are financially better or worse off these days than you were **12 months ago**?

Please select only one.

☐

Much worse off	Somewhat worse off	About the same	Somewhat better off	Much better off

QUESTION 2

And looking ahead, do you think you (and any family living with you) will be financially better or worse off **12 months from now** than you are these days?

Please select only one.

Much worse off	Somewhat worse off	About the same	Somewhat better off	Much better off

QUESTION 3.1

Over the next 12 months, do you think that there will be inflation (prices will increase) or deflation (prices will decrease)?

Please choose one.

- ☐ Inflation
- ☐ Deflation (the opposite of inflation)

QUESTION 3.2

What do you expect the rate of [inflation/deflation] to be **over the next 12 months**? Please give your best guess.

Please enter a number greater than 0 or equal to 0.

Over the next 12 months, I expect the rate of [inflation/deflation] to be ____ %

QUESTION 4

Now we would like you to think about the different things that may happen to inflation **over the next 12 months**. We realize that this question may take a little more effort.

In your view, what would you say is the percent chance that, **over the next 12 months**...

(Please note: The numbers need to add up to 100.)

the rate of inflation will be 12% or higher	_____ percent chance
the rate of inflation will be between 8% and 12%	_____ percent chance
the rate of inflation will be between 4% and 8%	_____ percent chance
the rate of inflation will be between 2% and 4%	_____ percent chance
the rate of inflation will be between 0% and 2%	_____ percent chance
the rate of deflation (opposite of inflation) will be between 0% and 2%	_____ percent chance
the rate of deflation (opposite of inflation) will be between 2% and 4%	_____ percent chance
the rate of deflation (opposite of inflation) will be between 4% and 8%	_____ percent chance
the rate of deflation (opposite of inflation) will be between 8% and 12%	_____ percent chance
the rate of deflation (opposite of inflation) will be 12% or higher	_____ percent chance
TOTAL	100

QUESTION 5.1

Over the 12-month period between April 2021 and April 2022, do you think that there will be inflation (prices will increase) or deflation (prices will decrease)?

Please choose one.

- ☐ Inflation
- ☐ Deflation (the opposite of inflation)

QUESTION 5.2

What do you expect the rate of [inflation/deflation] to be over that period? Please give your best guess.

Please enter a number greater than 0 or equal to 0.

Over the 12-month period between **April 2021 and April 2022**

I expect the rate of [inflation/deflation] to be ____ %

QUESTION 6

And in your view, what would you say is the percent chance that, over the 12-month period between **April 2021 and April 2022**

(Please note: The numbers need to add up to 100.)

the rate of inflation will be 12% or higher	_____ percent chance
the rate of inflation will be between 8% and 12%	_____ percent chance
the rate of inflation will be between 4% and 8%	_____ percent chance
the rate of inflation will be between 2% and 4%	_____ percent chance
the rate of inflation will be between 0% and 2%	_____ percent chance
the rate of deflation (opposite of inflation) will be between 0% and 2%	_____ percent chance
the rate of deflation (opposite of inflation) will be between 2% and 4%	_____ percent chance
the rate of deflation (opposite of inflation) will be between 4% and 8%	_____ percent chance
the rate of deflation (opposite of inflation) will be between 8% and 12%	_____ percent chance
the rate of deflation (opposite of inflation) will be 12% or higher	_____ percent chance
Total	100

QUESTION 7

What is your current employment situation?

Please select *all that apply*.

- ☐ Working full-time (for someone or self-employed)
- ☐ Working part-time (for someone or self-employed)
- ☐ Unpaid work (e.g. unpaid internship, volunteering, etc.)
- ☐ Not working, but would like to work
- ☐ Temporarily laid off
- ☐ On sick or other leave
- ☐ Permanently disabled or unable to work
- ☐ Retiree or early retiree
- ☐ Student, at school or in training
- ☐ Homemaker
- ☐ Other (please specify) _____

QUESTION 8.1

Over the next 12 months, what do you expect will happen to the total income of all members of your household (including you), from **all sources** before taxes and deductions?

Please choose one.

Over the next 12 months, I expect my total household income to...

- ☐ increase
- ☐ decrease

QUESTION 8.2

By about what percent do you expect your total household income to [increase/decrease]? Please give your best guess.

Please enter a number greater than 0 or equal to 0.

Twelve months from now, I expect my total household income to [increase/decrease] by ____ %

QUESTION 9

Suppose you wanted to borrow additional money to buy day-to-day goods. At what rate of annual interest do you think you would personally be able to borrow money? _____ % annual interest rate

QUESTION 10

Suppose you wanted to save additional money. What annual rate of return do you think you would personally be able to earn on your saving? _____ % annual rate of return

QUESTION 11

Suppose you wanted to save additional money. What annual rate of return do you think you would personally be able to earn on your saving if you were to take no risk? _____ % annual rate of return

QUESTION 12

What do you think the annual inflation target is in Canada? ____% annual inflation target

QUESTION 13

The Bank of Canada has a forecast of inflation over the next year. What do you think the forecast of inflation by the Bank of Canada is over the next year? ____% forecast inflation

QUESTION 14.1

Over the last 12 months, do you think that there has been inflation or deflation? (Note: deflation is the opposite of inflation)

Please choose one.

- ☐ Inflation
- ☐ Deflation (the opposite of inflation)

QUESTION 14.2

What do you think the rate of [inflation/deflation] was over the last 12 months? Please give your best guess.

Please enter a number greater than 0 or equal to 0.

Over the last 12 months, the rate of [inflation/deflation] was ____ %

QUESTION 15

The next few questions are about inflation. On a scale of 1 to 7, how well would you say you understand what "inflation" means?

Please select only one.

I don't know what "inflation" means				I know exactly what "inflation" means		
1	2	3	4	5	6	7

QUESTION 16

On a scale of 1 to 7, how easy is it for you to express the rate of inflation as a number?

Please select only one.

Very difficult						Very easy
1	2	3	4	5	6	7

Socio-economic characteristics

Display “Next, we would like to ask you some questions about you and your household”.

QUESTION 20.1

What is your current age?

Please enter a number below.

I am _____ years old

QUESTION 20.2

What is your gender?

Please select one.

- ☐ Female
- ☐ Male

QUESTION 20.3

What is the highest level of school you have completed, or the highest degree you have received?

Please select only one.

- ☐ Less than high school
- ☐ High school diploma (or equivalent)
- ☐ Some college but no degree/certificate (including academic or occupational programs)
- ☐ College degree/certificate (including academic or occupational programs)
- ☐ Some university but no degree
- ☐ Bachelor’s Degree (For example: BA, BSC)
- ☐ Master’s Degree (For example: MA, MSC, MBA)
- ☐ Doctoral Degree (For example: PhD)
- ☐ Professional Degree (For example: MD)

QUESTION 20.4

Are you currently married or living as a partner with someone?

Please select only one.

- ☐ Yes
- ☐ No

QUESTION 20.5

What is the postal code of your primary residence (the place where you usually live)? _____

QUESTION 20.6

In which province is your primary residence?

Please select only one.

- ☐ Newfoundland and Labrador
- ☐ PEI
- ☐ Nova Scotia
- ☐ New Brunswick
- ☐ Quebec
- ☐ Ontario
- ☐ Manitoba
- ☐ Saskatchewan
- ☐ Alberta
- ☐ British Columbia
- ☐ Nunavut

QUESTION 20.7

If Q15=yes: Do you or your spouse/partner own or rent your current primary residence?

If Q15=no: Do you own or rent your current primary residence?

Please select only one.

- ☐ Own
- ☐ Rent
- ☐ Other (please specify)_____

QUESTION 20.8

Please tell us how many of the following people usually live in your primary residence, **other than yourself** (including those who are temporarily away):

- a) Spouse/partner _____
- b) Children ages 25 or older _____
- c) Children ages 18 to 24 _____
- d) Children ages 6 to 17 _____
- e) Children ages 5 or younger _____
- f) Your or your spouse/partner's parents _____
- g) Other relatives (like siblings or cousins) _____
- h) Non-relatives (like roommates or renters) _____

___ None of the above, I live alone ;

[Question 6.8 asked only if respondent did NOT choose “None of the above, I live alone” in Q19]

Finally, we have some questions about your household. As a reminder, by household we mean everyone who usually lives in your primary residence (including yourself), excluding those whom you have counted as non-relatives (like roommates and renters).

QUESTION 20.9

On the scale below, which of the following best describes how financial decisions are made in your household?

Please select only one.

Someone else in my household makes all financial decisions		I share financial decisions equally with someone else in my household		I make all financial decisions myself
1	2	3	4	5

QUESTION 20.10

Which category represents the total combined pre-tax income of [you/all members of your household (including you)] during the past 12 months?

Please include money from all jobs, net income from business, farm or rent, pensions, interest on savings or bonds, dividends, social security income, unemployment benefits, workers compensation or disability benefits, child support, scholarships, fellowships, grants, inheritances and gifts, and any other money income received by members of your household who are 15 years of age or older.

Please select only one.

- ☐ Less than \$40,000
- ☐ \$40,000 to \$59,999
- ☐ \$60,000 to \$79,999
- ☐ \$80,000 to \$99,999
- ☐ \$100,000 to \$149,999
- ☐ \$150,000 to \$199,999
- ☐ \$200,000 to \$249,999
- ☐ \$250,000 to \$299,999
- ☐ \$300,000 or more

QUESTION 21

Do you have any comments about the survey or the survey experience?

Please type these in the box below.

Thank you for taking the time to complete this survey!

B Summary statistics

Table B1: Summary statistics about inflation expectations and uncertainty.

			Past inflation	Bank target	BankTarget with range	BoC forecast	BoC forecast with CI	Prof forecast	Prof forecast with range	Control	Wave 2
Priors, Wave 1	$E_i \pi_{1yr}^{prior}$	Mean	7.20	7.78	7.94	7.83	7.92	8.27	8.09	7.81	
		SD	12.40	13.06	13.82	12.7	12.89	15.10	12.77	13.91	
	$E_i \pi_{1yr}^{mean,prior}$	Mean	5.32	5.56	6.42	5.85	6.21	4.76	5.5	5.03	
		SD	11.17	12.32	15.54	13.19	17.64	11.08	6.50	9.87	
	$E_i \pi_{1yr}^{median,prior}$	Mean	5.16	5.34	5.91	5.50	6.00	4.68	5.31	4.86	
		SD	9.11	9.89	12.39	10.38	15.13	8.75	5.85	7.95	
	$E_i iqr_{1yr}^{prior}$	Mean	5.75	6.57	7.25	7.07	7.23	6.61	6.12	6.44	
		SD	12.18	14.12	17.96	15.09	20.91	12.6	6.79	10.64	
	$E_i \text{Bank target}^{prior}$	Mean	6.78	6.20	6.44	6.78	6.32	7.63	6.54	6.98	
		SD	11.08	8.45	9.53	9.42	8.66	13.06	10.66	11.34	
	$E_i \text{Bank forecast}^{prior}$	Mean	6.7	7.02	6.48	7.03	6.40	7.62	7.15	6.77	
		SD	9.44	9.20	9.18	10.33	7.93	11.89	11.12	8.99	
Posteriors, Wave 1	$E_i \pi_{1yr}^{post}$	Mean	5.58	5.05	4.72	4.53	4.84	4.87	4.05	7.12	
		SD	8.87	8.39	9.11	10.14	9.29	8.42	10.04	12.27	
	$E_i \pi_{1yr}^{mean,post}$	Mean	5.02	5.06	5.02	4.19	4.18	3.06	3.87	5.04	
		SD	11.47	12.64	12.70	9.68	12.45	17.28	9.15	12.78	
	$E_i \pi_{1yr}^{median,post}$	Mean	4.70	4.79	4.7	4.02	3.97	3.05	3.63	4.84	
		SD	8.88	9.81	10.39	7.8	9.71	13.64	7.31	10.17	
	$E_i iqr_{1yr}^{post}$	Mean	5.03	5.53	5.16	5.06	4.75	5.29	5.45	6.73	
		SD	12.94	14.51	14.78	11.24	14.36	19.43	24.72	19.08	
	Wave 2 $E_i \pi_{1yr}^{Wave2}$	Mean	6.04	6.13	6.19	5.76	6.00	6.67	6.16	6.19	6.90
		SD	9.90	11.5	9.22	8.33	10.09	10.26	9.57	10.58	11.00
	$E_i \pi_{1yr}^{mean,Wave2}$	Mean	4.10	4.18	4.85	4.86	5.43	4.03	4.06	4.08	5.07
		SD	4.87	4.20	13.74	10.37	14.43	5.48	4.81	6.04	7.30
	$E_i \pi_{1yr}^{median,Wave2}$	Mean	4.04	4.10	4.61	4.54	5.07	3.98	3.93	4.16	4.84
		SD	4.76	4.08	10.84	8.21	11.14	4.90	4.34	5.21	5.98
	$E_i iqr_{1yr}^{Wave2}$	Mean	3.95	3.74	4.37	4.54	5.08	4.27	4.12	4.44	4.90
		SD	5.58	4.60	15.15	12.29	16.07	6.15	5.96	7.02	8.90
	$E_i \text{Bank target}^{Wave2}$	Mean	5.21	5.42	4.91	5.03	5.14	6.12	5.47	5.10	6.15
		SD	9.31	7.93	7.62	6.45	6.91	9.90	9.65	6.66	10.13
	$E_i \text{Bank forecast}^{Wave2}$	Mean	5.47	5.54	5.3	5.27	5.73	5.4	5.52	5.03	6.62
		SD	8.87	7.32	7.96	6.95	8.99	7.56	8.73	5.81	10.16

Notes: This table presents means and standard deviations for each treatment.

Table B2: Estimation results for revisions for one-year expectations

	PastInflation		BankTarget		BankTargetRange		BankForecast		BankForecastCI		ProfForecast		ProfForecastRange	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
DKnow PastInflation	0.212***	-0.070												
	(0.07)	(0.08)												
DKnow BankTarget			0.066	-0.078										
			(0.05)	(0.07)										
gap ^{target}			-0.003	-0.005	-0.000	-0.003								
			(0.00)	(0.01)	(0.01)	(0.01)								
DKnow BankTargetRange					0.058	-0.358***								
					(0.11)	(0.13)								
DKnow BankForecast							0.494***	-0.939***						
							(0.13)	(0.23)						
gap ^{forecast}							0.008	0.025	-0.040*	0.059***				
							(0.01)	(0.02)	(0.02)	(0.02)				
DKnow BankForecastCI									0.088	-0.570***				
									(0.17)	(0.19)				
DKnow ProfForecast											0.051	-0.115		
											(0.26)	(0.27)		
DKnow ProfForecastRange													0.442**	-0.690***
													(0.22)	(0.24)
Dknow inflation well	0.166*	-0.222**	0.134*	-0.177*	-0.001	0.113	-0.133	-0.441	-0.194	0.200	-0.083	0.206	-0.166	0.017
	(0.09)	(0.11)	(0.08)	(0.11)	(0.14)	(0.17)	(0.17)	(0.29)	(0.22)	(0.25)	(0.19)	(0.21)	(0.23)	(0.25)
D ^{easy to express inflation}	-0.006	-0.074	-0.071	-0.075	0.173	-0.237	0.185	-0.458**	0.544***	-0.778***	0.396**	-0.724***	0.003	0.052
	(0.07)	(0.08)	(0.06)	(0.08)	(0.13)	(0.15)	(0.14)	(0.23)	(0.19)	(0.21)	(0.17)	(0.19)	(0.20)	(0.21)
constant	-0.376	0.257	-0.257	0.948***	-0.510	1.679***	-0.916**	0.605	-1.551**	1.077	-2.288***	3.522***	-1.682***	2.471***
	(0.24)	(0.28)	(0.16)	(0.24)	(0.38)	(0.50)	(0.46)	(0.77)	(0.69)	(0.72)	(0.57)	(0.61)	(0.59)	(0.70)
N	478	505	435	441	470	501	487	549	508	530	521	533	525	550
r ²	0.0958	0.0502	0.0612	0.0482	0.0618	0.0755	0.0587	0.121	0.0628	0.118	0.103	0.0874	0.0761	0.0853

Notes: Estimation results for revisions from equation $E_i Y_{1yr}^{posterior} - E_i Y_{1yr}^{prior} = a + b_0 D_i^{Know} + b_1 gap^{forecast/target} + b_2 X_i + error_i$ are presented in **odd-numbered** columns. Estimation results for absolute revisions from equation $|E_i Y_{1yr}^{posterior} - E_i Y_{1yr}^{prior}| = a + b_0 D_i^{Know} + b_1 gap^{forecast/target} + b_2 X_i + error_i$ are presented in **even-numbered** columns. These regressions also control for married status, presence of children, responding in English/French, and province. Results are from Huber robust regressions to control for outliers and influential observations. Robust standard errors are reported in parentheses. ***, **, and * represent statistical significance at the 1%, 5%, and 10% levels, respectively.

Table B3: Estimation results for the revisions in the probability distributions in Wave 1 and Wave 2

	below -12% (1)	(-12,-8) (2)	(-8,-4) (3)	(-4,-2) (4)	(-2,0) (5)	(0,2) (6)	(2,4) (7)	(4,8) (8)	(8,12) (9)	Above 12% (10)
PastInflation	-0.718 (0.44)	-1.098*** (0.33)	-0.671** (0.33)	-0.668* (0.41)	0.545 (0.66)	4.345*** (1.46)	5.588*** (1.58)	-0.709 (1.26)	-3.186*** (0.98)	-2.848** (1.29)
BankTarget	-0.137 (0.44)	-0.776** (0.33)	-0.394 (0.33)	-0.584 (0.41)	-0.739 (0.66)	2.02 (1.46)	7.946*** (1.58)	-2.224* (1.27)	-2.541*** (0.98)	-1.991 (1.29)
BankTargetRange	-0.33 (0.44)	-1.252*** (0.33)	-0.486 (0.33)	-0.287 (0.41)	-0.839 (0.66)	2.914** (1.46)	9.408*** (1.58)	-1.193 (1.27)	-3.851*** (0.98)	-3.974*** (1.30)
BankForecast	-0.141 (0.44)	-0.649* (0.33)	-0.674** (0.33)	-1.079*** (0.41)	-0.959 (0.66)	5.158*** (1.46)	10.145*** (1.58)	-2.668** (1.26)	-3.576*** (0.98)	-5.274*** (1.29)
BankForecastCI	-0.651 (0.44)	-1.306*** (0.33)	-0.920*** (0.33)	-1.119*** (0.4)	-0.865 (0.66)	7.048*** (1.45)	12.307*** (1.57)	-5.044*** (1.26)	-3.859*** (0.98)	-4.856*** (1.29)
ProfForecast	-0.355 (0.44)	-0.786** (0.33)	-0.745** (0.33)	-1.292*** (0.41)	-0.438 (0.66)	15.261*** (1.46)	3.310** (1.58)	-5.203*** (1.27)	-4.534*** (0.98)	-4.977*** (1.29)
ProfForecastRange	-0.551 (0.44)	-0.976*** (0.33)	-0.960*** (0.33)	-1.393*** (0.41)	-0.693 (0.66)	16.452*** (1.46)	6.682*** (1.58)	-6.158*** (1.26)	-5.603*** (0.98)	-6.704*** (1.29)
constant	-0.417 (0.80)	-1.083 (0.66)	0.316 (0.57)	1.872** (0.84)	0.924 (1.09)	2.074 (2.53)	-1.768 (2.79)	0.256 (2.38)	-0.761 (1.93)	-1.928 (2.21)
N	4997	4997	4997	4997	4998	4998	4997	4998	5002	5003
R ²	0.00301	0.00712	0.00814	0.00637	0.00581	0.0712	0.0333	0.0121	0.0205	0.0382
Range, all	0.008 (0.23)	-0.072 (0.20)	0.119 (0.18)	-0.063 (0.27)	0.104 (0.34)	1.184 (0.83)	2.600*** (0.88)	-0.511 (0.73)	-0.960 (0.59)	-2.425*** (0.68)
N	3758	3758	3758	3758	3759	3759	3758	3758	3760	3761
R ²	0.00225	0.00564	0.00761	0.00470	0.00781	0.0167	0.0134	0.00425	0.0118	0.0370
Range, BankTarget	-0.128 (0.43)	-0.301 (0.34)	0.290 (0.34)	0.563 (0.56)	-0.052 (0.63)	1.573 (1.15)	2.267 (1.48)	0.353 (1.23)	-1.446 (0.98)	-3.098*** (1.15)
N	1246	1246	1246	1246	1247	1246	1246	1246	1246	1247
R ²	0.00834	0.0214	0.0223	0.00995	0.0114	0.0202	0.0287	0.00991	0.0126	0.0404
Range, BankForecast	0.071 (0.38)	0.078 (0.38)	0.053 (0.31)	-0.215 (0.45)	0.130 (0.55)	1.032 (1.22)	1.908 (1.54)	-1.563 (1.25)	-0.665 (1.07)	-0.864 (1.21)
N	1260	1260	1260	1260	1260	1260	1260	1260	1261	1261
R ²	0.0135	0.00888	0.0170	0.0134	0.0123	0.0223	0.0255	0.0116	0.0254	0.0485
Range, ProfForecast	0.066 (0.41)	0.048 (0.30)	0.077 (0.28)	-0.421 (0.38)	0.156 (0.59)	0.657 (1.75)	3.727** (1.54)	-0.496 (1.31)	-0.670 (1.06)	-3.146*** (1.20)
N	1252	1252	1252	1252	1252	1253	1252	1252	1253	1253
R ²	0.00847	0.0216	0.0151	0.0128	0.0187	0.0326	0.0229	0.0153	0.0162	0.0547

Notes: This table presents the estimation results Equation 4 and Equation 5 without interaction between treatment or range dummies with demographic characteristics. . All regressions control for demographic characteristics. Results are from OLS regressions, standard errors are in parentheses. ***, **, and * represent statistical significance at the 1%, 5%, and 10% levels, respectively.

C The heterogeneity in effects across demographic characteristics

Table C1: Estimation results for the revisions in one-year expectations by age groups

	$E_i \pi_{1yr}^{post}$ (1)	$E_i \pi_{1yr}^{Wave2}$ (2)	$E_i \pi_{1yr}^{mean,post}$ (3)	$E_i \pi_{1yr}^{mean,Wave2}$ (4)	$E_i \pi_{1yr}^{median,post}$ (5)	$E_i \pi_{1yr}^{median,Wave2}$ (6)	$E_i iqr_{1yr}^{post}$ (7)	$E_i iqr_{1yr}^{Wave2}$ (8)	$E_i prob_{1yr}^{target,post}$ (9)	$E_i prob_{1yr}^{target,Wave2}$ (10)
PastInflation	-0.489*** (0.09)	-0.114 (0.36)	-0.506*** (0.12)	-0.660 (0.41)	-0.304*** (0.11)	-0.698* (0.40)	-0.226*** (0.08)	0.303 (0.32)	3.386*** (0.83)	6.407** (3.21)
BankTarget	-0.277*** (0.09)	1.530*** (0.39)	-0.244** (0.11)	0.700* (0.42)	-0.116 (0.41)	0.737* (0.41)	-0.242*** (0.08)	0.280 (0.32)	3.166*** (0.76)	0.259 (3.14)
BankTargetRange	-0.165* (0.09)	0.318 (0.39)	-0.549*** (0.12)	-0.376 (0.40)	-0.415*** (0.11)	-0.402 (0.39)	-0.417*** (0.08)	0.161 (0.32)	4.438*** (0.79)	3.821 (2.91)
BankForecast	-0.430*** (0.10)	-0.386 (0.40)	-0.648*** (0.13)	-0.566 (0.40)	-0.461*** (0.12)	-0.469 (0.40)	-0.501*** (0.09)	0.018 (0.33)	5.184*** (0.85)	3.557 (3.00)
BankForecastCI	-0.519*** (0.10)	0.770* (0.41)	-0.606*** (0.13)	-0.223 (0.44)	-0.428*** (0.12)	-0.312 (0.43)	-0.393*** (0.08)	0.509 (0.33)	7.104*** (0.92)	0.668 (3.24)
ProfForecast	-0.620*** (0.10)	0.077 (0.41)	-0.797*** (0.14)	-0.670 (0.45)	-0.755*** (0.13)	-0.640 (0.45)	-0.629*** (0.09)	-0.475 (0.33)	6.085*** (0.94)	7.402** (3.29)
ProfForecastRange	-0.959*** (0.11)	1.032*** (0.37)	-0.812*** (0.12)	-0.743* (0.40)	-0.749*** (0.12)	-0.809** (0.39)	-0.570*** (0.09)	-0.146 (0.33)	7.413*** (0.95)	3.922 (3.02)
young	0.091 (0.11)	0.580 (0.70)	0.006 (0.22)	1.158 (0.71)	0.045 (0.19)	0.708 (0.68)	-0.044 (0.15)	0.569 (0.56)	1.209 (1.51)	-9.532** (4.58)
senior	0.081 (0.06)	0.423 (0.33)	-0.067 (0.10)	-0.364 (0.37)	-0.008 (0.09)	-0.190 (0.36)	-0.099 (0.07)	0.223 (0.29)	1.020 (0.62)	3.504 (2.82)
PastInflation × young	0.143 (0.21)	-0.528 (0.91)	0.316 (0.29)	-0.241 (0.91)	0.221 (0.26)	0.329 (0.87)	-0.014 (0.19)	-0.428 (0.67)	-0.889 (1.98)	-2.290 (6.17)
PastInflation × senior	0.377*** (0.11)	-0.023 (0.48)	0.202 (0.16)	1.025** (0.51)	-0.019 (0.15)	0.790 (0.50)	-0.093 (0.11)	-0.820** (0.39)	-1.007 (1.08)	-4.672 (4.00)
BankTarget × young	0.008 (0.19)	-2.488** (0.98)	-0.324 (0.30)	-2.391** (1.04)	-0.444 (0.28)	-1.831* (0.98)	0.100 (0.20)	-1.175 (0.77)	-0.801 (2.04)	4.981 (6.37)
BankTarget × senior	0.056 (0.11)	-2.337*** (0.50)	-0.047 (0.15)	-1.078** (0.52)	-0.085 (0.14)	-1.129** (0.51)	0.032 (0.10)	-0.707* (0.39)	-1.609 (1.00)	0.528 (3.94)
BankTargetRange × young	-0.032 (0.19)	-0.036 (0.96)	0.218 (0.31)	-0.668 (0.97)	0.049 (0.28)	-0.251 (0.95)	0.312 (0.20)	-0.372 (0.73)	-3.722* (2.06)	2.422 (7.06)
BankTargetRange × senior	-0.369*** (0.11)	-0.742 (0.49)	0.053 (0.16)	-0.121 (0.51)	-0.049 (0.15)	-0.176 (0.50)	0.267** (0.11)	-0.725* (0.40)	-2.178** (1.03)	-5.355 (3.75)
BankForecast × young	-0.046 (0.20)	-2.322** (1.14)	-0.175 (0.36)	-1.713 (1.11)	-0.229 (0.32)	-1.202 (1.09)	0.299 (0.23)	-0.194 (0.76)	-2.622 (2.29)	17.058** (7.86)
BankForecast × senior	-0.116 (0.12)	-0.106 (0.50)	0.233 (0.17)	0.284 (0.51)	-0.003 (0.15)	0.007 (0.50)	0.208* (0.11)	-0.653 (0.40)	-1.749 (1.12)	-4.569 (3.78)
BankForecastCI × young	0.113 (0.21)	-1.487 (0.95)	0.141 (0.28)	-1.323 (1.00)	-0.002 (0.26)	-1.035 (0.95)	-0.369* (0.21)	-0.769 (0.75)	-0.666 (2.19)	7.538 (6.69)
BankForecastCI × senior	-0.177 (0.13)	-1.469*** (0.51)	-0.001 (0.17)	0.299 (0.54)	-0.135 (0.16)	0.241 (0.52)	-0.045 (0.11)	-0.626 (0.40)	-1.676 (1.20)	-4.129 (3.96)
ProfForecast × young	-0.527** (0.23)	-1.688 (1.11)	0.003 (0.34)	0.356 (1.06)	-0.558* (0.33)	0.002 (1.08)	-0.035 (0.23)	0.777 (0.84)	-0.795 (2.47)	-14.240** (6.62)
ProfForecast × senior	-0.176 (0.13)	-1.034** (0.51)	0.132 (0.18)	0.524 (0.55)	0.149 (0.17)	0.312 (0.54)	0.260** (0.12)	0.491 (0.39)	-2.380** (1.19)	-6.976* (4.01)
ProfForecastRange × young	0.254 (0.25)	0.879 (1.04)	0.543 (0.34)	0.123 (0.97)	0.424 (0.31)	0.817 (0.92)	-0.195 (0.25)	-1.660** (0.84)	-0.073 (2.42)	11.358* (6.71)
ProfForecastRange × senior	0.206 (0.13)	-1.811*** (0.48)	0.118 (0.17)	0.332 (0.51)	0.085 (0.16)	0.378 (0.49)	0.193* (0.12)	-0.339 (0.40)	-1.879 (1.24)	-1.170 (3.85)
constant	-0.220* (0.13)	-1.372*** (0.50)	0.136 (0.17)	-0.921* (0.53)	-0.128 (0.16)	-0.841 (0.52)	-0.003 (0.11)	-0.985** (0.40)	-0.853 (1.15)	6.294 (3.90)
N	3871	3090	4524	3280	4485	3294	4206	3109	4347	3432
R ²	0.0768	0.0378	0.0322	0.0182	0.0354	0.0162	0.0370	0.0250	0.0483	0.0309

Notes: This table presents the results for Equation 4. The dependent variable is the variable listed at the top of each column relative to its prior. These regressions control for all demographic characteristics. Results are from Huber robust regressions to control for outliers and influential observations. Robust standard errors are reported in parentheses. ***, **, and * represent statistical significance at the 1%, 5%, and 10% levels, respectively.

Table C2: Estimation results for the revisions in one-year expectations by education groups

	$E_i \pi_{1yr}^{post}$ (1)	$E_i \pi_{1yr}^{Wave2}$ (2)	$E_i \pi_{1yr}^{mean,post}$ (3)	$E_i \pi_{1yr}^{mean,Wave2}$ (4)	$E_i \pi_{1yr}^{median,post}$ (5)	$E_i \pi_{1yr}^{median,Wave2}$ (6)	$E_i iqr_{1yr}^{post}$ (7)	$E_i iqr_{1yr}^{Wave2}$ (8)	$E_i prob_{1yr}^{target,post}$ (9)	$E_i prob_{1yr}^{target,Wave2}$ (10)
PastInflation	-0.171 (0.11)	-0.883 (0.58)	-0.501*** (0.18)	0.165 (0.59)	-0.509*** (0.17)	-0.061 (0.58)	-0.489*** (0.14)	0.434 (0.49)	3.291*** (1.27)	-1.796 (4.22)
BankTarget	-0.270** (0.13)	-1.147* (0.61)	-0.243 (0.18)	0.778 (0.62)	0.002 (0.18)	0.695 (0.62)	-0.352*** (0.12)	-0.821 (0.52)	1.294 (1.08)	6.278 (4.29)
BankTargetRange	-0.651*** (0.16)	0.208 (0.60)	-0.208 (0.21)	-0.080 (0.64)	-0.257 (0.20)	-0.241 (0.64)	-0.456*** (0.14)	0.344 (0.51)	2.760** (1.18)	-0.623 (4.62)
BankForecast	-0.751*** (0.13)	-0.790 (0.57)	-0.486*** (0.18)	0.038 (0.59)	-0.640*** (0.17)	0.002 (0.58)	-0.460*** (0.13)	0.250 (0.49)	5.463*** (1.26)	-0.565 (4.35)
BankForecastCI	-0.780*** (0.16)	-0.145 (0.57)	-1.001*** (0.20)	0.219 (0.62)	-0.838*** (0.19)	0.295 (0.58)	-0.678*** (0.14)	0.238 (0.51)	4.066*** (1.38)	-1.072 (4.25)
ProfForecast	-1.266*** (0.17)	-2.234*** (0.61)	-0.770*** (0.19)	0.215 (0.63)	-0.959*** (0.20)	-0.119 (0.62)	-0.480*** (0.13)	0.815* (0.48)	2.713** (1.20)	-3.708 (3.99)
ProfForecastRange	-0.567*** (0.14)	-0.217 (0.59)	-0.461** (0.19)	-0.567 (0.64)	-0.597*** (0.19)	-0.829 (0.64)	-0.313*** (0.12)	0.056 (0.49)	3.557*** (1.29)	-1.014 (4.29)
some college	0.017 (0.08)	-0.539 (0.48)	0.129 (0.13)	0.464 (0.52)	0.021 (0.12)	0.385 (0.52)	-0.080 (0.09)	0.820** (0.41)	-0.951 (0.83)	-1.392 (3.72)
university +	-0.044 (0.08)	-0.497 (0.48)	-0.033 (0.14)	0.537 (0.52)	-0.105 (0.13)	0.459 (0.51)	0.011 (0.10)	0.740* (0.42)	-0.314 (0.93)	3.359 (3.93)
PastInflation some college	-0.110 (0.13)	0.687 (0.67)	-0.080 (0.21)	-0.476 (0.70)	0.067 (0.20)	-0.431 (0.68)	0.198 (0.16)	-0.436 (0.55)	0.127 (1.46)	4.095 (4.98)
PastInflation university +	-0.125 (0.14)	1.089 (0.68)	0.453** (0.21)	-0.026 (0.70)	0.492** (0.20)	0.152 (0.68)	0.349** (0.17)	-1.124** (0.55)	-0.980 (1.58)	10.031* (5.28)
BankTarget some college	-0.099 (0.15)	0.904 (0.71)	-0.269 (0.21)	-1.729** (0.72)	-0.412** (0.21)	-1.449** (0.72)	0.187 (0.14)	0.602 (0.58)	2.414* (1.32)	-5.128 (5.05)
BankTarget university +	0.160 (0.15)	1.819** (0.71)	0.148 (0.22)	-0.381 (0.71)	-0.072 (0.21)	-0.348 (0.71)	0.133 (0.14)	0.728 (0.58)	0.255 (1.38)	-8.880* (5.28)
BankTargetRange some college	0.386** (0.18)	-0.170 (0.69)	-0.327 (0.24)	-0.056 (0.73)	-0.201 (0.22)	0.176 (0.72)	0.344** (0.16)	-0.960* (0.58)	0.936 (1.39)	1.218 (5.23)
BankTargetRange university +	0.309* (0.18)	-0.623 (0.69)	-0.344 (0.25)	-0.960 (0.74)	-0.209 (0.23)	-0.914 (0.73)	0.115 (0.16)	-0.468 (0.58)	0.045 (1.48)	3.161 (5.54)
BankForecast some college	0.331** (0.15)	0.431 (0.68)	-0.149 (0.22)	-0.797 (0.69)	0.075 (0.20)	-0.746 (0.68)	0.140 (0.15)	-0.750 (0.56)	-2.058 (1.48)	3.200 (5.05)
BankForecast university +	0.263 (0.16)	0.121 (0.67)	0.060 (0.23)	-0.414 (0.70)	0.308 (0.21)	-0.508 (0.69)	0.066 (0.16)	-0.764 (0.56)	-0.079 (1.63)	2.309 (5.31)
BankForecastCI some college	0.222 (0.18)	0.050 (0.67)	0.510** (0.23)	-0.250 (0.72)	0.378* (0.22)	-0.522 (0.68)	0.369** (0.16)	-0.388 (0.57)	2.382 (1.59)	0.652 (4.98)
BankForecastCI university +	0.200 (0.18)	-0.229 (0.68)	0.437* (0.24)	-0.621 (0.72)	0.422* (0.23)	-0.811 (0.69)	0.134 (0.16)	-0.067 (0.57)	4.101** (1.76)	-1.051 (5.23)
ProfForecast some college	0.538*** (0.19)	2.141*** (0.71)	0.080 (0.23)	-0.304 (0.73)	0.277 (0.23)	-0.069 (0.72)	0.076 (0.16)	-0.711 (0.55)	3.616** (1.49)	7.216 (4.81)
ProfForecast university +	0.620*** (0.19)	1.497** (0.71)	0.022 (0.24)	-1.073 (0.74)	0.280 (0.24)	-0.803 (0.72)	-0.128 (0.16)	-1.573*** (0.55)	2.520 (1.59)	7.404 (5.05)
ProfForecastRange some college	-0.427** (0.17)	0.187 (0.69)	-0.328 (0.22)	0.199 (0.73)	-0.169 (0.22)	0.476 (0.73)	-0.021 (0.14)	-0.580 (0.56)	2.459 (1.54)	3.137 (5.00)
ProfForecastRange university +	-0.180 (0.17)	0.421 (0.68)	-0.280 (0.23)	-0.175 (0.74)	-0.031 (0.23)	0.175 (0.73)	-0.484*** (0.16)	-0.646 (0.56)	7.522*** (1.76)	10.099* (5.32)
constant	-0.131 (0.14)	-0.409 (0.59)	0.078 (0.19)	-1.389** (0.63)	-0.051 (0.18)	-1.210* (0.62)	0.010 (0.12)	-1.047** (0.49)	1.099 (1.28)	9.760** (4.54)
N	3876	3088	4531	3283	4504	3297	4212	3114	4401	3432
R ²	0.0767	0.0321	0.0357	0.0184	0.0359	0.0174	0.0391	0.0282	0.0608	0.0298

Notes: This table presents the results for Equation 4. The dependent variable is the variable listed at the top of each column relative to its prior. These regressions control for all demographic characteristics. Results are from Huber robust regressions to control for outliers and influential observations. Robust standard errors are reported in parentheses. ***, **, and * represent statistical significance at the 1%, 5%, and 10% levels, respectively.

Table C3: Estimation results for the revisions in one-year expectations by income group

	$E_i \pi_{1yr}^{post}$ (1)	$E_i \pi_{1yr}^{Wave2}$ (2)	$E_i \pi_{1yr}^{mean,post}$ (3)	$E_i \pi_{1yr}^{mean,Wave2}$ (4)	$E_i \pi_{1yr}^{median,post}$ (5)	$E_i \pi_{1yr}^{median,Wave2}$ (6)	$E_i iqr_{1yr}^{post}$ (7)	$E_i iqr_{1yr}^{Wave2}$ (8)	$E_i prob_{1yr}^{target,post}$ (9)	$E_i prob_{1yr}^{target,Wave2}$ (10)
PastInflation	-0.216** (0.10)	-0.578 (0.49)	-0.422** (0.17)	-0.133 (0.49)	-0.410*** (0.16)	-0.358 (0.48)	-0.205* (0.12)	0.036 (0.35)	2.019* (1.07)	1.432 (3.60)
BankTarget	-0.045 (0.10)	-0.235 (0.52)	-0.217 (0.16)	-0.546 (0.53)	0.074 (0.15)	-0.461 (0.52)	-0.210** (0.10)	0.115 (0.37)	1.219 (0.99)	2.812 (3.59)
BankTargetRange	-0.538*** (0.12)	0.392 (0.50)	-0.494*** (0.17)	-0.136 (0.52)	-0.427*** (0.16)	0.024 (0.52)	-0.205* (0.11)	0.016 (0.37)	3.206*** (1.01)	-2.366 (3.53)
BankForecast	-0.426*** (0.11)	-0.357 (0.51)	-0.201 (0.17)	-0.448 (0.51)	-0.319** (0.16)	-0.445 (0.51)	-0.241** (0.12)	-0.601 (0.39)	2.346** (1.12)	-0.518 (3.59)
BankForecastCI	-0.578*** (0.12)	0.370 (0.52)	-0.186 (0.18)	-0.481 (0.54)	-0.214 (0.17)	-0.439 (0.52)	-0.316*** (0.12)	0.090 (0.39)	4.037*** (1.23)	-0.020 (3.51)
ProfForecast	-0.628*** (0.12)	-0.440 (0.51)	-0.326** (0.16)	-0.008 (0.51)	-0.391** (0.16)	-0.052 (0.50)	-0.313*** (0.11)	0.233 (0.35)	2.000* (1.09)	-2.692 (3.33)
ProfForecastRange	-0.966*** (0.15)	0.000 (0.54)	-0.259 (0.19)	-0.187 (0.52)	-0.303* (0.17)	-0.030 (0.52)	-0.231* (0.12)	0.057 (0.37)	3.726*** (1.30)	0.371 (3.54)
\$40K-\$100K	-0.028 (0.07)	0.722* (0.42)	0.311*** (0.12)	0.552 (0.44)	0.311*** (0.11)	0.550 (0.43)	0.074 (0.09)	0.136 (0.30)	-0.445 (0.81)	1.452 (3.21)
\$100K +	0.008 (0.08)	0.251 (0.46)	0.273** (0.14)	-0.252 (0.50)	0.223* (0.13)	-0.312 (0.50)	0.045 (0.10)	0.733** (0.33)	-0.310 (0.95)	-0.814 (3.66)
PastInflation × \$40K-\$100K	-0.015 (0.12)	0.437 (0.60)	-0.067 (0.20)	-0.082 (0.59)	0.003 (0.18)	-0.007 (0.58)	-0.169 (0.14)	-0.111 (0.43)	1.005 (1.29)	0.246 (4.43)
PastInflation × \$100K +	-0.083 (0.14)	0.660 (0.64)	0.303 (0.22)	0.479 (0.67)	0.418** (0.21)	0.657 (0.66)	0.062 (0.15)	-0.759 (0.46)	1.979 (1.51)	7.919 (5.14)
BankTarget × \$40K-\$100K	-0.251** (0.12)	-0.228 (0.62)	-0.179 (0.19)	0.037 (0.63)	-0.441** (0.18)	-0.021 (0.61)	0.063 (0.12)	-0.644 (0.46)	2.052* (1.24)	0.196 (4.42)
BankTarget × \$100K +	-0.187 (0.13)	1.090 (0.67)	-0.015 (0.21)	1.613** (0.70)	-0.213 (0.20)	1.538** (0.69)	-0.077 (0.14)	-0.266 (0.48)	0.963 (1.36)	-8.480* (5.02)
BankTargetRange × \$40K-\$100K	0.348** (0.14)	-0.738 (0.60)	-0.074 (0.20)	-0.542 (0.62)	-0.125 (0.19)	-0.786 (0.61)	-0.046 (0.13)	-0.472 (0.46)	-0.181 (1.26)	4.122 (4.37)
BankTargetRange × \$100K +	0.076 (0.15)	-0.524 (0.65)	0.066 (0.22)	-0.102 (0.68)	0.171 (0.21)	-0.344 (0.67)	-0.065 (0.14)	-0.350 (0.48)	0.250 (1.39)	5.342 (4.87)
BankForecast × \$40K-\$100K	-0.009 (0.13)	-0.198 (0.61)	-0.466** (0.21)	-0.020 (0.61)	-0.250 (0.19)	-0.061 (0.60)	-0.129 (0.14)	0.562 (0.47)	2.435* (1.37)	1.190 (4.38)
BankForecast × \$100K +	-0.167 (0.15)	-0.415 (0.68)	-0.357 (0.23)	-0.069 (0.69)	-0.148 (0.22)	-0.203 (0.70)	-0.224 (0.15)	-0.362 (0.51)	3.354** (1.56)	6.978 (5.04)
BankForecastCI × \$40K-\$100K	-0.055 (0.15)	-0.776 (0.62)	-0.610*** (0.22)	0.231 (0.64)	-0.488** (0.20)	-0.021 (0.62)	-0.223 (0.14)	0.224 (0.46)	5.153*** (1.52)	-2.495 (4.39)
BankForecastCI × \$100K +	0.074 (0.16)	-0.737 (0.66)	-0.352 (0.23)	0.868 (0.69)	-0.144 (0.21)	0.756 (0.67)	-0.106 (0.15)	-0.614 (0.50)	1.240 (1.59)	0.470 (4.84)
ProfForecast × \$40K-\$100K	-0.204 (0.14)	-0.277 (0.61)	-0.463** (0.20)	-0.522 (0.62)	-0.366* (0.20)	-0.593 (0.61)	-0.292** (0.14)	-0.158 (0.43)	4.803*** (1.40)	7.401* (4.27)
ProfForecast × \$100K +	-0.037 (0.16)	-0.312 (0.69)	-0.683*** (0.23)	-0.140 (0.69)	-0.571** (0.22)	-0.328 (0.68)	-0.081 (0.15)	-1.062** (0.48)	3.770** (1.57)	5.268 (4.81)
ProfForecastRange × \$40K-\$100K	0.213 (0.17)	-0.259 (0.63)	-0.581*** (0.22)	-0.858 (0.61)	-0.475** (0.20)	-1.075* (0.61)	-0.244* (0.14)	-0.529 (0.45)	2.678* (1.54)	2.074 (4.33)
ProfForecastRange × \$100K +	0.157 (0.19)	0.513 (0.67)	-0.549** (0.24)	0.399 (0.69)	-0.459** (0.22)	0.239 (0.68)	-0.413** (0.16)	-0.955* (0.49)	7.139*** (1.82)	10.995** (5.11)
constant	-0.205* (0.12)	-0.996* (0.57)	-0.124 (0.18)	-0.988* (0.59)	-0.293* (0.17)	-0.941 (0.58)	-0.170 (0.12)	-0.842** (0.40)	1.861 (1.28)	9.708** (4.23)
N	3848	3096	4534	3286	4490	3297	4203	3110	4404	3432
R ²	0.0734	0.0277	0.0348	0.0155	0.0364	0.0155	0.0349	0.0246	0.0593	0.0317

Notes: This table presents the results for Equation 4. The dependent variable is the variable listed at the top of each column relative to its prior. These regressions control for all demographic characteristics. Results are from Huber robust regressions to control for outliers and influential observations. Robust standard errors are reported in parentheses. ***, **, and * represent statistical significance at the 1%, 5%, and 10% levels, respectively.

Table C4: Estimation results for the revisions in one-year expectations by gender

	$E_i \pi_{1yr}^{post}$ (1)	$E_i \pi_{1yr}^{Wave2}$ (2)	$E_i \pi_{1yr}^{mean,post}$ (3)	$E_i \pi_{1yr}^{mean,Wave2}$ (4)	$E_i \pi_{1yr}^{median,post}$ (5)	$E_i \pi_{1yr}^{median,Wave2}$ (6)	$E_i \pi_{1yr}^{iqr,post}$ (7)	$E_i \pi_{1yr}^{iqr,Wave2}$ (8)	$E_i \text{prob}_{1yr}^{target,post}$ (9)	$E_i \text{prob}_{1yr}^{target,Wave2}$ (10)
PastInflation	-0.115 (0.08)	-0.141 (0.35)	-0.369*** (0.12)	0.345 (0.37)	-0.349*** (0.11)	0.426 (0.36)	-0.228*** (0.08)	-0.372 (0.25)	4.028*** (0.92)	11.725*** (3.11)
BankTarget	-0.102 (0.08)	-0.195 (0.37)	-0.171 (0.12)	0.062 (0.38)	-0.093 (0.11)	0.255 (0.36)	-0.267*** (0.08)	-0.263 (0.28)	1.454* (0.85)	1.091 (3.06)
BankTargetRange	-0.335*** (0.09)	0.329 (0.35)	-0.257** (0.12)	0.223 (0.37)	-0.288** (0.11)	0.396 (0.35)	-0.266*** (0.08)	-0.365 (0.25)	2.388*** (0.82)	6.754** (2.99)
BankForecast	-0.444*** (0.09)	-0.677* (0.35)	-0.361*** (0.12)	-0.471 (0.36)	-0.386*** (0.11)	-0.424 (0.35)	-0.360*** (0.08)	-0.331 (0.25)	2.995*** (0.89)	5.299* (2.92)
BankForecastCI	-0.485*** (0.09)	-0.219 (0.36)	-0.305** (0.13)	0.206 (0.37)	-0.354*** (0.12)	0.202 (0.37)	-0.534*** (0.09)	-0.036 (0.26)	7.462*** (1.02)	-0.413 (2.91)
ProfForecast	-0.631*** (0.09)	-0.781** (0.35)	-0.420*** (0.13)	-0.042 (0.37)	-0.403*** (0.13)	0.048 (0.37)	-0.498*** (0.09)	-0.432* (0.26)	4.847*** (0.98)	8.812*** (3.11)
ProfForecastRange	-0.500*** (0.09)	0.454 (0.37)	-0.494*** (0.12)	0.279 (0.37)	-0.569*** (0.12)	0.307 (0.37)	-0.409*** (0.09)	-0.332 (0.28)	5.058*** (0.93)	4.414 (2.97)
female	-0.004 (0.06)	-0.362 (0.33)	0.039 (0.10)	0.364 (0.35)	-0.052 (0.09)	0.592* (0.34)	-0.062 (0.07)	-0.412 (0.25)	0.992 (0.70)	4.747* (2.67)
PastInflation × female	-0.246** (0.10)	-0.063 (0.47)	0.020 (0.15)	-0.666 (0.48)	0.109 (0.14)	-1.028** (0.47)	-0.066 (0.10)	0.258 (0.34)	-1.627 (1.12)	-12.826*** (3.83)
BankTarget × female	-0.236** (0.10)	0.237 (0.48)	-0.192 (0.15)	-0.289 (0.49)	-0.168 (0.14)	-0.535 (0.47)	0.081 (0.10)	0.064 (0.36)	1.462 (1.05)	-0.424 (3.79)
BankTargetRange × female	-0.002 (0.11)	-0.783* (0.47)	-0.370** (0.15)	-1.123** (0.48)	-0.223 (0.15)	-1.472*** (0.47)	0.029 (0.10)	0.127 (0.35)	1.212 (1.05)	-8.876** (3.71)
BankForecast × female	-0.094 (0.11)	0.220 (0.47)	-0.244 (0.16)	0.008 (0.48)	-0.145 (0.15)	-0.141 (0.47)	-0.014 (0.11)	-0.151 (0.36)	2.169* (1.14)	-5.551 (3.69)
BankForecastCI × female	-0.194 (0.12)	-0.039 (0.47)	-0.421*** (0.16)	-0.556 (0.49)	-0.208 (0.15)	-0.728 (0.47)	0.123 (0.11)	0.145 (0.35)	-1.333 (1.24)	-1.377 (3.67)
ProfForecast × female	-0.241** (0.12)	0.214 (0.48)	-0.463*** (0.17)	-0.433 (0.49)	-0.500*** (0.16)	-0.783 (0.48)	0.016 (0.11)	0.530 (0.35)	0.462 (1.22)	-10.304*** (3.81)
ProfForecastRange × female	-0.538*** (0.12)	-0.666 (0.48)	-0.325** (0.16)	-1.259*** (0.48)	-0.164 (0.15)	-1.319*** (0.47)	-0.105 (0.11)	-0.179 (0.36)	3.091** (1.23)	-0.951 (3.73)
constant	-0.343*** (0.13)	-0.938* (0.51)	-0.067 (0.17)	-1.309** (0.51)	-0.197 (0.16)	-1.325*** (0.51)	-0.058 (0.11)	-0.646* (0.37)	0.528 (1.23)	4.000 (3.83)
N	3887	3095	4523	3283	4496	3295	4210	3105	4397	3432
R ²	0.0713	0.0249	0.0328	0.0139	0.0342	0.0138	0.0313	0.0198	0.0532	0.0301

Notes: This table presents the results for Equation 4. The dependent variable is the variable listed at the top of each column relative to its prior. These regressions control for all demographic characteristics. Results are from Huber robust regressions to control for outliers and influential observations. Robust standard errors are reported in parentheses. ***, **, and * represent statistical significance at the 1%, 5%, and 10% levels, respectively.

Table C5: Estimation results of the revisions about one-year expectations: treatments with range by age group

	$E_i \pi_{1yr}^{post}$ (1)	$E_i \pi_{1yr}^{Wave2}$ (2)	$E_i \pi_{1yr}^{mean,post}$ (3)	$E_i \pi_{1yr}^{mean,Wave2}$ (4)	$E_i \pi_{1yr}^{median,post}$ (5)	$E_i \pi_{1yr}^{median,Wave2}$ (6)	$E_i \pi_{1yr}^{iq,post}$ (7)	$E_i \pi_{1yr}^{iq,Wave2}$ (8)	$E_i \pi_{1yr}^{prob,target,post}$ (9)	$E_i \pi_{1yr}^{prob,target,Wave2}$ (10)
Range, all	-0.033 (0.08)	0.268 (0.26)	-0.150 (0.09)	-0.323 (0.25)	-0.148* (0.09)	-0.420* (0.24)	-0.021 (0.06)	0.171 (0.18)	2.132*** (0.70)	-0.449 (1.74)
young	-0.048 (0.12)	-1.460*** (0.49)	-0.210 (0.15)	-0.019 (0.47)	-0.404*** (0.15)	-0.239 (0.46)	0.114 (0.10)	0.241 (0.33)	-0.280 (1.10)	-8.295*** (2.97)
senior	0.024 (0.07)	-0.883*** (0.24)	-0.025 (0.09)	-0.515** (0.22)	-0.062 (0.09)	-0.531** (0.22)	0.058 (0.06)	-0.074 (0.16)	-0.819 (0.63)	-0.100 (1.60)
Range, all × young	0.306* (0.17)	1.616** (0.64)	0.539*** (0.21)	0.586 (0.62)	0.640*** (0.20)	0.785 (0.59)	-0.219 (0.14)	-0.429 (0.45)	-0.009 (1.54)	5.663 (4.19)
Range, all × senior	-0.107 (0.10)	-0.151 (0.32)	0.005 (0.12)	0.323 (0.31)	-0.002 (0.12)	0.464 (0.29)	0.003 (0.08)	-0.238 (0.22)	-0.666 (0.89)	-0.473 (2.18)
constant	-0.896*** (0.18)	-0.771 (0.56)	-0.418* (0.22)	-0.897* (0.54)	-0.625*** (0.21)	-0.842 (0.51)	-0.557*** (0.14)	-0.736* (0.38)	4.257*** (1.54)	9.918*** (3.71)
N	3019	2333	3475	2466	3457	3190	2331	3329	2569	
R ²	0.0271	0.0270	0.0182	0.00972	0.0191	0.00787	0.0118	0.0125	0.0313	0.0220
Range, BankTarget	0.087 (0.10)	-1.226*** (0.44)	-0.215* (0.12)	-0.983** (0.41)	-0.198* (0.12)	-1.050*** (0.40)	-0.160** (0.08)	-0.150 (0.29)	0.754 (0.76)	3.222 (2.95)
young	0.048 (0.14)	-1.916*** (0.74)	-0.190 (0.19)	-1.048 (0.77)	-0.224 (0.18)	-0.861 (0.73)	0.014 (0.12)	-0.839 (0.53)	0.479 (1.21)	-5.161 (4.63)
senior	0.089 (0.09)	-2.225*** (0.40)	-0.037 (0.12)	-1.513*** (0.39)	-0.055 (0.11)	-1.450*** (0.38)	-0.061 (0.07)	-0.501* (0.27)	-1.090 (0.71)	3.045 (2.91)
Range, BankTarget × young	-0.029 (0.20)	2.453** (1.01)	0.373 (0.28)	1.440 (1.02)	0.236 (0.27)	1.227 (0.99)	0.244 (0.17)	1.033 (0.72)	-1.786 (1.72)	-2.539 (6.88)
Range, BankTarget × senior	-0.364*** (0.13)	1.759*** (0.55)	0.012 (0.16)	0.832 (0.52)	-0.040 (0.16)	0.829 (0.51)	0.228** (0.10)	0.057 (0.39)	-0.174 (0.98)	-5.110 (3.83)
constant	-0.377* (0.22)	1.382 (0.95)	-0.008 (0.30)	0.624 (0.93)	-0.011 (0.28)	0.603 (0.91)	-0.366** (0.18)	-0.233 (0.65)	2.981* (1.66)	-0.147 (7.21)
N	968	774	1112	827	1096	832	1028	790	1041	863
R ²	0.0295	0.0665	0.0283	0.0469	0.0343	0.0492	0.0169	0.0477	0.0408	0.0453
Range, BankForecast	-0.027 (0.17)	1.251*** (0.45)	0.015 (0.17)	0.214 (0.44)	-0.027 (0.16)	0.078 (0.43)	0.097 (0.10)	0.350 (0.34)	3.335** (1.42)	-4.001 (3.02)
young	0.279 (0.26)	-1.942** (0.93)	-0.217 (0.31)	-0.467 (0.89)	-0.235 (0.28)	-0.467 (0.86)	0.258 (0.19)	0.243 (0.55)	-1.386 (2.35)	9.083 (6.32)
senior	-0.049 (0.15)	0.238 (0.39)	0.183 (0.16)	-0.049 (0.36)	-0.040 (0.15)	-0.204 (0.35)	0.097 (0.10)	-0.575* (0.31)	-0.662 (1.30)	-2.001 (2.53)
Range, BankForecast × young	-0.077 (0.35)	0.919 (1.15)	0.391 (0.37)	0.409 (1.15)	0.289 (0.34)	0.202 (1.08)	-0.706*** (0.25)	-0.608 (0.77)	1.602 (3.11)	-10.440 (7.91)
Range, BankForecast × senior	-0.109 (0.21)	-1.443*** (0.55)	-0.224 (0.22)	0.084 (0.54)	-0.107 (0.21)	0.292 (0.51)	-0.243* (0.14)	0.232 (0.42)	-1.166 (1.81)	1.441 (3.72)
constant	-1.317*** (0.39)	-1.548* (0.92)	-1.220*** (0.42)	-2.243** (0.96)	-1.613*** (0.38)	-1.921** (0.89)	-0.570** (0.28)	-1.238* (0.73)	11.279*** (3.40)	10.606* (6.18)
N	1018	780	1170	819	1171	812	1070	775	1171	857
R ²	0.0386	0.0441	0.0378	0.0216	0.0427	0.0221	0.0273	0.0381	0.0486	0.0470
Range, ProfForecast	-0.199 (0.17)	1.003** (0.44)	-0.101 (0.19)	0.074 (0.44)	-0.015 (0.18)	0.012 (0.44)	0.012 (0.14)	0.384 (0.31)	3.052 (2.18)	-3.360 (3.23)
young	-0.452* (0.26)	-1.208 (0.89)	0.005 (0.30)	1.630** (0.81)	-0.361 (0.30)	0.969 (0.84)	-0.111 (0.24)	1.548** (0.63)	2.257 (3.44)	-25.339*** (4.94)
senior	-0.045 (0.16)	-0.618 (0.41)	0.034 (0.18)	0.127 (0.41)	0.117 (0.18)	0.140 (0.41)	0.067 (0.13)	0.755*** (0.27)	-2.331 (1.97)	-2.231 (2.99)
Range, ProfForecast × young	0.759** (0.38)	3.001** (1.22)	0.827* (0.43)	-0.088 (1.07)	1.015** (0.42)	0.761 (1.07)	-0.977** (0.39)	-2.341*** (0.87)	3.176 (5.07)	24.552*** (6.93)
Range, ProfForecast × senior	0.287 (0.22)	-0.857 (0.54)	0.042 (0.24)	-0.313 (0.54)	-0.087 (0.23)	-0.083 (0.53)	0.174 (0.18)	-0.904** (0.39)	0.113 (2.74)	4.810 (4.00)
constant	-1.778*** (0.38)	-2.096** (0.98)	-0.214 (0.41)	-1.404 (0.89)	-0.493 (0.40)	-1.520* (0.90)	-0.424 (0.31)	-0.845 (0.64)	2.733 (4.51)	19.314*** (5.83)
N	1036	763	1164	812	1162	821	1112	768	1248	849
R ²	0.0670	0.0611	0.0349	0.0369	0.0331	0.0291	0.0650	0.0360	0.0682	0.0702

Notes: This table presents the estimation results for equation Equation 5. The dependent variable is the variable listed at the top of each column relative to its prior. These regressions control for all demographic characteristics. Results are from Huber robust regressions to control for outliers and influential observations. Robust standard errors are reported in parentheses. ***, **, and * represent statistical significance at the 1%, 5%, and 10% levels, respectively.

Table C6: Estimation results of the revisions about one-year expectations: treatments with range by education group

	$E_i \pi_{1yr}^{post}$ (1)	$E_i \pi_{1yr}^{Wave2}$ (2)	$E_i \pi_{1yr}^{mean,post}$ (3)	$E_i \pi_{1yr}^{mean,Wave2}$ (4)	$E_i \pi_{1yr}^{median,post}$ (5)	$E_i \pi_{1yr}^{median,Wave2}$ (6)	$E_i iqr_{1yr}^{post}$ (7)	$E_i iqr_{1yr}^{Wave2}$ (8)	$E_i prob_{1yr}^{target,post}$ (9)	$E_i prob_{1yr}^{target,Wave2}$ (10)
Range, all	0.069 (0.13)	1.313*** (0.37)	-0.127 (0.14)	-0.460 (0.35)	-0.153 (0.14)	-0.375 (0.34)	-0.015 (0.09)	0.039 (0.28)	0.795 (0.94)	-1.863 (2.30)
some college	0.244** (0.10)	0.592* (0.31)	-0.016 (0.11)	-0.443 (0.29)	-0.033 (0.11)	-0.336 (0.28)	0.084 (0.08)	0.476** (0.22)	0.302 (0.76)	-0.045 (1.91)
university+	0.293*** (0.11)	0.643** (0.32)	0.063 (0.12)	-0.019 (0.30)	-0.008 (0.12)	-0.008 (0.29)	0.084 (0.08)	0.175 (0.23)	0.489 (0.83)	2.997 (2.07)
Range, all × some college	-0.100 (0.15)	-1.143*** (0.43)	0.165 (0.17)	0.841** (0.41)	0.168 (0.16)	0.701* (0.39)	0.061 (0.11)	-0.308 (0.32)	0.372 (1.11)	0.314 (2.73)
Range, all × university+	-0.212 (0.15)	-1.306*** (0.43)	-0.117 (0.17)	-0.037 (0.42)	-0.027 (0.17)	-0.089 (0.40)	-0.139 (0.11)	0.246 (0.32)	2.406** (1.20)	4.076 (2.90)
constant	-0.954*** (0.19)	-1.300** (0.57)	-0.449** (0.22)	-0.888 (0.55)	-0.631*** (0.21)	-0.906* (0.53)	-0.567*** (0.15)	-0.653* (0.40)	4.959*** (1.58)	10.830*** (3.79)
N	3019	2328	3475	2456	3455	2466	3193	2331	3331	2569
R ²	0.0261	0.0280	0.0174	0.0125	0.0171	0.00935	0.0126	0.0140	0.0328	0.0222
Range, BankTarget	-0.268 (0.17)	1.682** (0.67)	0.010 (0.22)	-0.835 (0.63)	-0.255 (0.20)	-0.948 (0.64)	-0.173 (0.13)	1.265** (0.53)	0.839 (1.05)	-6.178 (4.46)
some college	-0.033 (0.12)	0.500 (0.57)	-0.190 (0.15)	-1.167** (0.51)	-0.431*** (0.15)	-1.023* (0.52)	0.056 (0.09)	1.604*** (0.43)	0.920 (0.88)	-6.655* (3.59)
university+	0.158 (0.13)	1.533** (0.59)	0.027 (0.17)	0.115 (0.52)	-0.242 (0.16)	0.038 (0.53)	0.068 (0.10)	1.590*** (0.43)	-0.205 (0.92)	-5.851 (3.89)
Range, BankTarget × some college	0.342* (0.19)	-1.337* (0.77)	-0.028 (0.24)	1.559** (0.73)	0.227 (0.23)	1.576** (0.74)	0.244 (0.15)	-1.709*** (0.61)	-0.696 (1.28)	5.195 (5.18)
Range, BankTarget × university+	0.026 (0.19)	-2.836*** (0.79)	-0.430* (0.25)	-0.699 (0.74)	-0.126 (0.24)	-0.665 (0.74)	0.108 (0.15)	-1.262** (0.60)	-0.033 (1.30)	11.203** (5.46)
constant	-0.214 (0.22)	0.034 (0.99)	-0.138 (0.31)	0.419 (0.96)	-0.022 (0.29)	0.386 (0.95)	-0.386** (0.18)	-0.864 (0.70)	3.115* (1.68)	4.579 (7.32)
N	967	774	1116	829	1107	834	1027	795	1047	863
R ²	0.0279	0.0694	0.0309	0.0600	0.0373	0.0624	0.0158	0.0576	0.0398	0.0466
Range, BankForecast	0.036 (0.24)	0.677 (0.60)	-0.581** (0.25)	0.085 (0.58)	-0.368 (0.24)	0.233 (0.52)	-0.190 (0.17)	-0.138 (0.52)	-0.783 (2.07)	0.552 (3.90)
some college	0.488** (0.19)	-0.108 (0.50)	-0.015 (0.19)	-0.250 (0.46)	0.076 (0.18)	-0.330 (0.44)	0.087 (0.13)	-0.129 (0.42)	-3.583** (1.55)	1.960 (3.30)
university+	0.227 (0.20)	-0.376 (0.50)	0.057 (0.21)	0.324 (0.49)	0.156 (0.20)	0.092 (0.47)	0.092 (0.14)	-0.330 (0.42)	0.114 (1.78)	4.046 (3.55)
Range, BankForecast × some college	-0.174 (0.28)	-0.339 (0.70)	0.801*** (0.29)	0.655 (0.69)	0.503* (0.28)	0.363 (0.64)	0.205 (0.19)	0.468 (0.60)	4.977** (2.35)	-4.818 (4.65)
Range, BankForecast × university+	-0.138 (0.29)	-0.268 (0.72)	0.390 (0.31)	-0.189 (0.70)	0.211 (0.29)	-0.345 (0.65)	0.021 (0.20)	0.883 (0.59)	3.271 (2.58)	-6.266 (4.92)
constant	-1.340*** (0.40)	-1.447 (0.96)	-0.984** (0.43)	-2.229** (0.96)	-1.465*** (0.39)	-2.019** (0.90)	-0.493* (0.29)	-1.011 (0.74)	13.474*** (3.52)	7.723 (6.39)
N	1016	780	1176	817	1174	814	1070	775	1163	857
R ²	0.0388	0.0333	0.0406	0.0246	0.0444	0.0237	0.0219	0.0386	0.0511	0.0462
Range, ProfForecast	0.988*** (0.28)	1.892*** (0.65)	0.179 (0.27)	-0.500 (0.64)	0.086 (0.28)	-0.407 (0.63)	0.260 (0.19)	-0.666 (0.46)	5.378* (2.79)	1.276 (3.71)
some college	0.935*** (0.24)	1.587*** (0.55)	0.193 (0.22)	0.334 (0.52)	0.280 (0.23)	0.466 (0.52)	-0.033 (0.16)	0.250 (0.37)	5.075** (2.23)	5.715* (3.10)
university+	1.063*** (0.25)	0.921 (0.58)	-0.003 (0.23)	-0.380 (0.55)	0.200 (0.24)	-0.149 (0.54)	-0.107 (0.17)	-0.657 (0.40)	4.087* (2.43)	10.552*** (3.39)
Range, ProfForecast × some college	-1.188*** (0.32)	-1.913** (0.75)	-0.253 (0.31)	0.284 (0.72)	-0.158 (0.32)	0.323 (0.72)	-0.106 (0.22)	0.020 (0.53)	-4.613 (3.36)	-3.095 (4.54)
Range, ProfForecast × university+	-1.062*** (0.32)	-0.931 (0.75)	-0.181 (0.32)	0.660 (0.74)	0.012 (0.33)	0.717 (0.73)	-0.444* (0.24)	0.929* (0.54)	0.160 (3.54)	4.015 (4.88)
constant	-2.348*** (0.41)	-2.630*** (1.02)	-0.338 (0.41)	-1.069 (0.93)	-0.525 (0.42)	-1.301 (0.92)	-0.528* (0.30)	-0.284 (0.68)	1.418 (4.57)	16.409*** (5.77)
N	1037	765	1160	812	1170	821	1097	769	1248	849
R ²	0.0748	0.0562	0.0321	0.0376	0.0291	0.0305	0.0538	0.0310	0.0708	0.0634

Notes: This table presents the estimation results for Equation 5. The dependent variable is the variable listed at the top of each column relative to its prior. These regressions control for all demographic characteristics. Results are from Huber robust regressions to control for outliers and influential observations. Robust standard errors are reported in parentheses. ***, **, and * represent statistical significance at the 1%, 5%, and 10% levels, respectively.

Table C7: Estimation results of the revisions about one-year expectations: treatments with range by income groups

	$E_i \pi_{1yr}^{post}$ (1)	$E_i \pi_{1yr}^{Wave2}$ (2)	$E_i \pi_{1yr}^{mean,post}$ (3)	$E_i \pi_{1yr}^{mean,Wave2}$ (4)	$E_i \pi_{1yr}^{median,post}$ (5)	$E_i \pi_{1yr}^{median,Wave2}$ (6)	$E_i iqr_{1yr}^{post}$ (7)	$E_i iqr_{1yr}^{Wave2}$ (8)	$E_i prob_{1yr}^{target,post}$ (9)	$E_i prob_{1yr}^{target,Wave2}$ (10)
Range, all	-0.313*** (0.11)	0.649** (0.32)	-0.105 (0.13)	0.025 (0.30)	-0.208* (0.13)	0.112 (0.30)	-0.010 (0.08)	0.099 (0.23)	2.009** (0.82)	-0.340 (1.91)
\$40K-\$100k	-0.214** (0.09)	0.385 (0.28)	-0.044 (0.11)	0.373 (0.26)	-0.066 (0.11)	0.292 (0.26)	-0.051 (0.07)	-0.015 (0.20)	2.693*** (0.72)	4.398** (1.78)
\$100k +	-0.076 (0.10)	0.281 (0.32)	0.002 (0.12)	0.230 (0.31)	-0.057 (0.12)	0.006 (0.30)	-0.094 (0.08)	0.075 (0.23)	2.235*** (0.84)	0.912 (2.14)
Range, all×\$40K-\$100k	0.386*** (0.13)	-0.429 (0.38)	-0.031 (0.15)	-0.209 (0.36)	0.088 (0.15)	-0.359 (0.35)	-0.049 (0.10)	-0.145 (0.28)	-0.443 (1.02)	-1.717 (2.42)
Range, all×\$100k +	0.192 (0.14)	-0.502 (0.42)	0.091 (0.16)	-0.036 (0.40)	0.263 (0.16)	-0.064 (0.39)	-0.021 (0.10)	-0.077 (0.29)	-0.155 (1.11)	3.442 (2.79)
constant	-0.109 (0.21)	0.560 (0.95)	0.002 (0.31)	-0.023 (0.95)	0.092 (0.29)	-0.090 (0.93)	-0.435** (0.18)	-0.249 (0.70)	2.721 (1.67)	3.532 (7.14)
N	967	772	1117	826	1106	832	1025	795	1051	863
R ²	0.0333	0.0606	0.0276	0.0502	0.0364	0.0545	0.0144	0.0472	0.0426	0.0485
Range, BankTarget	-0.471*** (0.13)	0.740 (0.54)	-0.265 (0.18)	0.460 (0.52)	-0.473*** (0.17)	0.465 (0.52)	0.044 (0.10)	-0.176 (0.42)	1.794** (0.91)	-4.812 (3.48)
\$40K-\$100k	-0.325*** (0.10)	0.201 (0.49)	0.142 (0.15)	0.434 (0.46)	-0.126 (0.14)	0.273 (0.45)	0.147* (0.09)	-0.761** (0.37)	2.095** (0.88)	1.489 (3.33)
\$100k +	-0.300** (0.12)	1.120* (0.57)	0.323* (0.18)	1.042* (0.55)	0.045 (0.17)	0.845 (0.53)	-0.022 (0.10)	0.266 (0.41)	1.367 (1.00)	-9.282** (3.98)
Range, BankTarget×\$40K-\$100k	0.556*** (0.15)	-0.538 (0.65)	0.134 (0.21)	-0.717 (0.62)	0.316 (0.20)	-0.801 (0.62)	-0.122 (0.12)	0.344 (0.51)	-2.341** (1.17)	3.742 (4.36)
Range, BankTarget×\$100k +	0.268 (0.17)	-1.791** (0.71)	0.086 (0.23)	-1.849*** (0.69)	0.376* (0.22)	-1.991*** (0.67)	-0.009 (0.13)	-0.059 (0.52)	-0.718 (1.24)	12.665*** (4.90)
constant	-0.109 (0.21)	0.560 (0.95)	0.002 (0.31)	-0.023 (0.95)	0.092 (0.29)	-0.090 (0.93)	-0.435** (0.18)	-0.249 (0.70)	2.721 (1.67)	3.532 (7.14)
N	967	772	1117	826	1106	832	1025	795	1051	863
R ²	0.0333	0.0606	0.0276	0.0502	0.0364	0.0545	0.0144	0.0472	0.0426	0.0485
Range, BankForecast	-0.180 (0.20)	0.941* (0.55)	-0.028 (0.23)	-0.175 (0.55)	-0.007 (0.22)	-0.086 (0.52)	-0.052 (0.14)	0.748 (0.47)	3.580** (1.75)	0.498 (3.33)
\$40K-\$100k	-0.034 (0.17)	0.808* (0.46)	-0.117 (0.19)	0.547 (0.45)	0.049 (0.18)	0.509 (0.43)	-0.014 (0.12)	0.776* (0.40)	4.072*** (1.47)	4.486 (2.98)
\$100k +	0.058 (0.19)	0.193 (0.55)	0.034 (0.22)	-0.258 (0.53)	0.117 (0.21)	-0.444 (0.53)	-0.163 (0.14)	0.291 (0.44)	5.154*** (1.73)	9.846*** (3.67)
Range, BankForecast×\$40K-\$100k	0.122 (0.25)	-0.690 (0.66)	-0.094 (0.27)	0.321 (0.65)	-0.159 (0.26)	0.105 (0.61)	-0.144 (0.17)	-0.394 (0.54)	1.056 (2.16)	-4.372 (4.20)
Range, BankForecast×\$100k +	0.071 (0.26)	-0.581 (0.72)	0.020 (0.29)	1.073 (0.71)	0.102 (0.28)	1.048 (0.67)	0.114 (0.18)	-0.376 (0.58)	-4.298* (2.28)	-8.031* (4.72)
constant	-1.243*** (0.38)	-1.599* (0.96)	-1.212*** (0.42)	-1.932* (1.00)	-1.585*** (0.38)	-1.655* (0.94)	-0.533* (0.28)	-1.460* (0.76)	10.744*** (3.37)	7.549 (6.39)
N	1012	783	1170	819	1165	813	1073	775	1170	857
R ²	0.0386	0.0349	0.0356	0.0240	0.0427	0.0249	0.0221	0.0371	0.0525	0.0464
Range, ProfForecast	-0.304 (0.26)	0.314 (0.57)	-0.062 (0.24)	-0.126 (0.51)	-0.233 (0.24)	0.080 (0.51)	0.190 (0.18)	-0.143 (0.39)	8.452*** (2.75)	1.799 (3.28)
\$40K-\$100k	-0.263 (0.20)	0.057 (0.46)	-0.214 (0.20)	0.136 (0.45)	-0.191 (0.20)	-0.001 (0.45)	-0.167 (0.15)	0.209 (0.33)	7.346*** (2.22)	8.014*** (3.06)
\$100k +	0.032 (0.23)	-0.525 (0.55)	-0.400* (0.24)	-0.191 (0.51)	-0.404* (0.24)	-0.548 (0.51)	-0.236 (0.19)	-0.103 (0.39)	4.621* (2.68)	3.735 (3.60)
Range, ProfForecast×\$40K-\$100k	0.482* (0.29)	0.160 (0.66)	-0.037 (0.29)	-0.305 (0.62)	0.227 (0.29)	-0.468 (0.62)	-0.205 (0.22)	-0.450 (0.46)	-9.347*** (3.31)	-4.502 (4.20)
Range, ProfForecast×\$100k +	0.268 (0.32)	0.914 (0.74)	0.289 (0.32)	0.590 (0.69)	0.484 (0.32)	0.616 (0.69)	-0.130 (0.25)	0.227 (0.52)	-0.151 (3.80)	7.186 (5.04)
constant	-1.728*** (0.39)	-1.948** (0.99)	-0.221 (0.41)	-1.205 (0.91)	-0.393 (0.41)	-1.483 (0.91)	-0.484 (0.31)	-0.568 (0.67)	0.885 (4.59)	17.429*** (5.85)
N	1035	760	1161	812	1167	821	1110	770	1248	849
R ²	0.0655	0.0516	0.0326	0.0387	0.0303	0.0327	0.0520	0.0277	0.0736	0.0663

Notes: This table presents the estimation results for Equation 5. The dependent variable is the variable listed at the top of each column relative to its prior. These regressions control for all demographic characteristics. Results are from Huber robust regressions to control for outliers and influential observations. Robust standard errors are reported in parentheses. ***, **, and * represent statistical significance at the 1%, 5%, and 10% levels, respectively.

Table C8: Estimation results of the revisions about one-year expectations: treatments with range by gender

	$E_i \pi_{1yr}^{post}$ (1)	$E_i \pi_{1yr}^{Wave2}$ (2)	$E_i \pi_{1yr}^{mean,post}$ (3)	$E_i \pi_{1yr}^{mean,Wave2}$ (4)	$E_i \pi_{1yr}^{median,post}$ (5)	$E_i \pi_{1yr}^{median,Wave2}$ (6)	$E_i iqr_{1yr}^{post}$ (7)	$E_i iqr_{1yr}^{Wave2}$ (8)	$E_i prob_{1yr}^{target,post}$ (9)	$E_i prob_{1yr}^{target,Wave2}$ (10)
Range, all	-0.030 (0.07)	0.763*** (0.22)	-0.043 (0.09)	0.380* (0.22)	-0.104 (0.08)	0.349 (0.22)	0.002 (0.06)	0.091 (0.15)	1.846*** (0.63)	-1.292 (1.75)
female	-0.263*** (0.07)	-0.215 (0.21)	-0.323*** (0.08)	0.069 (0.21)	-0.371*** (0.08)	0.064 (0.20)	-0.031 (0.05)	-0.259* (0.15)	2.882*** (0.59)	-0.589 (1.58)
Range, all × female	-0.047 (0.10)	-0.786*** (0.29)	-0.081 (0.11)	-0.742*** (0.29)	0.030 (0.11)	-0.689** (0.28)	-0.068 (0.08)	-0.141 (0.21)	-0.146 (0.83)	1.468 (2.15)
constant	-0.916*** (0.18)	-1.003* (0.56)	-0.476** (0.22)	-1.203** (0.54)	-0.638*** (0.21)	-1.171** (0.52)	-0.568*** (0.14)	-0.710* (0.38)	4.325*** (1.54)	10.432*** (3.73)
N	3025	2330	3476	2455	3453	2466	3194	2330	3321	2569
R^2	0.0256	0.0259	0.0164	0.0112	0.0163	0.00856	0.0113	0.0122	0.0310	0.0216
Range, BankTarget	-0.229** (0.09)	0.667* (0.39)	-0.067 (0.12)	0.273 (0.40)	-0.189* (0.11)	0.265 (0.39)	-0.008 (0.07)	-0.104 (0.28)	0.761 (0.74)	6.547** (3.12)
female	-0.204*** (0.08)	-0.268 (0.38)	-0.175 (0.12)	0.045 (0.37)	-0.274*** (0.11)	0.034 (0.37)	0.004 (0.07)	-0.426 (0.28)	1.579** (0.69)	5.044* (2.83)
Range, BankTarget × female	0.206* (0.12)	-1.133** (0.52)	-0.173 (0.16)	-1.064** (0.51)	-0.009 (0.15)	-1.185** (0.51)	-0.013 (0.10)	0.101 (0.37)	-0.420 (0.95)	-9.450** (3.78)
constant	-0.219 (0.21)	0.444 (0.95)	-0.116 (0.31)	-0.059 (0.94)	-0.012 (0.29)	-0.145 (0.93)	-0.427** (0.18)	-0.263 (0.66)	2.980* (1.67)	-2.130 (7.13)
N	967	774	1119	828	1096	833	1026	790	1043	863
R^2	0.0238	0.0580	0.0277	0.0468	0.0335	0.0502	0.0134	0.0456	0.0399	0.0502
Range, BankForecast	-0.019 (0.14)	0.614 (0.37)	-0.022 (0.16)	0.632 (0.39)	-0.053 (0.15)	0.618 (0.38)	-0.159 (0.10)	0.295 (0.29)	5.452*** (1.37)	-6.549** (2.85)
female	-0.184 (0.14)	-0.193 (0.36)	-0.307** (0.15)	0.386 (0.36)	-0.289** (0.14)	0.426 (0.35)	-0.082 (0.10)	-0.514* (0.29)	4.182*** (1.22)	-0.688 (2.61)
Range, BankForecast × female	-0.131 (0.19)	-0.339 (0.49)	-0.072 (0.20)	-0.566 (0.50)	-0.005 (0.19)	-0.553 (0.48)	0.110 (0.13)	0.228 (0.39)	-3.971** (1.73)	4.243 (3.57)
constant	-1.305*** (0.38)	-1.370 (0.92)	-1.232*** (0.42)	-2.372** (0.97)	-1.612*** (0.38)	-2.055** (0.89)	-0.518* (0.28)	-1.269* (0.72)	10.559*** (3.39)	10.769* (6.24)
N	1016	784	1171	819	1173	812	1073	775	1179	857
R^2	0.0387	0.0329	0.0356	0.0223	0.0419	0.0229	0.0204	0.0370	0.0499	0.0450
Range, ProfForecast	0.152 (0.15)	1.293*** (0.39)	-0.029 (0.17)	0.296 (0.38)	-0.104 (0.16)	0.291 (0.39)	0.254* (0.13)	0.175 (0.28)	-2.608 (1.95)	-4.665 (3.15)
female	-0.442*** (0.15)	-0.036 (0.36)	-0.481*** (0.17)	-0.257 (0.37)	-0.584*** (0.16)	-0.276 (0.37)	-0.071 (0.12)	0.135 (0.26)	2.930 (1.91)	-5.710** (2.82)
Range, ProfForecast × female	-0.201 (0.20)	-1.024** (0.51)	0.036 (0.22)	-0.642 (0.49)	0.200 (0.22)	-0.428 (0.49)	-0.320* (0.17)	-0.728** (0.36)	9.537*** (2.59)	8.919** (3.86)
constant	-1.966*** (0.38)	-2.349** (0.95)	-0.250 (0.40)	-1.554* (0.88)	-0.428 (0.41)	-1.732* (0.89)	-0.535* (0.30)	-0.808 (0.65)	6.423 (4.63)	19.768*** (5.87)
N	1036	765	1161	812	1166	821	1107	768	1248	849
R^2	0.0638	0.0527	0.0320	0.0379	0.0291	0.0298	0.0530	0.0295	0.0740	0.0651

Notes: This table presents the estimation results for Equation 5. The dependent variable is the variable listed at the top of each column relative to its prior. These regressions control for all demographic characteristics. Results are from Huber robust regressions to control for outliers and influential observations. Robust standard errors are reported in parentheses. ***, **, and * represent statistical significance at the 1%, 5%, and 10% levels, respectively.

D The impact of inflation expectations, uncertainty and probability in 0 and 4% range on spending

Table D1: Effect of inflation expectations on spending

	during 1 month (1)	Actual spending after treatment		during 12 months (4)
		during 3 months (2)	during 6 months (3)	
Total spending				
$E_i \pi_{1yr}^{posterior}$	0.001 (0.003)	-0.002 (0.002)	-0.003 (0.002)	-0.001 (0.002)
Observations	2,516	2,551	2,550	2,471
R-squared	0.418	0.503	0.530	0.543
F (posterior mean)	6614	6633	6649	6593
Durables				
$E_i \pi_{1yr}^{posterior}$	0.009 (0.013)	0.001 (0.009)	0.001 (0.009)	-0.001 (0.009)
Observations	818	1,545	1,965	2,222
R-squared	0.039	0.047	0.077	0.131
F (posterior mean)	2550	4184	4913	6037
Nondurables				
$E_i \pi_{1yr}^{posterior}$	0.001 (0.003)	-0.002 (0.002)	-0.003 (0.002)	-0.001 (0.002)
Observations	2,515	2,551	2,550	2,471
R-squared	0.417	0.500	0.529	0.540
F (posterior mean)	6613	6633	6649	6593

Notes: This table presents the estimation results for Equation 9. These regressions control for all demographic characteristics, knowledge of inflation, ease of expressing inflation as a number, importance of inflation in spending decisions and obtaining pandemic support (CERB, CERW). Results are from Huber robust regressions to control for outliers and influential observations. Robust standard errors are reported in parentheses. ***, **, and * represent statistical significance at the 1%, 5%, and 10% levels, respectively.

Table D2: Effect of uncertainty about inflation on spending

	during 1 month (1)	Actual spending after treatment		
		during 3 months (2)	during 6 months (3)	during 12 months (4)
Total spending				
$\ln(E_{i\text{qqr}}^{\text{posterior}})$	-0.323** (0.161)	-0.364*** (0.139)	-0.321** (0.130)	-0.229* (0.124)
Observations	2,668	2,710	2,711	2,623
R-squared	0.401	0.468	0.503	0.526
jstat p value	0.887	0.784	0.905	0.949
F (ln IQR posterior)	34.81	33.99	34.09	34.42
Durables				
$\ln(E_{i\text{qqr}}^{\text{posterior}})$	-0.456 (0.567)	-1.034** (0.450)	-0.895** (0.394)	-0.619* (0.342)
Observations	854	1,609	2,073	2,345
R-squared	0.022	-0.047	-0.001	0.092
F (ln IQR posterior)	10.24	21.49	26.54	33.01
Nondurables				
$\ln(E_{i\text{qqr}}^{\text{posterior}})$	-0.334** (0.161)	-0.349** (0.141)	-0.305** (0.134)	-0.239* (0.126)
Observations	2,666	2,710	2,711	2,623
R-squared	0.399	0.467	0.506	0.523
F (ln IQR posterior)	34.50	33.99	34.09	34.42

Notes: This table presents the estimation results for Equation 9 with uncertainty used instead of inflation expectations. These regressions control for all demographic characteristics. Results are based on Huber regressions in the first stage and a jackknife procedure to eliminate the impact of influential observations. Robust standard errors are reported in parentheses. ***, **, and * represent statistical significance at the 1%, 5%, and 10% levels, respectively.

Table D3: Effect of probability in 0 to 4% range on spending

	during 1 month (1)	Actual spending after treatment		
		during 3 months (2)	during 6 months (3)	during 12 months (4)
Total spending				
$E_i\text{prob}_{1\text{yr}}^{\text{target,post}}$	0.021*** (0.008)	0.020*** (0.007)	0.018*** (0.006)	0.016*** (0.006)
Observations	2,429	2,468	2,468	2,388
R-squared	0.363	0.438	0.468	0.489
F (probty target posterior)	24.92	25.20	24.99	26.05
Durables				
$E_i\text{prob}_{1\text{yr}}^{\text{target,post}}$	0.030 (0.026)	0.061*** (0.024)	0.042** (0.019)	0.028 (0.017)
Observations	771	1,465	1,890	2,131
R-squared	-0.007	-0.129	-0.005	0.089
F (probty target posterior)	10.11	16	19.68	23.57
Nondurables				
$E_i\text{prob}_{1\text{yr}}^{\text{target,post}}$	0.019** (0.008)	0.020*** (0.007)	0.018*** (0.006)	0.017*** (0.006)
Observations	2,427	2,468	2,468	2,388
R-squared	0.372	0.436	0.473	0.486
F (probty target posterior)	24.66	25.20	24.99	26.05

Notes: This table presents the estimation results for Equation 9 with probability instead of inflation expectations. These regressions control for all demographic characteristics. Results are based on Huber regressions in the first stage and a jackknife procedure to eliminate the impact of influential observations. Robust standard errors are reported in parentheses. ***, **, and * represent statistical significance at the 1%, 5%, and 10% levels, respectively.