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Communicating Inflation Uncertainty and Household Expectations

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Abstract

This paper examines the value of direct communication to households about inflation and the uncertainty around inflation statistics. All types of information about inflation are effective at immediately managing inflation expectations, with information about outlooks being more effective and more relevant than that about recent inflation and Bank targets. We observe no downside to communicating about inflation with uncertainty on two measures: the level of expected inflation and uncertainty about it. On a third measure—probabilistic inflation expectations—we observe positive effects: they become more centered around the communicated ranges. However, communication with uncertainty weakens the link between expected inflation and spending plans, a key channel in the transmission of monetary policy. Communicating precise inflation outlooks can lengthen the effects of these communications on households.

Topics: Central Bank Research, Credibility, Inflation and prices, Inflation targets, Monetary policy and uncertainty, Monetary policy communications
JEL codes: C93, D84, E59, E7

Résumé

Cette étude examine la valeur d'une communication directe avec les ménages au sujet de l'inflation et de l'incertitude entourant les statistiques sur l'inflation. Toute information sur l'inflation permet de gérer immédiatement les attentes, mais l'information sur les perspectives est plus efficace et plus pertinente que celle sur la tenue récente de l'inflation et les cibles de la Banque. Selon nos observations, la communication de données sur l'inflation empreintes d'incertitude n'a aucun effet négatif sur les deux mesures suivantes : le niveau d'inflation attendu et l'incertitude entourant l'inflation. Sur une troisième mesure – les attentes probabilistes relativement à l'inflation –, nous constatons des effets positifs : ces attentes se concentrent davantage autour des fourchettes communiquées. Toutefois, le fait de communiquer des données empreintes d'incertitude affaiblit le lien entre l'inflation anticipée et les dépenses prévues, un important canal de transmission de la politique monétaire. Par ailleurs, la communication de perspectives d'inflation précises peut prolonger les effets de ces messages sur les ménages.

Sujets : Recherches menées par les banques centrales, Crédibilité, Inflation et prix, Cibles en matière d'inflation, Incertitude et politique monétaire, Communications sur la politique monétaire
Codes JEL : C93, D84, E59, E7

1 Introduction

Managing inflation expectations during the pandemic and the subsequent surge of inflation has been a crucial task for central banks and policymakers. However, they have faced various uncertainties in effectively communicating with markets and the public. These uncertainties encompass the reliability of their forecasting models, the public's attention to and understanding of the information provided, and the potential reactions, to their messages, from both the financial market and the general public. Central banks have also had to make decisions regarding the inflation statistics they disclose and how to communicate the associated uncertainty [Kozicki and Vardy, 2017]. This involves striking a balance between instilling confidence by communicating precise macroeconomic outlooks and being transparent about their own uncertainty regarding the future.

Indeed, as the World Health Organization declared COVID-19 a global pandemic, many central banks adjusted their communication strategies to address the heightened uncertainty. Some central banks, such as the Federal Reserve, Bank of England, and European Central Bank, increased the confidence they conveyed in their inflation projections, while the Bank of Canada, Bank of Japan, Reserve Bank of Australia, and Banco de México opted to reduce the precision of their inflation outlooks, acknowledging the increased uncertainty surrounding their economic outlooks.

This paper explores households' responses to communications about various inflation statistics and these communications' accompanying uncertainty. We conducted a large representative survey of 5,000 Canadian households, in April and May 2020, to gauge their macroeconomic expectations. Through the use of a randomized control trial, we examine the impact of providing survey respondents with different types of information about inflation statistics, with a particular focus on the associated uncertainty surrounding these statistics. Our analysis investigates how these factors influence consumers' inflation and spending expectations as well as their subjective uncertainty regarding future inflation. To assess the durability of the information effects, we conducted a follow-up survey in November and December 2020. The broad representativeness of our survey allows us to identify the beneficiaries of such information and to develop effective strategies for communicating uncertainty to different subpopulations.

Participants in the first wave of the survey began by providing numerical responses regarding their expectations for one-year-ahead inflation and interest rates and their personal spending

and income growth. Respondents were asked to submit their inflation expectations as both point forecasts and subjective probability distributions, where they assigned probabilities to various inflation ranges. These probabilistic forecasts provide valuable information about the extremes of these respondents' inflation expectations and also offer a measure of their uncertainty regarding future inflation.

Survey respondents consistently overestimated inflation and were highly misinformed about the Bank's inflation objectives and outlook. On average, prior inflation expectations in the spring of 2020 ranged between 7 and 8% whereas actual inflation at the time of the initial survey was 1.9% and realized inflation one year later was 3.5%. Respondents reported high individual uncertainty about their own expected inflation, with a mean interquartile range of roughly 6.5 percentage points. The high levels of inflation expectations and uncertainty were in part due to the background uncertainty surrounding the COVID-19 pandemic, which led to a spike in households' inflation expectations and their uncertainty about inflation in both the United States and Canada between Q1 and Q2 2020 (FRBNY's Survey of Consumer Expectations and the Canadian Survey of Consumer Expectations [CSCE, 2023]). The expectations were also highly unanchored due to misinformation. Survey respondents believed that the Bank's inflation target was 6.7% and its outlook for one-year-ahead inflation was 6.9% (whereas both were 2%). This lack of knowledge is consistent with Coibion et al. [2022b], who observe that less than 20% of U.S. households know the Fed's inflation target and 40% believe it is 10% or higher.

Once we obtained participants' initial expectations and knowledge, we proceeded to randomly assign them to one of seven information interventions or to a control group. These interventions involved providing participants with various information about inflation. Specifically, participants received details about past inflation, the inflation target set by the Bank of Canada (with or without information about the target band), the Bank's 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). The control group did not receive any additional information. We then resurveyed all of the respondents, including the control group, to assess any immediate revisions in their outlooks. Additionally, participants were asked to complete a demographic survey as this would provide further background information on them.

Our findings indicate that all of the information interventions immediately anchored average inflation expectations close to the mid-point of the provided information. These interven-

tions not only led to a reduction in respondents' inflation expectations toward the provided inflation rate but they also decreased the uncertainty surrounding respondents' expected inflation and reduced the dispersion in the inflation expectations among respondents, consistent with the findings of Coibion et al. [2022b] for U.S. consumers in 2018. Additionally, the information interventions anchored probabilistic inflation expectations by shrinking the tails of respondents' distributions and increasing the probability assigned close to the inflation-target-control range. The provision of more-relevant information regarding future inflation forecasts resulted in larger revisions in point expectations compared to information about past inflation or the Bank's inflation target. This finding aligns with evidence presented by Mokhtarzadeh and Petersen [2021], who observe that inflation projections are more effective in managing inflation expectations than information about other macroeconomic variables.

We introduce new facts about how people respond to uncertainty around inflation statistics. Contrary to our expectations, communicating uncertainty does not have detrimental effects on inflation expectations—either on their level or on the uncertainty about the expected inflation. It does not reduce the potency of the communication and in some cases strengthens it. Information about uncertainty does not weaken the effects of communication or deanchor inflation expectations. In fact, when the Bank of Canada includes a confidence interval in its communication about its inflation outlook, it is significantly more effective at anchoring inflation expectations in the short run. By including ranges in its communications, the Bank of Canada anchors the distributional expectations to the targeted range while also reducing the probabilities respondents assign to the highest and lowest bins of inflation. Additionally, including the confidence interval leads to a significant decrease in subjective uncertainty about inflation for individuals with high levels of uncertainty. We exploited regional variation in the severity of COVID-19 cases and deaths to understand how background uncertainty influences responses to communications about inflation. While increased exposure to COVID-19 heightened the level of inflation expectations and the uncertainty about inflation, it did not affect the responses to the communicated information.

Communicating uncertainty does not affect the credibility of the mid-point of the Bank of Canada's inflation target or its inflation outlook. However, including a range around a mean professional forecast does reduce the anchoring on the mid-point by 6 percentage points. This could be attributed to the inclusion of a rounded number (2%) in the range, which respondents tended to anchor on. Overall, we find that communicating ranges is especially effective in anchoring the expectations of individuals who have prior beliefs outside of the range.

Our paper provides new evidence about the role information can play in the relationship between uncertainty about future inflation and the level of inflation expectations. Recent work by Reiche and Meyler [2022] shows that greater uncertainty about inflation, as measured by the rounding in the reported inflation, is associated with expectations for higher inflation. We also observe a strong positive correlation between individual expectations and uncertainty in respondents' prior expectations based on probabilistic forecasts. Moreover, we show that most of the information treatments break this relationship as they had stronger effects on the participants with higher reported uncertainty. Communicating uncertainty does have a quantitatively meaningful effect on the remaining link.

While communicating information about uncertainty about inflation does not have a downside in terms of its effectiveness on the level of the expected inflation or the uncertainty about inflation, it weakens the link between expected inflation and household spending plans. We observe a significant positive link between expected inflation and spending growth when statistics are presented without uncertainty. A one percentage point increase in inflation expectations is linked with a 0.32 percentage point increase in expected nominal spending growth. Positive links between expected inflation and spending or spending intentions have been found by Coibion et al. [2022b], Drager and Nghiem [2020] and Drager et al. [2016]. On the other hand, a negative relationship between expected inflation and spending has also been documented in other studies using surveys of consumers, such as Crump et al. [2022]. Coibion et al. [forthcominga] observe that expectations for higher inflation are associated with lower purchases of durables, while Binder and Brunet [2022] find a negative relationship between expected inflation and expected spending on cars.

Communicating information with uncertainty weakens the link between expected inflation and spending, by 0.184. This is a concrete downside to communicating uncertainty about inflation, as one of the main goals of central bank communication is to manage inflation expectations to steer consumption decisions. Thus, our findings sound a note of caution for communicating uncertainty about inflation. Kumar et al. [2022] also highlight that communicating uncertainty in macroeconomic information can have negative consequences on firms' economic decisions.

We observe some positive persistent benefits to communicating uncertainty. Communicating the Bank of Canada's target and inflation outlook using a range still works to weaken the link between individual uncertainty and inflation expectations. Furthermore, the impact of

communicating uncertainty persistently strengthens the link between expected inflation and spending.

On the other hand, there are also important longer-term benefits of communicating precisely. Precisely communicated information about the Bank of Canada's outlook continue to have anchoring effects on the level of expected inflation and uncertainty. Communicating professional forecasts that consist of a range is less effective at managing inflation expectations six months later than simply communicating the mean forecast and it has worse effects on people who are more uncertain about inflation.

Does it matter *who* uncertainty is communicated to? We observe no differences in inflation expectations across demographics among respondents when they first received the information. The groups that typically had the most unanchored inflation expectations (i.e., young, low-educated females) did not react adversely to information presented with ranges. However, six months later in the follow-up survey, we find persistent differences between more- and less-educated participants who received information with uncertainty. When presented with imprecise statistics, the least educated formed expectations for higher inflation (one percentage point higher) compared to those who received precise information. On the other hand, communication that included ranges reduced inflation expectations by roughly 1.2 percentage points for those with more education. These results suggest that it is, indeed, more challenging to process uncertainty and it is not universally useful in managing expectations. Our results build on D'Acunto et al. [2020], who compare the effectiveness of communicating monetary policy targets and objectives with communication about instruments and conclude that the former is more effective, especially among less-sophisticated demographic groups. Likewise, simple, relatable communication can work best to manage expectations [Bholat et al., 2019].

Our main takeaway is that communicating uncertainty about inflation can be beneficial for anchoring inflation expectations and uncertainty in the short-term but it can weaken the link between expected inflation and spending. Moreover, communicating uncertainty reduces information retention among less-educated audiences. Policymakers must be aware of these trade-offs when designing their communication strategies.

2 Data and Survey Design

Data collection was conducted through a two-wave survey administered by the survey company Nielsen IQ and sponsored by the Bank of Canada. Participants were based in Canada and belonged to the Nielsen HomeScanner Panel, a longitudinal panel that tracks household purchases. Among its many benefits, this panel had not previously participated in randomized control trials related to 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.

2.1 Design of randomized control trial

The Wave 1 survey consisted of the following four parts:

- Part 1: Elicit priors. Respondents answered questions about their inflation expectations over the next twelve months.
- Part 2: Information intervention. Survey respondents were presented with randomly assigned information.
- Part 3: Elicit posteriors. Respondents answered questions about their inflation expectations over the next twelve months.
- Part 4: Follow-up questions. Respondents answered questions about their demographic characteristics and financial literacy and were asked to provide feedback on the survey.

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 in a manner similar to those used in the FRBNY's Survey of Consumer Expectations [Armantier et al., 2017] and the Canadian Survey of Consumer Expectations [CSCE, 2023]. The specific survey questions can be found in Appendix A.

For the subjective probability distributions, participants were instructed to assign probabilities to different bins representing inflation ranges. These bins included ranges such as less than -12%, -8% to -12%, -4% to -8%, -2% to -4%, 0% to -2%, 0% to 2%, 2% to 4%, 4% to 8%, 8% to 12%, and greater than 12%. Participants were reminded that the total probabilities assigned should add up to 100. If their responses did not add up to 100, they received a notice requesting that they adjust their numbers accordingly.

By utilizing each respondent's answers to the probability distribution question we were able to estimate their density functions using parametric estimation techniques based on the methodologies of Engelberg et al. [2009] and Armantier et al. [2017]. From these estimated density functions we computed two measures of inflation expectations for each respondent: the density mean ($E_i\pi_{1yr}^{mean}$) and the median ($E_i\pi_{1yr}^{median}$). Additionally, we used the interquartile range (the difference between the 75th and 25th percentiles) of the estimated density function as a measure of each individual's uncertainty about their expectations for inflation ($E_i\text{iqr}_{1yr}$).

This approach allowed us to capture both the point estimates and the subjective probability distributions of the respondents' inflation expectations, providing a comprehensive view of their expectations and associated uncertainty.

In addition to gathering information on inflation expectations, the survey also included questions about respondents' expectations for their household nominal spending growth. Furthermore, we collected data on participants' employment status and various demographic characteristics such as age, gender, education level, income, and province of residence. Respondents answered questions about how familiar they were with the concept of inflation and how easy it was for them to express inflation as a number.

2.2 Design of follow-up survey

Six months after the Wave 1 survey, we conducted a follow-up survey, inviting the same targeted group of respondents to participate. The objective of this follow-up survey was to examine the persistence of the information interventions on participants' expectations.

During the Wave 2 survey, participants were asked questions about their one-year-ahead inflation expectations and household spending growth. It is important to note that Wave 2 did not involve any information interventions and all of the respondents were presented with the same survey content.

To assess the impact of re-sampling on expectations, we introduced a new control group in Wave 2. This control group consisted of households from the same Nielsen HomeScanner Panel that did not participate in Wave 1. This control group was asked the same set of questions as the other Wave 2 respondents, including the demographic question.

2.3 Treatments

We designed the information treatments to assess the impact of different types of information potentially relevant to forecasting inflation on the formation of consumer expectations. In our treatments, we provided factually accurate and publicly available information from different sources and angles: past inflation over the last 12 months; the Bank of Canada's inflation target; the Bank of Canada's inflation forecast for the next year, publicly available from the Bank of Canada Monetary Policy Report [Monetary Policy Report, 2020], and the mean forecast of inflation over the next year prepared by professional forecasters (Consensus Economics). The information provided in the treatments are presented in Table 1.

The following considerations motivated our selection of sources of information. Information from different sources and different horizons may 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. As focusing on an inflation target of between 0 and 4% is part of the official mandate of the Bank of Canada, the inflation target may be viewed by some as a more reliable source of information than inflation forecasts. Furthermore, people may have different degrees of trust in forecasts of inflation coming from the Bank of Canada compared to from professional forecasters. For some people, past inflation can serve as a good starting point for formulating their inflation forecasts for the future, especially given the ample evidence of backward-looking expectations of inflation. Our objective is to understand which of these types of information has the most impact on consumers' inflation expectations and their anchoring.

Our randomized control trial was also designed to study the role of communicated uncertainty in the formation of inflation expectations. We varied the degree of uncertainty in our information interventions related to targets and outlooks. Information about the Bank's inflation target, its inflation forecast, and the forecasts of professional forecasters was presented to survey respondents either as a focal point value or a point within a range. Exogenous variation in communicated uncertainty allows us to evaluate the trade-off between the coordination benefits associated with the focal information and the potentially lower credibility assigned to overly precise targets and outlooks [Mishkin and Westelius, 2008]. 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.

In our formulation of treatments with uncertainty, our objective was to cover different factors that can contribute to the dispersion of inflation expectations across respondents and their uncertainty about expected inflation. Additional knowledge about the Bank of Canada's inflation-target-control range may make people's expectations of inflation less anchored on the target and, therefore, more dispersed. People may also be less certain about their inflation forecast when they are aware that inflation can be within an inflation-target-control range and not necessarily at the target. Similarly, knowledge about the confidence interval around the Bank's inflation forecasts and knowledge about the range of professional forecasts may make expectations less anchored and more dispersed.

The center points and ranges are comparable across treatments and are of similar orders of magnitude. There are some slight differences across treatments, from 1.7% forecasts by professional forecasters to a 2.0% Bank target and forecast. The ranges differ across treatments by 0.2-0.4 percentage points (pp). And while the Bank's targeted range and confidence intervals around their forecasts were symmetric, the professional forecaster's range was slightly skewed downward.

We elicited expectations about inflation in two ways—point expectations and expectations about the probability distribution for expected inflation—with the goal of assessing the impact of information treatments with different degrees of uncertainty on the level of inflation expectations, dispersion of inflation expectations, probability distribution for expected inflation, and uncertainty about inflation expectations.

2.4 Sample description

Table 2 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 participated in each information treatment of Wave 1, of which 66-70% of these respondents returned and completed the survey in Wave 2.

The table 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 earned an 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 Homescanner panel being based on

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

2.5 Hypotheses

Our hypotheses are formulated in terms of reducing the level of inflation expectations given that consumers' inflation expectations are skewed to the right and positively biased.

Hypothesis 1 All information treatments are predicted to reduce the following:

a) the level of inflation expectations
b) the dispersion across respondents
c) the uncertainty about inflation
d) the tails of the probability distribution of inflation toward the center
and
e) increase the probability that inflation will be in the inflation-target-control range.

relative to the control treatment.

Hypothesis 2. Information treatments without uncertainty (**BankTarget**, **BankForecast**, **ProfForecast**) are expected to reduce the following:

a) the level of inflation expectations
b) the dispersion across respondents
c) the uncertainty about inflation
d) the tails of the probability distribution of inflation toward the center
and
e) increase the probability that inflation will be in the inflation-target-control range more than the treatments with uncertainty (BankTargetRange, **BankForecastCI**, **ProfForecastRange**).

We formulate our Hypothesis 1 based on the broad evidence of the anchoring effect of information treatments on consumers' inflation expectations in the literature [Coibion et al., 2018, 2022a, forthcominga,f, 2021]. Hypothesis 2 is formulated based on previous survey evidence about the positive relationship between the level of the expectations and the uncertainty surrounding the expectations [Reiche and Meyler, 2022]. In our view, the information in the treatments without uncertainty is more salient about the central point—the inflation target

or the inflation forecast—and, therefore, would serve as a more effective focal point for the survey respondents to anchor their attention on than would information with uncertainty. As a result, the treatments without uncertainty were predicted to have a larger impact on inflation expectations as respondents revised them more closely toward the centrally communicated point.

Treatments with uncertainty—information about the inflation-target-control range, confidence interval, and range of professional forecasts—was expected to provide a sense that there was uncertainty about achieving the target, uncertainty about the Bank's forecast of inflation, and a dispersion of views among professional forecasters. Because of the uncertainty around the central points such as the inflation target, the Bank's forecast and the forecasts of professional forecasters, these central points may have been less salient and less likely to have served as a focal point for respondents. In addition, awareness about the uncertainty around these central points may also have made respondents less confident about their inflation forecasts or, in other words, their uncertainty about expected inflation would have declined less than in the treatments without uncertainty. This would have had a second-order effect on the level of the inflation expectations because of the positive link between the expected level of inflation and the uncertainty about it.

The treatments without information about uncertainty were expected to shrink the tails of the probability distribution to the center and increase the probability assigned to the inflation-control range more than the treatments with information about uncertainty because the treatments without uncertainty were expected to move inflation expectations more toward the center points (inflation target, inflation forecasts) and reduce uncertainty about inflation more than treatments with uncertainty. In other words, we expected that treatments without uncertainty would be able to anchor the inflation expectations better than the treatments communicating the uncertainty.

3 Prior Expectations About Inflation

In this section we summarize respondents' inflation expectations prior to the information interventions and discuss how household characteristics are associated with heterogeneity in prior beliefs.

Table 3 presents summary statistics on the one-year-ahead inflation expectations of the survey respondents in each of our survey waves by treatment. Several important observations

emerge from this table.

- On average, prior inflation expectations were relatively high, ranging between 7 and 8%, whereas actual inflation at the time was around 1.9%. Household inflation expectations are known to be high relative to actual reported inflation and these observations are in line with those reported in the Canadian Survey of Consumer Expectations [CSCE, 2023] around the same time as the survey. A persistent positive bias in inflation expectations has been documented in the literature [Axelrod et al., 2018, Tenreyro, 2019, Schembri, 2020].
- There was considerable disagreement among survey respondents about their expected one-year-ahead inflation, with an interquartile range of between 7 and 8 percentage points.
- Participants reported high individual uncertainty about their expected inflation, ranging from 5.75 pp to 7.23 pp across different treatments.
- There was wide dispersion among participants' uncertainty, ranging between 5.76 pp to 6.85 pp across treatments.
- On average, participants believed that the Bank's inflation target was 6.7% and that the Bank's outlook for one-year-ahead inflation was 6.9%.

For reference, we compare the one-year-ahead point and probability distribution inflation expectations of our surveyed respondents with the one-year-ahead inflation expectations of Canadian households in the CSCE and U.S. households in the FRBNY SCE. We include surveyed expectations immediately before the pandemic (Q1 2020 for the CSCE and February 2020 for the FRBNY SCE) and in the same month in which we conducted the first wave of our survey at the onset of the pandemic (Q2 2020 for the CSCE and May 2020 for the FRBNY SCE). Figure 1 plots the mean probability placed on each bin of inflation outcomes in each survey. The top panel presents the histogram of point inflation expectations while the bottom presents the probability distribution forecast averaged across respondents. Both panels of this figure indicate that our survey respondents' distributions collected in Q2 2020 are to the right of the distributions from the FRBNY and the CSCE's surveyed expectations. This is due to the fact that the Nielsen HomeScanner Panel focuses on household shoppers, which are predominantly female and less-educated members of households, two groups with well-documented higher inflation expectations [Axelrod et al., 2018, Tenreyro, 2019, Schembri, 2020]. Survey respondents assigned, on average, probabilities of less than 20% to deflationary outcomes in their priors (about 16-17%) and viewed positive inflation as highly likely, with an average probability of roughly 50% assigned to inflation outcomes

above 4%.

We document the heterogeneity in the priors about one-year-ahead inflation expectations across demographic characteristics, using the following general econometric strategy:

$$E_i Y_{1yr}^{prior} = a + b_0 Treatment_i + b_1 X_i + error_i \tag{1}$$

where $E_i Y_{1yr}^{prior}$ is a measure of individual priors about one-year-ahead inflation expectations by individual i, $Treatment$ is a vector of treatment dummies, and X_i is a matrix of the following demographic characteristics: age, gender, education, income, married status, presence of children, language of respondents (English, French), self-reported knowledge of inflation ($D^{\text{know inflation well}}$=1 if high self-reported knowledge of inflation, =0 if low knowledge), ease of expressing inflation as a number ($D^{\text{easy to express inflation}}$=1 if very easy, =0 if not easy), and province of residence.

We estimate Equation 1 for several indicators describing respondents' priors about one-year-ahead inflation expectations $E_i Y^{prior}$:

- one-year-ahead point inflation expectations, $E_i \pi_{1yr}^{prior}$,
- estimated mean expectations based on the distribution question about one-year-ahead inflation expectations, $E_i \pi_{1yr}^{mean,prior}$,
- estimated median expectations based on the distribution question about one-year-ahead inflation expectations, $E_i \pi_{1yr}^{median,prior}$,
- estimated uncertainty about expected inflation, $E_i \text{iqr}_{1yr}^{prior}$,
- the probability assigned to inflation being close to the inflation-target-control range, $E_i \text{prob}_{1yr}^{target,prior}$, computed as the probability assigned to a range between 0 and 4%, and
- the probabilities assigned to each range r in the distributional question about inflation expectations, $E_i \text{prob}_{1yr}^{r,prior}$.

The estimation results for differences in the priors for one-year-ahead inflation expectations are presented in Table 4. There are small differences across treatments, relative to the control group, in the one-year-ahead inflation expectations, both in the point expectations, $E_i \pi_{1yr}$, and in the mean and median expectations, $E_i \pi_{1yr}^{mean}$ and $E_i \pi_{1yr}^{median}$, in the uncertainty $E_i \text{iqr}_{1yr}$, and the probabilities participants placed on inflation being close to the targeted

range, $E_i \text{prob}_{1yr}^{target}$. However, we observe that the point expectations are higher in the BankForecast and the ProfForecast than in the control group by 0.72 and 0.58 pp, respectively. We also note that the density expectations are higher in the BankForecastCI and the ProfForecastRange than in the control group by roughly 0.5 pps. Table B1 presents the estimation results for the priors about the probability distributions for the one-year-ahead inflation expectations. There are no differences across treatments relative to the control group. The exception is in the BankForecastCI, where participants assigned higher probabilities to the range where inflation is above 12%. Overall, there do not appear to be large systematic differences in the priors across the treatments.

The estimation results in Table 4 indicate that there are notable differences in the inflation expectations across demographic groups, as has already been documented in the literature. Seniors and female participants formed significantly higher inflation expectations. Participants with higher levels of education and income formed lower inflation expectations and assigned higher probabilities for inflation to be close to the inflation-target-control range. Married participants also formed higher inflation expectations.

People with higher levels of self-reported knowledge of inflation tended to have higher inflation expectations. However, those who had greater ease in expressing inflation as a number formed lower inflation expectations, had lower uncertainty, and assigned higher probabilities to inflation being within the target range.

In Table B1, we observe that women assigned lower probabilities to the center of the distribution and higher probabilities to the right tail of the inflation distribution, ranges of 8-12% and above 12%. Participants with higher levels of education and income tended to assign lower probabilities to both the left and right tails and higher probabilities to the center of their subjective inflation distributions.

Seniors placed significantly more probability on inflation being in the 4-12% range and less to the deflation bins. Younger people, by contrast, placed more probability on weak deflation and less probability on high inflation. These observations are consistent with evidence on differences in inflation expectations based on previously experienced inflation [Malmendier and Nagel, 2016].

Those who reported that they understood inflation well placed significantly higher probability on inflation being above 12% and lower probability to deflation being in the -4 to -12%

range. However, those who noted that they found it easy to express inflation as a number tended to assign a higher probability that inflation would be close to the inflation-control range (2 to 4%) and less probability to inflation being above 8%.

4 Communication and Expectations

We present our findings in three parts. In this section, we show the causal effects of the information interventions on posterior expectations and evaluate the extent to which household characteristics mediate these effects. In Sections 5, 6 and 7, we provide more-detailed analyses of the effects of communicating ranges. In Section 8, we evaluate the effects of information interventions on real spending decisions.

The survey respondents presented with inflation information were asked if they were already aware of the information before proceeding with the follow-up questions regarding their expectations. A relatively small proportion of respondents, ranging between 8% and 35%, reported being aware of the presented information. Notably, there was significant variation in awareness levels across different information interventions and demographic groups (Figure 3).

Among the demographic groups, males, individuals with higher levels of education, and those with higher income levels more frequently reported being aware of the provided information. However, no consistent pattern of awareness was observed across age groups. Older respondents (aged 55+) displayed relatively higher awareness of past inflation, compared with younger groups, which could potentially be attributed to their past experiences with episodes of high inflation [Malmendier and Nagel, 2011, Cavallo et al., 2017].

It is worth noting that despite the information being publicly available, the treatment information was novel to the vast majority of respondents. Furthermore, respondents demonstrated greater awareness of past inflation and the Bank's inflation target compared with their awareness of the inflation forecasts of the Bank and professional forecasters. Additionally, they exhibited higher awareness of the Bank's inflation forecasts compared with forecasts of professional forecasters, suggesting that information from the Bank holds greater prominence and visibility among the Canadian public.

The middle panel of Table 3 provides summary statistics regarding the one-year-ahead pos-

terior inflation expectations of the Wave 1 survey respondents, categorized by treatment. The bottom panel presents summary statistics for the same participants in Wave 2 as well as for a new control group that had not previously been surveyed. There are several important takeaways from this table.

- All of the information treatments lead to a reduction in the one-year-ahead inflation expectations, aligning them with the communicated information.
- The dispersion in the inflation expectations among the survey participants is reduced across all treatments. Standard deviations within treatments decline from 12 pp to 13 pp in the prior expectations to from approximately 8 to 10pp in the posterior expectations.
- These treatments also contribute to a decrease in individual uncertainty regarding expected inflation, with uncertainty levels declining from 6 pp to 7 pp in the prior expectations to from 4.5 pp to 5.5 pp in the posterior expectations. In comparison, the control group experiences an increase in uncertainty from 6.4 pp in the prior expectations to 6.73 pp in the posterior expectations.
- The effects of information interventions do not persist over time in most treatments. The levels of the one-year-ahead inflation expectations, the dispersion among the participants, and the uncertainty regarding the expected inflation among those exposed to information interventions in Wave 1 are similar to those observed in the Wave 1 control group.

Figure 2 displays the posterior expected probabilities assigned to different inflation ranges after respondents received information interventions. The figure also shows prior probability forecasts submitted by respondents before receiving any information. The posterior probability forecasts of the control group demonstrate the effects of repeating the same questions without providing any additional information. All of the information treatments shrink the tails of the probability distributions and shift them toward the ranges close to the provided information (0 to 4%). The effects are more pronounced when respondents are provided information about the forecasts. In contrast, the forecasts of the control group remain largely unchanged.

Next, we use the following general econometric strategy to evaluate the impact of different treatments on participants' revisions of their views about inflation.

$$E_i Y_{1yr}^{posterior} - E_i Y_{1yr}^{prior} = a + b_0 Treatment_i + b_1 X_i + error_i \tag{2}$$

where $E_i Y^{posterior} - E_i Y_{1yr}^{prior}$ is a measure describing the revision in the one-year-ahead inflation expectations by individual i and the controls are the same as in Equation 1.

We estimate Equation 2 for several indicators describing revisions in respondents' posteriors about their one-year-ahead inflation expectations, $E_i Y_{1yr}^{posterior}$, relative to their priors, $E_i Y_{1yr}^{prior}$ (described in Section 3), their point forecasts, their mean and median expectations based on the distributional questions, their uncertainty about expected inflation, the probabilities they assign to the expected inflation being in the inflation-target-control range (0 to 4%), and the posterior probabilities they assign to each bin in the distributional question.

Table 5 presents the estimation results of Equation 2, examining the effects of the information interventions on the revisions of the expectations. Columns (1) and (2) provide estimates of the treatment effects on the revisions of the one-year-ahead inflation expectations. Columns (3) and (4) present estimates for the revisions of the mean density expectations; columns (5) and (6), the median density expectations; columns (7) and (8), the uncertainty about inflation; and columns (9) and (10), the probability of inflation being in the range between 0 and 4%. The odd-numbered columns present estimates for the revisions in Wave 1, and the even-numbered columns present estimates for the revisions in Wave 2 relative to the priors in Wave 1. The results for the probability distributions can be found in Appendix B.

All of the information treatments have a significant impact on reducing both the point and density expectations of one-year-ahead inflation in Wave 1. The effects range from approximately 0.2 percentage points in the case of PastInflation to 0.8 pp in the case of the ProfForecastRange. These effects remain statistically significant at the 1% level, even after accounting for demographic characteristics.

It is noteworthy that information interventions related to the Bank of Canada's inflation target, both with and without the target range, as well as information about past inflation, exhibit weaker effects on inflation expectations than does information about forecasts. On the other hand, treatments involving information about inflation forecasts, from both the Bank of Canada and professional forecasters, demonstrate stronger impacts on inflation expectations. We provide more detailed analysis of these differences in Appendix C.

Participants who reported being aware of the information provided in the BankTargetRange, BankForecast, BankForecastCI, and ProfForecastRange displayed significantly smaller revisions in their inflation expectations compared with their uninformed counterparts (Table 6).

Additionally, participants with a larger knowledge gap regarding the Bank's forecast consistently made larger revisions to their one-year-ahead inflation expectations. These findings align with the principles of Bayesian updating [Coibion et al., 2018], suggesting that beliefs adjust more if information presents greater novelty to the individual, although the magnitude of the updating is quite small in our estimations. In fact, the results indicate that for a 1 pp gap in knowledge, participants revised their inflation expectations by only 0.059 pp in the BankForecastCI.

The effects of the information interventions are short-lived. In Wave 2, six months after the initial treatment, the expectations of most treatment groups do not show significant differences compared with the control group, which did not receive any information in Wave 1. This lack of persistence in the effects of information treatments is a well-documented phenomenon in the literature [Blinder et al., 2022]. However, it is noteworthy that information specifically related to the Bank and professionals' forecasts, when communicated with precision, leads to persistent revisions in inflation expectations, with adjustments of 0.56 and 0.65 percentage points, respectively.

All of the information treatments have a positive impact on reducing respondents' uncertainty regarding their own inflation expectations. Column (7) demonstrates the immediate reduction in uncertainty that occurs following the treatment information in Wave 1, ranging from 0.2 pp in the BankTarget to 0.5 pp in the ProfForecastRange. While all of the information treatments effectively reduce inflation uncertainty, information about past inflation and the Bank's target (range) reduces uncertainty by less than does information about inflation forecasts from the Bank of Canada and professional forecasters.

However, by Wave 2 we observe that the benefits of this information wear off completely at the aggregate level, except for the persistent impact of the BankForecast and ProfForecastRange, both of which reduce uncertainty by roughly 0.4 pp. Additionally, we find that the impact of the information treatments also decreases the incidence of rounding, serving as another proxy for subjective uncertainty [Binder, 2017]. Further details can be found in Appendix E.

Lastly, all of the information treatments lead to respondents assigning increased probabilities to the range between 0 and 4% containing the provided information. The probabilities assigned to both the left and right tails are reduced after the information interventions (for more details see Appendix B). However, the impact of the information interventions on the

probability distribution persists only in PastInflation and ProfForecastRange treatments six months later (column (10) of Table 5).

Overall, our findings provide strong support for Hypothesis 1 in Wave 1. Information interventions effectively reduce the average level of inflation expectations, shift the subjective probability distribution toward the provided information ranges, and decrease individual uncertainty about inflation. However, the effects of the information interventions largely dissipate over time, with only sparse impacts remaining on the point forecasts, subjective probability distributions, and uncertainty.

5 Communicating Ranges and Uncertainty

We experimentally varied the degree of precision of the communicated information in our inflation target and forecast information treatments to gauge the impact of imprecision and uncertainty—broadly speaking, ranges—on expectation formation. In this section, we document how the additional provision of ranges influences the revisions in the posterior expectations, the central bank's credibility, and the link between inflation expectations and uncertainty.

5.1 Effects on inflation expectations

We use the following general econometric strategy to evaluate the impact of communicating uncertainty on the revisions in participants' views about inflation:

$$E_i Y_{1yr}^{posterior} - E_i Y_{1yr}^{prior} = a + b_0 Range_i^T + b_1 X_i + error_i \tag{3}$$

where $E_i Y^{posterior} - E_i Y_{1yr}^{prior}$ is a measure describing the revision in the one-year-ahead inflation expectations in Waves 1 and 2, as used and described in equation (2), and X_i is a matrix of controls as in Equation (1).

We introduce a binary variable, $Range_i^T$, which takes the value of 1 for the treatments involving ranges and 0 otherwise.[1] We conduct separate regressions for each type of information provided—the Bank's target, the Bank's forecast, the professional forecast—and a pool our

[1] We exclude the PastInflation data from our analysis as it does not have complementary information about a range.

analysis of both targets and forecasts (all). We define T to represent different types of information presented with and without ranges: $T = \{All, BankTarget, BankForecast, ProfForecast\}$. In Table 5, Panel B, we present the results for the revisions in the one-year-ahead inflation expectations, while Table B2, Panels A and B, present the results for the revisions in the probability distributions. The reported coefficients indicate the estimated additional revisions attributed to the inclusion of a range around the communicated statistic.

Communicating a range does not diminish the extent to which Wave 1 participants adjust their expectations downward following an information intervention (column 1). Furthermore, when Bank forecasts are presented with a confidence interval, there is an increase of 2.8 percentage points in the probabilities Wave 1 participants assign to the targeted range of 0-4% (column 9). Overall, communicating ranges does not significantly affect respondents' uncertainty about inflation (column (7) of Panel B in Table 5). When information is presented with ranges, the probabilities assigned to the range of inflation between 0 and 4% are higher by 1.75 pp. This impact comes from communicating the BankForecast with a confidence interval (increase of 2.8 pp) and the ProfForecast with a range (increase of 3.4 pp) (column (9) of Table 5).

Communicating ranges has an impact on respondents' probability distributions for expected inflation—by shrinking its right tail and increasing the mass in the range between 2% and 4%. When a range is included in the provided information, there is an overall increase of 2.6 percentage points in the probabilities respondents assign to the inflation range between 2% to 4% (Table B2).Communicating the ProfForecastRange increases this probability by 3.7 pp (column (7) in Panel A of Table B2). Simultaneously, the inclusion of a range in the communication prompts respondents to reduce the probability mass they assign to the upper tail of their inflation expectations. Specifically, the inclusion of a range leads to an additional decrease of 2.4 pp in the mass assigned to the "above 12%" category, with reductions of 3.1 percentage points in the BankTarget and 3.1 percentage points in the ProfForecast (column (10)). Finally, the provision of information regarding ranges does not have a substantial or consistent impact on the weight assigned to negative inflation.

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 4 depicts a downward-sloping

relationship between the initial uncertainty and the revisions in uncertainty, suggesting that respondents with greater initial uncertainty revise their inflation expectations further downward.

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

$$E_i iqr_{1yr}^{posterior} - E_i iqr_{1yr}^{prior} = a + b_0 E_i iqr_{1yr}^{prior} + b_1 Range_i^T + b_2 Range_i^T \times E_i iqr_{1yr}^{prior} + b_3 X_i + error_i \quad (4)$$

The results for Wave 1 are presented in Table 7 in the odd-numbered columns and the results for Wave 2 are shown in the even-numbered columns. We consistently observe a greater downward revision in uncertainty among respondents exhibiting higher levels of uncertainty regarding their prior one-year-ahead inflation expectations. Presenting a range does not have a significant effect on respondents with low levels of uncertainty. 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 uncertainty for respondents with higher levels of initial uncertainty (coefficient of -0.02 on the interaction term), particularly when the Bank's forecast is presented with a confidence interval (coefficient of -0.238). The impact of communicating ranges on people with the highest prior uncertainties persists six months later (column 2), driven mostly by communicating the BankForecast with a confidence interval (coefficient of -0.0169 on the interaction term). However, being exposed to information about the BankTarget with a range increases the uncertainty in Wave 2 among those with higher prior uncertainty (column (4), coefficient of 0.04).

5.2 Effects of communicating ranges on central bank credibility

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

Table 8 documents the proportions of participants whose one-year-ahead inflation forecast aligns with the (mid-point of the) communicated information, as well as the proportion of participants whose expectations fall within the provided range. To provide a benchmark, we

also include the proportion of participants whose expectations fall within the relevant range, even if they did not receive explicit information about the range.

First, it is worth noting that none of the respondents in the PastInflation treatment forecasted the most recent past inflation statistics as their one-year-ahead prior inflation expectation. Additionally, only two out of 637 respondents used the most recent past inflation as their posterior expectation. This suggests that there was limited reliance on recent inflation episodes when forming expectations.

Second, all other information interventions led to an increase in the proportion of respondents who forecasted the precise communicated information, ranging from 8 to 25 percentage points. The PastInflation and ProfForecastRange treatments exhibited the least anchoring, while the BankForecast and BankForecastCI treatments demonstrated the highest level of anchoring.

Third, our findings indicate that a significant majority of participants do not simply *parrot back* the communicated information when providing their posterior forecast. Instead, they take into account both the communicated information and their prior expectations when revising their inflation expectations.

To assess the impact of communicating uncertainty on the credibility of the provided information, we employ a general probit regression model as follows:

$$\mathbb{1}_{i,t}^{Y} = a + b_0 E_{i,t} Range_i^T + b_1 X_i + \epsilon_{i,t} \tag{5}$$

Here, $\mathbb{1}^{Y} i, t$ represents one of two indicator variables. The first indicator, $\mathbb{1}^{midpoint} i, t$, takes the value 1 if the respondent's forecast is equal to the mid-point and 0 otherwise. The second indicator, $\mathbb{1}_{i,t}^{inrange}$, is equal to 1 if the respondent's forecast falls within the range of the information intervention and 0 otherwise. Equation 5 is estimated separately for treatments with and without a range (BankTarget, BankForecast, and ProfForecast) 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 of the respondents and for those with priors outside of the communicated ranges. Respondents whose prior expectations were outside of the informed ranges may be more inclined to revise their expectations in line with the communicated information. Panel A presents the results for Wave 1; Panel B, for Wave 2.

Our analysis reveals that the inclusion of ranges has a limited impact on the credibility of the communicated mid-point or range. Specifically, when a range is presented alongside the information about the Bank's inflation target or inflation outlook, the credibility of the mid-point remains unaffected. However, presenting a range of outlooks together with the mean professional forecast leads to a significant decrease in the credibility of the mid-point, with a reduction of 5.85 percentage points in the likelihood of accurately forecasting the mid-point.

Regarding the credibility of the range itself, the communication of ranges does not substantially improve its perception overall. Although respondents are, on average, 2.5 pp more likely to forecast within the communicated range, this effect is primarily driven by the BankForecast treatments. Notably, respondents are 5 percentage points more likely to forecast within the communicated range when presented the Bank's outlook with the confidence interval.

Similar patterns emerge when focusing on respondents whose prior expectations fall outside of the communicated ranges. The communication of ranges does not lead to increased anchoring of the expectations on the mid-point. In fact, in the case of the ProfForecastRange treatment, communicating ranges results in a decrease of 4.95 percentage points in the probability of anchoring on the mid-point. However, it does increase the likelihood of respondents' posterior expectations falling within the communicated range in both the BankTargetRange and the BankForecastCI treatments by approximately 5 percentage points (columns 14 and 15). None of the described effects persist six months later in Wave 2 (Panel B of Table 9).

5.3 Effects on the link between uncertainty and the level of the inflation expectations

In this section, we examine the relationship between uncertainty and the inflation expectations and assess the extent to which information interventions can weaken this relationship.

Reiche and Meyler [2022] identify a positive association between survey respondents' rounding behavior (a proxy for subjective uncertainty in point forecasts) and the level of their inflation expectations. To assess the quantitative relevance of the relationship between uncertainty and inflation expectations, we utilize respondents' uncertainty about one-year-ahead inflation from the inter-quartile range of their probabilistic expectations. To the best of our knowledge, our study provides the first assessment of this relationship for consumer expecta-

tions. In Appendix E, we explore the link between rounding and the uncertainty measured by the IQR of the subjective distribution.

More formally, we estimate the following specification for households' prior expectations:

$$E_i\pi_{1yr}^{prior} = a + b_0\text{Treatment}_i + b_1 E_i\text{iqr}_{1yr}^{prior} + b_2 X_i + error_i \tag{6}$$

To further evaluate the impact of the information treatments on the link between the level of the expected inflation and the uncertainty about it, we estimate the following specification on the level of the posterior inflation expectations:

$$E_i\pi_{1yr}^{post} = a + b_0\text{Treatment}_i + b_1 E_i\text{iqr}_{1yr}^{post} + b_2\text{Treatment}_i \times E_i\text{iqr}_{1yr}^{post} + b_3 X_i + error_i \tag{7}$$

Panel A of Table 10 presents the estimation results for equation (6) in column (1) and equation (7) in column (2). The findings reveal a statistically significant positive association between the level of the inflation expectations and the uncertainty regarding the expected inflation, both in the prior and posterior expectations. Specifically, in column (1) of Table 10, we observe that a one percentage point increase in the uncertainty corresponds to a 0.399 percentage point increase in the inflation expectations. Similarly, in the control group, as shown in column (2) of Table 10, we find a comparable link of 0.339.

A novel finding from our experiment is that specific information interventions can weaken the relationship between the uncertainty and the level of the expectations (column (2) in Table 10). The interaction terms between the treatment and the posterior uncertainty are negative for all treatments except for PastInflation. This implies that the information related to inflation targets and inflation outlooks effectively reduces the link between uncertainty and the expected inflation, bringing it closer to zero, based on the combined impact of the coefficient of 0.339 on uncertainty and the negative coefficient on the interaction terms between the treatment and the uncertainty (ranging from 0.09 to 0.34 for the priors). These findings also suggest that the influence of the treatment information on the level of the inflation expectations is particularly pronounced for respondents who initially exhibit higher uncertainty in their inflation forecasts. Specifically, for each additional percentage point in the uncertainty, we observe a roughly 0.3 percentage point decrease in the inflation expectations after exposure to most of the information treatments. In other words, participants with higher posterior uncertainty about inflation are more susceptible to the influence of information on their inflation expectations. Very interestingly, this impact continues to persist six months later!

Next, we examine the impact of communicating the range on the link between the expected inflation and the uncertainty about it, using the following framework:

$$E_i\pi_{1yr}^{post} = a + b_0\text{Range}_i^T + b_1 E_i\text{iqr}_{1yr}^{post} + b_2\text{Range}_i^T \times E_i\text{iqr}_{1yr}^{post} + b_3 X_i + error_i \qquad (8)$$

The estimation results of equation (8) are presented in Panel B of Table 10. We distinguish between the overall effect of communicating a range on the level of the expectations and its effect on the link between uncertainty and the posterior inflation expectations.

In general, we find that communicating ranges reduces the level of the posterior inflation expectations by an average of 0.189 percentage points. However, when we specifically consider the communication of ranges (column 4), we observe a different pattern—the additional communication of ranges strengthens the link between the posterior inflation expectations and the uncertainty. This result is driven by the communication of a range around the Bank's target (column 5). This indicates that communicating the Bank's precise inflation target has stronger anchoring effects for less-confident respondents. Communicating the ranges reduces the link between the uncertainty and the level of the inflation expectations in Wave 2 (column (8)), with most of this effect coming from communicating the ranges for the BankTarget and BankForecast. On the other hand, providing the range of the professional outlooks strengthens this link (see column 11).

Overall, information interventions anchor inflation expectations more effectively among more-uncertain respondents, both immediately and six months later. But communication with ranges tends to immediately have weaker anchoring effects on more-uncertain respondents and stronger effects in the follow-up survey.

6 Demographic Differences in Response to Communicating with Uncertainty

Does it matter *who* uncertainty is communicated to? Do specific demographic groups become less confident in their inflation expectations or show weaker responses to information when presented with imprecisely communicated inflation statistics?

We estimate the following equation to assess whether the impact of communicating with a

range differs across demographic groups:

$$E_i Y_{1yr}^{posterior} - E_i Y_{1yr}^{prior} = a + b_0 Range_i + b_1 Range_i \times \text{Demographic}_i + b_2 X_i + \epsilon_{i,t} \quad (9)$$

where $Demographic_i$ is a demographic characteristic of individual i. We estimate this equation by focusing the interaction on 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 Appendix D, Tables D1 - D4.[2].

In Wave 1, the effects of communicating ranges on expectations are generally consistent across demographics. Young revise their expectations less than older cohorts. And when presented the range of the professional forecasts, the least-educated respondents adjust their inflation expectations downward by roughly one percentage point less than those with higher levels of education (see Table D2, column (1)).

In Wave 2, the interaction between the demographics and the precision in the communication becomes more significant. Age and education, in particular, play meaningful roles in the persistence of the impact of communicating ranges. Analysis from Tables 4 and B1 reveals that prior to the information intervention, young respondents had initially formed more-anchored inflation expectations, with a lower mass assigned to the right tail and a higher mass assigned to the targeted range and the deflationary outcomes in their probabilistic distributions. Overall, even in Wave 2, young respondents continued to maintain more-anchored low-inflation expectations, but this only in the case where precise inflation statistics were provided (Table D1, column (2)). Comparatively, across all treatments, when precise statistics are provided, young respondents' inflation expectations are, on average, 1.46 percentage points lower than those of prime-aged respondents. However, communicating a range to young respondents offsets this anchoring effect, except for the ProfForecastRange treatment, where a persistent positive benefit is observed. In this case, young respondents who receive both the precise professional forecasts and the range are 24.55 percentage points more likely to forecast within the targeted range (column (10)) but their inflation expectations increase by 3 percentage points (column 2).

Furthermore, we find long-term persistent benefits to precise communication for respondents with the lowest levels of education. When presented with precise inflation statistics, these

[2]We also looked into how the impact of information interventions differs for each treatment by demographic characteristic: $E_i Y_{1yr}^{posterior} - E_i Y_{1yr}^{prior} = \alpha + \beta_0 Treatment_i + \beta_1 Treatment_i \times \text{Demographic}_i + \beta_2 X_i + \epsilon_{i,t}$. These results are presented in Appendix D in Tables D1 - D4

individuals continue to revise their Wave 2 inflation expectations downward by an average of 1.3 percentage points(Table D2, column (2)). This result is primarily driven by the BankForecast and ProfForecast treatments. However, communicating ranges to respondents with the lowest levels of education significantly offsets most of these anchoring effects, especially in the BankTarget and ProfForecast treatments. Additionally, communicating the Bank's inflation target with a range increases these respondents' uncertainty about inflation by 1.265 percentage points.

In summary, our analysis of demographic responses to statistical uncertainty suggests that precise communication is valuable for achieving persistent anchoring of expectations among young people and those with lower levels of educational attainment. When information is presented in a precise manner, people in these demographics are more likely to remember the inflation information six months later.

7 The Effects of Pandemic Severity on the Response to Communicating with Uncertainty

We next investigate whether the effects of communicating with uncertainty differ in regions with higher levels of background uncertainty related to the COVID-19 pandemic. Uncertainty related to the pandemic may be relevant as our survey took place in April and May 2020 (Wave 1) and December 2020 (Wave 2). We consider two contrasting perspectives. First, it is possible that communicating uncertainty is seen as more credible among individuals experiencing heightened uncertainty. Second, information interventions may have reduced the immediate effectiveness and memorability in the presence of greater health uncertainty, suggesting that precise communication could have more long-lasting effects.

There was significant regional variation in the incidence of COVID-19 cases and deaths across different regions in Canada. During weeks 15-19 of 2020 (April-May 2020, Wave 1 of our survey), the number of cases per 100,000 people ranged from 5,516 in British Columbia to 10,055 in Alberta, indicating a difference of 4.5 percentage points between the least- and most-affected regions. Similarly, in terms of death rates, there were 26 deaths in Atlantic Canada and 143 deaths in Quebec per 100,000 people, representing a difference of 0.12 percentage points. This variability in the severity of COVID-19 provides an opportunity to examine whether communicating uncertainty in inflation statistics is more or less effective in regions experiencing heightened uncertainty unrelated to inflation.

Panel A of Table D10 and D11 present the effects of a one percentage point increase in COVID-19 cases and COVID-related deaths, respectively, on inflation expectations. Regions with higher numbers of COVID-19 cases had significantly higher prior point inflation expectations and greater uncertainty. Specifically, compared with British Columbia (lowest rate of cases), the inflation expectations of Albertans were approximately 0.95 percentage points (0.212 $\times$ 4.5 percentage points) higher and their uncertainty was 0.47 percentage points higher (0.104 $\times$ 4.5 percentage points). Additionally, Albertans were 3.3 percentage points (-0.741$\times$ 4.5 percentage points) less likely to forecast within the targeted range.

The impact of COVID-related deaths on prior inflation expectations was inconsistent across regions but it had a stronger effect on respondents' uncertainty about inflation. The difference in the death rates between Atlantic Canada and Quebec resulted in a 0.59 percentage point (4.885 $\times$ 0.12 percentage points) difference in the uncertainty between the two provinces.

To assess whether the impact of communicating with a range is affected by the severity of the pandemic, we estimate the following specification:

$$E_i Y_{1yr}^{posterior} - E_i Y_{1yr}^{prior} = \alpha + b_0 Range_i^T + b_1 Range_i^T \times \text{COVID}_i^{province} + b_2 X_i + \epsilon_{i,t} \quad (10)$$

where COVID$i^{province}$ represents the rate of COVID cases or the rate of COVID-related deaths in the province of individual i during the period when the Wave 1 survey took place (weeks 15 to 19 of 2020). Yi, t denotes the set of dependent variables discussed earlier. The estimation results of Equation (10) are presented in Panel B of Table D10 for the rate of COVID cases in percent and in Panel B of Table D11 for the COVID-related rates of death in percent.

In general, we find that increased regional exposure to COVID-19 did not have a significant impact on the revisions in the inflation expectations or the uncertainty about inflation. The revisions in the inflation point expectations in both Waves 1 and 2 were not consistently affected by the level of COVID exposure. Similarly, the revisions in the uncertainty (around inflation expectations) were mostly unaffected by the number of COVID cases.

However, we do observe a notable effect of COVID exposure on respondents' probabilities of forecasting within the targeted range. Specifically, we find that communicating profes-

sional forecasts with a range was more effective at anchoring Wave 1 inflation expectations within the targeted range for respondents from regions with fewer COVID cases or related deaths. Column (14) of both tables shows that when presented with a range of outlooks, respondents from these regions assigned less weight to the targeted range. This suggests that precise communication is more effective when respondents are immediately facing heightened background uncertainty.

In Wave 2, we observe that respondents who received information with uncertainty were less likely to forecast within the targeted range (column (15), Table D10), with the largest negative effect from communicating BankForecast with range. Interestingly, COVID exposure during Wave 1 also played a role in the persistence of the information. If respondents from regions with higher COVID cases were presented with a imprecise Bank forecast, they assigned significantly higher probability within the target range (0 to 4%).

8 The Role of Inflation Expectations in Spending Plans

We have documented that information about inflation can have an immediate impact on inflation expectations. In macroeconomic models, it is widely recognized that inflation expectations play a crucial role in shaping consumption behavior and expected growth in consumption. In our survey, we collected participants' expectations regarding the growth of nominal household spending (this question is included in Appendix A). In this section, we investigate the relationship between expected inflation and expected spending. Our empirical strategy is based on the following specification:

$$E_i spending_{1yr}^{post} = a + b_0 E_i \pi_{1yr}^{post} + b_1 Range_i^T + b_2 Range_i^T \times E_i \pi_{1yr}^{post} + b_3 X_i + error_i \quad (11)$$

where $E_i NSpending_{1yr}^{prior}$ is the expected nominal household spending growth. Our focus lies in examining the relationship between expected inflation and expected spending, and whether this link varies depending on communication of information about inflation with and without uncertainty indicated by coefficient on interaction term b_2. The estimation results are presented in Table 11 for posteriors in Wave 1 and also for expectations in Wave 2.

Expectations for household spending growth are positively linked to the expectations for inflation. An increase in inflation expectations by 1p.p. is associated with increase in spending

growth expectations by 0.32pp in treatments communicated without uncertainty. Communicating information about inflation with uncertainty weakens the link between expected inflation and spending growth by 0.184, nevertheless, it remains positive. In particular, this link is weakened in treatments communicating BankTarget and ProfForecast with range. On the other hand, communication of BankForecast with range makes this link stronger. The link between nominal spending growth and inflation is less than one-to-one, suggesting that consumers expect lower real spending growth with higher expected inflation.

Positive links between expected inflation and spending or spending intentions have been found in other studies using consumer surveys by Coibion et al. [2022b], Drager and Nghiem [2020] and Drager et al. [2016]. However, a negative relationship between expected inflation and spending has also been documented by Crump et al. [2022], Coibion et al. [forthcominga] and Binder and Brunet [2022].

The impact of communicating with uncertainty does not persists six months later. The link between spending and inflation expectations in Wave 2 is not statistically significantly different from zero, and communication with uncertainty does affect this link.

We speculate that the cognitive burden associated with information communicated with uncertainty makes it difficult for consumers to use this information when making consumption decisions. The additional cognitive effort required to process and interpret uncertain information may hinder their ability to form a clear expectation of how inflation will impact their future spending. As a result, the link between expected inflation and spending becomes attenuated or even eliminated.

These findings highlight the importance of considering the cognitive load and ease of use of information when designing communication strategies regarding inflation. Simplifying the presentation of inflation information, such as providing clear and concise forecasts without explicit uncertainty measures, may enhance consumers' ability to incorporate the information into their decision-making process effectively. By reducing cognitive burdens, policymakers and communicators can improve the effectiveness of information interventions in shaping consumers' spending expectations.

9 Discussion

The recent COVID-19 pandemic and the subsequent surge in inflation present challenges for central banks and policymakers as they strive to manage inflation expectations and ensure economic stability. Adapting communication strategies to effectively address uncertainties and provide timely and relevant information remains a crucial task in maintaining public confidence and supporting informed decision making.

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 and Bank targets. We observe no downside to communicating uncertainty about the level of inflation or the expected inflation and we see positive effects on the distributional inflation expectations being more centered around the communicated ranges. Further, communication with uncertainty weakens the link between expected inflation and nominal spending plans, a key channel in the transmission of monetary policy.

Our paper contributes to a long-running debate on the role of precision in the design of inflation targets and projections. Ehrmann [2021] provides cross-country evidence that expectations of professional forecasters are sometimes better anchored when central banks communicate explicit tolerance ranges around their point inflation targets. Castelnuovo et al. [2003] find no discernible differences in the management of long-term expectations from using inflation targets with or without ranges. However, Grosse Steffen [2021] find better anchoring properties of point targets for longer-term expectations. In laboratory macroeconomies with small shocks, Cornand and M'baye [2018] observe better-anchored inflation expectations (at the cost of more-unanchored output gap expectations) when targets include a tolerance range. There are no significant differences in expectation formation when shocks are relatively large. When it comes to the design of inflation projections, laboratory evidence shows the benefits of communicating precise outlooks [Rholes and Petersen, 2021, Petersen and Rholes, 2022].

Blinder et al. [2022] surveys the extensive heterogeneity in monetary policy knowledge across socioeconomic groups and documents the challenges that central banks face when communicating with the general public. A frustrating result is that in survey experiments the effects of information typically fade over time. For example, Coibion et al. [2023] note that peo-

ple quickly forget information about the Federal Reserve's announcement about their recent move to average inflation targeting. We also observe that expectations did not significantly differ between our treatment and control groups 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.

An alternative approach to improving retention is to provide more context behind the communication. Ehrmann et al. [2023] 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 more economic background, such as explanations of how inflation targeting helps to stabilise the economy and contributes to economic growth and employment. Otherwise repeat messaging may be necessary for the longer-term management of expectations. Repeat messaging not only comes with a pecuniary cost but also has the consequence of creating desensitization and misprocessing information. Lu et al. [2015] document an inverted U-shape relationship between repetition and revision in beliefs. Moreover, the demographics where people's expectations are most unanchored (lower income, younger people, females) are also the ones to report experiencing more 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 1: Comparison of one-year-ahead inflation expectations in our survey (Nielsen Homescanner, priors), FRBNY SCE and CSCE

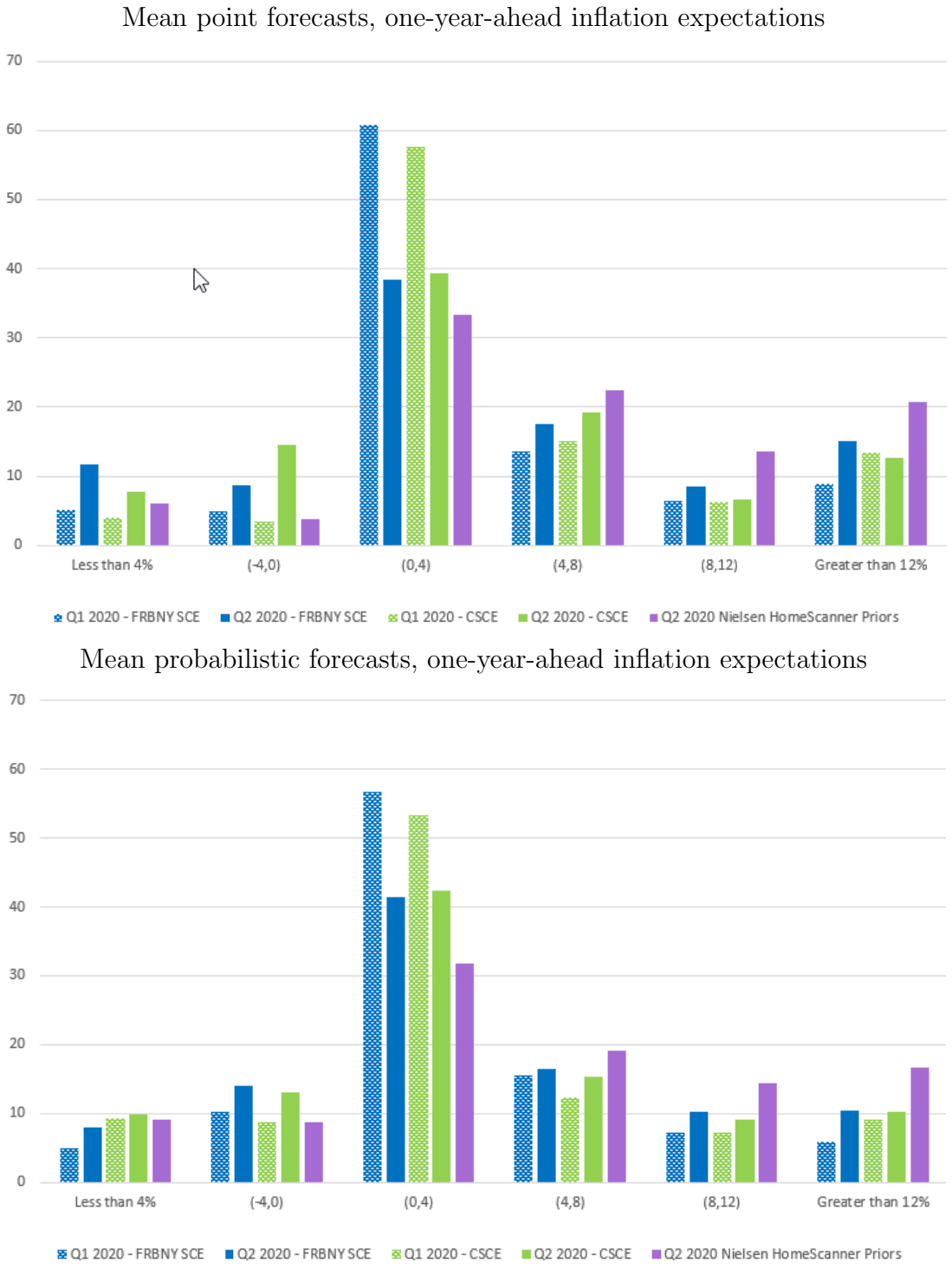
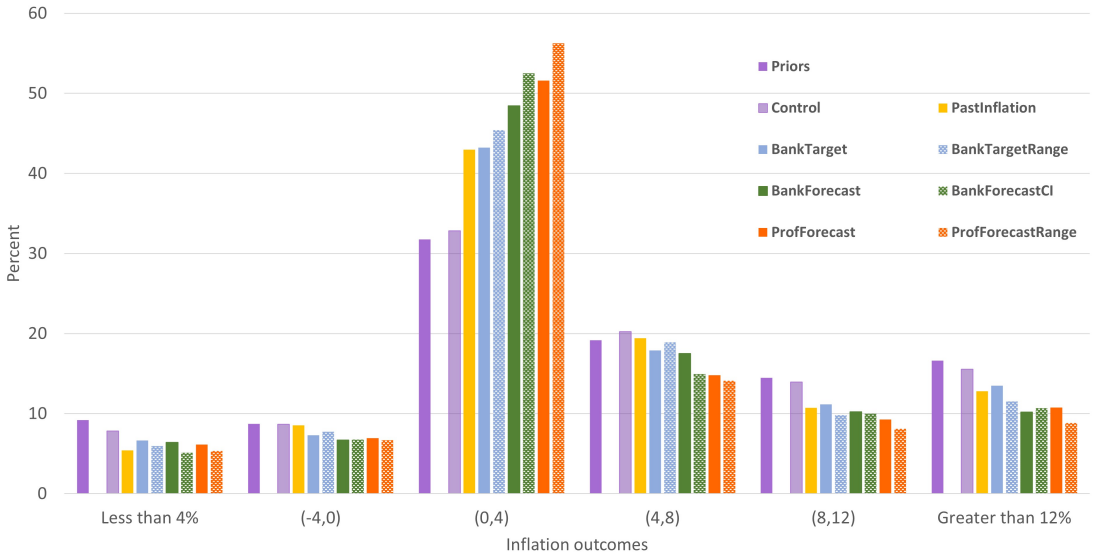


Figure 2: Expected probability distribution for one-year-ahead inflation, posteriors by treatment compared with priors

Wave 1



Wave 2

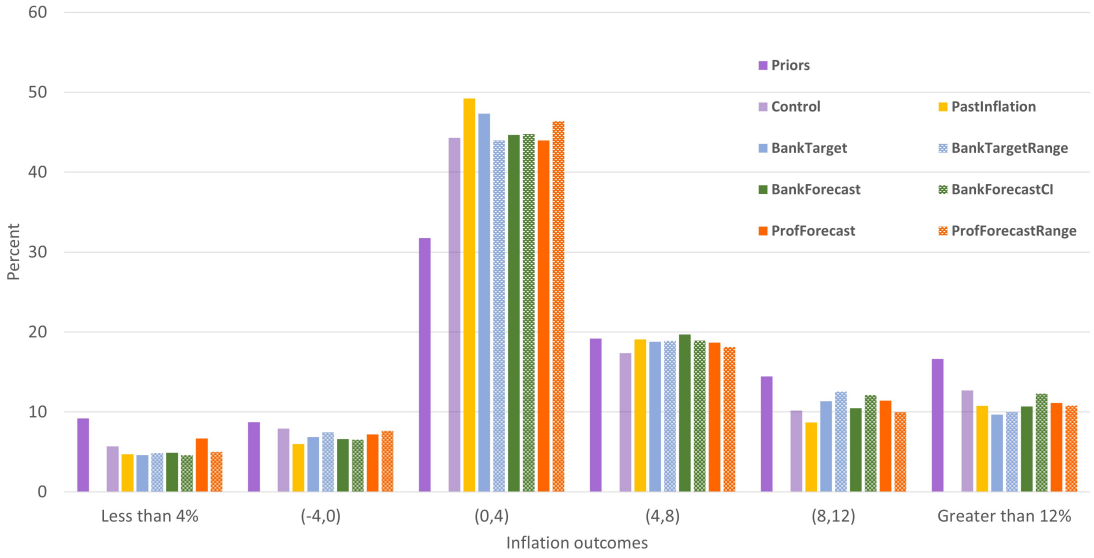


Figure 3: Proportions of participants who reported being aware of the intervention information

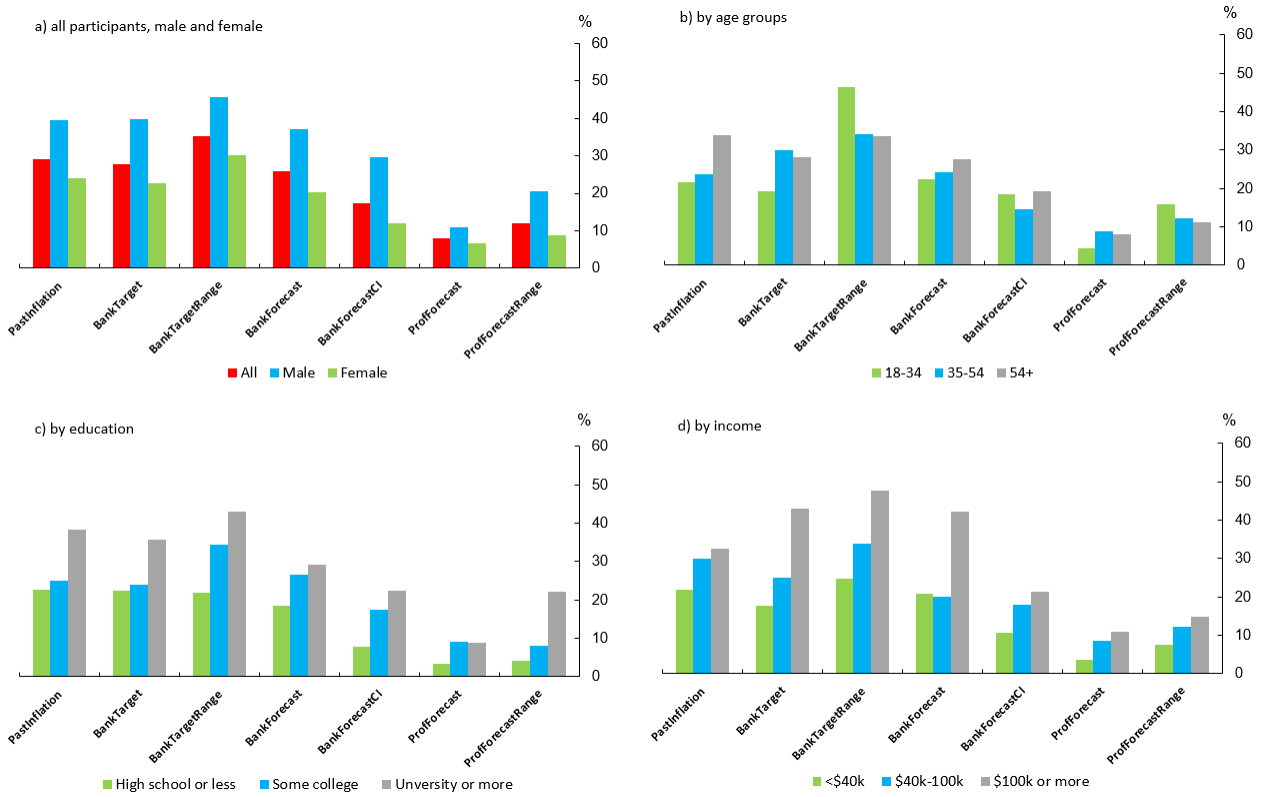


Figure 4: Communication of ranges and uncertainty

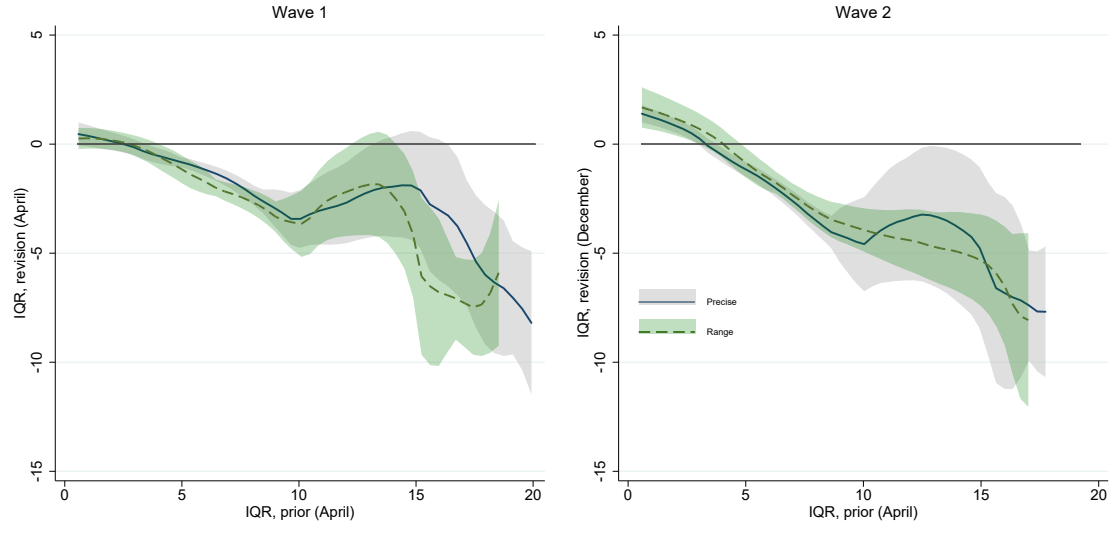


Table 1: Summary of information interventions

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 2: Summary statistics about demographic composition

	PastInflation	BankTarget	BankTarget Range	BankForecast	BankForecast CI	ProfForecast	ProfForecast Range	Control	Wave 2 only
Age	55.18	54.23	53.54	55.21	53.00	53.83	53.99	55.02	51.48
	(14.14)	(14.29)	(14.65)	(13.82)	(14.56)	(14.59)	(13.60)	(14.02)	(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 3: 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	
	$E_i\text{iqr}_{1yr}^{prior}$	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	
	$\text{E}_i\text{Bank target}^{prior}$	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	
	$\text{E}_i\text{Bank forecast}^{prior}$	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	
	$E_i\text{iqr}_{1yr}^{post}$	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
	$E_i\text{iqr}_{1yr}^{Wave2}$	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
	$\text{E}_i\text{Bank target}^{Wave2}$	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
	$\text{E}_i\text{Bank forecast}^{Wave2}$	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 4: Estimation results for the priors about one-year inflation expectations

	$E_i\pi_{1yr}^{prior}$		$E_i\pi_{1yr}^{mean,prior}$		$E_i\pi_{1yr}^{median,prior}$		$E_i\text{iqr}_{1yr}^{prior}$		$E_i\text{prob}_{1yr}^{target,prior}$	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
PastInflation	0.015	0.276	0.230	0.219	0.204	0.229	-0.152	-0.130	1.064	0.345
	(0.24)	(0.25)	(0.23)	(0.23)	(0.23)	(0.22)	(0.17)	(0.18)	(1.44)	(1.37)
BankTarget	0.313	0.459*	0.257	0.286	0.197	0.266	0.094	0.132	-0.379	-1.131
	(0.25)	(0.26)	(0.23)	(0.23)	(0.23)	(0.23)	(0.18)	(0.18)	(1.44)	(1.37)
BankTargetRange	0.057	0.429*	0.382	0.464**	0.296	0.402*	0.143	0.199	-1.799	-2.840**
	(0.25)	(0.26)	(0.24)	(0.23)	(0.23)	(0.23)	(0.18)	(0.18)	(1.41)	(1.35)
BankForecast	0.716***	0.889***	0.411*	0.421*	0.340	0.376	0.347*	0.381**	-0.637	-1.516
	(0.25)	(0.26)	(0.23)	(0.23)	(0.23)	(0.23)	(0.18)	(0.18)	(1.43)	(1.37)
BankForecastCI	0.385	0.664**	0.563**	0.616***	0.534**	0.637***	0.171	0.192	0.431	-0.560
	(0.25)	(0.26)	(0.24)	(0.23)	(0.23)	(0.23)	(0.18)	(0.18)	(1.44)	(1.37)
ProfForecast	0.584**	0.642**	0.275	0.281	0.253	0.276	0.210	0.259	-1.290	-2.146
	(0.25)	(0.26)	(0.23)	(0.23)	(0.23)	(0.23)	(0.18)	(0.19)	(1.43)	(1.37)
ProfForecastRange	0.132	0.291	0.502**	0.480**	0.461**	0.484**	0.377**	0.385**	-0.810	-1.826
	(0.25)	(0.26)	(0.23)	(0.23)	(0.23)	(0.23)	(0.18)	(0.18)	(1.42)	(1.34)
young		-0.549**		-0.657***		-0.695***		0.187		1.395
		(0.24)		(0.21)		(0.21)		(0.16)		(1.19)
senior		0.403***		0.293**		0.261**		-0.253**		0.042
		(0.15)		(0.13)		(0.13)		(0.10)		(0.75)
female		1.736***		1.294***		1.271***		0.558***		-7.727***
		(0.13)		(0.12)		(0.12)		(0.10)		(0.80)
some college		-1.226***		-0.121		-0.133		-0.932***		4.649***
		(0.20)		(0.17)		(0.17)		(0.15)		(0.84)
university		-1.981***		-0.557***		-0.631***		-1.172***		9.909***
		(0.21)		(0.19)		(0.18)		(0.16)		(0.99)
$40K-$100K		-1.370***		-0.735***		-0.824***		-0.578***		5.223***
		(0.19)		(0.16)		(0.16)		(0.14)		(0.84)
$100K+		-2.004***		-1.049***		-1.133***		-0.938***		8.681***
		(0.22)		(0.19)		(0.19)		(0.16)		(1.09)
married		0.495***		0.174		0.219		0.174		-0.822
		(0.16)		(0.14)		(0.14)		(0.12)		(0.83)
children		0.018		-0.312*		-0.323**		0.203		-0.176
		(0.18)		(0.16)		(0.16)		(0.14)		(0.94)
QC		-0.603		-0.825***		-0.857***		-0.039		0.897
		(0.37)		(0.31)		(0.31)		(0.26)		(1.92)
ON		-0.873***		-0.767***		-0.845***		-0.008		0.310
		(0.25)		(0.22)		(0.22)		(0.18)		(1.17)
SK and MB		-0.963***		-0.594**		-0.650**		0.228		0.380
		(0.31)		(0.27)		(0.27)		(0.22)		(1.45)
AB		0.104		-0.059		-0.149		0.182		-4.432***
		(0.30)		(0.26)		(0.26)		(0.21)		(1.36)
BC		-0.986***		-0.509**		-0.620**		-0.508**		0.681
		(0.29)		(0.25)		(0.25)		(0.20)		(1.43)
$D^{\text{know inflation well}}$		0.802***		0.721***		0.737***		-0.252**		-0.056
		(0.17)		(0.15)		(0.15)		(0.13)		(0.81)
$D^{\text{easy to express inflation}}$		-0.664***		-0.317**		-0.351***		-0.600***		1.980**
		(0.15)		(0.13)		(0.13)		(0.11)		(0.80)
constant	5.164***	6.255***	4.547***	4.650***	4.501***	4.747***	4.017***	5.311***	28.207***	25.797***
	(0.17)	(0.52)	(0.17)	(0.44)	(0.16)	(0.43)	(0.13)	(0.37)	(1.02)	(2.63)
N	4687	4703	5003	4973	5020	4995	4839	4825	5088	5055
r2	0.00267	0.0896	0.00139	0.0467	0.00126	0.0501	0.00211	0.0555	0.000978	0.0692

Notes: This table presents estimation results for equation (1). Regressions with demographic variables also control for the language of the survey (English or French). 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: Estimation results for revisions in one-year expectations

	$E_i\pi_{1yr}^{post}$ (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)	$E_i\text{iqr}_{1yr}^{post}$ (7)	$E_i\text{iqr}_{1yr}^{Wave2}$ (8)	$E_i\text{prob}_{1yr}^{target,post}$ (9)	$E_i\text{prob}_{1yr}^{target,Wave2}$ (10)
Panel A										
PastInflation	-0.241***	-0.178	-0.369***	-0.067	-0.288***	-0.210	-0.269***	-0.221	2.755***	3.414*
	(0.05)	(0.23)	(0.07)	(0.24)	(0.07)	(0.23)	(0.05)	(0.17)	(0.50)	(1.80)
BankTarget	-0.218***	-0.037	-0.304***	-0.111	-0.202***	-0.071	-0.213***	-0.231	2.227***	0.976
	(0.05)	(0.24)	(0.07)	(0.24)	(0.07)	(0.23)	(0.05)	(0.18)	(0.48)	(1.80)
BankTargetRange	-0.328***	-0.124	-0.500***	-0.466**	-0.430***	-0.503**	-0.249***	-0.290	2.885***	1.042
	(0.05)	(0.23)	(0.08)	(0.24)	(0.07)	(0.23)	(0.05)	(0.18)	(0.49)	(1.76)
BankForecast	-0.469***	-0.564**	-0.529***	-0.488**	-0.480***	-0.532**	-0.369***	-0.402**	3.988***	1.811
	(0.05)	(0.24)	(0.08)	(0.24)	(0.07)	(0.23)	(0.05)	(0.18)	(0.53)	(1.77)
BankForecastCI	-0.571***	-0.237	-0.587***	-0.137	-0.488***	-0.248	-0.455***	0.051	6.103***	-1.145
	(0.06)	(0.23)	(0.08)	(0.24)	(0.07)	(0.23)	(0.05)	(0.17)	(0.56)	(1.76)
ProfForecast	-0.732***	-0.654***	-0.726***	-0.309	-0.716***	-0.438*	-0.489***	-0.112	4.637***	2.099
	(0.06)	(0.24)	(0.08)	(0.24)	(0.08)	(0.24)	(0.05)	(0.17)	(0.56)	(1.78)
ProfForecastRange	-0.794***	0.023	-0.712***	-0.536**	-0.674***	-0.539**	-0.477***	-0.464***	6.296***	4.023**
	(0.06)	(0.23)	(0.08)	(0.24)	(0.07)	(0.23)	(0.06)	(0.18)	(0.59)	(1.78)
young	0.080	-0.386	0.092	0.426*	-0.012	0.324	-0.025	0.101	-0.002	-6.905***
	(0.06)	(0.25)	(0.08)	(0.25)	(0.07)	(0.25)	(0.05)	(0.19)	(0.55)	(1.76)
senior	0.068**	-0.496***	0.016	-0.213	-0.017	-0.135	-0.004	-0.209**	-0.407	0.250
	(0.03)	(0.14)	(0.05)	(0.14)	(0.04)	(0.13)	(0.03)	(0.10)	(0.33)	(0.99)
female	-0.165***	-0.459***	-0.199***	-0.184	-0.201***	-0.169	-0.055*	-0.307***	1.442***	-0.426
	(0.03)	(0.13)	(0.05)	(0.13)	(0.04)	(0.13)	(0.03)	(0.09)	(0.31)	(0.97)
some college	0.088**	-0.018	0.060	0.043	0.023	0.062	0.063	0.391***	0.166	0.426
	(0.04)	(0.18)	(0.06)	(0.18)	(0.06)	(0.17)	(0.04)	(0.14)	(0.40)	(1.21)
university	0.073	-0.007	0.035	0.086	0.042	0.077	0.032	0.228	0.848*	6.317***
	(0.05)	(0.19)	(0.07)	(0.19)	(0.06)	(0.18)	(0.05)	(0.15)	(0.45)	(1.36)
$40K–$100K	-0.032	0.478***	0.031	0.327**	0.063	0.243	-0.045	-0.020	1.410***	3.036***
	(0.04)	(0.16)	(0.06)	(0.16)	(0.06)	(0.16)	(0.04)	(0.12)	(0.38)	(1.13)
$100K+	-0.024	0.301	0.105	0.141	0.134**	0.011	-0.057	0.174	1.559***	2.813**
	(0.05)	(0.19)	(0.07)	(0.19)	(0.07)	(0.19)	(0.05)	(0.14)	(0.47)	(1.41)
$D^{\text{know inflation well}}$	0.019	-0.119	-0.013	-0.007	0.003	0.107	0.002	-0.342***	-0.094	-0.389
	(0.04)	(0.16)	(0.06)	(0.16)	(0.05)	(0.15)	(0.04)	(0.12)	(0.38)	(1.13)
$D^{\text{easy to express inflation}}$	0.098***	0.311**	0.203***	-0.010	0.155***	-0.008	0.153***	0.228**	-0.488	2.158**
	(0.03)	(0.14)	(0.05)	(0.14)	(0.05)	(0.14)	(0.03)	(0.10)	(0.33)	(1.03)
_cons	-0.198*	-0.883*	0.079	-0.987**	-0.112	-0.859*	-0.059	-0.684*	-0.036	7.684**
	(0.11)	(0.47)	(0.17)	(0.48)	(0.15)	(0.47)	(0.11)	(0.35)	(1.10)	(3.49)
N	3842	3095	4529	3281	4486	3297	4211	3110	4337	3432
r2	0.0684	0.0233	0.0296	0.0109	0.0309	0.00992	0.0304	0.0181	0.0461	0.0247
Panel B										
Range, all	-0.059	0.291**	-0.094	-0.089	-0.085	-0.086	-0.040	0.005	1.753***	-0.317
	(0.05)	(0.14)	(0.06)	(0.14)	(0.05)	(0.14)	(0.04)	(0.10)	(0.41)	(1.01)
constant	-0.902***	-0.816	-0.448**	-0.994*	-0.648***	-0.976*	-0.547***	-0.665*	4.373***	9.963***
	(0.18)	(0.55)	(0.22)	(0.54)	(0.21)	(0.51)	(0.14)	(0.38)	(1.52)	(3.66)
N	3025	2329	3473	2459	3453	2467	3194	2329	3321	2569
R^2	0.0255	0.0244	0.0163	0.00918	0.0163	0.00680	0.0111	0.0121	0.0310	0.0214
Range, BankTarget	-0.102*	-0.021	-0.172**	-0.397	-0.194***	-0.488**	-0.016	-0.039	0.489	0.174
	(0.06)	(0.26)	(0.08)	(0.25)	(0.07)	(0.24)	(0.05)	(0.19)	(0.47)	(1.82)
constant	-0.283	0.894	-0.041	0.328	-0.007	0.344	-0.420**	-0.307	3.112*	1.751
	(0.22)	(0.93)	(0.30)	(0.93)	(0.28)	(0.91)	(0.17)	(0.65)	(1.62)	(7.08)
N	968	773	1117	828	1096	832	1026	791	1043	863
R^2	0.0222	0.0545	0.0270	0.0426	0.0335	0.0457	0.0133	0.0455	0.0398	0.0425
Range, BankForecast	-0.097	0.423*	-0.068	0.291	-0.056	0.278	-0.089	0.436**	2.848***	-3.858**
	(0.09)	(0.25)	(0.10)	(0.25)	(0.10)	(0.24)	(0.06)	(0.20)	(0.84)	(1.69)
constant	-1.280***	-1.333	-1.209***	-2.266**	-1.604***	-1.970**	-0.549**	-1.299*	11.428***	9.779
	(0.38)	(0.91)	(0.42)	(0.96)	(0.38)	(0.88)	(0.27)	(0.72)	(3.36)	(6.11)
N	1016	780	1170	819	1173	812	1066	775	1173	857
R^2	0.0385	0.0331	0.0354	0.0214	0.0417	0.0219	0.0202	0.0365	0.0478	0.0449
Range,ProfForecast	0.030	0.646**	-0.007	-0.125	0.018	0.008	0.050	-0.299*	3.419***	1.292
	(0.10)	(0.25)	(0.11)	(0.24)	(0.11)	(0.24)	(0.08)	(0.18)	(1.29)	(1.81)
constant	-1.902***	-2.111**	-0.263	-1.313	-0.505	-1.578*	-0.419	-0.548	2.519	16.427***
	(0.38)	(0.95)	(0.40)	(0.87)	(0.40)	(0.87)	(0.29)	(0.64)	(4.47)	(5.64)
N	1037	763	1162	812	1166	821	1108	769	1248	849
R^2	0.0635	0.0489	0.0320	0.0365	0.0285	0.0293	0.0507	0.0246	0.0679	0.0608

Notes: This table presents the estimation results for equation (2) in Panel A and for equation (3) in Panel B. 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 6: 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)
$D^{\text{Know PastInflation}}$	0.212***	-0.070												
	(0.07)	(0.08)												
$D^{\text{Know BankTarget}}$			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)								
$D^{\text{Know BankTargetRange}}$					0.058	-0.358***								
					(0.11)	(0.13)								
$D^{\text{Know BankForecast}}$							0.494***	-0.939***						
							(0.13)	(0.23)						
$\text{gap}^{forecast}$							0.008	0.025	-0.040*	0.059***				
							(0.01)	(0.02)	(0.02)	(0.02)				
$D^{\text{Know BankForecastCI}}$									0.088	-0.570***				
									(0.17)	(0.19)				
$D^{\text{Know ProfForecast}}$											0.051	-0.115		
											(0.26)	(0.27)		
$D^{\text{Know ProfForecastRange}}$													0.442**	-0.690***
													(0.22)	(0.24)
young	0.219*	0.046	-0.097	0.051	0.094	-0.125	0.227	-0.435	0.028	0.306	-0.475*	0.188	0.206	0.369
	(0.12)	(0.16)	(0.09)	(0.13)	(0.17)	(0.20)	(0.24)	(0.39)	(0.27)	(0.29)	(0.26)	(0.28)	(0.34)	(0.38)
senior	0.337***	-0.089	0.040	-0.134*	-0.333***	0.039	-0.031	0.225	-0.192	-0.139	-0.008	-0.098	0.194	-0.350*
	(0.07)	(0.08)	(0.06)	(0.08)	(0.12)	(0.15)	(0.14)	(0.24)	(0.19)	(0.21)	(0.17)	(0.18)	(0.18)	(0.20)
female	-0.058	0.105	-0.082	-0.011	-0.117	0.227*	-0.141	0.509**	-0.344**	0.253	-0.379**	0.267	-0.716***	1.004***
	(0.07)	(0.07)	(0.05)	(0.07)	(0.11)	(0.13)	(0.14)	(0.21)	(0.16)	(0.19)	(0.16)	(0.17)	(0.17)	(0.18)
some college	0.012	0.186*	0.088	-0.098	0.338*	-0.238	0.448**	-0.907***	0.091	0.177	0.856***	-0.628**	-0.070	0.014
	(0.08)	(0.10)	(0.07)	(0.11)	(0.18)	(0.22)	(0.18)	(0.32)	(0.24)	(0.26)	(0.24)	(0.25)	(0.25)	(0.29)
university	-0.080	0.146	0.261***	-0.070	0.136	-0.402*	0.157	-0.415	-0.182	0.098	1.027***	-0.810***	0.100	-0.231
	(0.10)	(0.11)	(0.08)	(0.12)	(0.19)	(0.23)	(0.20)	(0.34)	(0.26)	(0.28)	(0.25)	(0.27)	(0.27)	(0.30)
$40K-$100K	-0.007	-0.177*	-0.114	0.073	0.336**	-0.182	0.086	-0.017	0.240	0.064	-0.152	0.108	0.230	-0.630**
	(0.09)	(0.10)	(0.07)	(0.10)	(0.16)	(0.20)	(0.18)	(0.29)	(0.22)	(0.24)	(0.21)	(0.23)	(0.26)	(0.29)
$100K+	-0.021	-0.040	-0.189**	0.100	0.059	-0.029	0.081	0.033	0.165	0.128	0.113	-0.011	0.315	-0.420
	(0.11)	(0.13)	(0.09)	(0.12)	(0.19)	(0.23)	(0.20)	(0.35)	(0.25)	(0.28)	(0.25)	(0.28)	(0.29)	(0.33)
$D^{\text{know inflation well}}$	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)
$D^{\text{easy to express inflation}}$	-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
r2	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 absolution 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 7: Role of prior uncertainty on impact of communicating with ranges

	T=All		T=BankTarget		T=BankForecast		T=ProfForecast	
	$E_i iqr_{1yr}^{post}$	$E_i iqr_{1yr}^{Wave2}$	$E_i iqr_{1yr}^{post}$	$E_i iqr_{1yr}^{Wave2}$	$E_i iqr_{1yr}^{post}$	$E_i iqr_{1yr}^{Wave2}$	$E_i iqr_{1yr}^{post}$	$E_i iqr_{1yr}^{Wave2}$
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
$E_i iqr_{1yr}^{prior}$	0.925***	0.0492***	0.931***	0.00303	0.948***	0.0156**	0.908***	0.0542***
	(0.00780)	(0.00990)	(0.0104)	(0.00432)	(0.0133)	(0.00704)	(0.0165)	(0.0180)
$Range_i^T$	-0.0142	0.0360	-0.0496	-0.293**	0.369***	0.255**	0.0704	-0.0680
	(0.0467)	(0.0752)	(0.0607)	(0.119)	(0.0847)	(0.116)	(0.112)	(0.132)
$Range_i^T \times E_i iqr_{1yr}^{prior}$	-0.0201**	-0.0149	-0.00354	0.0403**	-0.238***	-0.0169**	-0.0337	-0.00970
	(0.00908)	(0.0120)	(0.0119)	(0.0164)	(0.0224)	(0.00798)	(0.0255)	(0.0227)
Constant	-0.155	1.877***	-0.259	2.259***	-0.423	1.894***	0.122	1.769***
	(0.160)	(0.227)	(0.202)	(0.379)	(0.312)	(0.441)	(0.338)	(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 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. 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
midpoint, prior	0	10.4	10.4	10.9	11.6	0	0
midpoint, posterior	0.3	22.7	23.1	35.7	36.8	14.7	8.2
midpoint, Wave 2	0.2	17.4	18.7	15.8	19.7	0	0
midpoint (0.5), prior	10	10.9	10.6	11.5	11.8	11.8	10.1
midpoint (0.5), posterior	18.6	23.3	23.3	36.2	38.2	42.4	41.8
midpoint (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	$\mathbb{1}_{i,t}^{midpoint,post}$				$\mathbb{1}_{i,t}^{inrange,post}$			
	T=All	T=BankTarget	T=BankForecast	T=ProfForecast	T=All	T=BankTarget	T=BankForecast	T=ProfForecast
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
all observations								
$Range_i^T$	-0.0168	0.00145	0.0134	-0.0585***	0.0255	0.0183	0.0464*	0.0177
	(0.0139)	(0.0239)	(0.0274)	(0.0172)	(0.0162)	(0.0283)	(0.0279)	(0.0285)
Observations	3,771	1,252	1,264	1,255	3,771	1,252	1,264	1,255
Pseudo R^2	0.0147	0.0176	0.0216	0.0712	0.0170	0.0230	0.0216	0.0257
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
prior outside range								
$Range_i^T$	-0.0119	0.00813	0.0187	-0.0495***	0.0383**	0.0530*	0.0486*	0.0204
	(0.0139)	(0.0231)	(0.0278)	(0.0179)	(0.0169)	(0.0290)	(0.0286)	(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	$\mathbb{1}_{i,t}^{midpoint,Wave2}$				$\mathbb{1}_{i,t}^{inrange,Wave2}$			
	T=All	T=BankTarget	T=BankForecast	T=ProfForecast	T=All	T=BankTarget	T=BankForecast	T=ProfForecast
	(17)	(18)	(19)		(20)	(21)	(22)	(23)
all observations								
$Range_i^T$	0.0176	0.0138	0.0395		0.00583	-0.0445	0.0410	0.0240
	(0.0128)	(0.0262)	(0.0263)		(0.0179)	(0.0344)	(0.0282)	(0.0278)
Observations	2,567	865	856		2,567	865	856	846
Pseudo R2	0.0127	0.0217	0.0157		0.0246	0.0379	0.0260	0.0538
	(24)	(25)	(26)		(27)	(28)	(29)	(30)
prior outside range								
$Range_i^T$	0.0197	0.0215	0.0396		0.0177	-0.0387	0.0427	0.0409
	(0.0120)	(0.0261)	(0.0253)		(0.0179)	(0.0376)	(0.0274)	(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 (5). 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 $\mathbb{1}^{midpoint}{}_{i,t}$ for $T = ProfForecast$ were not performed in Wave 2 because nobody forecast inflation equal to the mean professional forecast (Table 8).

Table 10: Estimation results of the link between the level of inflation expectations and uncertainty

PANEL A	$E_i\pi_{1yr}^{prior}$ (1)	$E_i\pi_{1yr}^{post}$ (2)	$E_i\pi_{1yr}^{Wave2}$ (3)
E_iiqr^{prior}	0.399***		
	(0.0148)		
E_iiqr^{post}		0.339***	
		(0.0191)	
E_iiqr^{Wave2}			0.251***
			(0.0141)
PastInflation	0.250	-0.464***	0.209
	(0.232)	(0.148)	(0.147)
BankTarget	0.421*	0.433***	-0.296*
	(0.235)	(0.143)	(0.161)
BankTargetRange	0.315	-0.337**	0.217
	(0.241)	(0.155)	(0.146)
BankForecast	0.664***	-0.101	0.0646
	(0.237)	(0.149)	(0.146)
BankForecastCI	0.581**	-0.259*	0.477***
	(0.242)	(0.133)	(0.146)
ProfForecast	0.466**	-0.317**	0.262*
	(0.237)	(0.132)	(0.149)
ProfForecastRange	0.140	-0.491***	0.0592
	(0.240)	(0.130)	(0.159)
PastInflation × E_iiqr^{post} (or E_iiqr^{Wave2} in (3))		-0.0212	-0.0730**
		(0.0294)	(0.0285)
BankTarget × E_iiqr^{post} (or E_iiqr^{Wave2} in (3))		-0.311***	0.223***
		(0.0204)	(0.0377)
BankTargetRange × E_iiqr^{post} (or E_iiqr^{Wave2} in (3))		-0.0917***	-0.0368**
		(0.0319)	(0.0143)
BankForecast × E_iiqr^{post} (or E_iiqr^{Wave2} in (3))		-0.274***	0.0873***
		(0.0290)	(0.0148)
BankForecastCI × E_iiqr^{post} (or E_iiqr^{Wave2} in (3))		-0.299***	-0.156***
		(0.0199)	(0.0144)
ProfForecast × E_iiqr^{post} (or E_iiqr^{Wave2} in (3))		-0.344***	-0.0813***
		(0.0193)	(0.0237)
ProfForecastRange × E_iiqr^{post} (or E_iiqr^{Wave2} in (3))		-0.340***	0.0454
		(0.0191)	(0.0330)
Constant	3.610***	2.524***	3.053***
	(0.467)	(0.220)	(0.285)
N	4,617	4,413	3,040
R^2	0.258	0.249	0.551

PANEL B	$E_i\pi_{1yr}^{post}$				$E_i\pi_{1yr}^{Wave2}$			
	T=All (4)	T=BankTarget (5)	T=BankForecast (6)	T=ProfForecast (7)	T=All (8)	T=BankTarget (9)	T=BankForecast (10)	T=ProfForecast (11)
E_iiqr^{post}	0.0400***	0.0283***	0.0374***	-0.00385*				
	(0.00723)	(0.00710)	(0.0120)	(0.00199)				
E_iiqr^{Wave2}					0.339***	0.466***	0.338***	0.165***
					(0.00565)	(0.0357)	(0.00485)	(0.0225)
$Range_i^T$	-0.189***	-0.329**	-0.244***	-0.140*	0.254***	0.694***	0.474***	-0.257
	(0.0607)	(0.150)	(0.0879)	(0.0737)	(0.0842)	(0.190)	(0.155)	(0.176)
$Range_i^T$ × E_iiqr^{Wave2}	0.00897	0.0662***	0.000131	0.00754	-0.126***	-0.324***	-0.244***	0.128***
	(0.00969)	(0.0249)	(0.0130)	(0.0104)	(0.00738)	(0.0525)	(0.00609)	(0.0383)
Constant	2.482***	2.677***	2.738***	2.351***	3.330***	3.541***	3.321***	3.578***
	(0.191)	(0.480)	(0.268)	(0.244)	(0.320)	(0.576)	(0.563)	(0.558)
N	3,352	1,123	1,104	1,034	2,288	777	766	748
R^2	0.083	0.121	0.108	0.091	0.554	0.298	0.665	0.303

Notes: This table presents the estimation results for equation (6) in column (1) and for equation (7) in the rest of columns. 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 11: Estimation results for nominal spending.

	$E_i\pi_{1yr}^{post}$				$E_i\pi_{1yr}^{Wave2}$			
	T=All	T=BankTarget	T=BankForecast	T=ProfForecast	T=All	T=BankTarget	T=BankForecast	T=ProfForecast
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
$E_i\pi_{1yr}^{posterior}$	0.320***	0.594***	-0.0610	0.684***				
	(0.0467)	(0.0717)	(0.0697)	(0.0681)				
$Range^T$	0.940**	3.121***	-0.575	1.160**	-0.0607	0.530	0.00690	-0.302
	(0.398)	(0.682)	(0.734)	(0.578)	(0.388)	(0.686)	(0.706)	(0.714)
$Range^T \times E_i\pi_{1yr}^{posterior}$	-0.184***	-0.527***	0.318***	-0.504***				
	(0.0619)	(0.0984)	(0.112)	(0.0872)				
$E_i\pi_{1yr}^{Wave2}$					0.344***	0.292***	0.490***	0.204***
					(0.0295)	(0.0314)	(0.0698)	(0.0679)
$Range^T \times E_i\pi_{1yr}^{Wave2}$					0.0406	-0.0271	0.0459	0.0653
					(0.0480)	(0.0862)	(0.0929)	(0.0847)
Constant	3.465***	-0.910	7.153***	3.344*	2.706**	-0.0180	5.207**	3.324
	(1.242)	(2.021)	(2.493)	(1.856)	(1.190)	(2.053)	(2.132)	(2.149)
Observations	3,633	1,202	1,231	1,169	2,423	821	806	798
R-squared	0.051	0.103	0.044	0.145	0.114	0.096	0.194	0.086

Notes: This table presents the estimation results for equation (11) in terms of revisions. 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.

A Survey questions

One-year-ahead inflation expectations are based on the following questions:

Part 1. Over the next 12 months, do you think that there will be inflation or deflation? (Note: deflation is the opposite of inflation.)
Please choose one.

- Inflation
- Deflation (the opposite of inflation)

Part 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 ___ percent.

One-year-ahead density inflation expectations are based on the following question:

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

Expectations for nominal spending growth in the next one year are based on the following questions:
Now think about your total household spending, including groceries, clothing, personal care, housing (such as rent, mortgage payments, utilities, maintenance, home

improvements), transportation, recreation and entertainment, education, and any large items (such as home appliances, electronics, furniture or car payments).

Over the next 12 months , what do you expect will happen to the total spending of all members of your household (including you)?
Please choose one.
Over the next 12 months , I expect my total household spending to

- increase by 0 percent or more
- decrease by 0 percent or more

By about what percent do you expect your total household spending to [increase/decrease]?
Please give your best guess. Please enter a number greater than 0 or equal to 0.

Over the next 12 months, I expect my total household spending to [increase/ decrease] by ___ percent.

Information interventions were presented in the following way.

T1- Past inflation
On average during the last year, January 2019 to January 2020, yearly inflation in Canada was 1.9%. Did you know this?

- Yes
- No

T2 - BankTarget
The Bank of Canada's inflation target is 2%. Did you know this?

- Yes
- No

T3 - BankTargetRange
The Bank of Canada's inflation target is 2% with a range between 1% and 3%. Did you know this?

- Yes
- No

T4 - BankForecast
According to the Bank of Canada, inflation is forecast to be around 2% over the next year. Did you know this?

- Yes
- No

T5- BankForecastCI
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%. Did you know this?

- Yes
- No

T6 - ProfForecast
According to Canadian professional forecasters, inflation is forecast to be 1.7% over the next year. Did you know this?

- Yes
- No

T7 - ProfForecastRange
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%. Did you know this?

- Yes
- No

B Probabilistic forecasts of inflation

In this section we present additional results for probabilistic forecasts. Table B2 presents estimates of treatment effects on the revisions in the probability distributions for one-year-ahead expectations in Wave 1 (Panel A) and Wave 2 (Panel B). Broadly, all of the treatments shrink the tails of participants' probability distributions and shifted them to the center toward the ranges close to the provided information (0 to 4%). The effects are relatively more pronounced in treatments with information about the Bank's target and inflation forecasts than in treatments with past inflation and forecasts by professional forecasters. The largest impacts of information occur in the right tail of the distributions as priors of inflation

expectations are heavily skewed to the right (Figure 2). These figures illustrate that the treatment information shifts cumulative distribution functions to the center in Wave 1.

Treatment information reduces the probabilities assigned to ranges 4 to 8%, 8 to 12% and above 12%. On average, the impact on the right tail ranges from about -3 percentage points in PastInflation to -7 percentage points in ProfForecastRange. All treatments increase the probabilities assigned to the ranges 0 to 2% and 2 to 4%, ranging from 3 pp in ProfForecast to 12 pp in BankForecastCI for some of these ranges. The combined impact on the range 0 to 4%, containing the inflation-target-control range, is between 2 pp in BankTarget to 6 pp in ProfForecastRange (Table B2). Thus, all of the information treatments are successful in anchoring inflation expectations to the inflation target range. Interestingly, the most effective treatments are those with information about inflation forecasts by the Bank of Canada and professional forecasters, and not information about the inflation target!

The information treatments also reduce the probabilities assigned to the deflationary outcomes, although the left tail of the prior distribution is very thin to begin with. The impact of treatments ranges from -2.4 pp in PastInflation to 3.4pp in ProfForecastRange in the intervals -12 to -8%, -8 to -4% and -4 to -2%. The lowest interval, below -12%, was not affected by the information treatments.

Some of the impact of the information treatments on the probability distributions persist six months later in Wave 2 (Panel B of Table B2 and Figure 2), although these effects are more sparse and less statistically significant. For instance, PastInflation still reduces participants' probabilities in range -2% to 0, and the BankTarget and BankForecast reduce the probabilities they assign to -12 to -8%. The BankTargetRange reduces the probabilities assigned to the top range of above 12%. In all cases, the significance level drops to 10% or is statistically insignificant.

Table B1: Estimation results for the priors about the probability distribution for expected inflation

	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	-0.527	-0.482	-0.424	-0.358	0.386	0.593	-0.402	1.536	-1.07	0.503
	(0.49)	(0.4)	(0.36)	(0.43)	(0.61)	(1.04)	(1.29)	(1.24)	(1.08)	(1.44)
BankTarget	-0.495	-0.02	0.043	0.235	-0.491	0.414	-0.765	0.109	0.636	0.372
	(0.49)	(0.41)	(0.36)	(0.43)	(0.61)	(1.05)	(1.29)	(1.24)	(1.08)	(1.44)
BankTargetRange	-0.572	-0.155	-0.285	0.112	-0.576	-0.181	-1.513	0.671	0.821	1.295
	(0.49)	(0.4)	(0.36)	(0.43)	(0.61)	(1.04)	(1.29)	(1.24)	(1.08)	(1.44)
BankForecast	-0.215	0.342	-0.171	-0.634	-0.444	-0.099	-0.926	-0.235	0.975	1.017
	(0.49)	(0.4)	(0.36)	(0.43)	(0.61)	(1.04)	(1.29)	(1.24)	(1.08)	(1.43)
BankForecastCI	-0.729	-0.301	-0.403	-0.395	-0.389	0.636	-0.732	-1.262	1.204	2.413*
	(0.49)	(0.4)	(0.36)	(0.43)	(0.6)	(1.04)	(1.28)	(1.24)	(1.08)	(1.43)
ProfForecast	-0.295	-0.091	0.15	-0.243	-0.668	-0.231	-0.847	0.593	1.261	0.070
	(0.49)	(0.4)	(0.36)	(0.43)	(0.61)	(1.04)	(1.29)	(1.24)	(1.08)	(1.44)
ProfForecastRange	-0.558	-0.299	-0.185	0.035	-0.948	0.24	-0.966	0.113	0.727	1.480
	(0.49)	(0.41)	(0.36)	(0.43)	(0.61)	(1.05)	(1.29)	(1.24)	(1.08)	(1.44)
young	0.176	0.291	0.601*	0.603	1.754***	1.937**	-1.297	-2.158**	0.359	-2.365*
	(0.44)	(0.36)	(0.32)	(0.38)	(0.54)	(0.92)	(1.14)	(1.1)	(0.96)	(1.27)
senior	-0.049	-0.332	-0.488**	-0.528**	-1.031***	-0.791	0.911	1.860***	1.688***	-1.054
	(0.28)	(0.23)	(0.2)	(0.24)	(0.34)	(0.58)	(0.72)	(0.69)	(0.61)	(0.80)
female	-0.029	0.15	-0.071	-0.764***	-1.765***	-3.069***	-3.920***	-1.200*	3.144***	7.521***
	(0.28)	(0.23)	(0.2)	(0.24)	(0.34)	(0.58)	(0.72)	(0.69)	(0.6)	(0.80)
some college	-0.719**	-1.256***	-0.502**	-0.123	0.04	1.546**	3.344***	2.110**	0.002	-4.062***
	(0.35)	(0.28)	(0.25)	(0.3)	(0.42)	(0.73)	(0.9)	(0.87)	(0.76)	(1.01)
university+	-1.134***	-1.813***	-0.574**	-0.074	1.176**	3.701***	5.526***	2.401**	-1.901**	-6.713***
	(0.38)	(0.31)	(0.28)	(0.33)	(0.47)	(0.81)	(1)	(0.96)	(0.84)	(1.11)
$40K-$100k	-0.377	-0.066	0.027	0.158	0.713*	1.927***	2.960***	0.163	-0.919	-4.606***
	(0.33)	(0.27)	(0.24)	(0.29)	(0.4)	(0.7)	(0.86)	(0.83)	(0.72)	(0.96)
$100k+	-0.799**	-0.342	-0.018	0.278	0.782	3.596***	4.773***	1.134	-1.583*	-7.745***
	(0.4)	(0.33)	(0.3)	(0.35)	(0.49)	(0.85)	(1.05)	(1.01)	(0.88)	(1.17)
married	0.26	0.06	0.19	-0.144	-0.262	-0.253	-0.386	-1.159	0.32	1.300
	(0.31)	(0.25)	(0.23)	(0.27)	(0.38)	(0.65)	(0.8)	(0.77)	(0.67)	(0.89)
children	0.298	0.519*	0.488*	0.287	0.187	-0.258	0.167	-0.079	-0.667	-1.083
	(0.35)	(0.28)	(0.26)	(0.3)	(0.43)	(0.73)	(0.9)	(0.87)	(0.76)	(1.01)
$D^{\text{know inflation well}}$	-0.332	-0.641**	-0.930***	-0.331	-0.413	-0.647	0.607	-0.116	1.049	1.965**
	(0.31)	(0.25)	(0.23)	(0.27)	(0.38)	(0.65)	(0.81)	(0.78)	(0.68)	(0.90)
$D^{\text{easy to express inflation}}$	-0.354	-0.147	-0.103	-0.23	0.43	0.996	1.401*	1.577**	-1.870***	-1.625*
	(0.29)	(0.23)	(0.21)	(0.25)	(0.35)	(0.61)	(0.75)	(0.72)	(0.63)	(0.83)
constant	3.959***	3.913***	3.473***	3.692***	4.603***	10.311***	18.166***	17.681***	12.692***	20.736***
	(0.95)	(0.78)	(0.7)	(0.83)	(1.17)	(2.01)	(2.48)	(2.39)	(2.09)	(2.77)
N	5040	5040	5040	5040	5041	5040	5040	5042	5046	5050
R^2	0.00721	0.0158	0.0117	0.00883	0.0212	0.0255	0.0326	0.0132	0.0200	0.0499

Notes: This table presents the estimation results for equation (1). Regressions with demographic variables also control for province and language. Results are from OLS regressions. Robust standard errors are reported in parentheses. ***, **, and * represent statistical significance at the 1%, 5%, and 10% levels, respectively.

Table B2: Estimation results for the revisions in the probability distributions in Wave 1 and Wave 2

	below -12%	(-12,-8)	(-8,-4)	(-4,-2)	(-2,0)	(0,2)	(2,4)	(4,8)	(8,12)	Above 12%
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
PANEL A: posteriors, Wave 1										
PastInflation	-0.718	-1.098***	-0.671**	-0.668*	0.545	4.345***	5.588***	-0.709	-3.186***	-2.848**
	(0.44)	(0.33)	(0.33)	(0.41)	(0.66)	(1.46)	(1.58)	(1.26)	(0.98)	(1.29)
BankTarget	-0.137	-0.776**	-0.394	-0.584	-0.739	2.02	7.946***	-2.224*	-2.541***	-1.991
	(0.44)	(0.33)	(0.33)	(0.41)	(0.66)	(1.46)	(1.58)	(1.27)	(0.98)	(1.29)
BankTargetRange	-0.33	-1.252***	-0.486	-0.287	-0.839	2.914**	9.408***	-1.193	-3.851***	-3.974***
	(0.44)	(0.33)	(0.33)	(0.41)	(0.66)	(1.46)	(1.58)	(1.27)	(0.98)	(1.30)
BankForecast	-0.141	-0.649*	-0.674**	-1.079***	-0.959	5.158***	10.145***	-2.668**	-3.576***	-5.274***
	(0.44)	(0.33)	(0.33)	(0.41)	(0.66)	(1.46)	(1.58)	(1.26)	(0.98)	(1.29)
BankForecastCI	-0.651	-1.306***	-0.920***	-1.119***	-0.865	7.048***	12.307***	-5.044***	-3.859***	-4.856***
	(0.44)	(0.33)	(0.33)	(0.4)	(0.66)	(1.45)	(1.57)	(1.26)	(0.98)	(1.29)
ProfForecast	-0.355	-0.786**	-0.745**	-1.292***	-0.438	15.261***	3.310**	-5.203***	-4.534***	-4.977***
	(0.44)	(0.33)	(0.33)	(0.41)	(0.66)	(1.46)	(1.58)	(1.27)	(0.98)	(1.29)
ProfForecastRange	-0.551	-0.976***	-0.960***	-1.393***	-0.693	16.452***	6.682***	-6.158***	-5.603***	-6.704***
	(0.44)	(0.33)	(0.33)	(0.41)	(0.66)	(1.46)	(1.58)	(1.26)	(0.98)	(1.29)
constant	-0.417	-1.083	0.316	1.872**	0.924	2.074	-1.768	0.256	-0.761	-1.928
	(0.80)	(0.66)	(0.57)	(0.84)	(1.09)	(2.53)	(2.79)	(2.38)	(1.93)	(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	-0.072	0.119	-0.063	0.104	1.184	2.600***	-0.511	-0.960	-2.425***
	(0.23)	(0.20)	(0.18)	(0.27)	(0.34)	(0.83)	(0.88)	(0.73)	(0.59)	(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	-0.301	0.290	0.563	-0.052	1.573	2.267	0.353	-1.446	-3.098***
	(0.43)	(0.34)	(0.34)	(0.56)	(0.63)	(1.15)	(1.48)	(1.23)	(0.98)	(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	0.078	0.053	-0.215	0.130	1.032	1.908	-1.563	-0.665	-0.864
	(0.38)	(0.38)	(0.31)	(0.45)	(0.55)	(1.22)	(1.54)	(1.25)	(1.07)	(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	0.048	0.077	-0.421	0.156	0.657	3.727**	-0.496	-0.670	-3.146***
	(0.41)	(0.30)	(0.28)	(0.38)	(0.59)	(1.75)	(1.54)	(1.31)	(1.06)	(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
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
PANEL B: posteriors, Wave 2										
PastInflation	0.376	-0.354	-0.404	-0.097	-1.998**	1.837	3.436	-0.266	-0.323	-1.256
	(0.65)	(0.55)	(0.53)	(0.70)	(1.02)	(1.86)	(2.22)	(2.07)	(1.64)	(1.88)
BankTarget	-0.224	-1.195**	0.063	0.505	-1.245	1.350	0.634	1.519	1.438	-2.261
	(0.65)	(0.55)	(0.53)	(0.70)	(1.03)	(1.87)	(2.24)	(2.08)	(1.65)	(1.90)
BankTargetRange	-0.017	-0.155	0.078	0.016	-0.031	1.525	-0.749	1.803	1.100	-3.566*
	(0.66)	(0.55)	(0.54)	(0.70)	(1.03)	(1.88)	(2.25)	(2.09)	(1.66)	(1.90)
BankForecast	-0.526	-0.952*	-0.014	0.810	-1.359	-0.163	1.769	2.751	-0.810	-2.032
	(0.65)	(0.55)	(0.53)	(0.70)	(1.02)	(1.87)	(2.23)	(2.08)	(1.65)	(1.89)
BankForecastCI	0.532	-0.278	0.251	0.515	-0.858	1.247	-0.807	1.923	0.292	-1.607
	(0.66)	(0.56)	(0.54)	(0.71)	(1.03)	(1.89)	(2.25)	(2.10)	(1.67)	(1.91)
ProfForecast	0.920	-0.357	0.477	0.278	0.171	1.048	0.329	1.555	-1.203	-2.167
	(0.66)	(0.56)	(0.54)	(0.71)	(1.03)	(1.88)	(2.25)	(2.09)	(1.66)	(1.91)
ProfForecastRange	-0.169	-0.119	0.047	0.291	0.020	2.730	0.410	-0.581	-0.717	-1.579
	(0.66)	(0.56)	(0.54)	(0.71)	(1.03)	(1.88)	(2.25)	(2.09)	(1.66)	(1.91)
constant	2.102*	0.492	-0.735	-0.771	0.121	3.600	4.131	-2.395	-3.349	-4.845
	(1.27)	(1.07)	(1.04)	(1.36)	(1.98)	(3.63)	(4.33)	(4.03)	(3.20)	(3.67)
N	3432	3432	3432	3432	3433	3432	3432	3434	3435	3437
R^2	0.0153	0.00726	0.00409	0.00469	0.00594	0.0118	0.00591	0.00781	0.00568	0.00987
Range, all	0.020	0.655**	-0.068	-0.241	0.539	1.041	-1.255	-0.878	0.450	-0.111
	(0.36)	(0.32)	(0.32)	(0.41)	(0.59)	(1.09)	(1.27)	(1.20)	(0.98)	(1.08)
N	2569	2569	2569	2569	2570	2569	2569	2570	2571	2572
R^2	0.0121	0.00708	0.00439	0.00548	0.00377	0.0126	0.00735	0.00790	0.00672	0.00955
Range, **Bank target**	0.304	1.095**	0.023	-0.222	1.320	0.200	-1.461	-0.285	-0.207	-1.353
	(0.68)	(0.52)	(0.54)	(0.79)	(1.05)	(1.94)	(2.20)	(2.14)	(1.70)	(1.80)
N	863	863	863	863	864	863	863	863	864	865
R^2	0.0313	0.0340	0.0130	0.0240	0.0154	0.0258	0.0212	0.0237	0.0107	0.0249
Range, **Bank forecast**	1.065*	0.742	0.205	-0.191	0.536	1.129	-2.498	-0.320	1.122	-0.057
	(0.57)	(0.63)	(0.58)	(0.64)	(1.02)	(1.83)	(2.24)	(2.08)	(1.72)	(1.96)
N	857	857	857	857	857	857	857	857	858	858
R^2	0.0265	0.0163	0.0143	0.0109	0.0136	0.0250	0.0194	0.0174	0.0249	0.0318
Range, **Prof Forecast**	-1.204**	0.198	-0.427	-0.026	-0.136	1.235	0.147	-2.375	0.690	1.214
	(0.61)	(0.51)	(0.57)	(0.72)	(1.00)	(1.91)	(2.24)	(2.07)	(1.71)	(1.90)
N	849	849	849	849	849	849	849	850	849	849
R^2	0.0338	0.00825	0.0230	0.0150	0.00990	0.0346	0.0191	0.0260	0.0171	0.0247

Notes: This table presents the estimation results for equation (2) in Panel A and for equation (3) in Panel B. 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 Additional treatment results

In this section, we present additional hypotheses and results related to past inflation and the Bank's inflation target.

Hypothesis 3 Information about past inflation is expected to have a smaller effect on the
a) level of inflation expectations
b) dispersion across respondents
c) uncertainty about inflation
d) the tails of the probability distribution of inflation toward the center, and
e) the probability that inflation will be in the inflation-target-control range

than information about inflation forecasts (BankForecast, BankForecastCI, ProfForecast, ProfForecastRange) and the Bank of Canada's target (BankTarget, BankTargetRange).

Hypothesis 4 Information about the Bank's inflation target is expected to have a smaller effect on the
a) level of inflation expectations
b) dispersion across respondents
c) uncertainty about inflation
d) the tails of the probability distribution of inflation toward the center, and
e) the probability that inflation will be in the inflation-target-control range

than information about inflation forecasts (BankForecast, BankForecastCI, ProfForecast, ProfForecastRange).

In Hypotheses 3 and 4, we expect that information about past inflation or the Bank's inflation target are less effective for anchoring inflation expectations because they can be viewed as less relevant for forecasting *future* inflation. Furthermore, participants may not understand the role of the Bank's inflation target in determining inflation outcomes or may not expect that the target will be achieved in one year. Although, given that consumers' inflation expectations tend to be backward-looking, information about past inflation may be perceived as more relatable for respondents [Kryvtsov and Petersen, 2021].

Impact of communicating past inflation

We predicted that communicating about past inflation would be less effective at anchoring inflation expectations than communicating about future inflation or communicating the Bank's inflation target.

To evaluate Hypothesis 3, we estimate the following general specification to quantify the

impact of communicating information about past versus communicating information about future (forecasts) and versus communicating information about the Bank of Canada's mandate (Bank inflation target) or both:

$$E_i Y_{1yr}^{posterior} - E_i Y_{1yr}^{prior} = a + b_0 \text{PastInflation}_i + b_1 X_i + error_i \tag{C1}$$

where $E_i Y^{posterior} - E_i Y_{1yr}^{prior}$ is a measure describing the revision in one-year-ahead inflation expectations in Waves 1 and 2, as described in and (2).

The variable $PastInflation_i$ is a dummy that takes the value of 1 for information treatment about past inflation and the value of 0 for other treatments. The estimated $\hat{a}$ represents the baseline comparisons: target (BankTarget and BankTargetRange); forecasts (BankForecast, BankForecastCI, Profforecast and ProfforecastRange); or the rest of the treatments combined. The results of the estimations of equation (C1) are presented in Tables C1 and C2.

We find evidence in support of the first part of Hypothesis 3: the communication of past inflation is less effective in anchoring inflation expectations toward the communicated information than the communication of forecasts of the Bank or professional forecasters. Information about past inflation reduces less the expectations for the level of inflation, both point and density expectations, and uncertainty about expected inflation than all other treatments. Furthermore, information about past inflation increases the probability assigned to the range that is close to the inflation-target-control range less than it increases this probability in the other treatments. Interestingly, though, information about past inflation has a positive impact on the probability assigned to inflation close to the target range between 2% to 4% in Wave 2 relative to the inflation forecasts, Bank targets, and all other treatments! The information about past inflation might be more salient to the respondents and easier to retain and recall six months later.

Our findings do not support most of the second part of Hypothesis 3: comparisons of PastInflation vs BankTarget do not indicate statistically significant differences between these treatments either on the level of the point or the density inflation expectations, or the uncertainty about expected inflation. PastInflation has a lower impact on the probability assigned to expected inflation in the range of 2% to 4% in Wave 1 than does BankTarget but it has a higher impact on this probability in Wave 2, or the probability assigned to the target range. Finally, our results show PastInflation being less effective than all other treatments, which is mostly due to it being less effective than treatments with information about forecasts, given that PastInflation and BankTarget do not result in statistically different outcomes for most of the indicators.

Impact of communicating the Bank's inflation target

We predicted that communicating about the Bank's inflation target would be less effective at anchoring inflation expectations than communicating about inflation forecasts. To evaluate Hypothesis 4, we estimate the following general specification to quantify the impact of communicating information about the Bank of Canada's inflation target versus its inflation forecasts:

$$E_i Y_{1yr}^{posterior} - E_i Y_{1yr}^{prior} = a + b_0 \text{BankTarget}_i + b_1 X_i + error_i \tag{C2}$$

where $E_i Y^{posterior}$ is a measure describing posteriors about one-year-ahead inflation expectations in Waves 1 and 2, as used and described in equation (2).

The variable $BankTarget_i$ is a dummy that takes the value of 1 for information treatment about the Bank's target and 0 for other treatments. The estimated $\hat{a}$ represents the baseline comparisons. The results of the estimations of equation (C2) are presented in Tables C1 and C2.

Our evidence is consistent with Hypothesis 3: Communication about the Bank's target is less effective in anchoring inflation expectations toward communicated information than communication of forecasts of the Bank or professional forecasters. Information about the Bank's target reduces the level of both point and density inflation expectations as well as the uncertainty about the expected inflation less than do treatments with forecasts. Furthermore, information about the Bank's target increases the probability assigned to the range close to the inflation-target-control range less than does information about inflation forecasts.

We also find that the BankTarget is less effective than all of the other treatments. This is mostly due to it being less effective than treatments with information about forecasts, given that the PastInflation and BankTarget do not result in statistically different outcomes (Table C1 and in Table C2).

There could be two reasons for finding that the Bank's target is less effective at anchoring inflation expectations than inflation forecasts are. First, it may be difficult for people to translate information about the Bank's target into an inflation forecast as our treatment did not provide any explanation about what the Bank's target means for monetary policy and inflation. [Ehrmann et al., 2023] find that education about the meaning of a monetary policy regime is crucial for managing inflation expectations. Second, some respondents may have considered that the Bank's target may not be achieved over the next 12 months as "Canada's inflation-targeting framework helps to ensure that inflation will return to 2 percent over the *medium term*" [of Canada, 2021] and, thus, they have not revised their expectations for inflation over the next 12 months toward the provided information.

Table C1: Estimation results for revisions in one-year expectations: comparison of treatments

	$E_i\pi_{1yr}^{post}$ (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)	$E_i\text{iqr}_{1yr}^{post}$ (7)	$E_i\text{iqr}_{1yr}^{Wave2}$ (8)	$E_i\text{prob}_{1yr}^{target,post}$ (9)	$E_i\text{prob}_{1yr}^{target,Wave2}$ (10)
BankTarget vs Forecasts	0.413***	0.261*	0.264***	0.074	0.306***	0.141	0.235***	-0.032	-3.926***	-0.614
	(0.05)	(0.15)	(0.06)	(0.15)	(0.06)	(0.14)	(0.04)	(0.11)	(0.44)	(1.08)
constant	-1.040***	-0.766	-0.578***	-1.055**	-0.798***	-1.064**	-0.612***	-0.616*	7.049***	10.029***
	(0.18)	(0.54)	(0.22)	(0.53)	(0.21)	(0.51)	(0.14)	(0.37)	(1.64)	(3.63)
N	2994	2327	3468	2458	3457	2467	3236	2370	3390	2569
R^2	0.0420	0.0240	0.0199	0.00910	0.0217	0.00695	0.0189	0.0121	0.0434	0.0216
BankForecast vs ProfForecast	0.236***	-0.086	0.194**	0.142	0.235***	0.116	0.098*	0.112	-2.531***	-2.772**
	(0.07)	(0.17)	(0.08)	(0.17)	(0.07)	(0.17)	(0.05)	(0.13)	(0.74)	(1.24)
constant	-1.624***	-1.360**	-0.790***	-1.781***	-1.105***	-1.739***	-0.512***	-0.746	7.985***	14.257***
	(0.26)	(0.66)	(0.29)	(0.65)	(0.28)	(0.63)	(0.20)	(0.46)	(2.83)	(4.29)
N	2049	1549	2349	1631	2350	1636	2202	1565	2483	1706
R^2	0.0423	0.0184	0.0266	0.0129	0.0249	0.00928	0.0205	0.0131	0.0456	0.0354
BankTarget vs Other	0.301***	0.232	0.186***	0.016	0.220***	0.100	0.187***	-0.036	-2.473***	-0.977
	(0.04)	(0.15)	(0.05)	(0.14)	(0.05)	(0.14)	(0.04)	(0.11)	(0.36)	(1.05)
constant	-0.830***	-1.302***	-0.484**	-1.442***	-0.714***	-1.416***	-0.448***	-0.555	5.393***	10.604***
	(0.15)	(0.49)	(0.19)	(0.49)	(0.18)	(0.47)	(0.12)	(0.34)	(1.31)	(3.39)
N	3409	2728	4040	2882	3995	2893	3781	2785	3854	3012
R^2	0.0324	0.0226	0.0174	0.00947	0.0180	0.00845	0.0154	0.0130	0.0262	0.0232
PastInflation vs Forecasts	0.438***	0.190	0.342***	0.339*	0.367***	0.261	0.207***	0.059	-4.329***	1.756
	(0.06)	(0.19)	(0.07)	(0.19)	(0.07)	(0.18)	(0.05)	(0.13)	(0.59)	(1.44)
constant	-1.206***	-2.014***	-0.664***	-2.152***	-0.984***	-2.036***	-0.366**	-0.596	6.487***	12.576***
	(0.20)	(0.57)	(0.25)	(0.57)	(0.23)	(0.55)	(0.16)	(0.40)	(1.96)	(3.94)
N	2548	1950	2914	2057	2897	2060	2748	1981	2884	2149
R^2	0.0433	0.0192	0.0261	0.0164	0.0255	0.0153	0.0201	0.0147	0.0374	0.0326
PastInflation vs BankTarget	0.025	-0.066	0.011	0.219	0.006	0.078	-0.045	0.070	0.229	2.303
	(0.05)	(0.20)	(0.07)	(0.21)	(0.06)	(0.20)	(0.04)	(0.15)	(0.45)	(1.61)
constant	-0.383**	-0.909	-0.241	-1.333*	-0.382*	-1.298*	-0.171	-0.422	3.412**	4.796
	(0.17)	(0.73)	(0.25)	(0.74)	(0.22)	(0.73)	(0.14)	(0.54)	(1.49)	(5.83)
N	1471	1174	1687	1253	1666	1258	1585	1222	1622	1306
R^2	0.0213	0.0457	0.0252	0.0247	0.0216	0.0261	0.0143	0.0367	0.0149	0.0334
PastInflation vs all other	0.285***	0.080	0.227***	0.280	0.239***	0.178	0.110**	0.053	-1.730***	1.873
	(0.05)	(0.18)	(0.07)	(0.18)	(0.06)	(0.17)	(0.04)	(0.13)	(0.46)	(1.37)
constant	-0.844***	-1.242**	-0.483**	-1.488***	-0.712***	-1.424***	-0.416***	-0.574*	4.607***	10.000***
	(0.15)	(0.49)	(0.20)	(0.48)	(0.18)	(0.47)	(0.12)	(0.34)	(1.27)	(3.38)
N	3411	2728	4046	2882	3999	2893	3773	2785	3820	3012
R^2	0.0282	0.0219	0.0173	0.0101	0.0172	0.00852	0.0112	0.0130	0.0209	0.0235

Notes: This table presents the estimation results for equations (C1) and (C2). 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 C2: Estimation results for revisions in probabilities for one-year expectations: comparison of treatments.

	below -12%	(-12,-8)	(-8,-4)	(-4,-2)	(-2,0)	(0,2)	(2,4)	(4,8)	(8,12)	Above 12%
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Panel A: posteriors, Wave 1										
BankTarget vs Forecasts	0.307	-0.050	0.384**	0.360	-0.126	-8.461***	0.895	2.475***	1.446**	2.717***
	(0.25)	(0.21)	(0.19)	(0.28)	(0.36)	(0.87)	(0.93)	(0.77)	(0.63)	(0.73)
N	3758	3758	3758	3758	3759	3759	3758	3758	3760	3761
R^2	0.00266	0.00562	0.00857	0.00511	0.00782	0.0406	0.0114	0.00687	0.0125	0.0374
BankForecast vs ProfForecast	0.075	-0.293	0.306	0.648**	-0.758*	-10.050***	6.253***	2.947***	1.293*	-0.205
	(0.28)	(0.24)	(0.21)	(0.29)	(0.40)	(1.06)	(1.09)	(0.90)	(0.75)	(0.85)
N	2512	2512	2512	2512	2512	2513	2512	2512	2514	2514
R^2	0.00456	0.00559	0.00846	0.00839	0.00997	0.0573	0.0243	0.00979	0.0168	0.0413
BankTarget vs Other	0.357	-0.109	0.300*	0.244	-0.142	-7.041***	1.436	2.058***	0.773	2.047***
	(0.24)	(0.20)	(0.18)	(0.27)	(0.35)	(0.82)	(0.89)	(0.75)	(0.61)	(0.69)
N	4382	4382	4382	4382	4383	4383	4382	4382	4385	4386
R^2	0.00220	0.00440	0.00671	0.00454	0.00538	0.0320	0.0115	0.00523	0.0109	0.0311
Past inflation vs Forecasts	-0.257	0.295	0.409*	0.607*	0.101	-7.126***	-2.769**	2.200**	3.271***	3.417***
	(0.31)	(0.26)	(0.23)	(0.32)	(0.45)	(1.16)	(1.20)	(1.02)	(0.83)	(0.93)
N	3136	3136	3136	3136	3136	3137	3136	3136	3139	3139
R^2	0.00329	0.00363	0.00725	0.00706	0.00545	0.0329	0.0121	0.00675	0.0178	0.0368
Past inflation vs BankTarget	-0.553	0.319	0.044	0.249	0.222	1.322	-3.756***	-0.416	1.892**	0.812
	(0.36)	(0.28)	(0.27)	(0.44)	(0.53)	(1.01)	(1.27)	(1.11)	(0.86)	(0.98)
N	1870	1870	1870	1870	1871	1870	1870	1870	1871	1872
R^2	0.00821	0.0141	0.0128	0.00615	0.00524	0.0187	0.0263	0.00809	0.0176	0.0267
Past inflation vs all other	-0.353	0.305	0.288	0.488	0.138	-4.348***	-3.077***	1.337	2.811***	2.562***
	(0.31)	(0.26)	(0.23)	(0.35)	(0.45)	(1.07)	(1.15)	(0.97)	(0.79)	(0.90)
N	4382	4382	4382	4382	4383	4383	4382	4382	4385	4386
R^2	0.00198	0.00465	0.00642	0.00480	0.00536	0.0195	0.0125	0.00397	0.0135	0.0310
	below -12%	(-12,-8)	(-8,-4)	(-4,-2)	(-2,0)	(0,2)	(2,4)	(4,8)	(8,12)	Above 12%
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
Panel B: posteriors, Wave 2										
BankTarget vs Forecasts	-0.309	-0.262	-0.129	-0.199	-0.143	0.300	-0.505	0.178	1.896*	-1.024
	(0.38)	(0.34)	(0.34)	(0.44)	(0.62)	(1.15)	(1.35)	(1.28)	(1.03)	(1.15)
N	2569	2569	2569	2569	2570	2569	2569	2570	2571	2572
R^2	0.0124	0.00565	0.00443	0.00543	0.00346	0.0123	0.00703	0.00770	0.00795	0.00985
BankForecast vs ProfForecast	-0.411	-0.408	-0.164	0.358	-1.233*	-1.364	0.087	1.848	0.839	0.088
	(0.42)	(0.40)	(0.40)	(0.48)	(0.71)	(1.32)	(1.57)	(1.46)	(1.20)	(1.35)
N	1706	1706	1706	1706	1706	1706	1706	1707	1707	1707
R^2	0.0150	0.00672	0.0109	0.00723	0.00524	0.0158	0.00910	0.0125	0.0113	0.0163
BankTarget vs Other	-0.355	-0.285	-0.013	-0.086	0.160	0.130	-1.109	0.582	1.845*	-1.185
	(0.36)	(0.33)	(0.32)	(0.41)	(0.59)	(1.11)	(1.31)	(1.24)	(0.98)	(1.12)
N	3012	3012	3012	3012	3013	3012	3012	3014	3015	3017
R^2	0.0125	0.00606	0.00311	0.00580	0.00363	0.0123	0.00552	0.00646	0.00602	0.00970
Past inflation vs Forecast	0.160	0.076	-0.600	-0.596	-1.517**	0.526	3.029*	-1.555	0.326	0.608
	(0.46)	(0.44)	(0.43)	(0.51)	(0.77)	(1.44)	(1.74)	(1.62)	(1.29)	(1.51)
N	2149	2149	2149	2149	2149	2149	2149	2151	2151	2152
R^2	0.0158	0.00648	0.00809	0.00718	0.00556	0.0149	0.00736	0.0106	0.00634	0.0150
Past inflation vs Target	0.550	0.370	-0.470	-0.393	-1.349	0.582	3.247*	-2.049	-1.613	1.736
	(0.56)	(0.47)	(0.45)	(0.61)	(0.87)	(1.63)	(1.91)	(1.84)	(1.39)	(1.61)
N	1306	1306	1306	1306	1307	1306	1306	1307	1308	1310
R^2	0.0231	0.0210	0.00937	0.0192	0.0142	0.0202	0.0173	0.0132	0.0113	0.0157
Past inflation vs all other	0.291	0.178	-0.553	-0.508	-1.445*	0.552	3.131*	-1.742	-0.339	0.966
	(0.46)	(0.42)	(0.41)	(0.52)	(0.76)	(1.41)	(1.67)	(1.57)	(1.25)	(1.43)
N	3012	3012	3012	3012	3013	3012	3012	3014	3015	3017
R^2	0.0123	0.00587	0.00371	0.00611	0.00482	0.0124	0.00645	0.00679	0.00487	0.00948

Notes: This table presents the estimation results for equations (C1) and (C2). Regressions control for demographic characteristics. Results are from OLS regressions. Standard errors are reported in parentheses. ***, **, and * represent statistical significance at the 1%, 5%, and 10% levels, respectively.

D Tables

Table D1: Estimation results of the revisions about one-year expectations: treatments with range by age group

	$E_i\pi_{1yr}^{post}$	$E_i\pi_{1yr}^{Wave2}$	$E_i\pi_{1yr}^{mean,post}$	$E_i\pi_{1yr}^{mean,Wave2}$	$E_i\pi_{1yr}^{median,post}$	$E_i\pi_{1yr}^{median,Wave2}$	$E_i\text{iqr}_{1yr}^{post}$	$E_i\text{iqr}_{1yr}^{Wave2}$	$E_i\text{prob}_{1yr}^{target,post}$	$E_i\text{prob}_{1yr}^{target,Wave2}$
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Range, all	-0.033	0.268	-0.150	-0.323	-0.148*	-0.420*	-0.021	0.171	2.132***	-0.449
	(0.08)	(0.26)	(0.09)	(0.25)	(0.09)	(0.24)	(0.06)	(0.18)	(0.70)	(1.74)
young	-0.048	-1.460***	-0.210	-0.019	-0.404***	-0.239	0.114	0.241	-0.280	-8.295***
	(0.12)	(0.49)	(0.15)	(0.47)	(0.15)	(0.46)	(0.10)	(0.33)	(1.10)	(2.97)
senior	0.024	-0.883***	-0.025	-0.515**	-0.062	-0.531**	0.058	-0.074	-0.819	-0.100
	(0.07)	(0.24)	(0.09)	(0.22)	(0.09)	(0.22)	(0.06)	(0.16)	(0.63)	(1.60)
Range, all × young	0.306*	1.616**	0.539***	0.586	0.640***	0.785	-0.219	-0.429	-0.009	5.663
	(0.17)	(0.64)	(0.21)	(0.62)	(0.20)	(0.59)	(0.14)	(0.45)	(1.54)	(4.19)
Range, all × senior	-0.107	-0.151	0.005	0.323	-0.002	0.464	0.003	-0.238	-0.666	-0.473
	(0.10)	(0.32)	(0.12)	(0.31)	(0.12)	(0.29)	(0.08)	(0.22)	(0.89)	(2.18)
constant	-0.896***	-0.771	-0.418*	-0.897*	-0.625***	-0.842	-0.557***	-0.736*	4.257***	9.918***
	(0.18)	(0.56)	(0.22)	(0.54)	(0.21)	(0.51)	(0.14)	(0.38)	(1.54)	(3.71)
N	3019	2333	3475	2456	3457	2466	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	-1.226***	-0.215*	-0.983**	-0.198*	-1.050***	-0.160**	-0.150	0.754	3.222
	(0.10)	(0.44)	(0.12)	(0.41)	(0.12)	(0.40)	(0.08)	(0.29)	(0.76)	(2.95)
young	0.048	-1.916***	-0.190	-1.048	-0.224	-0.861	0.014	-0.839	0.479	-5.161
	(0.14)	(0.74)	(0.19)	(0.77)	(0.18)	(0.73)	(0.12)	(0.53)	(1.21)	(4.63)
senior	0.089	-2.225***	-0.037	-1.513***	-0.055	-1.450***	-0.061	-0.501*	-1.090	3.045
	(0.09)	(0.40)	(0.12)	(0.39)	(0.11)	(0.38)	(0.07)	(0.27)	(0.71)	(2.91)
Range, BankTarget × young	-0.029	2.453**	0.373	1.440	0.236	1.227	0.244	1.033	-1.786	-2.539
	(0.20)	(1.01)	(0.28)	(1.02)	(0.27)	(0.99)	(0.17)	(0.72)	(1.72)	(6.88)
Range, BankTarget× senior	-0.364***	1.759***	0.012	0.832	-0.040	0.829	0.228**	0.057	-0.174	-5.110
	(0.13)	(0.55)	(0.16)	(0.52)	(0.16)	(0.51)	(0.10)	(0.39)	(0.98)	(3.83)
constant	-0.377*	1.382	-0.008	0.624	-0.011	0.603	-0.366**	-0.233	2.981*	-0.147
	(0.22)	(0.95)	(0.30)	(0.93)	(0.28)	(0.91)	(0.18)	(0.65)	(1.66)	(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	1.251***	0.015	0.214	-0.027	0.078	0.097	0.350	3.335**	-4.001
	(0.17)	(0.45)	(0.17)	(0.44)	(0.16)	(0.43)	(0.10)	(0.34)	(1.42)	(3.02)
young	0.279	-1.942**	-0.217	-0.467	-0.235	-0.467	0.258	0.243	-1.386	9.083
	(0.26)	(0.93)	(0.31)	(0.89)	(0.28)	(0.86)	(0.19)	(0.55)	(2.35)	(6.32)
senior	-0.049	0.238	0.183	-0.049	-0.040	-0.204	0.097	-0.575*	-0.662	-2.001
	(0.15)	(0.39)	(0.16)	(0.36)	(0.15)	(0.35)	(0.10)	(0.31)	(1.30)	(2.53)
Range, BankForecast × young	-0.077	0.919	0.391	0.409	0.289	0.202	-0.706***	-0.608	1.602	-10.440
	(0.35)	(1.15)	(0.37)	(1.15)	(0.34)	(1.08)	(0.25)	(0.77)	(3.11)	(7.91)
Range, BankForecast × senior	-0.109	-1.443***	-0.224	0.084	-0.107	0.292	-0.243*	0.232	-1.166	1.441
	(0.21)	(0.55)	(0.22)	(0.54)	(0.21)	(0.51)	(0.14)	(0.42)	(1.81)	(3.72)
constant	-1.317***	-1.548*	-1.220***	-2.243**	-1.613***	-1.921**	-0.570**	-1.238*	11.279***	10.606*
	(0.39)	(0.92)	(0.42)	(0.96)	(0.38)	(0.89)	(0.28)	(0.73)	(3.40)	(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	1.003**	-0.101	0.074	-0.015	0.012	0.012	0.384	3.052	-3.360
	(0.17)	(0.44)	(0.19)	(0.44)	(0.18)	(0.44)	(0.14)	(0.31)	(2.18)	(3.23)
young	-0.452*	-1.208	0.005	1.630**	-0.361	0.969	-0.111	1.548**	2.257	-25.339***
	(0.26)	(0.89)	(0.30)	(0.81)	(0.30)	(0.84)	(0.24)	(0.63)	(3.44)	(4.94)
senior	-0.045	-0.618	0.034	0.127	0.117	0.140	0.067	0.755***	-2.331	-2.231
	(0.16)	(0.41)	(0.18)	(0.41)	(0.18)	(0.41)	(0.13)	(0.27)	(1.97)	(2.99)
Range, ProfForecast× young	0.759**	3.001**	0.827*	-0.088	1.015**	0.761	-0.977**	-2.341***	3.176	24.552***
	(0.38)	(1.22)	(0.43)	(1.07)	(0.42)	(1.07)	(0.39)	(0.87)	(5.07)	(6.93)
Range, ProfForecast× senior	0.287	-0.857	0.042	-0.313	-0.087	-0.083	0.174	-0.904**	0.113	4.810
	(0.22)	(0.54)	(0.24)	(0.54)	(0.23)	(0.53)	(0.18)	(0.39)	(2.74)	(4.00)
constant	-1.778***	-2.096**	-0.214	-1.404	-0.493	-1.520*	-0.424	-0.845	2.733	19.314***
	(0.38)	(0.98)	(0.41)	(0.89)	(0.40)	(0.90)	(0.31)	(0.64)	(4.51)	(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 (9). The dependent variable is the variable listed at the top of each column relative to its prior. These regressions also 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 D2: 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)	$E_i\text{iqr}_{1yr}^{post}$ (7)	$E_i\text{iqr}_{1yr}^{Wave2}$ (8)	$E_i\text{prob}_{1yr}^{target,post}$ (9)	$E_i\text{prob}_{1yr}^{target,Wave2}$ (10)
Range, all	0.069	1.313***	-0.127	-0.460	-0.153	-0.375	-0.015	0.039	0.795	-1.863
	(0.13)	(0.37)	(0.14)	(0.35)	(0.14)	(0.34)	(0.09)	(0.28)	(0.94)	(2.30)
some college	0.244**	0.592*	-0.016	-0.443	-0.033	-0.336	0.084	0.476**	0.302	-0.045
	(0.10)	(0.31)	(0.11)	(0.29)	(0.11)	(0.28)	(0.08)	(0.22)	(0.76)	(1.91)
university+	0.293***	0.643**	0.063	-0.019	0.091	-0.008	0.084	0.175	0.489	2.997
	(0.11)	(0.32)	(0.12)	(0.30)	(0.12)	(0.29)	(0.08)	(0.23)	(0.83)	(2.07)
Range, all × some college	-0.100	-1.143***	0.165	0.841**	0.168	0.701*	0.061	-0.308	0.372	0.314
	(0.15)	(0.43)	(0.17)	(0.41)	(0.16)	(0.39)	(0.11)	(0.32)	(1.11)	(2.73)
Range, all × university+	-0.212	-1.306***	-0.117	-0.037	-0.027	-0.089	-0.139	0.246	2.406**	4.076
	(0.15)	(0.43)	(0.17)	(0.42)	(0.17)	(0.40)	(0.11)	(0.32)	(1.20)	(2.90)
constant	-0.954***	-1.300**	-0.449**	-0.888	-0.631***	-0.906*	-0.567***	-0.653*	4.959***	10.830***
	(0.19)	(0.57)	(0.22)	(0.55)	(0.21)	(0.53)	(0.15)	(0.40)	(1.58)	(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	1.682**	0.010	-0.835	-0.255	-0.948	-0.173	1.265**	0.839	-6.178
	(0.17)	(0.67)	(0.22)	(0.63)	(0.20)	(0.64)	(0.13)	(0.53)	(1.05)	(4.46)
some college	-0.033	0.500	-0.190	-1.167**	-0.431***	-1.023*	0.056	1.604***	0.920	-6.655*
	(0.12)	(0.57)	(0.16)	(0.51)	(0.15)	(0.52)	(0.09)	(0.43)	(0.88)	(3.59)
university+	0.158	1.533**	0.027	0.115	-0.242	0.038	0.068	1.590***	-0.205	-5.851
	(0.13)	(0.59)	(0.17)	(0.52)	(0.16)	(0.53)	(0.10)	(0.43)	(0.92)	(3.89)
Range, BankTarget × some college	0.342*	-1.337*	-0.028	1.559**	0.227	1.576**	0.244	-1.709***	-0.696	5.195
	(0.19)	(0.77)	(0.24)	(0.73)	(0.23)	(0.74)	(0.15)	(0.61)	(1.28)	(5.18)
Range, BankTarget × university+	0.026	-2.836***	-0.430*	-0.699	-0.126	-0.665	0.108	-1.262**	-0.033	11.203**
	(0.19)	(0.79)	(0.25)	(0.74)	(0.24)	(0.74)	(0.15)	(0.60)	(1.30)	(5.46)
constant	-0.214	0.034	-0.138	0.419	-0.022	0.386	-0.386**	-0.864	3.115*	4.579
	(0.22)	(0.99)	(0.31)	(0.96)	(0.29)	(0.95)	(0.18)	(0.70)	(1.68)	(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	0.677	-0.581**	0.085	-0.368	0.233	-0.190	-0.138	-0.783	0.552
	(0.24)	(0.60)	(0.25)	(0.58)	(0.24)	(0.52)	(0.17)	(0.52)	(2.07)	(3.90)
some college	0.488**	-0.108	-0.015	-0.250	0.076	-0.330	0.087	-0.129	-3.583**	1.960
	(0.19)	(0.50)	(0.19)	(0.46)	(0.18)	(0.44)	(0.13)	(0.42)	(1.55)	(3.30)
university+	0.227	-0.376	0.057	0.324	0.156	0.092	0.092	-0.330	0.114	4.046
	(0.20)	(0.50)	(0.21)	(0.49)	(0.20)	(0.47)	(0.14)	(0.42)	(1.78)	(3.55)
Range, BankForecast × some college	-0.174	-0.339	0.801***	0.655	0.503*	0.363	0.205	0.468	4.977**	-4.818
	(0.28)	(0.70)	(0.29)	(0.69)	(0.28)	(0.64)	(0.19)	(0.60)	(2.35)	(4.65)
Range, BankForecast × university+	-0.138	-0.268	0.390	-0.189	0.211	-0.345	0.021	0.883	3.271	-6.266
	(0.29)	(0.72)	(0.31)	(0.70)	(0.29)	(0.65)	(0.20)	(0.59)	(2.58)	(4.92)
constant	-1.340***	-1.447	-0.984**	-2.229**	-1.465***	-2.019**	-0.493*	-1.011	13.474***	7.723
	(0.40)	(0.96)	(0.43)	(0.96)	(0.39)	(0.90)	(0.29)	(0.74)	(3.52)	(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***	1.892***	0.179	-0.500	0.086	-0.407	0.260	-0.666	5.378*	1.276
	(0.28)	(0.65)	(0.27)	(0.64)	(0.28)	(0.63)	(0.19)	(0.46)	(2.79)	(3.71)
some college	0.935***	1.587***	0.193	0.334	0.280	0.466	-0.033	0.250	5.075**	5.715*
	(0.24)	(0.55)	(0.22)	(0.52)	(0.23)	(0.52)	(0.16)	(0.37)	(2.23)	(3.10)
university+	1.063***	0.921	-0.003	-0.380	0.200	-0.149	-0.107	-0.657	4.087*	10.552***
	(0.25)	(0.58)	(0.23)	(0.55)	(0.24)	(0.54)	(0.17)	(0.40)	(2.43)	(3.39)
Range, ProfForecast × some college	-1.188***	-1.913**	-0.253	0.284	-0.158	0.323	-0.106	0.020	-4.613	-3.095
	(0.32)	(0.75)	(0.31)	(0.72)	(0.32)	(0.72)	(0.22)	(0.53)	(3.36)	(4.54)
Range, ProfForecast × university+	-1.062***	-0.931	-0.181	0.660	0.012	0.717	-0.444*	0.929*	0.160	4.015
	(0.32)	(0.75)	(0.32)	(0.74)	(0.33)	(0.73)	(0.24)	(0.54)	(3.54)	(4.88)
constant	-2.348***	-2.630***	-0.338	-1.069	-0.525	-1.301	-0.528*	-0.284	1.418	16.409***
	(0.41)	(1.02)	(0.41)	(0.93)	(0.42)	(0.92)	(0.30)	(0.68)	(4.57)	(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 (9). The dependent variable is the variable listed at the top of each column relative to its prior. These regressions also 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 D3: 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)	$E_i\text{iqr}_{1yr}^{post}$ (7)	$E_i\text{iqr}_{1yr}^{Wave2}$ (8)	$E_i\text{prob}_{1yr}^{target,post}$ (9)	$E_i\text{prob}_{1yr}^{target,Wave2}$ (10)
Range, all	-0.313***	0.649**	-0.105	0.025	-0.208*	0.112	-0.010	0.099	2.009**	-0.340
	(0.11)	(0.32)	(0.13)	(0.30)	(0.13)	(0.30)	(0.08)	(0.23)	(0.82)	(1.91)
$40K-$100k	-0.214**	0.385	-0.044	0.373	-0.066	0.292	-0.051	-0.015	2.693***	4.398**
	(0.09)	(0.28)	(0.11)	(0.26)	(0.11)	(0.26)	(0.07)	(0.20)	(0.72)	(1.78)
$100k +	-0.076	0.281	0.002	0.230	-0.057	0.006	-0.094	0.075	2.235***	0.912
	(0.10)	(0.32)	(0.12)	(0.31)	(0.12)	(0.30)	(0.08)	(0.23)	(0.84)	(2.14)
Range, all×$40K-$100k	0.386***	-0.429	-0.031	-0.209	0.088	-0.359	-0.049	-0.145	-0.443	-1.717
	(0.13)	(0.38)	(0.15)	(0.36)	(0.15)	(0.35)	(0.10)	(0.28)	(1.02)	(2.42)
Range, all×$100k +	0.192	-0.502	0.091	-0.036	0.263	-0.064	-0.021	-0.077	-0.155	3.442
	(0.14)	(0.42)	(0.16)	(0.40)	(0.16)	(0.39)	(0.10)	(0.29)	(1.11)	(2.79)
constant	-0.109	0.560	0.002	-0.023	0.092	-0.090	-0.435**	-0.249	2.721	3.532
	(0.21)	(0.95)	(0.31)	(0.95)	(0.29)	(0.93)	(0.18)	(0.70)	(1.67)	(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***	0.740	-0.265	0.460	-0.473***	0.465	0.044	-0.176	1.794**	-4.812
	(0.13)	(0.54)	(0.18)	(0.52)	(0.17)	(0.52)	(0.10)	(0.42)	(0.91)	(3.48)
$40K-$100k	-0.325***	0.201	0.142	0.434	-0.126	0.273	0.147*	-0.761**	2.095**	1.489
	(0.10)	(0.49)	(0.15)	(0.46)	(0.14)	(0.45)	(0.09)	(0.37)	(0.88)	(3.33)
$100k +	-0.300**	1.120*	0.323*	1.042*	0.045	0.845	-0.022	0.266	1.367	-9.282**
	(0.12)	(0.57)	(0.18)	(0.55)	(0.17)	(0.53)	(0.10)	(0.41)	(1.00)	(3.98)
Range, BankTarget×$40K-$100k	0.556***	-0.538	0.134	-0.717	0.316	-0.801	-0.122	0.344	-2.341**	3.742
	(0.15)	(0.65)	(0.21)	(0.62)	(0.20)	(0.62)	(0.12)	(0.51)	(1.17)	(4.36)
Range, BankTarget×$100k +	0.268	-1.791**	0.086	-1.849***	0.376*	-1.991***	-0.009	-0.059	-0.718	12.665***
	(0.17)	(0.71)	(0.23)	(0.69)	(0.22)	(0.67)	(0.13)	(0.52)	(1.24)	(4.90)
constant	-0.109	0.560	0.002	-0.023	0.092	-0.090	-0.435**	-0.249	2.721	3.532
	(0.21)	(0.95)	(0.31)	(0.95)	(0.29)	(0.93)	(0.18)	(0.70)	(1.67)	(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	0.941*	-0.028	-0.175	-0.007	-0.086	-0.052	0.748	3.580**	0.498
	(0.20)	(0.55)	(0.23)	(0.55)	(0.22)	(0.52)	(0.14)	(0.47)	(1.75)	(3.33)
$40K-$100k	-0.034	0.808*	-0.117	0.547	0.049	0.509	-0.014	0.776*	4.072***	4.486
	(0.17)	(0.46)	(0.19)	(0.45)	(0.18)	(0.43)	(0.12)	(0.40)	(1.47)	(2.98)
$100k +	0.058	0.193	0.034	-0.258	0.117	-0.444	-0.163	0.291	5.154***	9.846***
	(0.19)	(0.55)	(0.22)	(0.53)	(0.21)	(0.53)	(0.14)	(0.44)	(1.73)	(3.67)
Range, BankForecast×$40K-$100k	0.122	-0.690	-0.094	0.321	-0.159	0.105	-0.144	-0.394	1.056	-4.372
	(0.25)	(0.66)	(0.27)	(0.65)	(0.26)	(0.61)	(0.17)	(0.54)	(2.16)	(4.20)
Range, BankForecast×$100k +	0.071	-0.581	0.020	1.073	0.102	1.048	0.114	-0.376	-4.298*	-8.031*
	(0.26)	(0.72)	(0.29)	(0.71)	(0.28)	(0.67)	(0.18)	(0.58)	(2.28)	(4.72)
constant	-1.243***	-1.599*	-1.212***	-1.932*	-1.585***	-1.655*	-0.533*	-1.460*	10.744***	7.549
	(0.38)	(0.96)	(0.42)	(1.00)	(0.38)	(0.94)	(0.28)	(0.76)	(3.37)	(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	0.314	-0.062	-0.126	-0.233	0.080	0.190	-0.143	8.452***	1.799
	(0.26)	(0.57)	(0.24)	(0.51)	(0.24)	(0.51)	(0.18)	(0.39)	(2.75)	(3.28)
$40K-$100k	-0.263	0.057	-0.214	0.136	-0.191	-0.001	-0.167	0.209	7.346***	8.014***
	(0.20)	(0.46)	(0.20)	(0.45)	(0.20)	(0.45)	(0.15)	(0.33)	(2.22)	(3.06)
$100k +	0.032	-0.525	-0.400*	-0.191	-0.404*	-0.548	-0.236	-0.103	4.621*	3.735
	(0.23)	(0.55)	(0.24)	(0.51)	(0.24)	(0.51)	(0.19)	(0.39)	(2.68)	(3.60)
Range, ProfForecast×$40K-$100k	0.482*	0.160	-0.037	-0.305	0.227	-0.468	-0.205	-0.450	-9.347***	-4.502
	(0.29)	(0.66)	(0.29)	(0.62)	(0.29)	(0.62)	(0.22)	(0.46)	(3.31)	(4.20)
Range, ProfForecast×$100k +	0.268	0.914	0.289	0.590	0.484	0.616	-0.130	0.227	-0.151	7.186
	(0.32)	(0.74)	(0.32)	(0.69)	(0.32)	(0.69)	(0.25)	(0.52)	(3.80)	(5.04)
constant	-1.728***	-1.948**	-0.221	-1.205	-0.393	-1.483	-0.484	-0.568	0.885	17.429***
	(0.39)	(0.99)	(0.41)	(0.91)	(0.41)	(0.91)	(0.31)	(0.67)	(4.59)	(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 (9). The dependent variable is the variable listed at the top of each column relative to its prior. These regressions also 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 D4: 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)	$E_i\text{iqr}_{1yr}^{post}$ (7)	$E_i\text{iqr}_{1yr}^{Wave2}$ (8)	$E_i\text{prob}_{1yr}^{target,post}$ (9)	$E_i\text{prob}_{1yr}^{target,Wave2}$ (10)
Range, all	-0.030	0.763***	-0.043	0.380*	-0.104	0.349	0.002	0.091	1.846***	-1.292
	(0.07)	(0.22)	(0.09)	(0.22)	(0.08)	(0.22)	(0.06)	(0.15)	(0.63)	(1.75)
female	-0.263***	-0.215	-0.323***	0.069	-0.371***	0.064	-0.031	-0.259*	2.882***	-0.589
	(0.07)	(0.21)	(0.08)	(0.21)	(0.08)	(0.20)	(0.05)	(0.15)	(0.59)	(1.58)
Range, all× female	-0.047	-0.786***	-0.081	-0.742***	0.030	-0.689**	-0.068	-0.141	-0.146	1.468
	(0.10)	(0.29)	(0.11)	(0.29)	(0.11)	(0.28)	(0.08)	(0.21)	(0.83)	(2.15)
constant	-0.916***	-1.003*	-0.476**	-1.203**	-0.638***	-1.171**	-0.568***	-0.710*	4.325***	10.432***
	(0.18)	(0.56)	(0.22)	(0.54)	(0.21)	(0.52)	(0.14)	(0.38)	(1.54)	(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**	0.667*	-0.067	0.273	-0.189*	0.265	-0.008	-0.104	0.761	6.547**
	(0.09)	(0.39)	(0.12)	(0.40)	(0.11)	(0.39)	(0.07)	(0.28)	(0.74)	(3.12)
female	-0.204***	-0.268	-0.175	0.045	-0.274***	0.034	0.004	-0.426	1.579**	5.044*
	(0.08)	(0.38)	(0.12)	(0.37)	(0.11)	(0.37)	(0.07)	(0.28)	(0.69)	(2.83)
Range, BankTarget × female	0.206*	-1.133**	-0.173	-1.064**	-0.009	-1.185**	-0.013	0.101	-0.420	-9.450**
	(0.12)	(0.52)	(0.16)	(0.51)	(0.15)	(0.51)	(0.10)	(0.37)	(0.95)	(3.78)
constant	-0.219	0.444	-0.116	-0.059	-0.012	-0.145	-0.427**	-0.263	2.980*	-2.130
	(0.21)	(0.95)	(0.31)	(0.94)	(0.29)	(0.93)	(0.18)	(0.66)	(1.67)	(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	0.614	-0.022	0.632	-0.053	0.618	-0.159	0.295	5.452***	-6.549**
	(0.14)	(0.37)	(0.16)	(0.39)	(0.15)	(0.38)	(0.10)	(0.29)	(1.37)	(2.85)
female	-0.184	-0.193	-0.307**	0.386	-0.289**	0.426	-0.082	-0.514*	4.182***	-0.688
	(0.14)	(0.36)	(0.15)	(0.36)	(0.14)	(0.35)	(0.10)	(0.29)	(1.22)	(2.61)
Range, BankForecast × female	-0.131	-0.339	-0.072	-0.566	-0.005	-0.553	0.110	0.228	-3.971**	4.243
	(0.19)	(0.49)	(0.20)	(0.50)	(0.19)	(0.48)	(0.13)	(0.39)	(1.73)	(3.57)
constant	-1.305***	-1.370	-1.232***	-2.372**	-1.612***	-2.055**	-0.518*	-1.269*	10.559***	10.769*
	(0.38)	(0.92)	(0.42)	(0.97)	(0.38)	(0.89)	(0.28)	(0.72)	(3.39)	(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	1.293***	-0.029	0.296	-0.104	0.291	0.254*	0.175	-2.608	-4.665
	(0.15)	(0.39)	(0.17)	(0.38)	(0.16)	(0.39)	(0.13)	(0.28)	(1.95)	(3.15)
female	-0.442***	-0.036	-0.481***	-0.257	-0.584***	-0.276	-0.071	0.135	2.930	-5.710**
	(0.15)	(0.36)	(0.17)	(0.37)	(0.16)	(0.37)	(0.12)	(0.26)	(1.91)	(2.82)
Range, ProfForecast× female	-0.201	-1.024**	0.036	-0.642	0.200	-0.428	-0.320*	-0.728**	9.537***	8.919**
	(0.20)	(0.51)	(0.22)	(0.49)	(0.22)	(0.49)	(0.17)	(0.36)	(2.59)	(3.86)
constant	-1.966***	-2.349**	-0.250	-1.554*	-0.428	-1.732*	-0.535*	-0.808	6.423	19.768***
	(0.38)	(0.95)	(0.40)	(0.88)	(0.41)	(0.89)	(0.30)	(0.65)	(4.63)	(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 (9). The dependent variable is the variable listed at the top of each column relative to its prior. These regressions also 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 D5: Estimation results of the revisions about one-year expectations: treatments with and without ranges

	Range, all		Range, BankTarget		Range, BankForecast		Bank, ProfForecast	
	Range	No range	Range	No range	Range	No range	Range	No range
$E_i\pi_{1yr}^{revisionWave2}$	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
young	0.159	-1.485***	0.438	-2.291***	-1.104	-1.694*	1.780**	-0.675
	(0.408)	(0.504)	(0.729)	(0.774)	(0.687)	(0.985)	(0.860)	(0.930)
senior	-1.174***	-0.742***	-0.841**	-2.049***	-1.441***	0.358	-1.470***	-0.318
	(0.230)	(0.251)	(0.416)	(0.436)	(0.421)	(0.444)	(0.382)	(0.443)
female	-1.094***	-0.0881	-1.640***	-0.125	-0.724*	-0.246	-1.303***	0.111
	(0.211)	(0.231)	(0.376)	(0.414)	(0.381)	(0.407)	(0.389)	(0.397)
some college	-0.602**	0.610*	-0.568	0.286	-0.560	0.0416	-0.244	1.846***
	(0.293)	(0.333)	(0.546)	(0.593)	(0.508)	(0.547)	(0.513)	(0.591)
university +	-0.755**	0.724**	-1.038*	1.267**	-0.715	-0.0439	-0.280	1.363**
	(0.313)	(0.354)	(0.595)	(0.642)	(0.560)	(0.565)	(0.554)	(0.646)
$40K-$100K	-0.121	0.484	-0.381	0.0688	-0.0885	1.161**	0.244	-0.00988
	(0.289)	(0.294)	(0.483)	(0.533)	(0.546)	(0.524)	(0.537)	(0.496)
$100K +	-0.307	0.380	-0.772	0.794	-0.527	0.860	0.539	-0.889
	(0.335)	(0.358)	(0.592)	(0.672)	(0.618)	(0.621)	(0.608)	(0.609)
$D^{\text{know inflation well}}$	0.0135	0.460	-0.0484	0.865	0.117	0.803	-0.0761	-0.0973
	(0.271)	(0.291)	(0.464)	(0.528)	(0.487)	(0.531)	(0.521)	(0.475)
$D^{\text{easy to express inflation}}$	-0.154	0.276	-0.421	-0.370	0.247	-0.0723	-0.483	0.918**
	(0.230)	(0.249)	(0.415)	(0.439)	(0.394)	(0.444)	(0.431)	(0.412)
Constant	0.888	-2.382***	0.824	-0.212	2.386*	-4.750***	-0.0598	-2.689*
	(0.793)	(0.794)	(1.610)	(1.289)	(1.377)	(1.382)	(1.311)	(1.465)
N	1,144	1,188	389	388	387	403	369	394
R-squared	0.042	0.029	0.066	0.112	0.061	0.053	0.093	0.066
$E_iiqr_{1yr}^{revisionWave2}$	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
young	-0.193	0.236	0.193	-1.165**	-0.433	0.172	-0.949	1.872***
	(0.306)	(0.338)	(0.484)	(0.591)	(0.561)	(0.554)	(0.644)	(0.627)
senior	-0.283*	-0.105	-0.508*	-0.557*	-0.233	-0.667**	-0.0710	0.743***
	(0.167)	(0.165)	(0.291)	(0.297)	(0.301)	(0.334)	(0.308)	(0.271)
female	-0.407***	-0.183	-0.495*	-0.124	-0.100	-0.620**	-0.556*	0.335
	(0.154)	(0.161)	(0.264)	(0.321)	(0.313)	(0.304)	(0.293)	(0.287)
some college	0.130	0.429*	-0.138	1.775***	0.276	-0.254	0.271	0.155
	(0.230)	(0.230)	(0.423)	(0.452)	(0.431)	(0.433)	(0.404)	(0.392)
university +	0.443*	0.0722	0.166	1.787***	0.665	-0.558	0.333	-0.870**
	(0.243)	(0.240)	(0.454)	(0.464)	(0.442)	(0.439)	(0.425)	(0.438)
$40K-$100K	-0.180	0.0357	-0.400	-0.854**	0.292	0.831**	-0.220	0.360
	(0.210)	(0.215)	(0.359)	(0.398)	(0.391)	(0.419)	(0.384)	(0.352)
$100K +	-0.0688	0.178	0.0160	0.338	-0.244	0.425	0.0100	0.0117
	(0.246)	(0.250)	(0.407)	(0.469)	(0.448)	(0.482)	(0.483)	(0.418)
$D^{\text{know inflation well}}$	-0.571***	0.210	-0.235	0.325	-0.0623	0.348	-1.406***	0.251
	(0.201)	(0.209)	(0.335)	(0.389)	(0.414)	(0.407)	(0.364)	(0.328)
$D^{\text{easy to express inflation}}$	0.179	0.158	-0.270	-0.0579	0.427	0.316	0.393	0.359
	(0.173)	(0.175)	(0.301)	(0.310)	(0.332)	(0.343)	(0.331)	(0.304)
Constant	0.121	-1.518***	-1.051	-0.104	0.540	-2.726***	0.565	-1.694
	(0.495)	(0.570)	(0.996)	(0.921)	(0.962)	(1.049)	(0.819)	(1.064)
N	1,160	1,168	391	402	391	384	386	386
R-squared	0.024	0.015	0.049	0.115	0.056	0.058	0.061	0.080
$E_iprob_{1yr}^{target,revisionWave2}$	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)
young	-2.248	-7.794***	-6.420	-3.618	-0.593	11.02*	0.193	-24.15***
	(3.035)	(2.909)	(5.317)	(4.790)	(4.938)	(6.389)	(5.009)	(4.893)
senior	-0.355	-0.125	-1.706	3.601	-1.200	-1.294	3.739	-1.948
	(1.581)	(1.592)	(2.456)	(2.961)	(3.058)	(2.612)	(2.873)	(3.097)
female	1.602	-1.419	-2.665	2.835	2.868	-1.181	3.245	-6.550**
	(1.584)	(1.604)	(2.675)	(2.967)	(2.860)	(2.733)	(2.743)	(2.995)
some college	-0.399	0.701	-2.865	-4.448	-1.808	2.416	0.0159	4.866
	(2.016)	(1.907)	(3.695)	(3.718)	(3.497)	(3.471)	(3.509)	(3.414)
university +	5.901***	4.341**	1.723	-1.778	0.895	3.192	10.96***	10.60***
	(2.265)	(2.110)	(4.161)	(4.116)	(3.978)	(3.771)	(4.025)	(3.746)
$40K–$100K	2.546	4.861***	5.592*	3.015	-0.655	4.902	3.474	7.363**
	(1.860)	(1.832)	(2.991)	(3.632)	(3.395)	(3.108)	(3.422)	(3.298)
$100K+	3.335	1.712	3.263	-7.959*	-0.392	11.06***	9.606**	5.730
	(2.290)	(2.246)	(3.735)	(4.418)	(3.765)	(3.927)	(4.592)	(3.957)
$D^{\text{know inflation well}}$	-1.616	1.420	3.515	3.076	-8.325**	-1.482	0.763	0.646
	(1.819)	(1.798)	(3.001)	(3.325)	(3.269)	(3.099)	(3.343)	(3.217)
$D^{\text{easy to express inflation}}$	6.456***	-0.0878	10.18***	-4.076	9.629***	5.019*	1.112	-2.608
	(1.709)	(1.670)	(3.002)	(3.053)	(2.947)	(2.984)	(3.067)	(3.042)
Constant	3.742	14.13***	-2.446	2.184	4.729	15.24*	6.228	26.37***
	(5.489)	(4.867)	(10.68)	(9.435)	(9.706)	(8.722)	(8.614)	(7.671)
N	1,273	1,296	429	434	420	437	424	425
R-squared	0.042	0.031	0.106	0.056	0.058	0.080	0.085	0.135

Notes: This table presents the results for equation (9) estimated separately for different types of treatments. The dependent variable is the variable listed at the top of each column relative to its prior. These regressions also 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 D6: 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)	$E_i\text{iqr}_{1yr}^{post}$ (7)	$E_i\text{iqr}_{1yr}^{Wave2}$ (8)	$E_i\text{prob}_{1yr}^{target,post}$ (9)	$E_i\text{prob}_{1yr}^{target,Wave2}$ (10)
PastInflation	-0.489***	-0.114	-0.506***	-0.660	-0.304***	-0.698*	-0.226***	0.303	3.386***	6.407**
	(0.09)	(0.36)	(0.12)	(0.41)	(0.11)	(0.40)	(0.08)	(0.32)	(0.83)	(3.21)
BankTarget	-0.277***	1.530***	-0.244**	0.700*	-0.116	0.737*	-0.242***	0.280	3.166***	0.259
	(0.09)	(0.39)	(0.11)	(0.42)	(0.11)	(0.41)	(0.08)	(0.32)	(0.76)	(3.14)
BankTargetRange	-0.165*	0.318	-0.549***	-0.376	-0.415***	-0.402	-0.417***	0.161	4.438***	3.821
	(0.09)	(0.39)	(0.12)	(0.40)	(0.11)	(0.39)	(0.08)	(0.32)	(0.79)	(2.91)
BankForecast	-0.430***	-0.386	-0.648***	-0.566	-0.461***	-0.469	-0.501***	0.018	5.184***	3.557
	(0.10)	(0.40)	(0.13)	(0.40)	(0.12)	(0.40)	(0.09)	(0.33)	(0.85)	(3.00)
BankForecastCI	-0.519***	0.770*	-0.606***	-0.223	-0.428***	-0.312	-0.393***	0.509	7.104***	0.668
	(0.10)	(0.41)	(0.13)	(0.44)	(0.12)	(0.43)	(0.08)	(0.33)	(0.92)	(3.24)
ProfForecast	-0.620***	0.077	-0.797***	-0.670	-0.755***	-0.640	-0.629***	-0.475	6.085***	7.402**
	(0.10)	(0.41)	(0.14)	(0.45)	(0.13)	(0.45)	(0.09)	(0.33)	(0.94)	(3.29)
ProfForecastRange	-0.959***	1.032***	-0.812***	-0.743*	-0.749***	-0.809**	-0.570***	-0.146	7.413***	3.922
	(0.11)	(0.37)	(0.12)	(0.40)	(0.12)	(0.39)	(0.09)	(0.33)	(0.95)	(3.02)
young	0.091	0.580	0.006	1.158	0.045	0.708	-0.044	0.569	1.209	-9.532**
	(0.11)	(0.70)	(0.22)	(0.71)	(0.19)	(0.68)	(0.15)	(0.56)	(1.51)	(4.58)
senior	0.081	0.423	-0.067	-0.364	-0.008	-0.190	-0.099	0.223	1.020	3.504
	(0.06)	(0.33)	(0.10)	(0.37)	(0.09)	(0.36)	(0.07)	(0.29)	(0.62)	(2.82)
PastInflation× young	0.143	-0.528	0.316	-0.241	0.221	0.329	-0.014	-0.428	-0.889	-2.290
	(0.21)	(0.91)	(0.29)	(0.91)	(0.26)	(0.87)	(0.19)	(0.67)	(1.98)	(6.17)
PastInflation× senior	0.377***	-0.023	0.202	1.025**	-0.019	0.790	-0.093	-0.820**	-1.007	-4.672
	(0.11)	(0.48)	(0.16)	(0.51)	(0.15)	(0.50)	(0.11)	(0.39)	(1.08)	(4.00)
BankTarget× young	0.008	-2.488**	-0.324	-2.391**	-0.444	-1.831*	0.100	-1.175	-0.801	4.981
	(0.19)	(0.98)	(0.30)	(1.04)	(0.28)	(0.98)	(0.20)	(0.77)	(2.04)	(6.37)
BankTarget× senior	0.056	-2.337***	-0.047	-1.078**	-0.085	-1.129**	0.032	-0.707*	-1.609	0.528
	(0.11)	(0.50)	(0.15)	(0.52)	(0.14)	(0.51)	(0.10)	(0.39)	(1.00)	(3.94)
BankTargetRange× young	-0.032	-0.036	0.218	-0.668	0.049	-0.251	0.312	-0.372	-3.722*	2.422
	(0.19)	(0.96)	(0.31)	(0.97)	(0.28)	(0.95)	(0.20)	(0.73)	(2.06)	(7.06)
BankTargetRange× senior	-0.369***	-0.742	0.053	-0.121	-0.049	-0.176	0.267**	-0.725*	-2.178**	-5.355
	(0.11)	(0.49)	(0.16)	(0.51)	(0.15)	(0.50)	(0.11)	(0.40)	(1.03)	(3.75)
BankForecast× young	-0.046	-2.322**	-0.175	-1.713	-0.229	-1.202	0.299	-0.194	-2.622	17.058**
	(0.20)	(1.14)	(0.36)	(1.11)	(0.32)	(1.09)	(0.23)	(0.76)	(2.29)	(7.86)
BankForecast× senior	-0.116	-0.106	0.233	0.284	-0.003	0.007	0.208*	-0.653	-1.749	-4.569
	(0.12)	(0.50)	(0.17)	(0.51)	(0.15)	(0.50)	(0.11)	(0.40)	(1.12)	(3.78)
BankForecastCI× young	0.113	-1.487	0.141	-1.323	-0.002	-1.035	-0.369*	-0.769	-0.666	7.538
	(0.21)	(0.95)	(0.28)	(1.00)	(0.26)	(0.95)	(0.21)	(0.75)	(2.19)	(6.69)
BankForecastCI× senior	-0.177	-1.469***	-0.001	0.299	-0.135	0.241	-0.045	-0.626	-1.676	-4.129
	(0.13)	(0.51)	(0.17)	(0.54)	(0.16)	(0.52)	(0.11)	(0.40)	(1.20)	(3.96)
ProfForecast× young	-0.527**	-1.688	0.003	0.356	-0.558*	0.002	-0.035	0.777	-0.795	-14.240**
	(0.23)	(1.11)	(0.34)	(1.06)	(0.33)	(1.08)	(0.23)	(0.84)	(2.47)	(6.62)
ProfForecast× senior	-0.176	-1.034**	0.132	0.524	0.149	0.312	0.260**	0.491	-2.380**	-6.976*
	(0.13)	(0.51)	(0.18)	(0.55)	(0.17)	(0.54)	(0.12)	(0.39)	(1.19)	(4.01)
ProfForecastRange× young	0.254	0.879	0.543	0.123	0.424	0.817	-0.195	-1.660**	-0.073	11.358*
	(0.25)	(1.04)	(0.34)	(0.97)	(0.31)	(0.92)	(0.25)	(0.84)	(2.42)	(6.71)
ProfForecastRange× senior	0.206	-1.811***	0.118	0.332	0.085	0.378	0.193*	-0.339	-1.879	-1.170
	(0.13)	(0.48)	(0.17)	(0.51)	(0.16)	(0.49)	(0.12)	(0.40)	(1.24)	(3.85)
constant	-0.220*	-1.372***	0.136	-0.921*	-0.128	-0.841	-0.003	-0.985**	-0.853	6.294
	(0.13)	(0.50)	(0.17)	(0.53)	(0.16)	(0.52)	(0.11)	(0.40)	(1.15)	(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 (9) with variable $Treatmenti$ instead of $Range_i$. The dependent variable is the variable listed at the top of each column relative to its prior. These regressions also 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 D7: 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)	$E_i\text{iqr}_{1yr}^{post}$ (7)	$E_i\text{iqr}_{1yr}^{Wave2}$ (8)	$E_i\text{prob}_{1yr}^{target,post}$ (9)	$E_i\text{prob}_{1yr}^{target,Wave2}$ (10)
PastInflation	-0.171	-0.883	-0.501***	0.165	-0.509***	-0.061	-0.489***	0.434	3.291***	-1.796
	(0.11)	(0.58)	(0.18)	(0.59)	(0.17)	(0.58)	(0.14)	(0.49)	(1.27)	(4.22)
BankTarget	-0.270**	-1.147*	-0.243	0.778	0.002	0.695	-0.352***	-0.821	1.294	6.278
	(0.13)	(0.61)	(0.18)	(0.62)	(0.18)	(0.62)	(0.12)	(0.52)	(1.08)	(4.29)
BankTargetRange	-0.651***	0.208	-0.208	-0.080	-0.257	-0.241	-0.456***	0.344	2.760**	-0.623
	(0.16)	(0.60)	(0.21)	(0.64)	(0.20)	(0.64)	(0.14)	(0.51)	(1.18)	(4.62)
BankForecast	-0.751***	-0.790	-0.486***	0.038	-0.640***	0.002	-0.460***	0.250	5.463***	-0.565
	(0.13)	(0.57)	(0.18)	(0.59)	(0.17)	(0.58)	(0.13)	(0.49)	(1.26)	(4.35)
BankForecastCI	-0.780***	-0.145	-1.001***	0.219	-0.838***	0.295	-0.678***	0.238	4.066***	-1.072
	(0.16)	(0.57)	(0.20)	(0.62)	(0.19)	(0.58)	(0.14)	(0.51)	(1.38)	(4.25)
ProfForecast	-1.266***	-2.234***	-0.770***	0.215	-0.959***	-0.119	-0.480***	0.815*	2.713**	-3.708
	(0.17)	(0.61)	(0.19)	(0.63)	(0.20)	(0.62)	(0.13)	(0.48)	(1.20)	(3.99)
ProfForecastRange	-0.567***	-0.217	-0.461**	-0.567	-0.597***	-0.829	-0.313***	0.056	3.557***	-1.014
	(0.14)	(0.59)	(0.19)	(0.64)	(0.19)	(0.64)	(0.12)	(0.49)	(1.29)	(4.29)
some college	0.017	-0.539	0.129	0.464	0.021	0.385	-0.080	0.820**	-0.951	-1.392
	(0.08)	(0.48)	(0.13)	(0.52)	(0.12)	(0.52)	(0.09)	(0.41)	(0.83)	(3.72)
university +	-0.044	-0.497	-0.033	0.537	-0.105	0.459	0.011	0.740*	-0.314	3.359
	(0.08)	(0.48)	(0.14)	(0.52)	(0.13)	(0.51)	(0.10)	(0.42)	(0.93)	(3.93)
PastInflationsome college	-0.110	0.687	-0.080	-0.476	0.067	-0.431	0.198	-0.436	0.127	4.095
	(0.13)	(0.67)	(0.21)	(0.70)	(0.20)	(0.68)	(0.16)	(0.55)	(1.46)	(4.98)
PastInflationuniversity +	-0.125	1.089	0.453**	-0.026	0.492**	0.152	0.349**	-1.124**	-0.980	10.031*
	(0.14)	(0.68)	(0.21)	(0.70)	(0.20)	(0.68)	(0.17)	(0.55)	(1.58)	(5.28)
BankTargetsome college	-0.099	0.904	-0.269	-1.729**	-0.412**	-1.449**	0.187	0.602	2.414*	-5.128
	(0.15)	(0.71)	(0.21)	(0.72)	(0.21)	(0.72)	(0.14)	(0.58)	(1.32)	(5.05)
BankTargetuniversity +	0.160	1.819**	0.148	-0.381	-0.072	-0.348	0.133	0.728	0.255	-8.880*
	(0.15)	(0.71)	(0.22)	(0.71)	(0.21)	(0.71)	(0.14)	(0.58)	(1.38)	(5.28)
BankTargetRangesome college	0.386**	-0.170	-0.327	-0.056	-0.201	0.176	0.344**	-0.960*	0.936	1.218
	(0.18)	(0.69)	(0.24)	(0.73)	(0.22)	(0.72)	(0.16)	(0.58)	(1.39)	(5.23)
BankTargetRangeuniversity +	0.309*	-0.623	-0.344	-0.960	-0.209	-0.914	0.115	-0.468	0.045	3.161
	(0.18)	(0.69)	(0.25)	(0.74)	(0.23)	(0.73)	(0.16)	(0.58)	(1.48)	(5.54)
BankForecastsome college	0.331**	0.431	-0.149	-0.797	0.075	-0.746	0.140	-0.750	-2.058	3.200
	(0.15)	(0.68)	(0.22)	(0.69)	(0.20)	(0.68)	(0.15)	(0.56)	(1.48)	(5.05)
BankForecastuniversity +	0.263	0.121	0.060	-0.414	0.308	-0.508	0.066	-0.764	-0.079	2.309
	(0.16)	(0.67)	(0.23)	(0.70)	(0.21)	(0.69)	(0.16)	(0.56)	(1.63)	(5.31)
BankForecastCIsome college	0.222	0.050	0.510**	-0.250	0.378*	-0.522	0.369**	-0.388	2.382	0.652
	(0.18)	(0.67)	(0.23)	(0.72)	(0.22)	(0.68)	(0.16)	(0.57)	(1.59)	(4.98)
BankForecastCIuniversity +	0.200	-0.229	0.437*	-0.621	0.422*	-0.811	0.134	-0.067	4.101**	-1.051
	(0.18)	(0.68)	(0.24)	(0.72)	(0.23)	(0.69)	(0.16)	(0.57)	(1.76)	(5.23)
ProfForecastsome college	0.538***	2.141***	0.080	-0.304	0.277	-0.069	0.076	-0.711	3.616**	7.216
	(0.19)	(0.71)	(0.23)	(0.73)	(0.23)	(0.72)	(0.16)	(0.55)	(1.49)	(4.81)
ProfForecastuniversity +	0.620***	1.497**	0.022	-1.073	0.280	-0.803	-0.128	-1.573***	2.520	7.404
	(0.19)	(0.71)	(0.24)	(0.74)	(0.24)	(0.72)	(0.16)	(0.55)	(1.59)	(5.05)
ProfForecastRangesome college	-0.427**	0.187	-0.328	0.199	-0.169	0.476	-0.021	-0.580	2.459	3.137
	(0.17)	(0.69)	(0.22)	(0.73)	(0.22)	(0.73)	(0.14)	(0.56)	(1.54)	(5.00)
ProfForecastRangeuniversity +	-0.180	0.421	-0.280	-0.175	-0.031	0.175	-0.484***	-0.646	7.522***	10.099*
	(0.17)	(0.68)	(0.23)	(0.74)	(0.23)	(0.73)	(0.16)	(0.56)	(1.76)	(5.32)
constant	-0.131	-0.409	0.078	-1.389**	-0.051	-1.210*	0.010	-1.047**	1.099	9.760**
	(0.14)	(0.59)	(0.19)	(0.63)	(0.18)	(0.62)	(0.12)	(0.49)	(1.28)	(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 (9) with variable $Treatmenti$ instead of $Range_i$. The dependent variable is the variable listed at the top of each column relative to its prior. These regressions also 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 D8: 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)	$E_i\text{iqr}_{1yr}^{post}$ (7)	$E_i\text{iqr}_{1yr}^{Wave2}$ (8)	$E_i\text{prob}_{1yr}^{target,post}$ (9)	$E_i\text{prob}_{1yr}^{target,Wave2}$ (10)
PastInflation	-0.216**	-0.578	-0.422**	-0.133	-0.410***	-0.358	-0.205*	0.036	2.019*	1.432
	(0.10)	(0.49)	(0.17)	(0.49)	(0.16)	(0.48)	(0.12)	(0.35)	(1.07)	(3.60)
BankTarget	-0.045	-0.235	-0.217	-0.546	0.074	-0.461	-0.210**	0.115	1.219	2.812
	(0.10)	(0.52)	(0.16)	(0.53)	(0.15)	(0.52)	(0.10)	(0.37)	(0.99)	(3.59)
BankTargetRange	-0.538***	0.392	-0.494***	-0.136	-0.427***	0.024	-0.205*	0.016	3.206***	-2.366
	(0.12)	(0.50)	(0.17)	(0.52)	(0.16)	(0.52)	(0.11)	(0.37)	(1.01)	(3.53)
BankForecast	-0.426***	-0.357	-0.201	-0.448	-0.319**	-0.445	-0.241**	-0.601	2.346**	-0.518
	(0.11)	(0.51)	(0.17)	(0.51)	(0.16)	(0.51)	(0.12)	(0.39)	(1.12)	(3.59)
BankForecastCI	-0.578***	0.370	-0.186	-0.481	-0.214	-0.439	-0.316***	0.090	4.037***	-0.020
	(0.12)	(0.52)	(0.18)	(0.54)	(0.17)	(0.52)	(0.12)	(0.39)	(1.23)	(3.51)
ProfForecast	-0.628***	-0.440	-0.326**	-0.008	-0.391**	-0.052	-0.313***	0.233	2.000*	-2.692
	(0.12)	(0.51)	(0.16)	(0.51)	(0.16)	(0.50)	(0.11)	(0.35)	(1.09)	(3.33)
ProfForecastRange	-0.966***	0.000	-0.259	-0.187	-0.303*	-0.030	-0.231*	0.057	3.726***	0.371
	(0.15)	(0.54)	(0.19)	(0.52)	(0.17)	(0.52)	(0.12)	(0.37)	(1.30)	(3.54)
$40K-$100K	-0.028	0.722*	0.311***	0.552	0.311***	0.550	0.074	0.136	-0.445	1.452
	(0.07)	(0.42)	(0.12)	(0.44)	(0.11)	(0.43)	(0.09)	(0.30)	(0.81)	(3.21)
$100K +	0.008	0.251	0.273**	-0.252	0.223*	-0.312	0.045	0.733**	-0.310	-0.814
	(0.08)	(0.46)	(0.14)	(0.50)	(0.13)	(0.50)	(0.10)	(0.33)	(0.95)	(3.66)
PastInflation × $40K-$100K	-0.015	0.437	-0.067	-0.082	0.003	-0.007	-0.169	-0.111	1.005	0.246
	(0.12)	(0.60)	(0.20)	(0.59)	(0.18)	(0.58)	(0.14)	(0.43)	(1.29)	(4.43)
PastInflation × $100K +	-0.083	0.660	0.303	0.479	0.418**	0.657	0.062	-0.759	1.979	7.919
	(0.14)	(0.64)	(0.22)	(0.67)	(0.21)	(0.66)	(0.15)	(0.46)	(1.51)	(5.14)
BankTarget × $40K-$100K	-0.251**	-0.228	-0.179	0.037	-0.441**	-0.021	0.063	-0.644	2.052*	0.196
	(0.12)	(0.62)	(0.19)	(0.63)	(0.18)	(0.61)	(0.12)	(0.46)	(1.24)	(4.42)
BankTarget × $100K +	-0.187	1.090	-0.015	1.613**	-0.213	1.538**	-0.077	-0.266	0.963	-8.480*
	(0.13)	(0.67)	(0.21)	(0.70)	(0.20)	(0.69)	(0.14)	(0.48)	(1.36)	(5.02)
BankTargetRange × $40K-$100K	0.348**	-0.738	-0.074	-0.542	-0.125	-0.786	-0.046	-0.472	-0.181	4.122
	(0.14)	(0.60)	(0.20)	(0.62)	(0.19)	(0.61)	(0.13)	(0.46)	(1.26)	(4.37)
BankTargetRange × $100K +	0.076	-0.524	0.066	-0.102	0.171	-0.344	-0.065	-0.350	0.250	5.342
	(0.15)	(0.65)	(0.22)	(0.68)	(0.21)	(0.67)	(0.14)	(0.48)	(1.39)	(4.87)
BankForecast × $40K-$100K	-0.009	-0.198	-0.466**	-0.020	-0.250	-0.061	-0.129	0.562	2.435*	1.190
	(0.13)	(0.61)	(0.21)	(0.61)	(0.19)	(0.60)	(0.14)	(0.47)	(1.37)	(4.38)
BankForecast × $100K +	-0.167	-0.415	-0.357	-0.069	-0.148	-0.203	-0.224	-0.362	3.354**	6.978
	(0.15)	(0.68)	(0.23)	(0.69)	(0.22)	(0.70)	(0.15)	(0.51)	(1.56)	(5.04)
BankForecastCI × $40K-$100K	-0.055	-0.776	-0.610***	0.231	-0.488**	-0.021	-0.223	0.224	5.153***	-2.495
	(0.15)	(0.62)	(0.22)	(0.64)	(0.20)	(0.62)	(0.14)	(0.46)	(1.52)	(4.39)
BankForecastCI × $100K +	0.074	-0.737	-0.352	0.868	-0.144	0.756	-0.106	-0.614	1.240	0.470
	(0.16)	(0.66)	(0.23)	(0.69)	(0.21)	(0.67)	(0.15)	(0.50)	(1.59)	(4.84)
ProfForecast × $40K-$100K	-0.204	-0.277	-0.463**	-0.522	-0.366*	-0.593	-0.292**	-0.158	4.803***	7.401*
	(0.14)	(0.61)	(0.20)	(0.62)	(0.20)	(0.61)	(0.14)	(0.43)	(1.40)	(4.27)
ProfForecast × $100K +	-0.037	-0.312	-0.683***	-0.140	-0.571**	-0.328	-0.081	-1.062**	3.770**	5.268
	(0.16)	(0.69)	(0.23)	(0.69)	(0.22)	(0.68)	(0.15)	(0.48)	(1.57)	(4.81)
ProfForecastRange × $40K-$100K	0.213	-0.259	-0.581***	-0.858	-0.475**	-1.075*	-0.244*	-0.529	2.678*	2.074
	(0.17)	(0.63)	(0.22)	(0.61)	(0.20)	(0.61)	(0.14)	(0.45)	(1.54)	(4.33)
ProfForecastRange × $100K +	0.157	0.513	-0.549**	0.399	-0.459**	0.239	-0.413**	-0.955*	7.139***	10.995**
	(0.19)	(0.67)	(0.24)	(0.69)	(0.22)	(0.68)	(0.16)	(0.49)	(1.82)	(5.11)
constant	-0.205*	-0.996*	-0.124	-0.988*	-0.293*	-0.941	-0.170	-0.842**	1.861	9.708**
	(0.12)	(0.57)	(0.18)	(0.59)	(0.17)	(0.58)	(0.12)	(0.40)	(1.28)	(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 (9) with variable $Treatmenti$ instead of $Range_i$. The dependent variable is the variable listed at the top of each column relative to its prior. These regressions also 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 D9: 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)	$E_i\text{iqr}_{1yr}^{post}$ (7)	$E_i\text{iqr}_{1yr}^{Wave2}$ (8)	$E_i\text{prob}_{1yr}^{target,post}$ (9)	$E_i\text{prob}_{1yr}^{target,Wave2}$ (10)
PastInflation	-0.115	-0.141	-0.369***	0.345	-0.349***	0.426	-0.228***	-0.372	4.028***	11.725***
	(0.08)	(0.35)	(0.12)	(0.37)	(0.11)	(0.36)	(0.08)	(0.25)	(0.92)	(3.11)
BankTarget	-0.102	-0.195	-0.171	0.062	-0.093	0.255	-0.267***	-0.263	1.454*	1.091
	(0.08)	(0.37)	(0.12)	(0.38)	(0.11)	(0.36)	(0.08)	(0.28)	(0.85)	(3.06)
BankTargetRange	-0.335***	0.329	-0.257**	0.223	-0.288**	0.396	-0.266***	-0.365	2.388***	6.754**
	(0.09)	(0.35)	(0.12)	(0.37)	(0.11)	(0.35)	(0.08)	(0.25)	(0.82)	(2.99)
BankForecast	-0.444***	-0.677*	-0.361***	-0.471	-0.386***	-0.424	-0.360***	-0.331	2.995***	5.299*
	(0.09)	(0.35)	(0.12)	(0.36)	(0.11)	(0.35)	(0.08)	(0.25)	(0.89)	(2.92)
BankForecastCI	-0.485***	-0.219	-0.305**	0.206	-0.354***	0.202	-0.534***	-0.036	7.462***	-0.413
	(0.09)	(0.36)	(0.13)	(0.37)	(0.12)	(0.37)	(0.09)	(0.26)	(1.02)	(2.91)
ProfForecast	-0.631***	-0.781**	-0.420***	-0.042	-0.403***	0.048	-0.498***	-0.432*	4.847***	8.812***
	(0.09)	(0.35)	(0.13)	(0.37)	(0.13)	(0.37)	(0.09)	(0.26)	(0.98)	(3.11)
ProfForecastRange	-0.500***	0.454	-0.494***	0.279	-0.569***	0.307	-0.409***	-0.332	5.058***	4.414
	(0.09)	(0.37)	(0.12)	(0.37)	(0.12)	(0.37)	(0.09)	(0.28)	(0.93)	(2.97)
female	-0.004	-0.362	0.039	0.364	-0.052	0.592*	-0.062	-0.412	0.992	4.747*
	(0.06)	(0.33)	(0.10)	(0.35)	(0.09)	(0.34)	(0.07)	(0.25)	(0.70)	(2.67)
PastInflation×female	-0.246**	-0.063	0.020	-0.666	0.109	-1.028**	-0.066	0.258	-1.627	-12.826***
	(0.10)	(0.47)	(0.15)	(0.48)	(0.14)	(0.47)	(0.10)	(0.34)	(1.12)	(3.83)
BankTarget×female	-0.236**	0.237	-0.192	-0.289	-0.168	-0.535	0.081	0.064	1.462	-0.424
	(0.10)	(0.48)	(0.15)	(0.49)	(0.14)	(0.47)	(0.10)	(0.36)	(1.05)	(3.79)
BankTargetRange×female	-0.002	-0.783*	-0.370**	-1.123**	-0.223	-1.472***	0.029	0.127	1.212	-8.876**
	(0.11)	(0.47)	(0.15)	(0.48)	(0.15)	(0.47)	(0.10)	(0.35)	(1.05)	(3.71)
BankForecast×female	-0.094	0.220	-0.244	0.008	-0.145	-0.141	-0.014	-0.151	2.169*	-5.551
	(0.11)	(0.47)	(0.16)	(0.48)	(0.15)	(0.47)	(0.11)	(0.36)	(1.14)	(3.69)
BankForecastCI×female	-0.194	-0.039	-0.421***	-0.556	-0.208	-0.728	0.123	0.145	-1.333	-1.377
	(0.12)	(0.47)	(0.16)	(0.49)	(0.15)	(0.47)	(0.11)	(0.35)	(1.24)	(3.67)
ProfForecast×female	-0.241**	0.214	-0.463***	-0.433	-0.500***	-0.783	0.016	0.530	0.462	-10.304***
	(0.12)	(0.48)	(0.17)	(0.49)	(0.16)	(0.48)	(0.11)	(0.35)	(1.22)	(3.81)
ProfForecastRange×female	-0.538***	-0.666	-0.325**	-1.259***	-0.164	-1.319***	-0.105	-0.179	3.091**	-0.951
	(0.12)	(0.48)	(0.16)	(0.48)	(0.15)	(0.47)	(0.11)	(0.36)	(1.23)	(3.73)
constant	-0.343***	-0.938*	-0.067	-1.309**	-0.197	-1.325***	-0.058	-0.646*	0.528	4.000
	(0.13)	(0.51)	(0.17)	(0.51)	(0.16)	(0.51)	(0.11)	(0.37)	(1.23)	(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 (9) with variable $Treatmenti$ instead of $Range_i$. The dependent variable is the variable listed at the top of each column relative to its prior. These regressions also 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 D10: Estimation results of the posteriors about one-year expectations: treatments with ranges and severity of pandemic (rate of cases).

PANEL A	$E_i\pi_{1yr}^{prior}$	$E_i\pi_{1yr}^{mean,prior}$	$E_i\pi_{1yr}^{median,prior}$	$E_i\text{iqr}_{1yr}^{prior}$	$E_i\text{prob}_{1yr}^{target,prior}$
	(1)	(2)	(3)	(4)	(5)
Rate of cases	0.212***	0.118***	0.128***	0.104***	-0.741***
	(0.05)	(0.04)	(0.04)	(0.03)	(0.23)
constant	4.025***	3.042***	2.993***	4.455***	32.664***
	(0.54)	(0.47)	(0.47)	(0.39)	(2.70)
N	4699	4973	4995	4823	5055
R^2	0.0850	0.0426	0.0459	0.0518	0.0659

PANEL B	$E_i\pi_{1yr}^{post}$	$E_i\pi_{1yr}^{Wave2}$	$E_i\pi_{1yr}^{mean,post}$	$E_i\pi_{1yr}^{mean,Wave2}$	$E_i\pi_{1yr}^{median,post}$	$E_i\pi_{1yr}^{median,Wave2}$	$E_i\text{iqr}_{1yr}^{post}$	$E_i\text{iqr}_{1yr}^{Wave2}$	$E_i\text{prob}_{1yr}^{target,post}$	$E_i\text{prob}_{1yr}^{target,Wave2}$
	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Range, all	-0.288	-0.257	-0.634**	0.040	-0.621**	0.468	0.129	0.085	2.576	-15.254***
	(0.24)	(0.73)	(0.28)	(0.71)	(0.27)	(0.68)	(0.18)	(0.51)	(2.00)	(5.16)
Rate of cases	-0.046	-0.150	-0.058	-0.077	-0.094**	-0.041	-0.018	-0.005	0.678**	-1.633**
	(0.03)	(0.10)	(0.04)	(0.10)	(0.04)	(0.10)	(0.02)	(0.07)	(0.27)	(0.69)
Range, all×Rate of cases	0.029	0.070	0.069*	-0.016	0.069**	-0.070	-0.022	-0.010	-0.105	1.892***
	(0.03)	(0.09)	(0.04)	(0.09)	(0.03)	(0.08)	(0.02)	(0.06)	(0.25)	(0.64)
constant	-0.493*	0.507	0.053	-0.280	0.174	-0.556	-0.366*	-0.616	-1.768	23.540***
	(0.28)	(0.90)	(0.35)	(0.88)	(0.34)	(0.85)	(0.22)	(0.62)	(2.39)	(6.33)
N	3023	2328	3470	2459	3455	2467	3198	2329	3323	2569
R^2	0.0258	0.0246	0.0172	0.00917	0.0172	0.00699	0.0114	0.0121	0.0311	0.0246
Range, BankTarget	-0.487*	0.365	-0.476	-0.364	-0.421	0.341	0.543**	1.905**	2.308	-12.438
	(0.29)	(1.30)	(0.39)	(1.25)	(0.37)	(1.21)	(0.23)	(0.94)	(2.28)	(9.14)
Rate of cases	-0.065*	-0.243	-0.128**	-0.511***	-0.142***	-0.453**	0.023	0.202	0.306	1.086
	(0.04)	(0.19)	(0.05)	(0.18)	(0.05)	(0.18)	(0.03)	(0.13)	(0.30)	(1.26)
Range, BankTarget×Rate of cases	0.049	-0.050	0.039	-0.004	0.029	-0.105	-0.072**	-0.247**	-0.235	1.648
	(0.04)	(0.16)	(0.05)	(0.16)	(0.05)	(0.15)	(0.03)	(0.12)	(0.29)	(1.17)
constant	0.282	3.166**	1.100**	5.014***	1.274***	4.570***	-0.559**	-2.045*	0.552	-10.082
	(0.33)	(1.58)	(0.48)	(1.52)	(0.45)	(1.49)	(0.28)	(1.12)	(2.66)	(11.28)
N	970	773	1118	828	1100	832	1022	793	1043	863
R^2	0.0233	0.0545	0.0273	0.0426	0.0336	0.0459	0.0179	0.0503	0.0402	0.0460
Range, BankForecast	0.338	-1.019	-1.044**	-0.370	-0.908*	-0.333	-0.202	0.591	-1.070	-30.543***
	(0.46)	(1.30)	(0.50)	(1.28)	(0.49)	(1.19)	(0.32)	(0.99)	(4.08)	(8.79)
Rate of cases	-0.042	-0.232	-0.105	-0.062	-0.176***	-0.043	-0.008	-0.072	0.799	-3.096***
	(0.06)	(0.17)	(0.07)	(0.17)	(0.07)	(0.16)	(0.04)	(0.13)	(0.55)	(1.15)
Range, BankForecast×Rate of cases	-0.056	0.182	0.125**	0.082	0.109*	0.077	0.015	-0.020	0.507	3.408***
	(0.06)	(0.16)	(0.06)	(0.16)	(0.06)	(0.15)	(0.04)	(0.12)	(0.52)	(1.09)
constant	-0.869	0.750	-0.361	-1.745	-0.090	-1.610	-0.481	-0.630	3.760	36.989***
	(0.60)	(1.57)	(0.64)	(1.57)	(0.61)	(1.45)	(0.40)	(1.20)	(5.12)	(10.82)
N	1016	790	1174	819	1174	812	1067	775	1177	857
R^2	0.0387	0.0335	0.0385	0.0212	0.0442	0.0218	0.0201	0.0366	0.0478	0.0519
Range, ProfForecast	-0.602	0.713	-0.242	1.933	-0.572	2.665**	-0.578	-1.684*	23.950***	-1.824
	(0.50)	(1.23)	(0.55)	(1.21)	(0.54)	(1.20)	(0.41)	(0.88)	(6.43)	(9.25)
Rate of cases	-0.024	0.072	0.158**	0.415**	0.116	0.443***	-0.112**	-0.102	0.834	-2.535**
	(0.06)	(0.17)	(0.07)	(0.17)	(0.07)	(0.17)	(0.05)	(0.12)	(0.84)	(1.21)
Range, ProfForecast×Rate of cases	0.080	-0.008	0.030	-0.259*	0.075	-0.335**	0.081	0.176	-2.598***	0.387
	(0.06)	(0.15)	(0.07)	(0.15)	(0.07)	(0.15)	(0.05)	(0.11)	(0.81)	(1.13)
constant	-1.745***	-2.766*	-1.725**	-4.910***	-1.588**	-5.380***	0.567	0.234	-3.693	39.375***
	(0.56)	(1.53)	(0.69)	(1.46)	(0.70)	(1.51)	(0.48)	(1.07)	(7.48)	(11.03)
N	1037	763	1166	812	1168	821	1105	772	1249	848
R^2	0.0642	0.0490	0.0322	0.0404	0.0291	0.0349	0.0527	0.0268	0.0742	0.0611

Notes: This table presents the estimation results for equation $Y_{i,t} = a + b_0\text{Rate of cases} + b_1 X_i + \epsilon_{i,t}$ in panel A and equation (10) in Panel B. The dependent variable is the variable listed at the top of each column relative to its prior. These regressions control for demographic characteristics in even numbered columns. 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 D11: Estimation results of the posteriors about one-year expectations: treatments with ranges and severity of pandemic (rate of deaths).

PANEL A	$E_i\pi_{1yr}^{prior}$	$E_i\pi_{1yr}^{mean,prior}$	$E_i\pi_{1yr}^{median,prior}$	$E_i\text{iqr}_{1yr}^{prior}$	$E_i\text{prob}_{1yr}^{target,prior}$
	(1)	(2)	(3)	(4)	(5)
Rate of deaths	0.153	-2.980*	-2.815	4.885***	-7.982
	(2.02)	(1.77)	(1.75)	(1.43)	(10.76)
constant	5.983***	4.567***	4.596***	4.770***	26.760***
	(0.43)	(0.38)	(0.37)	(0.32)	(2.21)
N	4691	4971	4996	4829	5055
R^2	0.0819	0.0415	0.0444	0.0518	0.0645

PANEL B	$E_i\pi_{1yr}^{post}$	$E_i\pi_{1yr}^{Wave2}$	$E_i\pi_{1yr}^{mean,post}$	$E_i\pi_{1yr}^{mean,Wave2}$	$E_i\pi_{1yr}^{median,post}$	$E_i\pi_{1yr}^{median,Wave2}$	$E_i\text{iqr}_{1yr}^{post}$	$E_i\text{iqr}_{1yr}^{Wave2}$	$E_i\text{prob}_{1yr}^{target,post}$	$E_i\text{prob}_{1yr}^{target,Wave2}$
	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
Range, all	0.022	0.428	-0.138	-0.073	-0.182	0.005	-0.051	0.074	2.246***	-0.981
	(0.10)	(0.30)	(0.11)	(0.29)	(0.11)	(0.28)	(0.07)	(0.21)	(0.82)	(2.12)
Rate of deaths	-4.937	-19.337	-4.600	-14.402	-11.221*	-12.131	-5.039	-1.237	110.685***	-124.665
	(4.81)	(15.65)	(5.87)	(15.47)	(5.85)	(14.84)	(3.78)	(10.74)	(42.36)	(106.71)
Range, all Rate of deaths	-1.098	-1.850	0.614	-0.224	1.333	-1.230	0.142	-0.928	-6.951	9.017
	(1.17)	(3.48)	(1.39)	(3.43)	(1.35)	(3.27)	(0.89)	(2.45)	(10.00)	(25.13)
constant	-0.800***	-0.339	-0.311	-0.621	-0.322	-0.679	-0.411***	-0.651	1.286	13.325***
	(0.19)	(0.57)	(0.23)	(0.55)	(0.22)	(0.53)	(0.14)	(0.40)	(1.57)	(4.05)
N	3026	2330	3475	2459	3461	2467	3190	2328	3321	2569
R^2	0.0258	0.0245	0.0163	0.00917	0.0166	0.00686	0.0111	0.0122	0.0311	0.0214
Range, BankTarget	-0.044	0.343	-0.299*	-0.583	-0.351**	-0.358	0.154*	0.627	0.556	-2.318
	(0.12)	(0.55)	(0.16)	(0.52)	(0.15)	(0.50)	(0.09)	(0.39)	(0.90)	(3.77)
Rate of deaths	-7.142	-44.206	-19.923**	-89.389***	-23.632***	-85.256***	-0.886	21.701	31.991	302.169
	(5.70)	(30.32)	(8.36)	(28.53)	(8.32)	(27.48)	(4.74)	(20.85)	(45.47)	(195.69)
Range, BankTarget×Rate of deaths	-0.781	-4.740	1.730	2.466	2.067	-1.747	-2.331**	-8.934**	-0.895	35.349
	(1.42)	(6.30)	(1.93)	(6.04)	(1.82)	(5.78)	(1.13)	(4.53)	(11.39)	(46.25)
constant	-0.117	1.961**	0.519	2.716***	0.656**	2.540***	-0.453**	-1.077	2.260	-5.849
	(0.22)	(0.95)	(0.32)	(0.94)	(0.30)	(0.92)	(0.19)	(0.71)	(1.75)	(7.48)
N	968	774	1119	828	1102	832	1024	793	1043	863
R^2	0.0226	0.0547	0.0275	0.0428	0.0343	0.0458	0.0163	0.0499	0.0399	0.0441
Range, BankForecast	0.004	0.405	-0.180	0.444	-0.178	0.302	-0.286**	0.503	4.287***	-6.723*
	(0.19)	(0.52)	(0.20)	(0.54)	(0.20)	(0.50)	(0.13)	(0.40)	(1.64)	(3.58)
ratedeaths_week15to19	-10.718	-28.353	-8.267	-4.378	-22.576**	-1.775	-1.391	-13.755	191.645**	-308.334*
	(10.11)	(25.91)	(10.46)	(27.60)	(10.59)	(25.48)	(6.62)	(20.66)	(84.43)	(176.02)
Range, BankForecast×Rate of deaths	-1.412	0.238	1.571	-2.070	1.684	-0.349	2.730*	-0.889	-21.177	40.201
	(2.30)	(6.09)	(2.45)	(6.25)	(2.40)	(5.85)	(1.57)	(4.76)	(20.72)	(42.70)
constant	-1.025**	-0.581	-0.970**	-2.186**	-0.997**	-1.929**	-0.451	-0.962	6.010*	18.502***
	(0.40)	(0.98)	(0.43)	(1.01)	(0.40)	(0.93)	(0.28)	(0.76)	(3.46)	(6.87)
N	1014	780	1170	819	1173	812	1075	775	1166	857
R^2	0.0384	0.0331	0.0358	0.0216	0.0424	0.0219	0.0219	0.0368	0.0491	0.0451
Range, ProfForecast	-0.055	0.671	0.045	0.128	-0.124	0.366	-0.070	-0.557	8.733***	4.179
	(0.19)	(0.50)	(0.22)	(0.48)	(0.22)	(0.49)	(0.16)	(0.35)	(2.54)	(3.71)
ratedeaths_week15to19	2.137	11.985	29.995***	49.513**	24.948**	48.474*	-13.265	-3.366	-21.924	-360.464**
	(9.56)	(25.77)	(10.87)	(24.48)	(10.75)	(25.02)	(8.19)	(17.71)	(128.90)	(182.64)
Range, ProfForecast×Rate of deaths	1.151	-0.373	-0.721	-3.454	1.984	-4.841	1.671	3.501	-72.955**	-38.731
	(2.38)	(5.68)	(2.68)	(5.64)	(2.70)	(5.62)	(1.96)	(4.17)	(30.04)	(42.87)
constant	-1.952***	-2.426**	-1.069**	-2.659***	-1.099**	-2.924***	-0.016	-0.366	1.139	25.565***
	(0.38)	(0.99)	(0.45)	(0.92)	(0.46)	(0.93)	(0.31)	(0.70)	(4.68)	(6.65)
N	1038	763	1162	812	1167	821	1107	773	1248	848
R^2	0.0635	0.0489	0.0319	0.0370	0.0290	0.0302	0.0513	0.0252	0.0728	0.0612

Notes: This table presents the estimation results for equation $Y_i^{prior} = a + b_0\text{Rate of deaths} + b_1 X_i + \epsilon_{i,t}$ in panel A and equation (10) in Panel B. The dependent variable is the variable listed at the top of each column relative to its prior. These regressions control for demographic characteristics in even numbered columns. 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.

E Rounding and uncertainty

A standard approach to measuring uncertainty is to use the interquartile range of the subjective probability distribution as a measure of respondents' uncertainty about their inflation expectations [Armantier et al., 2017]. [Binder, 2017] uses respondents' tendency to round when reporting their inflation expectations as a proxy for their uncertainty about expected inflation, in the absence of better measures such as the interquartile of the subjective probability distribution used in the literature [Armantier et al., 2017]. Besides uncertainty, other factors can contribute to the rounding, such as cognitive overload of the forecasting task and background knowledge. We explore the link between rounding and uncertainty and the impact of information treatments on it. Our findings indicate a weak link between these two concepts in our data.

To evaluate the link between rounding and uncertainty, we estimate the following probit regression:

$$\mathbb{1}_{i,t}^{Rounding} = \beta_0 + \beta_1 E_{i,t} iqr + \beta_2 X_i + \epsilon_{i,t} \tag{E1}$$

where $\mathbb{1}_{i,t}^{Rounding}$ is an indicator variable equal to 1 if the respondent rounds their inflation expectations and 0 if the respondent does not round.

A respondent is defined as rounding their forecast if their forecast is a multiple of 5, following [Binder, 2017]. We find that 42% of participants round their prior inflation expectations. The mean IQR of those who round is 8.5 percentage points, while those who do not round have a mean IQR of 4.5 percentage points. This difference is statistically significant at the 0.1% level (one- and two-sided t-tests, N=5079). However, after controlling for demographic characteristics, the quantitative importance of respondents' IQR in explaining their likelihood of rounding is quantitatively small. The probability of rounding increases by 0.004 pp if uncertainty increases by 1 pp (column (1) of Table E1). Rather, other respondent characteristics play a larger quantitative role in driving the probability of rounding. Females and those with the lowest education and lowest income are more likely to round their inflation forecasts. These groups also tend to form higher inflation expectations in our survey (Table 2), consistently observed in the literature. Overall, our baseline specification can only explain 0.07 % of the variation in rounding. Introducing treatment controls in column (2) does not meaningfully improve the fit.

In the posterior, 78% of those in the control group who rounded their prior inflation expectations continued to do so in their posterior forecasts. By contrast, of those in the treated groups, between 38 and 63% of those who rounded their priors also rounded their posteriors. In other words, the incidence of rounding decreased more when participants received inflation statistics. Among those who did not round in their priors, a very small share rounded their posteriors, ranging from 5 to 10%. This suggests a small share of the participants might have experienced survey fatigue.

All of the information interventions have a sizeable and significant negative effect on the probability of rounding. The effects are largest in BankForecastCI, ProfForecast, and ProfForecastRange. Moreover, we find that the link between rounding and uncertainty becomes insignificant when respondents are resurveyed (Control group). However, following some information interventions, this link remains positive (PastInflation, BankTarget, BankForecast).

Communicating an inflation intervention with a range eliminates the link between rounding and uncertainty (Table E2) mostly from communicating the Bank's inflation target with a range. This suggests that the main impact of information about the Bank and professional forecasts, with or without a range, comes from communicating the mid-point. This is notable because both the BankForecast and ProfForecast treatments provide unrounded statistics (values with decimal points *below* 5%) in the point forecast and/or in the range. In Wave 2, the link between rounding and uncertainty is positive although quantitatively small and some treatments eliminate it—BankTarget, BankTargetRange, and BankForecastCI (Table E3).

Table E1: Estimation results for rounding

	round^{prior} (1)	round^{prior} (2)	round^{post} (3)	round^{post} (4)
$E_i iqr_{1yr}^{prior}$	0.014***	0.067***		
	(0.00)	(0.01)		
PastInflation		0.023	-0.339***	-0.392***
		(0.10)	(0.07)	(0.08)
BankTarget		0.007	-0.227***	-0.371***
		(0.10)	(0.07)	(0.08)
BankTargetRange		0.284***	-0.302***	-0.325***
		(0.10)	(0.07)	(0.08)
BankForecast		0.324***	-0.373***	-0.432***
		(0.10)	(0.07)	(0.08)
BankForecastCI		0.497***	-0.536***	-0.573***
		(0.09)	(0.07)	(0.08)
ProfForecast		0.424***	-0.540***	-0.540***
		(0.09)	(0.07)	(0.08)
ProfForecastRange		0.061	-0.654***	-0.653***
		(0.10)	(0.08)	(0.08)
PastInflation $\times$ $E_i iqr_{1yr}^{prior}$		-0.007		
		(0.01)		
BankTarget $\times$ $E_i iqr_{1yr}^{prior}$ r		0.014		
		(0.01)		
BankTargetRange $\times$ $E_i iqr_{1yr}^{prior}$		-0.032**		
		(0.01)		
BankForecast $\times$ $E_i iqr_{1yr}^{prior}$		-0.040***		
		(0.01)		
BankForecastCI $\times$ $E_i iqr_{1yr}^{prior}$		-0.066***		
		(0.01)		
ProfForecast $\times$ $E_i iqr_{1yr}^{prior}$		-0.060***		
		(0.01)		
ProfForecastRange $\times$ $E_i iqr_{1yr}^{prior}$		-0.002		
		(0.01)		
$E_i iqr_{1yr}^{post}$			0.005***	0.002
			(0.00)	(0.00)
PastInflation $\times$ $E_i iqr_{1yr}^{post}$				0.009*
				(0.00)
BankTarget $\times$ $E_i iqr_{1yr}^{post}$				0.027***
				(0.01)
BankTargetRange $\times$ $E_i iqr_{1yr}^{post}$				0.003
				(0.00)
BankForecast $\times$ $E_i iqr_{1yr}^{post}$				0.010**
				(0.00)
BankForecastCI $\times$ $E_i iqr_{1yr}^{post}$				0.006
				(0.00)
ProfForecast $\times$ $E_i iqr_{1yr}^{post}$				-0.000
				(0.00)
ProfForecastRange $\times$ $E_i iqr_{1yr}^{post}$				-0.000
				(0.00)
young (18-34)	-0.038	-0.060	-0.060	-0.058
	(0.06)	(0.07)	(0.07)	(0.07)
senior (55+)	0.023	0.030	0.172***	0.174***
	(0.04)	(0.04)	(0.04)	(0.04)
female	0.389***	0.384***	0.170***	0.167***
	(0.04)	(0.04)	(0.04)	(0.04)
low education	-0.103**	-0.076	-0.096*	-0.088*
	(0.05)	(0.05)	(0.05)	(0.05)
high education	-0.305***	-0.259***	-0.170***	-0.163***
	(0.06)	(0.06)	(0.06)	(0.06)
low income	-0.209***	-0.213***	-0.147***	-0.144***
	(0.05)	(0.05)	(0.05)	(0.05)
high income	-0.320***	-0.284***	-0.253***	-0.238***
	(0.06)	(0.06)	(0.06)	(0.06)
D$^{\text{know inflation well}}$	0.092**	0.098**	0.043	0.038
	(0.05)	(0.05)	(0.05)	(0.05)
D$^{\text{easy to express inflation}}$	-0.115***	-0.108**	0.100**	0.103**
	(0.04)	(0.04)	(0.04)	(0.04)
Constant	0.007	-0.350**	-0.110	-0.091
	(0.13)	(0.15)	(0.14)	(0.15)
Observations	5046	5046	4991	4991

Notes: This table presents the estimation results for equation (E1). These regressions also control for other demographic characteristics. Standard errors are reported in parentheses. ***, **, and * represent statistical significance at the 1%, 5%, and 10% levels, respectively.

Table E2: Estimation results for rounding

	round^{post} R=All (1)	round^{post} T=BankTarget (2)	round^{post} T=BankForecast (3)	round^{post} T=ProfForecast (4)
$E_i iqr_{1yr}^{post}$	0.013***	0.029***	0.013***	0.002
	(0.00)	(0.01)	(0.00)	(0.00)
$Range_i^T$	-0.038	0.047	-0.136*	-0.133
	(0.05)	(0.08)	(0.08)	(0.08)
$Range_i^T \times E_i iqr_{1yr}^{post}$	-0.011***	-0.024***	-0.005	0.000
	(0.00)	(0.01)	(0.01)	(0.00)
young	-0.080	-0.034	-0.095	-0.228
	(0.09)	(0.13)	(0.14)	(0.15)
seniors	0.183***	0.331***	0.106	0.105
	(0.05)	(0.08)	(0.09)	(0.09)
female	0.086	0.192**	-0.002	0.175*
	(0.05)	(0.08)	(0.09)	(0.09)
some college	-0.111*	-0.068	-0.136	-0.044
	(0.07)	(0.10)	(0.10)	(0.11)
university+	-0.162**	-0.147	-0.058	-0.233*
	(0.07)	(0.12)	(0.12)	(0.12)
\$40K-\$100K	-0.127**	-0.112	-0.209**	-0.063
	(0.06)	(0.10)	(0.10)	(0.11)
\$100k	-0.248***	-0.220*	-0.330***	-0.148
	(0.08)	(0.12)	(0.12)	(0.13)
$D^{\text{know inflation well}}$	-0.018	-0.046	-0.088	0.226**
	(0.06)	(0.09)	(0.10)	(0.10)
$D^{\text{easy to express inflation}}$	0.155***	0.144*	0.157*	0.169*
	(0.06)	(0.09)	(0.09)	(0.09)
constant	-0.486***	-0.787***	-0.109	-0.683**
	(0.18)	(0.28)	(0.30)	(0.27)
N	3128	1243	1258	1249

Notes: This table presents the estimation results for equation (E1). These regressions also control for other demographic characteristics. Standard errors are reported in parentheses. ***, **, and * represent statistical significance at the 1%, 5%, and 10% levels, respectively.

Table E3: Estimation results for rounding

	round^{Wave2} (1)	round^{Wave2} (2)	round^{Wave2} (3)	round^{Wave2} (4)	round^{Wave2} (5)	round^{Wave2} (6)
$E_i iqr_{1yr}^{Wave2}$	0.020***	0.079***	0.031***	0.091***	0.063***	0.059***
	(0.00)	(0.01)	(0.01)	(0.02)	(0.01)	(0.01)
PastInflation	-0.207**	-0.122				
	(0.09)	(0.12)				
BankTarget	-0.040	-0.054				
	(0.09)	(0.12)				
BankTargetRange	-0.046	0.293***				
	(0.09)	(0.11)				
BankForecast	0.044	0.117				
	(0.09)	(0.12)				
BankForecastCI	-0.087	0.190*				
	(0.09)	(0.11)				
ProfForecast	-0.078	-0.007				
	(0.09)	(0.12)				
ProfForecastRange	-0.066	0.033				
	(0.09)	(0.12)				
PastInflation $\times$ $E_i iqr_{1yr}^{Wave2}$		-0.021				
		(0.02)				
BankTarget $\times$ $E_i iqr_{1yr}^{Wave2}$		0.011				
		(0.02)				
BankTargetRange $\times$ $E_i iqr_{1yr}^{Wave2}$		-0.078***				
		(0.01)				
BankForecast $\times$ $E_i iqr_{1yr}^{Wave2}$		-0.015				
		(0.02)				
BankForecastCI $\times$ $E_i iqr_{1yr}^{Wave2}$		-0.066***				
		(0.02)				
ProfForecastRange $\times$ $E_i iqr_{1yr}^{Wave2}$		-0.018				
		(0.02)				
ProfForecastRange $\times$ $E_i iqr_{1yr}^{Wave2}$		-0.024				
		(0.02)				
Range, all			0.076			
			(0.06)			
Range, all $\times$ $E_i iqr_{1yr}^{Wave2}$			-0.025***			
			(0.01)			
Range, BankTarget				0.352***		
				(0.11)		
Range, BankTarget$\times$ $E_i iqr_{1yr}^{Wave2}$				-0.091***		
				(0.02)		
Range, BankForecast					0.072	
					(0.11)	
Range, BankForecast$\times$ $E_i iqr_{1yr}^{Wave2}$					-0.051***	
					(0.01)	
Range, ProfForecast						0.043
						(0.12)
Range, ProfForecast$\times$ $E_i iqr_{1yr}^{Wave2}$						-0.005
						(0.02)
young	0.081	0.081	-0.153	-0.042	-0.243	0.236
	(0.09)	(0.09)	(0.12)	(0.18)	(0.19)	(0.20)
senior	-0.033	-0.006	-0.085	-0.063	-0.050	-0.037
	(0.05)	(0.05)	(0.06)	(0.10)	(0.10)	(0.11)
female	0.382***	0.372***	0.335***	0.218**	0.446***	0.479***
	(0.05)	(0.05)	(0.06)	(0.10)	(0.10)	(0.11)
low education	-0.177***	-0.146**	-0.120	-0.158	-0.025	-0.105
	(0.06)	(0.06)	(0.08)	(0.12)	(0.12)	(0.13)
high education	-0.430***	-0.374***	-0.326***	-0.248*	-0.152	-0.509***
	(0.07)	(0.07)	(0.09)	(0.14)	(0.14)	(0.14)
low income	-0.158***	-0.124**	-0.231***	-0.260**	-0.214*	-0.164
	(0.06)	(0.06)	(0.08)	(0.12)	(0.12)	(0.12)
high income	-0.318***	-0.275***	-0.456***	-0.489***	-0.459***	-0.252
	(0.07)	(0.07)	(0.09)	(0.15)	(0.15)	(0.16)
$D^{\text{know inflation well}}$	0.023	0.049	0.024	0.012	0.066	0.032
	(0.06)	(0.06)	(0.07)	(0.11)	(0.12)	(0.12)
$D^{\text{easy to express inflation}}$	-0.070	-0.083	-0.111*	-0.156	-0.066	-0.003
	(0.05)	(0.05)	(0.07)	(0.11)	(0.11)	(0.11)
constant	-0.132	-0.427**	-0.237	-0.072	-0.567*	-0.553*
	(0.17)	(0.19)	(0.21)	(0.35)	(0.34)	(0.33)
N	3401	3401	2116	854	845	843

Notes: This table presents the estimation results for equation (E1). These regressions also control for other demographic characteristics. Standard errors are reported in parentheses. ***, **, and * represent statistical significance at the 1%, 5%, and 10% levels, respectively.