Peer Effects in Macroeconomic Expectations*

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Abstract

Social interactions affect individual behavior in a variety of ways, but their effects on expectation formation are less well understood. We design a large-scale global survey experiment among renowned experts working in 135 countries to study whether peer effects impact expectations about the macroeconomy. The global setting allows us to exploit rich cross-national variation in macroeconomic fundamentals. Our experiment uncovers sizable effects of peers and shows that peer information also shifts monetary policy recommendations of experts. The results have important implications for the design of policies and models of information acquisition.

Keywords: Inflation expectations; belief formation; peer effects; survey experiment; economic experts

JEL Codes: E31; E71; D84

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1 Introduction

Human behavior is influenced by others in multiple ways. Individuals follow their peers in many contexts, from consumption decisions (Moretti, 2011; Agarwal et al., 2021; Bailey et al., 2022) to asset purchases (Bursztyn et al., 2014; Ouimet and Tate, 2020), from the participation in violent protests (Cantoni et al., 2019) to the take-up of social programs (Dahl et al., 2014). The analysis of "peer effects" has recently also expanded to the social origins of beliefs about macro-level phenomena (e.g. Bailey et al., 2024), but the role of peers in the formation of macroeconomic expectations is still vastly understudied. From a policy perspective, a transmission of macroeconomic expectations between individuals would have important consequences. The global inflation surge of 2022-23 has put the threat of spillovers from realized inflation to inflation expectations into sharp focus (Dräger et al., 2024; Weber et al., 2025). Such spillovers may be harder to limit when elevated inflation expectations spread across individuals.

In this project, we explore the extent to which individuals are influenced by their peers when forming inflation expectations. Expectations about future inflation are central to all forward-looking economic decisions of agents, affecting consumption and saving choices, firm investments, and the design of public policies (e.g., Coibion et al., 2018; Coibion et al., 2020; Dräger and Nghiem, 2021; Crump et al., 2022). We work with original survey data that we compiled in a large-scale global survey experiment among renowned economic experts working in 135 countries. The 2022 inflation surge, which came with substantial cross-regional heterogeneity, provides a unique laboratory for our global study on peer influence. Peer effects in the formation of macroeconomic expectations should be particularly pronounced in the academic sphere, which is characterized by repeated exchange about topics related to the state of the economy. Through their advisory work and public visibility, economic experts exert a profound impact on macroeconomic expectations of households, firms, and policymakers. Given this impact on other agents, peer effects among economic experts should be particularly consequential.

We report four main results. The first main result is that economic experts strongly update their inflation expectations when being informed about the expectations of their geographically close peers. This result is established based on a global experiment that was designed in two waves. We elicited inflation expectations and subjective macroeconomic priorities of a randomly selected group of global experts in the first wave, which served as inputs for our main experiment conducted in the second wave.

Our baseline experiment compares individuals receiving information about inflation expectations of other experts in the same geographic region with a passive control group receiving no information, and with an active control group that we informed about the global average to rule out spurious learning. Consistent with Bayesian updating, we observe that respondents who receive information about their peers shift away from their prior assessment of the state of the world and toward the signal provided in the experiment. Numerically, our estimates suggest that a one-percentage-point increase in the signal transmits to an increase in respondents' expected inflation by 0.17 percentage points. Examining heterogeneity, we find that women and younger participants react more strongly to signals from their peers than others.

In a complementary experiment, we asked participants to rank the importance of bringing down inflation vis-a-vis achieving other macroeconomic goals, including high economic growth, exchange rate stability, and low unemployment rates. We then inform respondents in our experiment about the share of peers assigning the highest priority to the fight against inflation. The second main result is that participants respond similarly to information about subjective macroeconomic priorities as they do to numerical expectations. A 10-percentage-point increase in the share of peers that assign the highest macroeconomic priority to reducing inflation raises inflation expectations of respondents by about 0.3 percentage points.

Our third main result is that peer effects in macroeconomic expectations appear to be quite persistent over time. In a follow-up experiment conducted three months after our main experiment, we find that individuals who received the information about their peers' expectations in the main experiment are still significantly closer to the originally provided peer signal than experts in the control group. The effect in the follow-up experiment is about 40% of the effect size found in the main experiment. The sizable effect of peers three months after the main experiment also alleviates concerns that our main experimental outcomes are driven by spurious learning or experimenter demand.

Our fourth main result is that peer effects have important consequences. Relating inflation expectations elicited in our main experiment to realized inflation rates in 2022, we find a significant reduction in forecast errors for those experts who received information about their peers. We also find that concerns about inflation expressed by peers affect monetary policy recommendations of experts. As part of our main survey, we asked respondents whether they think that immediate action should be taken by monetary policy authorities to bring down inflation. While providing experts with

numeric inflation expectations of their peers has little effect on their recommendations for immediate monetary policy changes, the impact is substantial when they learn that their peers consider reducing inflation the top macroeconomic priority. We find that a 10-percentage-point increase in the share of peers who consider the fight against inflation to be the main macroeconomic priority increases the probability of recommending policy changes by 5%. Exploring the anatomy of these results, our results reveal that peer influence shifts the perceived causes of inflation. In particular, when informed that their peers place greater priority on reducing inflation, experts are more likely to view monetary policy authorities as responsible for the global inflation surge.

Our results have important implications for the design of economic policies and models on information acquisition. Regarding policies, a spread of expectations across individuals provides further evidence for why inflation expectations are often difficult for central banks to influence, complementing existing theories on inattention and limited financial literacy. Such conventional channels should be less pronounced for academic economists who regularly exchange about economic policy. More generally, the particular context of economic experts explored in this study also implies that a surge in inflation expectations might become more persistent when peer effects are prevalent. The circulation of inflation expectations among experts reinforces prevailing economic narratives disseminated through media channels, thereby amplifying concerns about persistently high inflation and prolonging the process of re-anchoring inflation expectations. Finally, our results imply that models on the acquisition of information might be improved by accounting for peer effects. Such effects are rarely included in existing models.

Contribution to the literature: Our main contribution is to provide the most comprehensive experimental evidence to date on peer effects in the formation of macroeconomic expectations. We most strongly connect to previous research that examines the formation of inflation expectations (see Coibion et al., 2018; Coibion et al., 2020; D'Acunto et al., 2023; Weber et al., 2022; Weber, 2022; and van Rooij et al., 2024 for surveys). This literature has uncovered many determinants that shape agents' inflation expectations, but very little is known about peer effects in the formation of expectations. The study most closely related to our project is Coibion et al. (2021) who demonstrate that higher-order expectations (i.e. anticipating what others anticipate) about inflation are important for firm managers in New Zealand when forming

their own expectations. We connect to this result by uncovering strong peer effects in macroeconomic expectations among professional economic experts globally, who are usually better informed than households or firms. Given the influential role of economic experts on the public discussion and the design of economic policies, the existence of peer effects among professional economists has important policy implications. More broadly, our global experiment suggests that such peer influence is a general pattern in human behavior.

Our research also connects more specifically to prior work that uses information provision experiments to investigate how agents form inflation expectations (e.g., Armantier et al., 2015; Cavallo et al., 2017; Binder and Rodrigue, 2018; Binder, 2020; Coibion et al., 2022 and Dräger et al., 2024). Our innovation is to use a global survey experiment that provides results with high external validity. We conducted our experiment in 135 countries, which cover 99% of world GDP, 95% of world population, and 92% of global land area. The global surge in inflation rates in 2022 directly affected economic agents in many regions of the world. This real-world component provides ideal support for our experiment, raising the stakes of our respondents and providing exogenous variation in macroeconomic fundamentals across regions. In such a setting, respondents working in the same geographical unit and sharing a set of common fundamental trends should be particularly close, whereas experts living in more distant countries with diverging macroeconomic developments should be less decisive.

We also relate to the burgeoning literature on the determinants of macroeconomic expectations of economic experts. While previous work has shown that the provision of expert information shifts expectations of households and firms (e.g., Roth and Wohlfart, 2020; Link et al., 2023), very little is known about how experts *themselves* form expectations about the macroeconomy. Studies specifically exploring expectation formation of experts uncover that experts quickly react to exogenous shocks, including the Russian invasion of Ukraine (Dräger et al., 2025) or the US presidential election (Boumans et al., 2024). Our results are consistent with these studies, showing that economic experts react rapidly to new information about the state of the world provided by their peers.

Finally, we more broadly contribute to the wide field of research that studies how decisions and assessments of others influence decisions of agents. Previous work has consistently shown that individuals tend to mimic others' behavior across various contexts and that perceptions of peer actions influence decisions and preferences of indi-

viduals (e.g., Moretti, 2011; Bursztyn et al., 2014; Dahl et al., 2014; Cantoni et al., 2019; Bailey et al., 2022; Bailey et al., 2024, and van Rooij et al., 2024). We provide the first evidence showing that such social learning also matters for well-informed and typically more rational economic experts.

2 Experimental design

In this section, we first describe how our global experiment was implemented and explain our general research design which was laid out in two waves to identify causal peer effects.

2.1 The global survey

Our global survey exploits the unique infrastructure of the "Economic Experts Survey" (EES), a project by the ifo Institute in Munich (Germany). The EES is a global quarterly survey that regularly asks renowned economic experts about their evaluation of recent economic and political events, recommendations regarding economic policy, and expectations about the macroeconomy (see Gründler et al., 2023 for a detailed description). Data collected by the EES has previously been used in related studies that required high-quality responses from professional economic experts (e.g., Andre et al., 2022; Boumans et al., 2024). Our main survey experiment was implemented as a special module of the EES included in the second quarter of 2022. The special module was appended to the quarterly survey after the regular questions, with no prior mention in the invitation letter to minimize concerns about selection into survey. We also implemented a second special module in the third quarter of 2022 to design a follow-up experiment.

Sample The EES regularly surveys about 8,000 professional economic experts worldwide from 135 countries, working in universities, research institutes, central banks, multinational companies, embassies, and international organizations. The participants are among the most renowned scholars on the globe, including also Nobel Laureates in economics and members of national councils of economic advisors. The strength of the survey is its global coverage, including experts from countries that cover 99% of world GDP, 95% of world population, and 92% of global land area. For our special module, we received answers from 1,821 participants (about 20% of the experts we contacted)

from 135 countries. This response rate is high compared to other expert surveys and studies on inflation expectations.[1]

Table (A-1) in the appendix presents background characteristics of the experts in our sample. Approximately 84% of respondents are male, a slightly lower share than in comparable expert surveys (e.g., Andre et al., 2025). The average participant is 52 years old. More than 45% primarily focus on topics classified under JEL code "(E): Macroeconomics and Monetary Economics," while 16% specialize in International Economics (JEL code F), 12% in Finance (JEL code G), and 12% in Public Economics. The majority of respondents are affiliated with universities (61%) or research institutes (17%), while others work in the public sector (12%), private sector (9%), or central banks (7%). The sample includes experts from all parts of the world (see Table A-2).

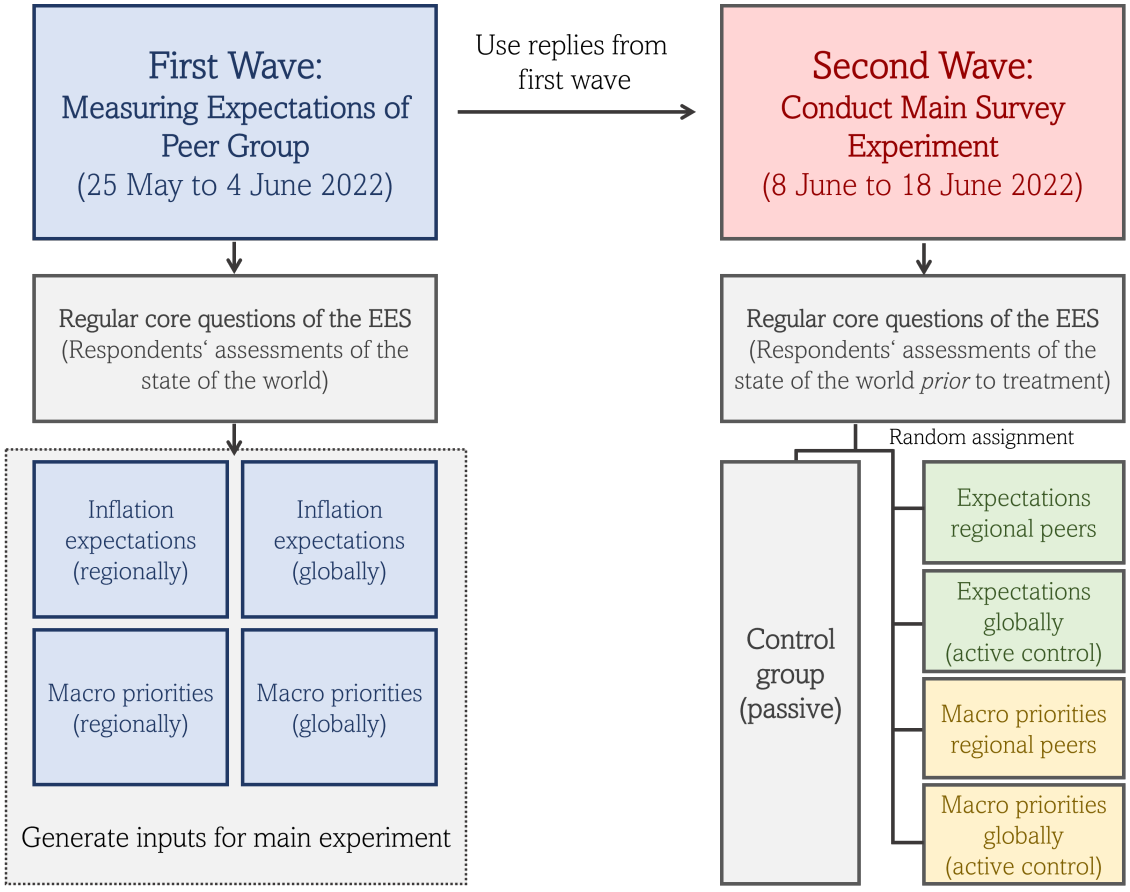
Experimental set-up Figure (1) illustrates the general set-up of our main experiment. Our global survey was conducted in two waves, which were collected between 25 May 2022 and 4 June 2022 (wave 1) and between 8 June 2022 and 18 June 2022 (wave 2). In the first wave, we elicit the expectations of experts regarding future inflation in their host countries, as well as their macroeconomic priorities. Responses recorded in the first wave then serve as inputs for the main experiment in the second wave, in which we inform random sets of participants about the inflation expectations and priorities of their peers. Prior to our special module on inflation expectations, respondents were asked about their assessment of the current economic and political situation in their country of residence. These questions are regularly asked in the EES (referred to as its "core questions"). We will use answers to these questions to measure respondents' assessment of the state of the world prior to treatment.

To ensure adequate sample sizes in the treatment arms of the second wave, we randomly assigned one-third of the EES panel to the first wave and the remaining two-thirds to the second wave. The first wave included responses from 615 experts, while the second wave comprised 1,206 participants.

Structure of the survey The full survey is available in Figures (B-1)–(B-4) in the appendix, showing the design of the web interface and the survey instructions. Following the core questions of the EES, the special module on inflation expectations consists of two parts. The first part includes three questions that measure short-term,

[1]For example, as a benchmark, Coibion et al. (2018) invited 10,100 firms to participate in their survey on inflation expectations to achieve the target of 1,000 firms in their sample.

Figure 1 DESIGN OF THE MAIN SURVEY EXPERIMENT.



Notes: The figure shows the design of our survey experiment, which was conducted in two waves between 25 May 2022 and 18 June 2022. The first wave (25 May to 4 June 2022) was designed to measure inflation expectations and macroeconomic priorities of the peer group of experts (regionally and globally), the second wave (8 June 2022 to 18 June 2022) included our main survey experiment, informing a randomly chosen subset of participants in four treatment arms about inflation expectations and inflation concerns of their peer group, both regionally and globally. To obtain a sufficiently large sample of participants for the main experiment in the second wave, we randomly selected 1/3 of participants to take the survey in the first wave ($N = 615$) and 2/3 of participants to take the survey in the second wave ($N = 1,206$).

mid-term, and long-term inflation expectations. The second part covers three pillars, asking about priorities for macroeconomic policies, monetary policy recommendations, and perceived causes of inflation. Both parts of the survey were distributed to the participants in a random order and appeared on one page of the web design (following the design of recent survey experiments on inflation expectations, e.g., by D'Acunto et al., 2021).

Regarding macroeconomic priorities, participants are asked to rank the four options *"Low unemployment"*, *"High economic growth"*, *"Exchange rate stability"* and *"Low inflation"* with 1 being the highest priority and 4 being the lowest. We provided the four options in a random order to participants to make sure that the order did not prime participants' ranking. To elicit macroeconomic policy recommendations, respondents are asked whether monetary policy should immediately be adjusted to bring down inflation. Participants had the opportunity to answer *"Yes"*, *"No"*, or *"Don't know"*, and are asked to explain their response in an open-text field. To uncover the way experts generally think about inflation, we also ask participants to describe, in their own words, the main drivers of inflation in the year 2022 in an open-ended free-text entry box.

2.2 Specifying peer groups

Peers are individuals who share comparable attributes, social status, or experiences within a given domain (e.g., Bramoullé et al., 2020). Following this definition, the relevant peer group of experts consists of other professional economists with similar qualifications and areas of specialization. Among professional economists, those who are geographically proximate are particularly well-positioned to serve as relevant peers, given the substantial differentials in macroeconomic fundamentals globally. Shared exposure to common macroeconomic shocks, synchronized business cycles, and similar policy environments provide a natural foundation for the development of comparable forecasting frameworks among geographically proximate economists. Moreover, regional economic interdependencies—driven by trade flows, financial integration, and coordinated policies—are more pronounced within economically, institutionally, and culturally cohesive regions. Within these regions, economists frequently exchange through academic discourse, policy deliberations, and public commentary, reinforcing shared interpretative frameworks and collectively shaping prevailing economic narratives and, ultimately, expectations.

We follow the United Nations' geoscheme to classify geographic proximity, identi-

Table 1 INFLATION EXPECTATIONS AND MACROECONOMIC PRIORITIES ACROSS GEOGRAPHIC UNITS

	Inflation Expectations for the year 2022	**Low inflation has highest macroeconomic priority (share of answers in %)**
Benchmark: World	12.15	36.55
Africa:		
Eastern Africa	32.33	26.67
Middle Africa	7.59	0.00
Northern Africa	36.48	22.22
Southern Africa	6.67	0.00
Western Africa	20.37	7.14
Asia:		
Central Asia	21.00	0.00
Eastern Asia	3.43	44.44
Southern Asia	18.78	41.18
South-Eastern Asia	5.78	34.78
Western Asia	33.58	61.54
America:		
Central America & Caribbean	7.72	21.43
Northern America	6.30	64.00
South America	14.64	31.71
Europe:		
Eastern Europe	15.05	53.23
Northern Europe	8.18	27.66
Southern Europe	7.37	22.58
Western Europe	6.44	52.17
Oceania:		
Oceania	5.89	33.33

Notes: The table shows results of the experts' answers in the first wave. The first column shows the answers on inflation expectations for the year 2022 (means). The second column shows how much percent of the experts answered that low inflation should have the highest priority among macroeconomic policies (means). We have used these results as information treatments in the second wave of the survey. 463 experts answered the question on inflation expectations, 444 experts answered the question on macroeconomic priorities.

fying for each respondent a homogeneous geographic unit in which their host country is located. This classification scheme ensures that geographic units are economically, culturally, and politically coherent and share a set of common fundamental trends and shocks.

Figure (1) summarizes the regional inflation expectations and macroeconomic priorities captured in the first wave of our survey, which serve as peer information for the main experiment in the second wave. We observe substantial regional variation in both expectations and macroeconomic priorities across geographic units, which we exploit in our survey experiment. Notably, these differentials are pronounced even within continents. For instance, experts in Eastern Asia, on average, expected inflation in 2022 to be 3.34%, whereas experts in Western Asia anticipated a sharp increase, projecting inflation at 33.58%. Similar heterogeneity is evident in macroeconomic priorities. Despite average inflation expectations of 21%, none of the experts in Central Asia prioritized combating inflation as their top macroeconomic concern, while 62% of experts in Western Asia identified reducing inflation as the most urgent policy issue. In summary, the coefficient of variation highlights significant dispersion around the mean for both inflation expectations (74%) and macroeconomic priorities (67%).

2.3 Treatment conditions

The main experiment conducted in the second wave of our survey randomly allocates respondents into five groups. Two groups receive peer information displayed in Table (1), two serve as active controls for the treatment interventions, and one acts as a passive control. We next describe the treatment interventions in our main experiment.

Interventions In the second wave of the experiment, all treatment arms received information displayed at the top of the web page. We implemented two interventions to inform experts about the assessments of their regionally proximate peers. The first intervention presented respondents with numerical inflation expectations from their peers, while the second provided information on the proportion of peers who prioritize combating inflation as their top macroeconomic concern.

Control groups To estimate the causal effect of peer information, our experiment includes one passive and two active control groups. The passive control group received no additional information, while the active control groups were provided with the global

averages: one for inflation expectations and one for the percentage of experts who rank fighting inflation as their highest macroeconomic priority. By definition, the global averages are the means across all regional information cells.

Disentangling peer effects from spurious learning A fundamental building block of our experimental design is that for inflation expectations, the relevant "peers" for respondents are those colleagues that are located in the same geographic unit and are exposed to similar shocks, trends, and macroeconomic fundamentals. While the specification using a passive control group allows us to establish a baseline estimate for the total treatment effect, testing our hypothesis of peer effects against an active control group allows us to tackle concerns about spurious learning effects, initiated, for instance, by a desirability bias (Goffman, 2009) or an unconscious numerical anchoring (Tversky and Kahneman, 1974). Our active control group receives information about global inflation expectations. Given the significant heterogeneity in macroeconomic fundamentals during 2022, the global average is largely unrelated to specific regional trends. This setup allows us to isolate whether the observed treatment effects stem from the specific content of peer information rather than placebo effects associated with simply receiving any macroeconomic information. Additionally, it helps minimize biases arising from participants' perceptions of the experiment's purpose. As a second strategy to tackle spurious learning, we conduct a follow-up experiment three months after our main experiment (see section 2.4).

Numerical expectations versus subjective importance We also explore whether economic experts primarily react to *numerical* expectations of their peers, or whether more subtle information about their peers' macroeconomic priorities shifts inflation expectations of respondents. We study this question using our second treatment convention that informs experts about the priority their peers put on the fight against inflation. By letting respondents rank the priority of fighting inflation relative to other important macroeconomic goals, we create trade-offs. Again, we compare the effect of providing the views of geographically close peers against the more abstract global level to rule out spurious learning.

2.4 Follow-up experiment

We use a similar special module on inflation expectations in the EES survey issued after our main experiment (Q3 2022) to conduct a follow-up experiment three months later. The motivation for this follow-up analysis is twofold. First, we are interested in the *persistence* of the peer effects. Second, the follow-up experiment provides a complementary strategy to distinguish peer effects from spurious learning or salience. Spurious reactions to information provisions typically disappear or diminish substantially after a few months (Cavallo et al., 2017). Our follow-up survey focuses on expected inflation rates, which we elicit identically to our main survey experiment. We were able to obtain answers from 1,104 experts in our follow-up survey, which is about two-thirds of the respondents who participated in our main experiment.

3 Empirical strategy

The foundation of our empirical strategy is the information treatment to generate exogenous variation in knowledge about the expected inflation of peers. The experimental setting rules out typical statistical concerns in the analysis of peer effects, including selection and reflection biases (e.g., Angrist, 2014). Our empirical specification is similar to that of van Rooij et al. (2024), randomly assigning survey participants to either our two intervention groups or the passive and active control groups. We next describe the experimental setup we specified to estimate causal effects of peer information.

3.1 Pre-analysis plan

Our pre-analysis plan, which was approved on 25 May 2022, includes two building blocks. First, it describes the setting of our analysis, explaining that we ask around 1,500 economic experts working in more than 130 countries and randomly split the sample into a first and a second wave. Second, we also describe our main experiment in the second wave, confronting a randomly chosen set of respondents with information about their peers' expectations.

3.2 Peer effects in expectation formation

The pre-analysis plan also includes our main hypotheses. The starting point of our analysis is a standard model in which individual i forms expectations about prices in

$t+1$ based on the price signals available to i in t. With the set of information about the state of the world available to i denoted by Ω_i^t, expected inflation is

$$E_i^t(\text{Inflation}^{t+1}) = \alpha + \beta\Omega_i^t + u_i^t. \tag{1}$$

Economic experts have been shown to form expectations consistent with this general type of learning model (e.g., Malmendier et al., 2021). Expert i's peer group consists of other experts $-i$ living in geographically close locations with common fundamental trends and that themselves form expectations about future inflation via a learning model

$$E_{-i}^t(\text{Inflation}^{t+1}) = \alpha + \beta\Omega_{-i}^t + u_{-i}^t. \tag{2}$$

By informing expert i about their peers' expectations, respondents in the treatment group receive an additional price signal, i.e. the learning function for informed individuals becomes

$$E_i^t(\text{Inflation}^{t+1}) = \alpha + \beta\Omega_i^t + \gamma E_{-i}^t(\text{Inflation}^{t+1}) + u_i^t, \tag{3}$$

where γ reflects the degree to which i is influenced by information about their peers' expectations. If the provided signal is perceived as informative, the expectations of respondents i will move away from the prior information set about the state of the world, Ω_i^t, and towards the signal.

There are at least two arguments for why i's inflation expectations might move towards the expectations of their peers. First, acquiring information is costly, and hence the set of information available to i may be limited (e.g., Sims, 2003; Branch, 2004). Information about peers' inflation expectations conveys additional price signals that may be unavailable to i beforehand. Second, there might also be social learning effects that work beyond a pure update of information.

3.3 Econometric model

To quantify the extent to which individuals revise their expectations towards the expectations of their peers, we bring the logic of equation (3) to the data by estimating the following specification

$$
\begin{aligned}
E_i^g(\text{Inflation}^h) =& \beta_0 + \beta_1 \times \Omega_i^t + \beta_2 \times \Omega_i^t \times \mathbb{1}(i \in \text{Treatment}^{\text{Peers}^g}) \\
&+ \beta_3 \times \mathbb{1}(i \in \text{Treatment}^{\text{Peers}^g}) \times \text{Signal}_i^{\text{Peers}^g} + \mathbf{X}_i \boldsymbol{\mu} + \varepsilon_i,
\end{aligned} \tag{4}
$$

where $E_i^g(\text{Inflation}^h)$ is the expected rate of inflation of respondent i in regional group g for horizon h, and $\mathbb{1}(i \in \text{Treatment})$ is an indicator variable denoting whether i is in the treatment group. The variable Ω_i^t denotes i's assessment of the state of the world *prior* to the treatment.

Our setting includes an interaction term between the treatment indicator and the value of the provided signal $\text{Signal}_i^{\text{Peers}^g}$. This interaction term accounts for the fact that for our regional treatment, the provided signal varies between regional groups g. It is important to account for this variation in signals separately in the empirical specification.

A testable prediction under Bayesian updating is that respondents who perceive the signal from their peers to be informative put less weight on their prior set of information ($\beta_2 < 0$) and move towards the provided signal of peers ($\beta_3 > 0$). In variants of the empirical model, we also account for a range of socio-demographic and biographic characteristics that might impact the formation of expectations, as well as country-specific factors. We also account for the time (in seconds, log scale) participants took to fill out our survey. These factors are included in the matrix $\mathbf{X}_i$. We estimate equation (4) using Huber (1964) robust regressions to endogenously control for outliers.

Measuring respondents' pre-treatment assessments Most experts in our survey have undergone rigorous economic and statistical training and are key figures in their respective research fields. As a result, unlike in household surveys, we cannot directly inquire about participants' priors and posteriors regarding inflation expectations, as doing so would likely introduce significant experimenter demand effects and lead to higher survey attrition. Instead, we measure i's prior assessment of the state of the world using a set of questions the EES regularly includes to elicit views about the current economic and political situation in respondents' country of residence (*"core questions"*).

The *core questions* are asked before our special module on peer effects and cover a wide range of factors, including i's rating of current economic policies in their host

country, assessments of how well these policies address economic challenges of the future, a rating of the overall performance of the current government, and the degree of stability in i's country of residence. We combine answers to these questions through a principle component analysis to obtain a comprehensive measure of respondents' subjective assessment of the current state of the world in their host country. To facilitate the interpretation in the empirical model, we re-code our measurement on a scale running from 0 to 1, with higher values reflecting a more unfavorable environment.

Figure (B-5) in the appendix shows average inflation expectations over the distribution of pre-treatment assessments of the state of the world in experts' host countries. The figure shows that the prior set of information available to experts is a strong predictor of their expected rate of inflation.

3.4 Key identifying assumption and balance tests

The key identifying assumption underlying the model specification in equation (4) requires that absent of the treatment, the control and the treatment groups are statistically identical, i.e.

$$\mathrm{E}[\varepsilon_i | i \in \text{Treatment}^{\text{Peers}^g}] = \mathrm{E}[\varepsilon_i | i \notin \text{Treatment}^{\text{Peers}^g}] = 0. \tag{5}$$

This assumption cannot be tested directly because ε_i is unobserved. For random treatments, the identifying assumption should be fulfilled by construction (see, e.g., Bruhn and McKenzie, 2009), but imbalances might occur when there is selection into survey or the sample of some of the treatment arms is small. To statistically explore the main identifying assumption in equation (5), we conduct a series of balance tests regarding participants' gender, age, and primary field of study. For the classification of fields, we refer to the JEL classification system, which was developed originally for use in the Journal of Economic Literature. Specifically, we construct a dummy variable that assumes the value of one when experts respond that their primary field of research falls within JEL class *"E. Macroeconomics and Monetary Economics"*. The rationale for this coding scheme is that macroeconomists should be better informed about inflation and macroeconomic fundamentals than experts working in other fields of economics. We also account for potential differences in the effort that participants put into answering our questions via the time (measured in seconds) they used to fill out our survey.

Table (A-3) in the appendix reports group averages for the socio-demographic characteristics separately by information arms. The table also reports results from t tests that inspect whether there are statistically significant differences between respondents included in the treatment and the control groups. The balance tests suggest that there are few observable differences in characteristics across information arms. To nevertheless account for potential biases initiated by potential imbalances, we report variants of our econometric model in which we control for observable socio-demographic characteristics.

4 Peer effects in macroeconomic expectations

4.1 Baseline results

Table (2) reports our main experimental results. In Panel A, we present the results when we compare experts who received the information treatment about the inflation expectations of their geographically close peers ("regional treatment") to a passive control group. Column (I) shows the results of a parsimonious model specification that includes the main variables of interest. We find that the prior information set is highly predictive of inflation expectations ($\beta_1 > 0$), suggesting that experts form expectations based on country-level fundamentals. Consistent with Bayesian updating, participants reduce the weight on their prior assessment of the state of the world when they are provided with information about their peers' expectations ($\beta_2 < 0$). Importantly, the inflation expectations of experts move toward the provided signal ($\beta_3 > 0$). The results are similar when we augment the model specification with a set of socio-demographic controls (Column II). In Columns (III)–(IV), we use responses from the first wave of our survey design, i.e. those who provided the estimate for peers' expectations, as an additional control group to increase the power of the analysis. The obtained results are qualitatively identical, but the effects are now more precisely estimated.

Numerically, the estimates in Table (2) imply that a one-percentage-point increase in the inflation rate expected by peers transmits to an increase in respondent' expected inflation by 0.17 percentage points. The effect size is very similar across model specifications and does not change when we include control variables.

Panel B reports equivalent results when we use an alternative design of our experiment, comparing the inflation expectations of experts who received information about expectations held by their peers with an active control group. Respondents in this

Table 2 MAIN EXPERIMENT: PEER EFFECTS AND SHORT-RUN INFLATION EXPECTATIONS—BASELINE-RESULTS

Dependent variable: Inflation expectations for the year 2022, $E_i^g(\text{Inflation}^{2022})$				
	Second Wave		**First & Second Wave**	
	(I) Baseline	(II) + Controls	(III) Baseline	(IV) + Controls
	Panel A: Peer information versus passive control group			
Ω_i^{Prior}	2.529**	2.529**	2.338***	2.199***
	(1.089)	(1.151)	(0.699)	(0.718)
$\Omega_i^{\text{Prior}} \times \mathbb{1}(i \in \text{Treatment}^{\text{Peers}^g})$	-1.951**	-1.934*	-1.632*	-1.507*
	(0.982)	(1.033)	(0.893)	(0.913)
$\mathbb{1}(i \in \text{Treatment}^{\text{Peers}^g}) \times \text{Signal}_i^{\text{Peers}^g}$	0.167***	0.165***	0.177***	0.173***
	(0.031)	(0.032)	(0.030)	(0.031)
Obs (# experts)	357	346	818	792
R-Squared	0.091	0.093	0.063	0.068
Control	No	Yes	No	Yes
	Panel B: Peer information versus active control group			
Ω_i^{Prior}	5.659***	5.058***	3.673***	3.390***
	(1.166)	(1.225)	(0.730)	(0.747)
$\Omega_i^{\text{Prior}} \times \mathbb{1}(i \in \text{Treatment}^{\text{Peers}^g})$	-4.426***	-4.155***	-2.502***	-2.290**
	(1.063)	(1.090)	(0.934)	(0.945)
$\mathbb{1}(i \in \text{Treatment}^{\text{Peers}^g}) \times \text{Signal}_i^{\text{Peers}^g}$	0.183***	0.175***	0.189***	0.183***
	(0.034)	(0.034)	(0.032)	(0.032)
Obs (# experts)	331	317	792	763
R-Squared	0.109	0.136	0.071	0.085
Control	No	Yes	No	Yes

Notes: The table shows the results of our main experiment exploring peer effects on inflation expectations of professional economists. Panel A reports the results when we compare experts who received information about the inflation expectations of their geographically close peers ("regional treatment") to a passive control group. Panel B reports the results when we compare the regional treatment to an active control group that receives information about global inflation expectations. The columns labeled "Baseline" report results from specifications that include the main variables of interest, and the columns labeled "+ Control" augment the baseline specification with a set of individual-level biographic characteristics. These characteristics include respondents' age, gender, and major field of study. Columns (I)–(II) use data from respondents surveyed in the second wave of our survey (regional treatment arm and control group). Columns (III)–(IV), instead, use respondents from the first wave as an additional control group to increase the power of the analysis. All models are estimated using Huber (1964) robust regressions to account for outliers.

*** Significant at the 1 percent level
** Significant at the 5 percent level
* Significant at the 10 percent level

control group are informed about the global average of inflation expectations, which by definition equals the mean value of all regional treatments. We find stronger deviations from the prior information set than in Panel A, suggesting that informing experts in the active control group about global mean expectations makes them rely *more* on their priors. This finding goes strongly against spurious learning. We also find very similar results regarding the weight experts put on the information about their peer's inflation expectations.

Taken together, our baseline results uncover strong peer effects in the formation of inflation expectations by international economic experts.

4.2 Distribution of deviations from peers

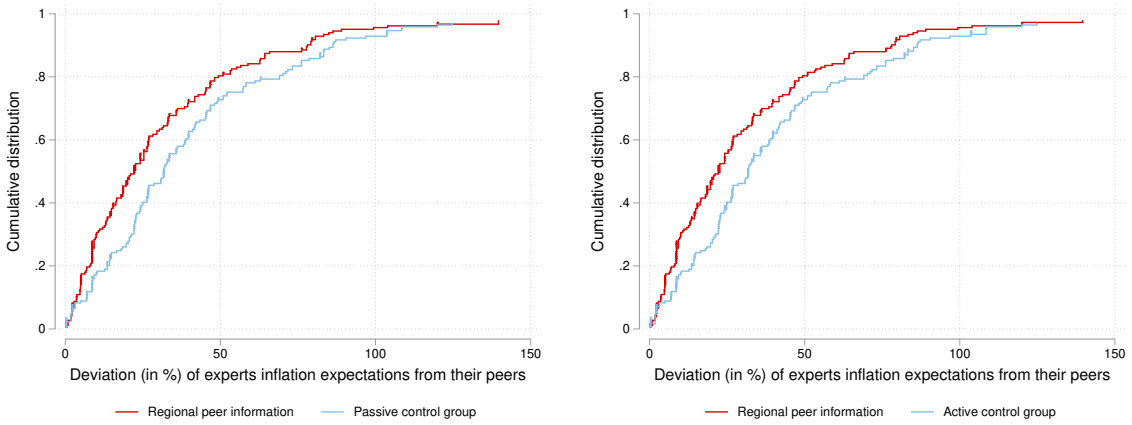
Figure (2) visualizes the extent to which experts move towards their peers' expectations, focusing on the percentage deviation of i's expectations from the expectations of their regional peers. The figure plots the cumulative density function of these deviations for the treated experts compared to the passive control group (Panel a) and the active control group that received information about the global mean of expectations (Panel b). We find that the deviations are substantially less dispersed for treated respondents. Over the entire distribution, we observe that the treatment initiated a clear shift to the left, both in Panels (a) and (b).

4.3 Robustness

We run several additional analyses to assess the robustness of our main experimental results. Given that our survey experiment is conducted on a global scale, one concern might be that the results are impacted by country-specific factors. We address this concern in Table (A-4) in the appendix, where we add country-specific controls, including the location (longitude and latitude) of respondents and the level of GDP in their country of residence. We also account more specifically for unobserved differences across stages in the development process by adding fixed effects for development levels, as classified by the World Bank, in Table (A-5) in the appendix. We find little changes in the results when accounting for these factors.

Finally, we account for heterogeneity across geographic locations and differentials in the cultural proximity of respondents by adding fixed effects for geographic regions. The rationale of this strategy is that peer effects might be more pronounced when

Figure 2 DEVIATIONS FROM PEERS, CUMULATIVE DISTRIBUTIONS



(a) Peer information versus passive control.

(b) Peer information versus active control.

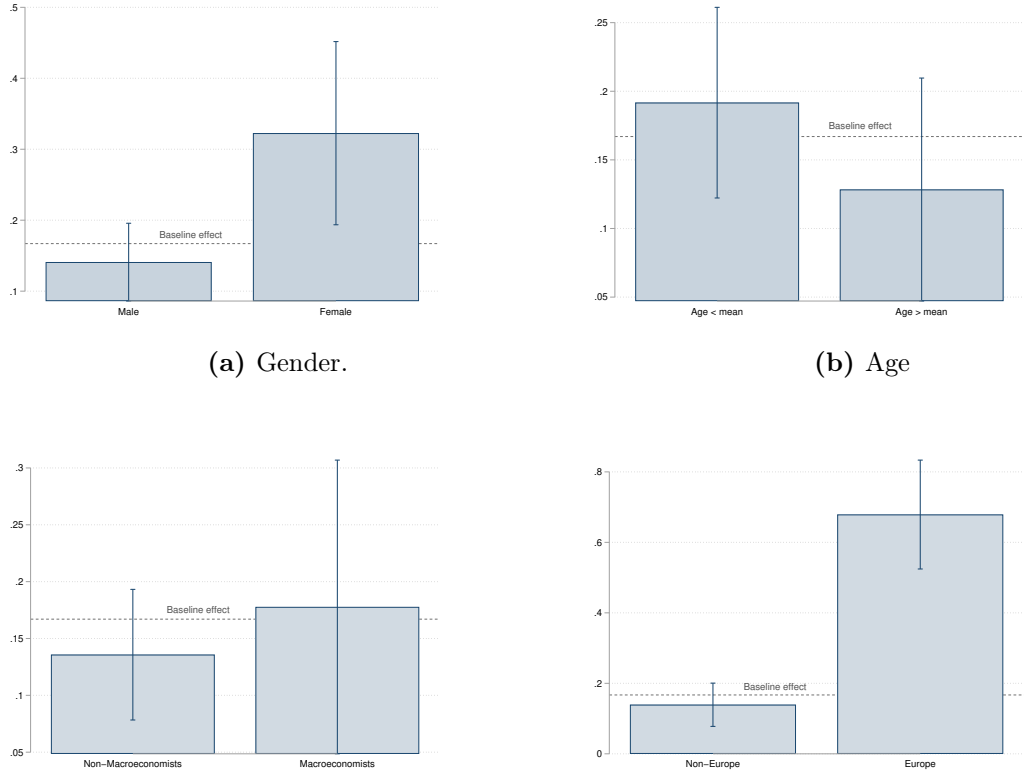
Notes: The figure considers the deviation of experts' inflation expectations from that of their regional peer group (in %). The figure plots the cumulative distribution of these deviations separately for the treatment group compared to the passive control group (Panel a) and for the treatment group compared to the active control group that received information about the global mean of expectations (Panel b).

respondents feel culturally more connected to their regional peers. To ensure a sufficiently large degree of variation in the data, our main results regarding geographic heterogeneity are obtained by distinguishing between European and non-European countries (Table A-6), but the results are similar if we add a full set of continent-level fixed effects. In all of these complementary analyses, the effects are qualitatively similar to the baseline estimates. Consistent with peer effects being stronger when respondents feel more connected to their colleagues, we also find that accounting for geographic heterogeneity leads to a slight *increase* in the treatment effects.

4.4 Treatment heterogeneity

We next inspect whether the degree of learning from peers differs across socio-demographic characteristics. In Figure (3), we report the estimated effects of the interaction term between treatment status and the provided signal separately for sub-groups of our sample. We find that women and younger participants update somewhat more than other respondents. While the effect is similar between macroeconomists and non-

Figure 3 HETEROGENEITY IN TREATMENT EFFECTS.



(a) Gender. **(b)** Age

(c) JEL Codes **(d)** Geography

Notes: The figure shows treatment heterogeneity in our baseline model on the effect of peer information on inflation expectations. The figure plots the coefficients on the interaction term between treatment status and the treatment information obtained in the baseline model reported in Column (I) of Table (2). Results are similar for all other models in our baseline table.

macroeconomists (defined by self-reported main JEL codes), we find sizable differences in updating between geographic regions. Experts in Europe respond much stronger to their geographically close peers than in other parts of the world. Heterogeneity in learning rates could stem from differences in trust towards peers, differentials in confidence, subjective perceptions about the cultural proximity to the peers, and differentials in the ex-ante set of information across groups.

4.5 Expectations and subjective priorities

The results so far suggest that respondents move closer to the expectations of their peers when being informed about the numerical expectations of their colleagues. We now examine a more subtle mechanism, exploring how informing respondents about their peers' macroeconomic priorities impact their expected inflation rates. The motivation of this analysis is two-fold. First, it provides complementary evidence regarding the scope of spurious learning affecting our results. Individuals participating in the experiment on subjective priorities are informed only about the percentage number of colleagues who believe that tackling inflation should be the primary goal of economic policy, i.e. they are not provided with any number attached to the expected rate of inflation. Second, the experiment regarding subjective priorities reveals whether more subtle sentiments in the economics profession, which are typically transported more often in media contributions or social media activity than point estimates, influence the inflation expectations of experts.

The results, reported in Table (A-7) in the appendix, are qualitatively similar to the main experimental outcomes, suggesting that participants respond similarly to information about subjective macroeconomic priorities as they do to numerical expectations. Compared to the baseline outcomes, the parameters regarding macroeconomic priorities are less precisely estimated, pointing to larger variations in the effect across treated subjects.

4.6 Follow-up survey

We designed our main experiment to minimize concerns about numerical anchoring and experimenter demand. As a complementary strategy, we conducted a follow-up experiment three months after our main experiment took place as part of the regular next wave of the EES (Q3 2022). In this follow-up survey, all experts are asked to provide their inflation expectations but receive no additional information. We should hence not expect any experimenter demand effects. In a similar vein, numerical anchoring, by its very definition, is very short-lived, which is why we would not expect it to affect the results of our follow-up survey. The follow-up survey also allows us, more generally, to investigate the persistence of the learning effects initiated by peers.

For estimation, we replicate the experimental strategy that we designed for the main experiment. Given those respondents who received the information about infla-

Table 3 PEER EFFECTS AND SHORT-RUN INFLATION EXPECTATIONS—RESULTS FROM THE FOLLOW-UP EXPERIMENT

Dependent variable: Inflation expectations for the year 2022, $E_i^g(\text{Inflation}^{2022})$				
	Second Wave		**First & Second Wave**	
	(I) Baseline	(II) + Controls	(III) Baseline	(IV) + Controls
	Panel A: Peer group information versus control group			
Ω_i^{Prior}	1.575	0.640	2.219**	1.782
	(1.530)	(1.579)	(1.057)	(1.083)
$\Omega_i^{\text{Prior}} \times \mathbb{1}(i \in \text{Treatment}^{\text{Peers}^g})$	-0.858	-0.884	-1.456	-1.443
	(1.343)	(1.374)	(1.307)	(1.331)
$\mathbb{1}(i \in \text{Treatment}^{\text{Peers}^g}) \times \text{Signal}_i^{\text{Peers}^g}$	0.0659	0.0778*	0.0765*	0.0852*
	(0.041)	(0.041)	(0.044)	(0.044)
Obs (# experts)	246	236	548	526
R-Squared	0.016	0.059	0.013	0.040
Control	No	Yes	No	Yes
	Panel B: Peer group information versus global mean			
Ω_i^{Prior}	3.371**	1.109	2.977***	2.203**
	(1.550)	(1.699)	(1.064)	(1.111)
$\Omega_i^{\text{Prior}} \times \mathbb{1}(i \in \text{Treatment}^{\text{Peers}^g})$	-2.052	-2.299	-1.932	-1.969
	(1.377)	(1.446)	(1.325)	(1.356)
$\mathbb{1}(i \in \text{Treatment}^{\text{Peers}^g}) \times \text{Signal}_i^{\text{Peers}^g}$	0.0751*	0.0952**	0.0832*	0.0936**
	(0.042)	(0.043)	(0.044)	(0.044)
Obs (# experts)	236	226	538	516
R-Squared	0.027	0.117	0.019	0.060
Control	No	Yes	No	Yes

Notes: The table shows the results of our follow-up experiment exploring peer effects on inflation expectations of professional economists. Panel A reports the results when we compare experts who received information about the inflation expectations of their geographically close peers ("regional treatment") to a passive control group. Panel B reports the results when we compare the regional treatment to an active control group that receives information about global inflation expectations. The columns labeled "Baseline" report results from specifications that include the main variables of interest, and the columns labeled "+ Control" augment the baseline specification with a set of individual-level biographic characteristics. These characteristics include respondents' age, gender, and major field of study. Columns (I)–(II) use data from respondents surveyed in the second wave of our survey (regional treatment arm and control group). Columns (III)–(IV), instead, use respondents from the first wave as an additional control group to increase the power of the analysis. All models are estimated using Huber (1964) robust regressions to account for outliers.

*** Significant at the 1 percent level
** Significant at the 5 percent level
* Significant at the 10 percent level

tion expectations of their peers in our main experiment shifted away from their prior information set, we again use the information set available to all individuals before our main experiment in Q2 2022 to estimate equation (4).

Table (3) reports the results of our follow-up experiment. Of the 357 respondents participating in our main experiment (818 if we use respondents from the first wave as an additional control group), roughly 70% (246 in the main experiment and 538 if we also consider individuals from the first wave) participated in our follow-up survey. Overall, we find patterns that are very similar to those identified in our main experiment, with respondents who receive information about their geographically close peers moving away from their prior information set towards the signal provided in our main experiment. We find that the peer effects are about 40% of the effects estimated in the main experiment. As expected, the parameters are less precisely estimated. However, given the long time span between the main experiment and the follow-up survey, the results of our follow-up survey point to remarkably long-lived peer effects, which cannot simply be explained by numerical anchoring or experimenter demand.

5 Consequences of peer effects

Having established that there are important peer effects in the formation of macroeconomic expectations of experts, we next examine the consequences of these effects. Specifically, we are interested in whether peer effects make expectations of experts more precise and whether being exposed to information from peers also shifts policy recommendations and beliefs about the nature of inflation.

5.1 Forecasts errors

A natural first question regarding the consequences of peer effects is whether the shift towards the mean expectation of others increases the precision of macroeconomic expectations. Several theories suggest that this might be the case. The *Condorcet* theorem, for instance, holds that if experts have a better-than-random chance of expecting the correct inflation rate, then aggregating information from multiple experts increases the probability that the collective expectation will be closer to the truth than relying on any single expert's judgment. The theorem's fundamental assumption of inflation expectations being better than a purely random guess should be fulfilled particularly when individuals are experts. More generally, statistical aggregates constructed to

combine multiple opinions within a group have been shown to outperform individuals in a series of prediction tasks, an effect that is often referred to as the "wisdom of the crowd" (Surowiecki, 2005).

To explore whether moving towards the mean expectation of peers improves the precision of expectations, we compute forecasting errors (in %) via

$$\text{Error}_i^{2022} = \frac{|(\text{Inflation}^{j,2022}) - E_i^j(\text{Inflation}^{2022})|}{E_i^j(\text{Inflation}^{2022})}, \tag{6}$$

where we compare experts' expectations with realized inflation rates $\text{Inflation}^{j,2022}$ for the years 2022 (taken from World Bank, 2024). We find that average forecast errors are lower for individuals who received information about their peers. In the control group, the average forecast error is 39.3%, whereas it is 27.3% in the group of experts that received information about the expectations of regional peers, and it is 22.8% in the group that received information about the macroeconomic priorities of peers.

In Figure (4), we plot the cumulative density functions of forecast errors, comparing errors in the treatment groups with those of the active and passive control groups. This comparison reveals that peer effects primarily prevent experts from making "big" mistakes, cutting a substantial part of the upper end of the forecast error distribution.

5.2 Policy recommendations

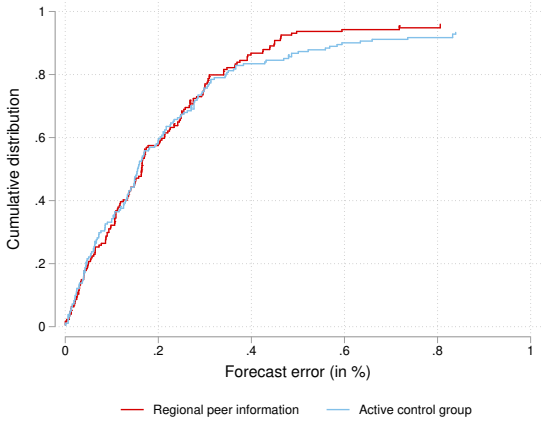
Many of the experts included in our sample regularly advise governments and the general public about economic policies. A major question is whether peer effects also impact monetary policy recommendations of experts. Given that politicians rely on the advice of economic experts in many areas of policy-making, peer influence on respondents' policy advice would be particularly consequential.

We follow a similar logic as in our baseline model for expectations to study the potential effects of peers on policy recommendations

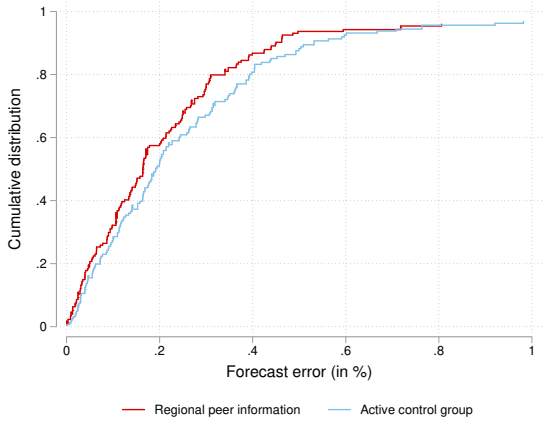
$$\begin{aligned}\text{Policy}_i =& \beta_0 + \beta_1 \times \Omega_i^t + \beta_2 \times \Omega_i^t \times \mathbb{1}(i \in \text{Treatment}^{\text{Peers}^g}) \\ &+ \beta_3 \times \mathbb{1}(i \in \text{Treatment}^{\text{Peers}^g}) \times \text{Signal}_i^{\text{Peers}^g} + \mathbf{X}_i\boldsymbol{\mu} + \varepsilon_i,\end{aligned} \tag{7}$$

where Policy_i is a dummy variable that is one if participants respond that monetary policy should take immediate action to bring down inflation (zero otherwise). As in our baseline model for expectations, we account for the effect of prior assessments of the state of the world and explore the extent to which experts deviate from this assessment

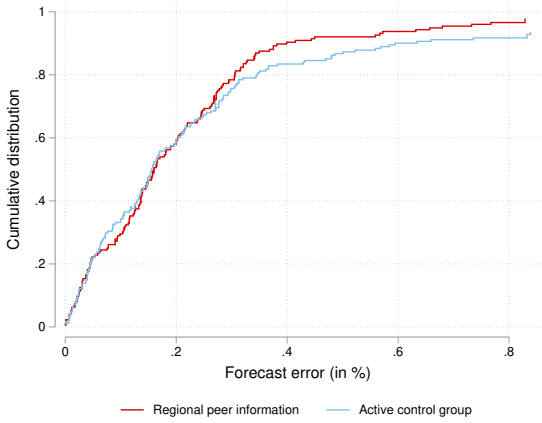
Figure 4 FORECAST ERRORS, CUMULATIVE DENSITY FUNCTIONS.



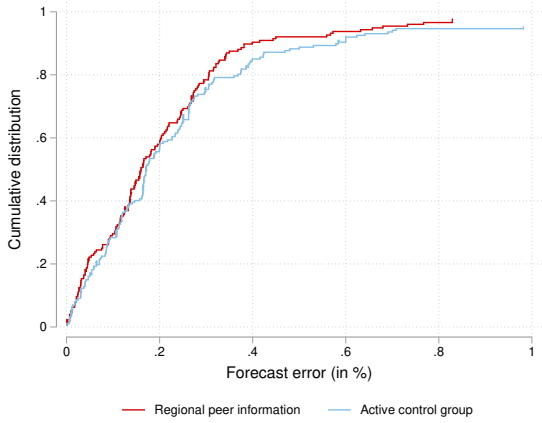
(a) Peer expectations versus passive control.



(b) Peer expectations versus active control



(c) Macro priority versus passive control



(d) Macro priority versus active control

Notes: The figure shows the cumulative distribution functions of forecast errors (in %), comparing inflation expectations of respondents in our experiment with realized inflation rates for the year 2022. The figure compares forecast errors between the group that receives information about the expectations of their geographically close peers and the passive (Panel a) and active (Panel b) control group. The figure also compares forecast errors between the group of respondents that received the information about their peers' primary macroeconomic priorities and the passive (Panel c) and active (Panel d) control group.

and move toward the signal provided by their peers.

The results for policy recommendations are visualized in Figure (5), presenting the three key parameters of interest of equation (7) separately for our main experiment regarding inflation expectations of peers and our second experiment that informs respondents about subjective macroeconomic priorities. Panel (a) shows how monetary policy recommendations relate to the prior set of information, Panel (b) shows how the treatment affects the effect of prior information on policy recommendations, and Panel (c) shows how the treatment information shifts policy advice.

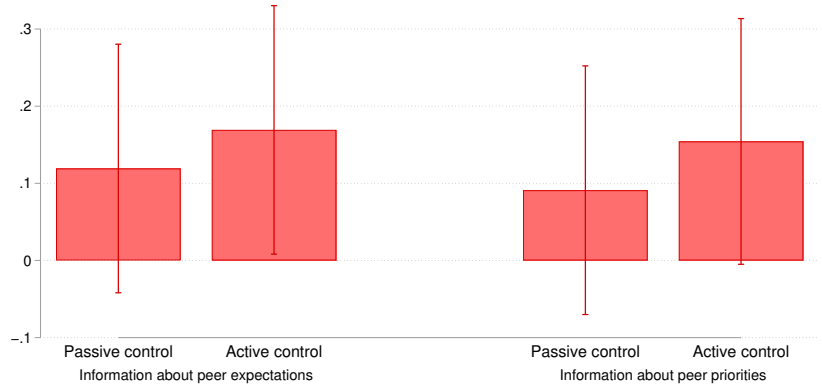
We find that in general, policy recommendations are formed based on economic and political fundamentals (Panel a). Regarding the influence of peers, we find that simply providing experts with numerical inflation expectations of their regionally close colleagues has no impact on policy recommendations. When confronting participants about their peers' macroeconomic priorities, however, we uncover a strong adjustment of policy advice. Respondents who are informed about their peers' perceived macroeconomic priorities strongly deviate from their prior information set when forming policy recommendations (Panel b). The probability of recommending immediate action of monetary policy increases with the percentage number of peers that reported that bringing down inflation should be the major policy priority (Panel c).

In line with our previous results on macroeconomic expectations, peer effects are also strong drivers of experts' macroeconomic policy recommendations.

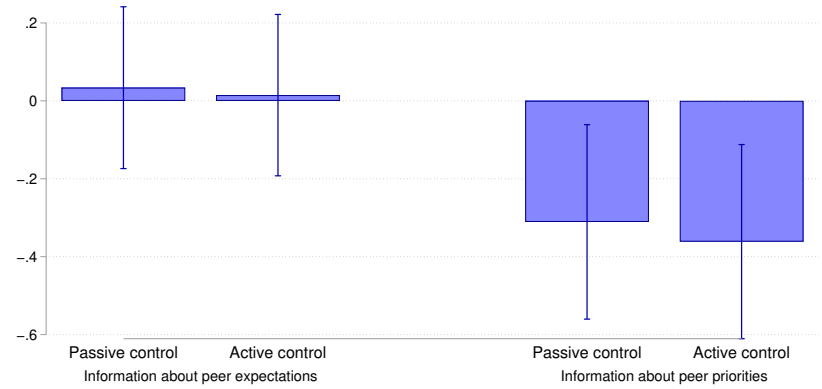
5.3 Beliefs about the causes of inflation

To examine the anatomy of the change in policy recommendations, we lastly explore whether the information treatment has changed respondents' beliefs about the causes of inflation. Our survey includes an open-ended question that asks participants to write a brief statement about their perceived causes of inflation in their country of residence in a free-text entry box (see Figure B-4 in the appendix). We use free-entry boxes to prevent any priming of participants (see, e.g., Stantcheva, 2021 and Ferrario and Stantcheva, 2022 for related approaches). To investigate differences in the perceived causes of inflation between the treatment and the control group, we manually code answers given to the free-text questions, creating a series of dummy variables that indicate whether respondents refer to one of the following categories: (a) the Russian invasion of Ukraine, (b) energy prices, (c) general supply-side effects, (d) general demand-side effects, (e) the COVID-19 pandemic, and (f) monetary policy.

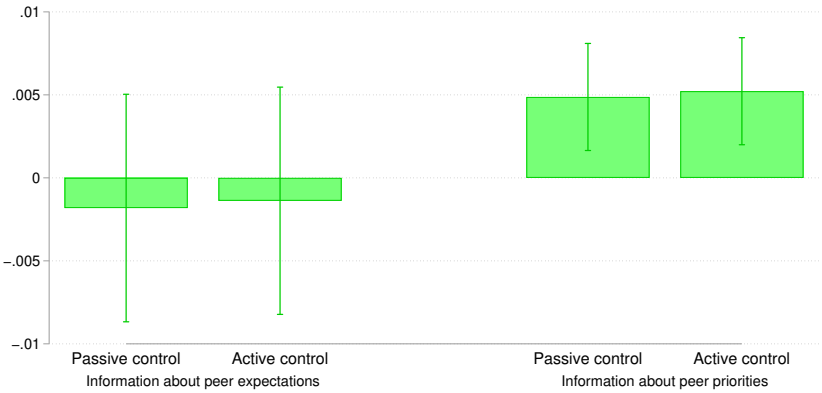
Figure 5 PEER EFFECTS AND ECONOMIC POLICY RECOMMENDATIONS.



(a) Priors and policy recommendations.



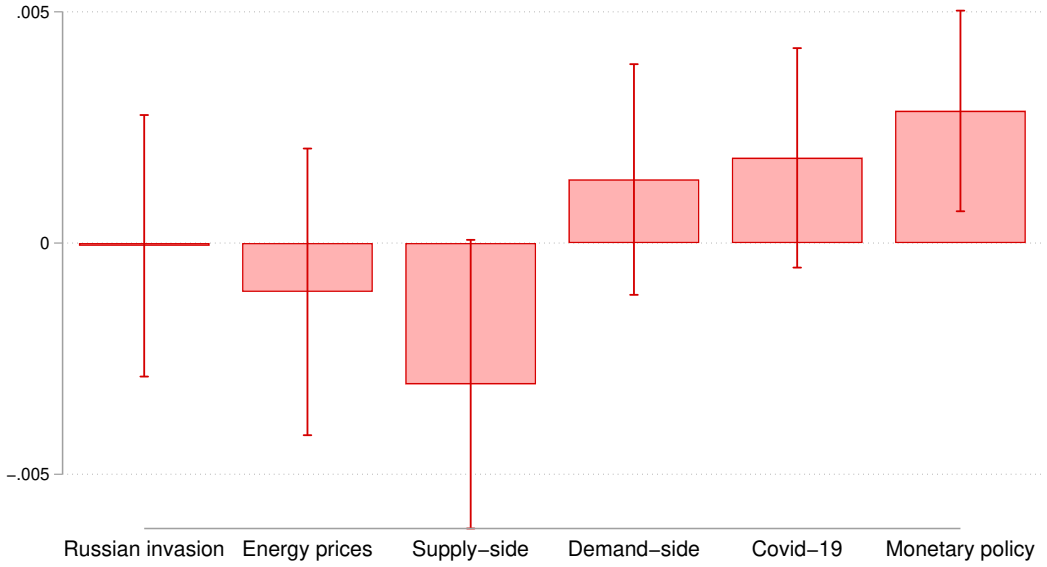
(b) Treatment and priors.



(c) Peer effects.

Notes: The figure shows the results of our main estimates regarding peer effects on monetary policy recommendations of economic experts. Panel (a) shows how monetary policy recommendations relate to the prior set of information, Panel (b) shows how the treatment affects the effect of prior information on policy recommendations, and Panel (c) shows how the treatment information shifts policy advice.

Figure 6 PEER EFFECTS AND BELIEFS ABOUT CAUSES OF INFLATION.



Notes: The figure shows how the information about macroeconomic priorities of geographically close peers affect subjective beliefs about the causes of inflation. Causes of inflation are elicited based on open-ended text questions that ask respondents about their views about the main drivers of inflation. We manually code answers to these questions along six categories, including the Russian invasion of Ukraine, general supply-side factors, energy prices, general demand-side factors, the Covid-19 pandemic, and monetary policy. For each category, we construct a dummy variable that is one if a respondent mentions the respective category in their free-text answer (zero otherwise).

The categories are retrieved based on the most frequent answers given to our question about the causes of inflation and are consistent with those used in other expert-based experiments that have been conducted at that time (e.g., Dräger et al., 2025; Andre et al., 2025).

A substantial fraction of respondents perceive that inflation in 2022 was primarily supply-side driven. While 48% of experts surveyed in the second wave of our survey referred to general supply-side effects, other experts described that high energy prices (34% of respondents) and the Russian invasion of Ukraine (22% of respondents) caused supply shortages. On the other hand, 15% of experts report that demand-side factors are the main driver of the 2022 inflation surge, with another 13% referring to catch-up effects after the COVID-19 pandemic and 12% mentioning monetary policies.

To understand whether peer effects affected beliefs about the origin of inflation

expectations, we regress the reported subjective causes of inflation on the treatment status in an experimental setting following equation (7), which we previously used to study the impact of peer effects on policy recommendations. We report the results of this analysis in Figure (6), which plots the treatment effects of providing respondents with the subjective priority their peers attach to the fight against inflation. We find no impact of peer information on beliefs about the Russian invasion and obtain negative parameters for energy prices and general supply-side factors. In contrast, we find positive effects for factors associated with increasing demand, including general demand-side factors and a post-COVID-19 recovery. Most importantly, we uncover that informing respondents about their peers' priority to tackle inflation strengthens the belief of experts that monetary policy is one of the main drivers of inflation ($t = 2.33$). The treatment effects for monetary policy are economically sizable. Evaluated at the mean of the information provision experiment (37.62), the parameter of 0.0032 suggests that the provision of peer information increases the belief in monetary policy as the main driver of inflation by 12.1%.

6 Conclusion

Many beliefs and decisions in life are influenced by the beliefs and actions of others. In this paper, we show that peer effects also impact expectations about the macroeconomy. Our evidence is based on a global experiment among influential economic experts, whose opinions and recommendations matter for policymakers and the general public. Informing these experts about inflation expectations and the macroeconomic priorities of their peers results in a shift in expected inflation rates. We also show that these peer effects are consequential. While moving toward mean expectations of peers leads to a slight decrease in forecasting errors, it has substantial effects on policy recommendations and beliefs about the nature of inflation.

Our results have important policy implications. When expectations spread across agents, monetary policy should be less effective in anchoring inflation expectations. More generally, a transmission of expectations may also affect how aggregate demand reacts to policy changes. Our study is a first step towards understanding the role of peers in the formation of macroeconomic expectations. Exploring peer effects in other settings and for other agents provides a promising avenue for future research.

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Supplementary Material A: Additional Tables

Table A-1 SUMMARY STATISTICS: BACKGROUND CHARACTERISTICS OF EXPERTS

	Mean	Standard deviation	Median	Observations
Personal characteristics:				
Male	0.844	0.363	0	1
Age	52.661	12.187	25	90
Primary field:				
Business	0.084	0.277	0	1
Finance	0.120	0.325	0	1
International Economics	0.163	0.369	0	1
Labor Economics	0.105	0.306	0	1
Macroeconomics	0.299	0.458	0	1
Microeconomics	0.092	0.289	0	1
Public Economics	0.123	0.329	0	1
Other	0.155	0.362	0	1
Type of institution:				
University	0.605	0.489	0	1
Research Institute/ Think Tank	0.166	0.372	0	1
Public Sector	0.048	0.213	0	1
Private Sector	0.091	0.287	0	1
Central Bank	0.065	0.247	0	1

Notes: This table displays summary statistics on background characteristics of all economic experts participating in our survey experiment. The table lists summary statistics for the full sample, including both the firt and the second

Table A-2 SPATIAL DISTRIBUTION OF EXPERTS

	Observations	**Percent of observations**
Africa:		
Eastern Africa	56	3.08
Middle Africa	23	1.26
Northern Africa	61	3.35
Southern Africa	25	1.37
Western Africa	71	3.90
Asia:		
Central Asia	14	0.77
Eastern Asia	80	4.39
Southern Asia	80	4.39
South-Eastern Asia	99	5.44
Western Asia	103	5.66
America:		
Central America & Caribbean	41	2.25
Northern America	73	4.01
South America	162	8.90
Europe:		
Eastern Europe	241	13.23
Northern Europe	195	10.71
Southern Europe	245	13.45
Western Europe	199	10.93
Oceania:		
Oceania	53	2.91

Notes: This table displays the number of participants per subregion of our sample. The table lists summary statistics for the full sample, including both the firt and the second

Table A-3 BALANCE TESTS—SAMPLE MEANS OF CONTROL AND THE FOUR TREATMENT GROUPS AND T-TESTS FOR DIFFERENCES IN MEAN CHARACTERISTICS

(I) **Variable**	(II) **Control (mean)**	(III) **Treatment (mean)**	(IV) **Difference (t-Statistic)**
A. Peer information group versus passive control group			
Gender (1 = female)	0.187	0.118	0.069*
			(1.89)
Age (in years)	52.17	53.76	-1.59
			(-1.25)
Field of study (1 = macro)	0.232	0.176	0.056
			(1.52)
Time used to fill out the survey (in seconds)	28158.05	31633.95	-3475.90
			(-0.31)
B. Peer information group versus active control group			
Gender (1 = female)	0.175	0.118	0.057
			(1.52)
Age (in years)	52.28	53.67	-1.112
			(-1.04)
Field of study (1 = macro)	0.202	0.176	0.025
			(0.69)
Time used to fill out the survey (in seconds)	28246.64	31633.95	-3387.17
			(0.29)
C. Active control group versus passive control group			
Gender (1 = female)	0.187	0.175	0.012
			(0.30)
Age (in years)	52.17	52.28	-0.112
			(-0.09)
Field of study (1 = macro)	0.232	0.202	0.031
			(0.79)
Time used to fill out the survey (in seconds)	28158.05	28246.78	-88.73
			(-0.01)

Notes: The table reports balance tests for the mean levels of key biographic and bibliographic characteristics of participants included in our main treatment group that receives information about geographically close peers, the passive control group (which receives no information) and the active control group (which receives information about the global mean). The differences are reported in Column V, with test statistics of a two-sample t-test reported in parentheses.

*** Significant at the 1 percent level,
** Significant at the 5 percent level,
* Significant at the 10 percent level

Table A-4 MAIN EXPERIMENT: PEER EFFECTS AND SHORT-RUN INFLATION EXPECTATIONS—ADD MORE CONTROLS

Dependent variable: Inflation expectations for the year 2022, $E_i^g(\text{Inflation}^{2022})$				
	Second Wave		**First & Second Wave**	
	(I) Baseline	(II) + Controls	(III) Baseline	(IV) + Controls
	Panel A: Peer information versus passive control group			
Ω_i^{Prior}	2.529**	2.083*	2.338***	1.878***
	(1.089)	(1.209)	(0.699)	(0.718)
$\Omega_i^{\text{Prior}} \times \mathbb{1}(i \in \text{Treatment}^{\text{Peers}^g})$	-1.951**	-2.114*	-1.632*	-1.562*
	(0.982)	(1.102)	(0.893)	(0.919)
$\mathbb{1}(i \in \text{Treatment}^{\text{Peers}^g}) \times \text{Signal}_i^{\text{Peers}^g}$	0.167***	0.173***	0.177***	0.176***
	(0.031)	(0.034)	(0.030)	(0.031)
Obs (# experts)	357	346	818	792
R-Squared	0.091	0.114	0.065	0.090
Control	No	Yes	No	Yes
	Panel B: Peer information versus active control group			
Ω_i^{Prior}	5.659***	4.874***	3.673***	3.099***
	(1.166)	(1.259)	(0.730)	(0.745)
$\Omega_i^{\text{Prior}} \times \mathbb{1}(i \in \text{Treatment}^{\text{Peers}^g})$	-4.426***	-4.104***	-2.502***	-2.295**
	(1.063)	(1.131)	(0.934)	(0.948)
$\mathbb{1}(i \in \text{Treatment}^{\text{Peers}^g}) \times \text{Signal}_i^{\text{Peers}^g}$	0.183***	0.182***	0.189***	0.188***
	(0.034)	(0.035)	(0.032)	(0.032)
Obs (# experts)	331	317	792	763
R-Squared	0.109	0.147	0.071	0.109
Control	No	Yes	No	Yes

Notes: The table shows the results of our main experiment exploring peer effects on inflation expectations of professional economists. Panel A reports the results when we compare experts who received information about the inflation expectations of their geographically close peers ("regional treatment") to a passive control group. Panel B reports the results when we compare the regional treatment to an active control group that receives information about global inflation expectations. The columns labeled "Baseline" report results from specifications that include the main variables of interest, and the columns labeled "+ Control" augment the baseline specification with a set of individual-level biographic characteristics. These characteristics include respondents' age, gender, and major field of study. The table also accounts for respondents' location (longitude and latitude) as well as real GDP in the country of residence. Columns (I)–(II) use data from respondents surveyed in the second wave of our survey (regional treatment arm and control group). Columns (III)–(IV), instead, use respondents from the first wave as an additional control group to increase the power of the analysis. All models are estimated using Huber (1964) robust regressions to account for outliers.

*** Significant at the 1 percent level
** Significant at the 5 percent level
* Significant at the 10 percent level

Table A-5 MAIN EXPERIMENT: PEER EFFECTS AND SHORT-RUN INFLATION EXPECTATIONS—FIXED EFFECTS FOR DEVELOPMENT LEVELS

Dependent variable: Inflation expectations for the year 2022, $E_i^g(\text{Inflation}^{2022})$				
	Second Wave		**First & Second Wave**	
	(I) Baseline	(II) + Controls	(III) Baseline	(IV) + Controls
	Panel A: Peer information versus passive control group			
Ω_i^{Prior}	2.552**	2.538**	2.354***	2.201***
	(1.095)	(1.156)	(0.700)	(0.719)
$\Omega_i^{\text{Prior}} \times \mathbb{1}(i \in \text{Treatment}^{\text{Peers}^g})$	-2.051**	-1.968*	-1.743*	-1.685*
	(1.037)	(1.089)	(0.913)	(0.934)
$\mathbb{1}(i \in \text{Treatment}^{\text{Peers}^g}) \times \text{Signal}_i^{\text{Peers}^g}$	0.172***	0.167***	0.182***	0.181***
	(0.033)	(0.035)	(0.031)	(0.031)
Obs (# experts)	357	346	818	792
R-Squared	0.094	0.093	0.063	0.070
Control	No	Yes	No	Yes
Development FEs	Yes	Yes	Yes	Yes
	Panel B: Peer information versus active control group			
Ω_i^{Prior}	5.374***	4.832***	3.646***	3.387***
	(1.170)	(1.222)	(0.731)	(0.748)
$\Omega_i^{\text{Prior}} \times \mathbb{1}(i \in \text{Treatment}^{\text{Peers}^g})$	-3.846***	-3.580***	-2.366**	-2.269**
	(1.113)	(1.131)	(0.956)	(0.966)
$\mathbb{1}(i \in \text{Treatment}^{\text{Peers}^g}) \times \text{Signal}_i^{\text{Peers}^g}$	0.156***	0.148***	0.183***	0.182***
	(0.036)	(0.037)	(0.033)	(0.033)
Obs (# experts)	331	317	792	763
R-Squared	0.108	0.142	0.070	0.085
Control	No	Yes	No	Yes
Development FEs	Yes	Yes	Yes	Yes

Notes: The table shows the results of our main experiment exploring peer effects on inflation expectations of professional economists. Panel A reports the results when we compare experts who received information about the inflation expectations of their geographically close peers ("regional treatment") to a passive control group. Panel B reports the results when we compare the regional treatment to an active control group that receives information about global inflation expectations. The columns labeled "Baseline" report results from specifications that include the main variables of interest, and the columns labeled "+ Control" augment the baseline specification with a set of individual-level biographic characteristics. These characteristics include respondents' age, gender, and major field of study. The table also accounts for fixed effects for the development level of respondents' country of residence. Columns (I)–(II) use data from respondents surveyed in the second wave of our survey (regional treatment arm and control group). Columns (III)–(IV), instead, use respondents from the first wave as an additional control group to increase the power of the analysis. All models are estimated using Huber (1964) robust regressions to account for outliers.

*** Significant at the 1 percent level
** Significant at the 5 percent level
* Significant at the 10 percent level

Table A-6 MAIN EXPERIMENT: PEER EFFECTS AND SHORT-RUN INFLATION EXPECTATIONS—FIXED EFFECTS FOR GEOGRAPHIC LOCATION

Dependent variable: Inflation expectations for the year 2022, $E_i^g(\text{Inflation}^{2022})$				
	Second Wave		**First & Second Wave**	
	(I) Baseline	(II) + Controls	(III) Baseline	(IV) + Controls
	Panel A: Peer information versus passive control group			
Ω_i^{Prior}	2.443**	2.340**	2.223***	2.004***
	(1.090)	(1.162)	(0.681)	(0.704)
$\Omega_i^{\text{Prior}} \times \mathbb{1}(i \in \text{Treatment}^{\text{Peers}^g})$	-2.833***	-2.842***	-2.388***	-2.374***
	(1.018)	(1.085)	(0.884)	(0.911)
$\mathbb{1}(i \in \text{Treatment}^{\text{Peers}^g}) \times \text{Signal}_i^{\text{Peers}^g}$	0.209***	0.206***	0.210***	0.208***
	(0.032)	(0.034)	(0.030)	(0.031)
Obs (# experts)	357	346	818	792
R-Squared	0.130	0.126	0.100	0.110
Control	No	Yes	No	Yes
Geographic FEs	Yes	Yes	Yes	Yes
	Panel B: Peer information versus active control group			
Ω_i^{Prior}	5.764***	4.907***	3.610***	3.200***
	(1.161)	(1.217)	(0.716)	(0.731)
$\Omega_i^{\text{Prior}} \times \mathbb{1}(i \in \text{Treatment}^{\text{Peers}^g})$	-5.563***	-5.107***	-3.316***	-3.199***
	(1.095)	(1.127)	(0.931)	(0.941)
$\mathbb{1}(i \in \text{Treatment}^{\text{Peers}^g}) \times \text{Signal}_i^{\text{Peers}^g}$	0.231***	0.216***	0.224***	0.219***
	(0.035)	(0.036)	(0.032)	(0.032)
Obs (# experts)	331	317	792	763
R-Squared	0.150	0.180	0.100	0.125
Control	No	Yes	No	Yes
Geographic FEs	Yes	Yes	Yes	Yes

Notes: The table shows the results of our main experiment exploring peer effects on inflation expectations of professional economists. Panel A reports the results when we compare experts who received information about the inflation expectations of their geographically close peers ("regional treatment") to a passive control group. Panel B reports the results when we compare the regional treatment to an active control group that receives information about global inflation expectations. The columns labeled "Baseline" report results from specifications that include the main variables of interest, and the columns labeled "+ Control" augment the baseline specification with a set of individual-level biographic characteristics. These characteristics include respondents' age, gender, and major field of study. The table also accounts for fixed effects for the geographic location of respondents' country of residence, distinguishing between European and non-European countries. Columns (I)–(II) use data from respondents surveyed in the second wave of our survey (regional treatment arm and control group). Columns (III)–(IV), instead, use respondents from the first wave as an additional control group to increase the power of the analysis. All models are estimated using Huber (1964) robust regressions to account for outliers.

*** Significant at the 1 percent level
** Significant at the 5 percent level
* Significant at the 10 percent level

Table A-7 PEER EFFECTS AND SHORT-RUN INFLATION EXPECTATIONS—SUBJECTIVE MACROECONOMIC PRIORITIES

Dependent variable: Inflation expectations for the year 2022, $E_i^g(\text{Inflation}^{2022})$				
	Second Wave		**First & Second Wave**	
	(I) Baseline	(II) + Controls	(III) Baseline	(IV) + Controls
	Panel A: Peer information versus passive control group			
Ω_i^{Prior}	1.457	1.289	2.011***	1.844**
	(1.232)	(1.298)	(0.733)	(0.751)
$\Omega_i^{\text{Prior}} \times \mathbb{1}(i \in \text{Treatment}^{\text{Peers}^g})$	-0.754	-0.923	-0.631	-0.769
	(1.285)	(1.369)	(1.126)	(1.166)
$\mathbb{1}(i \in \text{Treatment}^{\text{Peers}^g}) \times \text{Signal}_i^{\text{Peers}^g}$	0.0099	0.0136	0.0174	0.0208
	(0.016)	(0.017)	(0.014)	(0.015)
Obs (# experts)	359	345	820	791
R-Squared	0.004	0.014	0.012	0.020
Control	No	Yes	No	Yes
	Panel B: Peer information versus active control group			
Ω_i^{Prior}	4.948***	4.911***	3.343***	3.210***
	(1.180)	(1.250)	(0.720)	(0.739)
$\Omega_i^{\text{Prior}} \times \mathbb{1}(i \in \text{Treatment}^{\text{Peers}^g})$	-2.439*	-2.662**	-1.299	-1.427
	(1.258)	(1.341)	(1.117)	(1.157)
$\mathbb{1}(i \in \text{Treatment}^{\text{Peers}^g}) \times \text{Signal}_i^{\text{Peers}^g}$	0.0305**	0.0352**	0.0250*	0.0288*
	(0.015)	(0.017)	(0.014)	(0.015)
Obs (# experts)	366	352	827	798
R-Squared	0.048	0.064	0.028	0.039
Control	No	Yes	No	Yes

Notes: The table shows the results of our experiment exploring peer effects on inflation expectations of professional economists initiated by subjective macroeconomic priorities. Panel A reports the results when we compare experts who received information about the subjective priority their geographically close peers attach to the fight against inflation ("regional treatment") to a passive control group. Panel B reports the results when we compare the regional treatment to an active control group that receives information about the global mean of macroeconomic priorities. The columns labeled "Baseline" report results from specifications that include the main variables of interest, and the columns labeled "+ Control" augment the baseline specification with a set of individual-level biographic characteristics. These characteristics include respondents' age, gender, and major field of study. Columns (I)–(II) use data from respondents surveyed in the second wave of our survey (regional treatment arm and control group). Columns (III)–(IV), instead, use respondents from the first wave as an additional control group to increase the power of the analysis. All models are estimated using Huber (1964) robust regressions to account for outliers.

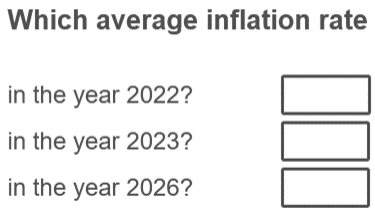
*** Significant at the 1 percent level
** Significant at the 5 percent level
* Significant at the 10 percent level

Table A-8 CATEGORIES CAUSES OF INFLATION – EXAMPLES

Category	**Examples**
Supply-side	"Energy Supply chains"
	"Energy costs increase, Ukraine crisis, raw material increase"
	"Energy prices; Supply chain disruptions due to the COVID-19 pandemic."
Invasion Ukraine	"Russia invaded Ukraine"
	"War in Ukraine"
	"Ukraine"
Energy prices	"Energy prices"
	"Increases in energy prices. increases in food prices"
	"Imported price increase - energy, food"
COVID-19	"COVID 19"
	"COVID19 and the Russian invasion of Ukraine"
	"Supply disruptions, COVID"
Demand-side	"Expansionary fiscal policy in last two decades chronic budget deficit; covid 19 impact; bad management of the covid impact on economic situation"
	"Money printing to finance the fiscal deficit"
	"Social funding expenses and central bank policy"
Monetary policy	"Bad monetary policy"
	"US economic stimulus, supply chain disruptions, opportunistic exploitation of pricing power by some firms, Fed was slow to respond"
	"ECB"

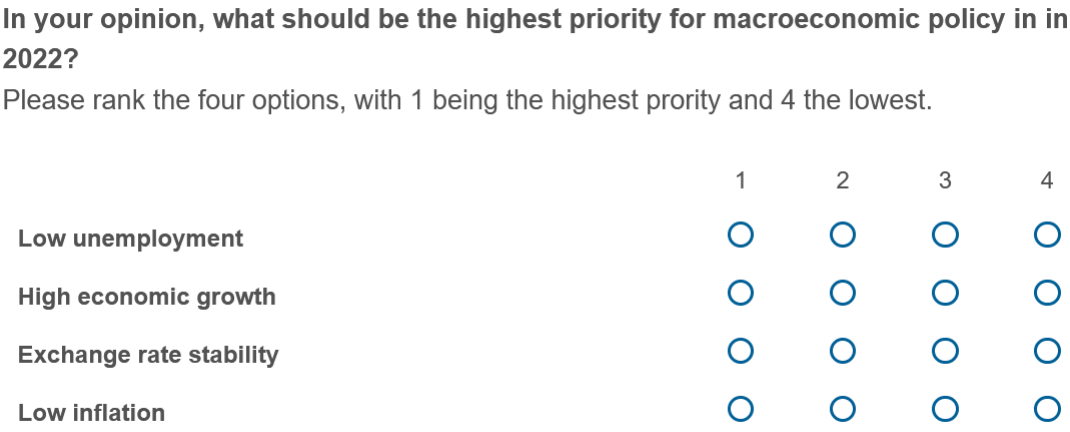
Supplementary Material B: Additional Figures

Figure B-1 THE QUESTIONNAIRE OF THE SURVEY. QUESTIONS ASKING PARTICIPANTS ABOUT THEIR INFLATION EXPECTATIONS FOR THE YEARS 2022, 2023, AND 2026.



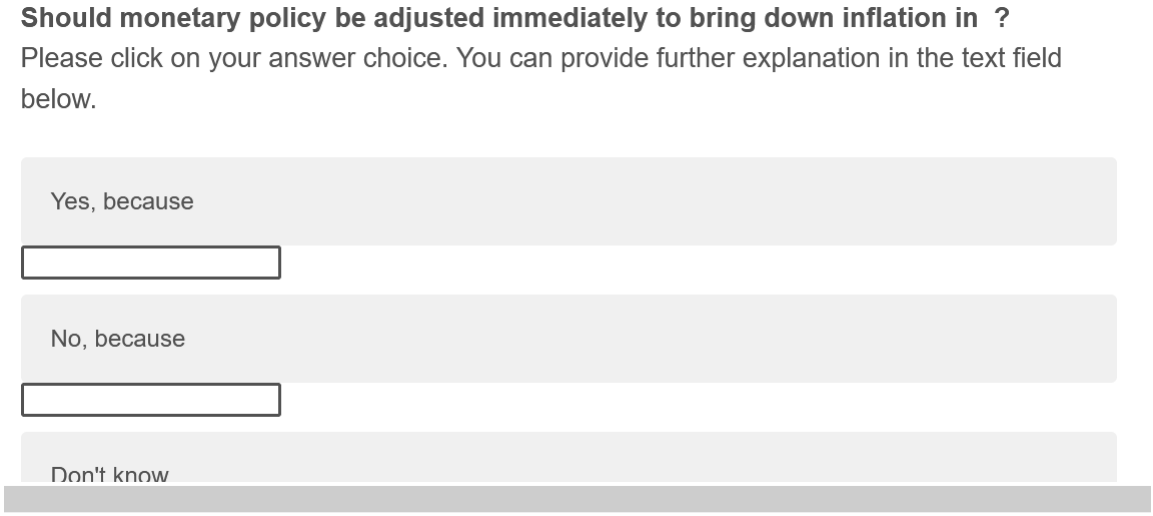
Notes: The figure shows the questions included in our survey that ask participants about their inflation expectations for the years 2022, 2023, and 2026 in the individual country the work in.

Figure B-2 THE QUESTIONNAIRE OF THE SURVEY. QUESTION ASKING PARTICIPANTS ABOUT PRIORITIES FOR MACROECONOMIC POLICIES.



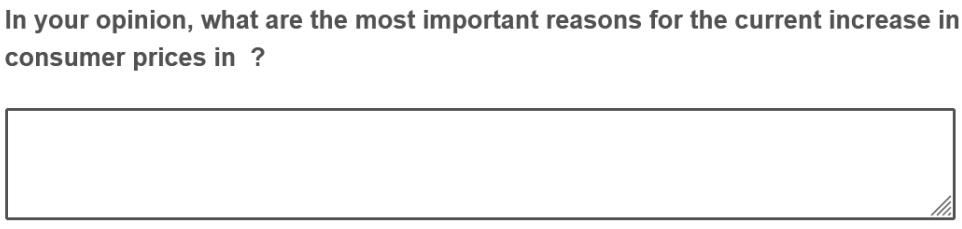
Notes: The figure shows the question included in our survey that asks participants about priorities for macroeconomic policies. Participants were asked to rank macroeconomic policies.

Figure B-3 THE QUESTIONNAIRE OF THE SURVEY. QUESTION ASKING PARTICIPANTS ABOUT MONETARY POLICY.



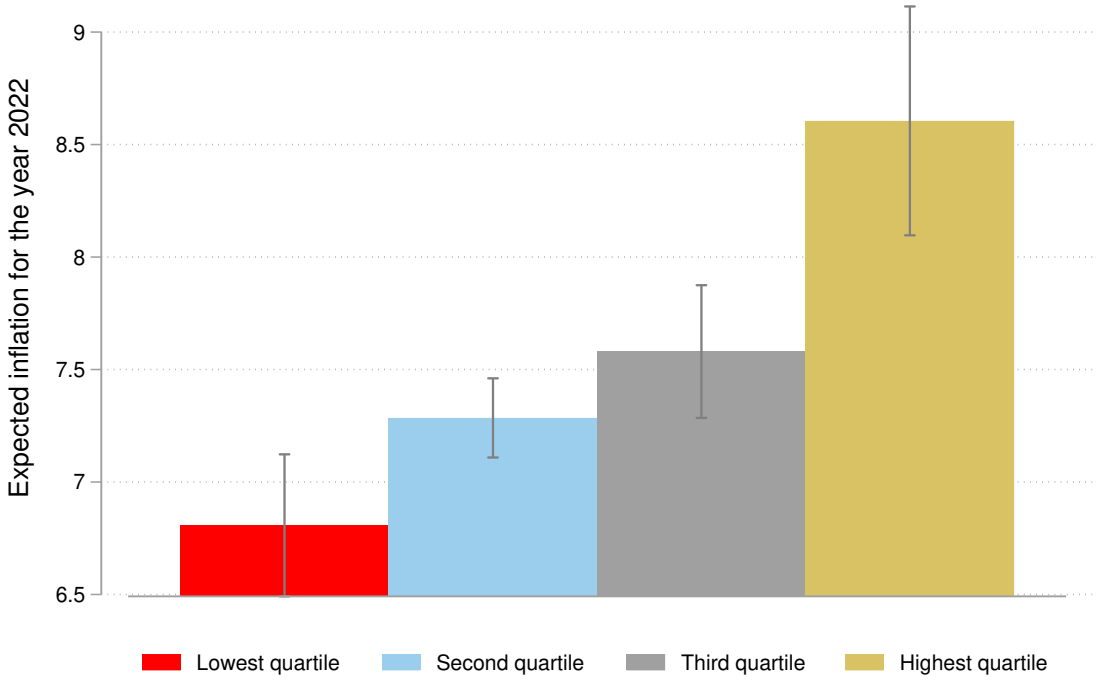
Notes: The figure shows the question included in our survey that asks participants about monetary policy reactions in response to current rates of inflation.

Figure B-4 THE QUESTIONNAIRE OF THE SURVEY. QUESTION ASKING PARTICIPANTS ABOUT MOST IMPORTANT REASONS FOR INCREASES IN CONSUMER PRICES.



Notes: The figure shows the question included in our survey that asks participants about the most important reasons for increases in consumers prices (open text question).

Figure B-5 RESPONDENTS ASSESSMENT OF THE STATE OF THE WORLD (PRIOR TO TREATMENT) AND INFLATION EXPECTATIONS.



Notes: The figure shows average inflation expectations of respondents in our sample for different assessments of the state of the world, which we elicited prior to our information experiment. The assessment of the state of the world consists of the four core questions that are regularly asked in the EES (see section 2.1 for details). The figure shows average inflation expectations for the four quartiles of the distribution of pre-experimental assessments.