

# Expectations in Macroeconomics

CES Lecture Series

Jonas Dovern, Heidelberg University  
[jonas.dovern@awi.uni-heidelberg.de](mailto:jonas.dovern@awi.uni-heidelberg.de)

Lecture 1: The History of Expectations in Macroeconomics

Lecture 2: Models of Imperfect Information in Macroeconomics

Lecture 3: Empirical Evidence on Macroeconomic Expectations

Abstract: Why do we observe a large cross-sectional distribution of macroeconomic expectations given that most information needed to form such expectations is publicly available? Different models with imperfect information have been suggested recently to bridge the gap between this and other empirical facts about expectations on the one hand and conventional macroeconomic models with full information rational expectations on the other hand. In this course, we will review the history of expectations in macroeconomic models, look at currently used macroeconomic models with imperfect information structures, and review empirical findings about the nature of macroeconomic expectations. The course will give an overview about the topic without focusing on technical details of models.

Some useful readings:

Andrade, P., R. K. Crump, S. Eusepi, and E. Moench, 2016. Fundamental disagreement, *Journal of Monetary Economics*, 83, 106-128.

Coibion, O., Gorodnichenko, Y., 2012. What can survey forecasts tell us about information rigidities? *Journal of Political Economy*, 120, 116-159.

Coibion, O., Gorodnichenko, Y., 2015. Information rigidity and the expectations formation process. A simple framework and new facts, *American Economic Review*, 105, 2644-2678.

Dovern, J., U. Fritsche, and J. Slacalek, 2012. Disagreement among forecasters in G7 countries, *Review of Economics and Statistics*, 94(4), 1081-1096.

Dovern, J., 2015. A multivariate analysis of forecast disagreement. Confronting models of disagreement with survey data. *European Economic Review*, 80, 16-35.

Hoover, K. and W. Young, 2011. Rational expectation: Retrospect and prospect. A panel discussion with Michael Lovell, Robert Lucas, Dale Mortensen, Robert Shiller, Neil Wallace. CHOPE Working Paper, No. 2011-10, Center for the History of Political Economy at Duke University.

Kuchler, T. and B. Zafar, 2015. Personal experience and expectations about aggregate outcomes, IZA DP No. 9444, Institute for the Study of Labor.

Mankiw, N.G., Reis, R., 2002. Sticky information versus sticky prices: a proposal to replace the new Keynesian Phillips curve. *Quarterly Journal of Economics*, 117, 1295-1328.

Mankiw, N.G., Reis, R., Wolfers, J., 2003. Disagreement on inflation expectations. NBER Macroeconomic Annuals, 26, 209–248.

Shaw, G. K., 1989. Expectations in macroeconomics, in: Greenaway, D. (ed.), Current Issues in Macroeconomics, Macmillan Education, New York, p. 22-44.