How Do Expectations About the Macroeconomy Affect Personal Expectations and Behavior? READ ME

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This folder contains data and Stata code to replicate all tables and figures in "How Do Expectations About the Macroeconomy Affect Personal Expectations and Behavior?," as well as its web appendix tables and figures. The code is designed to run in Stata 13 or later versions.

To produce the specific tables and figures:

1. Open the respective do-file indicated in Tables 1 and 2 in the respective subfolder of `do-files`.
2. Change the definitions of the globals *path_data_raw*, *path_data_processed* and *path_output* to the respective locations on your computer.
3. Run the respective do-file. The resulting table or figure will be placed in the folder `output`.

The folder `ado-files` contains additional programs necessary to run our code.

1 Contents of this folder

There are five main parts in this folder

- `data`: contains cleaned data and (anonymized) raw data
- `do-files`: contains code for cleaning the data in the folder `generate_datasets`, code for reproducing figures in the folder `generate_figures`, and code for reproducing tables in the folder `generate_tables`.
- `ado-files`: additional programs necessary to run our code.
- `Qualtrics_files`: contains the Qualtrics files used to run the experiments
- `output`: contains two folders, `figures` and `tables`. Code in `do-files` puts tables and figures here.

2 Ado-files

This folder contains additional programs necessary to run our code. We include copies of these in case future updates break the code. The main do-file `masterdofile.do` sets the path to include these files when running the code.

- `_eststo.ado`, `estadd.ado`, `estout_mystyle.def`, `estout.ado`, `estpost.ado`, `eststo.ado`, `esttab.ado`. Written by Jann (2007).
- `distplot.ado`. Written by Cox (1998).
- `grc1leg.ado`. Written by Wiggins (2010).
- `sigstar.ado`
- `minq.ado`
- `multproc.ado`. Written by Newson and The ALSPAC Study Team (2003).
- `scheme-lean2.scheme`. Written by Juul (2003).

3 Data

Raw Datasets

We use 9 raw datasets located in `data/raw_data_files`. These files are unedited except to remove potentially identifying information (MTurk IDs).

1. `experimentRN1.csv` raw data from main experiment with Research Now
2. `experimentRN2.csv` raw data from follow-up survey with Research Now
3. `ids.csv` raw data containing IDs to match respondents in the main experiment and follow-up survey with Research Now
4. `robustnessexperiment1.csv` raw data from robustness experiment 1
5. `robustnessexperiment2.csv` raw data from robustness experiment 2
6. `robustnessexperiment3.csv` raw data from robustness experiment 3
7. *unemprates_countylevel.dta* data on county-level unemployment rates from the Local Area Unemployment Statistics (LAUS) data from the Bureau of Labor Statistics (BLS)
8. *weights_ACS* population weights based on the 2015 wave of the ACS
9. *zip_county_crosswalk* a zip-county cross-walk to identify the county of residence of the Research Now respondents

The datasets `experimentRN1.dta`, `experimentRN2.dta`, `experimentRNall.dta` and `ids.csv` contain a fake id called RNID which does not personally identify any individuals.

Other datasets that we cannot upload

We also use three datasets in our analyses that we cannot upload but which can be easily obtained online.

1. Survey of consumer expectations: The survey of consumer expectations can be downloaded on the following website: `https://www.newyorkfed.org/microeconomics/sce`.
2. Current population survey. Current population survey can be downloaded on the following website: `https://www.census.gov/programs-surveys/cps.html`

3. Survey of professional forecasters: Survey of professional forecasters can be downloaded on the following website: `https://www.philadelphiafed.org/research-and-data/real-time-center/survey-of-professional-forecasters/`

Final Datasets

The raw datasets can be used to generate 6 final datasets, located in `data/final_data_files`. They are as follows:

1. `experimentRN1.dta` subject-level data from main experiment with Research Now.
2. `experimentRN2.dta` subject-level data from follow-up experiment with Research now.
3. `experimentRNall.dta` subject-level data from the main and the follow-up experiment with Research Now.
4. `robustnessexperiment1.dta` subject-level data from robustness experiment 1.
5. `robustnessexperiment2.dta` subject-level data from robustness experiment 2.
6. `robustnessexperiment3.dta` subject-level data from robustness experiment 3.

4 Do-files: generate datasets

Folder `do-files/generate_datasets` contains 1 Stata do-file which cleans the raw data and produces the final datasets.

- `01_generate_data.do` creates the final datasets.

5 Do-files: generate tables and figures

Folders `do-files/generate_tables` and `do-files/generate_figures` contain do-files to generate all tables and figures. Tables 1 and 2 below reference the relevant do-file for each table and figure in the paper and web appendix.

6 Qualtrics files

This folder contains the Qualtrics files used to run each experiment: `E1Main.qsf, E1Followup.qsf, R1.qsf, R2.qsf, R3.qsf`.

References

Cox, Nicholas J. 1998. "DISTPLOT: Stata module to generate distribution function plot." *Statistical Software Components, Boston College Department of Economics, revised 16 Sep 2017.*

Jann, Ben. 2007. "Making regression tables simplified." *The Stata Journal*, 7(2): 227–244.

Juul, Svend. 2003. "Lean mainstream schemes for Stata 8 graphics." *The Stata Journal*, 3(3): 295–301.

Newson, Roger, and The ALSPAC Study Team. 2003. "Multiple-test procedures and smile plots." *The Stata Journal*, 3(2): 109–132.

Wiggins, Vince. 2010. "grc1leg." *https://www.stata.com/users/vwiggins/grc1leg/grc1leg.ado.*

Table 1	`Table1learning_rates.do`
Table 2	`Table2mainresults.do`
Table 3	`Table3behavior.do`
Table A1	Manual: summary of experiments
Table A2	`TableA2sumarystats.do`
Table A3	Manual: sumary stats
Table A4	`TableA4consumers_profforecasters_table.do`
Table A5	`TableA5balance.do`
Table A6	`TableA6balance_followup.do`
Table A7	`TableA7correlates_prior.do`
Table A8	Manual: type of belief updating
Table A9	`TableA9persistence.do`
Table A10	`TableA10learning_rates_het_interact.do`
Table A11	`TableA11learning_rates_het_educ_conf.do`
Table A12	`TableA12jobinsecurity_het_demographics_interact.do`
Table A13	`TableA13jobinsecurity_het_riskproxies_interact.do`
Table A14	`TableA14earnings_het_demographics_interact.do`
Table A15	`TableA15nationalunemp_het_interact.do`
Table A16	`TableA16infl_mean_heterogeneity.do`
Table A17	`TableA17infl_sd_heterogeneity.do`
Table A18	`TableA18learning_rates_RRpilot.do`
Table A19	`Table19D_conf_RRpilot.do`
Table A20	`TableA20macrooutcomes_RRpilot.do`
Table A21	`TableA21demandexperiment.do`
Table A22	`TableA22demandfornews.do`
Table A23	`TableA23WEIGHTSMAINTABLE.do`
Table A24	Manual: Benchmarks for estimated learning rate
Table A25	Manual: Comparison between SPF and SCE
Table A26	`TableA26heteroinsurancefirm.do`

Table 1: Tables

Figure 1	`Figure1priorposterior.do`
Figure 2	`Figure2heterogeneitymain`
Figure A1	Manual: Reference periods for economic expectation
Figure A2	Manual: Reference periods for behavioral outcomes
Figure A3	Manual: screenshot
Figure A4	`FigureA4spf.do`
Figure A5	`FigureA5A6updating_scatterplot.do`
Figure A6	`FigureA5A6updating_scatterplot.do`
Figure A7	`FigureA7updating.do`
Figure A8	`FigureA4spf.do`
Figure A9	`FigureA9incentives`
Figure A10	`FigureA10CPS_past recessions.do`
Figure A11	`FigureA11recessioncauses.do`
Figure A12	`FigureA12141617histograms_main_data.do`
Figure A13	`FigureA13distribution_inflation.do`
Figure A14	`FigureA12141617histograms_main_data.do`
Figure A15	`FiigureA15distribution_earnings.do`
Figure A16	`FigureA12141617histograms_main_data.do`
Figure A17	`FigureA12141617histograms_main_data.do`
Figure A18	`FigureA18lpoly.do`
Figure A19	`FigureA19SCE_SPF_prunemp.do`
Figure A20	`FigureA20insurance.do`

Table 2: Figures