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July 2025
2025RWP-255

Economic Research Institute

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July 22, 2025

Abstract

We study how politically diverse households form and update macroeconomic expectations in response to public communication, using novel survey waves of Korean individuals conducted in 2022 during a historic inflation surge. The survey includes a randomized information treatment in which respondents are exposed to government forecasts about inflation stabilization, with treatments varying in messenger, framing, media source, and numerical content. We first document substantial political polarization in macroeconomic beliefs, including inflation expectations. We then find that only pro-government individuals revise their expectations downward in response to the information, while anti-government and centrist individuals remain largely unresponsive, regardless of message source, content, or presentation. These asymmetric responses are driven by differences in trust toward the policy authority, which are themselves linked to partisanship, highlighting the challenges of anchoring expectations in politically polarized environments.

JEL classification: C83; D84; E31

Keywords: Inflation expectations; Macroeconomic beliefs; Partisan bias; Central bank communication; Household survey

*We would like to thank Ahmad Hassan Ahmad, ChaeWon Baek, Santiago Bazdresch, Jaedo Choi, Joonkyu Choi, Enrique Martínez García, Luca Gemmi, Yuriy Gorodnichenko, Rupal Kamdar, Spencer Kwon, Pei Kuang, Noh-Sun Kwark, Jamel Saadaoui, Michael Weber, and participants at the 2024 CEBRA Annual Meeting, the Bank of Korea, 93rd Annual Meeting of the Southern Economic Association, KAEA VSS Macro Seminar, and Yonsei Macro Meetings for their helpful and constructive comments. This research was supported by the Ministry of Education of the Republic of Korea and the National Research Foundation of Korea (NRF-2024S1A5A8022304), the Yonsei Signature Research Cluster Program of 2025 (2025-22-0168), and Yonsei University and Yongwoon Scholarship Foundation (Yonsei-Yongwoon Research Grant No. 2023-11-1234). Sangyup thanks the Bank of Korea Economic Research Institute for its hospitality. Any errors are the authors' responsibility.

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1 Introduction

Political polarization has emerged as a growing concern across many economies (Boxell et al. (2024)). A substantial body of research shows that political affiliation shapes economic beliefs and behaviors in systematic and persistent ways (e.g., Meeuwis et al. (2022); Kamdar and Ray (2023); Yi (2023)). For monetary policymakers, such polarization presents a critical challenge: the risk that macroeconomic expectations become *unanchored* (D'Acunto et al. (2024); Coibion and Gorodnichenko (2025)). Notably, Binder et al. (2024) find that unanchored inflation expectations among Republican households during the COVID-19 period contributed to the recent inflation surge in the United States.

A central question is whether policy communication can help anchor macroeconomic expectations in politically polarized environments. We examine this question using three waves of the Yonsei–Yongwoon Household Survey, conducted in Korea in 2022, which included a randomized information treatment during a period of historically high inflation. Like many advanced economies, Korea has experienced increasing political polarization in recent years, most visibly during the political crisis involving the impeachment of President Park Geun-hye and Yoon Suk-yeol.

The survey waves were conducted in February, April, and August of 2022, with sample sizes of 10,000, 2,000, and 4,000, respectively. The first wave collected rich baseline information on demographics, political affiliation, media habits, and economic preferences. The second wave followed a subset of the baseline sample and captured a politically salient moment between the March presidential election and the May inauguration.[1] The third wave incorporated an information-based randomized control trial (RCT) during the peak of the inflationary episode.

We begin by documenting substantial political disagreement in macroeconomic expectations. In the second wave, which offers a clean identification setting, supporters of the incoming conservative administration perceived higher past and current inflation—outcomes associated with

[1] Gerber and Huber (2010) and Mian et al. (2023) exploit similar regime changes in Australia and the U.S.

the outgoing progressive government—but held lower expectations for future inflation over the next three years. We find the opposite pattern for left-leaning respondents. This partisan divergence in inflation expectations is mirrored across other macroeconomic indicators, including unemployment, stock market performance, and GDP growth.

To test whether this divergence can be mitigated via policy communication, we implemented a randomized information treatment in the third wave. Starting in March 2022, consumer prices in Korea rose sharply, peaking in July. In response, both the central bank and the government issued public statements to reassure households that inflation would soon decline. This context provides a natural setting to evaluate whether communication—varying in content, source, and framing—can anchor expectations when anchoring is most needed. Our experimental design enables causal identification in a domain where beliefs and media exposure are typically endogenous.

Respondents were randomly assigned to one of eight treatment groups. All received some form of information, with content focused on inflation stabilization in the near term. The treatments varied in source attribution (central bank vs. government), media framing (left-leaning vs. right-leaning), explicitness of source disclosure, and inclusion of numerical forecasts. Our first goal is to identify which of these factors drives convergence or divergence in expectations. To this end, pre- and post-treatment expectations for inflation and unemployment were elicited at both one- and three-year horizons.

Groups 1 and 2 received neutral policy statements from the Governor of the Bank of Korea and the Deputy Prime Minister (DPM), respectively. Groups 3 through 6 read news articles based on the DPM's remarks, drawn from either *Hankyoreh* (left-leaning) or *Chosun Ilbo* (right-leaning), with source attribution either masked or disclosed. Group 7 received both articles with full disclosure. Group 8 received a statement with numerical projections forecasting inflation above 6 percent through October.

As all respondents received some information, we use Group 2 (neutral government statement) as the reference category. This setup allows us to isolate the marginal effects of messenger identity,

media framing, source disclosure, and numerical specificity on belief formation: Group 1 tests institutional credibility for different policy authorities; Groups 3 and 5 isolate framing without source cues; Groups 4 and 6 add media attribution; Group 7 examines narrative competition and partisanship; and Group 8 assesses the anchoring role of quantitative content.

Three main findings emerge. First, among respondents aligned with the ruling party (right-leaning), inflation expectations over the three-year horizon declined significantly in most treatment groups compared to the reference group, indicating that communication from the central bank, narrative framing, and numerical forecasts all produce stronger anchoring effects for this particular sample. We also observe corresponding declines in unemployment expectations, suggesting that households interpret macroeconomic signals through a broadly supply-side lens.[2]

Second, households opposed to the ruling party exhibited limited or no adjustment across treatments. Even when exposed to messages from the central bank, trusted news sources, or numerical forecasts, their expectations remained unchanged relative to the reference group. Centrist respondents displayed similar inertia, suggesting a broader skepticism among nonaligned individuals.

Third, heterogeneity in prior uncertainty does not fully explain these asymmetries. While right-leaning respondents with higher pre-treatment uncertainty revised their beliefs more strongly, left-leaning and centrist respondents did not—even when their priors were similarly imprecise. This suggests that individuals with differing political views interpret public communication in fundamentally different ways, regardless of how the message is delivered. Responses to information are broadly consistent with Bayesian learning among pro-government individuals but are less so among those not aligned with the government. Moreover, because all respondents received the baseline message, the estimated *marginal* effects of the treatments (relative to the reference group) likely understate the true extent of political divergence in the *total* effect of policy communication.

To investigate mechanisms, we use trust ratings collected from respondents in Groups 3–6.

[2]This is consistent with belief patterns in the second wave and international evidence suggesting that households interpret macro developments in stagflationary terms (Dietrich et al. (2022); Kamdar and Ray (2023)).

Trust levels were strongly predicted by political affiliation, independent of content or source attribution. Notably, most respondents in Groups 3 and 5 were unable to correctly identify the source of the article they had read, suggesting that perceived credibility stems less from framing cues and more from general trust in government institutions. Conditional on political affiliation and pre-treatment beliefs, trust in the message was a significant predictor of downward belief revision.

These findings suggest that macroeconomic belief formation follows politically motivated mental models. While communication can help anchor expectations for some populations, its effectiveness is contingent on institutional credibility, which is itself linked to partisanship. For policymakers, the results highlight the limits of conventional communication strategies and the need to build trust—particularly among skeptical constituencies.

This paper contributes to several strands of the literature. First, it extends research on political polarization in economic beliefs (e.g., Gerber and Huber (2010); Kuang et al. (2024)) by documenting its influence across a broad set of macroeconomic indicators. Our experimental evidence highlights the central role of institutional credibility in shaping belief formation.[3] Compared to other expectation determinants studied in the literature,[4] institutional credibility merits attention, as it can be improved through institutional effort or, conversely, undermined by the rise of populism.[5]

Second, we contribute to the experimental literature on expectation formation and central bank communication (e.g., Binder and Rodrigue (2018); Knotek et al. (n.d.); Nghiem et al. (2024); Ehrmann et al. (2025)).[6] A key innovation of our design is the inclusion of real-world

[3] Christelis et al. (2020) find that Dutch households with greater trust in the European Central Bank report lower inflation expectations and uncertainty. Grigoli and Sandri (2024) show that central bank credibility moderates the responsiveness of expectations to public debt.

[4] Related research has shown that expectations also vary by gender (D'Acunto et al. (2021a)), socioeconomic status (Kuhnen and Miu (2017)), home ownership (Ahn et al. (2024)), individual experiences (Malmendier and Nagel (2016); Kuchler and Zafar (2019)), and social networks (Bailey et al. (2018)). See Weber et al. (2022) for a comprehensive review.

[5] For example, public trust in government has substantially declined over several decades in the U.S. (https://www.pewresearch.org/politics/2024/06/24/public-trust-in-government-1958-2024/)

[6] See also Armantier et al. (2015); Armona et al. (2019); Roth and Wohlfart (2020); Kanz et al. (2021) for earlier works using the experimental approach and Haaland et al. (2023) for a survey.

communication features—such as source identity and media framing—beyond the neutral treatments common in prior studies (e.g., Coibion et al. (2022)).[7] Our results show that while such features can have marginal effects, trust in the messenger remains the necessary condition for belief updating.

Lastly, we complement recent U.S.-based studies (e.g., Kuang et al. (2024); Binder et al. (2025); Kuang et al. (2025)) showing that the effectiveness of central bank communication depends on perceived political alignment. Our findings from Korea—characterized by a relatively lower inflation environment and comparable central bank independence suggest that these mechanisms may generalize beyond the U.S. context (Haldane and McMahon (2018); Blinder et al. (2024)).

The remainder of the paper is organized as follows. Section 2 describes the survey structure, measurement, and experimental design. Section 3 presents evidence of political bias in macroeconomic beliefs across all three waves. Section 4 reports the main findings from the randomized information treatment conducted in the third wave. Section 5 concludes.

2 Survey Description

2.1 Survey Details

We conducted three waves of the Yonsei–Yongwoon Survey in February, April, and August 2022. The surveys were administered online by Macromill Embrain, a professional survey firm in Korea. In the first wave, we recruited a nationally representative sample of 10,000 adults, stratified by gender, age, and region. Respondents reported (i) demographic characteristics—age, gender, region, household income, education, and employment status—and (ii) individual-level attributes such as media habits, risk preferences, personality traits, political affiliation, policy interests, and social media use. Table 1 presents summary statistics for selected variables alongside national benchmarks.

Most individual characteristics were measured only in Wave 1, assuming stability over the

[7] See Coibion et al. (2022), p. 1,542, on the need to study the role of media and messenger identity in household belief formation.

Table 1: Summary statistics of selected variables

	Mean	Std. dev.	National avg.
Female	0.492	0.500	0.500
Age	44.15	12.85	43.85
Monthly household income (10,000 KRW)	455.7	227.2	563.5
Living in Seoul Metropolitan Area	0.516	0.500	0.505
Years of education	14.86	2.117	12.52
Employed (age 15-64)	0.704	0.456	0.621
Wage worker	0.88	0.32	0.77
Full-time job	0.78	0.41	0.62
Homeownership	0.64	0.48	0.56

Note: This table reports summary statistics for key demographic variables in the baseline sample of 10,000 respondents from Wave 1. The first two columns present statistics from our sample, while the third column provides corresponding national averages. "Living in Seoul Metropolitan Area", "Employed (age 15–64)", "Wage worker", "Full-time job", and "Homeownership" are reported as fractions (i.e., proportion of respondents satisfying each condition). Household income is winsorized at the 95th percentile to address right-tail outliers, which may reflect respondents who mistakenly reported annual rather than monthly income. KRW refers to Korean won (approximately 1 USD = 1,400 KRW).

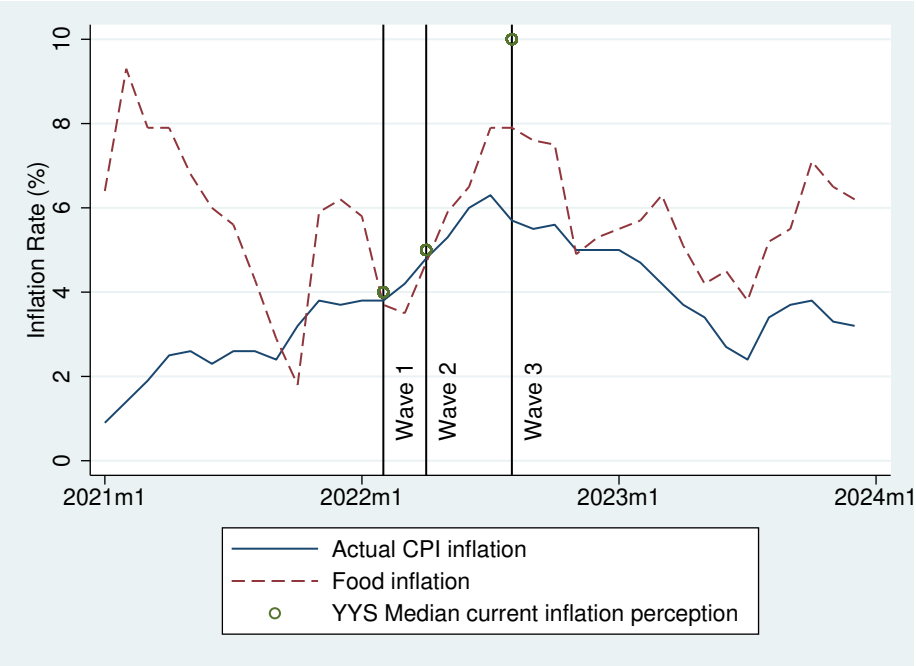
short duration between waves. An exception is political affiliation, which was re-elicited in Wave 3 using a refined seven-point scale (compared to a five-point scale in Wave 1). In Wave 3, respondents first identified as progressive, conservative, or centrist, and then further indicated intensity (e.g., "strong" vs. "moderate"). Centrists were asked whether they leaned closer to progressives or conservatives. This yielded a seven-point scale that facilitates finer analysis of political heterogeneity. In Wave 3, 38.5% of respondents identified as progressive, 27.2% as centrist, and 34.3% as conservative.

Inflation expectations and related macroeconomic beliefs were elicited with different formats across waves to align with the prevailing policy context. In Wave 1, respondents reported point estimates of the previous year's inflation rate, with an "I don't know" option.[8] Approximately 60.8% selected "I don't know." Among those who responded, the average perceived 2021 inflation rate was 5.1% with a standard deviation of 2.8%, compared to the actual CPI inflation rate of 2.5% (Figure 1). This upward bias is consistent with earlier findings (e.g., Axelrod et al. (2018); Abildgren and Kuchler (2021); Weber et al. (2022)). The large share of nonresponse further

[8]Survey questions are reproduced in Online Appendix B.

suggests limited public attention to inflation in a low-inflation environment.[9]

Figure 1: Actual CPI inflation, food inflation, and inflation nowcasts



Note: The blue solid line and red dashed line show actual CPI inflation and food price inflation, respectively, from the Bank of Korea. Green markers represent the median perceived inflation rates reported in the first, second, and third waves of the Yonsei-Yongwoon Survey. Black vertical lines denote the survey fieldwork dates: February 2022 (Wave 1), April 2022 (Wave 2), and August 2022 (Wave 3). In Wave 1, the inflation perception question referred to the previous calendar year (2021), which broadly corresponds to the 12-month reference period used in Waves 2 and 3.

In Waves 2 and 3, we elicited nowcasts and forecasts for inflation and other macroeconomic indicators. At the time of Wave 2, inflation had surpassed 4%, and 2,000 respondents from Wave 1 were recontacted. Respondents could still select "I don't know." Among those who answered, the average perceived current inflation was 8.1%, compared to an actual rate of 4.8%. The one- and three-year-ahead expectations averaged 6.0% and 6.9%, respectively, with standard deviations of 6.3, 6.2, and 6.5%. "I don't know" responses declined to 13.7%, 11.9%, and 16.6%, respectively, indicating rising attention amid accelerating inflation.

Wave 2 coincided with a politically salient period: between the March presidential election and the May inauguration that marked a regime change. In Section 3, we leverage this timing

[9] Pfäuti (2023) finds an inflation attention threshold around 4% for U.S. households. Weber et al. (2025) provide experimental evidence on endogenous inflation attention across countries.

to examine partisan patterns in inflation and macroeconomic expectations using multiple-choice response formats.

The third wave, conducted at the peak of the inflation surge, re-interviewed 4,000 respondents from the original sample. Respondents first reported their nowcasts and forecasts, received a randomized information treatment, and then answered post-treatment questions. Nowcasts were elicited only pre-treatment (with an "I don't know" option); forecasts followed Manski (2004)'s distributional format (no "I don't know" option).

Pre-treatment expectations were reported as subjective probability distributions over ten bins: greater than 15%, 10 to 15%, 6 to 10%, 3 to 6%, 0 to 3%, –3 to 0%, –6 to –3%, –10 to –6%, –15 to –10%, and less than –15%. We compute the first and second moments from these responses. This setup allows us to test whether the effects of information treatments vary with respondents' prior uncertainty about future inflation. Post-treatment expectations were collected as point estimates. The change in format was designed to reduce survey fatigue (see Coibion et al. (2022)).

The share selecting "I don't know" for current inflation was 14.8%, comparable to Wave 2. Among those responding, the mean perceived inflation rate was 14.2% (winsorized at the 2.5% tails). The one- and three-year-ahead pre-treatment expectations averaged 6.4% and 5.8%, with standard deviations of 5.6% and 5.2%. Subjective uncertainty—measured as the standard deviation of each respondent's distribution—averaged 2.4% (one year ahead) and 2.2% (three years).[10]

Figure 1 compares actual and perceived inflation across waves. To account for outliers, we report median perceptions. While perceptions broadly track actual CPI trends, the gap widens in August 2022, likely due to sharp increases in food prices, which are especially salient for consumers (e.g., D'Acunto et al. (2021b); Abildgren and Kuchler (2021)). Overall, the inflation expectations documented in our survey echo patterns found in other national settings (Weber et al., 2022; D'Acunto et al., 2024; Stantcheva, 2024). On average, households expect inflation to

[10]See Appendix Figure A2 for full distributions.

exceed official targets and exhibit substantial disagreement across individuals. Expectations become more dispersed and less anchored as inflation rises, highlighting the importance of managing household beliefs for effective monetary policy (Coibion and Gorodnichenko (2025)).

2.2 Randomized Information Treatments In the third wave of the survey, respondents were randomly assigned to one of eight information treatment groups following the baseline module eliciting their inflation nowcasts and forecasts. While all messages conveyed a consistent narrative—that the government expected inflation to stabilize around October—they systematically varied in source attribution and presentation format.

Groups 1 and 2 received neutral policy statements. Group 1 was shown a message attributed to the Governor of the Bank of Korea (BOK), while Group 2 received a nearly identical statement attributed to the Deputy Prime Minister (DPM), who also serves as Minister of Economy and Finance. This comparison allows us to test whether the institutional source—central bank versus government—affects public interpretation of inflation guidance. One might expect the central bank (Group 1) to be viewed as more independent and credible. However, if political polarization blurs institutional distinctions, as recent U.S. evidence suggests (Kuang et al. (2024)), responses may not differ across these groups.

Groups 3 through 7 received treatments in the form of media articles. The content was adapted from actual press coverage of the DPM's statement and drawn from either *Hankyoreh* or *Chosun Ilbo*, two major Korean newspapers with clearly identifiable ideological orientations. *Hankyoreh* is widely viewed as left-leaning, while *Chosun Ilbo* is considered right-leaning (see Lee and Paik (2017) for classification criteria). In our baseline sample, 69 percent of those who identified *Hankyoreh* as their most trusted outlet also identified as left-wing, while only 14 percent identified as right-wing. Conversely, 79 percent of those who considered *Chosun Ilbo* most credible identified as right-wing, and just 6 percent as left-wing.[11]

Treatment variations within this set include the identity of the source (disclosed vs. undisclosed), ideological slant of the article, and whether respondents were exposed to one or both

[11] Wave 1 included detailed questions on trust in major media outlets.

articles. Comparisons between Groups 3 and 4 and between Groups 5 and 6 isolate the effect of source attribution. Source disclosure could either enhance or diminish credibility depending on prior beliefs. Bayesian models suggest ideologically incongruent sources may carry greater persuasive weight due to perceived sincerity, while congruent sources may be discounted as partisan. Alternatively, disclosure may trigger defensive reasoning or disengagement. Comparisons between Groups 3 and 5 and between Groups 4 and 6 isolate the effect of ideological framing, holding the content and source constant. This setup enables us to evaluate whether the political slant of the messenger, independent of message content, affects belief updating. Group 7 was exposed to both articles with full source disclosure. This design tests whether competing narratives induce averaging, reinforcement of prior beliefs, or disengagement. Theory offers ambiguous predictions: exposure to conflicting information could result in neutralization (averaging), motivated reasoning (reinforcement), or confusion and inattention.

Finally, Group 8 received a neutral policy statement augmented with quantitative projections. The message included explicit numerical guidance that inflation would remain above 6 percent until October before stabilizing. This treatment evaluates the role of quantitative anchoring. Prior studies suggest numerical signals can improve anchoring (Gürkaynak et al. (2010); Bems et al. (2021); Nghiem et al. (2024)), though they may also backfire if viewed as implausible or politically motivated, particularly among politically skeptical respondents.

To summarize, the eight treatment groups were as follows: (i) a neutral statement from the BOK (Group 1); (ii) a neutral statement from the DPM (Group 2); (iii) a *Hankyoreh* (left-leaning) article on the DPM's remarks without source attribution (Group 3); (iv) the same article with explicit source disclosure (Group 4); (v) a *Chosun Ilbo* (right-leaning) article without attribution (Group 5); (vi) the same article with source disclosed (Group 6); (vii) both articles presented with full source attribution (Group 7); and (viii) a numerically precise statement from the DPM (Group 8). Table 2 summarizes the treatment assignment.

All respondents received some form of information during the experiment; thus, the design does not include a pure control group. We designate Group 2 as the reference category. This

Table 2: Randomized information treatments

Group	Speaker	Message Format	Source Disclosed
1	BOK Governor	Neutral statement	n/a
2	DPM	Neutral statement	n/a
3	DPM	*Hankyoreh* (left-wing) article	No
4	DPM	*Hankyoreh* (left-wing) article	Yes
5	DPM	*Chosun Ilbo* (right-wing) article	No
6	DPM	*Chosun Ilbo* (right-wing) article	Yes
7	DPM	Both articles	Yes
8	DPM	Neutral statement with statistics	n/a

Note: This table summarizes the information treatments administered in the third wave of the survey. Groups 1 and 2 received neutral statements regarding the government's inflation outlook, attributed to either the Governor of the Bank of Korea (Group 1) or the Deputy Prime Minister and Minister of Economy and Finance (Group 2). Groups 3 through 6 were shown a media article reporting the Deputy Prime Minister's remarks, drawn from either *Hankyoreh* (left-leaning) or *Chosun Ilbo* (right-leaning), with source attribution either masked (Groups 3 and 5) or explicitly disclosed (Groups 4 and 6). Group 7 received both articles with full source attribution. Group 8 was presented with a neutral statement including explicit numerical projections regarding the expected inflation path. The experiment did not include a pure control group; Group 2 serves as the reference category in the analysis.

benchmark enables us to isolate the effects of source attribution, media framing, and numerical forecasts on inflation expectations while minimizing concerns about anchoring or priming. Table A1 in the Appendix shows that key socio-demographic characteristics are well balanced across groups.

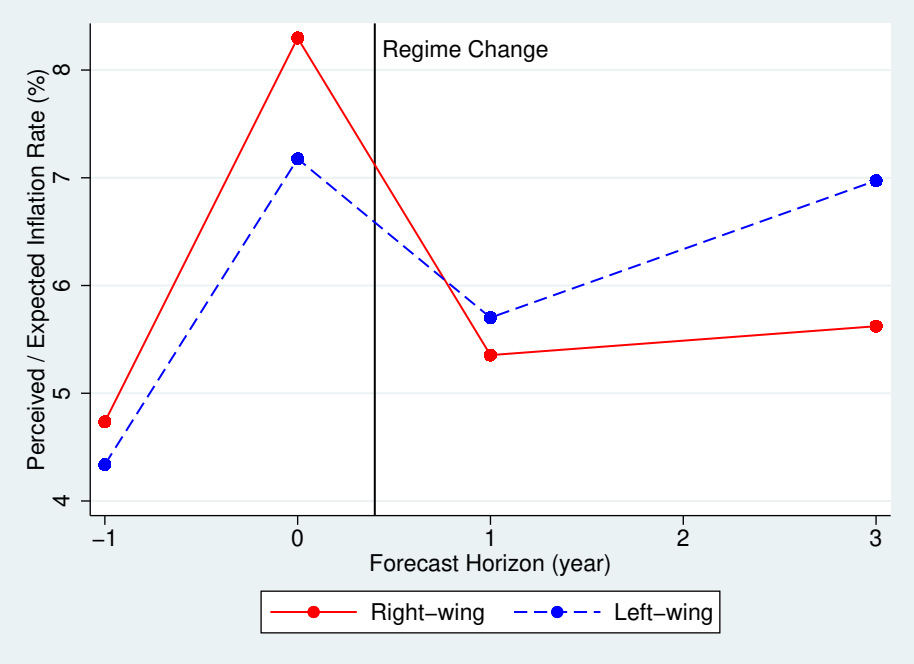
3 Political Bias in Macroeconomic Beliefs in Korea

This section examines whether macroeconomic beliefs among Korean households exhibit political bias—an issue not yet well documented in the literature.

3.1 Evidence from Waves 1 and 2

Figure 2 plots average inflation perceptions and expectations for left- and right-leaning respondents across Waves 1 and 2. The horizontal axis indicates forecast horizons: -1 and 0 correspond to perceptions of past-year and current inflation, while $+1$ and $+3$ denote one- and three-year-ahead (annualized) expectations. Perceptions of past-year inflation were elicited in Wave 1 (February 2022), while all other beliefs were elicited in Wave 2 (April 2022).

Figure 2: Households' inflation beliefs by political affiliation



Note: This figure plots average inflation perceptions and expectations by political affiliation. The solid red line denotes right-leaning respondents; the dashed blue line denotes left-leaning respondents. The vertical axis reports average inflation beliefs. The horizontal axis reflects the time horizon: -1 (past year), 0 (current), $+1$ (one-year ahead), and $+3$ (three-year ahead). Past-year inflation perceptions were collected in Wave 1 (February 2022); all other beliefs were elicited in Wave 2 (April 2022). The black vertical line marks the presidential inauguration in May 2022, representing a transition from a left-leaning to a right-leaning government.

The results reveal pronounced partisan differences in both perceived and expected inflation. Prior to the regime change (-1 and 0), right-leaning respondents (solid red line) reported consistently higher inflation perceptions than left-leaning respondents (dashed blue line). Following the inauguration of a right-leaning administration in May 2022 (marked by the vertical line), this pattern reverses: right-leaning respondents become substantially more optimistic, particularly with respect to longer-run inflation expectations.

To formally assess the role of partisanship, we estimate the following model:

$$\pi_i = \alpha + \beta \cdot \text{Right-wing}_i + \boldsymbol{X}_i'\boldsymbol{\psi} + \epsilon_i, \tag{3.1}$$

where π_i denotes the perceived or expected inflation of respondent i; Right-wing_i is a five-point scale measure of political affiliation (ranging from -2 for far-left to $+2$ for far-right);

and $\boldsymbol{X}_i$ includes demographic and socioeconomic controls (e.g., age, gender, education, income, employment status, and household composition). Due to the bounded nature of the outcome variables, we estimate Equation (3.1) using a Tobit specification.[12]

Table 3: Effects of political affiliation on inflation beliefs (Waves 1 and 2)

	Inflation perceptions and expectations			
	Last year	Current	1-year ahead	3-year ahead
	(1)	(2)	(3)	(4)
Right-wing	0.316***	0.720***	-0.017	-0.571**
	(0.070)	(0.229)	(0.216)	(0.226)
Demographic controls	Yes	Yes	Yes	Yes
Observations	3,714	1,664	1,698	1,605

Note: This table reports Tobit estimates of perceived (columns 1–2) and expected (columns 3–4) inflation on political affiliation and demographic controls. "Right-wing" is a five-point scale ranging from −2 (far-left) to +2 (far-right). The sample excludes respondents who selected "I don't know"" Perceptions of past-year inflation (column 1) were elicited in Wave 1 (February 2022); all other beliefs were elicited in Wave 2 (April 2022). Robust standard errors in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

The results in Table 3 indicate that political affiliation is both statistically and economically significantly associated with inflation beliefs. For example, as of April 2022, an individual identifying as far-right perceives current inflation to be 2.88 percentage points higher and expects three-year-ahead annualized inflation to be 2.28 percentage points lower than an otherwise similar individual identifying as far-left. These findings align with evidence from other contexts (Gillitzer et al. (2021); Mian et al. (2023); Binder et al. (2025)), but extend the horizon of documented partisan bias to medium-term expectations. One possible explanation is that Korean households anchor longer-run expectations on anticipated policy effectiveness over the full term of the incoming administration, whereas shorter-term beliefs are more influenced by recent price dynamics and less by political expectations.

To examine whether political bias extends beyond inflation beliefs, we estimate the following ordered logit model for a broader set of macroeconomic perceptions and expectations elicited in

[12]Outliers (e.g., respondents reporting annual income as monthly income) are excluded. The results are robust to OLS specifications. See Easaw et al. (2013), Malmendier and Nagel (2016), and D'Acunto et al. (2021a) for related covariate choices.

Wave 2 through five-point multiple-choice questions:

$$y_i^* = \beta \cdot \text{Right-wing}_i + \boldsymbol{X_i'}\boldsymbol{\psi} + \epsilon_i \tag{3.2}$$

$$y_i = \begin{cases} 1 \text{ if } y_i^* < \alpha_1, \\ 2 \text{ if } \alpha_1 \leq y_i^* < \alpha_2, \\ 3 \text{ if } \alpha_2 \leq y_i^* < \alpha_3, \\ 4 \text{ if } \alpha_3 \leq y_i^* < \alpha_4, \\ 5 \text{ if } y_i^* \geq \alpha_4, \end{cases}$$

where $\epsilon_i|(\text{Right-wing}i, \boldsymbol{X}i) \sim \text{Logistic}(0, 1)$ and y_i^* is a latent continuous variable mapped to ordinal responses (1–5) using estimated thresholds $\alpha_1, \ldots, \alpha_4$. The ordinal scale ranges from 1 ("decrease by a lot") to 5 ("increase by a lot").[13] Outcome variables include perceptions and expectations regarding unemployment, GDP growth, components of GDP (consumption, investment, exports, and imports), as well as difficulty accessing consumer loans, the Bank of Korea base rate, stock prices, and the government debt-to-GDP ratio.

Table 4 shows that political affiliation is significantly associated with a broad range of macroeconomic perceptions and expectations. Right-leaning respondents tend to view the pre-election economy more pessimistically—reporting higher unemployment, lower GDP growth, greater loan difficulty, and higher government debt—but expect improvements following the regime change. These patterns highlight widespread partisan asymmetries in household macroeconomic assessments, suggesting that expectations are weakly anchored and shaped by political priors.

In addition, we find that higher inflation beliefs are positively correlated with perceived unemployment and negatively correlated with GDP growth, consistent with a "bad state" view of the economy (Stantcheva (2024)). This interpretation aligns with a supply-side or stagflationary

[13] A sixth option, "I don't know," was available but is excluded from the analysis. The share of respondents choosing this option ranges from 10% to 25% across questions.

Table 4: Effects of political affiliation on macroeconomic beliefs

Panel A: Unemployment Rate and GDP Growth

	Unemployment rate		GDP growth	
	Current	1-year ahead	Current	1-year ahead
	(1)	(2)	(3)	(4)
Right-wing	0.380***	-0.117*	-0.409***	0.183***
	(0.060)	(0.063)	(0.070)	(0.066)
Demographic controls	Yes	Yes	Yes	Yes
Observations	1,765	1,823	1,807	1,820

Panel B: Components of GDP

	Exports		Imports		Consumption		Investment	
	current	in 1 year	current	in 1 year	current	in 1 year	current	in 1 year
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Right-wing	-0.296***	0.117*	-0.155**	0.018	-0.079	0.034	-0.058	0.227***
	(0.065)	(0.069)	(0.064)	(0.067)	(0.063)	(0.063)	(0.066)	(0.070)
Demographic controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1,679	1,720	1,638	1,673	1,743	1,754	1,597	1,626

Panel C: Financial and fiscal indicators

	Loan difficulty		BOK Base rate		Stock prices		Government debt	
	current	in 1 year	current	in 1 year	current	in 1 year	current	in 1 year
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Right-wing	0.260***	-0.095	0.154**	-0.063	-0.105*	0.090	0.303***	-0.016
	(0.071)	(0.066)	(0.070)	(0.070)	(0.061)	(0.068)	(0.065)	(0.070)
Demographic controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1,404	1,655	1,685	1,674	1,583	1,540	1,618	1,626

Note: This table reports ordered logit estimates of macroeconomic beliefs on political affiliation and demographic controls using Wave 2 data. "Right-wing" is a five-point scale ranging from −2 (far-left) to +2 (far-right). Panel A reports perceived and expected unemployment and GDP growth. Panel B presents components of GDP. Panel C includes financial and fiscal indicators. All specifications exclude respondents who selected "I don't know." The share of "I don't know" responses ranges from 5% to 27%. Robust standard errors are shown in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

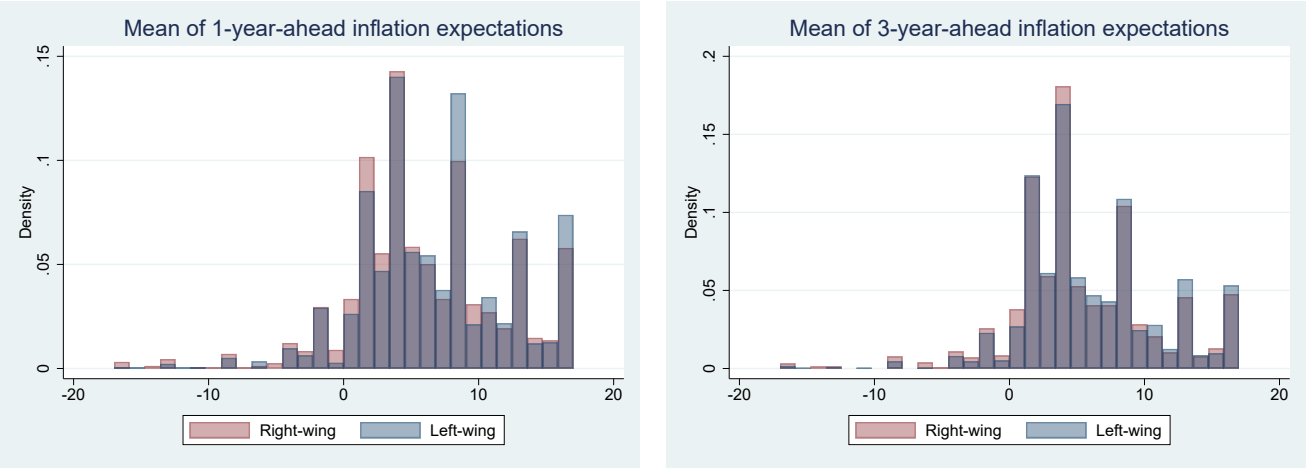
narrative (e.g., Dietrich et al. (2022); Kamdar and Ray (2023); McClure et al. (2024)). Among the GDP components, export expectations display the strongest partisan divergence—possibly reflecting Korea's trade-dependence and the political salience of export-led growth narratives.

3.2 Evidence from Wave 3 In Wave 3, we measure both the first and second moments of inflation expectations. As respondents reported their pre-treatment expectations by assigning probabilities to a set of potential inflation outcomes, we compute each respondent's expected in-

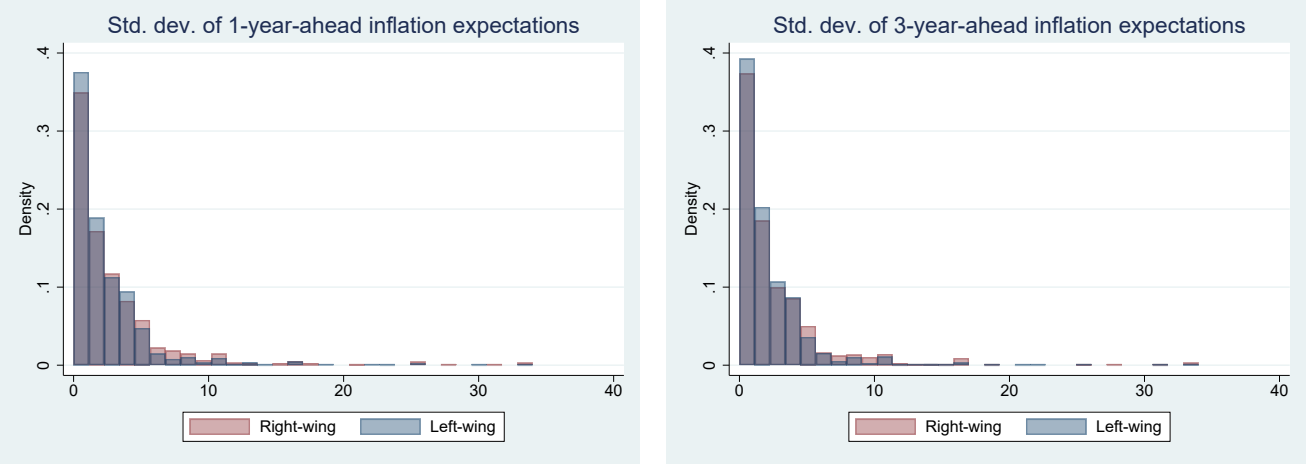
flation and subjective uncertainty as the mean and standard deviation of their elicited probability distribution. Figure 3 displays the distributions of these statistics by political affiliation. The distribution of expected inflation is more right-skewed for left-leaning respondents (Panel A), consistent with the patterns observed in Waves 1 and 2 (Table 3). In contrast, subjective uncertainty exhibits similar patterns across political groups (Panel B). Both the means and standard deviations are widely dispersed, indicating substantial heterogeneity in beliefs.

Figure 3: Mean and standard deviation of pre-treatment inflation expectations

Panel A: Mean of inflation expectations



Panel B: Standard deviation of inflation expectations



Note: This figure displays the distribution of the mean (Panel A) and standard deviation (Panel B) of individual inflation expectations at the one-year and three-year horizons in Wave 3. Densities are shown separately for left- and right-leaning respondents. Left-leaning respondents are shown in blue; right-leaning respondents in red.

To formally test whether political affiliation is associated with the first and second moments of inflation expectations, we first estimate Equation (3.1) using expected inflation as the dependent variable, and then estimate the following specification using subjective uncertainty:

$$Uncertainty_i = \alpha + \beta \times \text{right-wing}_i + \boldsymbol{X}_i'\boldsymbol{\psi} + \epsilon_i. \tag{3.3}$$

Table 5 shows that political affiliation is significantly associated with the level of expected inflation but not with subjective uncertainty. These results suggest that standard Bayesian updating does not strongly predict systematic differences in responsiveness to information across political groups. Table A2 in the appendix presents analogous results for the first-moment of unemployment expectations in Wave 3, which are broadly consistent with the patterns observed in Wave 2 (Table 4).

Table 5: Effects of political affiliation on inflation beliefs and subjective uncertainty

	Pre-treatment $\mathbb{E}\pi$		Subjective uncertainty of $\mathbb{E}\pi$	
	1-year ahead	3-year ahead	1-year ahead	3-year ahead
	(1)	(2)	(3)	(4)
Right-wing	-0.166***	-0.131***	0.013	0.008
	(0.048)	(0.043)	(0.019)	(0.017)
Demographic controls	Yes	Yes	Yes	Yes
Observations	3,831	3,831	3,752	3,761
R-squared	0.016	0.017	0.026	0.021

Note: Columns (1)-(2) report Huber-robust regressions of pre-treatment expected inflation in Wave 3 on political affiliation and demographic controls; columns (3)-(4) report the corresponding effects on pre-treatment subjective uncertainty (standard deviation of individual inflation distributions) in Wave 3. Robust standard errors are in parentheses. *** p<0.01, ** p<0.05, * p<0.1.

4 The Anchoring Effects of Public Communication

The previous section documented substantial and pervasive political bias in macroeconomic expectations—particularly regarding inflation—among Korean households. In this section, we analyze the extent to which communication messages from policy authorities can anchor expec-

tations across politically diverse respondents. This constitutes the main analysis of the study.

4.1 Average Treatment Effects We begin by estimating the average treatment effects of the information interventions using the following regression model:

$$Post_i^h = \alpha + \delta \cdot Pre_i^h + \Sigma_j \beta_j \cdot Treat_{i,j} + \boldsymbol{X}_i' \boldsymbol{\psi} + \epsilon_i, \tag{4.1}$$

where $Post_i^h$ denotes the post-treatment forecast at horizon $h \in 1 \text{ year}, 3 \text{ years}$ (annualized) for respondent i, and Pre_i^h is the corresponding pre-treatment expectation, computed as the implied mean of respondents' distributional forecasts. In contrast, post-treatment forecasts are elicited as point estimates. For unemployment expectations, both pre- and post-treatment responses are ordinal variables ranging from 1 ("decrease by a lot") to 5 ("increase by a lot").

Each $Treat_{i,j}$ is an indicator equal to one if individual i was assigned to treatment group j, with Group 2 serving as the omitted reference category. The coefficient β_j captures the average effect of treatment j on posterior beliefs, relative to Group 2, conditional on prior beliefs and covariates. It reflects the extent to which exposure to treatment j shifts posteriors beyond what would be predicted from individuals' priors and observable characteristics alone. The vector $\boldsymbol{X}_i$ includes a rich set of demographic controls: gender, age, employment status (employed, job seeker, or student), log household income, years of education, region, and indicators for household composition (living alone, with parents, or with children). All regressions are estimated using Huber-robust methods to mitigate the influence of outliers.

Since all treatments were designed to reduce inflation concerns—a pattern clearly reflected in baseline expectations—successful interventions should result in negative β_j coefficients when the outcome variable is inflation expectations. In the case of unemployment expectations, however, the effect is indirect and may vary in sign, depending on how respondents perceive the inflation-unemployment relationship.

Table 6 presents the estimated treatment effects β_j on one- and three-year-ahead inflation expectations across political subgroups. Results for the one-year horizon (Columns (1)–(3))

Table 6: Treatment effects on inflation expectations

	1-year ahead			3-year ahead		
	Left	Center	Right	Left	Center	Right
	(1)	(2)	(3)	(4)	(5)	(6)
Mean pre-treatment $\mathbb{E}\pi$	6.698	6.347	5.958	5.997	5.891	5.495
Pre-treatment $\mathbb{E}\pi$	0.610***	0.453***	0.588***	0.571***	0.522***	0.526***
	(0.024)	(0.032)	(0.029)	(0.023)	(0.033)	(0.028)
G1 (BOK)	0.439	0.405	-0.104	0.102	-0.165	-0.978**
	(0.401)	(0.582)	(0.571)	(0.336)	(0.482)	(0.464)
G3 (left-wing, unlabeled)	0.260	0.348	-0.208	0.185	0.481	-1.799***
	(0.402)	(0.603)	(0.547)	(0.345)	(0.521)	(0.478)
G4 (left-wing, labeled)	0.698	0.647	-1.806***	0.398	0.386	-1.903***
	(0.430)	(0.609)	(0.546)	(0.341)	(0.500)	(0.469)
G5 (right-wing, unlabeled)	1.386***	-0.633	0.120	0.238	-0.116	-1.155**
	(0.403)	(0.645)	(0.573)	(0.336)	(0.527)	(0.480)
G6 (right-wing, labeled)	0.316	0.401	-0.782	0.601*	0.577	-0.780*
	(0.392)	(0.608)	(0.543)	(0.335)	(0.528)	(0.471)
G7 (Both)	0.451	0.314	-0.269	0.542	0.815	-0.844*
	(0.394)	(0.615)	(0.583)	(0.353)	(0.530)	(0.495)
G8 (Number)	-0.080	1.397**	-0.988*	0.148	0.571	-1.496***
	(0.387)	(0.621)	(0.520)	(0.328)	(0.505)	(0.466)
Demographic controls	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1,352	853	1,177	1,335	843	1,172
R-squared	0.371	0.257	0.307	0.381	0.313	0.299

Note: Columns (1)–(3) report estimated treatment effects on one-year-ahead inflation expectations by political affiliation (left, center, right); Columns (4)–(6) report the corresponding results for three-year-ahead expectations. All regressions are estimated using Huber-robust methods. Robust standard errors in parentheses. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

indicate limited responsiveness overall. While some coefficients are statistically significant, most treatments fail to significantly shift short-term expectations. Moreover, when significant, the signs of the effects often differ between left-/center-leaning and right-leaning respondents, a pattern we revisit below.

By contrast, we observe stronger and more consistent effects on medium-term (three-year-ahead) expectations, especially among right-leaning respondents (Column (6)). Left-leaning (Column (4)) and centrist (Column (5)) individuals show little response to most treatments

and, if anything, tend to revise expectations upward—even when the information suggests that inflation will fall. In contrast, right-leaning respondents significantly lower their inflation expectations across nearly all treatments, including those delivered by the Bank of Korea, partisan media outlets, and quantitative messages.

Taken together, these findings suggest that the format or source of the message has limited influence on belief updating for left- and center-leaning respondents, who largely disregard the treatments. Right-leaning individuals, however, consistently revise expectations downward relative to the reference group, regardless of message format. This asymmetry implies that communication elements such as source credibility, numerical precision, and institutional signaling can exert anchoring effects—but only for a subset of the population with political alignment.

What about the implications for unemployment expectations? Table 7 presents the estimated effects of the information treatments on three-year-ahead unemployment expectations. Two observations are noteworthy. First, the pattern of belief updating closely mirrors the results in Table 6: in response to most treatments, right-leaning respondents tend to lower their unemployment expectations, while left-leaning respondents generally revise their expectations upward or not at all. Second, among right-leaning individuals, lower expected inflation is associated with lower expected unemployment, consistent with the view that households interpret inflation developments primarily through a supply-side lens.

Taken together with the findings on inflation expectations, these results suggest that communication treatments can significantly anchor macroeconomic expectations among politically aligned individuals, but have limited traction among the unaligned.

4.2 Heterogeneous Treatment Effects by Subjective Uncertainty

The preceding section focused on average treatment effects. However, as shown in Panel B of Figure 3, subjective uncertainty in pre-treatment beliefs varies substantially across individuals. This raises the question of whether heterogeneity in prior uncertainty shapes responsiveness to the treatments.

This issue is relevant for at least two reasons. First, standard Bayesian updating predicts that individuals with greater prior uncertainty should exhibit larger responses to new information.

Table 7: Treatment effects on unemployment rate expectations

	3-year ahead		
	Left	Center	Right
	(1)	(2)	(3)
Pre-treatment expected UR	1.985***	1.453***	1.983***
	(0.089)	(0.127)	(0.100)
G1 (BOK)	0.450	-0.507	-0.544
	(0.332)	(0.439)	(0.403)
G3 (left-wing, unlabeled)	-0.092	0.105	-0.849**
	(0.323)	(0.460)	(0.386)
G4 (left-wing, labeled)	0.645*	-0.194	-0.638
	(0.338)	(0.433)	(0.401)
G5 (right-wing, unlabeled)	0.621*	0.255	-0.975**
	(0.331)	(0.445)	(0.395)
G6 (right-wing, labeled)	0.491	0.432	-0.373
	(0.318)	(0.469)	(0.398)
G7 (Both)	0.273	0.571	-0.423
	(0.327)	(0.437)	(0.419)
G8 (Number)	0.446	-0.327	-0.814**
	(0.317)	(0.476)	(0.400)
Demographic controls	Yes	Yes	Yes
Observations	1,252	759	1,072
R-squared	0.315	0.195	0.282

Note: Columns (1)-(3) report subsample estimated treatment effects for left-leaning, centrist, and right-leaning respondents on three-year-ahead unemployment rate expectations. All regressions employ Huber-robust methods. Robust standard errors are in parentheses. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

Testing for such heterogeneity thus offers a direct evaluation of the extent to which Bayesian updating describes actual belief revisions. Second, the estimates in Table 6 do not account for this variation, potentially masking stronger responses among high-uncertainty individuals, including within center- and left-leaning subgroups. This section investigates this question in more detail.

Table 8 presents treatment effect estimates on one- and three-year-ahead inflation expectations, disaggregated by respondents' levels of prior subjective uncertainty. Respondents are split at the median of their pre-treatment standard deviation for one-year-ahead inflation expecta-

tions: those above the median form the high uncertainty group; those below, the low uncertainty group. For brevity, we focus here on right-leaning respondents; results for center- and left-leaning groups are reported in Appendix Tables A3 and A4.

We first examine the heterogeneity in treatment effects by prior subjective uncertainty among right-leaning respondents. As shown in Table 8, the anchoring effects of information treatments are significantly stronger among individuals with greater pre-treatment uncertainty. Notably, these effects are statistically significant even for one-year-ahead expectations (Column (1)), a horizon for which we observed limited responsiveness in the pooled analysis. The direction of these belief updates is consistent with the pattern observed for three-year-ahead expectations (Column (3)). In contrast, right-leaning individuals with tighter priors—those in the low-uncertainty group—exhibit weaker and often statistically insignificant responses (Columns (2) and (4)). These patterns are broadly consistent with Bayesian updating: individuals with greater uncertainty are more responsive to new information, while those with more precise priors are less inclined to revise their beliefs.

However, center- and left-leaning respondents exhibit notable deviations from this logic (Tables A3 and A4). Among centrists, treatment responsiveness is generally greater when uncertainty is high, but the direction of belief updating often contradicts the intended message—i.e., inflation expectations increase even when the information signals disinflation. This behavior may reflect interpretive skepticism or distrust in the messenger. The pattern is even more pronounced among left-leaning respondents: those with tighter priors show larger updates than those with looser priors, and their inflation expectations consistently rise in response to treatment, regardless of message format or content.

Taken together, these results suggest that while right-leaning individuals process information in a manner broadly aligned with Bayesian reasoning, center- and left-leaning respondents are more likely to filter information through partisan priors. As a result, the same message can yield divergent responses, amplifying polarization or working counter to policy intent.[14]

[14] Jeong et al. (2025) document a similar pattern among U.S. households in the Michigan Survey of Consumers. They show that partisan gaps in expected inflation widen when respondents are exposed to unfavorable

Table 8: Treatment effects by subjective uncertainty in inflation expectations (right-leaning respondents)

	Post-treatment $\mathbb{E}\pi$			
	1-year ahead		3-year ahead	
	High uncertainty	Low uncertainty	High uncertainty	Low uncertainty
	(1)	(2)	(3)	(4)
Prior $\mathbb{E}\pi$	0.690***	0.509***	0.543***	0.555***
	(0.039)	(0.042)	(0.039)	(0.041)
G1 (BOK)	-1.929**	1.330*	-1.839***	0.096
	(0.816)	(0.793)	(0.696)	(0.604)
G3 (left-wing, unlabeled)	-1.744**	1.563*	-2.749***	-0.762
	(0.730)	(0.801)	(0.689)	(0.656)
G4 (left-wing, labeled)	-2.489***	-1.046	-1.559**	-1.983***
	(0.741)	(0.780)	(0.697)	(0.610)
G5 (right-wing, unlabeled)	-1.014	0.847	-2.165***	-0.297
	(0.811)	(0.797)	(0.699)	(0.634)
G6 (right-wing, labeled)	-1.845**	0.371	-1.496**	0.251
	(0.739)	(0.788)	(0.711)	(0.611)
G7 (Both)	-1.179	0.556	-1.181*	-0.514
	(0.767)	(0.864)	(0.715)	(0.690)
G8 (Number)	-1.959***	0.390	-1.832***	-1.147*
	(0.731)	(0.748)	(0.704)	(0.624)
Demographic controls	Yes	Yes	Yes	Yes
Observations	609	567	636	543
R-squared	0.398	0.269	0.316	0.387

Note: Columns (1) and (2) present subsample estimates for right-leaning respondents in the top 50% (high standard deviation) and bottom 50% (low standard deviation) of pre-treatment subjective uncertainty for one-year-ahead inflation expectations, respectively. Columns (3) and (4) report corresponding estimates for the three-year horizon. All regressions are estimated using Huber-robust methods. Robust standard errors in parentheses. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

4.3 Inspecting the Mechanism: the Role of Trust A key finding from the previous sections is that right-leaning individuals are more responsive to anchoring messages than their left-leaning and centrist counterparts, thereby *widening* the partisan gap in macroeconomic expectations. What drives this asymmetric response?

Heterogeneous subjective uncertainty. One possible explanation is heterogeneous subjective uncertainty. That is, right-leaning individuals may have entered the experiment with greater

macroeconomic news.

uncertainty about future inflation, making them more receptive to new information. However, as shown in Figure 3 and Table 5, pre-treatment uncertainty does not systematically vary with political affiliation. This evidence allows us to rule out differences in uncertainty as the primary mechanism.

Trust. A more plausible explanation is that differences in trust toward the information drive the observed patterns. If individuals do not trust the signal they receive, they are less likely to incorporate it into their beliefs. To explore this channel, we examine whether self-reported trust in the treatment articles varies systematically with political affiliation and whether trust predicts post-treatment expectations.

Respondents in Groups 3 through 6 were asked to rate the credibility of the article they received using a five-point Likert scale (1 = "do not trust at all," 5 = "trust very much"). To assess how trust varies with political affiliation, we estimate the following ordered logit model:

$$Trust_i^* = \beta \times \text{right-wing}_i + \boldsymbol{X}_i'\boldsymbol{\psi} + \epsilon_i \tag{4.2}$$

$$Trust_i = \begin{cases} 1 \text{ if } Trust_i^* < \alpha_1, \\ 2 \text{ if } \alpha_1 \leq Trust_i^* < \alpha_2, \\ 3 \text{ if } \alpha_2 \leq Trust_i^* < \alpha_3, \\ 4 \text{ if } \alpha_3 \leq Trust_i^* < \alpha_4, \\ 5 \text{ if } Trust_i^* \geq \alpha_4, \end{cases} \tag{4.3}$$

where $\epsilon_i|(\text{Right-wing}_i, \boldsymbol{X}_i) \sim \text{Logistic}(0,1)$ and $Trust_i^*$ is a latent continuous measure of trust mapped to the observed ordinal variable $Trust_i$ via cutoffs α_1 through α_4.

Table 9 shows that right-leaning respondents express significantly greater trust in the articles than left-leaning respondents, across all treatment groups. Two findings stand out. First, in Groups 3 and 5 (Columns 2 and 4), where the article's source was not disclosed, right-leaning

Table 9: Effect of political affiliation on trust in article

	Degree of trust in article				
	All (G3-G6)	G3	G4	G5	G6
	(1)	(2)	(3)	(4)	(5)
Right-wing	0.342***	0.365***	0.353***	0.376***	0.363***
	(0.031)	(0.065)	(0.064)	(0.065)	(0.066)
Demographic controls	Yes	Yes	Yes	Yes	Yes
Observations	1,922	484	484	476	478

Note: This table reports the relationship between political affiliation and self-reported trust in the article. The trust measure is available only for Groups 3–6. Column (1) pools all groups; Columns (2)–(5) report group-specific estimates. All models are estimated via ordered logit. Robust standard errors are in parentheses. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

respondents still report significantly higher levels of trust. One possibility is that they inferred the source correctly. However, follow-up questions indicate this is unlikely (see Figure A4). This suggests that credibility assessments are shaped by priors—even in the absence of explicit source cues.

Second, even when the article was attributed to a known left-leaning outlet (Group 4, Column 3), right-leaning respondents continued to express higher levels of trust. This implies that ideological priors about government or message content, rather than media source alignment, are the key determinants of trust. This may also explain why left-leaning and centrist respondents occasionally revise their expectations upward in response to treatments: low trust may prompt belief updates in the opposite direction.

To test whether trust mediates treatment effects, we estimate the following specification:

$$Post_i = \alpha + \delta \times Pre_i + \beta \times \text{Trust}_i + \eta \times \text{right-wing}_i + \boldsymbol{X}_i'\boldsymbol{\psi} + \epsilon_i, \tag{4.4}$$

where $Post_i$ and Pre_i denote post- and pre-treatment inflation expectations, and $Trust_i$ is the reported trust score (1–5) for the treatment article.

As shown in Table 10, higher trust in the treatment article is significantly associated with lower inflation expectations at both short and medium horizons. The effects are particularly pro-

Table 10: Effect of trust on inflation expectations

	Post-treatment $\mathbb{E}\pi$					
	1-year ahead			3-year ahead		
	(1)	(2)	(3)	(4)	(5)	(6)
Pre-treatment $\mathbb{E}\pi$	0.532***	0.565***	0.531***	0.553***	0.567***	0.554***
	(0.024)	(0.023)	(0.024)	(0.022)	(0.021)	(0.022)
Trust	-0.757***		-0.805***	-0.346***		-0.323***
	(0.117)		(0.124)	(0.094)		(0.101)
Right-wing		-0.056	0.088		-0.102*	-0.043
		(0.067)	(0.070)		(0.053)	(0.056)
Demographic controls	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1,683	1,683	1,683	1,676	1,677	1,676
R-squared	0.309	0.298	0.310	0.338	0.336	0.337

Note: Columns (1)–(3) report the relationship between trust and one-year-ahead inflation expectations. Columns (4)–(6) report the corresponding results for three-year-ahead expectations. Trust is measured on a 1–5 scale. All models are estimated using Huber-robust regressions. Robust standard errors are in parentheses. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

nounced for one-year-ahead forecasts. Importantly, once trust is included in the model (Columns (3) and (6)), the coefficients on political affiliation become statistically insignificant and close to zero—suggesting that trust mediates the relationship between political identity and belief updating.

Taken together, these results highlight trust—not just content—as a central channel through which information influences expectations. Trust moderates the reception and effectiveness of policy communication and, in doing so, can exacerbate or attenuate partisan divergence.

From a policy perspective, these findings highlight a key challenge: effective expectation management in polarized environments requires more than the dissemination of technically sound information. If a significant share of the population fundamentally distrusts the messenger—whether it be the central bank or the government—then even accurate and credible messages may fail to shift expectations. To enhance the effectiveness of communication, policymakers may need to adopt strategies that foster institutional trust over time, such as increasing transparency, promoting inclusivity, or leveraging politically neutral third-party messengers.

5 Conclusion

At a press conference on May 7, 2025, Federal Reserve Chair Jerome Powell stated, "Our obligation is to keep longer-term inflation expectations well anchored and to prevent a one-time increase in the price level from becoming an ongoing inflation problem." Yet the survey responses presented in this paper—along with evidence from other countries and time periods—suggest that household expectations are not, in fact, well anchored. Anchoring expectations remains a central challenge for monetary authorities, even in inflation-targeting regimes such as Korea, where this study was conducted.

A consistent pattern in our findings is the critical role of political affiliation in shaping macroeconomic expectations. Households aligned with the incumbent administration revise their expectations in the direction of the communicated message, while centrist and opposition-aligned households exhibit limited or no adjustment—regardless of the message's source or framing. This asymmetry is especially concerning because politically unaligned households are also those whose expectations tend to be less anchored in the first place. Our results suggest that institutional credibility is a central mechanism mediating the anchoring effects of policy communication.

The confluence of rising political polarization and eroding institutional trust poses new challenges for expectation management and for the broader transmission of macroeconomic policy. Our findings highlight the limitations of conventional policy messaging and point to the need for more innovative, trust-oriented, and audience-specific communication strategies—particularly in politically divided societies. As concerns mount over a potential second wave of inflation, driven by global trade tensions, geopolitical uncertainty, and persistent supply-side constraints, our evidence serves as a cautionary note: without new tools for anchoring expectations, central banks may struggle to sustain credibility and policy effectiveness across the political spectrum.

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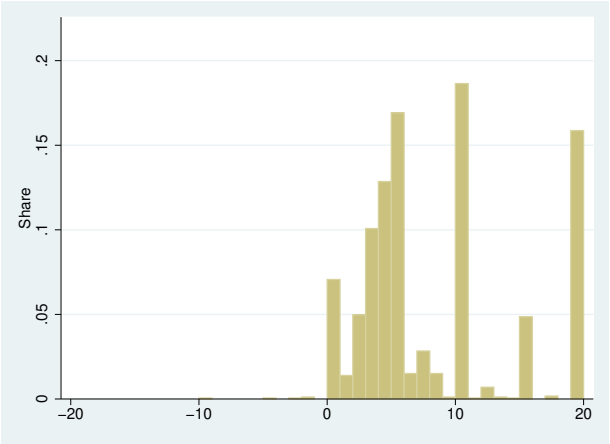
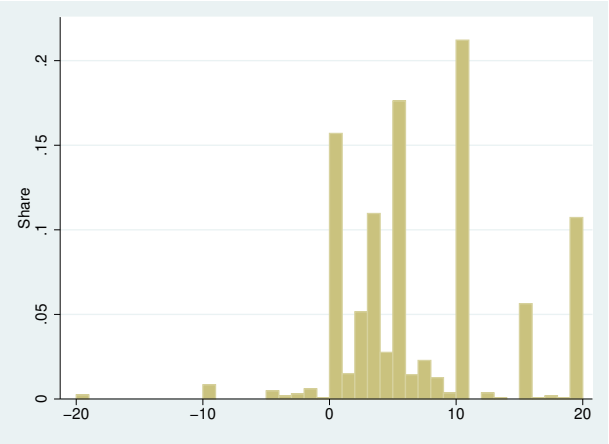
A Appendix: Additional Figures and Tables

Figure A1: Households' inflation perceptions and expectations: Wave 2

Panel A: current inflation



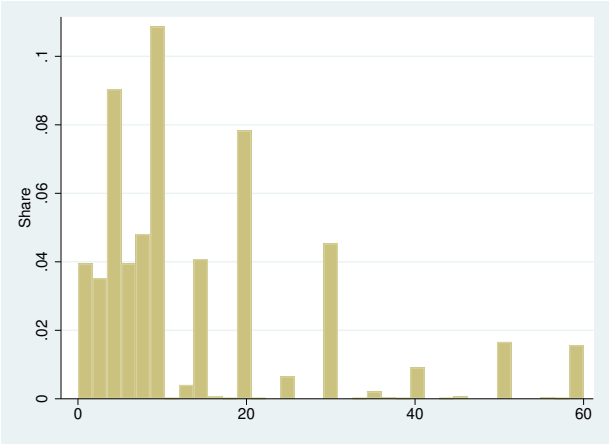
Panel B: inflation in 3 years



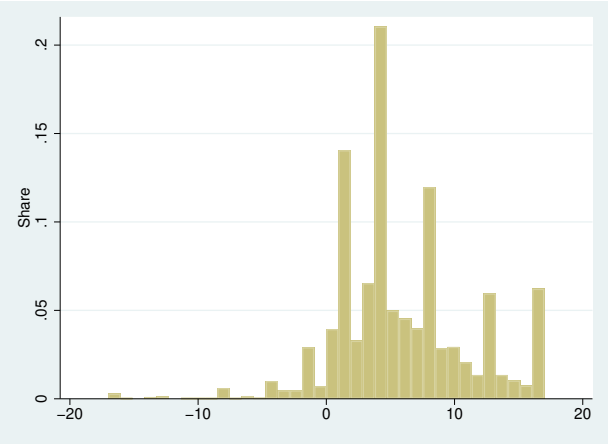
Source: The second wave of the Yonsei-Yongwoon Survey (April 2022)

Figure A2: Households' inflation perceptions and expectations: Wave 3

Panel A: current inflation



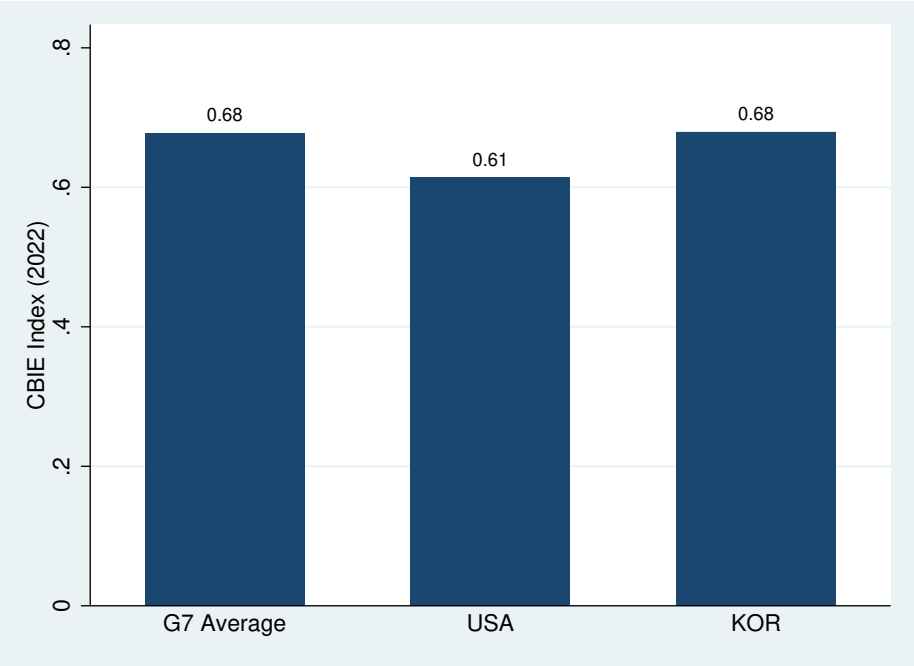
Panel B: inflation in 3 years



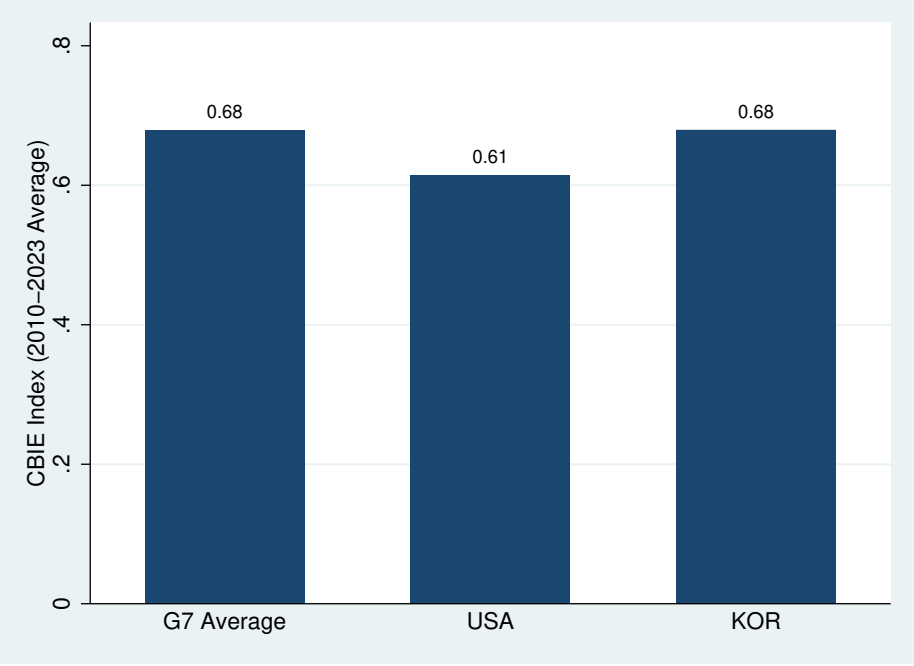
Source: The third wave of the Yonsei-Yongwoon Survey (August 2022)

Figure A3: Comparison of Central Bank Independence

Panel A: Central Bank Independence in 2022



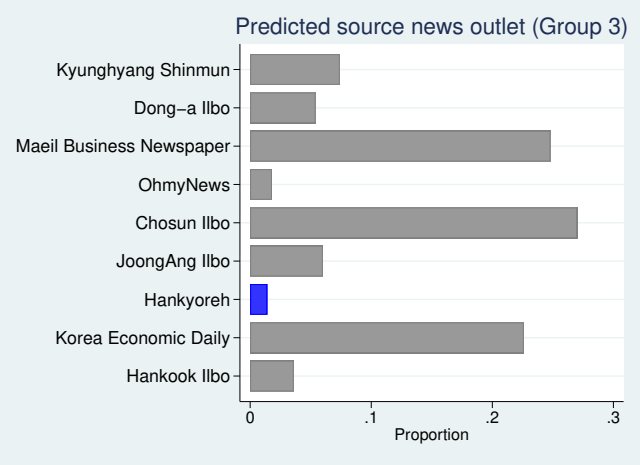
Panel B: Central Bank Independence (2010–2023 Average)



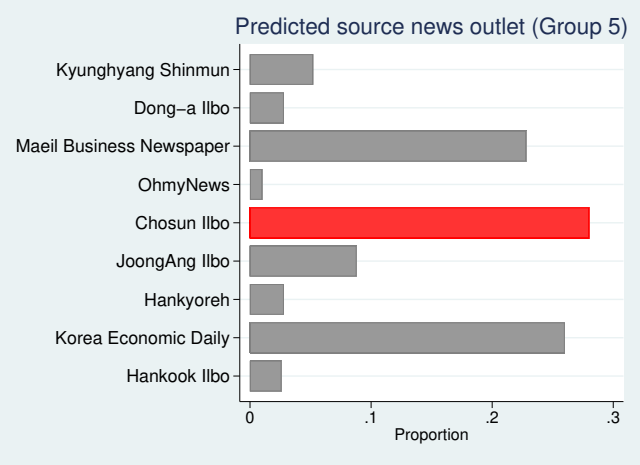
Note: This figure compare CBIE index in Romelli (2022) and Romelli (2024) across G7, USA, and Korea. The upper and lower panels show the CBIE index in 2022 and the average value from 2010 to 2023, respectively.

Figure A4: Respondents' guesses about the source of the treatment article

Panel A: Group 3



Panel B: Group 5



Note: The figure displays the distribution of respondents' guesses about which newspaper published the treatment article. In Panel A (Group 3), the true source was *Hankyoreh*; in Panel B (Group 5), *Chosun Ilbo*. The colored bar indicates the correct outlet, and gray bars denote alternative choices.

Table A1: Balance across treatment groups

Variable	Group1	Group2	Group3	Group4	Group5	Group6	Group7	Group8
Pre 1y	6.306	6.169	6.175	6.406	6.339	6.569	6.615	6.215
Pre 3y	5.989	5.672	5.557	6.056	5.78	5.657	5.984	5.675
Female	0.47	0.51	0.50	0.48	0.50	0.46	0.52	0.48
Age	43.7	44.0	44.7	45.6	45.4	45.0	44.4	45.8
Years of education	15.03	14.8	14.97	14.79	14.97	15.07	15.06	14.92
Employed (age 15-64)	0.712	0.73	0.68	0.722	0.704	0.748	0.708	0.72
Income (10,000 KRW)	449.4	453.4	455.4	468.1	461.4	453.9	467.8	457.4
Political affiliation	-0.12	-0.12	-0.06	0.17	-0.08	0	-0.03	-0.04

Note: Pre 1y and Pre 3y indicate the mean of pre-treatment inflation expectations over the next 12 months and three years, respectively. The female takes the value one when female and zero when male. Income refers to the total amount of income earned by the household per month. Political affiliation takes a value ranging from -3 (far left) to 3 (far right). KRW refers to Korean won (approximately $1\$ = 1,400$ KRW).

Table A2: Effects of political affiliation on unemployment rate beliefs

	Pre-treatment UR	
	1-year ahead	3-year ahead
	(1)	(2)
Right-wing	-0.078***	-0.075***
	(0.021)	(0.021)
Demographic controls	Yes	Yes
Observations	3,609	3,593

Note: Columns (1)-(2) report ordered logit regressions of pre-treatment expected unemployment rate in Wave 3 on political affiliation and demographic controls. Robust standard errors are in parentheses. *** p<0.01, ** p<0.05, * p<0.1.

Table A3: Treatment effects by subjective uncertainty in inflation expectations (centrist respondents)

	Post-treatment $\mathbb{E}\pi$			
	1-year ahead		3-year ahead	
	High uncertainty	Low uncertainty	High uncertainty	uncertainty
	(1)	(2)	(3)	(4)
Prior $\mathbb{E}\pi$	0.554***	0.390***	0.507***	0.534***
	(0.053)	(0.044)	(0.046)	(0.048)
G1 (BOK)	0.800	0.532	0.028	0.322
	(0.934)	(0.760)	(0.678)	(0.724)
G3 (left-wing, unlabeled)	2.714***	-0.247	2.430***	0.050
	(1.043)	(0.741)	(0.912)	(0.684)
G4 (left-wing, labeled)	3.161***	-0.350	2.488***	-0.429
	(0.997)	(0.755)	(0.817)	(0.675)
G5 (right-wing, unlabeled)	1.639	-1.547**	0.949	-0.017
	(1.174)	(0.779)	(0.857)	(0.709)
G6 (right-wing, labeled)	1.342	0.336	0.303	1.080
	(1.077)	(0.757)	(0.769)	(0.739)
G7 (Both)	1.900*	-0.517	2.043***	0.141
	(1.009)	(0.752)	(0.772)	(0.729)
G8 (Number)	3.527***	0.969	2.773***	-0.366
	(1.059)	(0.826)	(0.763)	(0.694)
Demographic controls	Yes	Yes	Yes	Yes
Observations	381	464	370	467
R-squared	0.320	0.271	0.381	0.328

Note: Columns (1) and (2) present subsample estimates for centrist respondents in the top 50% (high standard deviation) and bottom 50% (low standard deviation) of pre-treatment subjective uncertainty for one-year-ahead inflation expectations, respectively. Columns (3) and (4) report corresponding estimates for the three-year horizon. All regressions are estimated using Huber-robust methods. Robust standard errors in parentheses. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

Table A4: Treatment effects by subjective uncertainty in inflation expectations (left-leaning respondents)

	Post-treatment $\mathbb{E}\pi$			
	1-year ahead		3-year ahead	
	High uncertainty	Low uncertainty	High uncertainty	Low uncertainty
	(1)	(2)	(3)	(4)
Prior $\mathbb{E}\pi$	0.599***	0.615***	0.571***	0.587***
	(0.036)	(0.031)	(0.034)	(0.033)
G1 (BOK)	0.122	0.607	-0.638	1.025**
	(0.653)	(0.493)	(0.487)	(0.499)
G3 (left-wing, unlabeled)	-0.809	0.830	-0.827*	1.090**
	(0.659)	(0.511)	(0.488)	(0.514)
G4 (left-wing, labeled)	-0.332	1.109**	-0.544	1.068**
	(0.702)	(0.546)	(0.481)	(0.529)
G5 (right-wing, unlabeled)	0.124	2.211***	-0.133	0.567
	(0.642)	(0.539)	(0.508)	(0.482)
G6 (right-wing, labeled)	-0.513	0.846*	-0.136	1.118**
	(0.634)	(0.506)	(0.491)	(0.492)
G7 (Both)	0.197	0.502	0.254	0.547
	(0.636)	(0.498)	(0.516)	(0.500)
G8 (Number)	-1.147*	0.707	-0.498	0.682
	(0.641)	(0.493)	(0.513)	(0.458)
Demographic controls	Yes	Yes	Yes	Yes
Observations	660	690	684	653
R-squared	0.368	0.412	0.404	0.390

Note: Columns (1) and (2) present subsample estimates for left-leaning respondents in the top 50% (high standard deviation) and bottom 50% (low standard deviation) of pre-treatment subjective uncertainty for one-year-ahead inflation expectations, respectively. Columns (3) and (4) report corresponding estimates for the three-year horizon. All regressions are estimated using Huber-robust methods. Robust standard errors in parentheses. *** $p < 0.01$, ** $p < 0.05$, * $p < 0.1$.

B Online Appendix: Translated Survey Questions (Not for Publication)

The following questions about macroeconomic perceptions and expectations were administered during the three waves of the Yonsei–Yongwoon Survey, conducted in 2022.

A. First Wave (February 2022)

Q. What was the inflation rate in Korea last year (2021)?
1) Inflation rate last year (2021): ()%
2) Do not know

Q. Where do you think you are on the left-right political spectrum?
1) Left 2) Center-left 3) Center 4) Center-right 5) Right

B. Second Wave (April 2022)

Q. Compared to the same time last year, has it become easier or harder to obtain bank loans (e.g., credit, student, lump-sum housing lease, mortgage)?
1) Much easier
2) Somewhat easier
3) No change
4) Somewhat harder
5) Much harder
6) Do not know

Q. Compared to now, do you expect it will become easier or harder to obtain bank loans (e.g., credit, student, lump-sum housing lease, mortgage) one year from now?
1) Will become much easier
2) Will become somewhat easier
3) No change expected
4) Will become somewhat harder
5) Will become much harder
6) Do not know

Q. Compared to the same time last year, the current unemployment rate in Korea is...
1) Significantly lower (by 3 percentage points or more)
2) Slightly lower (by 1–3 percentage points)
3) No change

4) Slightly higher (by 1–3 percentage points)
5) Significantly higher (by 3 percentage points or more)
6) Do not know

Q. Compared to now, the unemployment rate in Korea one year from now is expected to be...
1) Significantly lower (by 3 percentage points or more)
2) Slightly lower (by 1–3 percentage points)
3) No change expected
4) Slightly higher (by 1–3 percentage points)
5) Significantly higher (by 3 percentage points or more)
6) Do not know

Q. Compared to the previous year, Korea's economic growth rate this year is...
1) Significantly lower
2) Slightly lower
3) No change
4) Slightly higher
5) Significantly higher
6) Do not know

Q. Compared to this year, Korea's economic growth rate next year is expected to be...
1) Significantly lower
2) Slightly lower
3) No change expected
4) Slightly higher
5) Significantly higher
6) Do not know

Q. The current level of prices in Korea relative to a year ago...
1) Increased by ()%
2) Stays about the same
3) Decreased by ()%

Q. The level of prices over the next 12 months in Korea relative to now will...
1) Increase by ()%
2) Stay about the same
2) Decrease by ()%

Q. The level of prices over the next 3 years in Korea relative to now will...
1) Increase by ()%

2) Stay about the same

2) Decrease by ()%

Q. Compared to the same time last year, Korea's total exports...

1) Decreased significantly

2) Decreased slightly

3) No change

4) Increased slightly

5) Increased significantly

6) Do not know

Q. Compared to now, Korea's total exports one year from now are expected to...

1) Decrease significantly

2) Decrease slightly

3) No change expected

4) Increase slightly

5) Increase significantly

6) Do not know

Q. Compared to the same time last year, Korea's total imports...

1) Decreased significantly

2) Decreased slightly

3) No change

4) Increased slightly

5) Increased significantly

6) Do not know

Q. Compared to now, Korea's total imports one year from now are expected to...

1) Decrease significantly

2) Decrease slightly

3) No change expected

4) Increase slightly

5) Increase significantly

6) Do not know

Q. Compared to the same time last year, Korean households' total consumption...

1) Decreased significantly

2) Decreased slightly

3) No change

4) Increased slightly
5) Increased significantly
6) Do not know

Q. Compared to now, Korean households' total consumption one year from now is expected to...
1) Decrease significantly
2) Decrease slightly
3) No change expected
4) Increase slightly
5) Increase significantly
6) Do not know

Q. Compared to the same time last year, Korea's total business investment...
1) Decreased significantly
2) Decreased slightly
3) No change
4) Increased slightly
5) Increased significantly
6) Do not know

Q. Compared to now, Korea's total business investment one year from now is expected to...
1) Decrease significantly
2) Decrease slightly
3) No change expected
4) Increase slightly
5) Increase significantly
6) Do not know

Q. Compared to the same time last year, Korea's current stock prices...
1) Fell by more than 20 percentage points
2) Fell by 10–20 percentage points
3) Changed within ±10 percentage points
4) Rose by 10–20 percentage points
5) Rose by more than 20 percentage points
6) Do not know

Q. Compared to now, Korea's stock prices one year from now are expected to...
1) Fall by more than 20 percentage points
2) Fall by 10–20 percentage points

3) Change within ±10 percentage points
4) Rise by 10–20 percentage points
5) Rise by more than 20 percentage points
6) Do not know

Q. Compared to the same time last year, the Korean government's debt-to-GDP ratio...
1) Decreased significantly
2) Decreased slightly
3) No change
4) Increased slightly
5) Increased significantly
6) Do not know

Q. Compared to now, the Korean government's debt-to-GDP ratio one year from now is expected to...
1) Decrease significantly
2) Decrease slightly
3) No change expected
4) Increase slightly
5) Increase significantly
6) Do not know

Q. Compared to the same time last year, the Bank of Korea's base interest rate...
1) Decreased significantly (by 3 percentage points or more)
2) Decreased slightly (by 1–3 percentage points)
3) No significant change
4) Increased slightly (by 1–3 percentage points)
5) Increased significantly (by 3 percentage points or more)
6) Do not know

Q. Compared to now, the Bank of Korea's base interest rate one year from now is expected to...
1) Decrease significantly (by 3 percentage points or more)
2) Decrease slightly (by 1–3 percentage points)
3) No significant change expected
4) Increase slightly (by 1–3 percentage points)
5) Increase significantly (by 3 percentage points or more)
6) Do not know

C. Third Wave (August 2022)

Q. Compared to now, Korea's unemployment rate 12 months from now is expected to...
1) Be significantly lower (by 3 percentage points or more)
2) Be slightly lower (by 1–3 percentage points)
3) Show no change (within 1 percentage point)
4) Be slightly higher (by 1–3 percentage points)
5) Be significantly higher (by 3 percentage points or more)
6) Do not know

Q. Compared to now, Korea's average annual unemployment rate over the next 3 years is expected to...
1) Be significantly lower (by 3 percentage points or more)
2) Be slightly lower (by 1–3 percentage points)
3) Show no change (within 1 percentage point)
4) Be slightly higher (by 1–3 percentage points)
5) Be significantly higher (by 3 percentage points or more)
6) Do not know

Q. This question asks about the percent chance of possible outcomes. The total must sum to 100, and each probability must be a number between 0 and 100.
What is the percent chance that 12 months from now, the consumer price level in Korea will be...
- 15% or more lower than today: ____
- 12% to 15% lower: ____
- 10% to 12% lower: ____
- 8% to 10% lower: ____
- 6% to 8% lower: ____
- 3% to 6% lower: ____
- 0% to 3% lower: ____
- 0% to 3% higher: ____
- 3% to 6% higher: ____
- 6% to 8% higher: ____
- 8% to 10% higher: ____
- 10% to 12% higher: ____
- 12% to 15% higher: ____
- 15% or more higher: ____
Total: ____

Q. This question asks about the percent chance of possible outcomes. The total must sum to

100, and each probability must be a number between 0 and 100.
What is the percent chance that over the next 3 years, the **average annual consumer price inflation** in Korea will be...
- 15% or more lower than today: ____
- 12% to 15% lower: ____
- 10% to 12% lower: ____
- 8% to 10% lower: ____
- 6% to 8% lower: ____
- 3% to 6% lower: ____
- 0% to 3% lower: ____
- 0% to 3% higher: ____
- 3% to 6% higher: ____
- 6% to 8% higher: ____
- 8% to 10% higher: ____
- 10% to 12% higher: ____
- 12% to 15% higher: ____
- 15% or more higher: ____
Total: ____

Information Treatment

[Group 1]
Last month, Bank of Korea Governor Rhee Chang-yong stated during a press conference held at the Bank of Korea's headquarters in Jung-gu, Seoul, following a regular Monetary Policy Board meeting: "We expect that inflation will begin to stabilize between the end of the third quarter and the beginning of the fourth quarter." * The third quarter includes July, August, and September; the fourth quarter includes October, November, and December.

[Group 2]
Last month, Deputy Prime Minister and Minister of Economy and Finance Choo Kyung-ho said in a keynote speech at the 45th Jeju Forum hosted by the Korea Chamber of Commerce and Industry: "(After Chuseok) around October, we expect to begin gradually stabilizing inflation."
[Group 3]
The following is an excerpt from a newspaper article published last month covering the remarks made by Deputy Prime Minister and Minister of Economy and Finance Choo Kyung-ho:

Deputy Prime Minister Choo Kyung-ho stated, "(After Chuseok) inflation will be somewhat

under control by around October." In a keynote speech at the Jeju Forum hosted by the Korea Chamber of Commerce and Industry, he said, "The top priority right now is to bring inflation under control. Since Chuseok falls in early September this year, food prices overall may begin to stabilize by around October."

Choo emphasized that stabilizing external factors is a prerequisite to resolving inflation, saying: "The current inflation is strongly driven by external factors such as raw material prices, so it is not something government policy alone can solve. While the government is lowering taxes and tariffs and providing support to low-income households, these efforts alone are insufficient to absorb inflationary pressures and alleviate public hardship. I believe inflation can only be brought under control when external factors begin to subside."

[Group 4]

The following is an excerpt from a news article published last month in *The Hankyoreh* covering the remarks of Deputy Prime Minister and Minister of Economy and Finance Choo Kyung-ho:

Deputy Prime Minister Choo Kyung-ho said, "(After Chuseok) inflation will be somewhat under control by around October." In a keynote speech at the Jeju Forum hosted by the Korea Chamber of Commerce and Industry, he stated, "Bringing inflation under control is the top priority right now. Since Chuseok falls in early September this year, food prices overall may stabilize by October." Choo emphasized that stabilizing external factors is a prerequisite for containing inflation. He said, "The current inflation is strongly driven by external factors such as raw material prices, so it is not something that can be resolved by government policy alone. Although the government is lowering taxes and tariffs and supporting low-income households, these efforts alone are not sufficient to absorb inflationary pressures and ease the public's burden. I believe some stabilization of external factors is necessary before inflation can be controlled."

[Group 5]

The following is an excerpt from a news article published last month by a newspaper covering the remarks of Deputy Prime Minister and Minister of Economy and Finance Choo Kyung-ho:

Deputy Prime Minister Choo Kyung-ho said, "By around October, we should be able to stabilize food prices and grocery prices." At the 45th Jeju Forum hosted by the Korea Chamber of Commerce and Industry at the Haevichi Hotel Resort Jeju, he said in a speech, "Stabilizing inflation is the top priority right now, and we plan to go all-in on inflation control through the second half of the year." As a strategy for overcoming the current situation, Choo emphasized "a dynamic, private sector-led economy." He said, "Ultimately, it is the private sector that drives the economy. We are planning to shift away from a government- and fiscal-led model toward a private sector-centered approach." He added, "We will shrink the size of government and reduce intervention to encourage firms to drive growth, tax revenue, and job creation." He also pledged

to overhaul regulations that excessively penalize business activities, and to ease various economic laws, including corporate tax, inheritance tax, and comprehensive property tax. Choo concluded, "We are entering a war against economic crisis. The government will take the lead in driving reforms, stabilizing inflation, and improving the structure of the economy."

[Group 6]

The following is an excerpt from a news article published last month in *The Chosun Ilbo* covering the remarks of Deputy Prime Minister and Minister of Economy and Finance Choo Kyung-ho:

Deputy Prime Minister Choo Kyung-ho said, "By around October, we should be able to stabilize food prices and grocery prices." At the 45th Jeju Forum hosted by the Korea Chamber of Commerce and Industry at the Haevichi Hotel Resort Jeju, he said in a speech, "Stabilizing inflation is the top priority right now, and we plan to go all-in on inflation control through the second half of the year." As a strategy for overcoming the current situation, Choo emphasized "a dynamic, private sector-led economy." He said, "Ultimately, it is the private sector that drives the economy. We are planning to shift away from a government- and fiscal-led model toward a private sector-centered approach." He added, "We will shrink the size of government and reduce intervention to encourage firms to drive growth, tax revenue, and job creation." He also pledged to overhaul regulations that excessively penalize business activities, and to ease various economic laws including corporate tax, inheritance tax, and comprehensive property tax. Choo concluded, "We are entering a war against economic crisis. The government will take the lead in driving reforms, stabilizing inflation, and improving the structure of the economy."

[Group 7] (The order of 7-1 and 7-2 is randomly assigned for each respondent)

[7-1]

The following is an excerpt from a news article published last month in *The Hankyoreh* covering the remarks of Deputy Prime Minister and Minister of Economy and Finance Choo Kyung-ho:

Deputy Prime Minister Choo Kyung-ho said, "(After Chuseok) inflation will be somewhat under control by around October." In a keynote speech at the Jeju Forum hosted by the Korea Chamber of Commerce and Industry, he stated, "Bringing inflation under control is the top priority right now. Since Chuseok falls in early September this year, food prices overall may stabilize by October." Choo emphasized that stabilizing external factors is a prerequisite for containing inflation. He said, "The current inflation is strongly driven by external factors such as raw material prices, so it is not something that can be resolved by government policy alone. Although the government is lowering taxes and tariffs and supporting low-income households, these efforts alone are not sufficient to absorb inflationary pressures and ease the public's burden. I believe some stabilization of external factors is necessary before inflation can be controlled."

[7-2]

The following is an excerpt from a news article published last month in *The Chosun Ilbo* covering the remarks of Deputy Prime Minister and Minister of Economy and Finance Choo Kyung-ho:

Deputy Prime Minister Choo Kyung-ho said, "By around October, we should be able to stabilize food prices and grocery prices." At the 45th Jeju Forum hosted by the Korea Chamber of Commerce and Industry at the Haevichi Hotel Resort Jeju, he said in a speech, "Stabilizing inflation is the top priority right now, and we plan to go all-in on inflation control through the second half of the year." As a strategy for overcoming the current situation, Choo emphasized "a dynamic, private sector-led economy." He said, "Ultimately, it is the private sector that drives the economy. We are planning to shift away from a government- and fiscal-led model toward a private sector-centered approach." He added, "We will shrink the size of government and reduce intervention to encourage firms to drive growth, tax revenue, and job creation." He also pledged to overhaul regulations that excessively penalize business activities, and to ease various economic laws, including corporate tax, inheritance tax, and comprehensive property tax. Choo concluded, "We are entering a war against economic crisis. The government will take the lead in driving reforms, stabilizing inflation, and improving the structure of the economy."

[Group 8]
Last month, Deputy Prime Minister and Minister of Economy and Finance Choo Kyung-ho attended the G20 Finance Ministers and Central Bank Governors' Meeting held in Bali, Indonesia. There, he stated that the consumer price inflation rate would likely remain unstable at around 6% until October, but would begin to gradually stabilize afterward.

Q. ([Group 3], [Group 5] only) Which newspaper do you think published the article you just read?
1) Kyunghyang Shinmun
2) Dong-A Ilbo
3) Maeil Business Newspaper
4) OhmyNews
5) Chosun Ilbo
6) JoongAng Ilbo
7) Hankyoreh
8) Korea Economic Daily
9) Hankook Ilbo

Q. ([Group 3], [Group 4], [Group 5], [Group 6] only) How much do you trust the article you just read?
1) Do not trust at all
2) Slightly distrust

3) Neutral
4) Somewhat trust
5) Trust very much

Q. ([Group 7] only) How much do you trust the articles you just read?
1) I trust both the *Hankyoreh* and the *Chosun Ilbo* articles
2) I trust the *Hankyoreh* article but not the *Chosun Ilbo* article
3) I trust the *Chosun Ilbo* article but not the *Hankyoreh* article
4) I do not trust either the *Hankyoreh* or the *Chosun Ilbo* articles

Q. What do you think the change in consumer prices (CPI) in Korea will be 12 months from now, compared to today?
Change: ____% / Do not know

Q.1 (For those who selected "Do not know" in Q. above) You selected "Do not know." Still, if you had to choose the closest value to your belief, what would it be?
Change: ____% / Do not know

Q. What do you think the average annual change in consumer prices (CPI) in Korea will be over the next 3 years, compared to today?
Change: ____% per year / Do not know

Q.1 (For those who selected "Do not know" in Q. above) You selected "Do not know." Still, if you had to choose the closest value to your belief, what would it be?
Average annual change: ____% / Do not know

Q. What do you think the change in the unemployment rate in Korea will be 12 months from now, compared to today?
Change: ____%p (pp) / Do not know

Q.1 (For those who selected "Do not know" in Q. above) You selected "Do not know." Still, if you had to choose the closest value to your belief, what would it be?
Change: ____%p (pp) / Do not know

Q. Over the next 3 years, do you think Korea's average annual unemployment rate will increase or decrease compared to the current level?
Average annual change: ____%p (pp) / Do not know

Q.1 (For those who selected "Do not know" above) You selected "Do not know." Still, if you had to choose the closest value to your belief, what would it be?
Average annual change: ____%p (pp) / Do not know

Q. Generally speaking, where would you place yourself on the ideological spectrum?

1) Progressive
2) Conservative
3) Moderate

Q.1 (For those who answered 1 or 2 in the previous question) Would you say you are strongly [Q. response] or not very strong [C20 response]?
1) Strong [Q. response]
2) Not very strong [Q. response]

Q.2 (For those who answered 3 in the previous question) Would you say you lean more toward progressives or conservatives?
1) Lean more toward progressives
2) Lean more toward conservatives
3) Do not lean toward either