



Do Professional Forecasters' Phillips Curves Incorporate the Beliefs of Others?

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Non-Technical Summary

- We apply functional data analysis to survey expectations data, and show that functional principal component analysis combined with functional regression analysis is a fruitful way of capturing the effects of others' forecasts on a respondent's inflation forecasts.
- We estimate forward-looking Phillips curves on each respondent's inflation and unemployment rate forecasts, and show that for nearly a half of the respondents the forecasts of others are important.
- The functional principal components of the cross-sectional distributions of forecasts are shown to capture characteristics other than the mean or consensus forecast, and include forecaster disagreement.

You can read the full paper [here](#).