Inflation Expectations and Risk Preferences

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Abstract

Risk preferences may influence how individuals interpret inflation information, but evidence is mixed due to endogeneity challenges. We show that risk-averse households and experts systematically report higher prior inflation expectations. In a survey randomized control trial (RCT), providing inflation forecast information significantly narrows this expectation gap. Our findings align with a framework where risk-averse agents deliberately overestimate inflation to maximize future utility. This bias is linked to physical information avoidance—actively avoiding information—rather than misprocessing it. These results highlight a behavioral channel through which risk aversion shapes inflation expectations, contributing to persistent expectation gaps across risk profiles.

Keywords: Inflation expectations, motivated beliefs, risk preferences, households, experts, survey experiment, randomized control trial (RCT).

JEL classification: E52, E31, D84, D90.

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1 Introduction

Heterogeneity in inflation expectations regarding socio-demographic characteristics has been well documented (e.g., D'Acunto et al., 2021, 2023), but evidence on the role of risk preferences in shaping this heterogeneity remains scarce and ambiguous. Evaluating the role of risk preferences for the formation of inflation expectations is challenging because of potential endogeneity issues.

Nevertheless, risk preferences may have an impact on the way individuals seek and process information about inflation. Specifically, we assume that inflation expectations serve as a reference point for the evaluation of future realized inflation and that risk-averse individuals weight the disutility of negative surprises to future purchasing power more strongly than added utility of positive surprises. This provides an incentive for risk-averse individuals to overpredict inflation, thereby forming biased expectations. The question is, how individuals form such biased inflation expectations. We explore whether biased expectations arise due to physical information avoidance or due to biased information processing (Golman et al., 2017; Bénabou and Tirole, 2016).

In this paper, we derive a survey experiment to test the causal impact of information, which cannot be avoided, on the formation of inflation expectations across levels of risk aversion. We derive four testable predictions, which we subsequently evaluate using two parallel surveys with an information randomized control trial (RCT). The first household survey with 2,554 respondents is representative of the German population. The second expert survey was run among employees working at seven German banks and insurance companies and includes 586 experts. This allows us to compare whether physical information avoidance and information processing differ between households and experts (D'Acunto et al., 2023; Dräger et al., 2025).

RCT participants are randomly allocated into three treatment groups and a control group. All information treatments include information about inflation/price forecasts, but they vary in the degree to which they provide room for interpretation. This allows us to vary the information provided to participants and thus explore the relevance of physical information avoidance and biases in information processing in explaining this correlation. The control group received no information.

We derive four main results: First, as predicted, our survey results indicate that risk-averse individuals on average expect significantly higher inflation *a priori*. This finding is robust for both the general population and the expert sample, but when controlling for a large range of further socio-demographic characteristics remains significant only in the more homogeneous expert sample. Second, we find that both experts and households update expectations towards information on inflation forecasts and that the correlation between posterior inflation expectations and risk aversion becomes largely insignificant when individuals are provided with information that they cannot physically avoid. In line with biases arising due to physical information avoidance, we find that biases in

inflation expectations are related to uncertainty in expectations. Third, the results are less supportive of heterogeneity in information processing due to risk preferences, as we find no significant heterogeneity in treatment effects across risk preferences. However, the treatments showing inflation forecasts–which provide little room for interpretation–overall have a stronger effect on posterior inflation expectations as compared to treatments about energy price forecasts. Fourth, we find no evidence for reverse causality running from inflation expectations to risk preferences.

This paper contributes to a limited body of literature examining the relationship between inflation expectations and risk preferences. The evidence so far suggests that the correlation between risk preferences and inflation expectations is somewhat ambiguous. Armantier et al. (2015) analyze in an experimental setting how inflation expectations as well as risk preferences of households affect investment choices. In the incentivized experiment, participants choose between a fixed-interest and an inflation-indexed investment. The authors demonstrate that both survey measures of inflation expectations as well as self-reported risk preferences are informative for the experimental investment choices. Goldfayn-Frank and Wohlfahrt (2020) investigate whether risk aversion can explain the observed difference in inflation expectations between East and West German households, but find no significant correlation. Dräger et al. (2023) analyze consumers' preferences on expected inflation and interest rates and show that a higher degree of risk-aversion correlates with a higher likelihood to prefer lower inflation at a given level of inflation expectations. Finally, Vinogradov et al. (2024) examine the correlation between ambiguity-aversion as well as general risk attitudes and inflation expectations by US households. Their findings indicate that risk-seeking individuals report higher levels of current perceived and expected inflation. However, removing the bias in expectations by evaluating the difference between perceived and expected inflation reveals that the correlation with risk preferences is no longer significant. Except for Vinogradov et al. (2024), these papers only indirectly test for a link between inflation expectations and risk preferences. We analyze this relationship explicitly for both household and expert samples, using experimental variation to test for theoretical predictions.

Our study also adds to a growing body of literature that studies the impact of information treatments about forecasts or forecast uncertainty on the formation of inflation expectations using survey RCT interventions (Armantier et al., 2016; Cavallo et al., 2017; Coibion et al., 2020, 2023; Weber et al., 2025; Dräger et al., 2024; Nghiem et al., 2024). The impact of inflation forecasts on the inflation expectations of households results in a shift of these expectations in the direction of the provided signal (Armantier et al., 2016; Coibion et al., 2023). Cavallo et al. (2017) show that changes in the price of individual food products also result in a corresponding adjustment in households' expectations of overall inflation. Kostyshyna and Petersen (2023) investigate the influence of an inflation forecast with confidence intervals. Kumar et al. (2023) as well as Coibion et al. (2024) examine the effect of uncertainty about different GDP growth forecasts on economic deci-

sions by firms and households. Similarly, Grebe and Tillmann (2025) analyze the influence of dissent in the ECB's Governing Council on household uncertainty.

Finally, our analysis contributes to the literature analyzing differences in inflation forecasts by households and experts. Döpke et al. (2008) analyze how frequently households and experts update their inflation expectations in a sticky information environment. Andre et al. (2022) show that experts and households tend to have different subjective models in mind when forecasting inflation and therefore utilize the same information differently. Dräger et al. (2025) show that experts update their inflation expectations faster than households when a large international political shock occurs. Our results suggest that differences in inflation expectations of households and experts may also arise due to differences in the possibility of physically avoiding information on inflation. While households may well be able to physically avoid such information and thus to maintain biases in inflation expectations, this is arguably more difficult for experts.

The remainder of the paper is organized as follows. Section 2 presents a theoretical framework and derives four testable predictions for the empirical analysis. Section 3 presents the survey experiment and summary statistics, Section 4 presents empirical results for the four predictions, Section 5 shows some robustness checks, and Section 6 concludes.

2 Predictions

We assume that individuals face utility losses due to forecasting error. We argue that forecasts serve as a reference point at the time of realized inflation. Whenever individuals underestimated inflation, this is likely to be perceived as a loss, for instance due to disappointment because purchasing power is lower than expected (Gul, 1991; Dräger et al., 2014; Stantcheva, 2024). For loss-averse individuals, we assume that underestimating inflation is associated with a greater utility loss as compared to overestimating inflation (Tversky and Kahnemann, 1973; Kahneman and Tversky, 1979; Gul, 1991). Previous research suggests that risk aversion and loss aversion are closely related, where loss aversion seems a main driver for observed risk aversion in financial decision-making (Benartzi and Thaler, 1995; Gneezy and Potters, 1997). Thus, we predict that risk-averse individuals infer greater utility losses from underestimation as compared to overestimation of inflation. Anticipating asymmetries in the effect of forecasting error, we predict that risk-averse individuals will have an incentive to overpredict inflation and will thus provide higher inflation forecasts as compared to risk seeking individuals.[1]

[1]More generally, Golman et al. (2017) discuss that any concavity in the utility functions arising for example due to risk aversion, loss aversion or disappointment aversion can imply an incentive for information avoidance.

Prediction P1: We predict that individuals with stronger risk aversion tend to expect higher levels of inflation.

While asymmetries in the perception of forecasting error provide a motivation for biased inflation forecasts, we further seek to provide insights into the formation of biased inflation forecasts. Previous research reveals that biased expectations, also referred to as motivated beliefs, are relevant in a wide range of contexts, such as the assessments of own ability or of own moral behavior (Bénabou and Tirole, 2016). In understanding how such biased beliefs are formed and maintained, researchers typically differentiate between physical information avoidance and biased processing of information (Golman et al., 2017; Bénabou and Tirole, 2016). In our context, physical information avoidance refers to behavior where risk-averse individuals avoid being confronted with any information related to inflation expectations. Biased information processing refers to biases in the interpretation of information that is provided to an individual and that is relevant to inflation expectations.

To analyze the relevance of physical information avoidance, we vary the provision of information that cannot be physically avoided by participants between treatments. If biases arise due to physical information avoidance, providing information should lead to an updating of beliefs. In line with Bayesian updating, we predict that confronting individuals with information that they cannot avoid will reduce differences in inflation expectations related to risk aversion if these arise due to physical information avoidance. Thus, information avoidance will be associated with larger uncertainties with respect to expectations. If biased beliefs are formed due to information avoidance, we would expect to observe that systematic biases in expectations are associated with systematic biases in uncertainty with respect to inflation expectations. Finally, we argue that avoiding information on inflation is easier for households as compared to experts, who are regularly confronted with information on inflation in their work environment. Thus, we predict that these effects will be stronger for households as compared to experts.

Prediction P2: If biases arise due to physical information avoidance, we predict that a) the provision of unavoidable information will reduce heterogeneity in inflation expectations with respect to risk preferences, b) the correlation of risk preferences and inflation forecasts will be related to uncertainty with respect to inflation expectations, and c) these effects will be stronger for households as compared to experts.

With respect to biased information processing, previous research reveals that individuals interpret the same piece of information differently depending on the incentives they face (see, e.g., Babcock et al., 1995; Hippel and Hoeppner, 2019). Based on this research, we would expect the degree of updating to decrease in the degree of risk aversion of the recipient of information (controlling for prior expectations and uncertainties with

respect to inflation). Furthermore, we expect to observe an interaction where the relation of updating and risk-aversion becomes stronger when information is provided in a way that leaves room for interpretation, i.e., that allows for biased information processing. Specifically, when confronted with official inflation forecasts, we expect to observe smaller biases in information processing as compared to information about energy price forecasts. In the latter case, individuals' perception of the relevance of these forecasts for inflation rates may be systematically biased depending on the motivation faced by an individual.

Prediction P3: If biases arise due to information processing, we predict that the degree of updating will be negatively related to risk preferences and to the degree to which information provides room for interpretation.

Above, we argue that risk aversion has an impact on the formation of inflation expectations. However, there is also some evidence indicating that the reverse may be the case. For instance, inflation shocks may have an impact on risk preferences (Brandt and Wang, 2003; Cohen et al., 2020). Our data allows to proxy for this potential relationship in two ways: First, the information treatments exogenously vary information about inflation forecasts. We can show that this intervention has an impact on posterior inflation expectations. If beliefs about inflation expectations shaped risk preferences, the information treatments should also affect risk preferences relative to the control group. Second, we can proxy for cross-sectional variation in the perception of current inflation shocks with prior inflation perceptions.

Prediction P4: If expected inflation has a causal impact on risk preferences, we predict that information about inflation forecasts will lead to differences in reported risk preferences relative to the control group. Moreover, if individual perceptions of current inflation shocks drive risk preferences, we expect a positive correlation between perceptions of current inflation and risk aversion.

3 Data

3.1 Survey Experiment

In early 2023, we conducted two parallel online surveys on a household and an expert sample and implemented the same randomized control trial (RCT) in both. This was during a time when inflation in Germany was peaking at over 8%. The sample of households is a representative sample of the German population with respect to gender, age, net income and education. The expert sample consists of employees at German banks and insurance companies. We did not restrict their specific work area in order to obtain some variation also in the expert sample.

We surveyed both households and experts because the previous literature finds substantial differences in the formation of inflation expectations between these groups: experts typically have more accurate inflation expectations and they have a more fundamental understanding of economic relationships (D'Acunto et al., 2023). The summary statistics in Table A2, which we discuss in section 3.2, show that this is the case also in our samples. The comparison between experts and households thus allows to evaluate heterogeneities in the effect of information on two groups that differ in the initial information level. Furthermore, experts and households may vary in the degree to which physically avoiding information about inflation is feasible to them, since employees at banks and insurance companies likely deal with this information at work. Thus, sources for biases in inflation expectations may vary between experts and households.

The surveys were conducted between 16th January and 3rd February 2023. Household data was collected by the survey company *Bilendi & respondi* and the expert data was collected online via LimeSurvey in collaboration with a sample of German banks and insurance companies. For each questionnaire completed by the experts, we donated 10€ to an NGO; the households were paid a fixed amount by the survey company.

Both groups completed the same questionnaire, except for three questions focusing on households' financial literacy, which were considered too simple for the experts. The questionnaire starts with a series of questions to assess respondents' optimism about the future development of the German economy and their personal life situation over the next 12 months, their knowledge of financial markets and monetary policy, their general level of trust as well as their trust in the Bundesbank, and their general level of optimism. The Life-Orientation-Test developed by Scheier et al. (1994) is used to measure the general level of optimism. Next, a brief explanation of inflation in general is presented, followed by questions concerning the perceived rate of inflation over the past 12 months, π^{p}_{prior}, along with respondents' point predictions for the inflation rate over the next 12 months, $\pi^{e,12m}_{prior}$, and 5 years, $\pi^{e,5y}_{prior}$:

> What do you think the inflation or deflation rate in Germany was over the last 12 months?
>
> What do you expect the inflation or deflation rate in Germany will be over the next 12 months / 5 years?

Since we cannot measure prior forecast uncertainty from point estimates for inflation, we proxy for prior forecast uncertainty using the rounding approach (Binder, 2017), which uses the fact that uncertain forecasts tend to cluster at prominent numbers and derives definitions for indicator variables for high forecast uncertainty. Specifically, we follow Binder (2017) and assume that households or experts forecasting inflation rates as multiples of five have high prior forecast uncertainty, resulting in 28% of households and 24% of experts that are defined as having high prior short-run inflation forecast uncertainty. After answering these questions, respondents are randomly assigned to one of three treatment groups or to the control group. In each of the treatment groups, respondents receive

information related to inflation. Importantly, respondents cannot avoid this information. Figure 1 provides an overview of the information provided in each of the treatments.

The *Forecast* treatment shows inflation forecasts from the Bundesbank. The *Forecast Risk* treatment extends the *Forecast* treatment by adding a risk scenario for future inflation, which assumes a stronger energy price hike. Compared to the *Forecast* treatment, the *Forecast Risk* treatment involves a situation where participants face stronger room for interpretation, possibly enforcing biases in information processing (see Prediction P3). Also, the stronger salience of risk involved in the forecasting of inflation may have an impact on the degree to which inflation expectations have an impact on risk preferences (see Prediction P4). In contrast to the previous two treatments, the *Energy Risk* treatment shows energy price forecasts, which are less directly informative for inflation forecasts and experienced above-average price increases at the time of the survey experiment. To prevent avoidance of information, all respondents see the information treatments for at least 10 seconds. We predict that the room for subjective information processing is greatest in the *Energy Risk* treatment. Respondents in the control group do not receive any information, and proceed directly to the next set of questions.

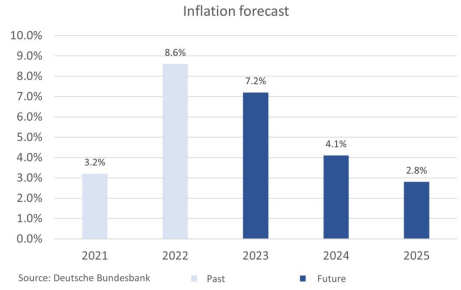
All treatments state the Bundesbank as the source of the forecasts and all forecasts cover the three-year time period from 2023-2025. In addition, all treatments show past actual inflation or energy price growth rates for 2021 and 2022. When the forecast contains a risk scenario, the colors of the scenarios in the graph are randomly assigned with a 50% probability to prevent color bias.

After the RCT, we ask respondents about their short- and long-run expected inflation rates again to measure posterior expectations (Haaland et al., 2023). To prevent duplicate questioning and survey fatigue, we elicit posterior inflation expectations using a probability question instead of the point forecasts used to measure prior expectations. In particular, we ask about respondents' minimum and maximum expected inflation rates, as well as their confidence level regarding these expectations.[2] The two questions are as follows:

> We are interested in your opinion on the development of the inflation rate in the next 12 months / 5 years. In your opinion, what will be the minimum and maximum inflation or deflation rate in the next 12 months / 5 years?
>
> How confident are you that the average inflation rate over the next 12 months / 5 years will exceed the mean value of the minimum and maximum expectations?

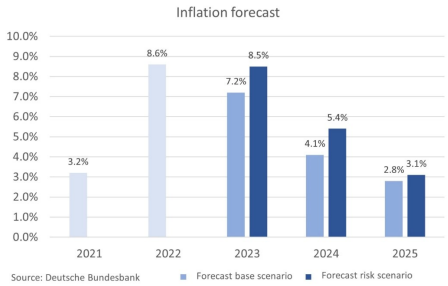
[2]Similar questions are used, e.g., in Christelis et al. (2020) and Coibion et al. (2024) to elicit the first and second moments of inflation expectations.

Figure 1: Treatments



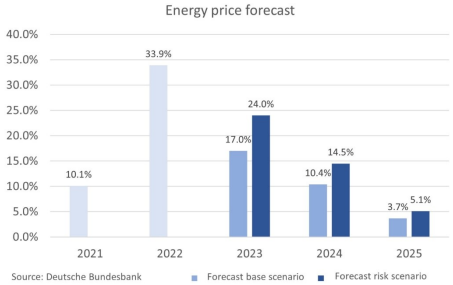
In 2021, the inflation rate in Germany averaged 3.2% and in 2022 8.6%. The Deutsche Bundesbank expects average inflation rates in Germany of 7.2%, 4.1% and 2.8% for 2023, 2024 and 2025 respectively.

(a) Treatment 1: *Forecast*



In 2021, the inflation rate in Germany averaged 3.2% and in 2022 8.6%. The Deutsche Bundesbank expects average inflation rates in Germany of 7.2%, 4.1% and 2.8% for 2023, 2024 and 2025 respectively.
The Bundesbank emphasizes the high level of uncertainty in forecasting inflation rates due to the war in Ukraine. In a risk scenario in which a sharper conflict with Russia and stronger geopolitical tensions are assumed, the expected average inflation for Germany for 2023, 2024 and 2025 rises to 8.5%, 5.4% and 3.1%.

(b) Treatment 2: *Forecast Risk*



In 2021, energy prices in Germany increased by an average of 10.1% and by 33.9% in 2022. The Bundesbank expects energy prices in Germany to rise by an average of 17%, 10.4% and 3.7% in 2023, 2024 and 2025 respectively.
The Bundesbank emphasizes the high level of uncertainty in forecasting energy prices due to the war in Ukraine. In a risk scenario in which a sharper conflict with Russia and stronger geopolitical tensions are assumed, the expected average energy prices for Germany for 2023, 2024 and 2025 rise to 24%, 14.5% and 5.1%, respectively.

(c) Treatment 3: *Energy Risk*

Respondents were asked to rate their level of confidence on a scale from 0 to 10, where 0 represents complete lack of confidence and 10 represents complete confidence. We compute posterior inflation expectations as well as posterior uncertainty about these expectations by taking into account their minimum and maximum expectations, their reported level of confidence, and assuming a simple triangular distribution.

Finally, we elicit respondents' general and financial risk preferences following the validated procedure of Dohmen et al. (2011):[3]

> Where do you see yourself: Are you generally a person who is willing to take risks fully or do you try to avoid risks?

[3] A similar measure for financial risk preferences is used in Armantier et al. (2015), while Dräger et al. (2023) use a similar measure for general risk preferences.

> In the following question, we ask you to assess your willingness to take financial risk. A value of 0 means that you are willing to take a low financial risk, typically associated with a lower return, and a value of 10 means that you are willing to take a high financial risk, typically associated with a high return. Where would you place yourself on the following scale?

Respondents can express their level of general and financial risk-aversion on a 11-point Likert scale, which we invert so that high values correspond to a high degree of risk aversion. Importantly, we assess risk preferences after the treatment intervention. As treatments were randomly assigned, this design feature allows us to derive insights on whether the treatment has an impact on risk preferences (see Prediction P4). The questionnaire ends with some demographic questions. The complete questionnaire is provided in online appendix B.

In the regressions below, we control for an extensive list of socio-demographic control variables: age, gender, net household income, education, household size, years of work experience, region, responsibility for shopping, durable purchases and saving decisions within the household, monetary policy as well as financial literacy, self-assessed financial knowledge, trust in the Bundesbank and trust in people, the level of general optimism, optimism about the outlook in Germany as well as optimism regarding respondents' life situation. Table A1 in the online appendix details how the control variables are constructed.

3.2 Summary Statistics

Our data set includes 2,554 households and 586 experts. The average time taken to complete the survey was 13 minutes for households and 17 minutes for experts. Similarly, there are differences in the average time spent on the treatment page between the samples. Respondents in the *Forecast* treatment from both samples spent the same average time on the page. However, experts spent around 20 seconds longer on the page compared to households if they were in the *Forecast Risk* or *Energy Risk* treatments. On average, households had a dropout rate of 25% and experts had a dropout rate of 23%. In order to avoid bias because of speeding, we exclude respondents from both samples who completed the questionnaire within 5 minutes.

Table A2 in the online appendix provides summary statistics of the main variables in the two samples and indicates differences and similarities between the household and expert samples. While the gender distribution is comparable between the household and the expert sample, not surprisingly, experts report significantly higher income and education than respondents in the representative sample. Additionally, experts demonstrate superior knowledge of monetary policy, a lower perceived inflation rate, a higher level of trust, both general and in the Bundesbank, and a more optimistic outlook.

In line with the literature (Armantier et al., 2013; D'Acunto et al., 2024), households expect significantly higher inflation than experts both for the next 12 months, and the next 5 years, and also have significantly higher prior forecast uncertainty on average compared to experts. At the same time, the standard deviation of inflation forecasts is much lower in the expert sample, suggesting less disagreement on future inflation among experts. Moreover, experts express a significantly lower risk aversion than households, both with respect to financial as well as general risk.

Tables A3-A4 show balance tests for the means of main variables across treatment groups for the household and the expert sample, respectively. Within survey samples, the randomization across treatment groups works well with respect to socio-demographic characteristics. For both samples, we achieved a relatively balanced sample with similar sample sizes in all treatments. Moreover, the treatment groups in the household sample do not differ significantly with the control group according to most of the socio-demographic characteristics. The only exceptions to this are the level of financial literacy between the *Forecast* and the control group, and prior long-run inflation expectations between the *Forecast Risk* and the control group. In the expert sample, we only find some variation according to the responsibility for grocery shopping within a household between the *Forecast Risk* and the control group, inflation perceptions between the *Energy Risk* treatment and the control group, the level of trust in the Bundesbank between the *Forecast* and the control group and prior long-run inflation expectations between the *Energy Risk* and the control group, respectively.

4 Results

This section presents regression results for the analysis of our four predictions P1-P4 derived in Section 2. To control for outliers in expected inflation, we truncate both short- and long-run expectations in the range $-5 \leq \pi^e \leq 25$. Moreover, we endogenously control for outliers in both prior and posterior expectations by estimating Huber (1964) weights. In order to analyze a consistent sample throughout, we apply the same Huber weights in all regressions and additionally condition on observations where all socio-demographic information is available. All regressions are estimated with OLS and robust standard errors.

4.1 Correlation of Prior Inflation Expectations and Risk Preferences

How do prior inflation expectations correlate with risk preferences across households and experts? Figure A1 in the online appendix depicts the degree of risk aversion across quantile means of prior short-run inflation expectations as well as mean inflation expectations across ordinal measures of risk aversion. The correlation is positive for both households

and experts, implying that individuals systematically expect higher inflation *a priori* if they classify themselves as relatively risk-averse, in line with our prediction P1. We further note from Figure A1 that the correlation seems more pronounced for experts. In the household sample, the correlation would be stronger when excluding the lowest and highest of the seven quantiles in the distribution of short-run inflation expectations or when including the two lowest risk categories.

In order to test our first prediction P1 statistically, we estimate the following regression:

$$\pi^{e,h}_{j,prior} = \alpha + \beta risk_j + \zeta X_j + \epsilon_j, \tag{1}$$

where $\pi^{e,h}_{j,prior}$ denotes prior inflation expectations at horizon $h \in [12m, 5y]$ of individual j, $risk_j$ is a continuous measure of self-assessed financial risk aversion and X_j is a large vector of socio-demographic control variables.

The results for both households' and experts' prior expectations of inflation 12 months ahead are shown in Tables 1-2. Both households' and experts' prior inflation expectations correlate positively with the degree of risk aversion, in line with our prediction P1.

The correlation remains strongly significant in the expert sample even when controlling for perceived inflation, literacy, trust, optimism and a large set of further socio-demographic controls. In the household sample, the correlation also remains robust in all specifications, except for the one controlling for monetary policy literacy and the one including all controls. This reiterates the benefits of analysing a more homogeneous expert sample next to the representative household sample, where confounding variation in literacy is less pronounced and the correlations can thus be measured with more statistical power. The results are qualitatively similar for long-run expectations (see Tables A12-A13 in the online appendix). Overall, we find evidence in favor of P1 for both households and experts. This is our first main result.[4]

[4]In a US household survey and using a different measure for risk preferences, Vinogradov et al. (2024) show that the correlation between risk preferences and inflation expectations becomes insignificant once an individual bias is controlled for by taking the difference between expected and perceived inflation. Under the assumption that both perceptions and expectations are derived from similar distributions, the difference should eliminate any individual bias in expectations. Tables A5-A6 repeat the analysis in Tables 1-2 with the difference $\pi^{e,12m}_{prior} - \pi^{p}_{prior}$ as dependent variable. The correlation with risk preferences remains robust, suggesting that the bias driving it is specific to inflation expectations in our samples.

Table 1: Prior Inflation Expectations and Risk Aversion: Households' Short-Run Expectations

	Households											
	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$
Risk Aversion	0.109***	0.107***	0.045	0.072**	0.071**	0.055*	0.090***	0.083***	0.074**	0.079**	0.056*	0.005
	(0.031)	(0.026)	(0.033)	(0.032)	(0.034)	(0.031)	(0.032)	(0.032)	(0.031)	(0.032)	(0.033)	(0.027)
π^{p}_{prior}		0.672***										0.660***
		(0.029)										(0.028)
Monetary Policy Literacy			-0.615***									-0.322***
			(0.060)									(0.056)
Financial Literacy				-0.444***								-0.238***
				(0.068)								(0.058)
Self-assessed Financial Knowledge					0.325***							-0.134
					(0.108)							(0.093)
Trust in the Bundesbank						-0.241***						-0.074***
						(0.028)						(0.028)
General Trust							-0.145***					-0.032
							(0.031)					(0.030)
General Optimism								-0.099***				-0.016
								(0.016)				(0.017)
Optimism Outlook Germany									-0.986***			-0.571***
									(0.097)			(0.104)
Optimism Personal Outlook										-0.688***		0.007
										(0.109)		(0.122)
Constant	7.285***	1.293***	8.291***	8.374***	6.676***	8.893***	8.124***	8.860***	9.693***	9.261***	7.138***	4.887***
	(0.216)	(0.299)	(0.260)	(0.286)	(0.288)	(0.282)	(0.294)	(0.358)	(0.319)	(0.390)	(0.573)	(0.667)
Demographic Controls											✓	✓
Observations	2554	2554	2554	2554	2554	2554	2554	2554	2554	2554	2554	2554
Adj. R^2	0.005	0.311	0.036	0.024	0.008	0.033	0.014	0.018	0.044	0.022	0.036	0.386

Note: Prior inflation expectations and inflation perceptions are truncated in the range $-5 \leq \pi^e \leq 25$. Demographic controls include age, gender, net income, level of education, household size, years of work experience, German federal state, and responsibility for various household tasks. We estimate OLS regressions with Huber (1964) weights from Table 3 and robust standard errors shown in parentheses. * p<.10, ** p<.05, *** p<.01

Table 2: Prior Inflation Expectations and Risk Aversion: Experts' Short-Run Expectations

	Experts										
	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$
Risk Aversion	0.209***	0.223***	0.148***	0.178***	0.194***	0.194***	0.200***	0.194***	0.180***	0.145**	0.143***
	(0.052)	(0.045)	(0.048)	(0.058)	(0.048)	(0.051)	(0.054)	(0.049)	(0.047)	(0.056)	(0.050)
π^{p}_{prior}		0.552***									0.494***
		(0.089)									(0.076)
Monetary Policy Literacy			-0.558***								-0.359***
			(0.113)								(0.100)
Self-assessed Financial Knowledge				0.245*							-0.048
				(0.138)							(0.129)
Trust in the Bundesbank					-0.273***						-0.195***
					(0.064)						(0.058)
General Trust						-0.122**					0.043
						(0.051)					(0.051)
General Optimism							-0.056*				0.010
							(0.029)				(0.033)
Optimism Outlook Germany								-0.683***			-0.134
								(0.149)			(0.132)
Optimism Personal Outlook									-1.015***		-0.544**
									(0.220)		(0.221)
Constant	5.796***	0.954	7.313***	5.469***	7.818***	6.602***	6.771***	7.403***	8.756***	8.019***	8.235***
	(0.235)	(0.827)	(0.363)	(0.261)	(0.463)	(0.392)	(0.633)	(0.368)	(0.630)	(2.096)	(2.515)
Demographic Controls										✓	✓
Observations	586	586	586	586	586	586	586	586	586	586	586
Adj. R^2	0.040	0.228	0.095	0.044	0.100	0.049	0.047	0.076	0.100	0.062	0.322

Note: Prior inflation expectations and inflation perceptions are truncated in the range $-5 \leq \pi^e \leq 25$. Demographic controls include age, gender, net income, level of education, household size, years of work experience, German federal state, and responsibility for various household tasks. We estimate OLS regressions with Huber (1964) weights from Table 3 and robust standard errors shown in parentheses. * p<.10, ** p<.05, *** p<.01

4.2 Updates of Inflation Expectations towards Information Treatments: The Role of Physical Information Avoidance

To understand whether biases in inflation expectations arise due to physical information avoidance, we analyze updates of individuals' posterior inflation expectations towards the information treatments, relative to their prior expectations. Following, e.g., Coibion et al. (2018, 2022, 2023) and Dräger et al. (2024), this type of estimation can be linked to a Bayesian learning model of expectation formation:[5]

$$\pi^{e,h}_{j,post} = \alpha + \gamma_0 \pi^{e,h}_{j,prior} + \sum_{i=1}^{3} \eta_i treatment_{j,i} + \sum_{i=1}^{3} \gamma_i treatment_{j,i} \times \pi^{e,h}_{j,prior} + \zeta X_j + \epsilon_j, \tag{2}$$

where $\pi^{e,h}_{j,post}$ denotes individual posterior inflation expectations at horizon $h \in [12m, 5y]$ and $\pi^{e,h}_{j,prior}$ are the prior inflation expectations at the same horizon. Each treatment i is included as a dummy variable $treatment_{j,i}$ with the control group as reference category, and X_j is the whole set of controls from Tables 1-2. The coefficients γ_i in (2) measure the strength of adjustment towards the information conditional on prior expectations. Under Bayesian learning, we expect γ_i to be negative, where more negative coefficients correspond to stronger updating of expectations due information, since respondents in the information treatments assign less weight to prior beliefs ($\gamma_0+\gamma_1, \gamma_0+\gamma_2, \gamma_0+\gamma_3$) compared to the control group (γ_0). In the context of our theoretical framework, significantly negative γ_i coefficients suggest that treatments are indeed perceived as informative, and can thus possibly reduce biases in inflation expectations arising due to physical information avoidance.

The results from the estimation of equation (2) for short-run inflation expectations are presented in Table 3. Across both households and experts, the reliance on prior expectations γ_0 is high at around 0.8-0.9, but still estimated to be below one. This is a typical finding in the literature (Coibion et al., 2018, 2022, 2023), which may result from the fact that different questions are used to measure prior and posterior expectations. We further find that both households and experts update towards the information about forecasts for overall inflation shown in the *Forecast* and *Forecast Risk* treatments. Relative to prior expectations, households update significantly more strongly to the information, suggesting that physical information avoidance is more pronounced in this sample, but can be over-

[5] Coibion et al. (2018) discuss how the regression in (2) can be translated into expectation formation under Bayesian learning. If expectations are formed according to Bayesian learning, they are a weighted average of prior expectations and the signal: $belief^{post} = G \times information + (1-G) \times belief^{prior}$, where the weight on the information signal G is equal to the gain of the Kalman filter. In our estimation in (2), the coefficients on the interaction between treatment and prior correspond to the negative Kalman gain. Under Bayesian learning, coefficients γ_i should thus be negative. More negative γ_i coefficients mean that the signal is more informative since respondents put less weight on their prior. A positive γ_i coefficient would not be in line with Bayesian learning.

come to some extent by this type of information. The energy price forecasts in the *Energy Risk* treatment, however, lead neither households, nor experts to reduce their weights on prior expectations. In fact, estimates for γ_3 for experts suggest a *higher* weight on priors relative to the control group, which would not be consistent with Bayesian updating. As expected, adding individual controls to models with randomly allocated treatments does not change the results when controlling for variation in prior expectations and the results remain qualitatively similar when evaluating long-run inflation expectations (see Table A14 in the online appendix).

Table 3: Treatment Effects on Posterior Inflation Expectations: Bayesian Updating Model

	Households		Experts	
	$\pi^{e,12m}_{post}$	$\pi^{e,12m}_{post}$	$\pi^{e,12m}_{post}$	$\pi^{e,12m}_{post}$
$\pi^{e,12m}_{prior}$	0.780***	0.773***	0.915***	0.881***
	[0.736,0.825]	[0.728,0.817]	[0.840,0.991]	[0.806,0.956]
Forecast	3.346***	3.288***	1.385***	1.441***
	[2.817,3.876]	[2.769,3.808]	[0.458,2.312]	[0.511,2.371]
Forecast Risk	3.112***	3.038***	2.028***	2.026***
	[2.579,3.644]	[2.505,3.570]	[1.164,2.892]	[1.186,2.867]
Energy Risk	0.488*	0.427	-0.444	-0.395
	[-0.033,1.009]	[-0.095,0.949]	[-1.355,0.467]	[-1.315,0.526]
Forecast x $\pi^{e,12m}_{prior}$	-0.543***	-0.538***	-0.237***	-0.239***
	[-0.609,-0.476]	[-0.603,-0.473]	[-0.373,-0.102]	[-0.375,-0.104]
Forecast Risk x $\pi^{e,12m}_{prior}$	-0.494***	-0.485***	-0.296***	-0.291***
	[-0.561,-0.426]	[-0.553,-0.418]	[-0.416,-0.177]	[-0.406,-0.176]
Energy Risk x $\pi^{e,12m}_{prior}$	0.001	0.006	0.136**	0.135**
	[-0.064,0.066]	[-0.059,0.070]	[0.003,0.268]	[0.001,0.269]
Constant	1.743***	2.503***	0.980***	1.429
	[1.388,2.098]	[1.727,3.279]	[0.437,1.524]	[-1.598,4.456]
Controls		✓		✓
Observations	2554	2554	586	586
Adj. R^2	0.537	0.542	0.697	0.698

Note: Prior and posterior inflation expectations are truncated in the range $-5 \leq \pi^e \leq 25$. Controls include age, gender, net income, level of education, household size, years of work experience, German federal state, responsibility for various household tasks, level of financial and monetary policy literacy, self-assessment measure of financial knowledge, general level of trust and level of trust in the Bundesbank, and various measures of optimism. We estimate OLS regressions with Huber (1964) weights and with robust standard errors. 95% confidence intervals are shown in parentheses. * p<.10, ** p<.05, *** p<.01

To check whether the adjustment to the information treatments reduces the correlation between expected inflation and risk preferences, Table 4 compares the correlation between the degree of risk aversion and prior as well as posterior short-run inflation expectations across all treatment groups. In order to compare consistent samples, we exclude

the control group, which receives no information, also for the initial correlations with prior expectations. The results in Table 4 show that the correlation between expected inflation and risk preferences becomes insignificant after the information treatments, suggesting that the treatments reduce biases in inflation expectations arising due to physical information avoidance, in line with prediction P2.[6]

Table 4: Risk Aversion and Short-Run Prior and Posterior Inflation Expectations

	Households			
	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{post}$	$\pi^{e,12m}_{post}$
Risk Aversion	0.113***	0.005	0.020	-0.023
	[0.043,0.183]	[-0.055,0.066]	[-0.028,0.068]	[-0.076,0.031]
Constant	7.280***	4.577***	7.389***	9.647***
	[6.802,7.757]	[3.019,6.135]	[7.064,7.715]	[8.416,10.877]
Controls		✓		✓
Observations	1933	1933	1933	1933
Adj. R^2	0.005	0.400	-0.000	0.046
	Experts			
	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{post}$	$\pi^{e,12m}_{post}$
Risk Aversion	0.180***	0.121**	0.078	0.001
	[0.083,0.276]	[0.012,0.230]	[-0.016,0.173]	[-0.106,0.109]
Constant	5.909***	4.643***	6.869***	11.963***
	[5.431,6.388]	[1.460,7.825]	[6.383,7.355]	[9.521,14.406]
Controls		✓		✓
Observations	433	433	433	433
Adj. R^2	0.032	0.282	0.004	0.128

Note: Prior and posterior inflation expectations are truncated in the range $-5 \leq \pi^e \leq 25$. Controls include age, gender, net income, level of education, household size, years of work experience, German federal state, responsibility for various household tasks, level of financial and monetary policy literacy, self-assessment measure of financial knowledge, general level of trust and level of trust in the Bundesbank, and various measures of optimism. We estimate OLS regressions with Huber (1964) weights from Table 3 and with robust standard errors. 95% confidence intervals are shown in parentheses. Estimations exclude the control group. * p<.10, ** p<.05, *** p<.01

Moreover, if physical information avoidance is the source for the bias in inflation expectations related to risk preferences, we would expect differences in inflation expectations to be related to forecast uncertainty. We thus test for an interaction between prior risk

[6] As shown in Tables A7-A8 in the online appendix, the correlation between posterior expectations and risk aversion remains insignificant when controls are added individually.

aversion and prior forecast uncertainty on both prior and posterior inflation expectations by estimating the following regression:

$$\begin{aligned}\pi^{e,h}_{j,prior/post} = \alpha + \gamma_0 risk_j + \gamma_1 \sigma^{\pi^e,12m}_{prior/post} + \gamma_2 risk_j \times \sigma^{\pi^e,12m}_{prior/post} \\ + \zeta X_j + \epsilon_j,\end{aligned} \tag{3}$$

where $\sigma^{\pi^e,12m}_{prior}$ is an indicator variable for those who are defined as having high prior forecast uncertainty as in Binder (2017) and $\sigma^{\pi^e,12m}_{post}$ is a continuous measure of posterior forecast uncertainty from the probability forecast. As in Table 4, we estimate average correlations across all treatment groups, excluding the control group. Results are provided in Table 5. Focusing on prior inflation expectations, we find that both for households and for experts the interaction between prior forecast uncertainty and risk aversion is highly relevant and significant. This reiterates our previous results suggesting that physical information avoidance can explain the bias in expectations due to risk aversion.

When analyzing posterior inflation expectations, neither the correlation with risk aversion, nor the interaction between risk aversion and uncertainty are significant. In line with the findings provided above, this suggests that our treatment interventions indeed mitigate systematic differences in inflation expectations due to physical information avoidance.[7]

The results remain qualitatively similar when evaluating long-run inflation expectations 5 years ahead. For households, the correlation between posterior long-run expectations and risk aversion becomes insignificant, however it turns negative and marginally significant when we control for the full list of socio-demographic variables (Tables A15 and A17 in the online appendix). This could imply some overshooting of posterior expectations, but since the result is not robust, we do not emphasize this. In the case of experts, long-run inflation expectations remain significantly and positively correlated with the degree of risk aversion in all models except the one with the full list of socio-demographic controls (Tables A16 and A17 in the online appendix). This implies that experts adjusted their long-run expectations less to the information treatment, which is plausible as the forecasts shown in the treatments only covered the next three years. The interaction between risk and forecast uncertainty seems less pronounced in the case of long-run expectations (Table A18).

[7]As an additional test of how treatments affect inflation expectations, we also check whether the information treatments affect posterior forecast uncertainty once we control for prior uncertainty. The results in Table A9 show that, controlling for prior uncertainty, both the *Forecast* (households and experts) as well as the *Forecast Risk* (only households) treatments reduce posterior forecast uncertainty. Again, this finding is in line with our interpretation that forecasts provided in the *Forecast* and *Forecast Risk* treatments systematically reduce differences arising due to physical information avoidance.

Table 5: Risk Aversion, Uncertainty and Inflation Expectations

	(1)	(2)	(3)	(4)
	Households			
	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{post}$	$\pi^{e,12m}_{post}$
Risk Aversion	0.013	-0.089**	0.066	0.040
	(0.035)	(0.041)	(0.068)	(0.068)
$\sigma^{\pi^e,12m}$	0.207	0.074	1.173**	1.251**
	(0.664)	(0.621)	(0.597)	(0.590)
Risk Aversion x $\sigma^{\pi^e,12m}$	0.271***	0.254***	-0.052	-0.065
	(0.093)	(0.087)	(0.074)	(0.073)
Constant	7.360***	10.904***	6.296***	8.057***
	(0.237)	(0.889)	(0.546)	(0.859)
Controls		✓		✓
Observations	1933	1933	1933	1933
Adj. R^2	0.071	0.150	0.076	0.116
	Experts			
	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{post}$	$\pi^{e,12m}_{post}$
Risk Aversion	0.096**	0.016	0.147	0.067
	(0.046)	(0.057)	(0.110)	(0.116)
$\sigma^{\pi^e,12m}$	-1.666**	-1.546**	2.063***	1.789**
	(0.716)	(0.710)	(0.702)	(0.761)
Risk Aversion x $\sigma^{\pi^e,12m}$	0.306**	0.283**	-0.087	-0.079
	(0.134)	(0.133)	(0.123)	(0.126)
Constant	6.350***	9.951***	5.020***	9.085***
	(0.221)	(1.434)	(0.616)	(1.382)
Controls		✓		✓
Observations	433	433	433	433
Adj. R^2	0.048	0.150	0.188	0.255

Note: Prior and posterior inflation expectations are truncated in the range $-5 \leq \pi^e \leq 25$. In columns 1 and 2, risk aversion interacts with prior uncertainty, and in columns 3 and 4, risk aversion interacts with posterior uncertainty. Prior uncertainty is a dummy variable, defined as 1 if the respondent is uncertain about prior inflation expectations. We calculate prior uncertainty based on the rounding approach by Binder (2017). Controls include age, gender, net income, level of education, household size, years of work experience, German federal state, responsibility for various household tasks, level of financial and monetary policy literacy, self-assessment measure of financial knowledge, general level of trust and level of trust in the Bundesbank, and various measures of optimism. We estimate OLS regressions with Huber (1964) weights from Table 3 and robust standard errors shown in parentheses. Estimations exclude the control group. * p<.10, ** p<.05, *** p<.01

Overall, we find evidence in favor of P2 as both experts and households update towards information on inflation forecasts and the correlation between posterior inflation expectations and risk aversion becomes largely insignificant across the treatment groups when individuals face information that they cannot avoid. In line with biases due to physical information avoidance, we find that biases in inflation expectations are indeed related to uncertainty in expectations, at least for short-run expectations. As expected, updates towards provided information are more pronounced in the household sample. This is our second main result.

4.3 Heterogeneity in Treatment Effects with respect to Risk Aversion: The Role of Biased Information Processing

This section presents results testing for the role of biased information processing for the link between individuals' inflation expectations and their degree of risk aversion. The previous section shows that information about inflation forecasts overall reduces biases in inflation expectations because of Bayesian updating arising once individuals cannot physically avoid information. In this section, we test whether risk aversion has an impact on the degree to which individuals update beliefs for a given prior.

We test this by estimating the following regression:

$$\begin{aligned}\pi^{e,h}_{j,post} = \alpha + \gamma_0 \pi^{e,h}_{j,prior} + \sum_{i=1}^{3} \eta_i treatment_{j,i} + \beta_0 risk_j \\ + \beta_1 risk_j \times \pi^{e,h}_{j,prior} + \sum_{i=1}^{3} \gamma_i treatment_{j,i} \times \pi^{e,h}_{j,prior} + \sum_{i=2}^{4} \beta_i treatment_{j,i} \times risk_j \\ + \sum_{i=1}^{3} \psi_i treatment_{j,i} \times \pi^{e,h}_{j,prior} \times risk_j + \zeta X_j + \epsilon_j,\end{aligned} \tag{4}$$

where the coefficients ψ_i measure whether the change in the weight on prior expectations in the treatment groups differs with respect to individuals' risk aversion. The results in Table 6 suggest that this is not the case. The only significant coefficient is found for households in the *Forecast* treatment, who contrary to our predictions put a higher weight on the information signal if they are more risk-averse. However, this effect becomes insignificant once we control for other socio-demographic characteristics. We also find no significant differences in the weight put on information depending on how information is provided, i.e., comparing the information treatments to each other. The results in Table A19 confirm this result also for long-run inflation expectations.

Table 6: Treatment Heterogeneity Regarding Risk Aversion: Short-Run Expectations

	Households		Experts	
	$\pi^{e,12m}_{post}$	$\pi^{e,12m}_{post}$	$\pi^{e,12m}_{post}$	$\pi^{e,12m}_{post}$
$\pi^{e,12m}_{prior}$	0.739***	0.747***	0.907***	0.844***
	[0.617,0.861]	[0.625,0.869]	[0.687,1.128]	[0.619,1.070]
Forecast	1.633**	1.783**	0.078	-0.200
	[0.176,3.089]	[0.335,3.230]	[-2.597,2.753]	[-2.917,2.518]
Forecast Risk	2.423***	2.304***	3.025***	3.135***
	[0.940,3.906]	[0.836,3.771]	[0.815,5.235]	[0.992,5.278]
Energy Risk	-0.446	-0.541	-0.297	-0.421
	[-1.919,1.027]	[-2.029,0.948]	[-2.537,1.944]	[-2.764,1.922]
Forecast x $\pi^{e,12m}_{prior}$	-0.392***	-0.416***	-0.040	0.004
	[-0.572,-0.211]	[-0.595,-0.236]	[-0.456,0.376]	[-0.418,0.426]
Forecast Risk x $\pi^{e,12m}_{prior}$	-0.477***	-0.464***	-0.396**	-0.398**
	[-0.663,-0.291]	[-0.648,-0.281]	[-0.722,-0.070]	[-0.711,-0.085]
Energy Risk x $\pi^{e,12m}_{prior}$	0.041	0.043	0.141	0.165
	[-0.144,0.226]	[-0.143,0.230]	[-0.184,0.467]	[-0.179,0.509]
Risk Aversion	-0.174**	-0.159**	-0.007	-0.052
	[-0.319,-0.029]	[-0.306,-0.013]	[-0.192,0.178]	[-0.248,0.144]
Risk Aversion x $\pi^{e,12m}_{prior}$	0.007	0.004	0.001	0.005
	[-0.010,0.024]	[-0.013,0.022]	[-0.023,0.026]	[-0.020,0.030]
Forecast x Risk Aversion	0.262**	0.232**	0.231	0.290
	[0.054,0.471]	[0.026,0.438]	[-0.184,0.646]	[-0.133,0.712]
Forecast Risk x Risk Aversion	0.109	0.117	-0.224	-0.255
	[-0.106,0.324]	[-0.095,0.330]	[-0.580,0.132]	[-0.590,0.079]
Energy Risk x Risk Aversion	0.146	0.153	-0.040	-0.014
	[-0.067,0.359]	[-0.061,0.368]	[-0.398,0.319]	[-0.382,0.354]
Forecast x $\pi^{e,12m}_{prior}$ x Risk Aversion	-0.023*	-0.019	-0.034	-0.042
	[-0.048,0.002]	[-0.044,0.006]	[-0.096,0.028]	[-0.105,0.021]
Forecast Risk x $\pi^{e,12m}_{prior}$ x Risk Aversion	-0.003	-0.004	0.022	0.025
	[-0.030,0.023]	[-0.030,0.022]	[-0.028,0.072]	[-0.021,0.071]
Energy Risk x $\pi^{e,12m}_{prior}$ x Risk Aversion	-0.007	-0.006	-0.000	-0.004
	[-0.033,0.019]	[-0.033,0.020]	[-0.050,0.050]	[-0.055,0.048]
Constant	2.844***	3.476***	1.031	1.808
	[1.829,3.860]	[2.265,4.688]	[-0.472,2.533]	[-1.657,5.273]
Controls		✓		✓
Observations	2554	2554	586	586
Adj. R^2	0.539	0.544	0.696	0.699

Note: Prior and posterior inflation expectations are truncated in the range $-5 \leq \pi^e \leq 25$. Controls include age, gender, net income, level of education, household size, years of work experience, German federal state, responsibility for various household tasks, level of financial and monetary policy literacy, self-assessment measure of financial knowledge, general level of trust and level of trust in the Bundesbank, and various measures of optimism. We estimate OLS regressions with Huber (1964) weights from Table 3, robust standard errors and 95% confidence intervals are in parentheses. * p<.10, ** p<.05, *** p<.01

Overall, we thus find only partial evidence in line with P3, since the strength of updating towards the treatment effects does not differ with individuals' risk aversion.[8] However, results in Table 3 show that inflation forecasts–which provide little room for interpretation– have a stronger effect on inflation expectations as compared to energy price forecasts, in line with our prediction P3. This is our third main result.

4.4 Do Inflation Expectations Affect Risk Preferences?

In the previous sections, we show that information treatments about predicted inflation affect posterior inflation expectations. If causality ran from inflation to risk preferences, we would expect to see significant treatment effects on risk preferences. We thus test for potential reverse causality with the following regression:

$$risk_j = \alpha + \sum_{i=1}^{3} \beta_i treatment_{j,i} + \zeta X_j + \epsilon_j, \tag{5}$$

where $treatment_{j,i}$ denotes indicator variables for our three information treatments with the control group as reference category, and X_j is the whole set of socio-demographic controls from Tables 1-2. Table 7 shows the results of estimating equation (5) for households and experts. In all models with and without socio-demographic controls, we find no significant treatment effects from information about inflation and energy price forecasts on financial risk preferences. To proxy for individual perceptions of inflation shocks, we further evaluate the correlation between current perceived inflation, measured before the information treatments, and risk preferences. The results in Table A11 in the online appendix show that risk preferences are not significantly correlated with perceptions of current inflation.

Overall, these results suggest that, in contrast to prediction P4, causality in this study does not run from inflation expectations to risk preferences. This is our fourth main result.

[8]Note that we cannot fully rule out the relevance of countervailing effects. On the one hand, due to initial information avoidance and corresponding lower confidence in prior beliefs, the information provided in the treatments is likely to lead to greater updating of risk-averse individuals. On the other hand, biased information processing may mitigate this effect. However, we can show that results are robust also when controlling for uncertainty in predictions, see Table A10 in the online appendix.

Table 7: Treatment Effects from Inflation Forecasts on Financial Risk Aversion

	Households		Experts	
	Risk Aversion	Risk Aversion	Risk Aversion	Risk Aversion
Forecast	-0.134	-0.120	0.377	0.178
	(0.141)	(0.123)	(0.260)	(0.233)
Forecast Risk	-0.089	-0.071	0.098	0.026
	(0.138)	(0.125)	(0.281)	(0.253)
Energy Risk	-0.093	0.001	-0.290	-0.343
	(0.140)	(0.123)	(0.257)	(0.231)
Constant	6.630***	5.489***	4.804***	3.865***
	(0.099)	(0.422)	(0.188)	(1.072)
Controls		✓		✓
Observations	2554	2554	586	586
Adj. R^2	-0.001	0.216	0.006	0.255

Note: Controls include age, gender, net income, level of education, household size, years of work experience, German federal state, responsibility for various household tasks, level of financial and monetary policy literacy, self-assessment measure of financial knowledge, general level of trust and level of trust in the Bundesbank, and various measures of optimism. We estimate OLS regressions with Huber (1964) weights from Table 3 and robust standard errors shown in parentheses. * p<.10, ** p<.05, *** p<.01

5 Robustness Checks

5.1 General risk aversion

To test whether our results are specific to respondents' willingness to take financial risk, which is associated with a higher return, we test for robustness with a similar question on general willingness to take risk. Tables A20-A25 replicate our main tables with this alternative measure of risk aversion. We find that the correlation between prior short-run inflation expectations with general risk aversion is less robust in the household sample, but remains robust in the more homogeneous expert sample (Tables A20-A21). Comparing the correlation between general risk aversion and prior as well posterior expectations across all treatment groups, our previous result remains robust that the correlation becomes insignificant for posterior expectations, with the exception of the model for households' expectations controlling for socio-demographic characteristics, where the sign of the correlation is reversed (Table A22). The correlation between prior expectations and general risk preferences by experts seems to be related also to prior forecast uncertainty (Table A23). As before, we find no heterogeneous updating of expectations across risk preferences (Table A24). We further do not find any significant treatment effects from information about inflation forecasts on general risk preferences, with the notable exception, however, of a negative effect on general risk aversion of households in the *Forecast* treatment (Table A25). Taken together, this suggests that financial risk aversion captures

the aspect we refer to in our theoretical framework more directly, even though the two measures are highly correlated.[9]

5.2 Truncation and Huber weights

Our last robustness check concerns the use of Huber (1964) weights and the truncation of posterior inflation forecasts. Tables A26-A27 in the online appendix repeat the estimations in Tables 1-2 without Huber (1964) weights, while Tables A28-A31 repeat the analysis in Tables 3-6 without Huber (1964) weights and without truncation of posterior expectations.

Most results remain qualitatively the same. Without Huber (1964) weigths, the correlation between risk aversion and prior inflation expectations becomes insignificant when controlling for trust in the Bundesbank. One difference emerges in Table A29, where a marginally significant positive correlation emerges between experts' posterior inflation expectations and the degree of risk aversion. However, this becomes insignificant when controlling for other socio-demographic factors. Another difference in Table A31 is that the treatment effects as well as double and triple interaction effects in the household sample become insignificant. This implies that heterogeneity in posterior expectations is larger for households, making it harder to statistically identify the treatment effects without truncation or Huber (1964) weights. Nevertheless, we conclude that our main results are largely independent of either the truncation of posteriors or the use of Huber (1964) weights.

6 Conclusion

This study evaluates the role of risk preferences for the formation of inflation expectations. We predict that risk-averse individuals have an incentive to systematically overestimate inflation. Further, we predict that they can form such biased beliefs either through physically avoiding information or through biases in the processing of information. In line with our predictions, we find that prior inflation expectations by both households and experts correlate positively with the degree of risk aversion. This relationship is more robust in the more homogeneous expert sample. We further find that higher inflation expectations of risk-averse individuals seem related to individual forecast uncertainty. This result is in line with an interpretation where risk-averse individuals systematically avoid information and therefore form biased expectations.

To provide a better understanding as to how biased expectations are formed, we confront participants with related information that they cannot avoid. We conduct a survey RCT in which we randomly assign respondents to different information related to inflation. We find that information that does not leave room for interpretation is

[9] Spearman's correlation coeffiecient between general and financial risk aversion is $\rho = 0.760, p < 0.001$ for households and $\rho = 0.754, p < 0.001$ for experts.

more suitable to closing the gap in inflation expectations of risk-averse and risk-seeking individuals as compared to information that does leave some room for interpretation. Beyond this difference, we do not find evidence for systematic biases in the processing of information related to risk preferences.

Overall, our results suggest that biased beliefs in relation to risk preferences are mainly formed due to physical avoidance of information, rather than biased information processing. This implies that the best way of reducing biases in inflation expectations related to risk aversion is to confront individuals with information that they cannot avoid. Information with less room for interpretation, such as forecasts of overall inflation, work best in this context. Our results thus provide further motivation for central bank communication about their inflation forecasts and encourages central banks to think about innovative communication channels where this information is hard to avoid.

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A Online Appendix

A.1 Summary Statistics

Table A1: Description of Socio-Demographic Control Variables

Variable	Description
Age	Age is subdivided in four dummies for young (Age<30), middle young (29<Age<40), middle old (39<Age<60) and old (Age>59) ages. The reference category is young age.
Female	Dummy for women. The reference category are men/diverse respondents.
Net Income	Net income is subdivided in three dummies for low (Income<1000€), medium (999€ <Income< 4000€) and high (Income>3999€) net income of a household. The reference category is low net income.
Education	Education is subdivided in four dummies: in school, completed an apprenticeship, university degree or no high school education. The reference category is in school and no high school education.
Household Size	The number of people, including the respondent, living in a household.
Years of Work Experience	The years of professional experience.
German Federal State	Indicator variable for all 16 German federal states
Responsibility for various Household Tasks	Dummy variables indicating who in the household is primarily responsible for specific tasks, including everyday shopping, larger purchases, and saving decisions.
π^p_{prior}	Perceived inflation rate over the past 12 months.
Monetary Policy Literacy	Amount of monetary policy questions answered correctly.
Financial Literacy	Amount of financial questions answered correctly.
Self-assessed Financial Knowledge	Self-assessed level of knowledge about finance on a scale of 1 to 4.
Trust Variables	Two variables measuring the general level of trust in people and trust in the Bundesbank on a scale of 0 to 10.
Optimism	Life-Orientation-Test by Scheier et al. (1994) designed to assess the level of optimism on a scale of 0 to 24.
Optimism Outlook Variables	Two variables measuring optimism about the current situation in Germany and respondents' current life situation over the next 12 months on a scale of 0 to 5.

Table A2: Summary Statistics of Main Variables

	Households		Experts		T-Test
	Mean	SD	Mean	SD	P-Value
	N = 2554		N = 586		
Women	0.457	0.498	0.442	0.497	0.511
Age	48.877	15.035	47.75	11.596	0.089*
Income<1000€	0.072	0.259	0.003	0.053	0.000***
999€ <Income< 4000€	0.631	0.483	0.322	0.468	0.000***
Income>3999€	0.297	0.457	0.675	0.469	0.000***
No Education	0.03	0.172	0.006	0.074	0.001***
Student	0.053	0.223	0.023	0.151	0.002***
Apprenticeship	0.586	0.493	0.481	0.5	0.000***
University Degree	0.331	0.471	0.49	0.5	0.000***
Household Size	2.095	1.101	2.464	1.161	0.000***
Years of Work Experience	24.919	14.981	25.96	12.125	0.117
Responsible for Grocery Shopping	0.594	0.491	0.474	0.5	0.000***
Responsible for Durable Purchases	0.464	0.499	0.344	0.476	0.000***
Responsible for Saving Decisions	0.595	0.491	0.614	0.487	0.398
π^{p}_{prior}	8.941	2.994	8.646	1.815	.022**
Monetary Policy Literacy	0.953	1.085	2.188	1.009	0.000***
Financial Literacy	1.898	1.158	-	-	-
Self-assessed Financial Knowledge	2.641	0.754	1.941	0.732	0.000***
Trust in the Bundesbank	5.207	2.606	7.146	2.094	0.000***
General Trust	4.917	2.446	6.019	1.908	0.000***
General Optimism	14.181	4.284	16.554	3.742	0.000***
Optimism Outlook Germany	2.207	0.734	2.246	0.651	0.237
Optimism Personal Outlook	2.58	0.714	2.777	0.562	0.000***
Risk Aversion	6.55	2.433	4.859	2.262	0.000***
General Risk Aversion	6.15	2.46	4.98	2.11	0.000***
$\pi^{e,12m}_{prior}$	8.00	3.64	6.81	2.30	0.000***
$\pi^{e,5y}_{prior}$	6.34	4.19	4.31	2.31	0.000***
$\sigma^{\pi^e,12m}_{prior}$	0.28	0.45	0.24	0.55	0.050*
$\sigma^{\pi^e,5y}_{prior}$	0.33	0.47	0.21	0.41	0.000***

Note: Summary statistics for control variables in the full sample. We use Huber (1964) weights from the regressions in Table 3. T-tests compare the means of each variable between the household and the expert sample. * p<.10, ** p<.05, *** p<.01

Table A3: Summary Statistics of Across Treatment Groups: Household Sample

	Households				Balance T-Tests		
	Forecast n=653 Mean / SD	Forecast Risk n=651 Mean / SD	Energy Risk n=629 Mean / SD	Control n=621 Mean / SD	Forecast P-Value	Forecast Risk P-Value	Energy Risk P-Value
Women	0.438	0.497	0.463	0.499	0.283	0.858	0.697
	(0.50)	(0.50)	(0.50)	(0.50)			
Age	49.313	48.859	48.72	48.6	0.401	0.758	0.887
	(15.247)	(14.976)	(14.89)	(15.045)			
Income<1000€	0.08	0.077	0.061	0.072	0.590	0.734	0.434
	(0.271)	(0.267)	(0.239)	(0.258)			
999€<Income<4000€	0.645	0.625	0.617	0.636	0.738	0.685	0.487
	(0.479)	(0.485)	(0.486)	(0.481)			
Income>3999€	0.276	0.298	0.322	0.292	0.527	0.815	0.251
	(0.447)	(0.458)	(0.468)	(0.455)			
No Education	0.029	0.029	0.038	0.026	0.744	0.745	0.228
	(0.168)	(0.169)	(0.191)	(0.159)			
Student	0.064	0.053	0.045	0.047	0.187	0.625	0.866
	(0.245)	(0.225)	(0.208)	(0.212)			
Apprenticeship	0.607	0.578	0.569	0.588	0.490	0.718	0.497
	(0.489)	(0.494)	(0.496)	(0.493)			
University Degree	0.3	0.339	0.348	0.339	0.136	1.000	0.738
	(0.459)	(0.474)	(0.477)	(0.474)			
Household Size	2.102	2.093	2.059	2.125	0.716	0.608	0.295
	(1.107)	(1.073)	(1.072)	(1.153)			
Years of Work Experience	25.377	24.591	24.628	25.079	0.723	0.560	0.597
	(15.004)	(14.795)	(15.138)	(15.018)			
Responsible for Grocery Shopping	0.588	0.605	0.555	0.629	0.135	0.379	0.008***
	(0.493)	(0.489)	(0.497)	(0.484)			
Responsible for Durable Purchases	0.449	0.495	0.451	0.458	0.747	0.187	0.804
	(0.498)	(0.500)	(0.498)	(0.499)			
Responsible for Saving Decisions	0.609	0.596	0.586	0.589	0.467	0.800	0.914
	(0.488)	(0.491)	(0.493)	(0.492)			
π^{p}_{prior}	9.123	8.969	8.805	8.859	0.134	0.492	0.733
	(3.424)	(2.894)	(2.787)	(2.809)			
Monetary Policy Literacy	0.948	0.942	0.988	0.934	0.816	0.895	0.373
	(1.091)	(1.109)	(1.085)	(1.055)			
Financial Literacy	1.932	1.913	1.922	1.821	0.090*	0.156	0.122
	(1.174)	(1.149)	(1.149)	(1.160)			
Self-assessed Financial Knowledge	2.648	2.672	2.593	2.648	1.000	0.557	0.198
	(0.778)	(0.728)	(0.780)	(0.730)			
Trust in the Bundesbank	5.263	5.256	5.174	5.130	0.370	0.397	0.767
	(2.583)	(2.593)	(2.544)	(2.707)			
General Trust	4.853	4.917	4.978	4.922	0.617	0.971	0.685
	(2.503)	(2.406)	(2.461)	(2.417)			
General Optimism	13.986	14.298	14.225	14.217	0.342	0.737	0.974
	(4.268)	(4.201)	(4.261)	(4.413)			
Optimism Outlook Germany	2.207	2.211	2.173	2.236	0.490	0.542	0.125
	(0.762)	(0.724)	(0.714)	(0.736)			
Optimism Personal Outlook	2.558	2.598	2.582	2.581	0.570	0.669	0.980
	(0.727)	(0.701)	(0.713)	(0.716)			
$\pi^{e,12m}_{prior}$	8.078	8.024	7.955	7.941	0.515	0.675	0.944
	(3.969)	(3.542)	(3.501)	(3.509)			
$\pi^{e,5y}_{prior}$	6.002	6.695	6.433	6.218	0.356	0.050*	0.374
	(3.971)	(4.324)	(4.256)	(4.190)			
$\sigma^{\pi^e,12m}_{prior}$	0.284	0.295	0.268	0.272	0.627	0.353	0.868
	(0.451)	(0.457)	(0.443)	(0.445)			
$\sigma^{\pi^e,5y}_{prior}$	0.351	0.328	0.332	0.319	0.236	0.717	0.621
	(0.478)	(0.470)	(0.471)	(0.466)			

Note: Summary statistics for main variables in the household sample. Prior inflation expectations are truncated in the range $-5 \leq \pi^e \leq 25$. We use Huber weights from the regressions in Table 3. We show group means with group standard deviations in parentheses. Balance t-tests compare the means in each treatment group with the mean in the control group. * p<.10, ** p<.05, *** p<.01

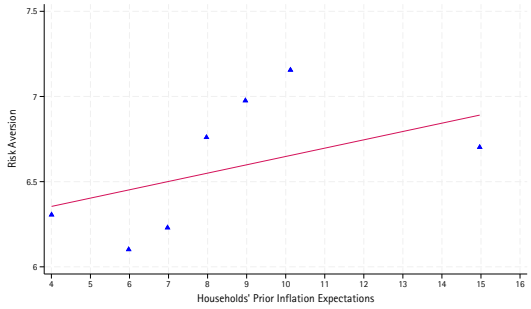
Table A4: Summary Statistics Across Treatment Groups: Expert Sample

	Experts				Balance T-Tests		
	Forecast n=151 Mean / SD	Forecast Risk n=142 Mean / SD	Energy Risk n=140 Mean / SD	Control n=153 Mean / SD	Forecast P-Value	Forecast Risk P-Value	Energy Risk P-Value
Women	0.453	0.491	0.407	0.418	0.540	0.210	0.849
	(0.499)	(0.502)	(0.493)	(0.495)			
Age	48.358	47.378	48.726	46.584	0.187	0.576	0.113
	(11.203)	(12.152)	(10.767)	(12.174)			
Income <1000€	0.000	0.000	0.000	0.011	0.195	0.209	0.212
	(0.000)	(0.000)	(0.000)	(0.104)			
999€ <Income< 4000€	0.302	0.333	0.318	0.337	0.515	0.942	0.730
	(0.461)	(0.473)	(0.467)	(0.474)			
Income>3999€	0.698	0.667	0.682	0.653	0.404	0.801	0.600
	(0.461)	(0.473)	(0.467)	(0.478)			
No Education	0.000	0.015	0.000	0.007	0.318	0.515	0.336
	(0.000)	(0.123)	(0.000)	(0.086)			
Student	0.012	0.018	0.008	0.053	0.046**	0.111	0.028**
	(0.111)	(0.135)	(0.089)	(0.226)			
Apprenticeship	0.459	0.455	0.537	0.476	0.767	0.719	0.298
	(0.500)	(0.500)	(0.500)	(0.501)			
University Degree	0.529	0.511	0.455	0.463	0.251	0.412	0.891
	(0.501)	(0.502)	(0.500)	(0.500)			
Household Size	2.427	2.524	2.509	2.406	0.875	0.397	0.466
	(1.087)	(1.148)	(1.175)	(1.237)			
Years of Work Experience	26.124	25.708	27.175	24.920	0.398	0.592	0.112
	(11.951)	(12.403)	(11.245)	(12.807)			
Responsible for Grocery Shopping	0.481	0.417	0.452	0.542	0.289	0.032**	0.125
	(0.501)	(0.495)	(0.499)	(0.500)			
Responsible for Durable Purchases	0.319	0.290	0.413	0.358	0.474	0.214	0.335
	(0.467)	(0.455)	(0.494)	(0.481)			
Responsible for Saving Decisions	0.589	0.581	0.642	0.647	0.300	0.246	0.929
	(0.494)	(0.495)	(0.481)	(0.480)			
π^{p}_{prior}	8.682	8.660	8.828	8.429	0.212	0.274	0.068*
	(1.722)	(1.811)	(1.923)	(1.807)			
Monetary Policy Literacy	2.176	2.223	2.158	2.194	0.881	0.804	0.757
	(1.075)	(0.977)	(0.960)	(1.023)			
Self-assessed Financial Knowledge	2.062	1.879	1.866	1.944	0.160	0.458	0.371
	(0.694)	(0.737)	(0.723)	(0.763)			
Trust in the Bundesbank	7.323	7.227	7.212	6.830	0.042**	0.114	0.144
	(1.901)	(1.994)	(2.163)	(2.287)			
General Trust	6.094	6.143	5.970	5.871	0.322	0.248	0.664
	(1.820)	(1.930)	(1.773)	(2.092)			
General Optimism	16.82	16.281	16.576	16.516	0.460	0.591	0.893
	(3.521)	(3.867)	(3.971)	(3.644)			
Optimism Outlook Germany	2.322	2.158	2.293	2.206	0.110	0.521	0.243
	(0.651)	(0.672)	(0.663)	(0.611)			
Optimism Personal Outlook	2.838	2.692	2.780	2.790	0.449	0.140	0.878
	(0.552)	(0.585)	(0.557)	(0.552)			
$\pi^{e,12m}_{prior}$	6.784	6.918	6.653	6.886	0.694	0.914	0.421
	(1.828)	(2.434)	(2.307)	(2.611)			
$\pi^{e,5y}_{prior}$	4.449	4.303	3.971	4.484	0.904	0.558	0.084*
	(2.001)	(2.221)	(1.802)	(2.981)			
$\sigma^{\pi^e,12m}_{prior}$	0.302	0.232	0.204	0.215	0.082*	0.725	0.830
	(0.461)	(0.423)	(0.405)	(0.412)			
$\sigma^{\pi^e,5y}_{prior}$	0.212	0.204	0.226	0.217	0.909	0.779	0.852
	(0.410)	(0.404)	(0.420)	(0.414)			

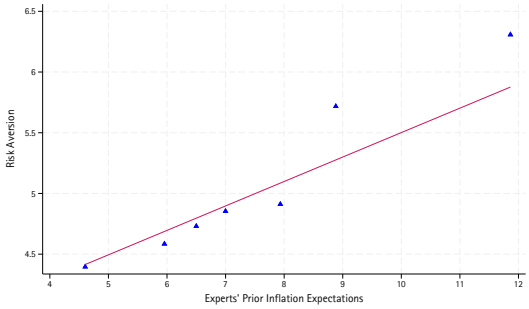
Note: Summary statistics for main variables in the experts sample. Prior inflation expectations are truncated in the range $-5 \leq \pi^e \leq 25$. We use Huber weights from the regressions in Table 3. We show group means with group standard deviations in parentheses. Balance t-tests compare the means in each treatment group with the mean in the control group. * p<.10, ** p<.05, *** p<.01

A.2 Further Results

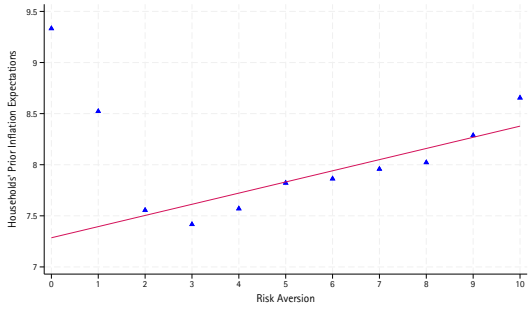
Figure A1: Relationship between Risk Aversion and Prior Inflation Expectations



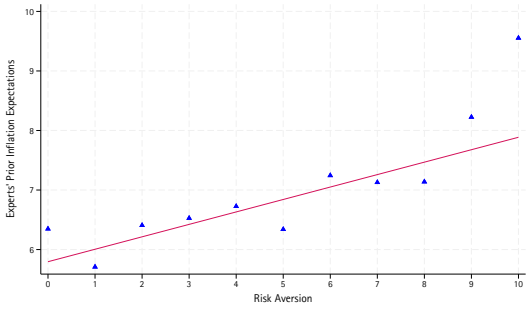
(a) Households' Short-Run Expectations



(b) Experts' Short-Run Expectations



(c) Households' Risk Aversion



(d) Experts' Risk Aversion

Note: Prior inflation expectations are truncated in the range $-5 \leq \pi^e \leq 25$. The graphs in the top panel plot the mean level of risk aversion across group means of the 7 quantiles of prior inflation expectations. The graphs in the bottom panel show mean prior short-run inflation expectations for each ordinal level of risk aversion. We use Huber (1964) weights from the regressions in Table 3.

Table A5: Difference between Inflation Expectations and Perceptions and Risk Aversion: Households' Short-Run Expectations

	Households										
	$\pi^{e,12m}_{prior} - \pi^{p}_{prior}$										
Risk Aversion	0.106***	0.051*	0.069**	0.068**	0.063**	0.083***	0.083***	0.080***	0.088***	0.060**	0.011
	(0.027)	(0.028)	(0.027)	(0.029)	(0.027)	(0.027)	(0.027)	(0.027)	(0.027)	(0.028)	(0.029)
Monetary Policy Literacy		-0.523***									-0.286***
		(0.054)									(0.060)
Financial Literacy			-0.431***								-0.238***
			(0.060)								(0.062)
Self-assessed Financial Knowledge				0.327***							-0.121
				(0.089)							(0.097)
Trust in the Bundesbank					-0.193***						-0.057*
					(0.025)						(0.030)
General Trust						-0.168***					-0.057*
						(0.028)					(0.032)
General Optimism							-0.087***				-0.017
							(0.014)				(0.018)
Optimism Outlook Germany								-0.724***			-0.516***
								(0.089)			(0.114)
Optimism Personal Outlook									-0.410***		0.076
									(0.092)		(0.128)
Constant	-1.635***	-0.779***	-0.578**	-2.248***	-0.347	-0.663**	-0.246	0.133	-0.459	-1.132**	1.736**
	(0.188)	(0.224)	(0.250)	(0.251)	(0.253)	(0.257)	(0.306)	(0.287)	(0.325)	(0.495)	(0.676)
Demographic Controls										✓	✓
Observations	2554	2554	2554	2554	2554	2554	2554	2554	2554	2554	2554
Adj. R^2	0.006	0.036	0.030	0.011	0.030	0.022	0.019	0.033	0.014	0.053	0.098

Note: Both inflation expectations and inflation perceptions are truncated in the range $-5 \leq \pi^e \leq 25$. Demographic controls include age, gender, net income, level of education, household size, years of work experience, German federal state, and responsibility for various household tasks. We estimate OLS regressions with Huber (1964) weights from Table 3 and robust standard errors shown in parentheses. * p<.10, ** p<.05, *** p<.01

Table A6: Difference between Inflation Expectations and Perceptions and Risk Aversion: Experts' Short-Run Expectations

	Experts									
	$\pi^{e,12m}_{prior} - \pi^{p}_{prior}$									
Risk Aversion	0.235***	0.191***	0.202***	0.222***	0.223***	0.227***	0.227***	0.220***	0.190***	0.170***
	(0.043)	(0.043)	(0.048)	(0.041)	(0.043)	(0.045)	(0.042)	(0.042)	(0.049)	(0.051)
Monetary Policy Literacy		-0.396***								-0.282**
		(0.109)								(0.110)
Self-assessed Financial Knowledge			0.261*							-0.011
			(0.135)							(0.144)
Trust in the Bundesbank				-0.230***						-0.185***
				(0.054)						(0.061)
General Trust					-0.095*					0.040
					(0.049)					(0.055)
General Optimism						-0.044*				-0.005
						(0.026)				(0.034)
Optimism Outlook Germany							-0.346**			-0.018
							(0.134)			(0.150)
Optimism Personal Outlook								-0.513***		-0.348
								(0.186)		(0.234)
Constant	-2.974***	-1.897***	-3.322***	-1.269***	-2.345***	-2.202***	-2.160***	-1.477***	0.396	3.431
	(0.199)	(0.355)	(0.247)	(0.428)	(0.372)	(0.520)	(0.349)	(0.546)	(2.381)	(2.680)
Demographic Controls									✓	✓
Observations	586	586	586	586	586	586	586	586	586	586
Adj. R^2	0.054	0.083	0.059	0.099	0.059	0.058	0.063	0.069	0.074	0.121

Note: Both inflation expectations and inflation perceptions are truncated in the range $-5 \leq \pi^e \leq 25$. Demographic controls include age, gender, net income, level of education, household size, years of work experience, German federal state, and responsibility for various household tasks. We estimate OLS regressions with Huber (1964) weights from Table 3 and robust standard errors shown in parentheses. * p<.10, ** p<.05, *** p<.01

Table A7: Posterior Inflation Expectations and Risk Aversion: Households' Short-Run Expectations

	Households										
	$\pi^{e,12m}_{post}$	$\pi^{e,12m}_{post}$	$\pi^{e,12m}_{post}$	$\pi^{e,12m}_{post}$	$\pi^{e,12m}_{post}$	$\pi^{e,12m}_{post}$	$\pi^{e,12m}_{post}$	$\pi^{e,12m}_{post}$	$\pi^{e,12m}_{post}$	$\pi^{e,12m}_{post}$	$\pi^{e,12m}_{post}$
Risk Aversion	0.020	-0.002	0.013	0.015	-0.009	0.010	0.003	-0.001	-0.002	-0.003	-0.023
	(0.024)	(0.025)	(0.025)	(0.026)	(0.025)	(0.025)	(0.025)	(0.025)	(0.025)	(0.026)	(0.027)
Monetary Policy Literacy		-0.216***									-0.160***
		(0.050)									(0.055)
Financial Literacy			-0.091*								-0.003
			(0.054)								(0.057)
Self-assessed Financial Knowledge				0.045							-0.163*
				(0.084)							(0.091)
Trust in the Bundesbank					-0.136***						-0.066**
					(0.024)						(0.030)
General Trust						-0.083***					0.023
						(0.025)					(0.030)
General Optimism							-0.065***				-0.018
							(0.015)				(0.018)
Optimism Outlook Germany								-0.722***			-0.536***
								(0.082)			(0.103)
Optimism Personal Outlook									-0.521***		-0.094
									(0.091)		(0.118)
Constant	7.389***	7.742***	7.612***	7.305***	8.295***	7.864***	8.426***	9.118***	8.876***	7.081***	9.647***
	(0.166)	(0.198)	(0.218)	(0.225)	(0.235)	(0.231)	(0.299)	(0.268)	(0.324)	(0.444)	(0.627)
Demographic Controls										✓	✓
Observations	1933	1933	1933	1933	1933	1933	1933	1933	1933	1933	1933
Adj. R^2	-0.000	0.006	0.001	-0.001	0.015	0.005	0.010	0.037	0.018	0.010	0.046

Note: Posterior inflation expectations are truncated in the range $-5 \leq \pi^e \leq 25$. Demographic Controls include age, gender, net income, level of education, household size, years of work experience, German federal state, and responsibility for various household tasks. We estimate OLS regressions with Huber (1964) weights from Table 3 and robust standard errors shown in parentheses. Estimations exclude the control group. * p<.10, ** p<.05, *** p<.01

Table A8: Posterior Inflation Expectations and Risk Aversion: Experts' Short-Run Expectations

	Experts									
	$\pi^{e,12m}_{post}$	$\pi^{e,12m}_{post}$	$\pi^{e,12m}_{post}$	$\pi^{e,12m}_{post}$	$\pi^{e,12m}_{post}$	$\pi^{e,12m}_{post}$	$\pi^{e,12m}_{post}$	$\pi^{e,12m}_{post}$	$\pi^{e,12m}_{post}$	$\pi^{e,12m}_{post}$
Risk Aversion	0.078	0.034	0.043	0.063	0.058	0.056	0.066	0.055	0.033	0.001
	(0.048)	(0.049)	(0.051)	(0.047)	(0.048)	(0.048)	(0.048)	(0.048)	(0.053)	(0.055)
Monetary Policy Literacy		-0.406***								-0.304***
		(0.104)								(0.107)
Self-assessed Financial Knowledge			0.260*							-0.054
			(0.145)							(0.157)
Trust in the Bundesbank				-0.283***						-0.203***
				(0.056)						(0.058)
General Trust					-0.186***					-0.023
					(0.057)					(0.062)
General Optimism						-0.094***				-0.019
						(0.030)				(0.031)
Optimism Outlook Germany							-0.583***			-0.111
							(0.144)			(0.159)
Optimism Personal Outlook								-0.962***		-0.628***
								(0.186)		(0.205)
Constant	6.869***	7.973***	6.534***	9.001***	8.097***	8.539***	8.248***	9.650***	6.968***	11.963***
	(0.247)	(0.387)	(0.317)	(0.489)	(0.459)	(0.608)	(0.431)	(0.634)	(0.802)	(1.243)
Demographic Controls									✓	✓
Observations	433	433	433	433	433	433	433	433	433	433
Adj. R^2	0.004	0.035	0.008	0.070	0.026	0.028	0.033	0.064	0.034	0.128

Note: Posterior inflation expectations are truncated in the range $-5 \leq \pi^e \leq 25$. Demographic Controls include age, gender, net income, level of education, household size, years of work experience, German federal state, and responsibility for various household tasks. We estimate OLS regressions with Huber (1964) weights from Table 3 and robust standard errors shown in parentheses. Estimations exclude the control group. * p<.10, ** p<.05, *** p<.01

Table A9: Treatment Effects on Posterior Uncertainty: Bayesian Updating Model

	Households		Experts	
	$\sigma^{\pi^e,12m}_{post}$	$\sigma^{\pi^e,12m}_{post}$	$\sigma^{\pi^e,12m}_{post}$	$\sigma^{\pi^e,12m}_{post}$
$\sigma^{\pi^e,12m}_{prior}$	0.272***	0.259***	0.100	0.057
	[0.130,0.413]	[0.120,0.399]	[-0.132,0.332]	[-0.167,0.282]
Forecast	-0.181***	-0.174***	-0.189***	-0.159***
	[-0.279,-0.084]	[-0.272,-0.076]	[-0.304,-0.074]	[-0.278,-0.040]
Forecast Risk	-0.220***	-0.223***	-0.083	-0.083
	[-0.298,-0.143]	[-0.300,-0.146]	[-0.206,0.041]	[-0.203,0.038]
Energy Risk	0.069	0.060	0.030	0.048
	[-0.034,0.172]	[-0.037,0.157]	[-0.105,0.165]	[-0.084,0.179]
Forecast x $\sigma^{\pi^e,12m}_{prior}$	-0.033	-0.055	-0.058	-0.038
	[-0.263,0.197]	[-0.281,0.171]	[-0.340,0.224]	[-0.314,0.238]
Forecast Risk x $\sigma^{\pi^e,12m}_{prior}$	-0.050	-0.056	-0.075	-0.072
	[-0.315,0.216]	[-0.309,0.197]	[-0.363,0.213]	[-0.343,0.199]
Energy Risk x $\sigma^{\pi^e,12m}_{prior}$	0.138	0.125	0.221	0.271
	[-0.101,0.377]	[-0.108,0.357]	[-0.257,0.700]	[-0.185,0.726]
Constant	0.999***	1.459***	0.985***	2.231***
	[0.935,1.063]	[1.140,1.778]	[0.898,1.073]	[1.699,2.764]
Controls		✓		✓
Observations	2534	2534	585	585
Adj. R^2	0.040	0.085	0.038	0.103

Note: Prior uncertainty is a dummy variable, defined as 1 if the respondent is uncertain about prior inflation expectations. We calculate prior uncertainty based on the rounding approach by Binder (2017). Controls include age, gender, net income, level of education, household size, years of work experience, German federal state, responsibility for various household tasks, level of financial and monetary policy literacy, self-assessment measure of financial literacy, general level of trust and level of trust in the Bundesbank, and various measures of optimism. We estimate OLS regressions with Huber (1964) weights from Table 3 and robust standard errors and show 95% confidence intervals in parentheses. * p<.10, ** p<.05, *** p<.01

Table A10: Treatment Heterogeneity Regarding Risk Aversion: Short-Run Expectations Controlling for Prior Uncertainty

	Households		Experts	
	$\pi^{e,12m}_{post}$	$\pi^{e,12m}_{post}$	$\pi^{e,12m}_{post}$	$\pi^{e,12m}_{post}$
$\pi^{e,12m}_{prior}$	0.740***	0.747***	0.919***	0.855***
	[0.618,0.861]	[0.625,0.869]	[0.698,1.140]	[0.627,1.082]
Forecast	1.627**	1.781**	0.001	-0.245
	[0.172,3.082]	[0.334,3.229]	[-2.684,2.686]	[-2.981,2.490]
Forecast Risk	2.414***	2.302***	3.020***	3.146***
	[0.933,3.896]	[0.835,3.769]	[0.799,5.240]	[0.993,5.299]
Energy Risk	-0.442	-0.540	-0.218	-0.359
	[-1.914,1.030]	[-2.029,0.949]	[-2.438,2.001]	[-2.678,1.961]
Forecast x $\pi^{e,12m}_{prior}$	-0.392***	-0.416***	-0.027	0.012
	[-0.572,-0.212]	[-0.595,-0.236]	[-0.445,0.391]	[-0.413,0.438]
Forecast Risk x $\pi^{e,12m}_{prior}$	-0.477***	-0.464***	-0.397**	-0.401**
	[-0.662,-0.291]	[-0.648,-0.281]	[-0.725,-0.069]	[-0.716,-0.086]
Energy Risk x $\pi^{e,12m}_{prior}$	0.040	0.043	0.131	0.156
	[-0.145,0.225]	[-0.143,0.230]	[-0.191,0.453]	[-0.184,0.497]
Risk Aversion	-0.175**	-0.159**	0.005	-0.042
	[-0.321,-0.030]	[-0.306,-0.013]	[-0.181,0.191]	[-0.240,0.156]
Risk Aversion x $\pi^{e,12m}_{prior}$	0.007	0.004	-0.001	0.004
	[-0.010,0.024]	[-0.013,0.022]	[-0.025,0.024]	[-0.022,0.029]
Forecast x Risk Aversion	0.263**	0.232**	0.238	0.293
	[0.055,0.472]	[0.026,0.438]	[-0.176,0.651]	[-0.130,0.716]
Forecast Risk x Risk Aversion	0.110	0.118	-0.220	-0.255
	[-0.104,0.325]	[-0.095,0.330]	[-0.578,0.138]	[-0.591,0.081]
Energy Risk x Risk Aversion	0.146	0.153	-0.049	-0.021
	[-0.068,0.359]	[-0.061,0.368]	[-0.404,0.306]	[-0.385,0.343]
Forecast x $\pi^{e,12m}_{prior}$ x Risk Aversion	-0.023*	-0.019	-0.036	-0.043
	[-0.048,0.002]	[-0.044,0.006]	[-0.097,0.026]	[-0.106,0.020]
Forecast Risk x $\pi^{e,12m}_{prior}$ x Risk Aversion	-0.003	-0.004	0.022	0.025
	[-0.030,0.023]	[-0.030,0.022]	[-0.028,0.073]	[-0.021,0.071]
Energy Risk x $\pi^{e,12m}_{prior}$ x Risk Aversion	-0.007	-0.006	0.001	-0.003
	[-0.033,0.020]	[-0.033,0.020]	[-0.048,0.050]	[-0.054,0.048]
$\sigma^{\pi^e,12m}_{prior}$	-0.050	-0.011	0.128	0.096
	[-0.211,0.110]	[-0.174,0.153]	[-0.117,0.374]	[-0.149,0.341]
Constant	2.856***	3.479***	0.924	1.695
	[1.840,3.873]	[2.266,4.691]	[-0.588,2.437]	[-1.823,5.212]
Controls		✓		✓
Observations	2554	2554	586	586
Adj. R^2	0.539	0.544	0.696	0.698

Note: Prior and posterior inflation expectations are truncated in the range $-5 \leq \pi^e \leq 25$. Prior uncertainty is a dummy variable, defined as 1 if the respondent is uncertain about prior inflation expectations. We calculate prior uncertainty based on the rounding approach by Binder (2017). Controls include age, gender, net income, level of education, household size, years of work experience, German federal state, responsibility for various household tasks, level of financial and monetary policy literacy, self-assessment measure of financial knowledge, general level of trust and level of trust in the Bundesbank, and various measures of optimism. We estimate OLS regressions with Huber (1964) weights from Table 3 and robust standard errors and show 95% confidence intervals in parentheses. * p<.10, ** p<.05, *** p<.01

Table A11: Correlation of Risk Aversion and Perceptions of Current Inflation

	Households		Experts	
	π^p_{prior}	π^p_{prior}	π^p_{prior}	π^p_{prior}
Risk Aversion	0.003	-0.016	-0.026	-0.054
	[-0.048,0.054]	[-0.076,0.044]	[-0.091,0.040]	[-0.130,0.022]
Constant	8.920***	9.276***	8.770***	9.490***
	[8.574,9.266]	[8.017,10.535]	[8.456,9.084]	[7.512,11.468]
Controls		✓		✓
Observations	2554	2554	586	586
Adj. R^2	-0.000	0.006	-0.001	0.020

Note: Inflation perceptions are truncated in the range $-5 \leq \pi^e \leq 25$. Controls include age, gender, net income, level of education, household size, years of work experience, German federal state, responsibility for various household tasks, level of financial and monetary policy literacy, self-assessment measure of financial knowledge, general level of trust and level of trust in the Bundesbank, and various measures of optimism. We estimate OLS regressions with Huber (1964) weights from Table 3 and robust standard errors and show 95% confidence intervals in parentheses. * p<.10, ** p<.05, *** p<.01

A.3 Long-Run Inflation Expectations

Table A12: Prior Inflation Expectations and Risk Aversion: Households' Long-Run Expectations

	Households											
	$\pi^{e,5y}_{prior}$	$\pi^{e,5y}_{prior}$	$\pi^{e,5y}_{prior}$	$\pi^{e,5y}_{prior}$	$\pi^{e,5y}_{prior}$	$\pi^{e,5y}_{prior}$	$\pi^{e,5y}_{prior}$	$\pi^{e,5y}_{prior}$	$\pi^{e,5y}_{prior}$	$\pi^{e,5y}_{prior}$	$\pi^{e,5y}_{prior}$	$\pi^{e,5y}_{prior}$
Risk Aversion	0.163***	0.157***	0.057	0.107***	0.085**	0.095***	0.134***	0.127***	0.124***	0.132***	0.085**	-0.032
	(0.035)	(0.033)	(0.036)	(0.036)	(0.037)	(0.035)	(0.035)	(0.035)	(0.035)	(0.035)	(0.036)	(0.035)
π^{p}_{prior}		0.447***										0.456***
		(0.035)										(0.035)
Monetary Policy Literacy			-0.965***									-0.617***
			(0.070)									(0.072)
Financial Literacy				-0.634***								-0.334***
				(0.081)								(0.077)
Self-assessed Financial Knowledge					0.659***							0.044
					(0.114)							(0.117)
Trust in the Bundesbank						-0.300***						-0.108***
						(0.034)						(0.037)
General Trust							-0.203***					-0.057
							(0.035)					(0.036)
General Optimism								-0.125***				-0.036
								(0.021)				(0.024)
Optimism Outlook Germany									-1.041***			-0.663***
									(0.119)			(0.136)
Optimism Personal Outlook										-0.665***		0.092
										(0.129)		(0.155)
Constant	5.271***	1.351***	6.905***	6.848***	4.042***	7.306***	6.468***	7.295***	7.846***	7.198***	5.586***	5.734***
	(0.241)	(0.386)	(0.289)	(0.332)	(0.312)	(0.329)	(0.326)	(0.411)	(0.372)	(0.431)	(0.654)	(0.852)
Demographic Controls											✓	✓
Observations	2478	2478	2478	2478	2478	2478	2478	2478	2478	2478	2478	2478
Adj. R^2	0.008	0.106	0.067	0.037	0.020	0.040	0.021	0.024	0.040	0.020	0.046	0.220

Note: Prior inflation expectations and inflation perceptions are truncated in the range $-5 \leq \pi^{e} \leq 25$. Demographic controls include age, gender, net income, level of education, household size, years of work experience, German federal state, and responsibility for various household tasks. We estimate OLS regressions with Huber (1964) weights from Table 3 and robust standard errors shown in parentheses. * p<.10, ** p<.05, *** p<.01

Table A13: Prior Inflation Expectations and Risk Aversion: Experts' Long-Run Expectations

	Experts										
	$\pi^{e,5y}_{prior}$	$\pi^{e,5y}_{prior}$	$\pi^{e,5y}_{prior}$	$\pi^{e,5y}_{prior}$	$\pi^{e,5y}_{prior}$	$\pi^{e,5y}_{prior}$	$\pi^{e,5y}_{prior}$	$\pi^{e,5y}_{prior}$	$\pi^{e,5y}_{prior}$	$\pi^{e,5y}_{prior}$	$\pi^{e,5y}_{prior}$
Risk Aversion	0.221***	0.232***	0.153***	0.148***	0.217***	0.199***	0.201***	0.206***	0.200***	0.150***	0.096**
	(0.048)	(0.046)	(0.044)	(0.045)	(0.048)	(0.046)	(0.047)	(0.047)	(0.046)	(0.056)	(0.045)
π^{p}_{prior}		0.295***									0.252***
		(0.061)									(0.059)
Monetary Policy Literacy			-0.638***								-0.466***
			(0.124)								(0.124)
Self-assessed Financial Knowledge				0.564***							0.162
				(0.145)							(0.126)
Trust in the Bundesbank					-0.211***						-0.068
					(0.047)						(0.049)
General Trust						-0.182***					-0.035
						(0.056)					(0.053)
General Optimism							-0.100***				-0.031
							(0.029)				(0.029)
Optimism Outlook Germany								-0.667***			-0.298*
								(0.149)			(0.152)
Optimism Personal Outlook									-0.872***		-0.314*
									(0.175)		(0.177)
Constant	3.235***	0.639	4.974***	2.502***	4.780***	4.440***	4.985***	4.812***	5.769***	9.346**	11.161**
	(0.195)	(0.562)	(0.354)	(0.295)	(0.419)	(0.403)	(0.535)	(0.406)	(0.534)	(4.163)	(4.454)
Demographic Controls										✓	✓
Observations	579	579	579	579	579	579	579	579	579	579	579
Adj. R^2	0.045	0.088	0.115	0.071	0.078	0.066	0.069	0.078	0.086	0.112	0.235

Note: Prior inflation expectations and inflation perceptions are truncated in the range $-5 \leq \pi^e \leq 25$. Demographic controls include age, gender, net income, level of education, household size, years of work experience, German federal state, and responsibility for various household tasks. We estimate OLS regressions with Huber (1964) weights from Table 3 and robust standard errors shown in parentheses. * p<.10, ** p<.05, *** p<.01

Table A14: Treatment Effects on Posterior Long-Run Inflation Expectations: Bayesian Updating Model

	Households		Experts	
	$\pi^{e,5y}_{post}$	$\pi^{e,5y}_{post}$	$\pi^{e,5y}_{post}$	$\pi^{e,5y}_{post}$
$\pi^{e,5y}_{prior}$	0.779***	0.776***	0.965***	0.920***
	[0.738,0.820]	[0.734,0.818]	[0.899,1.030]	[0.842,0.998]
Forecast	1.634***	1.621***	0.885***	0.928***
	[1.251,2.016]	[1.239,2.002]	[0.353,1.416]	[0.361,1.494]
Forecast Risk	1.726***	1.716***	0.849***	0.877***
	[1.355,2.096]	[1.342,2.091]	[0.324,1.374]	[0.307,1.447]
Energy Risk	0.105	0.101	0.667*	0.747**
	[-0.261,0.470]	[-0.266,0.467]	[-0.029,1.362]	[0.067,1.427]
Forecast x $\pi^{e,5y}_{prior}$	-0.472***	-0.470***	-0.256***	-0.261***
	[-0.535,-0.409]	[-0.533,-0.407]	[-0.366,-0.145]	[-0.381,-0.141]
Forecast Risk x $\pi^{e,5y}_{prior}$	-0.485***	-0.484***	-0.269***	-0.269***
	[-0.542,-0.428]	[-0.541,-0.426]	[-0.380,-0.157]	[-0.392,-0.146]
Energy Risk x $\pi^{e,5y}_{prior}$	0.030	0.028	-0.105	-0.123
	[-0.026,0.086]	[-0.029,0.084]	[-0.277,0.067]	[-0.290,0.043]
Constant	1.701***	2.707***	0.698***	2.440***
	[1.437,1.966]	[1.979,3.436]	[0.374,1.022]	[0.865,4.016]
Controls		✓		✓
Observations	2478	2478	579	579
Adj. R^2	0.641	0.645	0.719	0.729

Note: Prior and posterior inflation expectations are truncated in the range $-5 \leq \pi^e \leq 25$. Controls include age, gender, net income, level of education, household size, years of work experience, German federal state, responsibility for various household tasks, level of financial and monetary policy literacy, self-assessment measure of financial knowledge, general level of trust and level of trust in the Bundesbank, and various measures of optimism. We estimate OLS regressions with Huber (1964) weights from Table 3 and robust standard errors and show 95% confidence intervals in parentheses. * p<.10, ** p<.05, *** p<.01

Table A15: Posterior Inflation Expectations and Risk Aversion: Households' Long-Run Expectations

	Households										
	$\pi^{e,5y}_{post}$	$\pi^{e,5y}_{post}$	$\pi^{e,5y}_{post}$	$\pi^{e,5y}_{post}$	$\pi^{e,5y}_{post}$	$\pi^{e,5y}_{post}$	$\pi^{e,5y}_{post}$	$\pi^{e,5y}_{post}$	$\pi^{e,5y}_{post}$	$\pi^{e,5y}_{post}$	$\pi^{e,5y}_{post}$
Risk Aversion	0.036	-0.024	0.010	0.008	-0.007	0.019	0.011	0.012	0.010	0.001	-0.060*
	(0.028)	(0.029)	(0.029)	(0.030)	(0.029)	(0.029)	(0.029)	(0.029)	(0.029)	(0.029)	(0.031)
Monetary Policy Literacy		-0.549***									-0.448***
		(0.054)									(0.058)
Financial Literacy			-0.315***								-0.138**
			(0.064)								(0.067)
Self-assessed Financial Knowledge				0.241***							-0.109
				(0.092)							(0.099)
Trust in the Bundesbank					-0.194***						-0.088***
					(0.028)						(0.033)
General Trust						-0.133***					-0.002
						(0.030)					(0.033)
General Optimism							-0.088***				-0.022
							(0.017)				(0.021)
Optimism Outlook Germany								-0.730***			-0.409***
								(0.095)			(0.118)
Optimism Personal Outlook									-0.585***		-0.172
									(0.098)		(0.131)
Constant	5.611***	6.537***	6.389***	5.161***	6.919***	6.380***	7.030***	7.390***	7.303***	5.425***	8.703***
	(0.192)	(0.221)	(0.247)	(0.253)	(0.270)	(0.267)	(0.359)	(0.306)	(0.344)	(0.511)	(0.693)
Demographic Controls										✓	✓
Observations	1878	1878	1878	1878	1878	1878	1878	1878	1878	1878	1878
Adj. R^2	0.000	0.037	0.013	0.003	0.025	0.011	0.014	0.029	0.018	0.020	0.075

Note: Posterior inflation expectations are truncated in the range $-5 \leq \pi^e \leq 25$. Demographic Controls include age, gender, net income, level of education, household size, years of work experience, German federal state, and responsibility for various household tasks. We estimate OLS regressions with Huber (1964) weights from Table 3 and robust standard errors shown in parentheses. Estimations exclude the control group. * p<.10, ** p<.05, *** p<.01

Table A16: Posterior Inflation Expectations and Risk Aversion: Experts' Long-Run Expectations

	Experts									
	$\pi^{e,5y}_{post}$	$\pi^{e,5y}_{post}$	$\pi^{e,5y}_{post}$	$\pi^{e,5y}_{post}$	$\pi^{e,5y}_{post}$	$\pi^{e,5y}_{post}$	$\pi^{e,5y}_{post}$	$\pi^{e,5y}_{post}$	$\pi^{e,5y}_{post}$	$\pi^{e,5y}_{post}$
Risk Aversion	0.192***	0.134***	0.135***	0.186***	0.175***	0.170***	0.182***	0.172***	0.108**	0.063
	(0.040)	(0.041)	(0.041)	(0.039)	(0.040)	(0.040)	(0.040)	(0.039)	(0.044)	(0.044)
Monetary Policy Literacy		-0.527***								-0.399***
		(0.100)								(0.099)
Self-assessed Financial Knowledge			0.418***							0.082
			(0.131)							(0.134)
Trust in the Bundesbank				-0.243***						-0.155***
				(0.041)						(0.046)
General Trust					-0.174***					-0.042
					(0.049)					(0.048)
General Optimism						-0.087***				-0.017
						(0.026)				(0.030)
Optimism Outlook Germany							-0.453***			-0.027
							(0.127)			(0.139)
Optimism Personal Outlook								-0.865***		-0.576***
								(0.156)		(0.185)
Constant	3.746***	5.188***	3.220***	5.546***	4.891***	5.292***	4.823***	6.253***	4.181***	8.704***
	(0.189)	(0.333)	(0.256)	(0.378)	(0.387)	(0.519)	(0.376)	(0.488)	(1.302)	(1.320)
Demographic Controls									✓	✓
Observations	426	426	426	426	426	426	426	426	426	426
Adj. R^2	0.050	0.119	0.068	0.111	0.075	0.075	0.071	0.110	0.111	0.224

Note: Posterior inflation expectations are truncated in the range $-5 \leq \pi^e \leq 25$. Demographic Controls include age, gender, net income, level of education, household size, years of work experience, German federal state, and responsibility for various household tasks. We estimate OLS regressions with Huber (1964) weights from Table 3 and robust standard errors shown in parentheses. Estimations exclude the control group. * p<.10, ** p<.05, *** p<.01

Table A17: Risk Aversion and Long-Run Prior and Posterior Inflation Expectations

	Households			
	$\pi^{e,5y}_{prior}$	$\pi^{e,5y}_{prior}$	$\pi^{e,5y}_{post}$	$\pi^{e,5y}_{post}$
Risk Aversion	0.181***	-0.016	0.036	-0.058*
	[0.105,0.257]	[-0.090,0.059]	[-0.020,0.092]	[-0.118,0.002]
Constant	5.193***	4.618***	5.611***	8.463***
	[4.672,5.713]	[2.818,6.419]	[5.235,5.987]	[7.099,9.826]
Controls		✓		✓
Observations	1878	1878	1878	1878
Adj. R^2	0.010	0.256	0.000	0.073
	Experts			
	$\pi^{e,5y}_{prior}$	$\pi^{e,5y}_{prior}$	$\pi^{e,5y}_{post}$	$\pi^{e,5y}_{post}$
Risk Aversion	0.218***	0.102**	0.192***	0.063
	[0.129,0.307]	[0.015,0.190]	[0.114,0.271]	[-0.023,0.149]
Constant	3.187***	7.651***	3.746***	8.704***
	[2.801,3.573]	[4.498,10.804]	[3.375,4.117]	[6.108,11.300]
Controls		✓		✓
Observations	426	426	426	426
Adj. R^2	0.057	0.195	0.050	0.224

Note: Prior and posterior inflation expectations are truncated in the range $-5 \leq \pi^e \leq 25$. Controls include age, gender, net income, level of education, household size, years of work experience, German federal state, responsibility for various household tasks, level of financial and monetary policy literacy, self-assessment measure of financial knowledge, general level of trust and level of trust in the Bundesbank, and various measures of optimism. We estimate OLS regressions with Huber (1964) weights from Table 3 and robust standard errors and show 95% confidence intervals in parentheses. Estimations exclude the control group. * p<.10, ** p<.05, *** p<.01

Table A18: Risk Aversion, Uncertainty and Long-Run Inflation Expectations

	(1)	(2)	(3)	(4)
	Households			
	$\pi^{e,5y}_{prior}$	$\pi^{e,5y}_{prior}$	$\pi^{e,5y}_{post}$	$\pi^{e,5y}_{post}$
Risk Aversion	0.181***	0.000	0.163**	0.081
	(0.037)	(0.041)	(0.067)	(0.068)
$\sigma^{\pi^e,5y}$	2.964***	2.406***	2.626***	2.683***
	(0.625)	(0.585)	(0.585)	(0.574)
Risk Aversion x $\sigma^{\pi^e,5y}$	-0.051	-0.015	-0.179**	-0.188**
	(0.090)	(0.085)	(0.080)	(0.079)
Constant	4.310***	8.287***	3.500***	6.198***
	(0.246)	(0.916)	(0.471)	(0.766)
Controls		✓		✓
Observations	1878	1878	1878	1878
Adj. R^2	0.097	0.205	0.122	0.190
	Experts			
	$\pi^{e,5y}_{prior}$	$\pi^{e,5y}_{prior}$	$\pi^{e,5y}_{post}$	$\pi^{e,5y}_{post}$
Risk Aversion	0.167***	0.070	0.145**	-0.019
	(0.045)	(0.048)	(0.066)	(0.074)
$\sigma^{\pi^e,5y}$	1.531**	0.986	0.651*	0.494
	(0.603)	(0.605)	(0.362)	(0.340)
Risk Aversion x $\sigma^{\pi^e,5y}$	-0.014	0.023	0.040	0.065
	(0.126)	(0.120)	(0.072)	(0.073)
Constant	3.127***	8.720***	3.223***	7.686***
	(0.188)	(1.461)	(0.324)	(1.256)
Controls		✓		✓
Observations	426	426	426	426
Adj. R^2	0.136	0.230	0.116	0.285

Note: Prior and posterior long-run inflation expectations are truncated in the range $-5 \leq \pi^e \leq 25$. In columns 1 and 2, risk aversion interacts with prior uncertainty, and in columns 3 and 4, risk aversion interacts with posterior uncertainty. Prior uncertainty is a dummy variable, defined as 1 if the respondent is uncertain about prior inflation expectations. We calculate prior uncertainty based on the rounding approach by Binder (2017). Controls include age, gender, net income, level of education, household size, years of work experience, German federal state, responsibility for various household tasks, level of financial and monetary policy literacy, self-assessment measure of financial knowledge, general level of trust, and level of trust in the Bundesbank. We estimate OLS regressions with Huber (1964) weights from Table 3 and robust standard errors shown in parentheses. Estimations exclude the control group. * p<.10, ** p<.05, *** p<.01

Table A19: Treatment Heterogeneity Regarding Risk Aversion: Long-Run Expectations

	Households		Experts	
	$\pi^{e,5y}_{post}$	$\pi^{e,5y}_{post}$	$\pi^{e,5y}_{post}$	$\pi^{e,5y}_{post}$
$\pi^{e,5y}_{prior}$	0.824***	0.818***	0.986***	0.885***
	[0.709,0.938]	[0.705,0.932]	[0.693,1.279]	[0.569,1.202]
Forecast	1.581***	1.562***	-0.430	-0.377
	[0.536,2.626]	[0.525,2.599]	[-2.143,1.283]	[-2.074,1.320]
Forecast Risk	1.962***	1.983***	0.627	0.636
	[0.923,3.002]	[0.942,3.023]	[-0.874,2.127]	[-0.898,2.170]
Energy Risk	-0.766	-0.820*	0.627	0.451
	[-1.727,0.196]	[-1.797,0.156]	[-1.336,2.590]	[-1.523,2.425]
Forecast x $\pi^{e,5y}_{prior}$	-0.471***	-0.476***	-0.088	-0.092
	[-0.650,-0.291]	[-0.653,-0.298]	[-0.535,0.360]	[-0.536,0.353]
Forecast Risk x $\pi^{e,5y}_{prior}$	-0.577***	-0.580***	-0.277	-0.261
	[-0.738,-0.416]	[-0.741,-0.419]	[-0.660,0.106]	[-0.657,0.135]
Energy Risk x $\pi^{e,5y}_{prior}$	0.088	0.082	-0.113	-0.092
	[-0.068,0.244]	[-0.075,0.238]	[-0.657,0.432]	[-0.640,0.455]
Risk Aversion	-0.064	-0.071	-0.014	-0.088
	[-0.171,0.042]	[-0.179,0.036]	[-0.165,0.136]	[-0.251,0.075]
Risk Aversion x $\pi^{e,5y}_{prior}$	-0.006	-0.006	-0.003	0.006
	[-0.023,0.010]	[-0.023,0.010]	[-0.042,0.037]	[-0.036,0.048]
Forecast x Risk Aversion	0.002	0.006	0.259**	0.252*
	[-0.151,0.156]	[-0.147,0.158]	[0.012,0.507]	[-0.000,0.504]
Forecast Risk x Risk Aversion	-0.037	-0.040	0.056	0.049
	[-0.191,0.118]	[-0.194,0.114]	[-0.186,0.298]	[-0.197,0.295]
Energy Risk x Risk Aversion	0.130*	0.141*	0.012	0.054
	[-0.012,0.273]	[-0.004,0.286]	[-0.316,0.340]	[-0.267,0.374]
Forecast x $\pi^{e,5y}_{prior}$ x Risk Aversion	0.001	0.001	-0.032	-0.030
	[-0.025,0.026]	[-0.024,0.026]	[-0.094,0.030]	[-0.094,0.033]
Forecast Risk x $\pi^{e,5y}_{prior}$ x Risk Aversion	0.014	0.014	-0.001	-0.001
	[-0.010,0.037]	[-0.009,0.038]	[-0.058,0.057]	[-0.061,0.058]
Energy Risk x $\pi^{e,5y}_{prior}$ x Risk Aversion	-0.008	-0.008	0.001	-0.005
	[-0.030,0.014]	[-0.030,0.014]	[-0.087,0.088]	[-0.091,0.081]
Constant	2.113***	3.192***	0.733	2.886***
	[1.395,2.831]	[2.224,4.160]	[-0.375,1.841]	[0.943,4.830]
Controls		✓		✓
Observations	2478	2478	579	579
Adj. R^2	0.644	0.647	0.719	0.728

Note: Prior and posterior inflation expectations are truncated in the range $-5 \leq \pi^e \leq 25$. Controls include age, gender, net income, level of education, household size, years of work experience, German federal state, responsibility for various household tasks, level of financial and monetary policy literacy, self-assessment measure of financial knowledge, general level of trust and level of trust in the Bundesbank, and various measures of optimism. We estimate OLS regressions with Huber (1964) weights from Table 3 and robust standard errors and show 95% confidence intervals in parentheses. * p<.10, ** p<.05, *** p<.01

A.4 Robustness Check: General Risk Aversion

Table A20: Prior Inflation Expectations and General Risk Aversion: Households' Short-Run Expectations

	Households											
	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$
General Risk Aversion	0.060*	0.049*	0.013	0.029	0.022	0.016	0.036	0.024	0.017	0.021	0.008	-0.049*
	(0.032)	(0.027)	(0.032)	(0.032)	(0.034)	(0.032)	(0.033)	(0.032)	(0.031)	(0.032)	(0.033)	(0.028)
π^{p}_{prior}		0.671***										0.660***
		(0.029)										(0.028)
Monetary Policy Literacy			-0.634***									-0.321***
			(0.058)									(0.056)
Financial Literacy				-0.462***								-0.241***
				(0.068)								(0.058)
Self-assessed Financial Knowledge					0.388***							-0.096
					(0.105)							(0.093)
Trust in the Bundesbank						-0.249***						-0.075***
						(0.027)						(0.028)
General Trust							-0.151***					-0.037
							(0.031)					(0.031)
General Optimism								-0.103***				-0.018
								(0.016)				(0.017)
Optimism Outlook Germany									-1.007***			-0.567***
									(0.096)			(0.104)
Optimism Personal Outlook										-0.715***		-0.005
										(0.108)		(0.122)
Constant	7.631***	1.694***	8.527***	8.698***	6.838***	9.201***	8.519***	9.316***	10.118***	9.716***	7.493***	5.180***
	(0.212)	(0.303)	(0.245)	(0.277)	(0.293)	(0.268)	(0.298)	(0.352)	(0.304)	(0.374)	(0.550)	(0.665)
Demographic Controls											✓	✓
Observations	2554	2554	2554	2554	2554	2554	2554	2554	2554	2554	2554	2554
Adj. R^2	0.001	0.307	0.036	0.022	0.007	0.032	0.011	0.015	0.041	0.020	0.034	0.386

Note: Prior inflation expectations and inflation perceptions are truncated in the range $-5 \leq \pi^e \leq 25$. Demographic controls include age, gender, net income, level of education, household size, years of work experience, German federal state, and responsibility for various household tasks. We estimate OLS regressions with Huber (1964) weights from Table 3 and robust standard errors shown in parentheses. * p<.10, ** p<.05, *** p<.01

Table A21: Prior Inflation Expectations and General Risk Aversion: Experts' Short-Run Expectations

	Experts										
	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$
General Risk Aversion	0.157***	0.175***	0.107**	0.115**	0.139***	0.136***	0.138***	0.133***	0.128***	0.080*	0.085*
	(0.044)	(0.040)	(0.042)	(0.048)	(0.043)	(0.044)	(0.048)	(0.043)	(0.043)	(0.046)	(0.045)
π^{p}_{prior}		0.551***									0.489***
		(0.090)									(0.076)
Monetary Policy Literacy			-0.601***								-0.377***
			(0.116)								(0.100)
Self-assessed Financial Knowledge				0.342***							0.009
				(0.132)							(0.126)
Trust in the Bundesbank					-0.276***						-0.191***
					(0.066)						(0.059)
General Trust						-0.128**					0.036
						(0.053)					(0.051)
General Optimism							-0.054*				0.016
							(0.030)				(0.035)
Optimism Outlook Germany								-0.688***			-0.135
								(0.155)			(0.133)
Optimism Personal Outlook									-1.049***		-0.577**
									(0.231)		(0.228)
Constant	6.032***	1.180	7.594***	5.574***	8.093***	6.906***	7.010***	7.692***	9.089***	8.318***	8.428***
	(0.220)	(0.808)	(0.369)	(0.259)	(0.522)	(0.421)	(0.647)	(0.423)	(0.709)	(2.203)	(2.641)
Demographic Controls										✓	✓
Observations	586	586	586	586	586	586	586	586	586	586	586
Adj. R^2	0.019	0.206	0.085	0.028	0.080	0.028	0.024	0.055	0.082	0.050	0.312

Note: Prior inflation expectations and inflation perceptions are truncated in the range $-5 \leq \pi^e \leq 25$. Demographic controls include age, gender, net income, level of education, household size, years of work experience, German federal state, and responsibility for various household tasks. We estimate OLS regressions with Huber (1964) weights from Table 3 and robust standard errors shown in parentheses. * p<.10, ** p<.05, *** p<.01

Table A22: General Risk Aversion and Short-Run Prior and Posterior Inflation Expectations

	Households			
	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{post}$	$\pi^{e,12m}_{post}$
General Risk Aversion	0.080**	-0.033	-0.015	-0.068**
	[0.007,0.152]	[-0.097,0.030]	[-0.064,0.034]	[-0.122,-0.014]
Constant	7.534***	4.298***	7.614***	9.880***
	[7.058,8.010]	[2.778,5.818]	[7.298,7.931]	[8.689,11.071]
Controls		✓		✓
Observations	1933	1933	1933	1933
Adj. R^2	0.002	0.394	-0.000	0.049
	Experts			
	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{post}$	$\pi^{e,12m}_{post}$
General Risk Aversion	0.147***	0.073	0.068	-0.018
	[0.049,0.245]	[-0.030,0.176]	[-0.028,0.164]	[-0.121,0.085]
Constant	6.054***	4.453***	6.911***	12.037***
	[5.549,6.560]	[1.347,7.560]	[6.399,7.423]	[9.577,14.498]
Controls		✓		✓
Observations	433	433	433	433
Adj. R^2	0.018	0.275	0.002	0.128

Note: Prior and posterior inflation expectations are truncated in the range $-5 \leq \pi^e \leq 25$. Controls include age, gender, net income, level of education, household size, years of work experience, German federal state, responsibility for various household tasks, level of financial and monetary policy literacy, self-assessment measure of financial knowledge, general level of trust and level of trust in the Bundesbank, and various measures of optimism. We estimate OLS regressions with Huber (1964) weights from Table 3 and robust standard errors and show 95% confidence intervals in parentheses. Estimations exclude the control group. * p<.10, ** p<.05, *** p<.01

Table A23: General Risk Aversion and Short-Run Prior and Posterior Inflation Expectations

	(1)	(2)	(3)	(4)
	Households			
	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{post}$	$\pi^{e,12m}_{post}$
General Risk Aversion	0.034	-0.060	0.090*	0.052
	(0.036)	(0.040)	(0.053)	(0.053)
$\sigma^{\pi^e,12m}$	1.475**	1.213**	1.637***	1.750***
	(0.651)	(0.616)	(0.484)	(0.477)
General Risk Aversion x $\sigma^{\pi^e,12m}$	0.089	0.089	-0.119**	-0.137**
	(0.095)	(0.090)	(0.057)	(0.055)
Constant	7.238***	10.771***	6.099***	7.847***
	(0.233)	(0.856)	(0.439)	(0.780)
Controls		✓		✓
Observations	1933	1933	1933	1933
Adj. R^2	0.064	0.145	0.083	0.128
	Experts			
	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{post}$	$\pi^{e,12m}_{post}$
General Risk Aversion	0.075	-0.027	0.132	0.038
	(0.047)	(0.058)	(0.116)	(0.126)
$\sigma^{\pi^e,12m}$	-1.546**	-1.502**	2.059***	1.734**
	(0.773)	(0.712)	(0.765)	(0.849)
General Risk Aversion x $\sigma^{\pi^e,12m}$	0.272*	0.269**	-0.083	-0.064
	(0.140)	(0.129)	(0.131)	(0.138)
Constant	6.448***	10.212***	5.071***	9.175***
	(0.236)	(1.470)	(0.670)	(1.468)
Controls		✓		✓
Observations	433	433	433	433
Adj. R^2	0.029	0.142	0.186	0.255

Note: Prior and posterior inflation expectations are truncated in the range $-5 \leq \pi^e \leq 25$. In columns 1 and 2, risk aversion interacts with prior uncertainty, and in columns 3 and 4, risk aversion interacts with posterior uncertainty. Prior uncertainty is a dummy variable, defined as 1 if the respondent is uncertain about prior inflation expectations. We calculate prior uncertainty based on the rounding approach by Binder (2017). Controls include age, gender, net income, level of education, household size, years of work experience, German federal state, responsibility for various household tasks, level of financial and monetary policy literacy, self-assessment measure of financial knowledge, general level of trust, and level of trust in the Bundesbank, as well as various measures of optimism. We estimate OLS regressions with Huber (1964) weights from Table 3 with robust standard errors shown in parentheses. Estimations exclude the control group. * p<.10, ** p<.05, *** p<.01

Table A24: Treatment Heterogeneity Regarding General Risk Aversion: Short-Run Expectations

	Households		Experts	
	$\pi^{e,12m}_{post}$	$\pi^{e,12m}_{post}$	$\pi^{e,12m}_{post}$	$\pi^{e,12m}_{post}$
$\pi^{e,12m}_{prior}$	0.873***	0.817***	0.748***	0.679***
	[0.507,1.239]	[0.453,1.182]	[0.312,1.185]	[0.244,1.114]
Forecast	-0.155	-0.596	-0.814	-0.628
	[-5.092,4.783]	[-5.457,4.266]	[-5.138,3.509]	[-4.829,3.572]
Forecast Risk	0.975	1.076	0.559	0.449
	[-4.855,6.806]	[-4.819,6.970]	[-4.901,6.019]	[-4.840,5.738]
Energy Risk	0.575	0.501	-3.302	-3.616
	[-5.416,6.566]	[-5.363,6.366]	[-9.155,2.551]	[-9.419,2.187]
Forecast $\times$ $\pi^{e,12m}_{prior}$	-0.385	-0.338	0.095	0.032
	[-0.943,0.174]	[-0.890,0.214]	[-0.580,0.771]	[-0.616,0.680]
Forecast Risk $\times$ $\pi^{e,12m}_{prior}$	-0.468	-0.482	0.032	0.048
	[-1.053,0.117]	[-1.065,0.101]	[-0.797,0.860]	[-0.746,0.843]
Energy Risk $\times$ $\pi^{e,12m}_{prior}$	-0.052	-0.039	0.598	0.607
	[-0.665,0.561]	[-0.643,0.564]	[-0.553,1.749]	[-0.526,1.741]
General Risk Aversion	-0.228	-0.321	-0.192	-0.205
	[-0.821,0.366]	[-0.906,0.263]	[-0.685,0.300]	[-0.714,0.304]
General Risk Aversion $\times$ $\pi^{e,12m}_{prior}$	-0.014	-0.008	0.029	0.023
	[-0.075,0.047]	[-0.069,0.053]	[-0.045,0.103]	[-0.053,0.099]
Forecast $\times$ General Risk Aversion	0.257	0.343	0.451	0.446
	[-0.563,1.076]	[-0.466,1.151]	[-0.255,1.158]	[-0.268,1.160]
Forecast Risk $\times$ General Risk Aversion	0.193	0.208	0.331	0.284
	[-0.891,1.276]	[-0.885,1.301]	[-0.677,1.340]	[-0.708,1.276]
Energy Risk $\times$ General Risk Aversion	0.106	0.121	0.347	0.427
	[-0.798,1.010]	[-0.762,1.004]	[-0.626,1.320]	[-0.555,1.409]
Forecast $\times$ $\pi^{e,12m}_{prior}$ $\times$ General Risk Aversion	0.003	-0.006	-0.069	-0.058
	[-0.092,0.097]	[-0.100,0.089]	[-0.176,0.038]	[-0.166,0.051]
Forecast Risk $\times$ $\pi^{e,12m}_{prior}$ $\times$ General Risk Aversion	0.008	0.008	-0.068	-0.057
	[-0.107,0.122]	[-0.107,0.122]	[-0.218,0.082]	[-0.202,0.087]
Energy Risk $\times$ $\pi^{e,12m}_{prior}$ $\times$ General Risk Aversion	0.004	0.003	-0.043	-0.046
	[-0.091,0.099]	[-0.091,0.097]	[-0.244,0.158]	[-0.247,0.156]
Constant	4.107**	8.433***	2.114	5.677**
	[0.198,8.016]	[3.794,13.073]	[-0.729,4.956]	[0.429,10.925]
Controls		✓		✓
Observations	2683	2683	596	596
Adj. R^2	0.090	0.090	0.418	0.434

Note: Prior and posterior inflation expectations are truncated in the range $-5 \leq \pi^e \leq 25$. Controls include age, gender, net income, level of education, household size, years of work experience, German federal state, responsibility for various household tasks, level of financial and monetary policy literacy, self-assessment measure of financial knowledge, general level of trust and level of trust in the Bundesbank, and various measures of optimism. We estimate OLS regressions with Huber (1964) weights from Table 3 and robust standard errors and show 95% confidence intervals in parentheses. * p<.10, ** p<.05, *** p<.01

Table A25: Treatment Effects from Inflation Forecasts on General Risk Aversion

	Households		Experts	
	General Risk	General Risk	General Risk	General Risk
Forecast	-0.231	-0.233*	0.148	-0.062
	(0.143)	(0.126)	(0.242)	(0.223)
Forecast Risk	-0.163	-0.141	-0.074	-0.196
	(0.142)	(0.128)	(0.256)	(0.229)
Energy Risk	-0.128	-0.045	-0.143	-0.245
	(0.141)	(0.126)	(0.236)	(0.208)
Constant	6.281***	5.528***	4.992***	4.701***
	(0.102)	(0.433)	(0.166)	(1.659)
Controls		✓		✓
Observations	2554	2554	586	586
Adj. R^2	-0.000	0.204	-0.002	0.228

Note: Controls include age, gender, net income, level of education, household size, years of work experience, German federal state, responsibility for various household tasks, level of financial and monetary policy literacy, self-assessment measure of financial knowledge, general level of trust and level of trust in the Bundesbank, and various measures of optimism. We estimate OLS regressions with Huber (1964) weights from Table 3 and robust standard errors shown in parentheses. * p<.10, ** p<.05, *** p<.01

A.5 Robustness Check: Treatment of Outliers in Inflation Expectations

Table A26: Prior Inflation Expectations and Risk Aversion: Households' Short-Run Expectations without Huber Weights

	Households											
	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$
Risk Aversion	0.121***	0.114***	0.049	0.081**	0.074**	0.051	0.092***	0.091**	0.083**	0.091**	0.076**	0.006
	(0.035)	(0.028)	(0.035)	(0.035)	(0.037)	(0.035)	(0.035)	(0.035)	(0.035)	(0.035)	(0.036)	(0.029)
π^{p}_{prior}		0.709***										0.690***
		(0.027)										(0.026)
Monetary Policy Literacy			-0.751***									-0.341***
			(0.066)									(0.060)
Financial Literacy				-0.508***								-0.266***
				(0.074)								(0.062)
Self-assessed Financial Knowledge					0.398***							-0.079
					(0.120)							(0.098)
Trust in the Bundesbank						-0.300***						-0.107***
						(0.032)						(0.030)
General Trust							-0.207***					-0.059*
							(0.034)					(0.032)
General Optimism								-0.108***				-0.008
								(0.019)				(0.018)
Optimism Outlook Germany									-1.002***			-0.598***
									(0.108)			(0.115)
Optimism Personal Outlook										-0.650***		0.003
										(0.122)		(0.132)
Constant	7.591***	1.153***	8.735***	8.786***	6.838***	9.574***	8.776***	9.309***	10.041***	9.461***	7.093***	4.779***
	(0.240)	(0.297)	(0.278)	(0.309)	(0.324)	(0.320)	(0.321)	(0.399)	(0.350)	(0.429)	(0.607)	(0.697)
Demographic Controls											✓	✓
Observations	2683	2683	2683	2683	2683	2683	2683	2683	2683	2683	2683	2683
Adj. R^2	0.005	0.344	0.040	0.025	0.009	0.040	0.020	0.017	0.037	0.017	0.038	0.418

Note: Prior inflation expectations and inflation perceptions are truncated in the range $-5 \leq \pi^{e} \leq 25$. Demographic controls include age, gender, net income, level of education, household size, years of work experience, German federal state, and responsibility for various household tasks. In comparison to the main results, we estimate OLS regressions without Huber weights and with robust standard errors shown in parentheses. * p<.10, ** p<.05, *** p<.01

Table A27: Prior Inflation Expectations and Risk Aversion: Experts' Short-Run Expectations without Huber Weights

	Experts										
	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$
Risk Aversion	0.241***	0.249***	0.173***	0.212***	0.228***	0.220***	0.230***	0.220***	0.210***	0.172***	0.162***
	(0.052)	(0.045)	(0.049)	(0.059)	(0.049)	(0.050)	(0.054)	(0.049)	(0.048)	(0.056)	(0.051)
π^{p}_{prior}		0.548***									0.486***
		(0.083)									(0.074)
Monetary Policy Literacy			-0.616***								-0.396***
			(0.111)								(0.104)
Self-assessed Financial Knowledge				0.240							-0.104
				(0.155)							(0.150)
Trust in the Bundesbank					-0.259***						-0.144**
					(0.062)						(0.061)
General Trust						-0.150***					0.013
						(0.054)					(0.056)
General Optimism							-0.061**				0.017
							(0.029)				(0.034)
Optimism Outlook Germany								-0.783***			-0.280*
								(0.155)			(0.149)
Optimism Personal Outlook									-1.025***		-0.472**
									(0.219)		(0.226)
Constant	5.707***	0.909	7.363***	5.382***	7.614***	6.706***	6.767***	7.558***	8.694***	8.994***	9.175***
	(0.242)	(0.768)	(0.373)	(0.281)	(0.478)	(0.412)	(0.639)	(0.404)	(0.652)	(2.390)	(2.741)
Demographic Controls										✓	✓
Observations	596	596	596	596	596	596	596	596	596	596	596
Adj. R^2	0.049	0.223	0.109	0.051	0.097	0.060	0.055	0.089	0.101	0.075	0.313

Note: Prior inflation expectations and inflation perceptions are truncated in the range $-5 \leq \pi^{e} \leq 25$. Demographic controls include age, gender, net income, level of education, household size, years of work experience, German federal state, and responsibility for various household tasks. In comparison to the main results, we estimate OLS regressions without Huber weights and with robust standard errors shown in parentheses. * p<.10, ** p<.05, *** p<.01

Table A28: Treatment Effects on Posterior Inflation Expectations: Bayesian Updating Model with Truncation Adjustment and without Huber Weights

	Households		Experts	
	$\pi^{e,12m}_{post}$	$\pi^{e,12m}_{post}$	$\pi^{e,12m}_{post}$	$\pi^{e,12m}_{post}$
$\pi^{e,12m}_{prior}$	0.790***	0.777***	0.911***	0.809***
	[0.640,0.940]	[0.629,0.925]	[0.797,1.026]	[0.667,0.950]
Forecast	1.534	1.608	1.594**	1.671**
	[-0.387,3.455]	[-0.318,3.534]	[0.284,2.905]	[0.392,2.949]
Forecast Risk	2.244*	2.417*	2.389**	2.030**
	[-0.239,4.727]	[-0.101,4.934]	[0.362,4.415]	[0.079,3.980]
Energy Risk	1.285	1.301	-1.462	-1.420
	[-0.797,3.367]	[-0.747,3.349]	[-3.636,0.712]	[-3.570,0.730]
Forecast x $\pi^{e,12m}_{prior}$	-0.378***	-0.381***	-0.280***	-0.272***
	[-0.616,-0.141]	[-0.617,-0.145]	[-0.478,-0.082]	[-0.461,-0.083]
Forecast Risk x $\pi^{e,12m}_{prior}$	-0.427***	-0.438***	-0.344**	-0.269*
	[-0.712,-0.142]	[-0.725,-0.151]	[-0.648,-0.040]	[-0.566,0.029]
Energy Risk x $\pi^{e,12m}_{prior}$	-0.027	-0.025	0.362*	0.366*
	[-0.269,0.215]	[-0.264,0.214]	[-0.032,0.757]	[-0.032,0.765]
Constant	2.645***	6.483***	1.049***	4.333**
	[1.248,4.042]	[2.938,10.027]	[0.271,1.826]	[0.306,8.359]
Controls		✓		✓
Observations	2683	2683	596	596
Adj. R^2	0.089	0.089	0.420	0.436

Note: Only prior inflation expectations are truncated in the range $-5 \leq \pi^e \leq 25$, while posterior inflation expectations remain unaffected. Controls include age, gender, net income, level of education, household size, years of work experience, German federal state, responsibility for various household tasks, level of financial and monetary policy literacy, self-assessment measure of financial knowledge, general level of trust and level of trust in the Bundesbank, and various measures of optimism. In comparison to the main results, we estimate OLS regressions without Huber weights, with robust standard errors and show 95% confidence intervals in parentheses. * p<.10, ** p<.05, *** p<.01

Table A29: Risk Aversion and Short-Run Prior and Posterior Inflation Expectations: Truncation Adjustment and without Huber Weights

	Households			
	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{post}$	$\pi^{e,12m}_{post}$
Risk Aversion	0.136***	0.013	0.004	-0.093
	[0.057,0.216]	[-0.053,0.080]	[-0.163,0.171]	[-0.272,0.086]
Constant	7.544***	4.450***	8.745***	14.848***
	[7.002,8.085]	[2.858,6.041]	[7.653,9.836]	[10.690,19.007]
Controls		✓		✓
Observations	2030	2030	2070	2070
Adj. R^2	0.006	0.432	-0.000	0.020
	Experts			
	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{post}$	$\pi^{e,12m}_{post}$
Risk Aversion	0.219***	0.139**	0.177*	0.084
	[0.113,0.326]	[0.025,0.254]	[-0.033,0.388]	[-0.127,0.294]
Constant	5.794***	4.679***	6.688***	15.528***
	[5.264,6.323]	[1.150,8.207]	[5.696,7.680]	[10.845,20.211]
Controls		✓		✓
Observations	441	441	442	442
Adj. R^2	0.041	0.281	0.010	0.162

Note: Only prior inflation expectations are truncated in the range $-5 \leq \pi^e \leq 25$, while posterior inflation expectations remain unaffected. Controls include age, gender, net income, level of education, household size, years of work experience, German federal state, responsibility for various household tasks, level of financial and monetary policy literacy, self-assessment measure of financial knowledge, general level of trust and level of trust in the Bundesbank, and various measures of optimism. In comparison to the main results, we estimate OLS regressions without Huber weights, with robust standard errors and show 95% confidence intervals in parentheses. Estimations exclude the control group. * p<.10, ** p<.05, *** p<.01

Table A30: Risk Aversion and Short-Run Prior and Posterior Inflation Expectations: Truncation Adjustment and without Huber Weights

	(1)	(2)	(3)	(4)
	Households			
	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{post}$	$\pi^{e,12m}_{post}$
Risk Aversion	0.017	-0.083*	0.066	0.026
	(0.038)	(0.044)	(0.070)	(0.069)
$\sigma^{\pi^e,12m}$	1.035	0.793	1.518***	1.527***
	(0.699)	(0.661)	(0.493)	(0.485)
Risk Aversion x $\sigma^{\pi^e,12m}$	0.274***	0.261***	-0.079	-0.086
	(0.098)	(0.093)	(0.068)	(0.067)
Constant	7.437***	10.522***	6.257***	8.311***
	(0.262)	(0.919)	(0.502)	(0.930)
Controls		✓		✓
Observations	2030	2030	2006	2006
Adj. R^2	0.109	0.181	0.103	0.135
	Experts			
	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{prior}$	$\pi^{e,12m}_{post}$	$\pi^{e,12m}_{post}$
Risk Aversion	0.100**	0.005	0.146	0.087
	(0.049)	(0.059)	(0.110)	(0.124)
$\sigma^{\pi^e,12m}$	-1.870**	-1.755**	1.986***	1.715**
	(0.775)	(0.738)	(0.691)	(0.767)
Risk Aversion x $\sigma^{\pi^e,12m}$	0.409***	0.384***	-0.060	-0.060
	(0.144)	(0.137)	(0.116)	(0.122)
Constant	6.324***	10.336***	4.966***	9.164***
	(0.245)	(1.673)	(0.634)	(1.690)
Controls		✓		✓
Observations	441	441	439	439
Adj. R^2	0.070	0.174	0.187	0.255

Note: Prior inflation expectations are truncated in the range $-5 \leq \pi^e \leq 25$. In columns 1 and 2, risk aversion interacts with prior uncertainty, and in columns 3 and 4, risk aversion interacts with posterior uncertainty. Prior uncertainty is a dummy variable, defined as 1 if the respondent is uncertain about prior inflation expectations. We calculate prior uncertainty based on the rounding approach by Binder (2017). Controls include age, gender, net income, level of education, household size, years of work experience, German federal state, responsibility for various household tasks, level of financial and monetary policy literacy, self-assessment measure of financial knowledge, general level of trust and level of trust in the Bundesbank, and various measures of optimism. In comparison to the main results, we estimate OLS regressions without Huber weights and without truncation of posteriors, with robust standard errors shown in parentheses. Estimations exclude the control group. * p<.10, ** p<.05, *** p<.01

Table A31: Treatment Heterogeneity Regarding Risk Aversion: Short-Run Expectations with Truncation Adjustment and without Huber Weights

	Households		Experts	
	$\pi^{e,12m}_{post}$	$\pi^{e,12m}_{post}$	$\pi^{e,12m}_{post}$	$\pi^{e,12m}_{post}$
$\pi^{e,12m}_{prior}$	0.762***	0.712***	0.844***	0.712***
	[0.390,1.134]	[0.328,1.096]	[0.559,1.129]	[0.391,1.032]
Forecast	-1.702	-1.714	0.621	0.554
	[-6.833,3.430]	[-6.877,3.449]	[-3.548,4.790]	[-3.400,4.508]
Forecast Risk	-0.195	-0.056	4.327**	3.986**
	[-6.703,6.314]	[-6.666,6.554]	[0.667,7.987]	[0.370,7.601]
Energy Risk	-0.373	-0.623	-1.220	-1.917
	[-6.709,5.963]	[-6.890,5.643]	[-5.899,3.460]	[-6.560,2.726]
Forecast $\times$ $\pi^{e,12m}_{prior}$	-0.207	-0.207	-0.139	-0.127
	[-0.741,0.327]	[-0.746,0.332]	[-0.805,0.528]	[-0.744,0.490]
Forecast Risk $\times$ $\pi^{e,12m}_{prior}$	-0.317	-0.339	-0.562**	-0.488*
	[-1.017,0.383]	[-1.041,0.363]	[-1.086,-0.037]	[-1.001,0.025]
Energy Risk $\times$ $\pi^{e,12m}_{prior}$	0.109	0.130	0.277	0.356
	[-0.560,0.777]	[-0.538,0.798]	[-0.631,1.185]	[-0.533,1.246]
Risk Aversion	-0.354	-0.426	-0.052	-0.105
	[-0.981,0.272]	[-1.062,0.209]	[-0.318,0.214]	[-0.407,0.196]
Risk Aversion $\times$ $\pi^{e,12m}_{prior}$	0.006	0.011	0.010	0.014
	[-0.054,0.066]	[-0.051,0.072]	[-0.024,0.043]	[-0.026,0.054]
Forecast $\times$ Risk Aversion	0.495	0.513	0.166	0.198
	[-0.309,1.298]	[-0.292,1.319]	[-0.458,0.790]	[-0.400,0.796]
Forecast Risk $\times$ Risk Aversion	0.372	0.384	-0.413	-0.425
	[-0.757,1.501]	[-0.758,1.525]	[-1.174,0.347]	[-1.193,0.343]
Energy Risk $\times$ Risk Aversion	0.243	0.287	-0.060	0.090
	[-0.632,1.118]	[-0.576,1.149]	[-0.849,0.729]	[-0.665,0.844]
Forecast $\times$ $\pi^{e,12m}_{prior}$ $\times$ Risk Aversion	-0.026	-0.028	-0.024	-0.025
	[-0.114,0.061]	[-0.116,0.061]	[-0.119,0.072]	[-0.113,0.064]
Forecast Risk $\times$ $\pi^{e,12m}_{prior}$ $\times$ Risk Aversion	-0.017	-0.016	0.044	0.046
	[-0.142,0.108]	[-0.142,0.109]	[-0.062,0.151]	[-0.059,0.150]
Energy Risk $\times$ $\pi^{e,12m}_{prior}$ $\times$ Risk Aversion	-0.020	-0.023	0.020	0.005
	[-0.114,0.075]	[-0.117,0.071]	[-0.143,0.182]	[-0.149,0.159]
Constant	4.913**	9.066***	1.433	5.067**
	[0.637,9.190]	[4.012,14.120]	[-0.494,3.360]	[0.538,9.595]
Controls		✓		✓
Observations	2683	2683	596	596
Adj. R^2	0.089	0.089	0.418	0.434

Note: Only prior inflation expectations are truncated in the range $-5 \leq \pi^e \leq 25$, while posterior inflation expectations remain unaffected. Controls include age, gender, net income, level of education, household size, years of work experience, German federal state, responsibility for various household tasks, level of financial and monetary policy literacy, self-assessment measure of financial knowledge, general level of trust and level of trust in the Bundesbank, and various measures of optimism. In comparison to the main results, we estimate OLS regressions without Huber weights and without truncation of posteriors, with robust standard errors and show 95% confidence intervals in parentheses. * p<.10, ** p<.05, *** p<.01

B Survey Questions

This survey deals with your views and expectations regarding inflation and your economic preferences. It is part of a scientific study at Leibniz University Hannover. Answering this survey takes approximately 15 minutes. All answers are anonymous, which means that we cannot trace any conclusions back to individual respondents.
For most questions there is no right or wrong answer – we are mainly interested in your views and personal opinions.
The quality of our data is crucial. To capture your knowledge and opinions as accurately as possible, it is essential that you answer each question to the best of your ability.

1. Do you commit to answering every question in this survey carefully?

   - Yes
   - No

2. When you think about your current life situation, are you optimistic or pessimistic about the next 12 months?

   - Very optimistic
   - Somewhat optimistic
   - Somewhat pessimistic
   - Very pessimistic
   - No answer

3. When you think about the current situation in Germany, are you optimistic or pessimistic about the next 12 months?

   - Very optimistic
   - Somewhat optimistic
   - Somewhat pessimistic
   - Very pessimistic
   - No answer

   Now we would like to ask you some general financial questions. Please answer the questions based on your current level of knowledge.

4. How good do you think is your knowledge about finance?

   - I have very good knowledge
   - I have good knowledge

- I have a fair amount of knowledge
- I don't know anything at all

5. Do you agree with the following statement: "The investment in the stock of a single company is less risky than investing in a fund with stocks in similar companies"? [*Note: This question was only asked in the household survey.*]

   - I don't agree
   - I agree
   - Don't know

6. The primary goal of the European Central Bank (ECB) is to...

   - stabilize prices for goods and services
   - stabilize corporate bond prices
   - keep interest rates low and stable
   - reduce government debt
   - Don't know / No answer

7. Which of the following actions is most likely to reduce inflation?

   - Increase short-term interest rates
   - Decrease short-term interest rates
   - Lower income taxes
   - Increase government spending
   - Don't know / No answer

8. Imagine you have 100€ in a bank account. Your money earns 10% interest rate per year . How much money would you have in your account after two years? [*Note: This question was only asked in the household survey.*]

   - A little more than 120 €
   - Exactly 120€
   - Exactly 200€
   - Exactly 110€
   - Don't know

9. Imagine that in 2023 your net income (income after taxes and duties) has doubled, but the prices of all goods have also doubled. How much would you be able to buy with your income in 2023? [*Note: This question was only asked in the household survey.*]

- Just as much as today
- More than today
- Less than today
- Cannot be determined on the basis of the information given
- Don't know

10. What is the European Central Bank's (ECB) medium-term inflation target? [Only integer numbers in the range of 0 to 100 are allowed]

    ___ %

11. In general, would you say that most people are trustworthy or untrustworthy and need to be regarded very carefully?

    - Scale: 0 (Most people cannot be trusted) to 10 (Most people can be trusted)

12. Next, we would like to know how much you trust the Deutsche Bundesbank?

    - Scale: 0 (No trust) to 10 (Full trust)

13. Please indicate the extent to which you agree with the following statements. [*Matrix Question*]
    Scale: 0 (strongly disagree) to 4 (totally agree)

    - I usually expect the best in uncertain times.
    - I find it easy to relax.
    - If something can go wrong for me, it will.
    - I always look on the bright side of my future.
    - I feel comfortable in my circle of friends.
    - It is important for me to always be busy.
    - Things almost never work out the way I want them to.
    - I am not easily upset.
    - I rarely count on good things happening to me.
    - All in all, I expect more good things to happen to me than bad things.
    - No answer

The following questions ask about your assessment of the general price level development in Germany. Inflation is the percentage increase in the general price level, usually measured by the consumer price index. A decline in the price level is commonly referred to as "deflation".

14. What do you think the inflation or deflation rate in Germany was over the past 12 months? [Numeric values with one decimal place in the range of -100 to +100]

    ___ %

15. What do you expect the inflation or deflation rate in Germany will be over the next 12 months? [Numeric values with one decimal place in the range of -100 to +100]

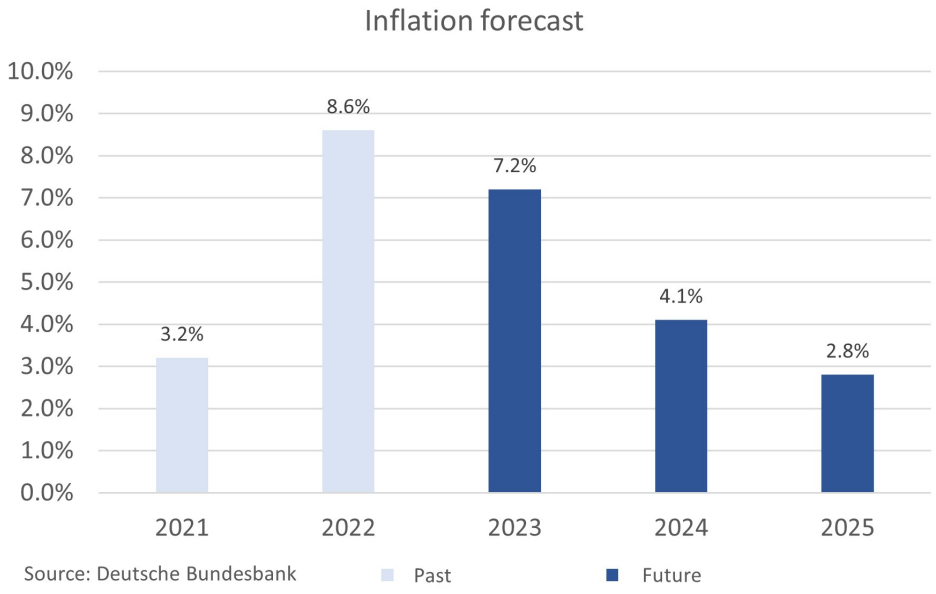
    ___ %

16. What do you expect the inflation or deflation rate in Germany will be over the next 5 years? [Numeric values with one decimal place in the range of -100 to +100]

    ___ %

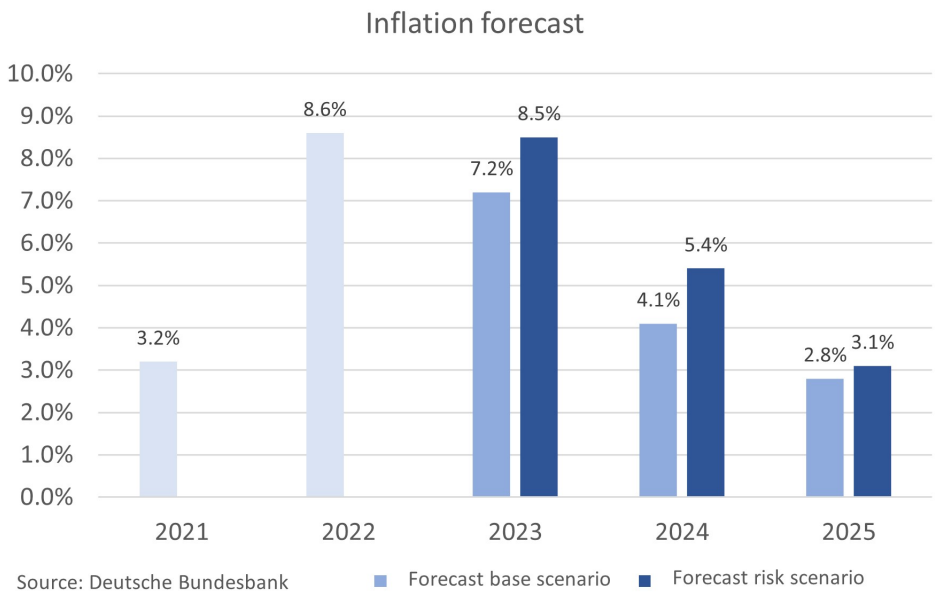
[*Note: Random allocation into 4 groups (equally sized): 1 Control Group and 3 Treatment Groups*]

Figure A2: *Forecast* Treatment



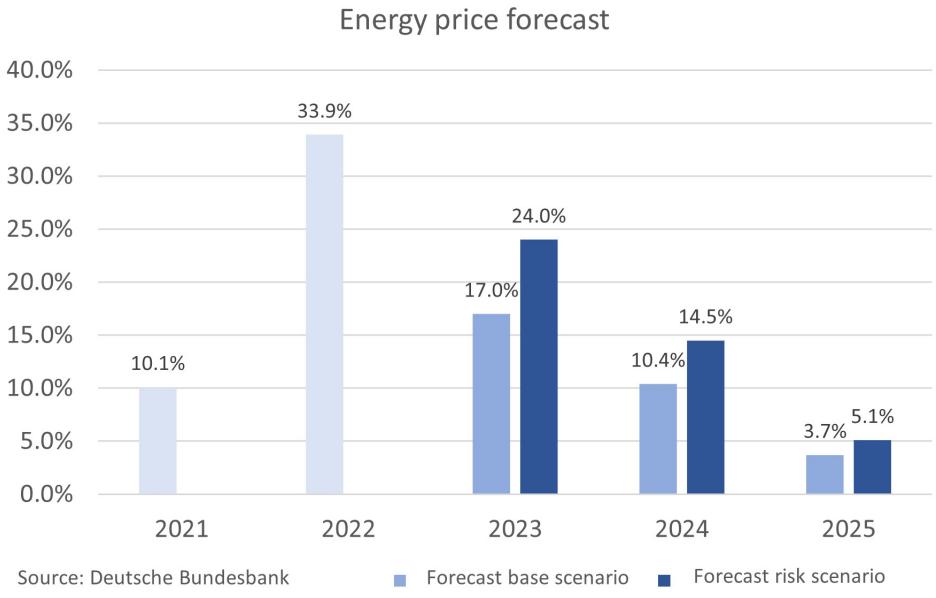
In 2021, the inflation rate in Germany averaged 3.2% and in 2022 8.6%. The Deutsche Bundesbank expects average inflation rates in Germany of 7.2%, 4.1% and 2.8% for 2023, 2024 and 2025 respectively.

Figure A3: *Forecast Risk* Treatment



In 2021, the inflation rate in Germany averaged 3.2% and in 2022 8.6%. The Deutsche Bundesbank expects average inflation rates in Germany of 7.2%, 4.1% and 2.8% for 2023, 2024 and 2025 respectively.
The Bundesbank emphasizes the high level of uncertainty in forecasting inflation rates due to the war in Ukraine. In a risk scenario in which a sharper conflict with Russia and stronger geopolitical tensions are assumed, the expected average inflation for Germany for 2023, 2024 and 2025 rises to 8.5%, 5.4% and 3.1%.

Figure A4: *Energy Risk* Treatment



In 2021, energy prices in Germany increased by an average of 10.1% and by 33.9% in 2022. The Bundesbank expects energy prices in Germany to rise by an average of 17%, 10.4% and 3.7% in 2023, 2024 and 2025 respectively.
The Bundesbank emphasizes the high level of uncertainty in forecasting energy prices due to the war in Ukraine. In a risk scenario in which a sharper conflict with Russia and stronger geopolitical tensions are assumed, the expected average energy prices for Germany for 2023, 2024 and 2025 rise to 24%, 14.5% and 5.1%, respectively.

17. We are interested in your opinion on the development of the inflation rate in the next 12 months. In your opinion, what will be the minimum and maximum inflation or deflation rate in the next 12 months?

    minimum ___ %

    maximum ___ %

18. How confident are you that the average inflation rate over the next 12 months will exceed the mean value of the minimum and maximum expectations?

    - Scale: 0 (Completely uncertain) to 10 (Completely certain)

19. We are interested in your opinion on the development of the inflation rate in the next 5 years. In your opinion, what will be the minimum and maximum inflation or deflation rate in the next 5 years?

    minimum ___ %

    maximum ___ %

20. How confident are you that the average inflation rate over the next 5 years will exceed the mean value of the minimum and maximum expectations?

    - Scale: 0 (Completely uncertain) to 10 (Completely certain)

21. Where do you see yourself: Are you generally a person who is willing to take risks fully or do you try to avoid risks?

    - Scale: 0 (Not at all willing to take risk) to 10 (Very willing to take risk)

22. In the following question, we ask you to assess your willingness to take financial risk. A value of 0 means that you are willing to take a low financial risk, typically associated with a lower return, and a value of 10 means that you are willing to take

a high financial risk, typically associated with a high return. Where would you place yourself on the following scale?

- Scale: 0 (Low financial risk) to 10 (High financial risk)

23. Please indicate your gender:

    - Female
    - Male
    - Diverse

24. Please enter your year of birth:

    ———

25. In which German federal state do you live?

    - Baden-Württemberg
    - Bavaria
    - Berlin
    - Brandenburg
    - Bremen
    - Hamburg
    - Hesse
    - Mecklenburg-Western Pomerania
    - Lower Saxony
    - North Rhine-Westphalia
    - Rhineland-Palatinate
    - Saarland
    - Saxony
    - Saxony-Anhalt
    - Schleswig-Holstein
    - Thuringia

26. What is your highest educational or vocational qualification?

    - Currently a student
    - Currently in training or studies (no Bachelor's degree yet)

- Completed vocational training (apprenticeship)
- Completed vocational school (professional school, higher business school)
- Completed training at a technical school, technical college, or professional academy
- Completed a master's school with a long preparation time of more than 880 hours
- Completed a Bachelor's degree, university of applied sciences degree, engineering school
- Completed a diploma or Master's degree, teacher training completed
- Completed a doctorate
- Other vocational qualification
- No educational qualification (and currently not in training or studying)
- Other

27. How many years of work experience do you have? [*Only integer numbers in the range of 0 to 50 are allowed*]

    ———

28. What is your household's total monthly net income?

    - under 500 Euros
    - 500 to 999 Euros
    - 1000 to 1,499 Euros
    - 1,500 to 1,999 Euros
    - 2,000 to 2,499 Euros
    - 2,500 to 2,999 Euros
    - 3,000 to 3,499 Euros
    - 3,500 to 3,999 Euros
    - 4,000 to 4,999 Euros
    - 5,000 to 5,999 Euros
    - 6,000 to 7,999 Euros
    - 8,000 to 9,999 Euros
    - 10,000 Euros or more
    - No answer

29. How many people, including yourself, live in your household from the net income stated above? [*Only integer numbers in the range of 0 to 10 are allowed*]

    ———

30. Who is mainly responsible for the following in your household?

    Everyday shopping

    - Mostly me
    - Me together with partner/ other household member
    - Mostly my partner / other household member

    Larger purchases

    - Mostly me
    - Me together with partner/ other household member
    - Mostly my partner / other household member

    Decision about savings and financial investments

    - Mostly me
    - Me together with partner/ other household member
    - Mostly my partner / other household member