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# Political Leaders and Macroeconomic Expectations: Evidence from a Global Survey Experiment

## Abstract

Can one single political leader influence macroeconomic expectations on a global scale? We design a large-scale survey experiment among influential economic experts working in more than 100 countries and use the 2020 US presidential election as a quasi-natural experiment to identify the effect of the US incumbent change on global macroeconomic expectations. We find large effects of Joe Biden's election on growth expectations of international experts, working through more positive expectations about trade. The electoral outcome particularly affected the expectations of Western allies and increased global economic uncertainty. Our findings suggest important political spillover effects in the formation of macroeconomic expectations.

JEL-Codes: A110, D720, O110.

Keywords: US presidential elections, politicians, economic expectations, economic experts, survey experiment, causal inference.

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# 1 Introduction

*“American Elections 2020: Joe Biden’s victory sparks huge relief in Europe”*

— Le Monde, November 9, 2020

*“Scientists relieved as Joe Biden wins tight US presidential election”*

— Nature, November 9, 2020

Subjective expectations about the macroeconomy are the foundation of all forward-looking decisions made by households, firms, and experts (Coibion et al., 2020a; Coibion et al., 2021; Dräger and Nghiem, 2021; Dräger et al., 2022). A vast and growing literature studies how these expectations are formed (e.g. Coibion and Gorodnichenko, 2015; Coibion et al., 2018a; Coibion et al., 2018b; Coibion et al., 2022). While the economic mechanisms underlying the formation of economic expectations are increasingly well understood, much less is known about the political origins of economic expectations. Political leaders often have great impact on national economic outcomes (e.g. Jones and Olken, 2005; Besley et al., 2011; Brown, 2020; Easterly and Pennings, 2020), and influence economic expectations in their country (e.g. Snowberg et al., 2007; Treisman, 2011; Huberman et al., 2018; Coibion et al., 2020b; Bachmann et al., 2021; Mian et al., 2021). But in an interconnected world where actions of political leaders reach beyond national borders, exceptional leaders may also shape expectations on a global scale.

In this paper, we provide first evidence on political spillover effects in the formation of macroeconomic expectations. We use the 2020 US presidential election as a quasi-natural experiment to examine the causal effect of a particularly influential politician, the US president, on global macroeconomic expectations. We exploit the change in political leadership induced by the 2020 US presidential election in a large-scale international survey experiment among 837 influential economic experts who provide policy advice for 107 countries. The participants in the survey are among the most prestigious academic economists in the world and also include Nobel Prize winners in economics. Our survey asked participants about their short- and long-term expectations regarding key macroeconomic variables, including real GDP growth, inflation, unemployment, and trade volumes. We distributed our survey in two waves, where each wave consists of a randomly selected subset of participants. The first wave was collected shortly before the election (the control group). The second wave was collected five days later, directly after Joe Biden had been called president-elect by major US media outlets (the treatment group). Given the close race between Biden and Trump during the

presidential race, it was impossible to anticipate the winner of the 2020 election. This setting allows us to identify the effect of the Biden victory on global macroeconomic expectations.

Five features make the 2020 US presidential election an ideal testing ground for examining global political spillover effects. First, Donald Trump’s ideological flexibility and the powerful influence he had on the Republican Party provide a unique case for separating the president’s impact from the impact of his political party (e.g. [Barber and Pope, 2019](#)). The US presidential system also puts strong emphasis on presidential candidates. Second, the US president is perhaps the most powerful politician in the world. The United States influence global developments ([Berger et al., 2013](#); [Corsetti et al., 2014](#)) and seek global leadership ([Congressional Research Service, 2020](#)). Third, the US presidential election generally attracts overwhelming global public attention and is closely observed by the international community and by economic experts worldwide. In a survey among roughly 5,000 participants collected in 23 countries across Europe, Middle East, Africa, Latin America and Asia Pacific, 85% of the participants answered to view the US presidential election important for the world at large ([CNN, 2016](#)). Fourth, the final outcome of the concurrent congressional elections was known only in January 2021, eliminating concerns that a realignment of the Congress might confound the results of our experiment. More generally, there is usually very little media coverage regarding congressional elections outside the United States. Finally, the incumbent president Donald Trump substantially changed the global political landscape during his four years in office. His “America first” doctrine and the break with many longstanding conventions and decades-old alliances marked a departure of US foreign policy since the Second World War, affecting multiple nations by means of trade war and the withdrawal from traditional political alliances.

Eliciting macroeconomic expectations of economic experts provides three important pieces of information that could not be collected based on household or firm-level surveys. First, forming and updating economic expectations when new information becomes available requires the use of cognitive resources at several stages. Previous research shows that forecast errors for inflation rates correlate with cognitive ability ([D’Acunto et al., 2019](#); [D’Acunto et al., 2022](#)) and that firms and households substantially overestimate the change in economic variables (e.g. [Coibion et al., 2018b](#)). The focus on economic expectations of experts allows us to collect a comprehensive sample of individuals with high cognitive ability. Second, households have been shown to

react inattentively to new information (Reis, 2006) and tend to disagree more about the extent and the consequences of macroeconomic shocks than experts (Andre et al., 2022). Our focus on experts hence allows us to curb the potential distorting effects from limited ability to process new information. Third, recent work has shown that experts have a major impact on policy making (e.g Jacobs and Page, 2005; Hjort et al., 2021). The participants included in our sample are renowned economic experts working at universities, research institutes, central banks, multinational companies, embassies, and international organizations, whose opinions influence policy making and national economic debates in the country they work in (“host country”).

We present four main results. The first main result is that the US incumbent change had significant and economically sizable spillover effects on the formation of global macroeconomic expectations. Those experts who were informed that Joe Biden won the 2020 US presidential election expected real GDP growth in their host country in 2021 to be 0.98 percentage points higher than experts polled before the election date. Our empirical setting followed the pre-analysis plan that we submitted prior to our experiment (28 October 2020). Our setting was designed to minimize the time between the control and the treatment group to rule out that confounding events may influence the results. The narrow time window of five days between the survey waves limits the scope for confounding events, but we carefully examine the potential of a bias initiated by other events that took place during the survey period. On a global scale, we explore the consequences of the 2020 coronavirus pandemic, the announcement of the effectiveness of the vaccine candidate *BNT162b2* against SARS-CoV-2, and the publication of economic forecasts for the upcoming year. We then specifically explore the potential of a bias caused by regional confounding events via jackknife resampling analyses. We further show that our results do not depend on individual choices made for our estimation strategy and that the findings are unlikely to be affected by experimenter demand effects.

Our second main result is that the treatment effect for GDP growth is driven by more positive expectations about foreign trade. For experts outside the United States surveyed in the second wave, the mean value of expectations about changes in trade volumes is 1.95 percentage points larger than for experts in the control group. Examining experts from countries that were in trade war with the United States during the Trump presidency, the treatment effect of the Biden victory on expected trade volumes increases to 2.25 percentage points. In line with the trade channel, we find

that the treatment effects are stronger for experts from countries with close trade relationships to the United States. The trade mechanism is consistent with many pro-trade statements made by Joe Biden prior to the 2020 election (Biden, 2020b).

Our third main result is that there is a considerable degree of heterogeneity in the political spillover effects of the US incumbent change on global macroeconomic expectations. First, we find strong evidence for temporal heterogeneity. While the treatment effects for GDP growth are substantial in the short-term, we find no impact of the change in political leadership in the US on long-term expectations. This temporal structure of the treatment effects is in line with standard macroeconomic models in which macroeconomic variables return to a steady state after an exogenous shock, so that these shocks have only transitory effects on the future development of the macroeconomy (e.g. Clarida et al., 2000; Rudebusch, 2002). Second, we also uncover heterogeneity in the political spillover effects across geographic units and across the degree of political ties to the United States. Our results show that treatment effects are particularly large among experts from countries that share a Western cultural legacy. We also find strong treatment effects for experts from countries that are politically close to the United States, measured via voting behavior in the General Assembly of the United Nations.

A key assumption underlying our empirical framework is that the case of US President Trump, a politician with a remarkably flexible ideological approach, offers a unique opportunity to separate the impact of an influential political leader from the impact of his party, whose positions that incumbents usually represent (e.g. Barber and Pope, 2019). Donald Trump was attached much less to the traditions of an individual political party than many of his predecessors. Hence, many political scientists and political commentators argue that Donald Trump shaped the Republican Party much more than the Republican Party shaped him (e.g. Espinoza, 2021). There are further factors that speak against the identification of a party effect with our setting. First, a key feature of the US presidential system is that voters primarily vote for the presidential candidate rather than for political parties.<sup>1</sup> Second, if the more positive macroeconomic expectations after the election were driven by a party effect, we would expect to see a treatment effect for the entire reign of the Democratic Party. The temporal heterogeneity in the treatment effects is at odds with this argument. As a complementary analysis to study the role of the president vis-a-vis the Republican

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<sup>1</sup>The US President is elected indirectly. Voters cast ballots for a list of Electoral College members. The Electoral College, in turn, directly elects the US President.

Party, we examine the role of presidential visits for the spillover effects on GDP growth. The intuition of this strategy is that the presidents' allocation of time and attention abroad directly reflects his diplomatic priorities. Presidential visits provide the president with a structural advantage in foreign policy over Congress, which places him as the "*primary agenda setter in American politics with respect to foreign policy matters*" (Peake, 2001). We find that the treatment effects are particularly large for countries that experienced a declining prioritization during the presidency of Donald Trump.

In the final step of our study, we complement our analysis regarding point estimates of expectations by exploring the confidence of respondents in their own forecasts. This analysis is motivated by previous work that examines how electorally-induced policy uncertainty impacts agents' economic expectation (Gerber and Huber, 2009; Jens, 2017; Falk and Shelton, 2018).<sup>2</sup> Examining the mechanism from uncertainty to expectations in our setting of global political spillover effects, our fourth main result is that the US incumbent change has increased experts' uncertainty about the future state of the economy. Our survey included a series of questions that ask participants to predict the percentage chance for several possible outcomes of the macroeconomic variables. This approach allows us to calculate individual-level probabilistic density forecasts. We use these distributions to compute dispersion measures that quantify the level of uncertainty for each experts. The intuition of our approach is that experts who assign probabilities over many bins reveal a higher level of uncertainty compared to experts who distribute probabilities over a few bins. Our result of greater post-election uncertainty is consistent with the argument that many experts outside the United States perceived the Biden campaign to be primarily built on voting Trump out of office. Except for the promised reversal of Trump's most controversial policies, little was known in the international community about the political agenda Joe Biden would pursue once elected into office. The Economist summarized this lack of knowledge about Biden's policy positions as "*the good, the bad, and the unknown*" (The Economist, 2020a). In line with the information argument, we find no treatment effect for the subsample of US-experts, who have been better informed about Biden's intended policies prior to the election than experts working in other parts of the world.

Our results have important implications for understanding the origins of expectation formation. First, they suggest that macroeconomic expectations are partly driven by global factors that are beyond the immediate discretion of national policy makers.

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<sup>2</sup>In a similar vein, financial markets responded to flawed poll data on the US presidential election day in 2004 (Snowberg et al., 2007).

Second, our findings highlight the impact of politicians on the formation of expectations about the future state of the economy. Given the dominant role of the US president in world politics and the exceptional character of Donald Trump, our results are obtained in a setting where experts' expectations might be particularly responsive to political impulses. Against the backdrop of China's rise in world politics and the global reactions in response to Russia's invasion of Ukraine, however, our results may also translate to the impact of other global leaders. Studying this impact is a promising avenue for future research.

**Contribution to the literature:** The main contribution of our paper is to provide first evidence on political spillover effects in the formation of economic expectations. Our study builds on previous work that examines how politicians and national leaders influence the economy (Jones and Olken, 2005; Besley et al., 2011; Yao and Zhang, 2015; Brown, 2020; Easterly and Pennings, 2020). Our results contribute to this literature in two ways. First, we find that individual political leaders influence economic expectations of agents. Second, we uncover cross-national spillover effects, showing that a particularly influential politician, the US president, affects economic expectations beyond national borders. Our results suggest that exceptional national leaders can exert great influence on the state of the global economy. These spillover effects complement the literature on state actors' foreign influence (see Aidt et al., 2021 for a survey).

Our study is also more broadly related to the literature exploring the determinants of economic expectations. This literature typically analyzes the formation of expectations by households, firm managers or professional forecasters (Dräger et al., 2016; Coibion et al., 2018b; Coibion et al., 2018a, Dräger and Nghiem, 2021; D'Acunto et al., 2022). Our study contributes to the knowledge about the political origins of macroeconomic expectations. While previous work has shown that political shocks can influence inflation expectations (Dräger et al., 2022), our study offers a global perspective on political spillover effects regarding expectations about key macroeconomic variables.

Our study also adds to the literature investigating how political uncertainty influences economic outcomes (e.g. Pastor and Veronesi, 2012, 2013; Kelly et al., 2016; Baker et al., 2016; Bloom et al., 2018). Measuring political uncertainty is afflicted with a series of methodological challenges (Kelly et al., 2016). Our innovation to address these challenges is twofold. First, we use exogenous variation in political uncertainty

by implementing a survey experiment around the 2020 US presidential elections. Second, we ask participants to predict the percentage chance of certain outcomes of the macroeconomic variables included in our survey. We use these numbers to retrieve individual-level measures of revealed uncertainty based on the resulting probabilistic density function. The positive effect of Biden’s victory on the degree of uncertainty of international experts complements the existing literature by indicating that ambiguity about the policies of a newly elected incumbent may rise uncertainty of economic experts.

We also connect to the literature on large-scale survey experiments in economics. So far most studies have conducted national survey experiments (e.g. [Kuziemko et al., 2015](#); [Snowberg and Yariv, 2021](#); [Stantcheva, 2021](#); see [Haaland et al., 2020](#) for a survey of the literature). Our work joins the ranks of an emerging strand of studies that conduct large-scale survey experiments in multiple countries ([Alesina et al., 2018](#); [Algan et al., 2021](#); [Alesina et al., 2022](#); [Fehr et al., 2022](#)). We advance on this literature by conducting a global survey experiment that allows us to draw inferences about the external validity of the political spillover effects.

Finally, our study also relates to the literature examining assessments of economic experts (e.g. [Gordon and Dahl, 2013](#); [Sapienza and Zingales, 2013](#); [DellaVigna and Pope, 2018](#); [Gründler and Potrafke, 2020](#); [Zingales, 2020](#)) and the factors that shape economic expectations of professional economists (e.g. [Malmendier et al., 2021](#); [Andre et al., 2022](#)). Our results suggest that experts consider recent political events when forming expectations and update their expectations when new information becomes available.

**Organization:** The remainder of this paper is organized as follows. In the next section we provide background information about the 2020 US presidential election. In Section (3) we illustrate the design of the survey experiment and show descriptive evidence. We formalize our empirical strategy in Section (4) and present our results in Section (5). Section (6) examines uncertainty in expectations after the election. Section (7) concludes.

## 2 The 2020 US presidential election

We first describe the events at election night, 3 November 2020, and the subsequent events until major US media outlets called the election for Biden on 7 November 2020. We then discuss the unique features of the US presidential election that makes it an ideally-suited laboratory to study political spillover effects in global macroeconomic expectations.

### 2.1 Events at election night and subsequent days

The outcome of the US presidential election on 3 November 2020 was announced on 7 November 2020. It took some time to count the votes, in particular because many citizens voted early and via post. The Republican incumbent, Donald Trump, declared himself to be the winner of the election on 3 November 2020. At that time, Donald Trump won critical swing states such as Florida and Ohio and was leading in states such as Wisconsin, Michigan, Georgia, North Carolina and Pennsylvania. He would have won the election had he won the states in which he was leading on 3 November 2020. However, the lead changed in many tight states while the postal ballots were counted. Michigan and Wisconsin were called for Biden on 5 November 2020.

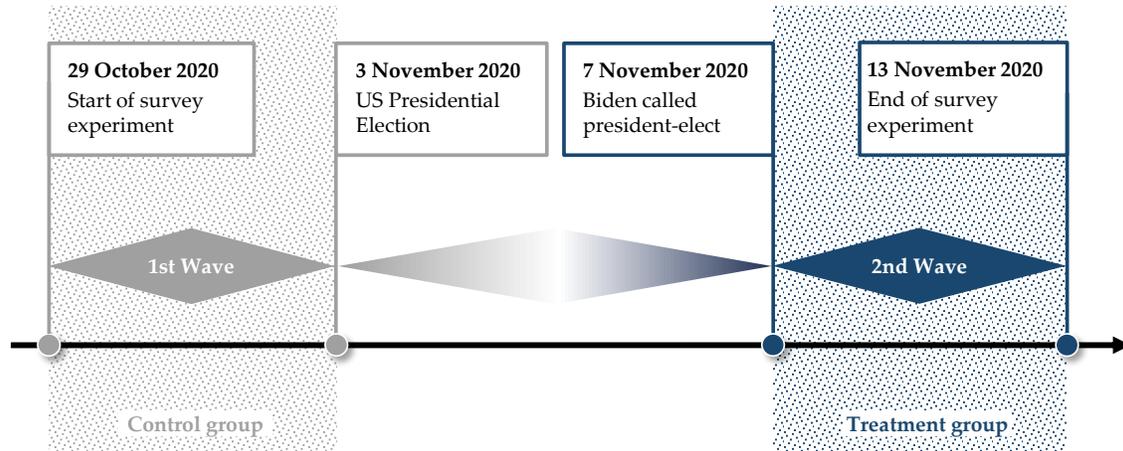
Donald Trump was ahead in the swing state Pennsylvania until 6 November 2020, but it was called for Biden on 7 November 2020. Biden had 273 votes in the Electoral College at this time (CNN)—270 votes are needed for a majority in the Electoral College that elects the US president. Consequently, major US media outlets called Joe Biden to be the winner of the election on 7 November 2020. The news was soon seized on by the international press and spread across the globe.

Because of Trump’s strong political and societal polarization, the 2020 presidential election was perceived to be one of the most important elections in the recent history of the United States. The election had the highest turnout since 1900 and with more than 80 million votes, Joe Biden received the highest absolute number of votes in the history of the US presidential election ever cast for a candidate.

### 2.2 The election as a natural experiment

The general set-up that we designed to exploit the 2020 US presidential election as a natural experiment to examine the political origins of expectations formation is visualized in Figure (1). We conducted a large-scale global survey among economic experts

**Figure 1** THE SET-UP OF OUR SURVEY EXPERIMENT. TIMING OF THE SURVEY'S FIRST AND SECOND WAVE.



*Notes:* The figure shows the general set-up of our survey experiment and the timing of the two waves of our survey that constitute the control group and the treatment group. The control group was surveyed in the first wave, shortly before the election (29 October 2020 – 3 November 2020). The treatment group was surveyed in the second wave, directly after Joe Biden had been called president-elect by major US media outlets (8 November 2020 – 13 November 2020).

that consisted of two waves. The first wave was sent out shortly before the election took place. Experts surveyed in this wave are in the control group of the experiment (29 October 2020 – 3 November 2020). The second wave was sent out five days later, directly after Joe Biden was called president-elect (8 November 2020 – 13 November 2020).<sup>3</sup> Experts polled in this wave are in the treatment group of our experiment.

Given the two-step nature of the survey, the intuition of our approach is to compute treatment effects by comparing sample means of macroeconomic expectations between experts in the control and the treatment group, conditional on fixed effects and control variables.

<sup>3</sup>We sent out the second wave on 8 November 2020 to exactly match the distribution time with the distribution time of the previous wave.

## 2.3 Anticipation of the electoral outcome

Joe Biden led in many polls conducted prior to the 2020 US presidential election that sought to forecast the popular vote (see, e.g., [The Economist, 2020b](#)). However, four years earlier, Donald Trump’s victory in the US presidential election of 2016 caught many by surprise. Almost all polls and experts predicted a victory of Hillary Clinton. However, Donald Trump won the overwhelming majority of electoral votes (304 out of 538), whilst losing the popular vote by almost 3 millions.<sup>4</sup> The odds implied by bookmakers for Trump winning the election was even higher for the 2020 election than for the 2016 election (see Figure C-1 in the appendix). Against the backdrop of the 2016 presidential election and the inherent unpredictability of elections, we do not expect that experts in the control group considered a victory of Joe Biden for reporting their expectations. Ex ante uncertainty about the electoral outcome was intensified by the special character of the incumbent Donald Trump, who succeeded in heavily mobilizing his supporters to participate in the 2020 election.

**Statistical consequences of anticipation effects:** Anticipation effects in the control group would downward bias the results, because mean expectations in the control group would be higher when some experts reported more favorable macroeconomic environments in 2021 based on an anticipated Biden victory.

## 2.4 Advantages of the empirical set-up

Five features make the 2020 US presidential election an ideally suited laboratory for identifying the causal effect of an exceptional politician on macroeconomic expectations.

### 2.4.1 Disentangling the effect of the politician from party attachment

Studies that aim to examine the effects of politicians are confronted with the challenge of separating politician-specific effects from partisan effects. Ideological views and policy preferences of politicians are usually closely connected with those of their

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<sup>4</sup>The division between the popular vote and that of the Electoral College has been shown to be driven by regional heterogeneity in political polarization and socioeconomic and demographic factors. Accounting for such factors in standard election models would have given rise to the prediction of Donald Trump’s victory in 2016. Using data gathered until just before the 2020 US presidential election, these augmented models also predicted a tight race between both candidates regarding the outcome of the Electoral College votes and suggested no clear favorite ([Ahmed and Pesaran, 2020](#)).

political party. The 2020 US presidential election presents a unique opportunity to divorce the effect of the US president from party attachment because Donald Trump is attached much less to a political party than previous presidents. Trump registered as a Republican in 1987, switched to the Reform Party in 1999, became a member of the Democratic Party in 2001, and switched back to the Republican Party in 2009 after nearly a decade of membership in the Democratic Party. The lack of partisanship perceived by some members of the Republican Party is reflected in a quote by Jeb Bush, who, after losing ground to Donald Trump in the polls following the first Republican Party’s presidential debate, said that Trump “*was a Democrat longer in the last decade than he was a Republican*” (Bush, 2015). The ideological flexibility of President Trump presents a unique setting to disentangle party attachment from the presidents’ specific worldview. Using a similar framework to examine the role of partisanship versus ideology, Barber and Pope (2019, p. 39) argue that “*there has never been a president (or any party leader) who shifts back and forth so often between liberal and conservative issue positions [...]. To our knowledge, there has never been a similar opportunity to break the tight correlation between issue ideology [...] and partisanship in such a valid realistic experimental setting*”.

After taking office, many commentators describe how president Trump began to reshape the Republican Party to primarily promote his views.<sup>5</sup> There is an abundance of evidence showing that Trump shaped the Republican party much more than the party shaped him. One example comes from the Republican Party platform:<sup>6</sup> On 24 August 2020—the first day of the 2020 Republican National Convention—the Republican National Committee announced that it will not adopt a platform until 2024 and stated that “*the Republican Party has and will continue to enthusiastically support the President’s America-first agenda*” (Republican National Committee, 2020). Other examples include media responses. For instance, the *Fortune* magazine headlined “*The Republican Party turns its platform into a person: Donald Trump*.” (Colvin, 2020).<sup>7</sup> Despite Trump’s loss in the 2020 US presidential election, his influence on the Republican Party continues to be important.<sup>8</sup>

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<sup>5</sup>As the *WSJ* headlined: “Donald Trump’s Win Starts a New Era for Republicans – Party members across the country move toward adopting positions held by the president-elect that they previously opposed” (Epstein and Hook, 2020).

<sup>6</sup>Every four years, the Democratic Party (since 1840) and the Republican Party (since 1856) issue a platform setting out their policy positions.

<sup>7</sup>Further commentaries include: “*Le parti, c’est moi*.” (Wheeler, 2020), “*Today’s GOP ‘Is Donald Trump’s Party’*” (Gonyea, 2020).

<sup>8</sup>Liz Cheney, arguably Trump’s biggest opponent in the Republican Party, was ousted from her

A related and general advantage of the empirical set-up comes from the US presidential system, in which the president is elected independently of the legislature. Unlike in parliamentary democracies, where the head of government is appointed by the legislature, the electorate in the United States votes on presidential candidates and not on parties. This system puts strong emphasis on individual presidential candidates, alleviating concerns that the measured treatment effects in our setting may be driven by parties rather than by persons.

#### **2.4.2 Strong economic and political power of the United States**

The US economy is by far the largest economy on the globe. At the time of the 2020 US presidential election, the International Monetary Fund estimated nominal GDP in the United States to be 20,807,269 million US-Dollars, amounting to approximately one quarter of global production (IMF, 2020). Consequently, the state of the US economy strongly influences the economic performance of other countries (e.g. Corsetti et al., 2014). The United States is also the most influential international power in world politics, and global leadership is a key element of the political role that the United States envisages for itself (Congressional Research Service, 2020). There is also evidence of US political power being harnessed to influence countries' decisions in favor of US economic interests (Berger et al., 2013). Viewed together, the US president is likely to be the most economically and politically powerful politician in the world.

#### **2.4.3 High levels of public attention**

The 2020 US presidential election was closely followed by the international community. For instance, the French "Le Figaro" wrote on 3 November 2020 that "*outside the World Cup (soccer) finals, there is hardly any planetary suspense comparable to the U.S. presidential election*" (Gelie, 2020). In a similar vein, the Italian daily La Repubblica titled "*the world is waiting*" (Castelletti et al., 2020). There is little doubt that the US presidential election attracts interest beyond the United States and that its outcome shapes the international landscape. Given the high level of public attention, we have good reasons to assume that international experts closely observed the US presidential

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position as House Republican Conference chair in 2021. On 16 August 2022, Cheney lost the renomination in Wyoming's Republican primary to Trump-endorsed Harriet Hageman in a landslide, garnering just 28.9% of the vote. The *New York Times* and the *Economist* responded in affirming Trump's hold on the Republican Party (Leonhardt and Philbrick, 2022; The Economist, 2022).

election and the events until 7 November 2020 when Joe Biden was called president-elect by major media outlets. Using search data from Google, Figure (C-2) illustrates the global surge in interest in the US presidential election at the end of October 2020.

#### 2.4.4 Little scope for confounding by concurrent elections

On 3 November 2020 the US electorate also voted on governors, house representatives and senators. Gubernatorial elections were held in eleven states and two territories.<sup>9</sup> The outcomes of these elections offer little scope to impact our results, because the number and size of states and territories with gubernatorial elections on 3 November 2020 were small. Except for Montana, where the governor’s party changed from Democratic to Republican, the elections also did not give rise to changes in the ruling party. Similarly to the gubernatorial election outcomes, the 2020 election for the House of Representatives initiated little change. Although the Democratic Party lost 13 seats compared to the 2018 election, it retained control of the House with a 222–213 majority. There is also little room for confounding created by the 2020 US Senate elections. Democrats gained three seats in the November general election, leaving the party with a total of 48 seats (46 registered Democrats and two allied independents) and the vice presidency while Republicans held 50 seats.<sup>10</sup> Electoral uncertainty was only resolved after Georgia’s run-off election on 5 January 2021. Both Democratic candidates narrowly won their races and tied the partisan balance in the Senate. Importantly for our setting, however, experts surveyed in the treatment group did not know about the outcome of the 2020 US Congress elections.

#### 2.4.5 Controversial policies pursued during the presidency of Donald Trump

During his presidency, Donald Trump broke with many longstanding conventions, pursuing populist policies that have been subject to controversy, both in the United States and across the globe. His self-positioning as the “*hero of angry workers threatened by trade, migration, and technological change*” (Margalit, 2019) gave rise to rigorous policies that favored his political base and disadvantaged non-supporters.<sup>11</sup> His “America

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<sup>9</sup>Gubernatorial elections were held in Delaware, Indiana, Missouri, Montana, New Hampshire, North Carolina, North Dakota, Utah, Vermont, Washington, West Virginia, American Samoa (territory) and Puerto Rico (territory).

<sup>10</sup>It was unclear which party would hold the two Georgian Senate seats during the next term following the November general election. Election laws in Georgia require Senate candidates to win at least 50% of the vote in the general election, which none of the candidates did.

<sup>11</sup>On US citizens’ knowledge and understanding of trade see Stantcheva (2022).

First” doctrine also marked a departure in US foreign policy since the Second World War, affecting multiple nations directly or indirectly by punitive tariffs and other means of trade war. A key element of “Trumpism” was the use of foreign policy as a platform for the (re)production of a populist-nationalist electoral coalition (Wojczewski, 2020). On numerous occasions, the social media platform Twitter has labeled his statements as “disputed”, and his devotion to “alternative facts” has sparked a debate about the “post-truth” era of politics (Higgins, 2016; Crilley, 2018). The high interests at stake prompted the incumbent Donald Trump to call the 2020 US presidential election “*the most important election in US history*” (Trump, 2020), while Biden noted that “*this is a life-changing election that will determine America’s future for a very long time*” (Biden, 2020a). The essential message of the Biden campaign was the promise of reversing Trump’s controversial policies (Shear and Friedman, 2020).

### 3 Design of the survey experiment and descriptive evidence

#### 3.1 General design and randomization

**Sample:** We exploit the unique infrastructure of the Economic Experts Survey (EES, formerly “World Economic Survey”, WES) at the ifo Institute and the CESifo research network to reach out to renowned international experts working in universities, research institutes, central banks, multinational companies, embassies, and international organizations. This survey has been used in related studies that examine how professional economists form expectations (e.g. Andre et al., 2022). The strength of the survey is its global coverage. Our survey includes participants from countries that cover 99.5% of world GDP, 83.4% of world population, and 74.7% of global land area.

We contacted a total of 1,552 international experts and received answers from 837 participants (about 54%). The survey ran from 29 October 2020 to 13 November 2020 (Central European Time - CET). We focus on renowned economic experts whose opinions influence the national economic debates in their country. Almost all participants in our sample have a university degree, about half of the participants hold a PhD.

**Randomization and waves:** We randomly split the universe of experts into two subsamples, that we separately surveyed in two waves (see Figure 1). Randomization

was carried out by a software-based randomization generator. The first wave was surveyed from 29 October 2020 until 3 November 2020 CET (the “control group”). The election took place on 3 November 2020. Our sample for the control group incorporates all answers from experts that participated in our survey until public authorities and major news outlets published the first results on 4 November 2020 00:00 CET. The outcome was announced on 7 November 2020. The second wave (the “treatment group”) was collected directly after the news of Joe Biden’s victory had become public, covering the period from 8 November 2020 to 13 November 2020. We distributed our survey via the software *qualtrics*<sup>XM</sup>. Responses were recorded online. The invitation to participate in the survey and other emails were always sent at 12:00 CET. The procedure was identical for the treatment and control group.

## 3.2 Main study

**Questions included in the survey:** The full questionnaire that is used for both waves of the survey is presented in Figures (A-1)–(A-4) in the appendix, showing the design of the web interface and the wording of our questions. Our survey encompasses 12 questions on economic expectations. Experts are asked to provide their expectations for the country in which their professional work is located (the “host country”). In about 80% of cases, the host country of experts is identical to their country of origin. Our survey includes expectations regarding four key macroeconomic variables: (i) the growth rate of real GDP (in %), (ii) the rate of inflation (in %), (iii) the unemployment rate (in % of the labor force), and (iv) the change in trade volumes (in %).

We differentiate between expectations regarding the short-term macroeconomic environment in 2021 (Questions 1, 4, 7 and 10) and the macroeconomic environment over the upcoming presidency until the end of 2023. We do not include the election year 2024 (Questions 3, 6, 9 and 12). The survey includes two categories of questions to elicit experts’ point estimates and probabilistic density forecasts of future macroeconomic variables.

**Point estimates of macroeconomic variables:** For point estimates, we ask “*What is your estimate of [macroeconomic variable] in 2021?*”. Participants are presented with a scale encompassing the full range of possible outcomes (in case of real GDP running from -15% to +15%) and are asked to put the slider at the position corresponding with their estimate. Participants also have the option of ticking a box saying “Don’t

know”.

**Probabilistic density forecasts:** To measure the degree of uncertainty in experts’ expectations, we present a scale showing bins of possible outcomes and ask experts to provide the percentage chance for all bins that the macroeconomic variables fall within the bin. Our query asks *“Please indicate which probability you assign to the following [macroeconomic variable] in 2021”*. Based on the answers to this question we compute summary statistics of the resulting density forecast, which serve as measures for the expert-level degree of uncertainty (see section 6).

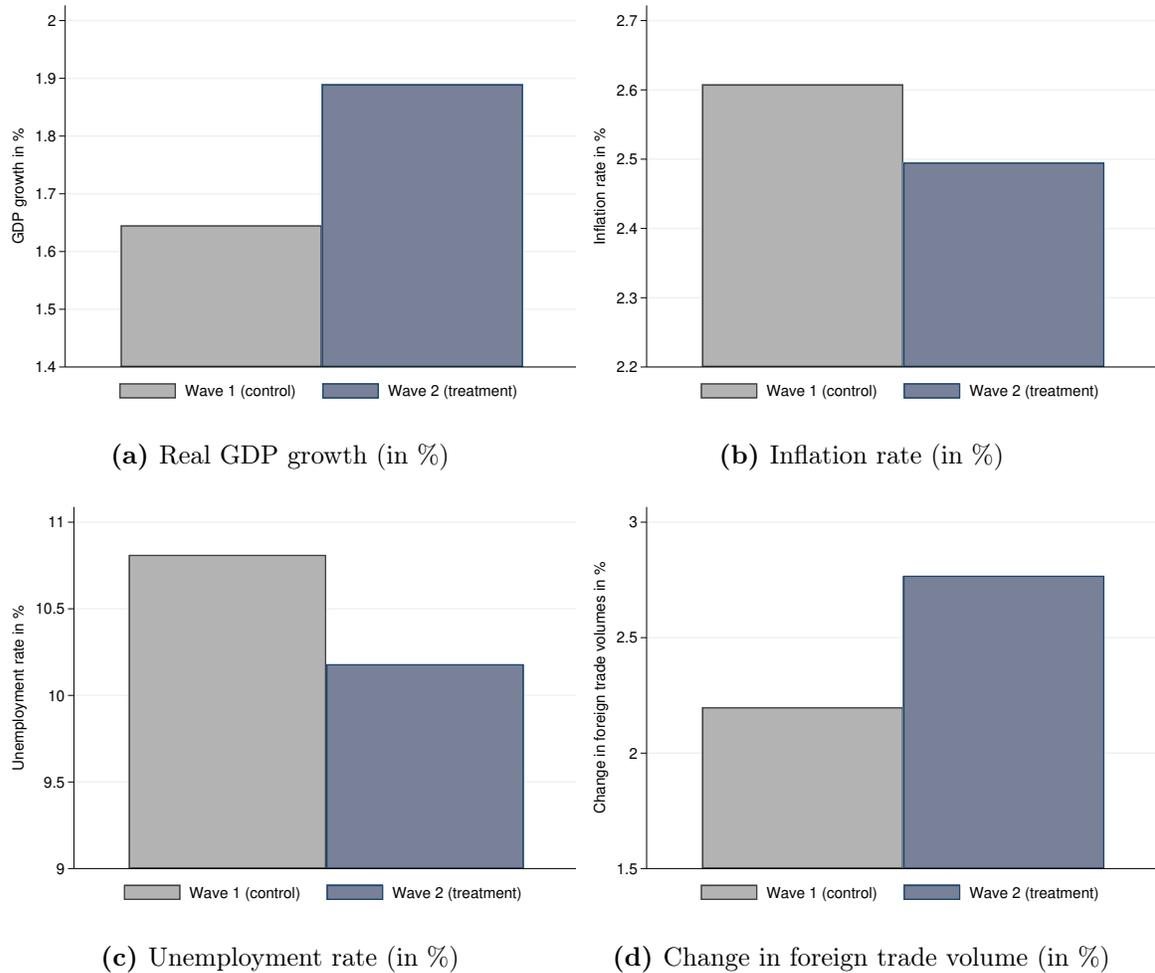
### 3.3 Descriptive evidence

Figure (2) shows the sample means of our key macroeconomic variables for the randomly chosen group of experts surveyed in wave 1 prior to the election (“Pre-Election”, the control group) and the group of experts polled in wave 2 after the election result had become public (“Post-Election”, the treatment group). The descriptive statistics show that experts polled after Joe Biden had been called president expect a generally more favorable short-run macroeconomic environment. On average, participants in the treatment group expect higher average levels of real GDP growth, lower rates of inflation and unemployment, and greater increases in international trade volumes.

Figure (3) plots the probabilistic density forecasts for treated and non-treated experts. Consistent with the descriptive results for the point estimates, experts polled in wave 2 of our survey experiment assign greater (lower) probabilities to higher (lower) growth rates of GDP than experts surveyed in the first wave. Experts in the treatment group also assign higher (lower) probabilities to lower (higher) unemployment rates. The results show no clear tendency for inflation rates. For trade, we find that experts polled in the second wave put greater probability mass to higher positive changes in trade volumes.

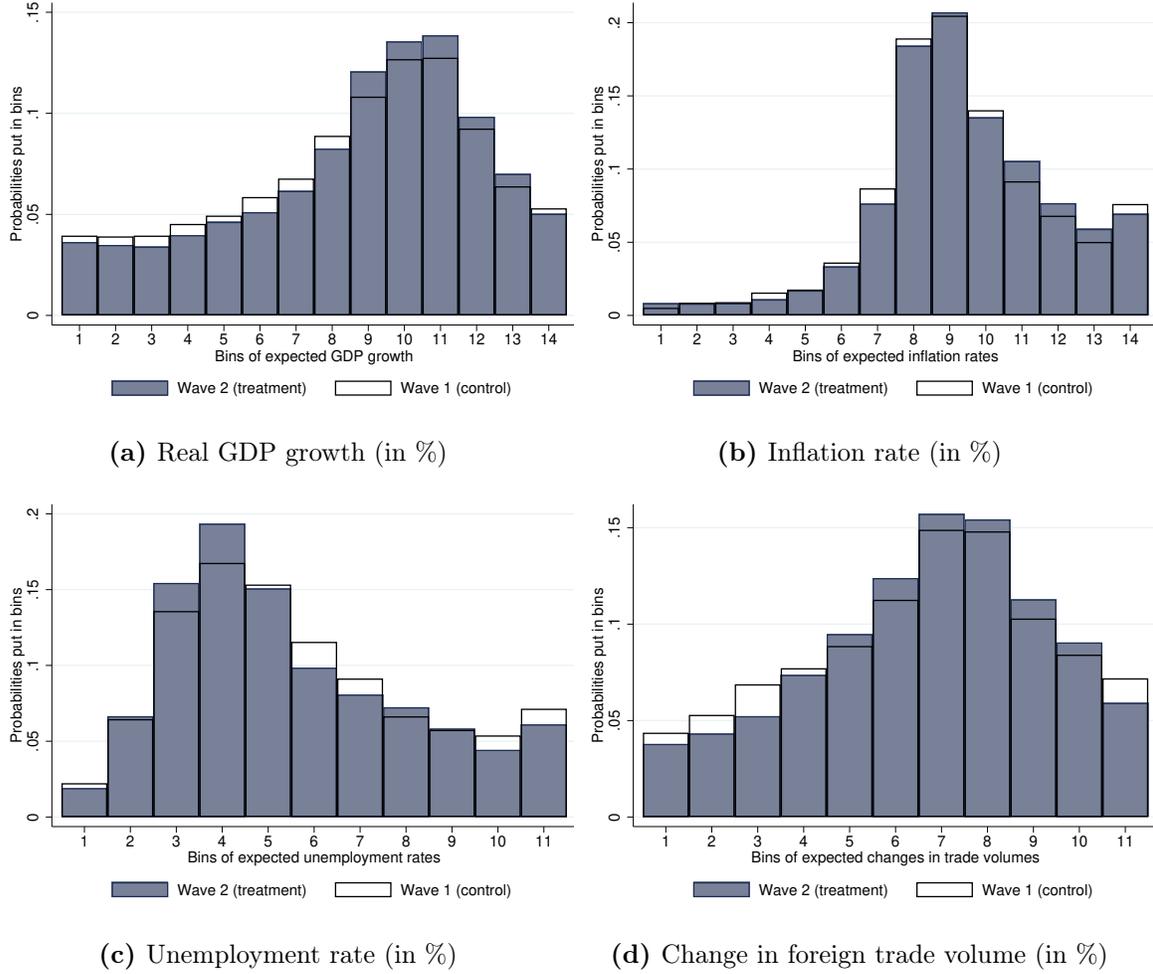
**Consistency of expectations:** In Figure (C-3) in the appendix, we compare the point estimates provided by experts with means retrieved from the probabilities experts distributed over bins. For each macroeconomic variable, the figure shows a strong positive correlation, pointing to a high level of internal validity of experts’ reported expectations.

**Figure 2** MEANS OF EXPERT EXPECTATIONS, PRE-ELECTION VERSUS POST-ELECTION.



*Notes:* The figure shows sample means of expectations regarding our four key macroeconomic variables (real GDP growth, inflation, unemployment, and changes in trade volumes). The figure shows mean levels of expectations separately for both waves of our global survey. Yellow bars refer to the randomly chosen group of experts surveyed in wave 1 prior to the election (labeled “Wave 1 (control)”, the control group of our survey experiment). Blue bars refer to the group of experts polled after the election (labeled “Wave 2 (treatment)”, the treatment group of our survey experiment).

**Figure 3** DISTRIBUTION OF EXPERT EXPECTATIONS OVER BINS, PRE-ELECTION VERSUS POST-ELECTION.



*Notes:* The figure shows the distribution of expert expectations over bins regarding our four key macroeconomic variables (real GDP growth, inflation, unemployment, and changes in trade volumes). For each bin, experts are asked to quantify the expected chance that the variable will fall into the respective bin category. The figure shows overlapped histograms of expectations separately for both waves of our global survey. Plain bars refer to the randomly chosen group of experts surveyed in wave 1 prior to the election (labeled “Wave 1 (control)”, the control group of our survey experiment). Blue bars refer to the group of experts polled after the election (labeled “Wave 2 (treatment)”, the treatment group of our survey experiment).

## 4 Empirical strategy

### 4.1 Pre-analysis plan and hypothesis

We submitted our pre-analysis plan on 28 October 2020. The pre-analysis plan comprised three building blocks. First, it specified the outcome variables that we are interested in (GDP growth, inflation, unemployment and trade). Second, it included the setting of our analysis, specifying that we ask economic experts working in 120 countries and randomly split the sample into two balanced sub-samples. It then described our strategy of asking half of the participants during the five days before the election and the other half during the five days following the election; examining the effect of the US presidential election in a survey experiment setting. Third, the pre-analysis plan also included information about the procedure of the online questionnaire. No changes have been made to the intended specification submitted prior to the experiment. Given that the outcome of the US election became clear during 7 November 2020 however, we sent out our survey's second wave on 8 November 2020.

Our pre-analysis plan also included our main hypothesis. The purpose of our study is to examine the global impact of exceptional politicians on expectations about macroeconomic outcomes. We use the 2020 US presidential election as a quasi-natural experiment to examine the causal effect of a particularly influential politician, the US president, on global macroeconomic expectations. The motivation of this set-up is to study global political spillover effects in the formation of macroeconomic expectations. How do economic experts change their expectations in response to a reelection or recall of the incumbent Donald Trump? Our hypothesis, formulated identically in the pre-analysis plan, is:

**Hypothesis 1 (H1).** *If Trump should win the US presidential election we expect that economic expectations decline.*

In the opposite case, this hypothesis implies more favorable macroeconomic expectations in case of an electoral success of Joe Biden.

### 4.2 Estimation strategy

Our empirical strategy is designed to examine whether the outcome of the 2020 US presidential election has influenced experts' expectations about their host countries' future macroeconomic performance. While a comparison of group means prior to and

after the election date shown in Figure (2) is informative, the differences in means may be influenced by country-specific factors and confounding events. We address these concerns in our econometric specification.

Each respondent filled out our questionnaire once, either in the first or the second wave of our survey. Respondents differ, however, in the day ( $t$ ) they participated in our survey. The baseline empirical specification is given by

$$M_{ei(t)} = \gamma T_{e(t)} + \eta_i + \zeta_{e(t)} + \mu_e + \varepsilon_{ei(t)}, \quad (1)$$

where the dependent variable  $M_{ei(t)}$  denotes expert  $e$ 's expectations about the level of macroeconomic variable  $M$  for the year 2021 in country  $i$ , filling our survey at day  $t$ . We ask experts about four key macroeconomic variables: the growth rate of real GDP, the inflation rate, the unemployment rate, and the percentage change in trade volumes. The treatment variable  $T_{e(t)}$  indicates whether experts were polled in the first ( $T_{e(t)} = 0$ ) or the second ( $T_{e(t)} = 1$ ) wave of our survey. Against the backdrop of the narrow time span between the two survey waves and the election, the major difference between the groups is that experts surveyed in the second wave had been informed that Joe Biden would be the 46th president of the United States.

**Identification:** Given the randomized assignment of experts to waves 1 and 2 of our survey, the parameter  $\gamma$  should identify the causal effect of having knowledge about the outcome of the US election. In view of the specific set-up of our study, there may, however, be remaining concerns about four threats to identification. First, for some countries, the number of included experts is small. In the absence of a perfect balance for each country in the sample, the past macroeconomic environment of countries may influence expert  $e$ 's expectation about the future.<sup>12</sup> Heterogeneity in the initial state of the economy may matter for the estimates given the substantial differences in macroeconomic conditions across countries during our survey period. Second, while observable differences between countries can be controlled for, there may be unobserved heterogeneity across countries (e.g. culture, political history, institutions, or political and economic ties to the United States) that influence the estimated treatment effect. Third, there may be confounding events between the treatment and the day experts participated in the survey. Fourth, experts may put varying levels of effort into filling

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<sup>12</sup>The formation of expectations by economic agents is usually modelled via an AR(1) process (e.g. Mankiw and Reis, 2002; Coibion et al., 2018a. This process has also been shown to match the formation of macroeconomic expectations by economic experts (Malmendier et al., 2021).)

out the survey.

The specification of equation (1) tackles the empirical challenges. We include country dummies to account for unobserved cross-country heterogeneity and the host country’s past macroeconomic performance ( $\eta_i$ ). Fixed effects for countries also eliminate confounding effects from the relationship of experts’ host country with the United States. The model also includes dummies measuring the distance (in days) between the date  $t$  at which expert  $e$  participated in the survey and the election day ( $\zeta_{e(t)}$ ). These dummy variables account for confounding treatments and address the fact that the US election was likely more present in experts’ minds directly after Joe Biden had been called president-elect by major media outlets. Finally, we include the time (in seconds) experts took to fill out the survey ( $\mu_e$ ). This variable accounts for differences in the endeavor of experts and controls for “box checking”. We also expect this variable to be correlated with other unobserved personality traits among experts.

In our benchmark estimates, we only include countries for which we have at least polled three experts to alleviate the concern that results are driven by outliers. We later change this requirement in our robustness tests.

### 4.3 Key identifying assumption and balance tests

The key identifying assumption underlying the model in equation (1) is that in the absence of the treatment, the control and the treatment groups would be statistically identical, i.e.

$$E[\varepsilon_{ei(t)}|T_{ei(t)} = 1] = E[\varepsilon_{ei(t)}|T_{ei(t)} = 0] = 0. \quad (2)$$

This assumption cannot be tested directly because  $\varepsilon_{ei(t)}$  is unobserved. When randomization was successful, the identifying assumption should be fulfilled by construction (see, e.g., [Bruhn and McKenzie, 2009](#)). We can, however, conduct tests to examine whether the assumption in equation (2) is *likely* to hold by comparing the sample means of observable characteristics between experts in the treatment and control group.

Our balanced tests provide no evidence for differences between the treatment and control group regarding gender, age or education (see [Figure C-4](#)). The balance tests also show that treated experts do not differ from non-treated experts in their field of study or their affiliation (see [Figure C-5](#)).

Potential differences in the country composition between the treatment and the

control group do not seem to translate into systematic group differences in macroeconomic observables. Our balance tests show that there are no differences between the control and the treatment group for GDP growth, inflation, unemployment, or trade. The sub-samples are balanced regarding both the initial conditions in the year prior to our survey experiment (Figure C-6) and the averages during the Trump presidency (Figure C-7). There may, however, be unobserved heterogeneity that cannot be examined via balance tests. To eliminate the confounding influence of unobserved factors, our baseline model conditions on fixed effects for countries.

We are also interested in effect heterogeneity between US-based experts and experts working outside the United States. Identifying causal effects in these analyses requires that the treated US experts do not differ from the non-treated US experts. Our balance tests for the United States show that this is the case (Figure C-8).

Finally, the consequences of the US presidential election may depend on the size and the global political influence of countries. Using the total population of experts' host countries as a proxy, we show that our sample is also balanced regarding countries' global political influence (Figure C-9).

## 5 Political spillover effects on macroeconomic expectations

### 5.1 Benchmark results

Table (1) reports our baseline results. In Columns (I)–(IV), we present the treatment effect of Biden being voted as US president on macroeconomic expectations of professional economists for the year 2021. Results are shown for the growth rate of real GDP (Column I), the inflation rate (Column II), the unemployment rate (Column III), and the percentage change in trade volumes (Column IV). We present estimates for three samples. The first sample, shown in Panel A, includes experts from all countries in our survey. In Panel B, we investigate experts living outside the United States. In Panel C, we examine expectations of US-based experts.

**Results for the full sample of experts:** In the full sample of experts, the treatment effect on the expected growth rate of real GDP in the year 2021 is 0.984. This effect is statistically significant at the 10% level ( $t = 1.90$ ). Numerically, the parameter

**Table 1** THE 2020 US PRESIDENTIAL ELECTION AND ECONOMIC EXPECTATIONS OF EXPERTS—BASELINE-RESULTS

Dependent variables: Key macroeconomic variables in 2021				
	$\frac{d}{dt}$ GDP (I)	Inflation Rate (II)	Unemployment (III)	$\Delta$ Trade Vol. (IV)
<i>Panel A: Full sample of experts</i>				
Treatment (1 = Biden president)	0.984* (0.518)	-0.0289 (0.253)	-0.566 (0.451)	1.375 (0.863)
Number of Experts	662	665	677	569
Number of Countries	68	68	68	68
R-Squared	0.207	0.760	0.794	0.176
Country-FE	Yes	Yes	Yes	Yes
Dist Elec. FE	Yes	Yes	Yes	Yes
Survey Time	Yes	Yes	Yes	Yes
<i>Panel B: Excluding experts from the United States</i>				
Treatment (1 = Biden president)	1.159** (0.572)	-0.183 (0.276)	-0.547 (0.518)	1.949** (0.847)
Number of Experts	620	620	632	541
Number of Countries	67	67	67	67
R-Squared	0.211	0.772	0.792	0.184
Country-FE	Yes	Yes	Yes	Yes
Dist Elec. FE	Yes	Yes	Yes	Yes
Survey Time	Yes	Yes	Yes	Yes
<i>Panel C: Experts from the United States</i>				
Treatment (1 = Biden president)	-0.211 (1.123)	0.974 (0.630)	-0.655 (0.567)	-4.847 (4.620)
Number of Experts	42	45	45	28
R-Squared	0.140	0.438	0.356	0.325
Dist Elec. FE	Yes	Yes	Yes	Yes
Survey Time	Yes	Yes	Yes	Yes

*Notes:* The table shows the results of our estimations on the effect of the 2020 US presidential elections on the expectations of international experts. Expectations are measured regarding four key macroeconomic variables for the year 2021: The growth rate of GDP in % (Column I), the rate of inflation in 2021 in % (Column II), the level of unemployment in % (Column III), and the change in trade as share of GDP in % (Column IV). Robust standard errors (adjusted for arbitrary heteroskedasticity) are reported in parentheses. “Country-FE” are fixed effect on the country level, “Dist. Elect. FE” are fixed effects for the distance (in days) between the time experts filled their survey and the election day, and “Survey Time” denoted the duration (in seconds) experts took to fill out their survey.

\*\* Significant at the 5 percent level,

\* Significant at the 10 percent level

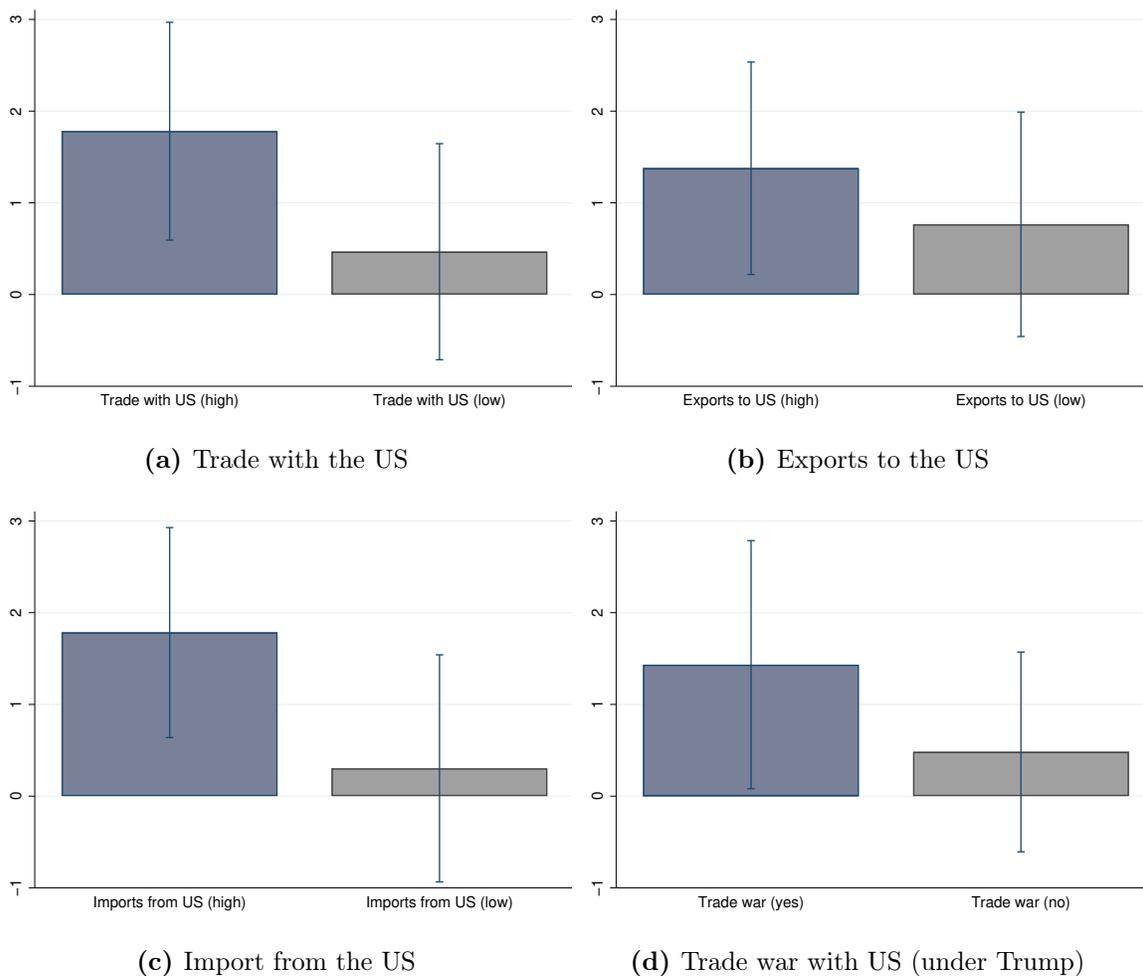
estimate shows that being surveyed in the second wave increases experts' expectations regarding the growth rate of GDP in 2021 by 0.984 percentage points. This result suggests that information about Biden becoming US president has substantial impact on expectations of professional economists about the future growth rate of their host country. Consistent with the effect on expectations about GDP growth, we also find that treated experts expect unemployment rates to be 0.56 percentage points lower than non-treated experts ( $t = 1.26$ ). We also find positive effects on expected trade volumes ( $t = 1.59$ ). For inflation, the effect is close to zero ( $t = 0.11$ ).

**Spillover effects:** In Panels B and C, we distinguish between US-based and non-US-based experts to specifically examine spillover effects on the US leadership change on macroeconomic expectations. We find that the results for both subgroups differ considerably. In the sample of non-US-based experts (Panel B), the treatment effect increases in size (1.159 percentage points) and is statistically significant at the 5% level ( $t = 2.03$ ). This result provides strong evidence for a political spillover effect in the formation of macroeconomic expectations. In contrast, the results in Panel C show that treated experts located in the United States have on average lower growth expectations than non-treated experts, although standard errors of this estimate are large ( $t = 1.15$ ). The results for unemployment rates are comparable between the sample of US-based experts and experts living outside the United States. For inflation, we find remarkable differences between host countries. While experts living outside the United States expect slightly lower inflation rates in the second wave compared to the first wave ( $t = 0.66$ ), we find positive treatment effects for the United States ( $t = 1.55$ ).

## 5.2 Mechanisms

What are the mechanisms underlying our treatment effects? Column (IV) of Table (1) reports effects for the expected change in trade volumes, differentiating between the sample of non-US-based experts (Panel B) and the sample of US-based experts (Panel C). The sample split for trade volumes reveals major differences between experts working in the United States and those working in other countries. In the sample of experts outside the United States, the treatment effect for trade expectations is positive and statistically significant at the 5% level ( $t = 2.30$ ). The effect size suggests that experts who were informed that Donald Trump, known for his protectionist policies, had been

**Figure 4** TREATMENT EFFECTS ON GROWTH EXPECTATIONS CONDITIONAL ON TRADE-RELATIONS WITH THE UNITED STATES.



*Notes:* The figures show treatment effects conditional on four measures that quantify the degree of trade relations to the United States. “Trade with the US” shows re-estimates of the benchmark model separately for experts from countries with a ratio of trade flows (exports plus imports) relative to GDP greater (labeled “high”) or lower (labelled “low”) than the median level in the sample (5.18% of GDP). “Exports to US” and “Imports from US” show the results separately for export flows and import flows. “Trade war” visualizes treatment effects on GDP for countries that have been at trade war with the United States under the Trump administration (“yes”) and the set of countries that have not been at trade war with the United States (“no”). All estimations replicate the benchmark specifications shown in Table (1).

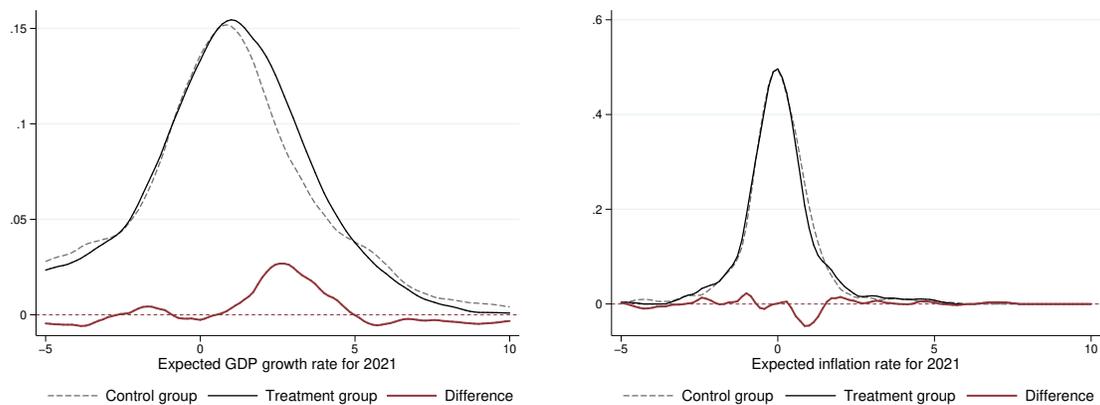
elected out of office expected trade volumes to be 1.949 percentage points higher in 2021 than experts polled before the election. We find no treatment effects for US-based experts. The results for trade volumes are consistent with Joe Biden’s announcements prior to the 2020 election, signaling his beliefs in “fair trade” and his plans to *take down trade barriers that penalize Americans and resist a dangerous global slide toward protectionism* (Biden, 2020b). In Table (D-2) in the appendix, we specifically look at expectations of experts from countries that were at “trade war” with the United States during the Trump presidency. We find that treatment effects on trade volumes for those experts increase to 2.28 percentage points.

If the political spillover effects on expectations about GDP growth would materialize via more positive trade expectations, we would expect to see stronger treatment effects for experts from countries that have close trade relations to the United States. Figure (4) shows the treatment effects on GDP growth separately for experts from countries with strong and weak trade ties to the United States. We measure the degree of trade links to the United States via four variables. The first variable considers the share of imports and exports relative to GDP and re-estimate the benchmark model separately for experts from countries below and above the median value in the sample (5.18% of GDP). We then investigate exports and imports separately using the sample median as a cut-off. Finally, we report results separately for countries whose host countries have been at trade war with the United States under the Trump presidency, and for those that have not been exposed to trade sanctions. For all measures of trade links, we find economically and statistically significant estimates for experts from countries with strong trade relationships with the United States. For countries with weaker links to the United States, the estimated parameters are considerably smaller and lack statistical significance at conventional levels. These results provide evidence in support of the trade mechanism.

### 5.3 Distribution of expectations

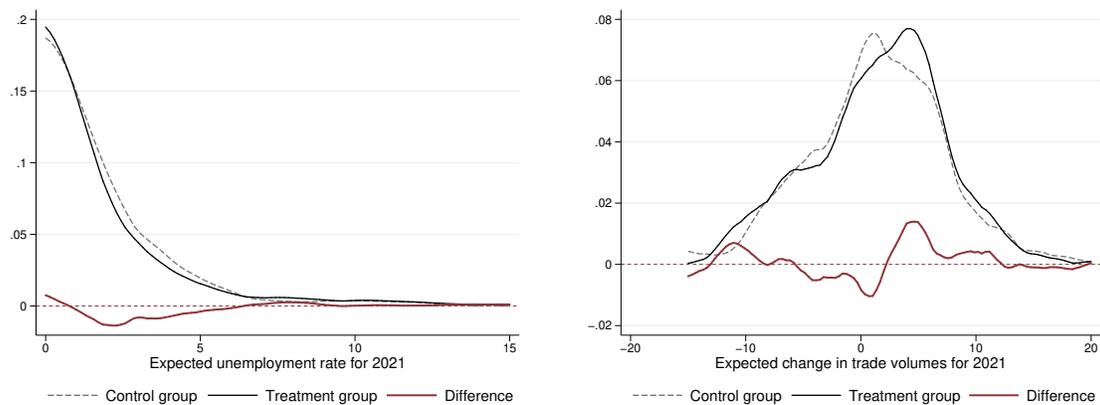
A major question is whether the treatment effects are driven by outliers. Figure (5) visualizes the distribution of macroeconomic expectations across experts in the control group and experts in the treatment group conditional on the full set of variables included in our baseline model (equation 1). To display spillover effects, the figure is computed using the sample of experts living outside the United States (Panel B of Table 1).

**Figure 5** DISTRIBUTION OF MACROECONOMIC EXPECTATIONS, CONTROL-GROUP, TREATMENT-GROUP AND DIFFERENCES.



**(a)** GDP Growth

**(b)** Inflation Rate



**(c)** Unemployment Rate

**(d)**  $\Delta$  Trade Volumes

*Notes:* The figure shows the distribution of macroeconomic expectations for experts in the control group (dashed grey line) and experts in the treatment group (solid black line). The solid red line plots the differences between both distributions. The figures visualize densities conditional on the variables included in the empirical model (equation 1) employed to obtain the baseline estimates reported in Table (1). Densities refer to the model of non-US-based experts.

Regarding expected GDP growth for 2021, Figure (5) shows that the positive treatment effects stem from a larger portion of experts that report expected GDP growth rates of between 1% and 5%, whereas the tails of the distribution are quite similar between experts in the control group and the treatment group. We also observe lower expected inflation rates and unemployment rates, although here the differences are smaller. For trade, the distribution of expectations of experts in the treatment group has a negative skew, whereas the distribution of experts in the control group is more right-skewed, with a lower fraction of participants expecting negative changes in trade volumes, and a greater fraction of experts are more optimistic about future trade volumes.

Most importantly, the distributions shown in Figure (5) demonstrate that the differences in expectations between experts in the treatment and the control group are not driven by individual outliers.

## 5.4 Treatment heterogeneity

The benchmark results deliver average effects over the full sample of experts on the globe. We next examine heterogeneity in the treatment effects across the time horizon of expectations and across geographic units and political ties to the United States.

### 5.4.1 Temporal heterogeneity

How persistent is the effect of the US incumbent change on global macroeconomic expectations? We explore the temporal structure of the treatment effects on long-term expectations regarding the future state of the macroeconomy. To do so, our survey also asks participants about their expectation of the macroeconomic environment up until the year 2023 (we exclude the highly contested election year 2024).

In Table D-14 in the appendix, we present re-estimates of our benchmark model when we replace expectations for 2021 with expectations up until 2023. This analysis reveals a substantial degree of temporal heterogeneity in the treatment effects. Regarding long-run expectations, the treatment effects are close to zero.<sup>13</sup> These results suggest that the US incumbent change impacted macroeconomic expectations of international experts primarily in the short-run.

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<sup>13</sup>Inferences are also similar when we restrict the sample to experts included in the benchmark estimates (Table D-15).

The results are in line with many standard macroeconomic models in which macroeconomic variables return to a steady state after an exogenous shock, so that these shocks have only transitory effects on the future development of the macroeconomy (e.g. [Clarida et al., 2000](#); [Rudebusch, 2002](#)). An implication of such models would be that exogenous shocks impact agents' expectations only in the short-run, particularly regarding expectations of well-informed experts. This implication is precisely what the estimates on long-run expectations suggest.

#### 5.4.2 Geographic and political heterogeneity

The experts included in our sample provide expertise for countries that differ in the political and economic ties to the United States. We next examine treatment heterogeneity across geographic units and across the degree of political ties to the United States.

In Panel (a) of Figure (6), we report treatment effects separately for countries that are part of the Western civilization and compare the results to the sample of non-Western countries. For the classification of Western civilization, we follow [Huntington \(2000\)](#), who distinguishes the world into nine major civilizations.<sup>14</sup> Countries belonging to particular civilizations share a common heritage of social norms, ethical values, traditional customs, beliefs, political systems, artifacts and technologies. We hence expect spillover effects from the US president on expectations to be stronger for experts working in countries that belong to the traditional Western world. Consistent with this hypothesis, Panel (a) shows that the treatment effects are particularly strong for experts working in Western countries.<sup>15</sup>

In Panel (b) of Figure (6) we more specifically examine political ties to the United States, distinguishing between countries based on their voting record in the United Nations General Assembly (UNGA). The analysis considers the share of votes in the UNGA a country casts in line with the United States. Countries are coded as voting in line with the United States if at least 40% of all roll-call votes are identical with the vote of the United States. The analysis encompasses the period between the millennium and the time when Donald Trump entered office (2000–2016).<sup>16</sup> The results in Panel

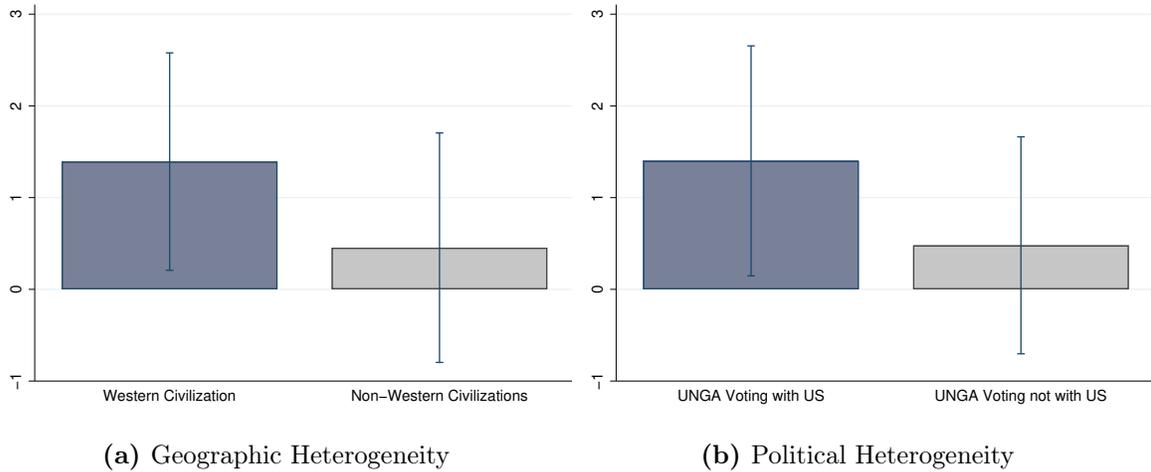
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<sup>14</sup>According to Huntington, the Western civilization consists of the United States and Canada, Western and Central Europe, Australia, Oceania and most of the Philippines.

<sup>15</sup>The results are qualitatively similar when we exclude or include the United States in the sample of the Americas.

<sup>16</sup>We use the data collection by [Voeten et al. \(2009\)](#), which is updated regularly and comprises all

**Figure 6** TREATMENT HETEROGENEITY, GEOGRAPHIC AND POLITICAL DIVISION.



*Notes:* The figure shows heterogeneity in the treatment effects for GDP across geographic units and political clusters. Panel (a) shows treatment effects separately for Western and Non-Western Civilizations. The classification of countries refers to Samuel P. Huntington’s “*Clash of Civilizations*” (Huntington, 2000). Vertical lines represent 90% confidence intervals. Panel (b) shows heterogeneity in the treatment effects across voting behavior in the United Nations general Assembly (UNGA). The analysis considers the share of votes in the UNGA a country cast aligned with the United States. A country is coded to vote in alignment with the United States when at least 40% of all votes are identical with the vote of the United States between the millennium and the time when Donald Trump entered office (2000–2016).

(b) reveal treatment heterogeneity across political ties to the United States, with the effects being larger for experts from countries that are politically closer to the United States.

The treatment heterogeneity shown in Figure (6) is consistent with the trade mechanism. Trade tensions during the Trump presidency intensified between the United States and traditional Western allies, particularly from Europe.<sup>17</sup> The administration of Donald Trump made use of Section 232 of the Trade Expansion Act of 1962 that allowed him to impose tariffs on trading partners on national security grounds. Trump argued that the European Unions’ *‘unfair* trade policies were jeopardizing the existence of critical US industries and that the European competition was “*endangering national security*”. The European Union retaliated the US tariffs on European steel and aluminium by imposing tariffs on jeans, bourbon whiskey, peanut butter, orange

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roll-call votes in the UN General Assembly between 1946 and 2021.

<sup>17</sup>We also find positive parameter estimates for growth expectations of 1.74 percentage points when we specifically examine the sample of Chinese experts. The sample size of Chinese experts is however limited.

juice and motorcycles. The worsening trade relations between the United States and the European Union were accompanied by deteriorating political ties that are reflected also in voting behavior in the UNGA (Mosler and Potrafke, 2020).

## 5.5 Confounding events

A concern of our estimation strategy is that confounding events occurring during our survey period may influence our results. The statistical power of our analysis derives from the large sample of countries included and the randomization process. Any event specific to an individual country or geographic region should be eliminated by randomization and our global perspective. However, to the extent that confounding events influence all countries in our sample to a similar degree, our estimates may be biased. We next examine potential biases of our results caused by global confounding events.

### 5.5.1 Spread of Covid-19

The most relevant international phenomenon in 2020 was the global Covid-19 pandemic. It has been shown that during its initial spread, the number of daily cases of SARS-CoV-2 influenced policy recommendations of economic experts (Gründler and Potrafke, 2020). An increasing trend in confirmed SARS-CoV-2 cases during our survey period would produce a downward bias of the estimates (via more negative prospects of experts in our treatment group), in which case our estimates would reflect lower bounds. We would hence expect that controlling for differences in the number of SARS-CoV-2 cases increases the parameter estimates. In Table (D-3), we show that this is indeed the case. When we account for the number of confirmed Covid-19 cases at the day when experts filled out our survey, the coefficient on real GDP increases from 0.98 to 1.25 and becomes statistically significant at the 5% level.

### 5.5.2 Announcement of effectivity of the vaccine by Pfizer and BioNTec

A related confounding event may be the news about the imminent availability of the second vaccine against Covid-19.<sup>18</sup> On 9 November 2020, the second day of our treatment period, the companies Pfizer and BioNTech announced that their vaccine developed

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<sup>18</sup>The Russian vaccine against Covid-19, *Sputnik V*, was registered on 11 August 2020 by the Russian Ministry of Health as *Gam-COVID-Vac* (Callaway, 2020; Cohen, 2020). The initial approval for distribution in Russia was based on the preliminary results of Phase I-II studies published on 4 September 2020 (Logunov et al., 2020).

against SARS-CoV-2 had proven to be 90% effective at preventing the spread of the virus. We conduct two analyses to examine whether the announcement of the vaccine’s effectiveness confounds our results. In Table (D-4), we exclude all observations from experts who participated in our survey on 9 November 2020 or later. In Table (D-5), we examine the narrowest possible band of days around the treatment to eliminate any other potentially confounding event. The sample is limited to observations from the day prior to the election (control group) and 8 November 2020 (treatment group). This specification delivers treatment effects that are very similar to our benchmark estimates.

### 5.5.3 Economic forecasts

A remaining threat to identification is that the publication of major economic forecasts may bias our results. Economic experts usually factor in economic forecasts when forming their expectations about future economic growth. If economic forecasts affected participants in the treatment and control group differently, our estimated treatment effect would be biased. We exclude that economic forecasts drive our results by analyzing all economic forecasts published by government bodies, international organizations and research institutes between 29 October 2020 and 13 November 2020.<sup>19</sup>

Screening publication dates and reported forecasts of a large number of economic outlooks published for the countries in our sample, there have been no forecasts that could have influenced our results except for the Autumn 2020 European Economic Forecast (European Commission, 2020). Examining the potential impact of forecasts for Europe is particularly important given the strong effects we found for experts working in European countries. The European Economic Forecast was published by the European Commission on 5 November 2020 and generated considerable media response. Figure 7 shows that growth expectations for 2020 did not differ substantially from the Spring 2020 forecast. However, growth expectations for 2021 decreased considerably for most countries compared to the Spring 2020 forecast. Given the time of its publication, the forecast could not have influenced growth expectations of participants surveyed between 29 October 2020 and 3 November 2020. However, the forecast might have influenced expectations of experts surveyed in our treatment group. Given the negative prospects for 2021 reported by the European Economic Forecast, respondents polled

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<sup>19</sup>We also investigated publications of monetary policy summaries and minutes of central banks, outlook reports by the World Bank and country reports by the International Monetary Fund.

in the second wave are likely to decrease their economic growth expectations for 2021 in response to the forecast, and hence report lower GDP growth expectations in our survey. If anything, the publication of growth forecasts should downward bias our results. We are thus confident that we estimate a lower bound of the treatment effect, at least for countries included in the Autumn 2020 European Economic Forecast.

#### 5.5.4 National confounding events

A final source of confounding may arise from national events. Even though the time window between the first and the second wave was only five days, there may have been multiple country-specific events around the globe that might influence expectations of national experts. It is unlikely that such local events would impact macroeconomic expectations globally. However, national events may impact the expectations of experts who provide expertise for the countries in which such events occur.

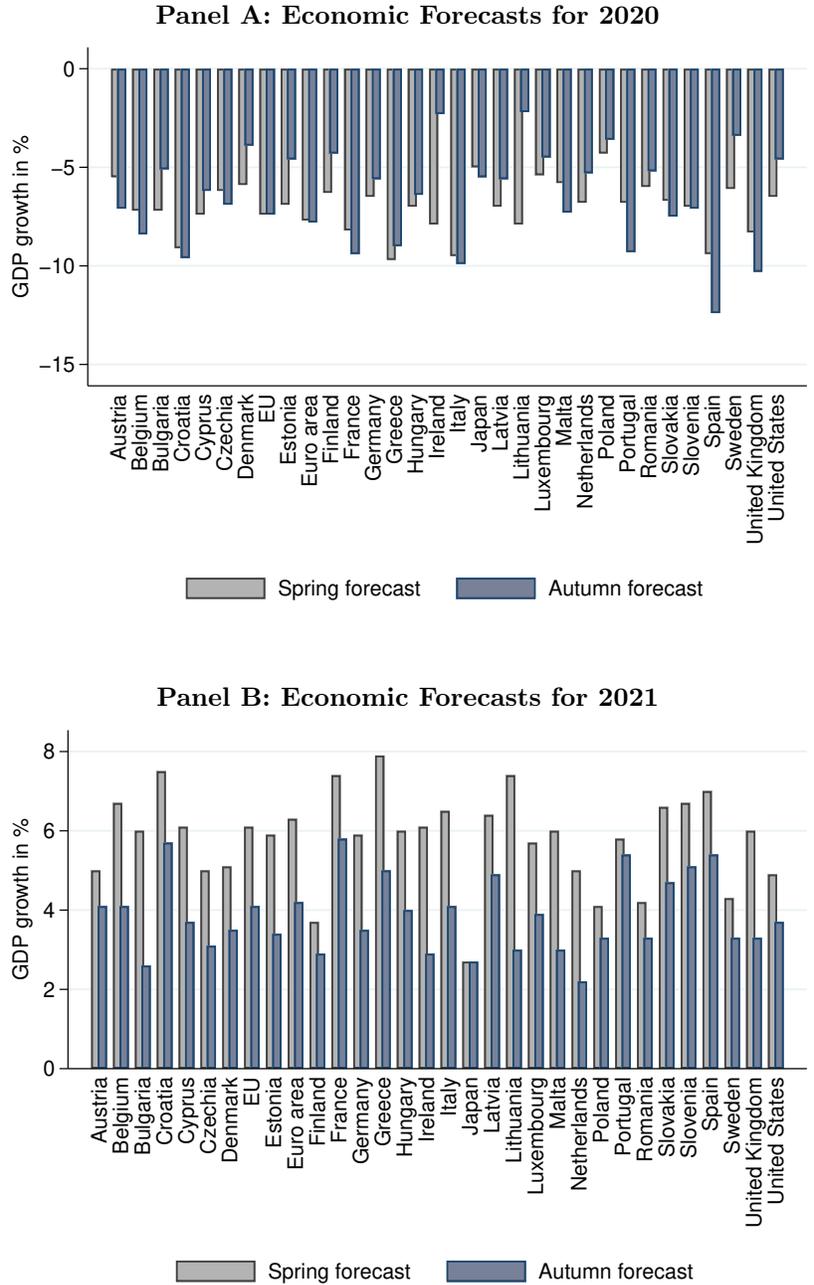
To explore the consequences of national confounding events and their potential to confound the global results, Figure (8) presents the distribution of estimates from a leave-one-out analysis. Each replicate is computed by excluding experts from one specific country  $i$ . Panel (a) reports results for the full sample of countries. In Panel (b), we replicate the analysis for all experts that provide expertise for host countries outside the United States.

The results of the leave-one-out-analysis deliver estimates that are close to the baseline parameter estimate, both for the full sample of experts and the sub-sample of experts based outside the United States. Most importantly, the results of Wald tests shows that none of the estimates shown in Panel (a) and (b) are statistically distinguishable from the baseline parameter estimate. The results of the leave-one-out analysis also allow us to compute a jackknife estimator  $\hat{\gamma}_{\text{Jack}}$ , which can in turn be used to calculate a estimate of the jackknife bias

$$\widehat{\text{bias}}(\hat{\gamma})_{\text{Jack}} = (I - 1)(\hat{\gamma}_{\text{Jack}} - \hat{\gamma}_{\text{OLS}})$$

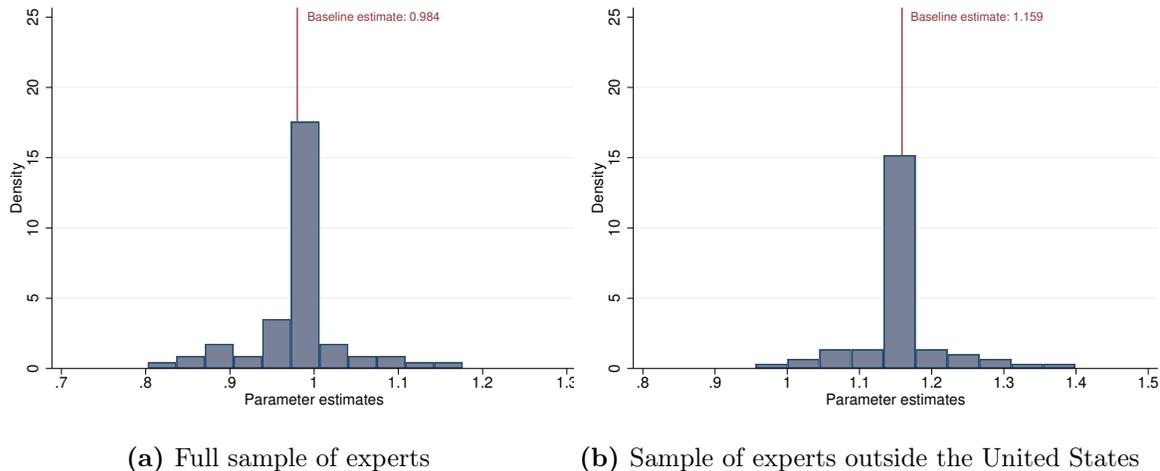
where  $\hat{\gamma}_{\text{Jack}}$  is the average of all jackknife replicates computed for countries  $i = 1, \dots, I$ . For the full sample of experts, the data suggests a jackknife bias of  $\widehat{\text{bias}}(\hat{\gamma})_{\text{Jack}} = 0.0104$ , for the sample of experts outside the United States, we get an estimate of  $\widehat{\text{bias}}(\hat{\gamma})_{\text{Jack}} = 0.0026$ . These results suggest that the jackknife bias is (very) small, amounting to between 0.002 and 0.01 percentage points of GDP growth. The estimates also suggest that the scope for confounding of national events is very limited.

**Figure 7** ECONOMIC FORECASTS FOR 2020 AND 2021, SPRING AND AUTUMN FORECASTS.



*Notes:* The figure shows expected GDP growth for 2020 (Panel A) and 2021 (Panel B) from the Spring 2020 and Autumn 2020 European Economic Forecast of the European Commission (European Commission, 2020). GDP growth is forecasted for the EU-countries, the United Kingdom, Japan and the United States.

**Figure 8** ACCOUNTING FOR REGIONAL CONFOUNDING EVENTS—DISTRIBUTION OF POINT ESTIMATES WHEN EXCLUDING PARTICIPANTS FROM INDIVIDUAL COUNTRIES (LEAVE-ONE-OUT).



*Notes:* The figure shows the distribution of point estimates from our baseline model when we re-estimate the model  $I$  times, with each jackknife replicate being estimated excluding participants from country  $i = 1, \dots, I$ . Distributions are obtained based on the full sample of participants (Panel a) and the sample of participants with host countries outside the United States (Panel b). The red vertical line displays the benchmark parameter obtained in the baseline estimations reported in Table (1).

## 5.6 Additional results

We conduct many additional analyses to assess the robustness of our baseline results; for brevity, we report these results in the supplementary appendix B. The set of additional analyses includes (i) several estimates where we alter the sample composition of experts and require a minimum of experts in waves 1 and 2 from the same country, (ii) estimates that condition the results on the past macroeconomic environment in experts' host country, (iii) several analyses that evaluate the robustness of the estimates to changes in the econometric specification and the construction of standard errors, and (iv) additional estimations that account for socio-demographic and biographic characteristics of the experts included in our sample (e.g. age, education, affiliation, field of study etc.). Our key findings re-appear in all of these additional analyses.

## 5.7 Experimenter demand effects

Our outcome variables are self-reported expectations of experts, giving rise to the possibility of experimenter demand effects (i.e. that experts give answers in line with

what they think we want them to say. See, for example, De Quidt et al., 2018). A bias of our results caused by experimenter demand effects requires participants to (i) know that they are part of a survey experiment, (ii) want to help us and (iii) know which answers would be helpful. There are four arguments that alleviate such concerns. First, we did not promote the intent of our survey experiment. In the invitation to participate in our survey, we wrote “Dear [Ms./Mr.XY], As a leading economic expert, we are pleased to invite you to participate in the Economic Expert Survey of the ifo Institute. Your opinion matters! Please access the online survey via your personal link: [Link to survey]. Your data will be stored and analyzed in full compliance with the highest standards of the data protection laws of the European Union. The survey will take you less than 5 minutes. We look forward to hearing from you!”. The ifo Institute in Munich has been conducting the EES (and its predecessor, the World Economic Survey, WES) since 1981. Most of the experts have been participating in the survey for years or decades. Previous surveys were primarily conducted to measure experts’ expectations for the next year. The experts included know about the general intention of the EES to extract forecasts for the upcoming year. Previous versions of the survey were typically sent at a similar time in the year. Most importantly, previous waves of the WES for decades asked about the identical macroeconomic variables. There was no reason for experts to assume that the survey is designed to identify effects of the US presidential election. Second, we delayed the AEA registry until shortly before the survey started to minimize the chance of participants reading about our study design. Third, the invitation letter was signed by an assistant working in ifo’s survey department who sent similar invitations for prior waves of the EES and the WES. Fourth, it was impossible to predict who would become president prior to the election. Hence, guessing responses that would produce interesting results would have been extremely difficult, particularly for participants in the control group surveyed before the outcome of the election became clear.

## 5.8 Alternative explanations

Our interpretation of the baseline results is that the treatment effects reflect the global impact initiated by the change in political leadership from Donald Trump to Joe Biden. The protectionist policies and break with long-standing international relationships engendered by the political ideas of president Trump may have led experts to be more pessimistic about their host country’s growth perspectives in the face of a possible

second Trump term. These results are consistent with global political spillover effects in the formation of macroeconomic expectations.

An alternative explanation of the treatment effects may be that the spillover effects are initiated by a change in the political party in power rather than by a change in the president. In section (2), we discuss the specific features of the 2020 US presidential election that creates a unique opportunity to disentangle partisan effects from the effects of politicians.

Additional suggestive evidence is also consistent with a political leader effect. If the more positive macroeconomic expectations after the election were driven by a party effect, we would expect to see a treatment effect for the entire reign of the Democratic Party. The temporal heterogeneity reported in section (5.4) counters the explanation that experts' more positive views after the election are caused by their positive assessment of a Democrat in office during the legislative period 2021-2023 (excluding the highly contested election year 2024).

Complementary evidence on a limited probability of the results being driven by a party effect comes from the analysis of US presidential visits abroad. A large literature examines diplomatic visits of the president as a presidential tool commonly used for the advancement of foreign policy agenda (e.g. [Canes-Wrone et al., 2008](#); [Ostrander and Rider, 2019](#)).<sup>20</sup> Given competing demands over their time, the decision of presidents on when, where, and how long to visit foreign countries directly reflects the presidents' political priorities.

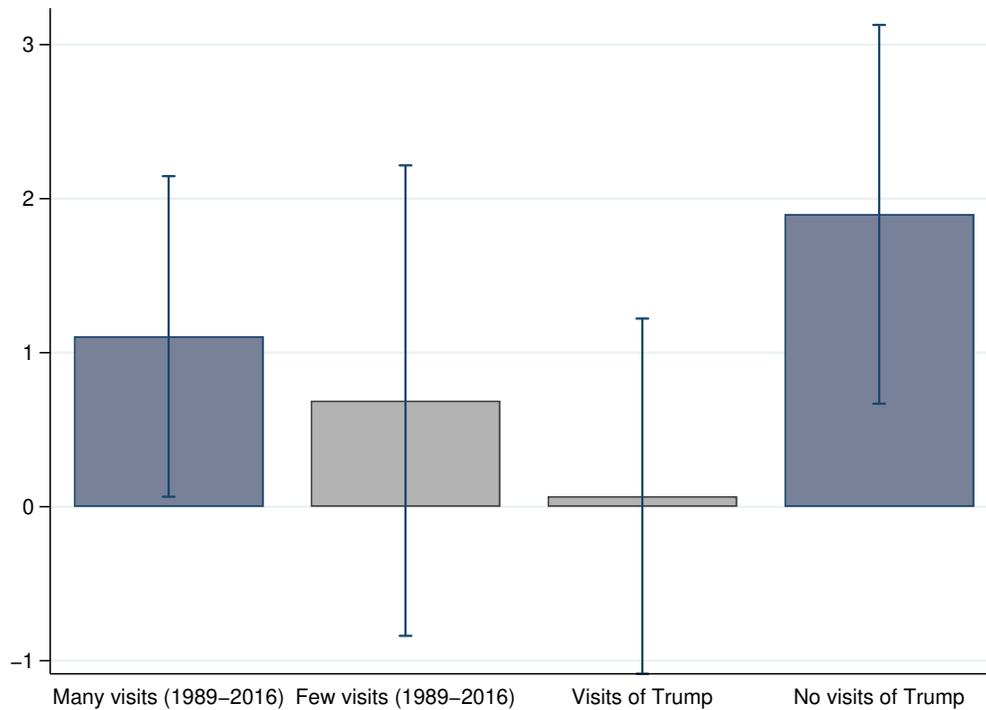
Figure (9) considers the role of diplomatic visits of the US president for the treatment effects on GDP growth expectations. The intuition of this approach is that how presidents allocate their time and attention abroad reflects their strategic decision on diplomatic priorities. As these decisions are made by the president rather than the party, the results should tell us more about the degree to which the treatment effects reflect partisan or presidential origins.

The results conditional on presidential visits support the argument of a political leadership effect. Re-estimating the empirical model for the subset of experts from host countries that have been visited frequently between the fall of the Iron Curtain and the start of the Trump presidency (1989–2016), we find large and statistically significant treatment effects on experts' macroeconomic expectations. The effects are weaker for countries with few visits of the US president. This heterogeneity in the treatment effects

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<sup>20</sup>The presidents' structural advantage in foreign policy vis-à-vis Congress places the president as the "primary agenda setter in American politics with respect to foreign policy matters" ([Peake, 2001](#)).

**Figure 9** TREATMENT EFFECTS ON GROWTH EXPECTATIONS DEPENDING ON PRESIDENTIAL VISITS.



*Notes:* The figure shows treatment effects separately for countries with many or few presidential visits between the fall of the Iron Curtain and the start of the Trump presidency (1989–2016), using the mean level of visits as a sample split. The figure also reports estimates for the sample of countries that Trump has visited between 2016–2020, and the sample of countries Trump has not visited but that have been visited before by US presidents since 1989. Vertical lines represent 90% confidence intervals. All estimations replicate the benchmark specifications shown in Table (1).

shows that the US incumbent change particularly impacted the expectations of experts from countries that are generally prioritized by US presidents. When we specifically examine the countries that have and have not been visited by Donald Trump between 2016 and 2020 conditional on prior visits since 1989, we find that, on average, the treatment effects are large and highly statistically significant for the countries Donald Trump has put at the bottom of his diplomatic priority list. The treatment effects for the sample of deprioritized countries suggest that experts from these countries expect political ties to re-gain strength under the new incumbent Joe Biden. Taken together, the effects conditional on presidential visits provide supplementary evidence in support of a political leadership effect.

## 6 Uncertainty in expectations

The results so far provide evidence for global political spillover effects regarding experts' point estimates of the future development of macroeconomic variables. But does the US incumbent change also influence experts' confidence in their own guesses? A recurring argument in political economy posits that if the uncertainty about electoral outcomes is resolved, agents feel more confident about their economic forecasts. To examine this mechanism in our setting of global political spillover effects, we design an approach to elicit "revealed" uncertainty levels of participants and examine whether the degree of uncertainty is changed after the victory of Joe Biden. Modeling respondents' revealed uncertainty is motivated by a classical challenge in social surveys: when directly asking participants about how certain they are, it is unclear whether answers reflect true uncertainty or only reporting behavior. A further advantage of using probabilistic expectations over traditionally asked questions aiming at eliciting respondents' uncertainty (e.g. "*Do you think it is 'very likely', 'likely', 'unlikely' or 'very unlikely' that a specific event occurs*") is that they facilitate inter-personal comparability.

To measure revealed uncertainty, we supplement our questions regarding point estimates with a series of questions asking for the perceived distribution of possible future outcomes. Specifically, for each of our macroeconomic variables, we ask: "*Please indicate which probability you assign to the following [change of macroeconomic variable] in 2021*". The presentation of these questions is shown in Figures (A-1)–(A-4). The range of possible outcomes depends on the macroeconomic variable. For growth, we ask respondents to report their expected probability for an increase in real GDP for 14 possible outcomes: (<-6.0%); (-6.0% to -5.0%); (-5.0% to -4.0%); (-4.0% to -3.0%); (-3.0% to -2.0%); (-2.0% to -1.0%); (-1.0% to 0.0%); (0.0% to +1.0%); (+1.0% to +2.0%); (+2.0% to +3.0%); (+3.0% to +4.0%); (+4.0% to +5.0%); (+5.0% to +6.0%); and (>+6.0%). These bins encompass the whole range of outcomes that our macroeconomic variables may take, and we ask experts for their assessment regarding the percentage chance that a certain outcome may occur.

We use the resulting density forecast to calculate measures of dispersion that reflect revealed uncertainty levels. The main idea behind our strategy is that a higher variation of respondents' answers across the bins of our scale reflects greater uncertainty. In contrast, uncertainty is lower when experts assign large values to specific outcomes and fill less bins. In the most extreme case, experts who assign 100% to a single bin are very certain about a specific outcome. Based on the probability density function

**Table 2** THE 2020 US PRESIDENTIAL ELECTION AND ECONOMIC EXPECTATIONS OF EXPERTS—EFFECTS ON EXPERTS’ UNCERTAINTY

Dependent variables: Uncertainty about key macroeconomic variables in 2021				
	$\frac{d}{dt}$ GDP (I)	Inflation Rate (II)	Unemployment (III)	$\Delta$ Trade Vol. (IV)
<i>Panel A: Full sample of experts</i>				
Treatment (1 = Biden president)	0.218* (0.126)	0.102 (0.124)	0.0970 (0.107)	0.0466 (0.156)
Number of Experts	740	708	690	574
Number of Countries	68	68	68	68
R-Squared	0.190	0.224	0.195	0.197
Country-FE	Yes	Yes	Yes	Yes
Dist Elec. FE	Yes	Yes	Yes	Yes
Survey Time	Yes	Yes	Yes	Yes
<i>Panel B: Excluding experts from the United States</i>				
Treatment (1 = Biden president)	0.237* (0.142)	0.103 (0.138)	0.0984 (0.121)	-0.0284 (0.162)
Number of Experts	702	672	647	549
Number of Countries	67	67	67	67
R-Squared	0.196	0.230	0.197	0.195
Country-FE	Yes	Yes	Yes	Yes
Dist Elec. FE	Yes	Yes	Yes	Yes
Survey Time	Yes	Yes	Yes	Yes
<i>Panel C: Experts from the United States</i>				
Treatment (1 = Biden president)	0.154 (0.192)	0.307 (0.266)	0.116 (0.190)	0.742 (0.594)
Number of Experts	51	43	44	25
R-Squared	0.431	0.488	0.298	0.599
Dist Elec. FE	Yes	Yes	Yes	Yes
Survey Time	Yes	Yes	Yes	Yes

*Notes:* The table shows the results of our estimations on the effect of the 2020 US presidential elections on the expectations of international experts. Expectations are measured regarding four key macroeconomic variables until the year 2023: The growth rate of GDP in % (Column I), the rate of inflation in % (Column II), the level of unemployment in % (Column III), and the change in trade as share of GDP in % (Column IV). The table presents results on the effect of the US presidential election on experts’ degree of uncertainty about these variables. Robust standard errors (adjusted for arbitrary heteroskedasticity) are reported in parentheses. “Country-FE” are fixed effect on the country level, “Dist. Elec. FE” are fixed effects for the distance (in days) between the time experts filled their survey and the election day, and “Survey Time” denoted the duration (in seconds) experts took to fill out their survey.

\* Significant at the 10 percent level

for each expert, we calculate the coefficient of variation as a measure of uncertainty. Compared to other dispersion measures (e.g. the range or the variance), the coefficient of variation is less susceptible to small variations in the extreme values of experts’ density forecasts.

Figure (3) plots histograms that show the unconditional distribution of probability masses across bins for each macroeconomic variable across treatment status. The unconditional distributions are likely to be affected by systematic differences in uncertainty across countries. Given that the distribution over bins requires some effort of respondents’, considering the time participants put into answering the questions is important. To address these issues, we closely replicate our baseline empirical specification for point estimates via

$$U_{ie(t)} = \gamma T_{e(t)} + \eta_i + \zeta_{e(t)} + \mu_e + \varepsilon_{ie(t)}, \quad (3)$$

where  $U_{ie(t)}$  denotes our proxy for uncertainty. In Table (2), we present results for the coefficient of variation, our preferred uncertainty measure. Table (D-16) in the appendix provides complementary evidence using alternative dispersion measures (standard deviation, variance, and mean absolute deviation between the second and the fourth quintile). The main result is that the 2020 US presidential election did not reduce uncertainty. If anything, the election of Joe Biden has increased experts’ uncertainty about their host country’s economic condition in 2021.

Theories describing how the resolution of political uncertainty influences agents’ expectations implicitly assume that agents are informed about future policies of newly elected leaders. From a viewpoint of many international experts, however, the election strategy of Joe Biden was mainly built on voting out the incumbent Donald Trump. For many experts outside the United States, there was large uncertainty about the policies Joe Biden would pursue and how they may affect their host country. This explanation is consistent with the results in Table (2) showing that the election has increased uncertainty for experts outside the United States, but not for US-based experts.

## 7 Conclusion

Political leadership matters for the state of the economy (e.g. Jones and Olken, 2005; Besley et al., 2011; Brown, 2020; Easterly and Pennings, 2020) and the formation of national economic expectations (e.g. Treisman, 2011; Huberman et al., 2018; Coibion

et al., 2020b; Bachmann et al., 2021; Mian et al., 2021). In this study, we showed that exceptional politicians can even influence expected economic outcomes on a global scale. We used the US presidential election to as a natural experiment to quantify the effect of the US president on global economic expectations. The impact of the US president on global macroeconomic expectations is large. Experts who have been informed that Joe Biden won the 2020 US presidential election expected real GDP growth in their country in 2021 to be 0.98 percentage points higher than experts polled prior to the election date.

Our finding adds a novel piece to the growing literature on the origins of expectation formation. While the economic mechanisms underlying the formation of economic expectations are increasingly well understood (e.g. Coibion and Gorodnichenko, 2015; Coibion et al., 2018a; Coibion et al., 2018b; Coibion et al., 2022), little was known about the political origins of economic expectations so far (Dräger et al., 2022). We show that even a single politician influences macroeconomic expectations on a global scale. Politicians and businesses need to consider how foreign politicians and policies influence expectations in their country when making policy and investment decisions.

A promising avenue for future research is investigating channels through which the US president influences global macroeconomic expectations. Our evidence suggests that one mechanism is an expected increase in trade volumes under a Biden administration. Increased trade volumes may increase real GDP growth in trading partner countries. Another task for future research is examining the external validity of our findings. While our results based on the US president may reflect upper bound estimates in light of US dominance in world politics, heads of other global powers such as China and Russia might also influence global macroeconomic expectations.

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# A Supplementary Material: The Questionnaire of the Survey

**Figure A-1** PAGE 1 OF THE SURVEY: QUESTIONS ASKING FOR EXPECTATIONS REGARDING REAL GDP GROWTH.

**What is your estimate of the real gdp growth rate in 2021? ( )**

-15   -12   -9   -6   -3   0   3   6   9   12   15

gdp growth (%)  Don't know

**Please indicate which probability you assign to the following real gdp growth rates in 2021: ( )**

0   10   20   30   40   50   60   70   80   90   100

below -6.0%	<input type="text"/>	0
-6.0% – -5.0%	<input type="text"/>	0
-5.0% – -4.0%	<input type="text"/>	0
-4.0% – -3.0%	<input type="text"/>	0
-3.0% – -2.0%	<input type="text"/>	0
-2.0% – -1.0%	<input type="text"/>	0
-1.0% – 0.0%	<input type="text"/>	0
0.0% – 1.0%	<input type="text"/>	0
1.0% – 2.0%	<input type="text"/>	0
2.0% – 3.0%	<input type="text"/>	0
3.0% – 4.0%	<input type="text"/>	0
4.0% – 5.0%	<input type="text"/>	0
5.0% – 6.0%	<input type="text"/>	0
above 6.0%	<input type="text"/>	0

**What is your estimate of the real gdp growth rate in 2023? ( )**

-15   -12   -9   -6   -3   0   3   6   9   12   15

gdp growth (%)  Don't know

*Notes:* The figure shows the first page of our survey, asking for experts' expectations regarding real GDP growth. A detailed description is provided in Section (3.2).

**Figure A-2 PAGE 2 OF THE SURVEY: QUESTIONS ASKING FOR EXPECTATIONS REGARDING INFLATION RATES.**

**What is your estimate of the inflation rate in 2021? ( )**

-15   -12   -9   -6   -3   0   3   6   9   12   15

inflation rate (%)  Don't know

**Please indicate which probability you assign to the following inflation rates in 2021: ( )**

0   10   20   30   40   50   60   70   80   90   100

below -6.0%	<input type="text"/>	0
-6.0% – -5.0%	<input type="text"/>	0
-5.0% – -4.0%	<input type="text"/>	0
-4.0% – -3.0%	<input type="text"/>	0
-3.0% – -2.0%	<input type="text"/>	0
-2.0% – -1.0%	<input type="text"/>	0
-1.0% – 0.0%	<input type="text"/>	0
0.0% – 1.0%	<input type="text"/>	0
1.0% – 2.0%	<input type="text"/>	0
2.0% – 3.0%	<input type="text"/>	0
3.0% – 4.0%	<input type="text"/>	0
4.0% – 5.0%	<input type="text"/>	0
5.0% – 6.0%	<input type="text"/>	0
above 6.0%	<input type="text"/>	0

**What is your estimate of the inflation rate in 2023? ( )**

-15   -12   -9   -6   -3   0   3   6   9   12   15

inflation rate (%)  Don't know

*Notes:* The figure shows the first page of our survey, asking for experts' expectations regarding inflation rates. A detailed description is provided in Section (3.2).

**Figure A-3 PAGE 3 OF THE SURVEY: QUESTIONS ASKING FOR EXPECTATIONS REGARDING UNEMPLOYMENT RATES.**

**What is your estimate of the unemployment rate in 2021? ()**

0    3    6    9    12    15    18    21    24    27    30

unemployment rate (%)  Don't know

**Please indicate which probability you assign to the following unemployment rates in 2021: ()**

0    10    20    30    40    50    60    70    80    90    100

0.0% – 2.0%	<input type="text"/>	0
2.0% – 4.0%	<input type="text"/>	0
4.0% – 6.0%	<input type="text"/>	0
6.0% – 8.0%	<input type="text"/>	0
8.0% – 10.0%	<input type="text"/>	0
10.0% – 12.0%	<input type="text"/>	0
12.0% – 14.0%	<input type="text"/>	0
14.0% – 16.0%	<input type="text"/>	0
16.0% – 18.0%	<input type="text"/>	0
18.0% – 20.0%	<input type="text"/>	0
above 20.0%	<input type="text"/>	0

**What is your estimate of the unemployment rate in 2023? ()**

0    3    6    9    12    15    18    21    24    27    30

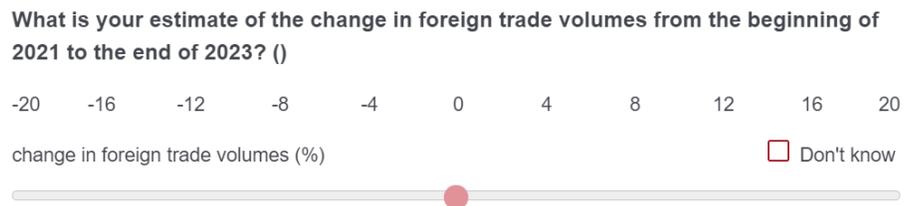
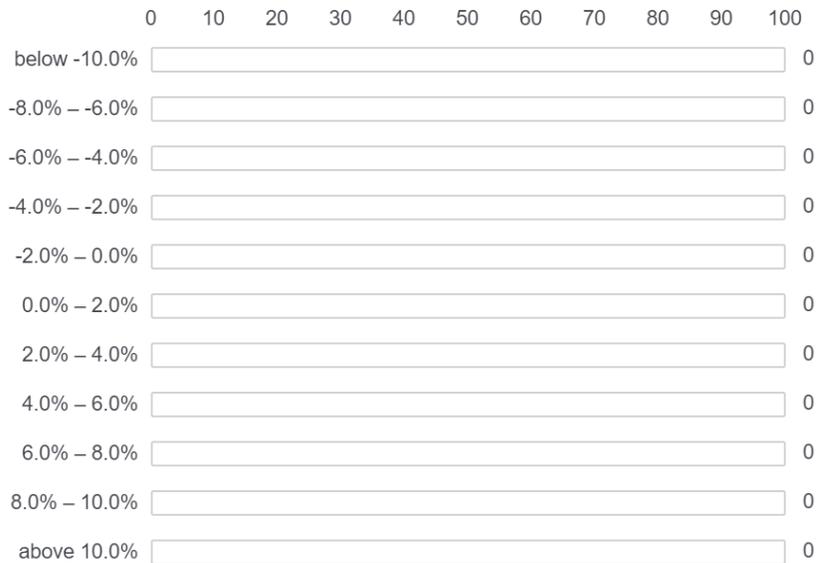
unemployment rate (%)  Don't know

*Notes:* The figure shows the first page of our survey, asking for experts' expectations regarding unemployment rates. A detailed description is provided in Section (3.2).

**Figure A-4 PAGE 4 OF THE SURVEY: QUESTIONS ASKING FOR EXPECTATIONS REGARDING TRADE VOLUMES.**



**Please indicate which probability you assign to the following changes in foreign trade volumes in 2021: ( )**



*Notes:* The figure shows the first page of our survey, asking for experts' expectations regarding changes in trade volumes. A detailed description is provided in Section (3.2).

## B Supplementary Analyses and Robustness Checks

We conduct a series of supplementary analyses and statistical tests to evaluate the robustness of our baseline results.

**Minimum numbers of experts per country:** We obtain our benchmark estimates using experts from countries for which we have a minimum of three observations to exclude outliers. In Tables (D-6) and (D-7) in the appendix, we alter the minimum requirement, examining effects when we exclude experts from countries with less than 10 participants (Table D-6) and countries with less than two participants (D-7). Altering minimum requirements has little influence on inferences.

**Composition of the treatment and the control group:** We exploit the maximum number of observations for our benchmark estimates. We next examine whether inferences change when we require each of the included countries to have at least one participant in the control group and the treatment group. The results, shown in Table (D-8), are almost identical to our benchmark estimates.

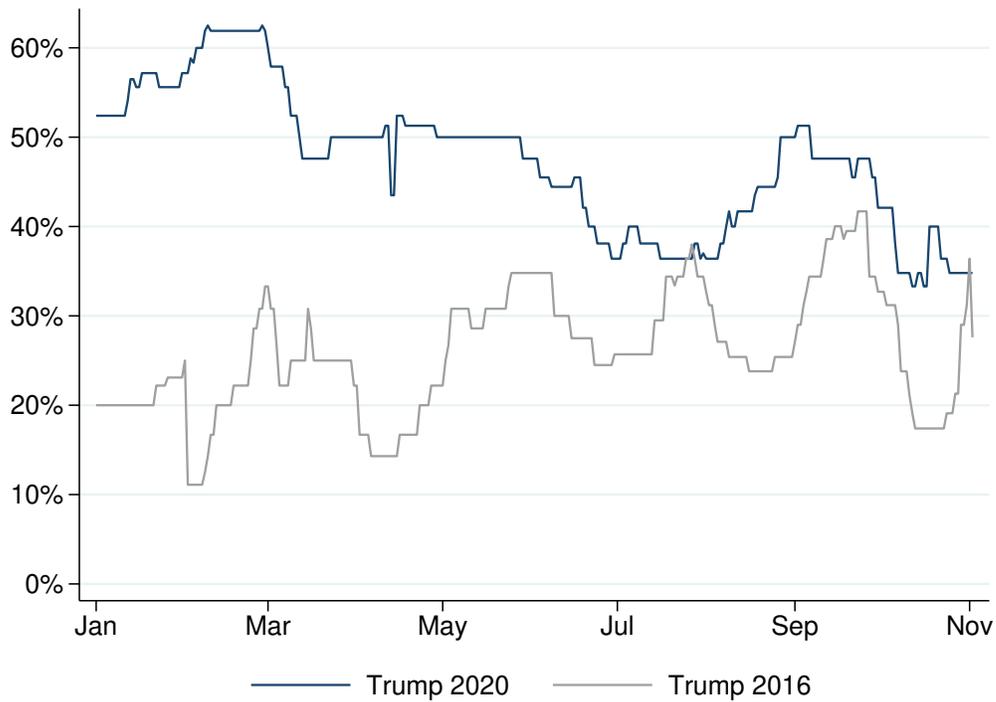
**Experts’ premia on past macroeconomic conditions:** The random assignment of experts into survey waves should eliminate the confounding influence of past macroeconomic conditions on the expectations of respondents. Our baseline strategy to account for any imbalance of the treatment and control group regarding respondents’ host countries that may violate the identifying assumption is to include fixed effects for countries. To more directly take into account the past state of the economy, we compute the “premia” over past macroeconomic conditions each expert implicitly reports when telling us about their expectations. Using the expert-level premium relative to the previous year’s levels of our macroeconomic variables (Tables D-9) or the average over the Trump period (Table D-10) does not change the inferences.

**Changes in the econometric specification:** We also investigate whether our results depend on the econometric specification of equation (1). In Tables (D-11)-(D-13), we alter the key assumptions of our benchmark model. Our benchmark estimates are obtained by allowing for arbitrary heteroskedasticity of standard error. We might expect standard errors to be nested in country clusters, but the number of observations for many countries is low, potentially biasing our estimates towards non-robust errors.

If we nevertheless model standard errors to be clustered on the country level, we observe no changes in the inferences (see Table D-11) or cluster errors on the survey-day level (not reported). We account for the time experts used to fill our survey to account for effort of experts and expert-specific personality characteristics. The inferences do not change when we exclude this control (Table D-12). As an additional analysis to examine whether personal characteristics of experts influence their expectations, we augment our benchmark model by socio-economic and biographic factors (age, education, affiliation, field of study). Given that our randomization process produced balanced samples, experts' characteristics should not influence the inferences. Table (D-13) confirms this conjecture.

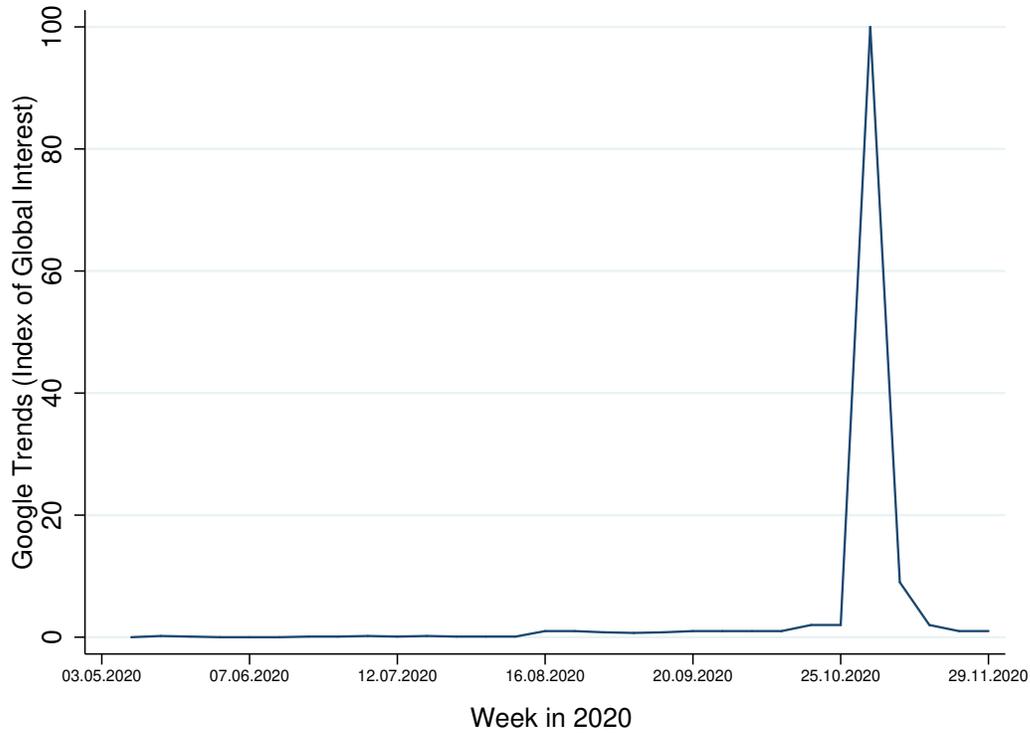
## C Supplementary Figures

**Figure C-1** TRUMPS CHANCES OF WINNING THE US PRESIDENTIAL ELECTION IMPLIED BY ODDS OF BOOKMAKERS, 2016 VERSUS 2020.



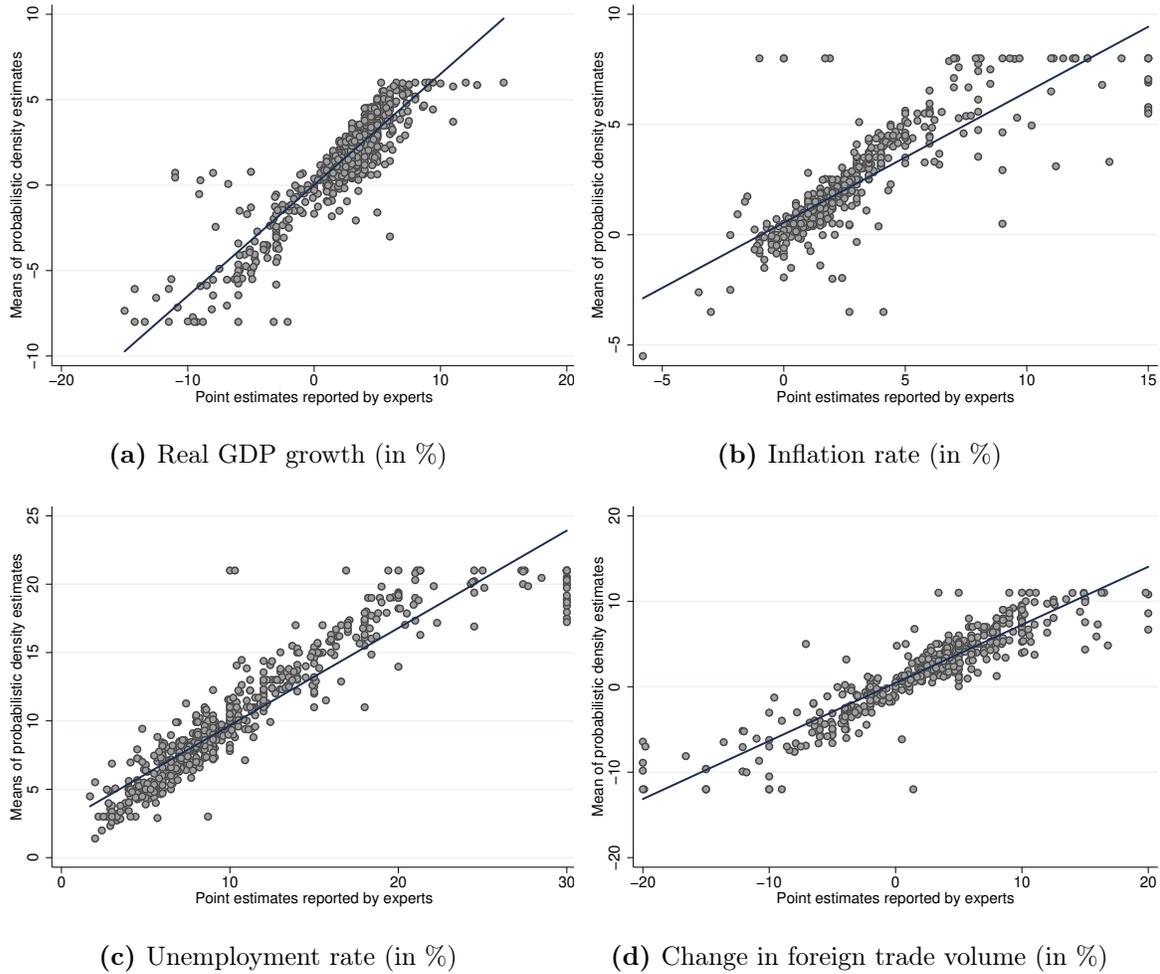
*Notes:* The figure shows how Trump's chance of winning the election suggested by bookmakers' odds has developed. The figure covers the period between January 1 of the election year (2016 and 2020) and the election day. Data is taken from [Eaton \(2020\)](#).

**Figure C-2** GLOBAL INTEREST IN THE 2020 US PRESIDENTIAL ELECTION, GOOGLE TRENDS.



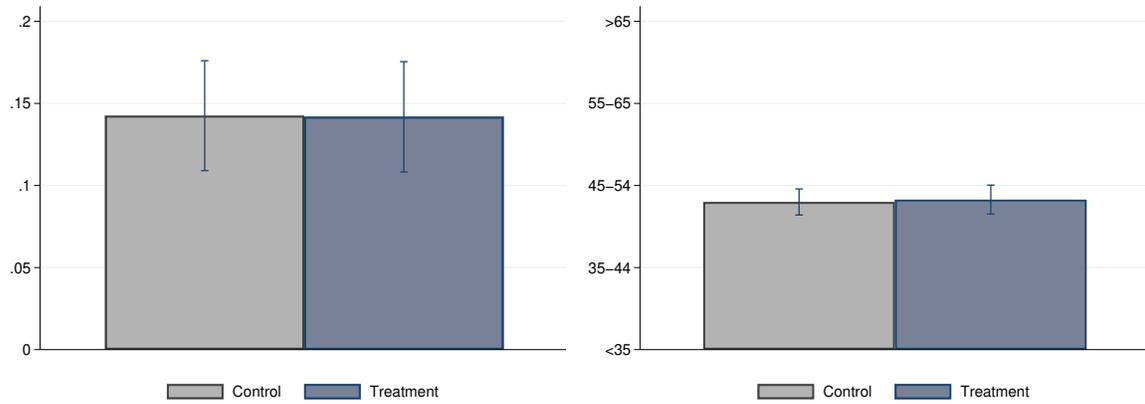
*Notes:* The figure shows an index reflecting the global search interest in the US Presidential Election on the internet platform Google. Data is acquired via the internet tool “Google Trends”, which shows how google searches have developed over time. The figure refers to the global interest in the term “US presidential election” (including the referring expressions in the respective national languages).

**Figure C-3** CONSISTENCY OF EXPECTATIONS—POINT ESTIMATES AND MEANS OBTAINED FROM PROBABILISTIC DENSITY ESTIMATES.



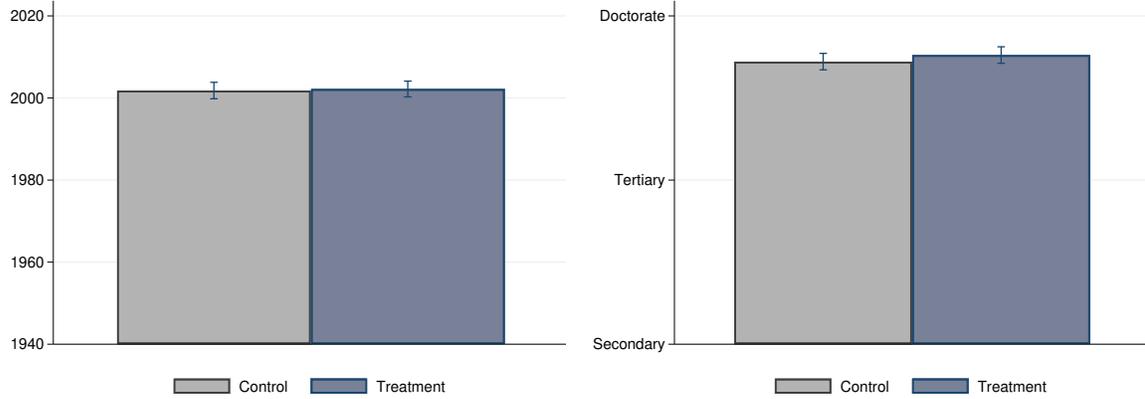
*Notes:* The figure shows the relationship between the point estimates of expectations reported by experts and the mean levels of experts probabilistic density forecasts, in which experts are asked to distribute probabilities over bins. For each bin, experts are asked to quantify the expected chance that the variable will fall into the respective bin category. The figure shows overlapped histograms of expectations separately for both waves of our global survey. Plain bars refer to the randomly chosen group of experts surveyed in wave 1 prior to the election (labeled “Wave 1 (control)”, the control group of our survey experiment). Blue bars refer to the group of experts polled after the election (labeled “Wave 2 (treatment)”, the treatment group of our survey experiment).

**Figure C-4** BALANCE TESTS FOR GENDER, AGE, ACADEMIC AGE, AND EDUCATION.



(a) Gender (1=female)

(b) Age (in intervals)

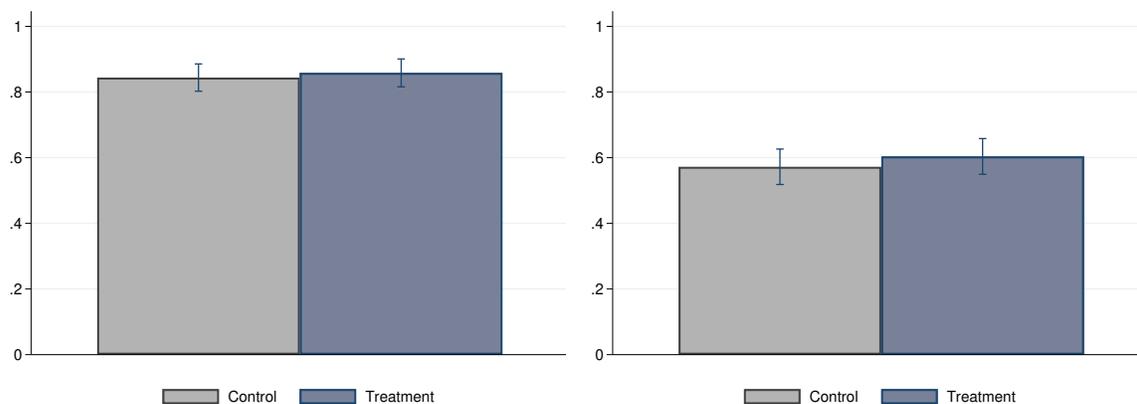


(c) Academic Age (year of PhD)

(d) Education

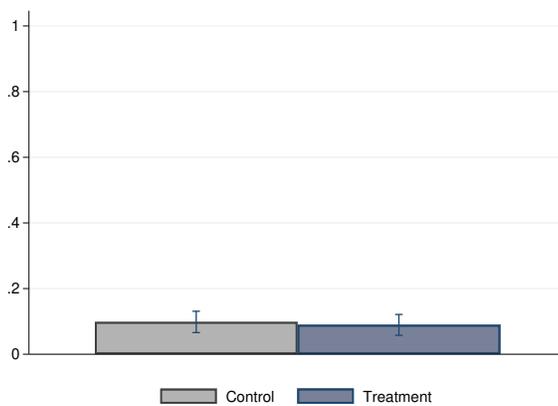
*Notes:* The figure shows the sample means for experts in our control group (asked prior to the 2020 US presidential election, blue bars) and the treatment group (asked after Joe Biden has been called president, red bars). Vertical lines represent the 95% confidence interval.

**Figure C-5** BALANCE TESTS FOR EXPERTS' FIELD OF STUDY AND AFFILIATION.



(a) Economist by training (1=economist)

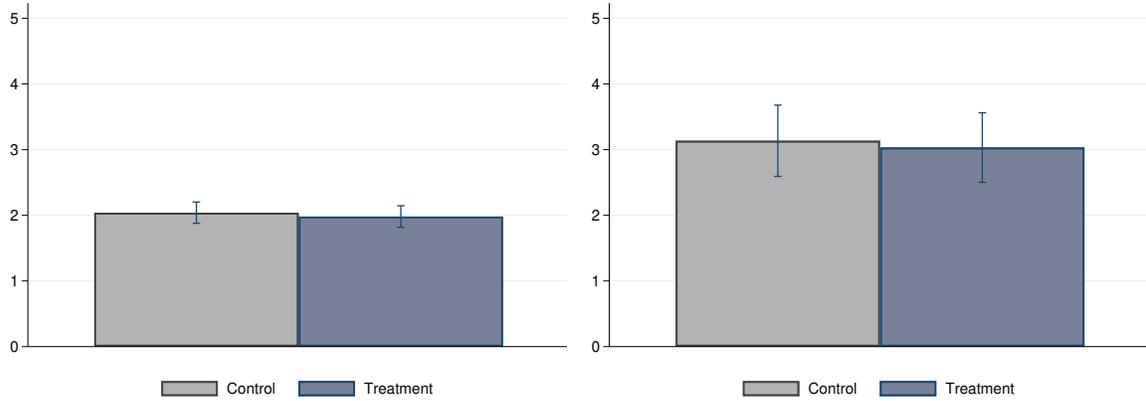
(b) University employee (1=university)



(c) Central bank employee (1=central bank)

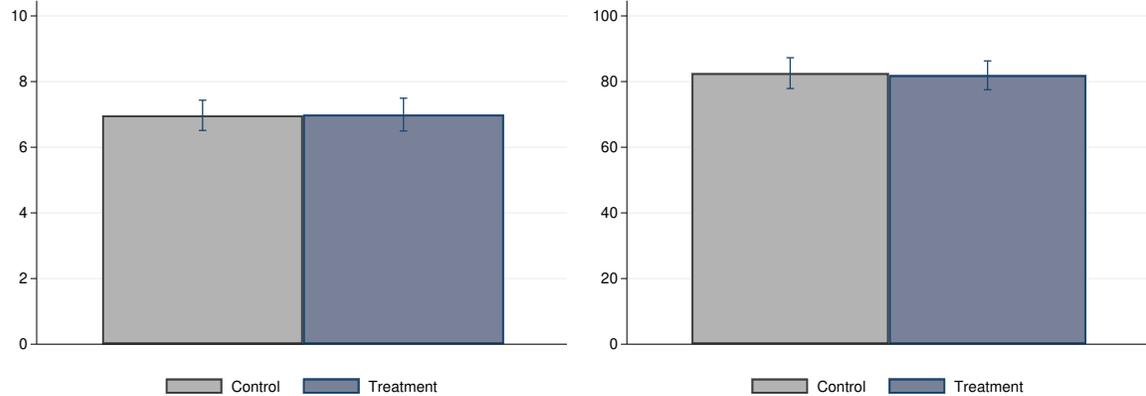
*Notes:* The figure shows the sample means for experts in our control group (asked prior to the 2020 US presidential election, yellow bars) and the treatment group (asked after Joe Biden has been called president, blue bars). Vertical lines represent the 95% confidence interval.

**Figure C-6** BALANCE TESTS FOR THE PAST MACROECONOMIC ENVIRONMENT OF EXPERTS (YEAR PRIOR TO ELECTION, 2019).



(a) GDP growth in 2019 (in %)

(b) Inflation in 2019 (in %)

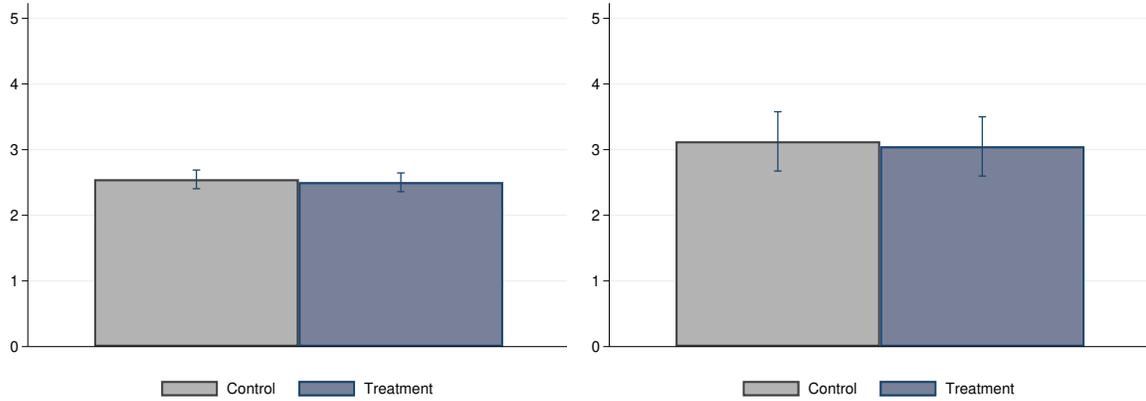


(c) Unemployment in 2019 (ILO estimate in %)

(d) Trade as a share of GDP in 2019 (in %)

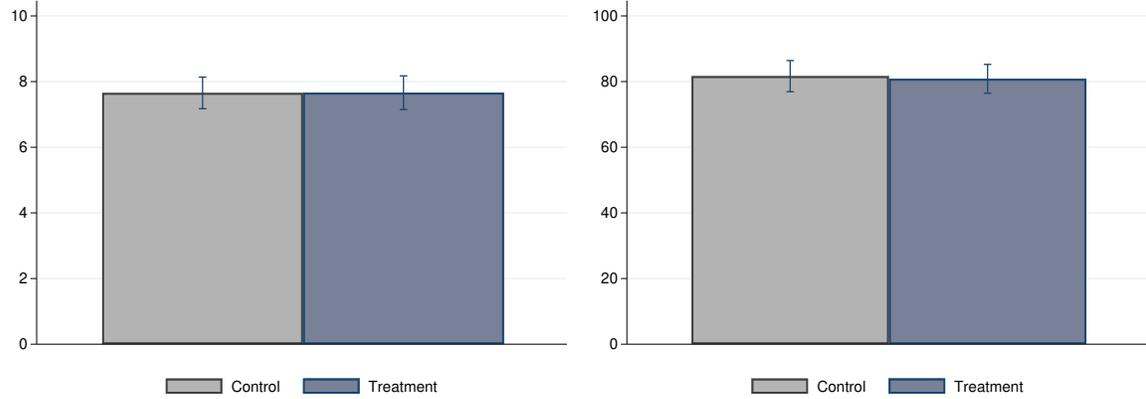
*Notes:* The figure shows the sample means for experts in our control group (asked prior to the 2020 US presidential election, yellow bars) and the treatment group (asked after Joe Biden has been called president, blue bars). Vertical lines represent the 95% confidence interval.

**Figure C-7** BALANCE TESTS FOR THE PAST MACROECONOMIC ENVIRONMENT OF EXPERTS (PERIOD OF TRUMP PRESIDENCY, 2016-2019).



(a) GDP growth 2016-2019 (in %)

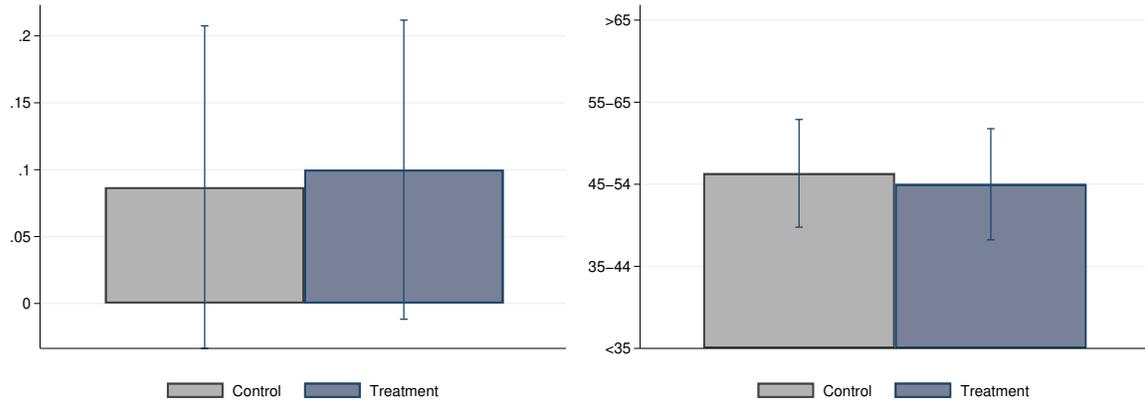
(b) Inflation 2016-2019 (in %)



(c) Unemployment 2016-2019 (ILO estimate in %) (d) Trade as a share of GDP 2016-2019 (in %)

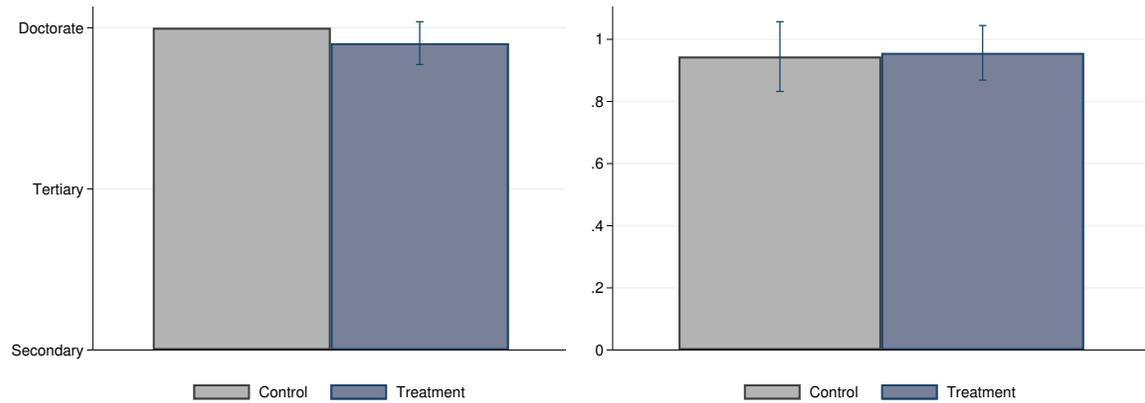
*Notes:* The figure shows the sample means for experts in our control group (asked prior to the 2020 US presidential election, yellow bars) and the treatment group (asked after Joe Biden has been called president, blue bars). Vertical lines represent the 95% confidence interval.

**Figure C-8 BALANCE TESTS FOR US-BASED EXPERTS.**



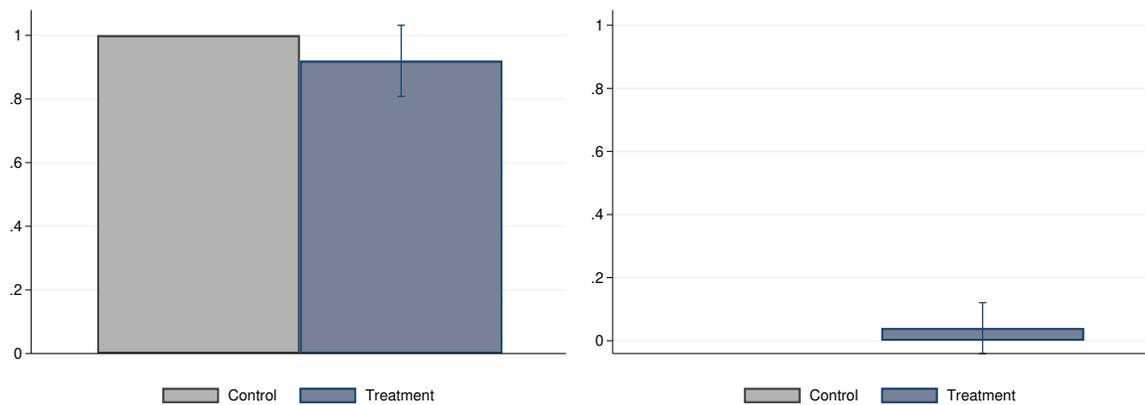
**(a) Gender (1=female)**

**(b) Age (in intervals)**



**(c) Education**

**(d) Economist by training (1=economist)**

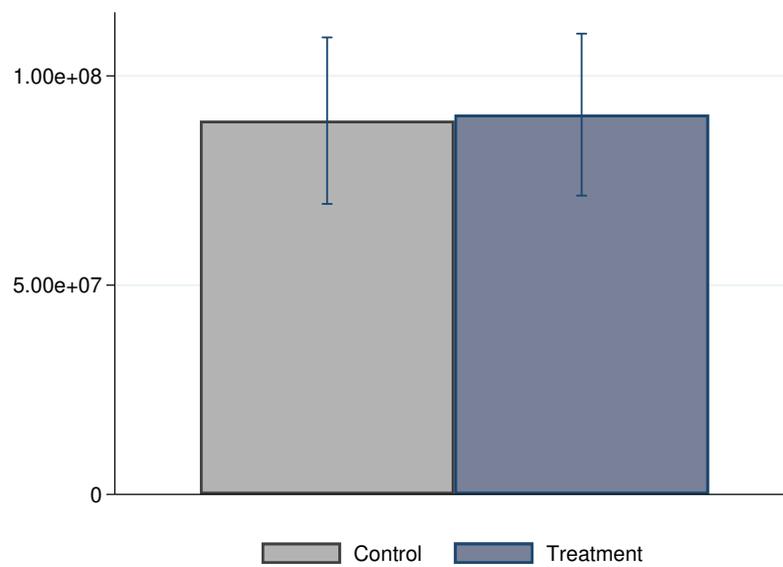


**(e) University employee (1=university)**

**(f) Central bank employee (1=central bank)**

*Notes:* The figure shows the sample means for US experts in our control group (asked prior to the 2020 US presidential election, yellow bars) and the treatment group (asked after Joe Biden has been called president, blue bars). Vertical lines represent the 95% confidence interval.

**Figure C-9** BALANCE TESTS FOR COUNTRY SIZE (TOTAL POPULATION IN 2019).



**(a)** Population in 2019

*Notes:* The figure shows the sample means for experts in our control group (asked prior to the 2020 US presidential election, yellow bars) and the treatment group (asked after Joe Biden has been called president, blue bars). Vertical lines represent the 95% confidence interval.

## D Supplementary Tables

**Table D-1** BALANCE TESTS—SAMPLE MEANS OF CONTROL AND TREATMENT GROUP AND T-TESTS FOR DIFFERENCES IN MEAN CHARACTERISTICS

(I) Variable	(II) Control (mean)	(III) Treatment (mean)	(IV) Difference ( <i>t</i> )
<b>Socio-economic characteristics</b>			
Sex (1 = female)	0.143	0.142	0.001 (0.03)
Age (coded in groups, 1–5)	2.799	2.828	-0.029 (0.24)
Education (coded in groups, 1–5)	3.722	3.762	-0.040 (1.10)
Degree in economics (1 = yes)	0.844	0.858	-0.014 (0.47)
Affiliation: University (1 = yes)	0.572	0.604	-0.032 (0.81)
Affiliation: Central Bank (1 = yes)	0.098	0.089	0.009 (0.39)
<b>Macroeconomic environment</b>			
GDP growth 2019 (%)	2.040	1.982	0.059 (0.500)
Inflation 2019 (%)	3.135	3.032	0.104 (0.27)
Unemployment 2019 (ILO estimate in %)	6.972	6.995	-0.023 (0.07)
Trade as a share of GDP 2019 (%)	82.575	81.908	0.667 (0.20)
Population 2019 (in million)	89.3	90.7	-1.440 (0.10)

*Notes:* The table reports the mean levels of key socio-economic characteristics and the past macroeconomic environment of experts included in our sample for the control group (Column II) and the treatment group (Column III). The differences between the means are reported in Column IV, with test statistics of a two-sample t-test reported in parentheses. To guarantee anonymity of experts, we do not ask respondents for socio-economic characteristics other than sex, age, and education. Also, the age of respondents is coded in classes between 1–5 to guarantee that individual participants cannot be identified in the data.

**Table D-2** THE 2020 US PRESIDENTIAL ELECTION AND ECONOMIC EXPECTATIONS OF EXPERTS—EFFECTS FOR EXPERTS FROM HOST COUNTRIES THAT WERE IN TRADE-WAR WITH THE UNITED STATES UNDER THE TRUMP ADMINISTRATION

Dependent variables: Key macroeconomic variables in 2021				
	$\frac{d}{dt}$ GDP (I)	Inflation Rate (II)	Unemployment (III)	$\Delta$ Trade Vol. (IV)
<i>Panel A: Benchmark results: Full sample of experts</i>				
Treatment (1 = Biden president)	0.984* (0.518)	-0.0289 (0.253)	-0.566 (0.451)	1.375 (0.863)
Number of Experts	662	665	677	569
Number of Countries	68	68	68	68
R-Squared	0.207	0.760	0.794	0.176
Country-FE	Yes	Yes	Yes	Yes
Dist Elec. FE	Yes	Yes	Yes	Yes
<i>Panel B: Sample of experts from countries with US trade-war</i>				
Treatment (1 = Biden president)	1.433* (0.820)	-0.119 (0.187)	0.140 (0.714)	2.286** (1.024)
Number of Experts	326	320	334	278
Number of Countries	25	25	25	25
R-Squared	0.138	0.509	0.762	0.150
Dist Elec. FE	Yes	Yes	Yes	Yes

*Notes:* The table shows the results of our estimations on the effect of the 2020 US presidential elections on the expectations of international experts. Expectations are measured regarding four key macroeconomic variables for the year 2021: The growth rate of GDP in % (Column I), the rate of inflation in 2021 in % (Column II), the level of unemployment in % (Column III), and the change in trade as share of GDP in % (Column IV). Robust standard errors (adjusted for arbitrary heteroskedasticity) are reported in parentheses. “Country-FE” are fixed effect on the country level, “Dist. Elect. FE” are fixed effects for the distance (in days) between the time experts filled their survey and the election day, and “Survey Time” denoted the duration (in seconds) experts took to fill out their survey. Panel A presents the results obtained using the full sample of experts as a benchmark, Panel B reports results on the sub-sample of experts whose countries were at “trade war” with the United States during the Trump presidency.

- \*\* Significant at the 5 percent level,
- \* Significant at the 10 percent level

**Table D-3** THE 2020 US PRESIDENTIAL ELECTION AND ECONOMIC EXPECTATIONS OF EXPERTS—ACCOUNTING FOR THE NUMBER OF ACTIVE SARS-COV-2 CASES

Dependent variables: Key macroeconomic variables in 2021				
	$\frac{d}{dt}$ GDP (I)	Inflation Rate (II)	Unemployment (III)	$\Delta$ Trade Vol. (IV)
<i>Panel A: Full sample of experts</i>				
Treatment (1 = Biden president)	1.252** (0.576)	-0.0909 (0.286)	-0.521 (0.477)	1.699* (0.929)
Number of Experts	662	665	677	569
Number of Countries	68	68	68	68
R-Squared	0.208	0.760	0.794	0.177
Country-FE	Yes	Yes	Yes	Yes
Dist Elec. FE	Yes	Yes	Yes	Yes
Survey Time	Yes	Yes	Yes	Yes
<i>Panel B: Excluding experts from the United States</i>				
Treatment (1 = Biden president)	1.445** (0.634)	-0.161 (0.305)	-0.465 (0.507)	1.965** (0.972)
Number of Experts	620	620	632	541
Number of Countries	67	67	67	67
R-Squared	0.213	0.772	0.792	0.184
Country-FE	Yes	Yes	Yes	Yes
Dist Elec. FE	Yes	Yes	Yes	Yes
Survey Time	Yes	Yes	Yes	Yes
<i>Panel C: Experts from the United States</i>				
Treatment (1 = Biden president)	-0.211 (1.123)	0.974 (0.630)	-0.655 (0.567)	-4.847 (4.620)
Number of Experts	42	45	45	28
Countries				
R-Squared	0.140	0.438	0.356	0.325
Dist Elec. FE	Yes	Yes	Yes	Yes
Survey Time	Yes	Yes	Yes	Yes

*Notes:* The table shows the results of our estimations on the effect of the 2020 US presidential elections on the expectations of international experts. The regressions augment equation (1) by adding the number of active SARS-CoV-2 cases. Expectations are measured regarding four key macroeconomic variables for the year 2021: The growth rate of GDP in % (Column I), the rate of inflation in 2021 in % (Column II), the level of unemployment in % (Column III), and the change in trade as share of GDP in % (Column IV). Robust standard errors (adjusted for arbitrary heteroskedasticity) are reported in parentheses. “Country-FE” are fixed effect on the country level, “Dist. Elect. FE” are fixed effects for the distance (in days) between the time experts filled their survey and the election day, and “Survey Time” denoted the duration (in seconds) experts took to fill out their survey.

\*\* Significant at the 5 percent level,

\* Significant at the 10 percent level

**Table D-4** THE 2020 US PRESIDENTIAL ELECTION AND ECONOMIC EXPECTATIONS OF EXPERTS—EXCLUDING EXPERTS THAT PARTICIPATED THE SURVEY AFTER NOVEMBER 8, 2020

Dependent variables: Key macroeconomic variables in 2021				
	$\frac{d}{dt}$ GDP (I)	Inflation Rate (II)	Unemployment (III)	$\Delta$ Trade Vol. (IV)
<i>Panel A: Full sample of experts</i>				
Treatment (1 = Biden president)	1.201** (2.15)	0.0140 (0.05)	-0.488 (-1.00)	1.287 (1.44)
Number of Experts	403	410	411	358
Number of Countries	67	67	67	67
R-Squared	0.227	0.820	0.795	0.219
Country-FE	Yes	Yes	Yes	Yes
Dist Elec. FE	Yes	Yes	Yes	Yes
Survey Time	Yes	Yes	Yes	Yes
<i>Panel B: Excluding experts from the United States</i>				
Treatment (1 = Biden president)	1.415** (0.622)	-0.143 (0.289)	-0.461 (0.568)	1.888** (0.874)
Number of Experts	376	379	381	338
Number of Countries	66	66	66	66
R-Squared	0.230	0.833	0.793	0.232
Country-FE	Yes	Yes	Yes	Yes
Dist Elec. FE	Yes	Yes	Yes	Yes
Survey Time	Yes	Yes	Yes	Yes
<i>Panel C: Experts from the United States</i>				
Treatment (1 = Biden president)	-0.0145 (1.154)	0.960 (0.629)	-0.371 (0.491)	-3.686 (2.594)
Number of Experts	27	31	30	20
Countries				
R-Squared	0.163	0.346	0.463	0.499
Dist Elec. FE	Yes	Yes	Yes	Yes
Survey Time	Yes	Yes	Yes	Yes

*Notes:* The table shows the results of our estimations on the effect of the 2020 US presidential elections on the expectations of international experts, excluding the time since the announcement of the effectivity of the Covid-19 vaccine developed by Pfizer and BioNTech. Expectations are measured regarding four key macroeconomic variables for the year 2021: The growth rate of GDP in % (Column I), the rate of inflation in 2021 in % (Column II), the level of unemployment in % (Column III), and the change in trade as share of GDP in % (Column IV). Robust standard errors (adjusted for arbitrary heteroskedasticity) are reported in parentheses. “Country-FE” are fixed effect on the country level, “Dist. Elect. FE” are fixed effects for the distance (in days) between the time experts filled their survey and the election day, and “Survey Time” denoted the duration (in seconds) experts took to fill out their survey.

\*\* Significant at the 5 percent level

**Table D-5** THE 2020 US PRESIDENTIAL ELECTION AND ECONOMIC EXPECTATIONS OF EXPERTS—NARROW BAND AROUND ELECTION DAY, DATA FOR THE 2ND AND 3RD OF NOVEMBER (CONTROL GROUP) AND THE 8TH OF NOVEMBER (TREATMENT GROUP)

Dependent variables: Key macroeconomic variables in 2021				
	$\frac{d}{dt}$ GDP (I)	Inflation Rate (II)	Unemployment (III)	$\Delta$ Trade Vol. (IV)
<i>Panel A: Full sample of experts</i>				
Treatment (1 = Biden president)	1.840** (0.903)	-0.268 (0.243)	-0.224 (0.879)	-0.430 (1.324)
Number of Experts	171	173	170	149
Number of Countries	67	67	67	67
R-Squared	0.516	0.916	0.801	0.573
Country-FE	Yes	Yes	Yes	Yes
Dist Elec. FE	Yes	Yes	Yes	Yes
Survey Time	Yes	Yes	Yes	Yes
<i>Panel B: Excluding experts from the United States</i>				
Treatment (1 = Biden president)	2.003** (0.973)	-0.233 (0.241)	-0.337 (0.958)	0.0897 (1.345)
Number of Experts	161	162	159	142
Number of Countries	66	66	66	66
R-Squared	0.523	0.932	0.798	0.616
Country-FE	Yes	Yes	Yes	Yes
Dist Elec. FE	Yes	Yes	Yes	Yes
Survey Time	Yes	Yes	Yes	Yes
<i>Panel C: Experts from the United States</i>				
Treatment (1 = Biden president)	-0.520 (0.667)	-1.018 (1.072)	1.904*** (0.200)	-9.266 (6.299)
Number of Experts	10	11	11	7
R-Squared	0.0109	0.0705	0.585	0.606
Dist Elec. FE	Yes	Yes	Yes	Yes
Survey Time	Yes	Yes	Yes	Yes

*Notes:* The table shows the results of our estimations on the effect of the 2020 US presidential elections on the expectations of international experts, using only data from the day before the election (2nd and 3rd of November) and the first day after Biden has been called president (8th of November). Data from the 3rd of November include observations from the time before the first polling station has opened. Expectations are measured regarding four key macroeconomic variables for the year 2021: The growth rate of GDP in % (Column I), the rate of inflation in 2021 in % (Column II), the level of unemployment in % (Column III), and the change in trade as share of GDP in % (Column IV). Robust standard errors (adjusted for arbitrary heteroskedasticity) are reported in parentheses. “Country-FE” are fixed effect on the country level, “Dist. Elec. FE” are fixed effects for the distance (in days) between the time experts filled their survey and the election day, and “Survey Time” denoted the duration (in seconds) experts took to fill out their survey.

\*\*\* Significant at the 1 percent level,

\*\* Significant at the 5 percent level

**Table D-6** THE 2020 US PRESIDENTIAL ELECTION AND ECONOMIC EXPECTATIONS OF EXPERTS—RESTRICTING SAMPLE TO EXPERTS FROM COUNTRIES WITH AT LEAST 10 PARTICIPANTS

Dependent variables: Key macroeconomic variables in 2021				
	$\frac{d}{dt}$ GDP (I)	Inflation Rate (II)	Unemployment (III)	$\Delta$ Trade Vol. (IV)
<i>Panel A: Full sample of experts</i>				
Treatment (1 = Biden president)	1.098** (0.556)	0.266 (0.202)	-0.184 (0.513)	1.160 (0.981)
Number of Experts	485	488	494	406
Number of Countries	29	29	29	29
R-Squared	0.150	0.782	0.835	0.133
Country-FE	Yes	Yes	Yes	Yes
Dist Elec. FE	Yes	Yes	Yes	Yes
Survey Time	Yes	Yes	Yes	Yes
<i>Panel B: Excluding experts from the United States</i>				
Treatment (1 = Biden president)	1.441** (0.679)	0.185 (0.220)	0.155 (0.625)	2.181** (0.998)
Number of Experts	407	406	413	343
Number of Countries	28	28	28	28
R-Squared	0.152	0.755	0.865	0.150
Country-FE	Yes	Yes	Yes	Yes
Dist Elec. FE	Yes	Yes	Yes	Yes
Survey Time	Yes	Yes	Yes	Yes
<i>Panel C: Experts from the United States</i>				
Treatment (1 = Biden president)	-0.211 (1.123)	0.974 (0.630)	-0.655 (0.567)	-4.847 (4.620)
Number of Experts	42	45	45	28
R-Squared	0.140	0.438	0.356	0.325
Dist Elec. FE	Yes	Yes	Yes	Yes
Survey Time	Yes	Yes	Yes	Yes

*Notes:* The table shows the results of our estimations on the effect of the 2020 US presidential elections on the expectations of international experts, using only data from experts for which we have at least 10 host country observations in our survey. Expectations are measured regarding four key macroeconomic variables for the year 2021: The growth rate of GDP in % (Column I), the rate of inflation in 2021 in % (Column II), the level of unemployment in % (Column III), and the change in trade as share of GDP in % (Column IV). Robust standard errors (adjusted for arbitrary heteroskedasticity) are reported in parentheses. “Country-FE” are fixed effect on the country level, “Dist. Elec. FE” are fixed effects for the distance (in days) between the time experts filled their survey and the election day, and “Survey Time” denoted the duration (in seconds) experts took to fill out their survey.

\*\* Significant at the 5 percent level

**Table D-7** THE 2020 US PRESIDENTIAL ELECTION AND ECONOMIC EXPECTATIONS OF EXPERTS—RESTRICTING SAMPLE TO EXPERTS FROM COUNTRIES WITH AT LEAST TWO PARTICIPANTS

Dependent variables: Key macroeconomic variables in 2021				
	$\frac{d}{dt}$ GDP (I)	Inflation Rate (II)	Unemployment (III)	$\Delta$ Trade Vol. (IV)
<i>Panel A: Full sample of experts</i>				
Treatment (1 = Biden president)	0.882* (0.512)	-0.0369 (0.249)	-0.618 (0.445)	1.340 (0.849)
Number of Experts	692	696	708	598
Number of Countries	85	85	85	85
R-Squared	0.222	0.787	0.809	0.236
Country-FE	Yes	Yes	Yes	Yes
Dist Elec. FE	Yes	Yes	Yes	Yes
Survey Time	Yes	Yes	Yes	Yes
<i>Panel B: Excluding experts from the United States</i>				
Treatment (1 = Biden president)	1.036* (0.564)	-0.187 (0.270)	-0.609 (0.510)	1.895** (0.831)
Number of Experts	650	651	663	570
Number of Countries	84	84	84	84
R-Squared	0.226	0.797	0.808	0.245
Country-FE	Yes	Yes	Yes	Yes
Dist Elec. FE	Yes	Yes	Yes	Yes
Survey Time	Yes	Yes	Yes	Yes
<i>Panel C: Experts from the United States</i>				
Treatment (1 = Biden president)	-0.211 (1.123)	0.974 (0.630)	-0.655 (0.567)	-4.847 (4.620)
Number of Experts	42	45	45	28
R-Squared	0.140	0.438	0.356	0.325
Dist Elec. FE	Yes	Yes	Yes	Yes
Survey Time	Yes	Yes	Yes	Yes

*Notes:* The table shows the results of our estimations on the effect of the 2020 US presidential elections on the expectations of international experts, using only data from experts for which we have at least two host country observations in our survey. Expectations are measured regarding four key macroeconomic variables for the year 2021: The growth rate of GDP in % (Column I), the rate of inflation in 2021 in % (Column II), the level of unemployment in % (Column III), and the change in trade as share of GDP in % (Column IV). Robust standard errors (adjusted for arbitrary heteroskedasticity) are reported in parentheses. “Country-FE” are fixed effect on the country level, “Dist. Elec. FE” are fixed effects for the distance (in days) between the time experts filled their survey and the election day, and “Survey Time” denoted the duration (in seconds) experts took to fill out their survey.

- \*\* Significant at the 5 percent level,
- \* Significant at the 10 percent level

**Table D-8** THE 2020 US PRESIDENTIAL ELECTION AND ECONOMIC EXPECTATIONS OF EXPERTS—RESTRICTING SAMPLE TO EXPERTS FROM COUNTRIES THAT ARE INCLUDED IN BOTH THE TREATMENT AND THE CONTROL GROUP

Dependent variables: Key macroeconomic variables in 2021				
	$\frac{d}{dt}$ GDP (I)	Inflation Rate (II)	Unemployment (III)	$\Delta$ Trade Vol. (IV)
<i>Panel A: Full sample of experts</i>				
Treatment (1 = Biden president)	0.981* (0.518)	-0.0324 (0.253)	-0.566 (0.451)	1.368 (0.864)
Number of Experts	655	657	670	561
Number of Countries	65	65	65	65
R-Squared	0.206	0.760	0.794	0.172
Country-FE	Yes	Yes	Yes	Yes
Dist Elec. FE	Yes	Yes	Yes	Yes
Survey Time	Yes	Yes	Yes	Yes
<i>Panel B: Excluding experts from the United States</i>				
Treatment (1 = Biden president)	1.155** (0.572)	-0.187 (0.275)	-0.548 (0.518)	1.943** (0.848)
Number of Experts	613	612	625	533
Number of Countries	64	64	64	64
R-Squared	0.210	0.772	0.792	0.179
Country-FE	Yes	Yes	Yes	Yes
Dist Elec. FE	Yes	Yes	Yes	Yes
Survey Time	Yes	Yes	Yes	Yes
<i>Panel C: Experts from the United States</i>				
Treatment (1 = Biden president)	-0.211 (1.123)	0.974 (0.630)	-0.655 (0.567)	-4.847 (4.620)
Number of Experts	42	45	45	28
R-Squared	0.140	0.438	0.356	0.325
Dist Elec. FE	Yes	Yes	Yes	Yes
Survey Time	Yes	Yes	Yes	Yes

*Notes:* The table shows the results of our estimations on the effect of the 2020 US presidential elections on the expectations of international experts, using only observations for host countries for which we have experts in both the treatment and the control group. Expectations are measured regarding four key macroeconomic variables for the year 2021: The growth rate of GDP in % (Column I), the rate of inflation in 2021 in % (Column II), the level of unemployment in % (Column III), and the change in trade as share of GDP in % (Column IV). Robust standard errors (adjusted for arbitrary heteroskedasticity) are reported in parentheses. “Country-FE” are fixed effect on the country level, “Dist. Elec. FE” are fixed effects for the distance (in days) between the time experts filled their survey and the election day, and “Survey Time” denoted the duration (in seconds) experts took to fill out their survey.

\*\* Significant at the 5 percent level,

\* Significant at the 10 percent level

**Table D-9** THE 2020 US PRESIDENTIAL ELECTION AND ECONOMIC EXPECTATIONS OF EXPERTS—EXPERT-LEVEL PREMIA ON PAST MACROECONOMIC PERFORMANCE OF THEIR HOST COUNTRY (PREMIA RELATIVE TO PREVIOUS YEAR)

Dependent variables: Key macroeconomic variables in 2021				
	$\frac{d}{dt}$ GDP (I)	Inflation Rate (II)	Unemployment (III)	$\Delta$ Trade Vol. (IV)
<i>Panel A: Full sample of experts</i>				
Treatment (1 = Biden president)	0.975* (0.520)	-0.0603 (0.254)	-0.459 (0.444)	1.329 (0.874)
Number of Experts	659	656	638	550
Number of Countries	67	67	67	67
R-Squared	0.271	0.906	0.365	0.415
Country-FE	Yes	Yes	Yes	Yes
Dist Elec. FE	Yes	Yes	Yes	Yes
Survey Time	Yes	Yes	Yes	Yes
<i>Panel B: Excluding experts from the United States</i>				
Treatment (1 = Biden president)	1.145** (0.575)	-0.226 (0.276)	-0.424 (0.511)	1.908** (0.857)
Number of Experts	613	612	625	533
Number of Countries	66	66	66	66
R-Squared	0.277	0.913	0.366	0.434
Country-FE	Yes	Yes	Yes	Yes
Dist Elec. FE	Yes	Yes	Yes	Yes
Survey Time	Yes	Yes	Yes	Yes
<i>Panel C: Experts from the United States</i>				
Treatment (1 = Biden president)	-0.211 (1.123)	0.974 (0.630)	-0.655 (0.567)	-4.847 (4.620)
Number of Experts	42	45	45	28
R-Squared	0.140	0.438	0.356	0.325
Dist Elec. FE	Yes	Yes	Yes	Yes
Survey Time	Yes	Yes	Yes	Yes

*Notes:* The table shows the results of our estimations on the effect of the 2020 US presidential elections on the expectations of international experts. Premia are calculated by subtracting the observed values of macroeconomic variables in 2019 from experts' expectations for 2021. Data is taken from [World Bank \(2020\)](#). Expectations are measured regarding four key macroeconomic variables for the year 2021: The growth rate of GDP in % (Column I), the rate of inflation in 2021 in % (Column II), the level of unemployment in % (Column III), and the change in trade as share of GDP in % (Column IV). Robust standard errors (adjusted for arbitrary heteroskedasticity) are reported in parentheses. "Country-FE" are fixed effect on the country level, "Dist. Elect. FE" are fixed effects for the distance (in days) between the time experts filled their survey and the election day, and "Survey Time" denoted the duration (in seconds) experts took to fill out their survey.

\*\* Significant at the 5 percent level,

\* Significant at the 10 percent level

**Table D-10** THE 2020 US PRESIDENTIAL ELECTION AND ECONOMIC EXPECTATIONS OF EXPERTS—EXPERT-LEVEL PREMIA ON PAST MACROECONOMIC PERFORMANCE OF THEIR HOST COUNTRY (PREMIA RELATIVE TO AVERAGE OF TRUMP PERIOD, 2016–2019)

Dependent variables: Key macroeconomic variables in 2021				
	$\frac{d}{dt}$ GDP (I)	Inflation Rate (II)	Unemployment (III)	$\Delta$ Trade Vol. (IV)
<i>Panel A: Full sample of experts</i>				
Treatment (1 = Biden president)	0.975* (0.520)	-0.0277 (0.255)	-0.563 (0.454)	1.305 (0.866)
Number of Experts	659	656	638	550
Number of Countries	67	67	67	67
R-Squared	0.265	0.856	0.453	0.226
Country-FE	Yes	Yes	Yes	Yes
Dist Elec. FE	Yes	Yes	Yes	Yes
Survey Time	Yes	Yes	Yes	Yes
<i>Panel B: Excluding experts from the United States</i>				
Treatment (1 = Biden president)	1.145** (0.575)	-0.188 (0.278)	-0.544 (0.521)	1.870** (0.851)
Number of Experts	610	609	617	530
Number of Countries	66	66	66	66
R-Squared	0.269	0.865	0.455	0.239
Country-FE	Yes	Yes	Yes	Yes
Dist Elec. FE	Yes	Yes	Yes	Yes
Survey Time	Yes	Yes	Yes	Yes
<i>Panel C: Experts from the United States</i>				
Treatment (1 = Biden president)	-0.211 (1.123)	0.974 (0.630)	-0.655 (0.567)	-4.847 (4.620)
Number of Experts	42	45	45	28
R-Squared	0.140	0.438	0.356	0.325
Dist Elec. FE	Yes	Yes	Yes	Yes
Survey Time	Yes	Yes	Yes	Yes

*Notes:* The table shows the results of our estimations on the effect of the 2020 US presidential elections on the expectations of international experts. Premia are calculated by subtracting the average of macroeconomic variables over the Trump period for which data is available (2016–2019) from experts’ expectations for 2021. Data is taken from [World Bank \(2020\)](#). Expectations are measured regarding four key macroeconomic variables for the year 2021: The growth rate of GDP in % (Column I), the rate of inflation in 2021 in % (Column II), the level of unemployment in % (Column III), and the change in trade as share of GDP in % (Column IV). Robust standard errors (adjusted for arbitrary heteroskedasticity) are reported in parentheses. “Country-FE” are fixed effect on the country level, “Dist. Elect. FE” are fixed effects for the distance (in days) between the time experts filled their survey and the election day, and “Survey Time” denoted the duration (in seconds) experts took to fill out their survey.

\*\* Significant at the 5 percent level,

\* Significant at the 10 percent level

**Table D-11** THE 2020 US PRESIDENTIAL ELECTION AND ECONOMIC EXPECTATIONS OF EXPERTS—CHANGES IN SPECIFICATION I: BASELINE RESULTS WITH CLUSTERED STANDARD ERRORS

Dependent variables: Key macroeconomic variables in 2021				
	$\frac{d}{dt}$ GDP (I)	Inflation Rate (II)	Unemployment (III)	$\Delta$ Trade Vol. (IV)
<i>Panel A: Full sample of experts</i>				
Treatment (1 = Biden president)	0.984* (0.499)	-0.0289 (0.301)	-0.566 (0.536)	1.375 (0.945)
Number of Experts	662	665	677	569
Number of Countries	68	68	68	68
R-Squared	0.207	0.760	0.794	0.176
Country-FE	Yes	Yes	Yes	Yes
Dist Elec. FE	Yes	Yes	Yes	Yes
Survey Time	Yes	Yes	Yes	Yes
<i>Panel B: Excluding experts from the United States</i>				
Treatment (1 = Biden president)	1.159** (0.537)	-0.183 (0.311)	-0.547 (0.622)	1.949** (0.793)
Number of Experts	620	620	632	541
Number of Countries	67	67	67	67
R-Squared	0.211	0.772	0.792	0.184
Country-FE	Yes	Yes	Yes	Yes
Dist Elec. FE	Yes	Yes	Yes	Yes
Survey Time	Yes	Yes	Yes	Yes
<i>Panel C: Experts from the United States</i>				
Treatment (1 = Biden president)	-0.211 (1.123)	0.974 (0.630)	-0.655 (0.567)	-4.847 (4.620)
Number of Experts	42	45	45	28
R-Squared	0.211	0.772	0.792	0.184
Dist Elec. FE	Yes	Yes	Yes	Yes
Survey Time	Yes	Yes	Yes	Yes

*Notes:* The table shows the results of our estimations on the effect of the 2020 US presidential elections on the expectations of international experts. Inferences are based on standard errors that are robust to arbitrary heteroskedasticity and that are clustered within countries. Panel C is based on a single cluster, but we report these results using Huber-White standard errors for comparison. Expectations are measured regarding four key macroeconomic variables for the year 2021: The growth rate of GDP in % (Column I), the rate of inflation in 2021 in % (Column II), the level of unemployment in % (Column III), and the change in trade as share of GDP in % (Column IV). “Country-FE” are fixed effect on the country level, “Dist. Elect. FE” are fixed effects for the distance (in days) between the time experts filled their survey and the election day, and “Survey Time” denoted the duration (in seconds) experts took to fill out their survey.

\*\* Significant at the 5 percent level,

\* Significant at the 10 percent level

**Table D-12** THE 2020 US PRESIDENTIAL ELECTION AND ECONOMIC EXPECTATIONS OF EXPERTS—CHANGES IN SPECIFICATION II: EXCLUDE MEASURE FOR EXPERT EFFORT (DURATION IN SECONDS)

Dependent variables: Key macroeconomic variables in 2021				
	$\frac{d}{dt}$ GDP (I)	Inflation Rate (II)	Unemployment (III)	$\Delta$ Trade Vol. (IV)
<i>Panel A: Full sample of experts</i>				
Treatment (1 = Biden president)	0.930* (0.518)	-0.0476 (0.250)	-0.563 (0.451)	1.373 (0.862)
Number of Experts	673	671	678	569
Number of Countries	68	68	68	68
R-Squared	0.207	0.758	0.794	0.176
Country-FE	Yes	Yes	Yes	Yes
Dist Elec. FE	Yes	Yes	Yes	Yes
Survey Time	No	NO	NO	No
<i>Panel B: Excluding experts from the United States</i>				
Treatment (1 = Biden president)	1.109* (0.576)	-0.203 (0.272)	-0.545 (0.518)	1.947** (0.846)
Number of Experts	630	626	633	541
Number of Countries	67	67	67	67
R-Squared	0.212	0.770	0.792	0.183
Country-FE	Yes	Yes	Yes	Yes
Dist Elec. FE	Yes	Yes	Yes	Yes
Survey Time	No	NO	NO	No
<i>Panel C: Experts from the United States</i>				
Treatment (1 = Biden president)	-0.331 (1.047)	0.967 (0.621)	-0.661 (0.568)	-4.757 (4.310)
Number of Experts	43	45	45	28
R-Squared	0.0967	0.437	0.355	0.203
Dist Elec. FE	Yes	Yes	Yes	Yes
Survey Time	No	No	No	No

*Notes:* The table shows the results of our estimations on the effect of the 2020 US presidential elections on the expectations of international experts. Inferences are based on standard errors that are robust to arbitrary heteroskedasticity and that are clustered within countries. Panel C is based on a single cluster, but we report these results using Huber-White standard errors for comparison. Expectations are measured regarding four key macroeconomic variables for the year 2021: The growth rate of GDP in % (Column I), the rate of inflation in 2021 in % (Column II), the level of unemployment in % (Column III), and the change in trade as share of GDP in % (Column IV). “Country-FE” are fixed effect on the country level, “Dist. Elect. FE” are fixed effects for the distance (in days) between the time experts filled their survey and the election day, and “Survey Time” denoted the duration (in seconds) experts took to fill out their survey.

- \*\* Significant at the 5 percent level,
- \* Significant at the 10 percent level

**Table D-13** THE 2020 US PRESIDENTIAL ELECTION AND ECONOMIC EXPECTATIONS OF EXPERTS—CHANGES IN SPECIFICATION III: INCLUDE MORE CONTROLS

Dependent variables: Key macroeconomic variables in 2021				
	$\frac{d}{dt}$ GDP (I)	Inflation Rate (II)	Unemployment (III)	$\Delta$ Trade Vol. (IV)
<i>Panel A: Full sample of experts</i>				
Treatment (1 = Biden president)	0.984* (0.518)	-0.0289 (0.253)	-0.566 (0.451)	1.375 (0.863)
Number of Experts	673	671	678	569
Number of Countries	68	68	68	68
R-Squared	0.207	0.758	0.794	0.176
Country-FE	Yes	Yes	Yes	Yes
Dist Elec. FE	Yes	Yes	Yes	Yes
Survey Time	Yes	Yes	Yes	Yes
Additional Controls	Yes	Yes	Yes	Yes
<i>Panel B: Excluding experts from the United States</i>				
Treatment (1 = Biden president)	1.109* (0.576)	-0.203 (0.272)	-0.545 (0.518)	1.947** (0.846)
Number of Experts	630	626	633	541
Number of Countries	67	67	67	67
R-Squared	0.212	0.770	0.792	0.183
Country-FE	Yes	Yes	Yes	Yes
Dist Elec. FE	Yes	Yes	Yes	Yes
Survey Time	Yes	Yes	Yes	Yes
Additional Controls	Yes	Yes	Yes	Yes
<i>Panel C: Experts from the United States</i>				
Treatment (1 = Biden president)	-0.331 (1.047)	0.967 (0.621)	-0.661 (0.568)	-4.757 (4.310)
Number of Experts	43	45	45	28
R-Squared	0.0967	0.437	0.355	0.203
Dist Elec. FE	Yes	Yes	Yes	Yes
Survey Time	Yes	Yes	Yes	Yes
Additional Controls	Yes	Yes	Yes	Yes

*Notes:* The table shows the results of our estimations on the effect of the 2020 US presidential elections on the expectations of international experts. The specifications include an additional set of controls (age, education, affiliation, field of study). Inferences are based on standard errors that are robust to arbitrary heteroskedasticity and that are clustered within countries. Panel C is based on a single cluster, but we report these results using Huber-White standard errors for comparison. Expectations are measured regarding four key macroeconomic variables for the year 2021: The growth rate of GDP in % (Column I), the rate of inflation in 2021 in % (Column II), the level of unemployment in % (Column III), and the change in trade as share of GDP in % (Column IV). “Country-FE” are fixed effect on the country level, “Dist. Elect. FE” are fixed effects for the distance (in days) between the time experts filled their survey and the election day, and “Survey Time” denoted the duration (in seconds) experts took to fill out their survey.

\*\* Significant at the 5 percent level,

\* Significant at the 10 percent level

**Table D-14** THE 2020 US PRESIDENTIAL ELECTION AND ECONOMIC EXPECTATIONS OF EXPERTS—LONG-TERM EXPECTATIONS UNTIL 2023

Dependent variables: Key macroeconomic variables until 2023				
	$\frac{d}{dt}$ GDP (I)	Inflation Rate (II)	Unemployment (III)	$\Delta$ Trade Vol. (IV)
<i>Panel A: Full sample of experts</i>				
Treatment (1 = Biden president)	-0.309 (0.258)	0.0818 (0.152)	-0.308 (0.352)	-0.533 (0.972)
Number of Experts	703	679	675	558
Number of Countries	68	68	68	68
R-Squared	0.341	0.790	0.785	0.131
Country-FE	Yes	Yes	Yes	Yes
Dist Elec. FE	Yes	Yes	Yes	Yes
Survey Time	Yes	Yes	Yes	Yes
<i>Panel B: Excluding experts from the United States</i>				
Treatment (1 = Biden president)	-0.270 (0.291)	0.0433 (0.172)	-0.291 (0.412)	-0.494 (1.020)
Number of Experts	652	629	626	529
Number of Countries	67	67	67	67
R-Squared	0.347	0.805	0.782	0.135
Country-FE	Yes	Yes	Yes	Yes
Dist Elec. FE	Yes	Yes	Yes	Yes
Survey Time	Yes	Yes	Yes	Yes
<i>Panel C: Experts from the United States</i>				
Treatment (1 = Biden president)	-0.548 (0.516)	0.319 (0.278)	-0.401 (0.373)	-0.970 (3.202)
Number of Experts	51	50	49	29
R-Squared	0.216	0.851	0.421	0.218
Dist Elec. FE	Yes	Yes	Yes	Yes
Survey Time	Yes	Yes	Yes	Yes

*Notes:* The table shows the results of our estimations on the effect of the 2020 US presidential elections on the expectations of international experts. Expectations are measured regarding four key macroeconomic variables until the year 2023: The growth rate of GDP in % (Column I), the rate of inflation in % (Column II), the level of unemployment in % (Column III), and the change in trade as share of GDP in % (Column IV). Robust standard errors (adjusted for arbitrary heteroskedasticity) are reported in parentheses. “Country-FE” are fixed effect on the country level, “Dist. Elec. FE” are fixed effects for the distance (in days) between the time experts filled their survey and the election day, and “Survey Time” denoted the duration (in seconds) experts took to fill out their survey.

**Table D-15** THE 2020 US PRESIDENTIAL ELECTION AND ECONOMIC EXPECTATIONS OF EXPERTS—LONG-TERM EXPECTATIONS UNTIL 2023, SAMPLE OF EXPERTS THAT ARE ALSO INCLUDED IN THE BASELINE SAMPLE

Dependent variables: Key macroeconomic variables until 2023				
	$\frac{d}{dt}$ GDP (I)	Inflation Rate (II)	Unemployment (III)	$\Delta$ Trade Vol. (IV)
<i>Panel A: Full sample of experts</i>				
Treatment (1 = Biden president)	-0.309 (0.258)	0.0818 (0.152)	-0.308 (0.352)	-0.533 (0.972)
Number of Experts	703	679	675	558
Number of Countries	68	68	68	68
R-Squared	0.341	0.790	0.785	0.131
Country-FE	Yes	Yes	Yes	Yes
Dist Elec. FE	Yes	Yes	Yes	Yes
Survey Time	Yes	Yes	Yes	Yes
<i>Panel B: Excluding experts from the United States</i>				
Treatment (1 = Biden president)	0.0263 (0.221)	-0.00204 (0.181)	-0.376 (0.438)	-0.0553 (1.041)
Number of Experts	581	579	595	499
Number of Countries	67	67	67	67
R-Squared	0.407	0.824	0.786	0.136
Country-FE	Yes	Yes	Yes	Yes
Dist Elec. FE	Yes	Yes	Yes	Yes
Survey Time	Yes	Yes	Yes	Yes
<i>Panel C: Experts from the United States</i>				
Treatment (1 = Biden president)	-0.264 (0.300)	0.411 (0.311)	-0.501 (0.384)	-0.404 (3.344)
Number of Experts	41	44	44	26
R-Squared	0.348	0.867	0.449	0.245
Dist Elec. FE	Yes	Yes	Yes	Yes
Survey Time	Yes	Yes	Yes	Yes

*Notes:* The table shows the results of our estimations on the effect of the 2020 US presidential elections on the expectations of international experts. Expectations are measured regarding four key macroeconomic variables until the year 2023: The growth rate of GDP in % (Column I), the rate of inflation in % (Column II), the level of unemployment in % (Column III), and the change in trade as share of GDP in % (Column IV). Robust standard errors (adjusted for arbitrary heteroskedasticity) are reported in parentheses. “Country-FE” are fixed effect on the country level, “Dist. Elec. FE” are fixed effects for the distance (in days) between the time experts filled their survey and the election day, and “Survey Time” denoted the duration (in seconds) experts took to fill out their survey.

**Table D-16** THE 2020 US PRESIDENTIAL ELECTION AND ECONOMIC EXPECTATIONS OF EXPERTS—EFFECTS ON EXPERTS’ UNCERTAINTY, ALTERNATIVE MEASURES OF UNCERTAINTY

Dependent variables: Uncertainty about key macroeconomic variables in 2021				
	$\frac{d}{dt}$ GDP (I)	Inflation Rate (II)	Unemployment (III)	$\Delta$ Trade Vol. (IV)
<i>Panel A: Empirical Standard Deviation</i>				
Treatment (1 = Biden president)	2.196* (1.159)	1.935* (1.062)	-0.671 (1.383)	0.305 (1.568)
Number of Experts	662	662	662	662
Number of Countries	68	68	68	68
R-Squared	0.187	0.191	0.179	0.235
Country-FE	Yes	Yes	Yes	Yes
Dist Elec. FE	Yes	Yes	Yes	Yes
Survey Time	Yes	Yes	Yes	Yes
<i>Panel B: Mean absolute deviation between second and fourth quintile</i>				
Treatment (1 = Biden president)	1.986 (7.669)	7.742* (4.339)	-0.250 (6.358)	-5.552 (5.376)
Number of Experts	662	662	662	662
Number of Countries	67	67	67	67
R-Squared	0.306	0.535	0.348	0.209
Country-FE	Yes	Yes	Yes	Yes
Dist Elec. FE	Yes	Yes	Yes	Yes
Survey Time	Yes	Yes	Yes	Yes
<i>Panel C: Empirical variance</i>				
Treatment (1 = Biden president)	83.07* (43.823)	72.55* (38.655)	-3.550 (47.604)	23.86 (45.374)
Number of Experts	662	662	662	662
R-Squared	0.189	0.209	0.207	0.213
Dist Elec. FE	Yes	Yes	Yes	Yes
Survey Time	Yes	Yes	Yes	Yes

*Notes:* The table shows the results of our estimations on the effect of the 2020 US presidential elections on the expectations of international experts. Expectations are measured regarding four key macroeconomic variables until the year 2023: The growth rate of GDP in % (Column I), the rate of inflation in % (Column II), the level of unemployment in % (Column III), and the change in trade as share of GDP in % (Column IV). The table presents results on the effect of the US presidential election on experts’ degree of uncertainty about these variables. Estimates are based on a comparable sample of observations. Robust standard errors (adjusted for arbitrary heteroskedasticity) are reported in parentheses. “Country-FE” are fixed effect on the country level, “Dist. Elect. FE” are fixed effects for the distance (in days) between the time experts filled their survey and the election day, and “Survey Time” denoted the duration (in seconds) experts took to fill out their survey.

\* Significant at the 10 percent level