

VENICE SUMMER INSTITUTE 2024

Expectation Formation

San Servolo, 28–29 June 2024

Program

Presenting authors are denoted in capital letters

Friday, 28 June 2024

Session 1

“Households”

Chair: Theresa Kuchler

- 9:00 – 9:30 **Subjective Earnings Risk**
SØREN LETH-PETERSEN (University of Copenhagen), Andrew Caplin, Victoria Gregory, Eungik Lee, Johan Sæverud
- 9:30 – 10:00 **Microfounding Household Debt Cycles with Extrapolative Expectations**
XIAO YIN (University College London), Francesco D’Acunto, Michael Weber
- 10:00 – 10:30 **Credit Market Experiences and Macroeconomic Expectations: Evidence and Theory**
JOSEFINA CENZON (Universitat Pompeu Fabra)
- 10:30 – 11:00 **Coffee Break**

Session 2

“Firms”

Chair: Mirko Wiederholt

- 11:00 – 11:30 **What Drives Very Long-Run Cash Flow Expectations?**
MARIUS GUENZEL (University of Pennsylvania), Paul H. Décaire
- 11:30 – 12:00 **The Coherence Side of Rationality**
PAMELA GIUSTINELLI (Bocconi University), Stefano Rossi
- 12:00 – 12:30 **The Devil is in the Tail: Macroeconomic Tail Risk Expectations of Firms**
MANUEL MENKHOFF (LMU Munich)
- 12:30 – 14:00 **Lunch**

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Session 3

“First Keynote” followed by “Mental Models”

Chair: Theresa Kuchler

- 14:00 – 15:00 **Keynote by Laura Veldkamp (Columbia Business School)**
- 15:00 – 15:30 **Mental Models of the Stock Market**
JOHANNES WOHLFART (University of Cologne), Peter Andre, Philipp Schirmer
- 15:30 – 16:00 **Mental Models in Financial Markets: How Do Experts Reason About the Pricing of Climate Risk?**
KATRIN GÖDKER (Bocconi University), Rob Bauer, Paul Smeets, Florian Zimmermann
- 16:00 – 16:30 **Coffee Break**

Session 4

“Asset Markets”

Chair: Mirko Wiederholt

- 16:30 – 17:00 **Speculating on Higher Order Beliefs**
KAUSHIK VASUDEVAN (Purdue University), Paul Schmidt-Engelbertz
- 19:30 **Dinner**

Saturday, 29 June 2024

Session 5

“Households, Part 2”

Chair: Theresa Kuchler

- 8:30 – 9:00 **Building Central Bank Credibility: The Role of Forecast Performance**
MICHAEL MCMAHON (University of Oxford), Ryan Rholes
- 9:00 – 9:30 **The Effects of Interest Rate Increases on Consumers’ Inflation Expectations: The Roles of Informedness and Compliance**
MATHIEU PEDEMONTE (Federal Reserve Bank of Cleveland), Edward S. Knotek II, James Mitchell, Taylor Shiroff
- 9:30 – 10:00 **The Hidden Heterogeneity of Inflation and Interest Rate Expectations: The Role of Preferences**
LENA DRÄGER (Leibniz University Hannover), Michael J. Lamla, Damjan Pfajfar

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10:00 – 10:30 **The Formation of Subjective House Price Expectations**
JOACHIM WINTER (LMU Munich), Sarah Kiesl-Reiter, Melanie Lührmann,
Jonathan Shaw

10:30 – 11:00 **Coffee Break**

Session 6

“Second Keynote” followed by “Housing”

Chair: Mirko Wiederholt

11:00 – 12:00 **Keynote by Johannes Stroebel (NYU Stern School of Business)**

12:00 – 12:30 **Understanding Rationality and Disagreement in House Price Expectations**
STIJN VAN NIEUWERBURGH (Columbia Business School), Zigang Li, Wang Renxuan

12:30 **Lunch and Departure**