How Partisanship Shapes Economic Expectations: Evidence from the 2025 U.S. Tariff Announcement*

Jorge Hirs Garzón† Taewon Hwang‡ Yoon Joo Jo§

September 17, 2025

Abstract

We study how households update their beliefs about the economic effects of tariffs following the April 2, 2025, policy announcement ("Liberation Day"). Using experimental evidence, we document substantial disagreement in subjective economic models—driven primarily by political affiliation rather than demographic characteristics. Providing politically neutral, research-based information leads to changes in expectations: information about the near-complete pass-through of tariffs to consumer prices induces upward revisions in inflation expectations, particularly among Democrats, while information on the employment effects of tariffs leads to increased unemployment expectations, mainly among Republicans. Despite these revisions in macroeconomic beliefs, support for the administration's economic policy remains unchanged. Our findings highlight the role of partisan alignment in shaping responses to policy announcements and new information.

Keywords: expectation formation, subjective models, tariff shocks, partisan expectations
JEL Classification: D12, D83, D84, E65, F16, P16

*First draft: July 16th, 2025. We are grateful to Carola Binder, Zahra Murad, Mathieu Pedemonte, Jessica Piccolo, Mauricio Ulate, Hye Young Yoo, Michael Weber, Sarah Zubairy, and the seminar and conference participants at Yonsei University, KDI, Bank of Korea, and the TAMU macro group for helpful suggestions and comments. The research was approved by Texas A&M University Institutional Review Boards.

†Department of Economics, Texas A&M University, 2935 Research Parkway Suite 200, College Station, TX 77843, United States. E-mail: jorgehirs@tamu.edu.

‡Department of Economics, Texas A&M University, 2935 Research Parkway Suite 200, College Station, TX 77843, United States. E-mail: twhwang@tamu.edu.

§Department of Economics, Texas A&M University, 2935 Research Parkway Suite 200, College Station, TX 77843, United States. E-mail: yoonjo@tamu.edu.

1 Introduction

When a government policy is announced, households form expectations about how it will affect current and future macroeconomic conditions—expectations that, in turn, shape their consumption and saving decisions. Because these beliefs play a central role in how policy effects are transmitted through the economy (see, e.g., Candia et al., 2020; D'Acunto, Hoang, and Weber, 2022; Mertens and Ravn, 2012; Ramey, 2016), it is important to understand how households interpret and respond to such announcements. Yet little is known about how households interpret salient policy announcements and how political affiliation influences the updating of economic beliefs.

We study these questions in the context of the April 2, 2025 "Liberation Day" announcement, when President Donald Trump unveiled a sweeping plan to impose tariffs on imported goods. The tariffs were large, salient, and highly politicized, providing a rare opportunity to examine how households revise their macroeconomic expectations in response to an actual policy shock.

To investigate this question, we conducted an online survey on April 11, 2025, shortly after the tariff announcement. Consistent with prior research, we find that inflation expectations vary across demographic characteristics: women, older respondents, and those with less education tend to expect higher inflation (D'Acunto, Malmendier, & Weber, 2022; D'Acunto et al., 2021). We also observe pronounced partisan differences: self-identified Democrats report higher expectations for both inflation and unemployment compared to Republicans. This aligns with existing evidence that individuals who support the incumbent president's party tend to have lower inflation expectations (Binder et al., 2024; Kamdar & Ray, 2023).

We then elicited respondents' subjective models of how tariffs affect the economy. Most respondents (82%) agreed that tariffs would raise inflation, but there was greater disagreement over unemployment (63% expected it to increase) and stock prices (64% expected them to fall). These beliefs showed little variation across demographic characteristics—but substantial differences by political affiliation. For example, 94% of Democrats expected inflation to rise, compared to 68% of Republicans; similarly, 83% of Democrats expected higher unemployment, versus only 40% of Republicans. These results underscore the role of partisanship in shaping subjective evaluations of economic pol-

icy.

To test whether individuals revise their beliefs when presented with politically neutral information, we conducted a randomized information experiment. Respondents were randomly assigned to receive either summaries of academic research on the 2018–2019 U.S.–China tariff war or news coverage reporting Federal Reserve Chair Jerome Powell's forecasts.

Respondents who received information about the near-complete pass-through of tariffs to consumer prices—based on Cavallo et al. (2021)—revised their inflation expectations upward relative to the control group that had not been provided with any information, with the strongest effects among Democrats and no statistically significant revision among Republicans. As a result, the partisan gap in inflation expectations widened further. Conversely, respondents who received information about the employment effects of tariffs—based on Autor et al. (2024)—were more likely to revise their unemployment expectations upward, particularly Republicans. The effect was concentrated among those who initially believed tariffs would not raise unemployment—many of whom were Republican. As a result, unemployment expectations converged across party lines.

We argue that these patterns reflect not only the content of prior beliefs but also how novel respondents perceived the information to be. From follow-up open-ended responses, we find that although many Democrats already expected tariffs to raise inflation, they still considered the treatment information to be new or surprising—leading them to revise their inflation expectations upward. In contrast, Republicans reported that the information about the employment effects of tariffs was new to them. These perceptions help explain the asymmetric belief updating: Democrats revised their inflation expectations, while Republicans adjusted their unemployment expectations.

Differences in perceived novelty might be rooted in media exposure. At the time of the announcement, liberal media outlets emphasized the inflationary and recessionary effects of tariffs, while conservative media acknowledged inflation risks but framed the policy as beneficial for domestic jobs. As a result, our politically neutral, research-based information may have confirmed the priors of some respondents while contradicting those of others—leading to partisan patterns in belief updating.

Finally, we examine whether these exogenous shifts in economic expectations influence approval ratings for the current administration. Despite significant revisions in inflation and unemployment beliefs, we find no evidence that the information treatments affected respondents' evaluations of the administration's economic policy.

Related literature and contribution This study contributes to a growing body of literature documenting partisan heterogeneity in economic expectations. Earlier studies—including Coibion et al. (2020), Alesina et al. (2020), Choi et al. (2022), Mian et al. (2023), Kamdar and Ray (2023), Binder et al. (2024), and Kamdar et al. (2025), among others—show that partisan divides in expectations about inflation, unemployment, and broader economic conditions are both persistent and widening. These differences are not fully accounted for by variation in economic fundamentals or exposure to economic conditions, pointing instead to the influence of partisan bias. More recent studies have also examined how partisan differences in trust in, or perceived political bias in the Federal Reserve contribute to gaps in inflation expectations across political groups (Binder et al., 2025; Kuang et al., 2024, 2025). Our paper corroborates this finding and extends the literature by showing how partisan evaluations of a specific government policy—namely, a major tariff shock—can further amplify belief divergence, particularly with respect to inflation expectations.

Our work also contributes to the growing literature on subjective models of the macroeconomy. The seminal study by Andre et al. (2022) documents that households' subjective models in response to macroeconomic shocks differ markedly from those of experts. Building on this, Piccolo et al. (2024) show that education plays a key role in shaping heterogeneity in subjective models with respect to monetary policy. McMahon et al. (2025) further demonstrate that interventions designed to teach economic mechanisms in hypothetical scenarios can help align households' mental models more closely with those of experts. Unlike these prior studies, which largely rely on hypothetical vignettes to assess mental models, our study leverages a salient, real-world policy shock—the April 2025 tariff announcement—to examine how households form and revise their subjective models. In doing so, we provide novel evidence of partisan bias in belief updating in response to actual policy information.

Our paper also contributes to the literature on how households update their beliefs in response to randomly provided information in surveys. Prior studies have shown that news or expert forecasts can shift expectations, but not uniformly across individuals (Armantier et al., 2016; Coibion and Gorodnichenko, 2012). More closely, Huseynov and Murad (2024) demonstrate asymmetric belief updating across political affiliations. We extend this literature by randomizing exposure to policy-relevant information about a salient and politically polarizing issue by directly eliciting expectations across multiple macroeconomic outcomes. Crucially, our survey design allows us to identify heterogeneity in belief updating conditional on political identity. We find that even when individuals are presented with neutral, research-based information, they revise their expectations in a partisan manner. This suggests that belief updating is shaped not only by the content of the information, but also by prior beliefs, perceived novelty, and political identity.

More closely related to our work, Coibion et al. (2025) and Andrade et al. (2025) examine expectations about the effects of tariffs among households and small and medium-sized enterprises, respectively, around the time of President Trump's inauguration. Binder et al. (2025) document that tariffs were salient among individuals who believed the election would lead to higher inflation. However, their surveys were conducted prior to the official policy announcement, when the size and scope of the tariffs were still uncertain. In contrast, we field our survey after the announcement, allowing respondents to react to an actual policy announcement. Our contribution differs by focusing on the role of partisan bias in shaping how households evaluate the tariff policy, emphasizing the influence of political identity on economic beliefs and policy assessments.

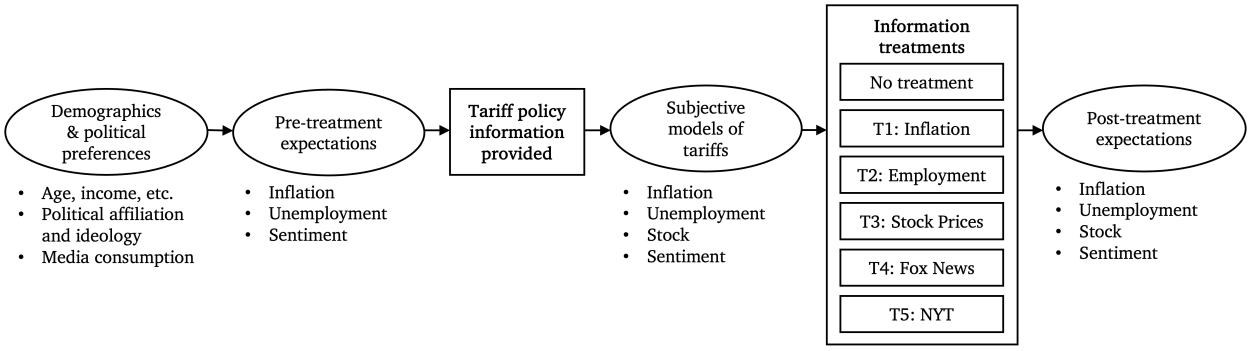
Finally, our findings have implications for policy-relevant macroeconomic modeling. Recent macroeconomic models of optimal monetary policy under tariffs debate whether tariffs are inflationary and how central banks should respond (e.g., Auray et al., 2024; Bergin and Corsetti, 2023; Bianchi and Coulibaly, 2025). Yet these models typically rely on representative agents and rational expectations. Our evidence provides empirical grounding for enriching such frameworks by incorporating belief heterogeneity, limits to attention, and politically conditioned updating.

The remainder of the paper is structured as follows. Section 2 describes the design and implementation of the survey. Section 3 presents descriptive evidence on perceptions and macroeconomic

expectations as of April 2025. Section 4 investigates participants' subjective models of the tariff policy announcement and documents sharp heterogeneity by political affiliation. Section 5 reports results from the information treatments, highlighting how revisions differ by the source and content of the information. Section 6 concludes.

2 Survey Design

Figure 1: Survey flowchart



Following the April 2, 2025 announcement of tariff policy, we designed a survey to examine individuals' subjective models of how tariffs affect macroeconomic outcomes. We recruited 1,212 respondents through Prolific, an online platform that enables demographic sampling to closely match the U.S. population in terms of age, gender, and political affiliation. However, the Prolific sample contains a higher share of highly educated respondents than nationally representative surveys.[1] The structure of the survey is illustrated in Figure 1 and consists of three main modules: (1) baseline characteristics and macroeconomic expectations, (2) subjective models of tariff policy, and (3) post-treatment expectations following information treatments. The full survey is available in Appendix G.

Baseline module In the first section, we collect respondents' demographic characteristics (e.g., age, income, education), political orientation, employment status, and media consumption habits.

Next, we elicit baseline expectations regarding inflation, unemployment, and economic sentiment

[1] See Table A.1 in Appendix A for a detailed comparison.

over the short (1-year ahead) and medium term horizons, employing both quantitative and qualitative measures. Specifically, for inflation expectations, we asked respondents to provide density forecasts for the 1-year horizon following the methodology of the New York Fed's Survey of Consumer Expectations (SCE). For analysis, we computed the implied mean of these inflation forecasts, assuming a uniform distribution of masses within each bin. For unemployment expectations, respondents provided direct point forecasts, answering the question: "*What is your best guess about what the unemployment rate in the U.S. will be 12 months from now?*" Lastly, for economic sentiment, we adopted the Michigan Survey of Consumers approach, eliciting directional forecasts—"*better*," "*about the same*," or "*worse*"—for business and economic conditions over the following year.

Subjective models of tariffs The second module elicits respondents' subjective models of tariff policy. We begin by presenting a summary of the policy announcement, which includes a universal tariff on all imported goods and country-specific reciprocal tariffs. Respondents are then asked whether they had previously heard about the announcement; 87% report being aware of the policy.

We then elicit respondents' subjective expectations about the tariff's impact on the U.S. economy. Participants answer both open-ended and closed-form questions, such as: "*In your own words, how do you think the recently announced tariff policy would affect the U.S. economy?*" In addition, we ask participants to report their expectations regarding inflation, unemployment, stock prices, and overall economic sentiment in response to the April tariff policies. These questions allow us to assess both the direction and magnitude of the perceived effects, enabling us to capture how individuals mentally model the macroeconomic consequences of trade policy.

Information treatment and posterior beliefs In the final module, we randomly assign respondents to one of six groups. One group receives no information and serves as the control. The remaining five groups receive one of two broad categories of information: (i) empirical research findings on how the 2018–2019 U.S.–China trade war affected inflation, employment, and stock prices, or (ii) statements from the Federal Reserve Chair regarding the expected macroeconomic consequences of the newly announced tariffs. Each treatment is designed to isolate specific mechanisms through which beliefs might be updated.

For the empirical research treatments, we provide a summary of findings from three academic sources. Each treatment notes that, during the 2018–2019 U.S.–China trade war, the average tariff rate peaked at 3.5%. We emphasize that the presented findings are derived from economic research using state-of-the-art empirical methods to identify causal effects. For each treatment, we also include a key figure from the original research paper. A brief summary of the treatments is provided below, and full treatment texts are available in Appendix F.

1. Cavallo et al. (2021): Respondents are shown evidence that tariffs substantially raised import prices, with nearly complete pass-through to U.S. consumers. For example, a 10% tariff led to an estimated 9.4% increase in prices.

2. Autor et al. (2024): Respondents are presented with findings showing that tariff protections did not lead to employment gains in targeted sectors. In contrast, retaliatory tariffs imposed by trade partners resulted in job losses, particularly in US farming regions.

3. Amiti et al. (2021): Respondents are shown evidence that financial markets reacted negatively to tariff announcements. Stock prices remained stable in the days preceding the announcements but dropped sharply afterward, with cumulative losses often exceeding 10%, indicating a strong adverse investor response.

Although our information treatments were based on specific academic empirical studies of previous tariff episodes, our findings largely align with both prior research on tariff impacts and contemporaneous theoretical analyses of the newly announced policy. For example, Fajgelbaum and Khandelwal (2022) survey passthrough rates from the 2018–2019 tariff episodes and documents near-complete passthrough, consistent with the evidence presented in our inflation treatment. Similarly, Rodríguez-Clare et al. (2025) argue that tariff increases can lead to employment declines for those sectors that are faced with retaliatory tariff, and Auclert et al. (2025) show that such policies are likely to generate stagflationary effects—higher inflation alongside slower economic activity. These findings are consistent with the information conveyed in our treatments.[2]

[2]Theoretical research on the effects of tariffs suggests that the impact on employment may be positive if trade elasticities are sufficiently low and retaliation from trading partners is limited (Ignatenko et al., 2025; Rodríguez-Clare et al., 2025).

For the latter two treatments, we present excerpts from speeches delivered by the Chair of the Federal Reserve, as reported by either Fox News or The New York Times. Both treatments convey that tariffs are expected to raise inflation and slow economic growth. By holding the economic content constant and varying only the media source, we isolate the effect of partisan framing on belief formation.

One might wonder how survey respondents processed the information, given that the treatments were based on sophisticated research articles containing technical graphs and language. To address this concern, we included a comprehension question following each information treatment to assess whether respondents understood the content. Surprisingly, 96% of respondents answered the comprehension question correctly. For those who did not, we reiterated the key takeaway by displaying the correct answer.

Table 1 reports joint F-tests for covariate balance across groups, showing that randomization achieved balance across observable characteristics.

Following the information treatments, we re-elicited respondents' macroeconomic expectations—specifically, their forecasts for inflation, unemployment, and overall economic sentiment. We asked respondents to provide point forecasts for their one-year-ahead inflation and unemployment expectations. Additionally, we re-assessed economic sentiment by again asking respondents to provide directional forecasts ("*better*," "*about the same*," or "*worse*") regarding business and economic conditions.

In addition to these expectation measures, participants answered questions assessing their understanding of the policy itself, the incidence of tariff pass-through, and their approval of the current administration's economic policy. These post-treatment questions allow us to evaluate not only how individuals update beliefs about aggregate outcomes, but also how they interpret the mechanics of the policy and revise their political attitudes.

Table 1: Demographic and political characteristics across treatment groups

Variable (Category)	Control	T1	T2	T3	T4	T5	F-test (p-value)
Demographic characteristics							
Age group							
Under 40	0.4	0.4	0.4	0.41	0.37	0.39	0.15 (0.98)
40 to 60	0.37	0.38	0.34	0.36	0.42	0.39	0.55 (0.737)
Over 60	0.23	0.22	0.26	0.23	0.21	0.22	0.33 (0.895)
Gender							
Female	0.49	0.46	0.54	0.51	0.52	0.53	0.58 (0.717)
Male	0.5	0.53	0.46	0.49	0.48	0.46	0.61 (0.693)
Ethnicity							
White	0.75	0.71	0.74	0.73	0.73	0.74	0.18 (0.97)
Non-white	0.25	0.29	0.26	0.27	0.27	0.26	0.18 (0.97)
Education							
No college degree	0.29	0.34	0.3	0.35	0.3	0.33	0.55 (0.736)
College degree	0.71	0.66	0.7	0.65	0.7	0.67	0.55 (0.736)
Marital status							
Single	0.26	0.32	0.35	0.27	0.29	0.31	1.08 (0.369)
Married	0.62	0.56	0.56	0.6	0.55	0.52	1.09 (0.364)
Home ownership status							
Owner	0.28	0.29	0.3	0.23	0.25	0.27	0.68 (0.638)
Mortgagor	0.41	0.28	0.34	0.35	0.33	0.43	2.8 (0.016)
Renter	0.3	0.39	0.36	0.4	0.38	0.28	2.19 (0.054)
Asset-holding behavior							
Stock, bond, or cryptocurrency	0.67	0.64	0.64	0.64	0.6	0.66	0.56 (0.732)
Employment status							
Not employed	0.25	0.27	0.28	0.22	0.28	0.19	1.19 (0.309)
Employed	0.75	0.73	0.72	0.78	0.72	0.81	1.19 (0.309)
Political characteristics							
Political party							
Democrat	0.43	0.43	0.44	0.47	0.42	0.42	0.26 (0.934)
Republican	0.37	0.42	0.41	0.33	0.42	0.37	1.1 (0.361)
Political belief							
Liberal	0.42	0.41	0.41	0.43	0.43	0.45	0.22 (0.954)
Moderate	0.24	0.21	0.2	0.26	0.24	0.21	0.67 (0.648)
Conservative	0.34	0.37	0.39	0.31	0.33	0.33	0.86 (0.507)
2024 presidential election choice							
Kamala Harris	0.47	0.4	0.44	0.43	0.44	0.45	0.42 (0.832)
Donald Trump	0.43	0.43	0.39	0.39	0.42	0.4	0.27 (0.929)
Awareness of tariff policy							
Aware of tariff policy	0.89	0.87	0.9	0.87	0.81	0.88	1.97 (0.08)
$N = 1,212$	214	198	196	201	207	196	

Notes: *T0* refers to the no-treatment (control) group; *T1–T3* correspond to information treatments based on academic research on the 2018–2019 tariff war; *T4–T5* reflect media treatments based on coverage of Chair Jay Powell's remarks regarding the expected macroeconomic consequences of the tariff policy, sourced from Fox News and The New York Times, respectively. P-values from joint F-tests are reported in parentheses.

3 Current Perception and Expectation of the Economy

This section investigates heterogeneity in perceptions and expectations of the current state of the economy. Table 2 reports average perceived inflation and inflation expectations at multiple horizons. One-year-ahead inflation expectations are calculated as the mean of respondents' density forecasts, assuming a uniform distribution within each bin of expected inflation rates. We calculate the mean and standard deviations after applying Huber regression weights to reduce the influence of outliers. As of April 2025, our survey data suggests that the average one-year-ahead inflation expectation is 4.15 percent (standard deviation: 3.03 percent).[3]

We also report subgroup means by demographic and political characteristics. The patterns align with prior findings: women report higher inflation expectations than men, and respondents with lower educational attainment anticipate higher inflation than those with college degrees, consistent with D'Acunto, Malmendier, and Weber (2022). Among all characteristics, political affiliation shows the most pronounced differences. Self-identified Democrats report a one-year-ahead inflation expectation of 4.9%, compared to 3.1% among self-identified Republicans. This partisan gap is also previously documented in the literature, where supporters of the incumbent president's party tend to report lower inflation expectations than those aligned with the opposition (Bachmann et al., 2021; Binder et al., 2024; Binetti et al., 2024; Kamdar & Ray, 2023; Mian et al., 2023).

One notable finding is that, among all individual characteristics, political affiliation explains the largest share of the variation in inflation expectations. Table 3 reports the adjusted R^2 from regressions of one-year-ahead inflation expectations on each observable characteristic separately. Political affiliation consistently yields the highest explanatory power, significantly exceeding that of other demographic characteristics such as age, gender, or education. For example, identifying as Republican explains 7.5% of the variation in one-year-ahead inflation expectations, whereas identifying as male accounts for only 0.8% of the variation. Binder et al. (2024) similarly document that the partisan

[3]The Michigan Survey of Consumers reported a one-year-ahead inflation expectation of 6.5% in April 2025, while the Survey of Professional Forecasters reported 3.1%. The discrepancy between our survey and the Michigan survey likely reflects differences in elicitation methods: the Michigan survey collects point forecasts ("What do you expect inflation to be over the next year?"), whereas our instrument—similar to the New York Fed's Survey of Consumer Expectations (SCE)—uses a density forecast. This methodological difference is known to yield lower mean expectations, as documented in D'Acunto, Malmendier, and Weber (2022). The SCE data for April 2025 is not yet available.

gap in inflation expectations has widened substantially since the onset of the COVID-19 pandemic and that partisan differences exceed those associated with other demographic characteristics.

A similar pattern emerges for expected unemployment. Table 4 reports perceived and expected unemployment rates across multiple horizons. On average, respondents project a one-year-ahead unemployment rate of 5.74 percent.[4] Women and less-educated respondents tend to report higher expected unemployment rates, consistent with patterns observed for inflation expectations.

Once again, the most pronounced differences in one-year-ahead unemployment expectations are driven by political affiliation or ideological orientation. For example, self-identified Democrats expect an unemployment rate of 6.36%, while Republicans anticipate a rate of 4.95%. These substantial differences mirror those observed in inflation expectations. As shown in Table 5, political orientation explains the largest share of variation in unemployment expectations among all individual characteristics.

While it is beyond the scope of this paper, the observed heterogeneity in inflation and unemployment expectations along political lines likely has implications for real economic behavior. Prior research has shown that households' inflation expectations influence their consumption decisions (Burke & Ozdagli, 2023), saving behavior (Vellekoop & Wiederholt, 2019), and labor supply choices (Baek & Yaremko, 2024; Bostanci et al., 2025; Pilossoph & Ryngaert, 2024). Although our survey is limited to a single wave and does not include questions on these outcomes, the sizable partisan gaps in macroeconomic expectations suggest the potential for persistent differences in economic behavior across political affiliations.

[4]The Second Quarter 2025 Survey of Professional Forecasters release reported a one-year-ahead unemployment rate of 4.5%.

Table 2: Perceived and expected inflation, by demographic and political subgroups

Sample	Perceived inflation		Expected inflation			
			1yr ahead		3-5yr ahead	
	Mean	SD	Mean	SD	Mean	SD
All	3.54	1.69	4.15	3.03	4.15	2.58
Demographic characteristics						
Age group						
Under 40	3.62	1.83	4.07	3.20	4.41	2.71
40 to 60	3.54	1.64	4.21	2.99	4.22	2.61
Over 60	3.44	1.52	4.20	2.81	3.67	2.28
Gender						
Female	3.64	1.75	4.41	3.30	4.26	2.82
Male	3.46	1.63	3.89	2.74	4.06	2.37
Ethnicity						
White	3.59	1.72	4.19	3.03	4.13	2.60
Non-white	3.43	1.61	4.05	3.04	4.23	2.54
Education						
No college degree	3.57	1.76	4.46	3.17	4.01	2.59
College degree	3.53	1.66	4.02	2.96	4.22	2.58
Marital status						
Single	3.71	1.69	4.39	3.00	4.36	2.72
Married	3.46	1.73	3.97	3.01	4.07	2.52
Home ownership status						
Owner	3.45	1.62	3.97	2.93	3.94	2.54
Mortgagor	3.54	1.66	4.31	2.92	4.33	2.59
Renter	3.62	1.77	4.16	3.22	4.22	2.61
Asset-holding behavior						
Stock, bond, or cryptocurrency	3.47	1.58	4.13	2.96	4.09	2.49
Employment status						
Not employed	3.61	1.72	4.50	3.07	3.95	2.53
Employed	3.52	1.68	4.04	3.02	4.22	2.60
Political affiliation and orientation						
Political party						
Democrat	3.55	1.61	4.94	2.93	4.71	2.41
Republican	3.55	1.77	3.11	2.82	3.55	2.60
Political belief						
Liberal	3.61	1.67	4.87	3.03	4.78	2.40
Moderate	3.41	1.65	4.28	3.12	4.08	2.59
Conservative	3.56	1.73	3.22	2.72	3.47	2.61
2024 presidential election choice						
Kamala Harris	3.56	1.62	5.20	2.90	4.72	2.37
Donald Trump	3.54	1.73	3.05	2.78	3.44	2.61
Awareness of tariff policy						
Aware of tariff policy	3.54	1.65	4.23	2.98	4.15	2.54
Unaware of tariff policy	3.55	1.94	3.63	3.38	4.15	2.90

Notes: The table reports the mean and standard deviation of perceived inflation and expected inflation at multiple horizons across individual characteristics. We apply Huber regression weights to mitigate the influence of outliers.

Table 3: Regression results of inflation expectations on observable characteristics

Characteristic	Coef	SE	p	AR2 (%)
Demographic characteristics				
Age group				
Under 40	-0.14	0.16	0.39	0.05
40 to 60	0.10	0.16	0.55	0.02
Over 60	0.06	0.17	0.74	0.01
Gender				
Female	0.50	0.16	0.00	0.67
Male	-0.54	0.16	0.00	0.79
Ethnicity				
White	0.15	0.18	0.41	0.05
Non-White	-0.15	0.18	0.41	0.05
Education				
No college degree	0.45	0.17	0.01	0.46
College degree	-0.45	0.17	0.01	0.46
Marital status				
Single	0.34	0.17	0.05	0.26
Married	-0.42	0.16	0.01	0.46
Home ownership status				
Owner	-0.25	0.17	0.14	0.14
Mortgagor	0.25	0.16	0.12	0.16
Renter	0.01	0.17	0.96	0.00
Asset-holding behavior				
Stock, bond, or cryptocurrency	-0.06	0.17	0.70	0.01
Employment status				
Not employed	0.46	0.18	0.01	0.43
Employed	-0.46	0.18	0.01	0.43
Political affiliation and orientation				
Political party				
Democrat	1.38	0.15	0.00	5.07
Republican	-1.72	0.15	0.00	7.64
Political belief				
Liberal	1.23	0.15	0.00	4.03
Moderate	0.17	0.19	0.38	0.05
Conservative	-1.44	0.15	0.00	5.17
2024 presidential election choice				
Kamala Harris	1.85	0.15	0.00	9.13
Donald Trump	-1.88	0.15	0.00	9.34
Awareness of tariff policy				
Aware of tariff policy	0.60	0.25	0.02	0.43
Unaware of tariff policy	-0.60	0.25	0.02	0.43

Notes: This table reports regression estimates of one-year-ahead inflation expectations on individual observable characteristics using the following specification: $\mathbb{E}[\pi_{i,t+1}] = \alpha + \beta \cdot 1(\text{Characteristic}) + \epsilon_i$. The table presents the coefficient estimate β, its associated standard error and p-value, as well as the adjusted R^2 for each regression.

Table 4: Perceived and expected unemployment, by demographic and political subgroups

Sample	Perceived unemployment		Expected unemployment			
			1yr ahead		3-5yr ahead	
	Mean	SD	Mean	SD	Mean	SD
All	4.44	1.12	5.74	2.43	5.95	3.27
Demographic characteristics						
Age group						
Under 40	4.53	1.20	5.81	2.41	6.14	3.26
40 to 60	4.44	1.12	5.88	2.51	6.23	3.43
Over 60	4.34	1.02	5.46	2.31	5.26	2.94
Gender						
Female	4.53	1.16	6.02	2.62	6.30	3.54
Male	4.36	1.07	5.50	2.21	5.62	2.97
Race						
White	4.43	1.12	5.77	2.46	5.99	3.31
Non-White	4.49	1.12	5.68	2.36	5.86	3.17
Education						
No college degree	4.46	1.21	6.02	2.68	6.26	3.57
College degree	4.43	1.08	5.63	2.31	5.82	3.14
Marital status						
Single	4.54	1.18	5.99	2.41	6.25	3.24
Married	4.39	1.08	5.55	2.42	5.78	3.24
Home ownership status						
Owner	4.42	1.04	5.59	2.48	5.61	3.13
Mortgagor	4.37	1.09	5.77	2.34	6.00	3.25
Renter	4.53	1.21	5.86	2.47	6.26	3.42
Asset-holding behavior						
Stock, bond, or cryptocurrency	4.41	1.08	5.63	2.31	5.79	3.12
Employment status						
Not employed	4.41	1.12	5.77	2.60	5.93	3.38
Employed	4.45	1.12	5.74	2.38	5.96	3.24
Political affiliation and orientation						
Political party						
Democrat	4.39	1.10	6.36	2.26	6.77	3.17
Republican	4.48	1.09	4.95	2.39	4.92	3.17
Political belief						
Liberal	4.38	1.09	6.42	2.25	6.84	3.17
Moderate	4.48	1.21	5.88	2.50	6.15	3.29
Conservative	4.50	1.10	4.87	2.32	4.84	3.05
2024 presidential election choice						
Kamala Harris	4.39	1.09	6.43	2.25	6.84	3.17
Donald Trump	4.46	1.10	4.87	2.34	4.83	3.00
Awareness of tariff policy						
Aware of tariff policy	4.47	1.12	5.77	2.42	5.97	3.26
Unaware of tariff policy	4.19	1.08	5.54	2.52	5.81	3.42

Notes: The table reports the mean and standard deviation of perceived unemployment and expected unemployment rate at multiple horizons across individual characteristics. We apply Huber regression weights to mitigate the influence of outliers.

Table 5: Regression results of unemployment expectation on observable characteristics

Characteristic	Coef	SE	p	AR2 (%)
Demographic characteristics				
Age group				
Under 40	0.10	0.15	0.47	0.04
40 to 60	0.21	0.14	0.14	0.18
Over 60	-0.39	0.16	0.01	0.49
Gender				
Female	0.51	0.14	0.00	1.09
Male	-0.53	0.14	0.00	1.17
Ethnicity				
White	0.09	0.16	0.58	0.02
Non-White	-0.09	0.16	0.58	0.02
Education				
No college degree	0.38	0.16	0.02	0.52
College degree	-0.38	0.16	0.02	0.52
Marital status				
Single	0.35	0.15	0.02	0.43
Married	-0.44	0.14	0.00	0.83
Home ownership status				
Owner	-0.21	0.16	0.18	0.16
Mortgagor	0.04	0.14	0.76	0.01
Renter	0.17	0.15	0.24	0.11
Asset-holding behavior				
Stock, bond, or cryptocurrency	-0.37	0.16	0.02	0.49
Employment status				
Not employed	0.04	0.17	0.82	0.00
Employed	-0.04	0.17	0.82	0.00
Political affiliation and orientation				
Political party				
Democrat	1.10	0.14	0.00	5.09
Republican	-1.29	0.14	0.00	6.64
Political belief				
Liberal	1.17	0.14	0.00	5.63
Moderate	0.17	0.17	0.32	0.08
Conservative	-1.36	0.14	0.00	7.25
2024 presidential election choice				
Kamala Harris	1.25	0.13	0.00	6.59
Donald Trump	-1.49	0.13	0.00	9.06
Awareness of tariff policy				
Aware of tariff policy	0.23	0.23	0.31	0.08
Unaware of tariff policy	-0.23	0.23	0.31	0.08

Notes: This table reports regression estimates of one-year-ahead expected unemployment on individual observable characteristics using the following specification: $\mathbb{E}[u_{i,t+1}] = \alpha + \beta \cdot 1(\text{Characteristic}) + \epsilon_i$. The table presents the coefficient estimate β, its associated standard error and p-value, as well as the adjusted R^2 for each regression.

4 Subjective Models of Tariffs

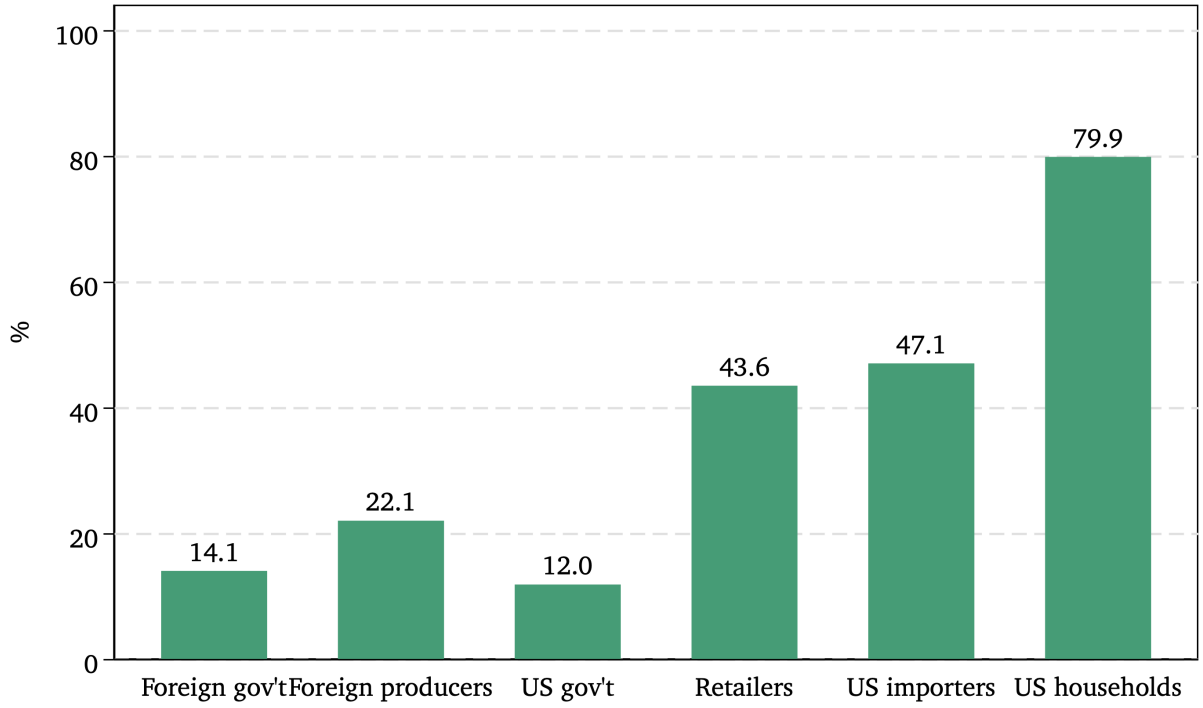
Next, we examine how individuals form expectations about the impacts of tariffs—that is, their subjective models of tariff policy. To do this, we first presented respondents with a summary of the initial policy announcement. This announcement, issued on April 2nd ("Liberation Day"), included a universal tariff on all imported goods as well as country-specific reciprocal tariffs. The summary was drawn directly from official U.S. administration statements, and we took care to frame the content in non-partisan language.

By the time we fielded our survey on April 11th, several new developments had occurred following the initial announcement. To reflect these changes, we included a second round of policy information. Specifically, we noted that on April 9th, reciprocal tariffs had been scheduled to go into effect. However, the U.S. administration announced a 90-day delay in implementation—except for tariffs targeting China. We also informed respondents that, in response to the April 2nd announcement, China had raised its tariffs on U.S. goods, prompting a further escalation in U.S. tariffs on Chinese imports. This tit-for-tat response contributed to a rapid escalation in U.S.–China trade tensions. Importantly, our survey was conducted during a period of heightened media coverage and public awareness—on April 11th—when respondents were particularly attentive to tariff-related developments. Full details of the policy announcement are provided in Appendix E.

After the policy announcement, we first asked who they believed ultimately bears the cost of tariffs. A large majority indicated that the burden falls on the United States—whether through the government, retailers, importers, or households—rather than on foreign entities. Figure 2 reports the distribution of responses across six categories: foreign governments, foreign producers, the U.S. government, U.S. retailers, U.S. importers, and U.S. households. The most common response, selected by 79.9% of participants, was that U.S. households bear the cost of tariffs.

We also asked respondents whether they had previously been aware of the announcement. A large majority (87%) reported being aware of the policy, indicating heightened public attention. Support for the policy was sharply divided along political lines: among liberal respondents, 60% strongly opposed the tariff policy, whereas 31% of conservative respondents strongly supported it, as illustrated

Figure 2: Who pays for tariffs?



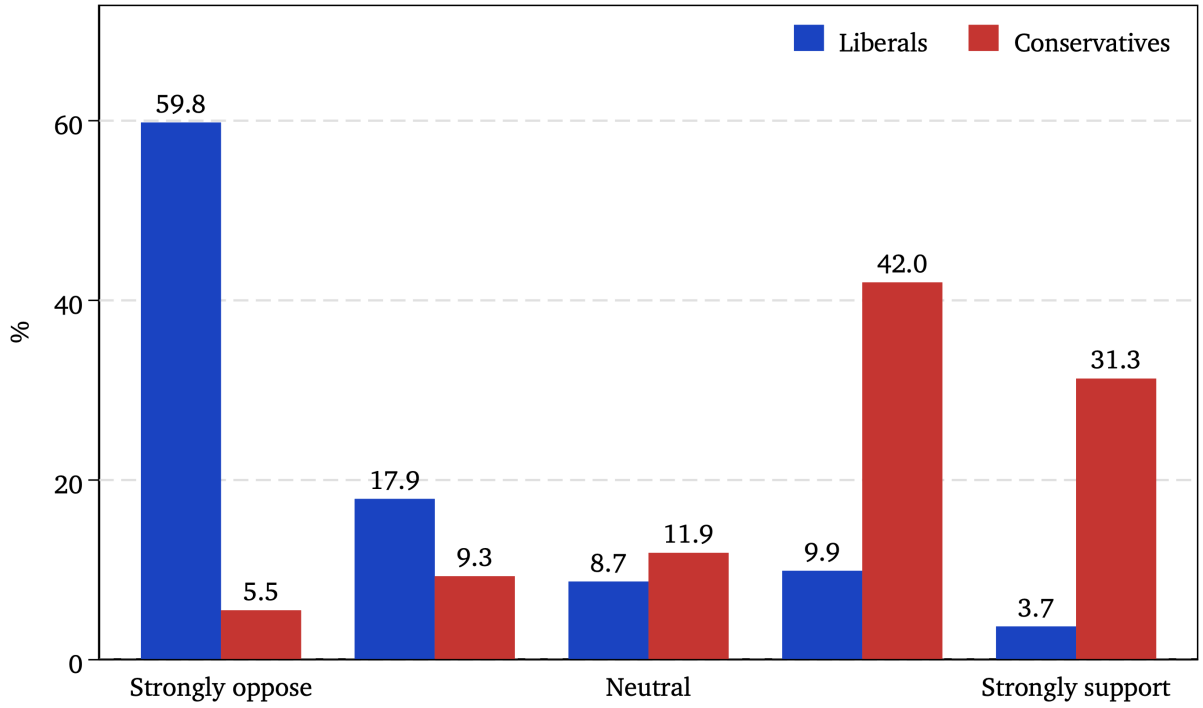
Notes: This figure summarizes responses to the question: "*Who do you think ultimately pays for the costs associated with tariffs?*" Respondents could select multiple answers from six options. Each bar represents the proportion of total respondents who selected each response.

in Figure 3.

Open-ended questionnaire responses Before providing any structured guidance, we began with an open-ended question to capture respondents' perceived effects of the policy: "*In your own words, how do you think the recently announced tariff policy would affect the U.S. economy?*" This allowed us to observe initial, unprompted beliefs. We analyze the structure of these subjective beliefs using a semantic classification framework applied to the open-ended responses. Each response is embedded in a semantic vector space and assigned to a belief category based on its proximity to a set of predefined prototype sentences.

The belief categories reflect economically and politically salient themes, including: inflation/price concerns (e.g., tariffs raise consumer prices); job protection (e.g., tariffs support domestic employment); retaliation risk (e.g., concern about reciprocal trade barriers); national security (e.g., reduc-

Figure 3: Support for tariffs, by political orientation

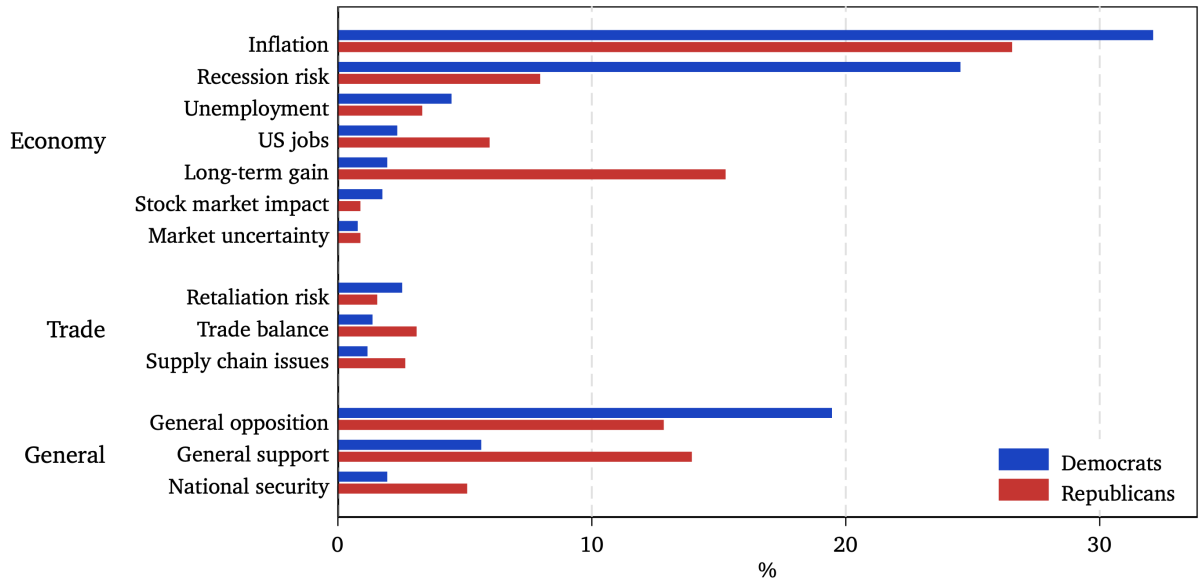


Notes: This figure shows the distribution of responses to the question: "*Based on what you just read, to what extent do you support or oppose the U.S. trade policy described above?*" Responses are shown by political orientation, with separate bars for self-identified liberals and conservatives.

ing foreign dependence); recession risk (e.g., anticipated negative effects on growth); and long-term gain (e.g., expectations of long-run benefits). Each category is defined by multiple prototypical sentences capturing different expressions of the same rationale. Classification is based on cosine similarity, enabling scalable and consistent analysis of belief content. Methodological details are provided in Appendix D.1.

Figure 4 reveals sharp partisan differences in the expected effect of tariffs. While inflation concerns were salient across the political spectrum—with over 25% of respondents explicitly mentioning inflation—Democrats and Republicans emphasized different aspects of the policy's effects. Democrats were substantially more likely to cite recession risks and to express general opposition to the policy, whereas Republicans emphasized long-term gains and general support. Some Republican-leaning respondents also invoked national security considerations, suggesting a tendency to frame tariffs in strategic or geopolitical terms.

Figure 4: Perceived economic effects of tariffs, by political affiliation



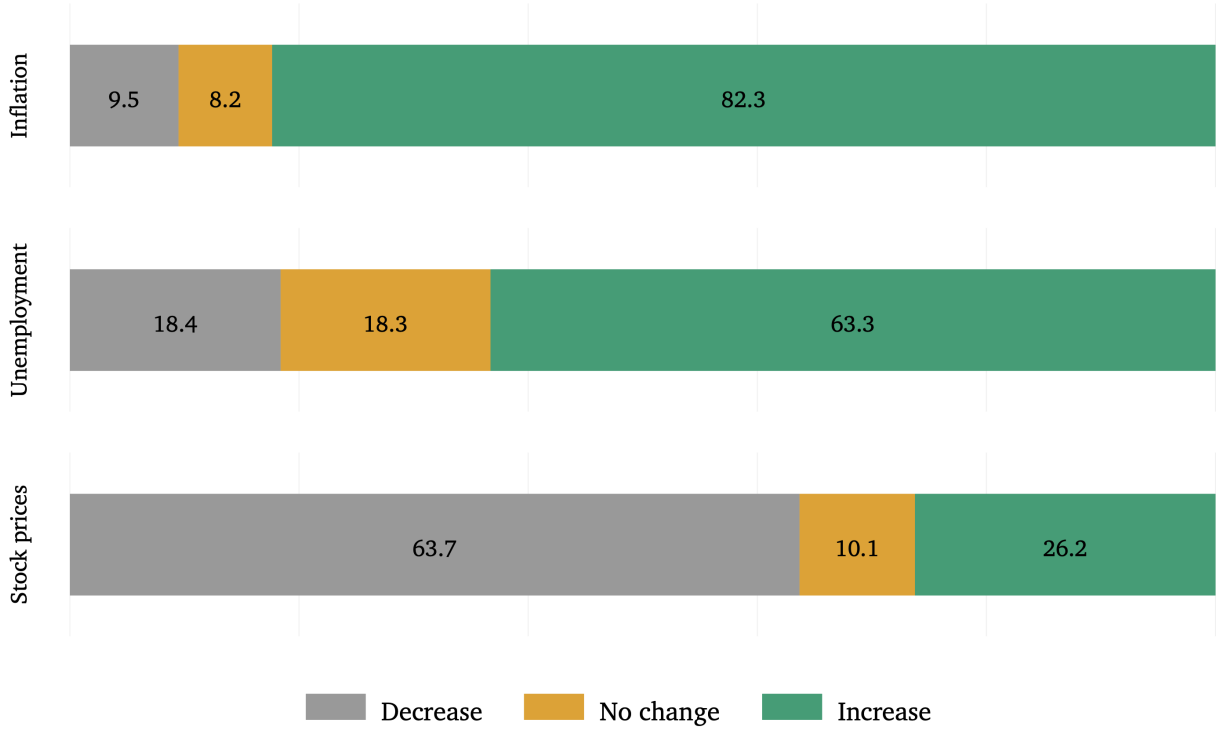
Notes: This figure summarizes categorized responses to the open-ended question: "*In your own words, how do you think the recently announced tariff policy would affect the U.S. economy?*" Responses were classified into thematic categories using natural language processing. The figure shows the share of Democratic and Republican respondents mentioning each theme.

These patterns are consistent with the broader media coverage at the time, as our survey was fielded during a period of heightened coverage focused on inflationary risks. Most strikingly, the qualitative responses reveal that individuals' subjective models of the policy—both in content and tone—differ systematically by political affiliation. This highlights the central role of political identity in shaping how individuals interpret the economic consequences of tariffs.

Impact on inflation, employment, and stock prices We then asked survey participants whether they believe the recent tariff policy would increase, decrease, or leave unchanged three key macroeconomic variables: the inflation rate, the unemployment rate, and stock prices. Figure 5 presents respondents' subjective models of the macroeconomic effects of tariffs. We find that 82% of respondents expect inflation to rise, 63% anticipate an increase in unemployment, and 64% believe that stock prices will decline.

We observe a similar pattern when examining beliefs about the policy's effects on unemployment, as shown in Figure 7 and Table B.1 for broader characteristics. Again, there is little variation across

Figure 5: Perceived effects of tariffs on inflation, unemployment, and stock prices

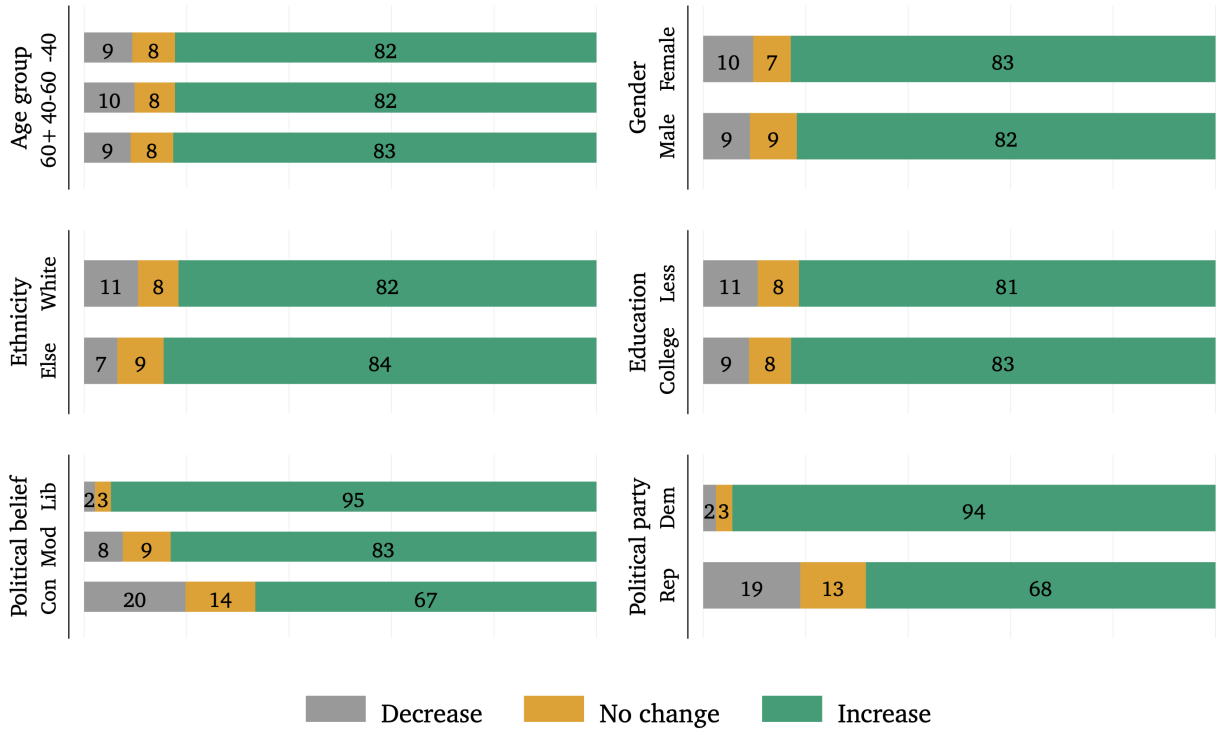


Notes: After providing information about the April 2025 tariff policy, respondents were asked: "*How do you expect this tariff policy to affect the inflation rate, unemployment rate, and stock market over the next 12 months?*" Participants selected one of three options for each outcome: (1) increase, (2) no change, or (3) decrease. This figure shows the share of respondents expecting each directional change.

demographic groups. Overall, 63% of respondents expected unemployment to rise, with similar proportions across age, gender, ethnicity, and education. However, beliefs differ sharply by political orientation. Among Democratic respondents, 83% believed the tariff would increase unemployment. In contrast, Republican respondents were more divided: 40% expected unemployment to rise, 26% believed it would remain unchanged, and 34% thought it would decrease. These results underscore that subjective evaluation of the effect of tariff policy are strongly shaped by political affiliation.

After asking respondents about the directional impact of the tariff policy, we also elicited quantitative estimates of the size of these effects. Table 6 reports average expected changes in inflation and unemployment by selected respondent characteristics; full subgroup results are presented in Table B.2. On average, respondents expected the policy to increase the inflation rate by 3.22%. While these expectations show limited variation across demographic traits, they differ substantially by political affiliation: Democrats anticipated an average increase of approximately 4%, whereas Republicans

Figure 6: Subjective models of tariffs on inflation, by respondent characteristics



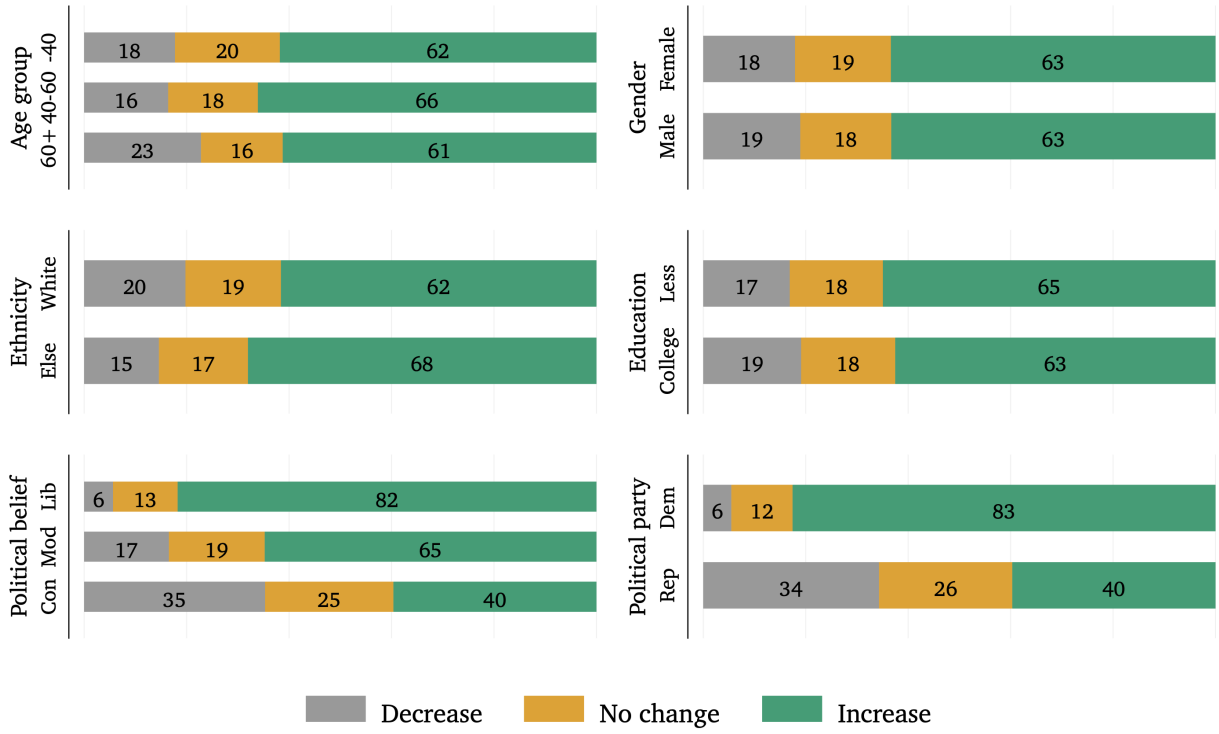
Notes: After receiving information about the April 2025 tariff policy, respondents were asked: "*How do you expect this tariff policy to affect the inflation rate over the next 12 months?*" They selected one of three options: (1) increase, (2) no change, or (3) decrease. This figure shows the share of respondents in each demographic and political subgroup selecting each response.

predicted a smaller rise of 2.22%.

A similar pattern emerges for unemployment expectations. On average, respondents anticipated a 1.6% increase in unemployment. Once again, the most pronounced variation appears along partisan lines: Democrats expected a rise of 2.6%, while Republicans anticipated a much smaller increase of just 0.45%. These findings suggest that partisan groups differ in their assessments of the effectiveness of policy—not only in the perceived direction of its impact but also in the expected magnitude—highlighting the presence of divergent economic models.

Overall, 80% of Democrats perceive the tariff shock as a supply-driven recessionary shock. In contrast, Republicans hold more divided views about the economic consequences of the policy. While 36% of Republicans also interpret the policy as a supply recession shock, 32% perceive it as a demand expansion shock—characterized by rising inflation with stable or declining unemployment. Addi-

Figure 7: Subjective models of tariffs on unemployment, by respondent characteristics



Notes: After receiving information about the April 2025 tariff policy, respondents were asked: "*How do you expect this tariff policy to affect the unemployment rate over the next 12 months?*" They selected one of three options: (1) increase, (2) no change, or (3) decrease. This figure shows the share of respondents in each demographic and political subgroup selecting each response.

tionally, 28% of Republicans view the policy as a supply expansion shock, anticipating a decrease or no change in inflation or unemployment.

Previous literature on heterogeneity in inflation expectations has consistently documented that women, older individuals, and less-educated households tend to report higher inflation expectations than their counterparts (D'Acunto, Malmendier, & Weber, 2022; D'Acunto et al., 2021). In addition, research on partisan expectations shows that individuals who support the incumbent president's party typically report lower inflation expectations than supporters of the opposition party (Binder et al., 2024; Kamdar & Ray, 2023; Kamdar et al., 2025). Notably, inflation expectations appear to flip with each presidential election, suggesting a partisan bias. One possible explanation for this dynamic lies in how people evaluate government policy. As we observed in the case of subjective models of tariffs, there is little evidence of heterogeneity in beliefs across demographic groups, which suggests that demographic characteristics alone cannot explain the partisan reversal

Table 6: Average expected change in inflation and unemployment due to tariffs, by respondent characteristics

	△ in $\mathbb{E}\pi$	△ in $\mathbb{E}u$		△ in $\mathbb{E}\pi$	△ in $\mathbb{E}u$
All	3.22%	1.62%			
Demographic characteristics			**Political affiliation and orientation**		
Age group			Political party		
Under 40	3.21%	1.43%	Democrat	4.04%	2.61%
40 to 60	3.32%	1.82%	Republican	2.22%	0.45%
Over 60	3.09%	1.62%			
			Political belief		
Gender			Liberal	4.06%	2.61%
Female	3.42%	1.57%	Moderate	3.37%	1.57%
Male	3.03%	1.66%	Conservative	2.15%	0.5%
Education			**Policy awareness**		
No college degree	3.22%	1.66%	Aware	3.25%	1.68%
College degree	3.23%	1.6%	Unaware	2.98%	1.17%

Notes: This table reports the average expected change in the inflation rate ($\Delta\mathbb{E}\pi$) and unemployment rate ($\Delta\mathbb{E}u$) over the next 12 months, as reported by survey respondents. Respondents were asked: "*By how many percentage points do you expect this tariff policy to change (i) the inflation rate and (ii) the unemployment rate over the next 12 months?*" Results are summarized by demographic and political subgroups. Full results are reported in Table B.2. Means are estimated using Huber robust regression to mitigate the influence of outliers.

in inflation expectations following a change in administration. Instead, differences in policy evaluation across party lines may drive these shifts—supporters of the ruling party may interpret economic policies more favorably, resulting in systematically lower inflation expectations depending on which party holds the presidency.

5 Information Treatment

Having established baseline expectations and elicited respondents' subjective models following the April 2025 tariff announcement, we turn to the final component of the survey: the randomized information treatments. By this stage, respondents had already formed initial beliefs about the policy's likely effects. The purpose of the treatments is to test how individuals incorporate research-based or media-framed information about prior or contemporaneous tariff episodes into their expectations. Specifically, we examine whether exposure to empirical evidence from the 2018–2019 U.S.–China trade war—or to economic forecasts from Federal Reserve Chair Jerome Powell—leads to revisions in macroeconomic beliefs and, ultimately, political approval.

To investigate whether the information treatments influence respondents' beliefs about the 1-year ahead inflation expectations, we estimate the following regression:

$$\mathbb{E}\,\pi_{t+1}^{post} - \mathbb{E}\,\pi_{t+1}^{pre} = \alpha + \beta T_j + \gamma X_{it} + \epsilon_{it}, \tag{1}$$

where $\mathbb{E}\,\pi_{t+1}^{\text{post}}$ denotes individual i's one-year-ahead inflation expectation after receiving the information treatment, and $\mathbb{E}\,\pi_{i,t+1}^{\text{pre}}$ is the corresponding expectation prior to the treatment. The variable T_j captures the five distinct information treatments, and X_{it} includes a set of control variables for individual demographic characteristics and political orientation—specifically, age, gender, race, marital status, housing arrangement, employment status, ownership of financial assets, political party affiliation, and political ideology. The coefficient of interest, β, captures the average revision in inflation expectations for each treatment group relative to the control group, which received no additional information.

Table 7 presents the regression results based on Equation (1), examining revisions in one-year-ahead inflation expectations (Columns (1) and (2)). After controlling for individual characteristics, we find that respondents who received information about how past tariff shocks affected import prices (treatment T1) revised their inflation expectations upward relative to the control group by 0.5pp. Similarly, respondents exposed to forward-looking inflation forecasts from Federal Reserve Chair Jerome Powell, treatments T4 and T5, also revised their expectations upward, regardless of the news source by 0.5 or 0.4, respectively. In contrast, respondents who received information about the employment or stock market impacts of tariffs did not significantly revise their inflation expectations relative to the control group.

These results suggest that households revise their inflation expectations in response to new information about the effects of tariffs—regardless of whether the information comes from academic research or media sources, or whether it concerns past or future economic conditions. Notably, the T1 treatment, which reported the historical impact of tariffs on import prices, had a similar effect on inflation expectations as the T4 and T5 treatments, which presented forward-looking projections from the Federal Reserve Chair. In contrast, information about the employment or stock market effects of tariffs did not significantly affect inflation expectations, suggesting that respondents may

not view these outcomes as closely linked to inflation dynamics.

We also examine how the information treatments influence respondents' beliefs about the one-year-ahead expected unemployment rate. To do so, we estimate the following regression:

$$\mathbb{E}u_{t+1}^{post} - \mathbb{E}u_{i,t+1}^{pre} = \alpha + \beta T_j + X_{it} + \epsilon_{it}, \tag{2}$$

where $\mathbb{E}u_{t+1}^{\text{post}}$ denotes individual i's expected unemployment rate one year ahead, measured after the information treatment, and $\mathbb{E}u_{t+1}^{\text{pre}}$ is the corresponding expectation prior to the treatment. The variable T_j indicates the five distinct information treatments, and X_{it} includes the same set of control variables used in the earlier regression on inflation expectations.

Columns (3) and (4) of Table 7 report the regression results based on Equation (2), with and without control variables for demographic and political characteristics. We find that respondents who received information on how past tariff shocks affected employment (treatment T2) revised their expected unemployment rate upward relative to the control group. In contrast, treatments related to inflation (T1) and stock prices (T3) did not significantly influence unemployment expectations. This pattern suggests that households may not conceptualize the economy through a general equilibrium framework in which macroeconomic variables such as unemployment, inflation, and asset prices are interconnected. Instead, they appear to respond narrowly to information that directly references unemployment. Although Treatments 4 and 5 included statements suggesting that newly imposed tariffs could slow economic growth, respondents did not revise their unemployment expectations—possibly because these treatments did not explicitly mention employment or job impacts.

We find that belief revisions vary across treatments. One possible channel through which treatment effects differ is the novelty of the information provided (Weber et al., 2025). To examine how awareness of treatment content influences revisions, we analyze responses to the open-ended question: "Which parts of this information were new or unfamiliar to you?" Using a semantic classification method, we categorize whether respondents indicated they learned something new. The detailed methodology is provided in Appendix D.2. Figure 8 reports the share of respondents who indicated that they learned something new from each treatment, as well as the share who reported receiving

Table 7: Revisions in 1-year ahead inflation and unemployment expectations

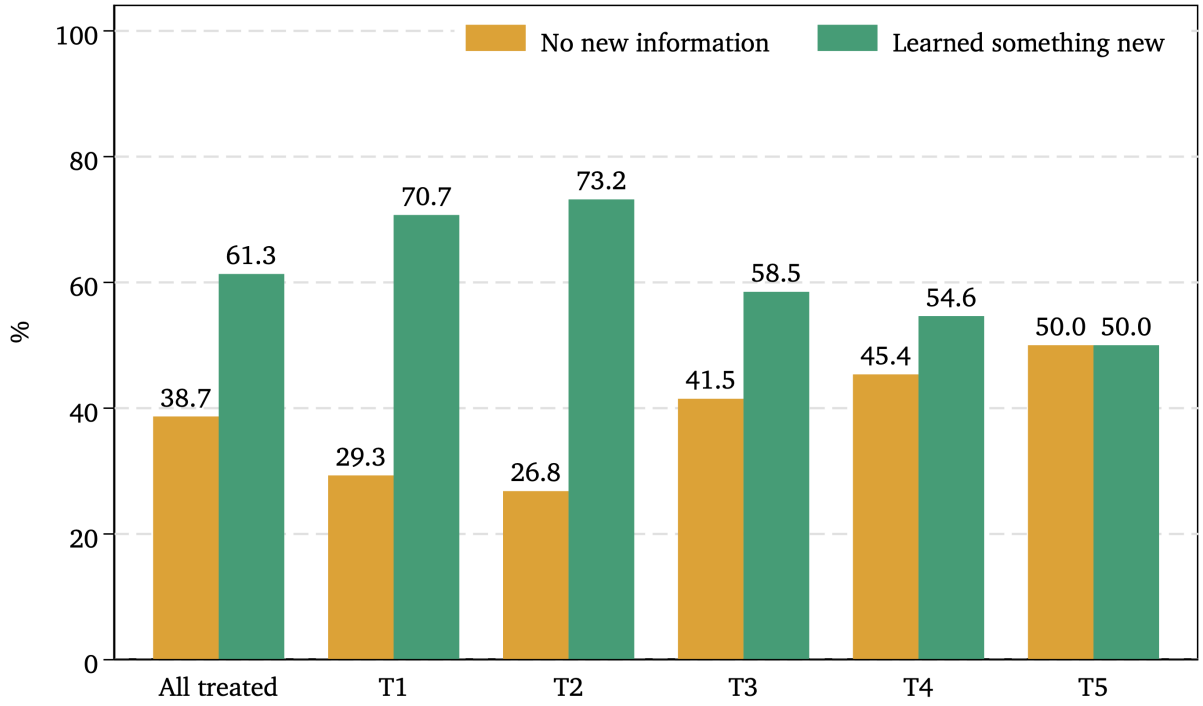
	(1)	(2)	(3)	(4)
	Revisions in 1-year ahead			
	Expected inflation rate $(\mathbb{E}\pi^{post}_{i,t+1} - \mathbb{E}\pi^{pre}_{i,t+1})$		Expected unemployment rate $(\mathbb{E}u^{post}_{i,t+1} - \mathbb{E}u^{pre}_{i,t+1})$	
T1: Inflation	0.416	0.537**	0.00707	0.0148
	(0.272)	(0.271)	(0.108)	(0.109)
T2: Employment	-0.0600	-0.172	0.197*	0.191*
	(0.263)	(0.260)	(0.110)	(0.112)
T3: Stock	0.00961	0.191	-0.0162	-0.00563
	(0.247)	(0.242)	(0.102)	(0.106)
T4: Fox	0.344	0.506*	0.0478	0.0736
	(0.268)	(0.263)	(0.103)	(0.105)
T5: NYT	0.325	0.414*	0.125	0.166
	(0.253)	(0.247)	(0.107)	(0.107)
Controls	No	Yes	No	Yes
Method	Huber	Huber	Huber	Huber
Observations	1,105	1,019	1,042	972
R^2	0.00	0.07	0.00	0.06

Notes: This table reports the effects of information treatments on revisions in 1-year-ahead inflation and unemployment expectations. The dependent variable is the individual-level change in expectations before and after the treatment. Each row corresponds to one of five information treatments: *T1* refers to the group of respondents receiving information on inflation, *T2* information on employment, *T3* information on stocks, *T4* and *T5* articles on Fed responses from *Fox* and the *New York Times*, respectively. The control group received no additional information. Columns (1) and (3) present raw Huber regressions; Columns (2) and (4) include demographic and political controls, which include age, gender, race, marital status, housing arrangement, employment status, ownership of financial assets, political party affiliation, and political ideology. Standard errors are reported in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

no new information. Overall, 61.3% of respondents reported learning something new. Among these, a larger share found the inflation and employment treatments unfamiliar—70.7% and 73.2%, respectively—compared to the other treatments. By contrast, only 58.5% of respondents reported that the stock market treatment was new, likely because financial markets had already reacted strongly to the policy announcement, making the information more familiar.

These differences in perceived novelty across treatments may help explain why the inflation and employment treatments generated stronger belief revisions overall, whereas treatments with more balanced shares of respondents who were familiar with the information and those who were not likely produced offsetting effects. Consistent with this interpretation, we find that respondents who reported learning something new from the inflation (T1), Fox (T4), and New York Times (T5) treatment revised their inflation expectations more strongly. By contrast, for the employment treatment,

Figure 8: Share of respondents reporting new learning, by information treatment



Notes: This figure reports whether respondents in each treatment group reported learning something new from the information they were shown. The green bars indicate the share of respondents who reported that at least part of the information was new or unfamiliar in response to the prompt: "*Which parts of this information were new or unfamiliar to you?*". The yellow bars represent those who reported no new information. *T1* refers to the group of respondents receiving information on inflation, *T2* information on employment, *T3* information on stocks, *T4* and *T5* articles on Fed responses from *Fox* and the *New York Times*, respectively.

we do not observe systematic differences in revisions between respondents who were aware and those who were unaware of the information.[5] We return to this distinction in the next subsection, where we examine the role of awareness in greater detail.

5.1 Heterogeneous responses to information treatments

We now examine heterogeneous responses to the information treatment. The effectiveness of such treatments might depend on how novel or surprising the information is relative to individuals' prior subjective models, knowledge. To explore this, we test whether revisions in expectations are associated with respondents' subjective models of tariff policy or perceived novelty of the treatment.

[5] See Table C.3 in Appendix C for details.

Table 8: Heterogeneity in revisions in 1-year ahead inflation expectations

	(1)	(2)	(3)	(4)	(5)	(6)
	Revisions in 1-year ahead expected inflation rate ($\mathbb{E}\pi^{post}_{i,t+1} - \mathbb{E}\pi^{pre}_{i,t+1}$)					
T1: Inflation	0.418	1.085	0.737*	1.094**	0.0814	-0.575
	(0.294)	(0.776)	(0.422)	(0.458)	(0.454)	(0.423)
Sample	Inf Rise	No Inf Rise	Democrat	Liberal	Republican	Conservative
Controls	Yes	Yes	Yes	Yes	Yes	Yes
Method	Huber	Huber	Huber	Huber	Huber	Huber
Observations	833	181	444	418	403	366
R^2	0.09	0.25	0.15	0.36	0.07	0.08

Notes: This table reports treatment effects from the T1 (Inflation) information group on revisions in 1-year-ahead inflation expectations, disaggregated by respondent characteristics. The dependent variable is the individual-level change in expected inflation before and after receiving the treatment. Columns (1) and (2) split the sample by whether respondents initially expected the tariff to raise inflation ("*Inf Rise*"), while columns (3)–(6) show heterogeneity by political affiliation and ideology. All specifications include controls for age, gender, race, marital status, housing arrangement, employment status, and ownership of financial assets. Specifications (1) and (2) include controls for political party affiliation, and political ideology. Estimates are based on Huber regressions, and standard errors are reported in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

For inflation, there was a relatively strong consensus regarding the inflationary effects of tariffs: 82% of respondents believed that the implementation of tariffs would lead to higher inflation (Figure 5). Given this prior agreement, one might expect that most respondents had already incorporated the inflationary consequences of tariffs into their baseline expectations. If so, post-treatment revisions in inflation expectations should be concentrated among the smaller subset of respondents who initially believed that tariffs would not raise inflation. To investigate this possibility, Table 8 (Columns (1) and (2)) reports changes in inflation expectations separately for those who predicted that tariffs would raise inflation (Column (1)) and those who did not (Column (2)). We find that, regardless of respondents' initial subjective models, the inflation-related information treatments did not significantly affect subsequent revisions in expectations.[6]

Then, one might wonder who is driving the overall treatment effect. We find that the upward revisions in inflation expectations are primarily concentrated among Democratic or liberal respondents (Columns (3) and (4)). Despite already anticipating higher inflation, Democrats further increased their expectations after receiving the information treatments. In contrast, Republican or conservative respondents showed no significant response to the same information (Columns (5) and (6)). Consequently, the information treatments appear to have widened the partisan gap in inflation ex-

[6]Estimation results for the full set of treatments are reported in Table C.1 in Appendix B.

Table 9: Heterogeneity in revisions in 1-year ahead unemployment expectations

	(1)	(2)	(3)	(4)	(5)	(6)
	Revisions in 1-year ahead expected unemployment rate ($\mathbb{E}u^{post}_{i,t+1} - \mathbb{E}u^{pre}_{i,t+1}$)					
T2: Employment	0.114	0.428***	-0.0312	0.0445	0.561***	0.525***
	(0.158)	(0.147)	(0.183)	(0.215)	(0.158)	(0.174)
Sample	Unemp Rise	No Unemp Rise	Democrat	Liberal	Republican	Conservative
Controls	Yes	Yes	Yes	Yes	Yes	Yes
Method	Huber	Huber	Huber	Huber	Huber	Huber
Observations	615	332	428	404	364	344
R^2	0.14	0.12	0.17	0.30	0.11	0.17

Notes: This table reports treatment effects from the T2 (Employment) information group on revisions in 1-year-ahead unemployment expectations, disaggregated by respondent characteristics. The dependent variable is the individual-level change in expected unemployment rates before and after receiving the treatment. Columns (1) and (2) split the sample by whether respondents initially expected the tariff to raise unemployment rates ("*Unemp Rise*"), while columns (3)–(6) show heterogeneity by political affiliation and ideology. All specifications include controls for age, gender, race, marital status, housing arrangement, employment status, and ownership of financial assets. Specifications (1) and (2) include controls for political party affiliation, and political ideology. Estimates are based on Huber regressions, and standard errors are reported in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

pectations.

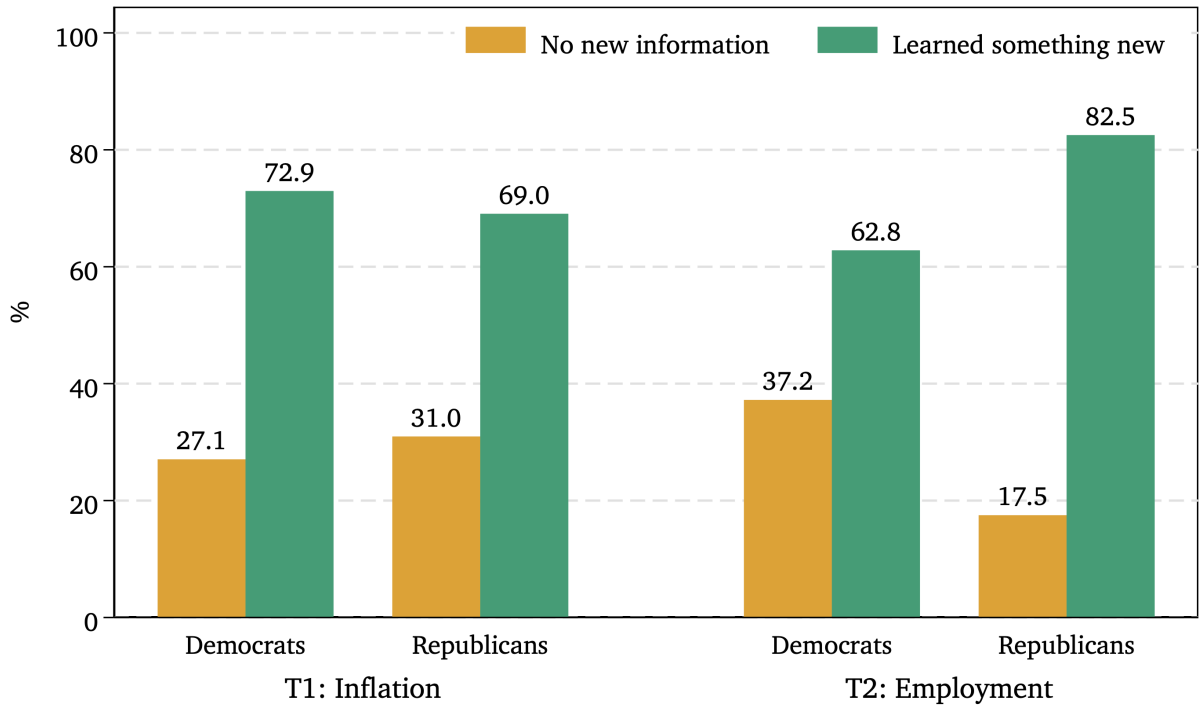
Unemployment expectations present a different case. Unlike inflation, there was greater disagreement among respondents about how tariffs would affect unemployment. Overall, 62% of respondents expected tariffs to increase unemployment. Notably, these views varied substantially by political orientation: 83% of Democrats expected unemployment to rise, while only 40% of Republicans believed the policy would increase unemployment.

To examine whether revisions in unemployment expectations are driven by respondents' initial subjective models or by their political orientation, we estimate the regressions separately for specific subgroups of the population. The results are presented in Table 9.[7] Respondents who initially predicted that unemployment would not rise significantly revised their expectations upward by 0.4 percentage points (Column (2)) following the information treatment, whereas those who did expect unemployment to rise showed no significant change in their expectations. Moreover, this upward revision is primarily concentrated among Republican or conservative respondents (Columns (5) and (6)), rather than among Democratic or liberal respondents (Columns (3) and (4)).

We find that revision patterns vary across treatments. Specifically, Democrats and liberals revised

[7] Estimation results for the full set of treatments are reported in Table C.2 in Appendix B.

Figure 9: Share of respondents reporting new learning, by party affiliation, for treatments T1 and T2

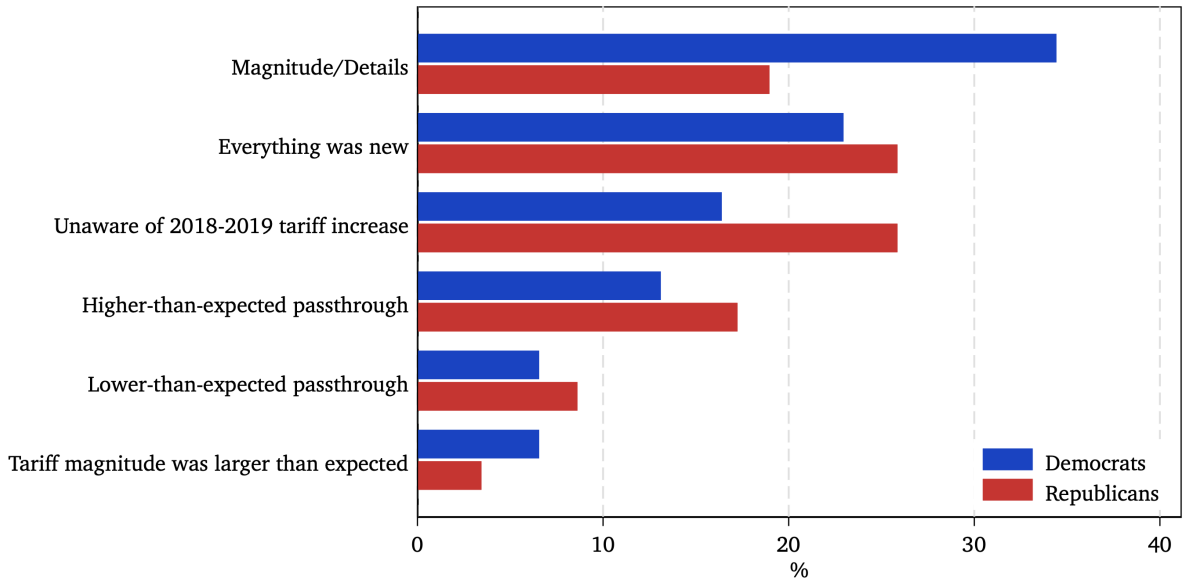


Notes: This figure reports whether respondents in the T1 (Inflation) and T2 (Employment) information treatment groups reported learning something new, disaggregated by political affiliation. The green bars indicate the share of respondents who reported that at least part of the information was new or unfamiliar in response to the prompt: "*Which parts of this information were new or unfamiliar to you?*" The yellow bars represent those who reported no new information. Democrats and Republicans are shown separately for each treatment group.

their inflation expectations upward but showed little response to the employment treatment. Republicans and conservatives, by contrast, revised unemployment expectations upward but not inflation expectations. These patterns likely reflect differences in prior beliefs and in the perceived novelty of information across partisan groups.

As shown in Section 4, 94% of Democrats and 68% of Republicans already believed tariffs would raise inflation. One might therefore expect Republicans to find the near-complete pass-through evidence more novel. Yet Figure 9 shows the opposite: more Democrats reported that they learned something new. Even though most Democrats already anticipated inflationary effects, 73% still cited new details—often about the magnitude of the pass-through (Figure 10). This perceived novelty reinforced their priors and led to upward revisions, particularly among those who explicitly reported learning something new (Table 10). Republicans, by contrast, tended to describe the information

Figure 10: What respondents learned from inflation information (T1), by political affiliation



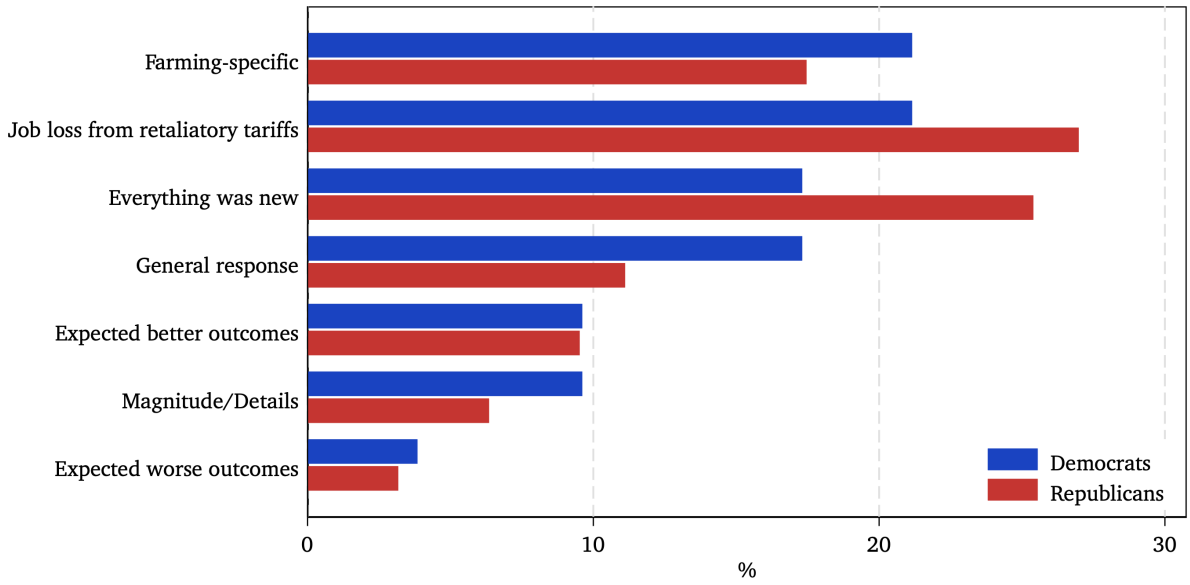
Notes: This figure reports the specific takeaways from the T1 (Inflation) information treatment, disaggregated by political affiliation. The sample includes only respondents who reported learning something new. After reading the information, these respondents answered an open-ended follow-up question: "*What parts of this information were new or unfamiliar to you?*" Responses were classified into thematic categories using natural language processing. Bars represent the share of respondents (by party) whose responses fell into each category. Blue bars correspond to Democrats; red bars correspond to Republicans.

in general terms or noted unfamiliarity with the 2018–2019 tariffs, and their posterior inflation expectations remained largely unchanged.

Democrats, who revised their inflation expectations upward, did not adjust their unemployment expectations after receiving the employment treatment. This muted response may reflect a relative lack of surprise (Figure 9), given that 83% of Democrats already expected unemployment to rise if tariffs were implemented. Even among those who reported learning something new, comments often focused on general aspects of tariff policy relative to Republicans (Figure 11). Given these priors, the employment treatment may have offered little additional information for Democrats to revise their unemployment expectations.

In contrast, Republicans—40% of whom expected unemployment to rise in response to tariffs—revised their unemployment expectations upward after receiving the employment treatment. Figure 11 shows that Republicans were substantially more likely to cite job losses from retaliatory tariffs or

Figure 11: What respondents learned from employment information (T2), by political affiliation



Notes: This figure reports the specific takeaways from the T2 (Employment) information treatment, disaggregated by political affiliation. The sample includes only respondents who reported learning something new. After reading the information, these respondents answered an open-ended follow-up question: "*What parts of this information were new or unfamiliar to you?*" Responses were classified into thematic categories using natural language processing. Bars represent the share of respondents (by party) whose responses fell into each category. Blue bars correspond to Democrats; red bars correspond to Republicans.

to report that "everything was new," suggesting a broader gap in prior knowledge and helping to explain their stronger revisions in unemployment expectations.

Taken together, these findings provide insight into how individuals update their beliefs. If belief formation follows a Bayesian updating process, posterior beliefs depend not only on the content of new information but also on prior beliefs, underlying subjective models, and the perceived novelty of the signal. Our results suggest that, in the context of tariff policy, each of these components—priors, interpretation of information, and perceived novelty—is shaped by political affiliation. This mechanism may extend to evaluations of government policy more broadly, helping to explain persistent partisan gaps in macroeconomic expectations, particularly regarding inflation and unemployment.

One potential explanation for partisan gaps in subjective macroeconomic models lies in differential media exposure. In our sample, 68 of 469 Republicans reported receiving news exclusively from conservative outlets or social media, while 122 of 527 Democrats reported relying only on liberal

Table 10: Revisions by awareness of treatment and party affiliation

	(1)	(2)	(3)	(4)
	Revisions in 1-year ahead			
	Expected inflation rate ($\mathbb{E}\pi^{post}_{i,t+1} - \mathbb{E}\pi^{pre}_{i,t+1}$)		Expected unemployment rate ($\mathbb{E}u^{post}_{i,t+1} - \mathbb{E}u^{pre}_{i,t+1}$)	
T1: Inflation	-0.724	-0.0345		
× Nothing New	(0.675)	(0.734)		
T1: Inflation	1.170***	0.0985		
× Learned Something New	(0.446)	(0.485)		
T2: Employment			0.0141	0.550***
× Nothing New			(0.264)	(0.208)
T2: Employment			-0.0749	0.509***
× Learned Something New			(0.211)	(0.174)
Sample	Democrat	Republican	Democrat	Republican
Controls	Yes	Yes	Yes	Yes
Method	Huber	Huber	Huber	Huber
Observations	441	398	426	359
R^2	0.16	0.08	0.18	0.12

Notes: This table reports regression results on how respondents revised their inflation expectations (Columns (1)–(2)) and unemployment expectations (Columns (3)–(4)) by the novelty of information. The specification interacts the five treatment indicators with two indicators capturing whether respondents reported learning nothing new or learning something new from the treatment. All specifications include controls for age, gender, race, marital status, housing arrangement, employment status, and ownership of financial assets. Estimates are obtained using Huber regressions, with standard errors reported in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

outlets or social media.[8] More strikingly, 231 of 1,212 respondents—nearly one in five—reported that they rely solely on social media for news. Trust ratings likewise reveal large partisan divides: Democrats expressed higher average trust in CNN (3.32 vs. 2.70 among Republicans), while Republicans reported greater trust in Fox News (3.39 vs. 1.82 among Democrats).[9] In recent periods leading up to our survey, liberal-leaning outlets frequently emphasized the recessionary effects of tariffs, while conservative outlets often highlighted inflation risks and portrayed tariffs as potentially beneficial for domestic employment. As a result, our employment treatment—which presented empirical evidence of job losses associated with past tariff policies—was more novel to conservative respondents and thus had a greater influence on their beliefs.

Another explanation for partisan bias in belief updating relates to alignment with political prefer-

[8] Liberal-leaning outlets include CNN, the New York Times, or the Washington Post; conservative-leaning outlets include Fox News or the Wall Street Journal.

[9] We ask *"Please rate how much you trust the information from each media outlet below. (1 = Not at all, 5 = A great deal)"*

ences. Individuals may be more inclined to adopt economic narratives that align with positions taken by their current preferred leader(Essig et al., 2021; Keser et al., 2024; Lenz, 2012). While tariffs have historically been supported more strongly by Democrats than Republicans, our findings suggest that partisan responses are shaped by the stance of the current president rather than long-standing party platforms (Figure 3) (Essig et al., 2021; Keser et al., 2024). For example, Republican respondents placed greater emphasis on protecting American jobs and supporting lower interest rates (Figures 12 and 13)—positions that have historically been more closely associated with Democrats. This points to an important hypothesis for future research: partisan belief updating may follow political leadership rather than traditional party ideology.

5.2 Overall sentiments and approval rates

Our randomized information treatments allow us to identify the causal effect of information on belief revision. In this section, we investigate whether these exogenous changes in beliefs influence overall economic sentiment or approval of the current administration.

Column (1) of Table 11 reports revisions in respondents' one-year-ahead economic sentiment, measured as the difference between post- and pre-treatment responses $(\mathbb{E}_i[\text{Sentiment}]^{\text{post}} - \mathbb{E}_i[\text{Sentiment}]^{\text{pre}})$. While we previously found that the inflation treatment (T1) led to upward revisions in inflation expectations, and the employment treatment (T2) increased unemployment expectations, we observe no significant changes in overall economic sentiment compared to the control group.

We also examine whether the willingness to pay (WTP) to eliminate the tariff differs across treatment groups, which can be the overall subjective measure of the cost of tariffs (Column (2)). Again, despite significant belief revisions in the inflation and employment treatments, we do not find significant differences in WTP relative to the control group, with the exception of T4 group, reported slightly lower WTP.

Lastly, we analyze whether revisions in inflation or unemployment expectations influences approval of the current administration's economic policy. Column (3) of Table 11 shows no significant differences in approval ratings between treatment and control groups, suggesting that updated economic

Table 11: Effects of information treatments on sentiment, willingness to pay, and political approval

	(1)	(2)	(3)
	Revision in	Post Treatment	
	Sentiment	WTP	Approval score
		Remove Tariff	(-10 to 10)
T1: Inflation	-0.0157	0.606	0.525
	(0.0583)	(5.760)	(0.495)
T2: Employment	0.0562	5.165	-0.406
	(0.0524)	(5.923)	(0.510)
T3: Stock	-0.0892	7.925	0.0550
	(0.0606)	(6.051)	(0.505)
T4: Fox	-0.00325	-9.274*	0.532
	(0.0628)	(5.274)	(0.503)
T5: NYT	0.0245	-2.537	0.333
	(0.0621)	(5.708)	(0.526)
Controls	Yes	Yes	Yes
Method	OLS	Huber	OLS
Observations	1,123	822	1,123
R^2	0.03	0.08	0.56

Notes: This table reports the effects of each information treatment on (1) economic sentiment, (2) willingness to pay (WTP) to remove the tariff, and (3) political approval. Column (1) presents treatment effects on revisions in economic sentiment, defined as the change in respondents' expected sentiment before and after the treatment ($\mathbb{E}_i[\text{Sentiment}]^{\text{post}} - \mathbb{E}_i[\text{Sentiment}]^{\text{pre}}$), relative to the control group. Column (2) reports post-treatment WTP to remove the tariff, based on responses to the question: "*If you had the choice, what is the maximum one-time amount you would be willing to pay to remove the recently imposed tariff?*" Because responses vary widely and include extremely large values, a Huber regression is used to reduce the influence of outliers. Column (3) shows effects on political approval, measured by how respondents rated President Trump's handling of the economy on a scale from ˇ10 (strong disapproval) to +10 (strong approval). All regressions control for age, gender, race, marital status, housing arrangement, employment status, financial asset ownership, political party affiliation, and political ideology. Standard errors are reported in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

beliefs—despite being statistically and economically meaningful—do not translate into changes in political approval.

To further support this finding, we examine heterogeneity in approval effects among subgroups that revised their expectations. Table 12 reports approval scores relative to the control group for different subsets of respondents. First, we consider those who initially believed that tariffs would not increase unemployment but revised their expectations upward following the treatment. For this group, we find no significant differences in approval across treatment arms. We also explore variation by partisanship: although Democrats and liberals were more likely to revise their inflation expectations upward, and Republicans and conservatives revised their unemployment expectations

Table 12: Political approval scores across different subjective models

	(1)	(2)	(3)	(4)	(5)	(6)
	Current administration's approval scores (-10 to 10)					
T1: Inflation	0.107	1.101	-0.352	0.175	0.634	0.102
	(0.584)	(0.751)	(0.678)	(0.712)	(0.806)	(0.844)
T2: Employment	-0.737	0.168	0.130	0.135	-1.148	-0.595
	(0.568)	(0.783)	(0.588)	(0.603)	(0.931)	(0.866)
Sample	Unemp Rise	No Unemp Rise	Democrat	Liberal	Republican	Conservative
Control	Yes	Yes	Yes	Yes	Yes	Yes
Method	OLS	OLS	OLS	OLS	OLS	OLS
Observations	707	416	485	464	444	401
R^2	0.50	0.48	0.27	0.38	0.13	0.18

Notes: This table reports regression estimates of the effects of the T1 (Inflation) and T2 (Employment) information treatments on respondents' political approval ratings of the current administration's handling of the economy. The dependent variable is an approval score measured on a scale from ˇ10 (strong disapproval) to $+10$ (strong approval). Results are presented separately by subsample: Columns (1) and (2) split the sample by whether respondents initially expected the tariff to raise unemployment ("*Unemp Rise*"), and Columns (3)–(6) report heterogeneous effects by political affiliation and ideology. All specifications include controls for age, gender, race, marital status, housing arrangement, employment status, and ownership of financial assets. Specifications (1) and (2) include controls for political party affiliation, and political ideology. Standard errors are reported in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

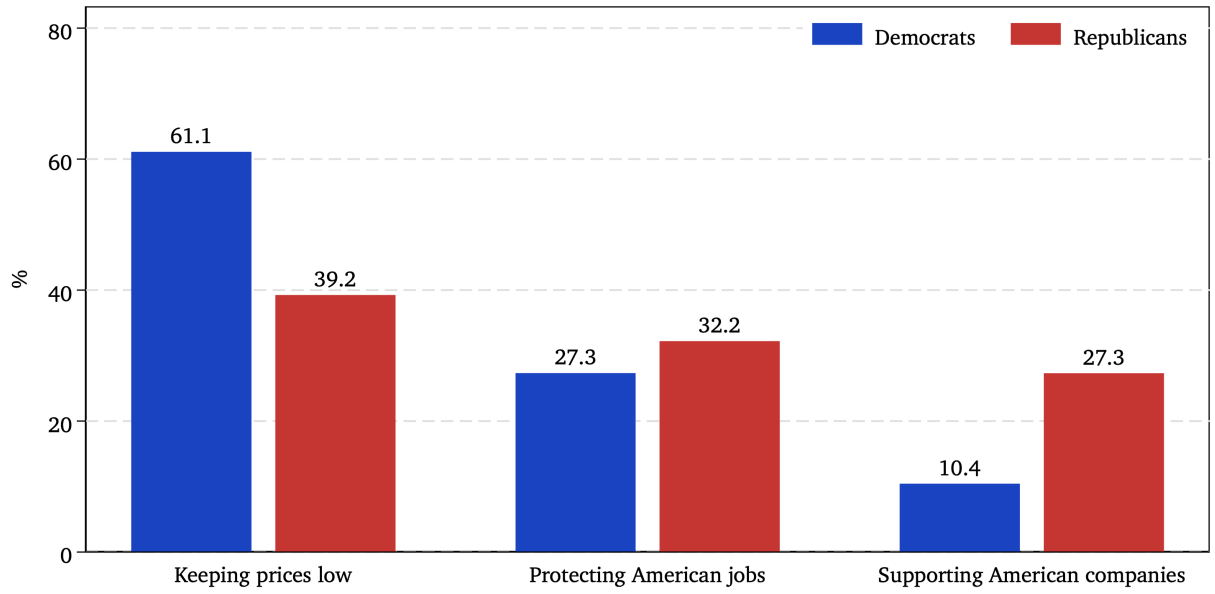
upward, we again find no evidence of differential approval effects based on political affiliation or ideology. Overall, these results suggest that while information can shift macroeconomic beliefs, such belief revisions translate only weakly, if at all, into changes in political approval.

6 Conclusion

This paper investigates respondents' subjective models of how tariffs affect the economy. Unlike inflation or unemployment expectations, we find that these models do not vary substantially by demographic characteristics. However, we observe a clear partisan divide: while there is broad agreement across political lines that tariffs raise inflation, views on their employment effects diverge sharply. Specifically, 83% of Democrats expected unemployment to rise in response to the tariff shock, compared with only 40% of Republicans.

Building on these prior beliefs, we administered information treatments based on economic research from the 2018–2019 U.S.–China tariff war and news articles covering Federal Reserve Chair Jerome Powell's speech on ongoing tariff policy. We find that Democrats revised their inflation expectations

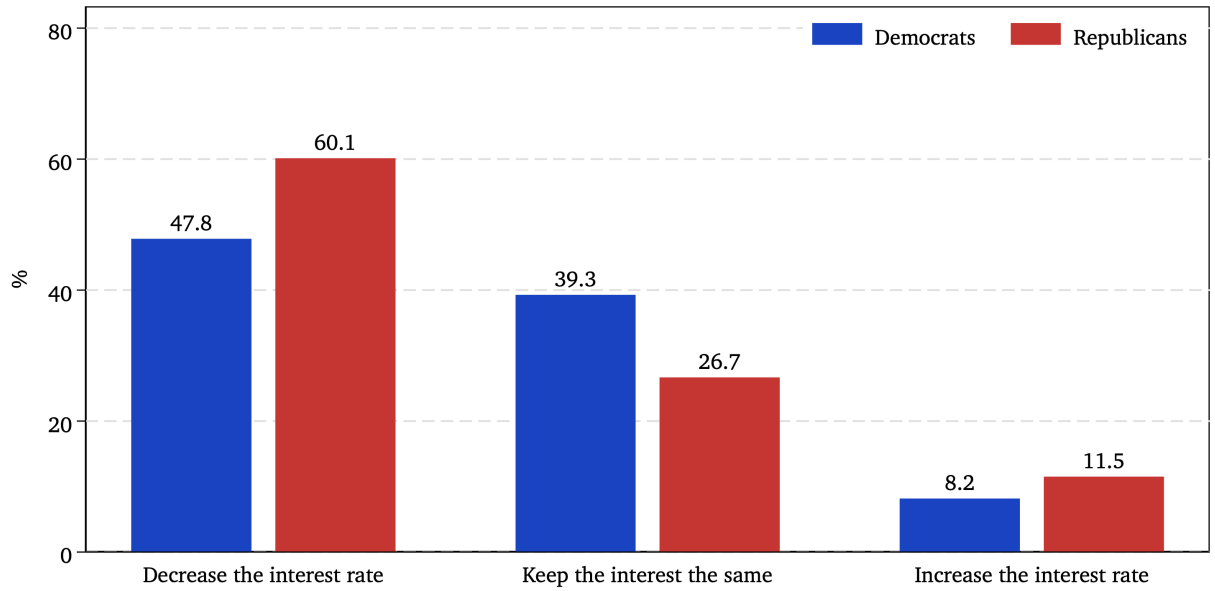
Figure 12: Which of the following is most important to you?, by political affiliation



Notes: This figure shows survey respondents' answers to the question, "*Which of the following is most important to you personally?*" Bars indicate the percentage of respondents within each party selecting a given category as most important. Blue bars represent Democrats; red bars represent Republicans.

upward following the inflation treatment, while Republicans revised their unemployment expectations upward following the employment treatment. This pattern of divergent belief updating appears to reflect both differences in respondents' prior subjective models and in how novel they perceived the information to be. Notably, although the treatments shifted economic beliefs, we find no corresponding changes in support for the current government's policy.

Figure 13: What do you think the Federal Reserve should do?, by political affiliation



Notes: The figure reports responses to the question, "*What do you think the Federal Reserve should do in the near future regarding interest rates?*" Bars show the percentage of respondents within each party selecting each listed action. Percentages do not sum to 100 because responses of "*Other*" (open-ended) are excluded. Blue bars represent Democrats; red bars represent Republicans.

References

Alesina, A., Miano, A., & Stantcheva, S. (2020). The polarization of reality. *AEA Papers and Proceedings*, *110*, 324–328.

Amiti, M., Gomez, M., Kong, S. H., & Weinstein, D. (2021). Trade protection, stock-market returns, and welfare.

Andrade, P., Dietrich, A., Leer, J., Schoenle, R., Tang, J., & Zakrajšek, E. (2025). Small and medium-sized businesses' expectations concerning tariffs, costs, and prices.

Andre, P., Pizzinelli, C., Roth, C., & Wohlfart, J. (2022). Subjective models of the macroeconomy: Evidence from experts and representative samples. *The Review of Economic Studies*, *89*(6), 2958–2991.

Armantier, O., Nelson, S., Topa, G., van der Klaauw, W., & Zafar, B. (2016). The price is right: Updating inflation expectations in a randomized price information experiment. *The Review of Economics and Statistics*, *98*(3), 503–523.

Auclert, A., Rognlie, M., & Straub, L. (2025). The macroeconomics of tariff shocks.

Auray, S., Devereux, M. B., & Eyquem, A. (2024). Trade wars, nominal rigidities, and monetary policy. *The Review of Economic Studies*, *92*(4), 2228–2270.

Autor, D., Beck, A., Dorn, D., & Hanson, G. H. (2024). Help for the heartland? the employment and electoral effects of the trump tariffs in the united states.

Bachmann, O., Gründler, K., Potrafke, N., & Seiberlich, R. (2021). Partisan bias in inflation expectations. *Public Choice*, *186*(3), 513–536.

Baek, C., & Yaremko, V. (2024). Interactions between macroeconomic expectations and labor supply: Implications for wage-price spirals. *Working paper*.

Bergin, P. R., & Corsetti, G. (2023). The macroeconomic stabilization of tariff shocks: What is the optimal monetary response? *Journal of International Economics*, *143*, 103758.

Bianchi, J., & Coulibaly, L. (2025). The optimal monetary policy response to tariffs.

Binder, C., Couture, C., & Smit, A. (2025, April). *Partisan trust in the federal reserve* (Working Paper No. 33684). National Bureau of Economic Research.

Binder, C., Kamdar, R., & Ryngaert, J. M. (2024). Partisan expectations and COVID-era inflation. *Journal of Monetary Economics*, *148*, 103649.

Binetti, A., Nuzzi, F., & Stantcheva, S. (2024). People's understanding of inflation. *Journal of Monetary Economics*, *148*, 103652.

Bostanci, G., Koru, O. F., & Villalvazo, S. (2025). Changing jobs to fight inflation: Labor market reactions to inflationary shocks.

Burke, M. A., & Ozdagli, A. (2023). Household inflation expectations and consumer spending: Evidence from panel data. *The Review of Economics and Statistics*, *105*(4), 948–961.

Candia, B., Coibion, O., & Gorodnichenko, Y. (2020, September). *Communication and the beliefs of economic agents* (NBER Working Papers No. 27800). National Bureau of Economic Research, Inc.

Cavallo, A., Gopinath, G., Neiman, B., & Tang, J. (2021). Tariff pass-through at the border and at the store: Evidence from US trade policy. *American Economic Review: Insights*, *3*(1), 19–34.

Choi, S., Kim, S.-H., Lee, M. A., Bae, S., & Shim, M. (2022). Partisan bias in inflation beliefs: New evidence from korea [Number: 2022rwp-205 Publisher: Yonsei University, Yonsei Economics Research Institute]. *Working papers*.

Coibion, O., & Gorodnichenko, Y. (2012). What can survey forecasts tell us about information rigidities? *Journal of Political Economy*, *120*(1), 116–159.

Coibion, O., Gorodnichenko, Y., & Weber, M. (2020). Political polarization and expected economic outcomes.

Coibion, O., Gorodnichenko, Y., & Weber, M. (2025). The upcoming trump tariffs: What americans expect and how they are responding.

D'Acunto, F., Hoang, D., & Weber, M. (2022). Managing households' expectations with unconventional policies. *The Review of Financial Studies*, *35*(4), 1597–1642.

D'Acunto, F., Malmendier, U., Ospina-Tejeiro, J., & Weber, M. (2021). Exposure to grocery prices and inflation expectations. *Journal of Political Economy*, *129*(5), 1615–1639.

D'Acunto, F., Malmendier, U., & Weber, M. (2022). What do the data tell us about inflation expectations?

Essig, J., Xu, P., Garand, J. C., & Keser, C. (2021). The "trump" effect: Political elite and support for free trade in america. *American politics research*, *49*(3), 328–342.

Fajgelbaum, P. D., & Khandelwal, A. K. (2022). The economic impacts of the US–china trade war [Publisher: Annual Reviews]. *Annual Review of Economics*, *14*, 205–228.

Huseynov, S., & Murad, Z. (2024). Seeing through different lenses: Partisanship and updating of inflation expectations.

Ignatenko, A., Lashkaripour, A., Macedoni, L., & Simonovska, I. (2025). Making america great again? the economic impacts of liberation day tariffs. *Journal of International Economics*, *157*, 104138.

Kamdar, R., & Ray, W. (2023). Polarized expectations, polarized consumption.

Kamdar, R., Ray, W., & Mauricio, U. (2025). *We think that they think: Political affiliation and higher-order beliefs* (Working Paper).

Keser, C., Garand, J. C., Xu, P., & Essig, J. (2024). Partisanship, trump favorability, and changes in support for trade. *Presidential Studies Quarterly*, *54*(1), 46–64.

Kuang, P., Weber, M., & Xie, S. (2024, October). *Perceived political bias of the federal reserve* (Working Paper No. 33071). National Bureau of Economic Research.

Kuang, P., Weber, M., & Xie, S. (2025, February). *Central bank communication with the polarized public* (Working Paper No. 33524). National Bureau of Economic Research.

Lenz, G. S. (2012). *Follow the leader?: How voters respond to politicians' policies and performance*. University of Chicago Press.

McMahon, M., Rholes, R., & Rickards, P. (2025). *Teach, don't give? mental models, understanding and communication* (Working Paper).

Mertens, K., & Ravn, M. O. (2012). Empirical evidence on the aggregate effects of anticipated and unanticipated us tax policy shocks. *American Economic Journal: Economic Policy*, *4*(2), 145–81.

Mian, A., Sufi, A., & Khoshkhou, N. (2023). Partisan bias, economic expectations, and household spending. *The Review of Economics and Statistics*, *105*(3), 493–510.

Piccolo, J., Russo, A., Granziera, E., & Castelnuovo, Efrem. (2024). Households' macroeconomic beliefs: The role of education.

Pilossoph, L., & Ryngaert, J. M. (2024). Job search, wages, and inflation. (33042).

Ramey, V. A. (2016). Macroeconomic shocks and their propagation. *Handbook of macroeconomics*, *2*, 71–162.

Rodríguez-Clare, A., Ulate, M., & Vasquez, J. P. (2025). The 2025 trade war: Dynamic impacts across u.s. states and the global economy.

Vellekoop, N., & Wiederholt, M. (2019). Inflation expectations and choices of households.

Weber, M., Candia, B., Afrouzi, H., Ropele, T., Lluberas, R., Frache, S., Meyer, B., Kumar, S., Gorodnichenko, Y., Georgarakos, D., Coibion, O., Kenny, G., & Ponce, J. (2025). Tell me something i don't already know: Learning in low- and high-inflation settings. *Econometrica*, *93*(1), 229–264.

Appendices

A Comparison with U.S. Census Data

Table A.1: Comparison of demographic characteristics with the 2023 American Community Survey

Variable (Category)	T0	T1	T2	T3	T4	T5	All	2023 ACS
Age group								
Under 40	0.4	0.4	0.4	0.41	0.37	0.39	0.4	0.39
40 to 60	0.37	0.38	0.34	0.36	0.42	0.39	0.38	0.32
Over 60	0.23	0.22	0.26	0.23	0.21	0.22	0.23	0.29
Gender								
Female	0.49	0.46	0.54	0.51	0.52	0.53	0.51	0.51
Male	0.5	0.53	0.46	0.49	0.48	0.46	0.49	0.49
Ethnicity								
White	0.75	0.71	0.74	0.73	0.73	0.74	0.73	0.73
Non-white	0.25	0.29	0.26	0.27	0.27	0.26	0.27	0.27
Education								
No college degree	0.29	0.34	0.3	0.35	0.3	0.33	0.32	0.58
College degree	0.71	0.66	0.7	0.65	0.7	0.67	0.68	0.42
Marital status								
Single	0.26	0.32	0.35	0.27	0.29	0.31	0.3	0.31
Married	0.62	0.56	0.56	0.6	0.55	0.52	0.57	0.51
Home ownership status								
Owner	0.28	0.29	0.3	0.23	0.25	0.27	0.27	0.23
Mortgagor	0.41	0.28	0.34	0.35	0.33	0.43	0.36	0.44
Renter	0.3	0.39	0.36	0.4	0.38	0.28	0.35	0.31
Employment status								
Not employed	0.25	0.27	0.28	0.22	0.28	0.19	0.25	0.38
Employed	0.75	0.73	0.72	0.78	0.72	0.81	0.75	0.62
N	214	198	196	201	207	196	1,212	2,765,524

Notes: This table reports the demographic characteristics of survey respondents for all survey respondents as well as those for each treatment group. Values are shares within each category for each subgroup. *T0* refers to the no-treatment (control) group, *T1* refers to the group of respondents receiving information on inflation, *T2* information on employment, *T3* information on stocks, *T4* and *T5* articles on Fed responses from *Fox* and the *New York Times*, respectively. The last column reports demographic characteristics from the 2023 American Community Survey. *Not employed* refers to respondents that are unemployed or not in the labor force. *Source*: IPUMS USA.

To assess the representativeness of our survey sample, we compare respondents' demographic characteristics with those reported in the 2023 American Community Survey (ACS), as shown in Table A.1. The ACS is an annual nationwide survey conducted by the U.S. Census Bureau that collects detailed demographic, social, economic, and housing information from a representative sample of over 3 million households. We use microdata from the 2023 ACS, accessed via IPUMS USA, to construct national benchmarks. For all variables except housing, we use individual-level ACS data

and apply the appropriate person weights (PERWT) to compute population-representative shares that align with the survey categories used in our study. For homeownership status, we use household-level data and apply the household weights (HHWT) accordingly.

The final column in Table A.1 presents ACS population shares, which we compare to the pooled sample of all survey respondents in the "All" column. Overall, the demographic distribution of our sample is broadly similar to the U.S. population. For example, the age distribution, gender balance, and ethnic composition align closely with ACS benchmarks. The share of college-educated respondents in our sample is notably higher (68%) than in the ACS (42%), a common feature in online survey samples. Similarly, our respondents are more likely to be employed (75% vs 62%) and to own or be paying off a home, with fewer renters relative to the national average. While some discrepancies exist—particularly in education and employment—these differences are consistent with patterns seen in survey-based research and do not undermine the general demographic comparability of our sample.

B Expected Effects of Tariffs on the Economy

Table B.1: Expected effects of tariffs on macroeconomic conditions, by respondent characteristics

Variable (Category)	Inflation			1y unemployment			5y unemployment			Stock		
	↓	–	↑	↓	–	↑	↓	–	↑	↓	–	↑
Demographic characteristics												
Age group												
Under 40	0.09	0.08	0.82	0.18	0.2	0.62	0.25	0.18	0.57	0.62	0.13	0.25
40 to 60	0.1	0.08	0.82	0.16	0.18	0.66	0.25	0.15	0.6	0.68	0.08	0.25
Over 60	0.09	0.08	0.83	0.23	0.16	0.61	0.34	0.13	0.52	0.61	0.09	0.3
Gender												
Female	0.1	0.07	0.83	0.18	0.19	0.63	0.27	0.18	0.55	0.63	0.11	0.26
Male	0.09	0.09	0.82	0.19	0.18	0.63	0.28	0.14	0.58	0.64	0.09	0.26
Ethnicity												
White	0.11	0.08	0.82	0.2	0.19	0.62	0.28	0.16	0.55	0.64	0.1	0.26
Non-white	0.07	0.09	0.84	0.15	0.17	0.68	0.25	0.14	0.61	0.62	0.11	0.27
Education												
No college degree	0.11	0.08	0.81	0.17	0.18	0.65	0.26	0.18	0.56	0.65	0.15	0.21
College degree	0.09	0.08	0.83	0.19	0.18	0.63	0.28	0.15	0.57	0.63	0.08	0.29
Marital status												
Single	0.08	0.07	0.84	0.17	0.2	0.64	0.26	0.15	0.59	0.65	0.13	0.21
Married	0.1	0.09	0.8	0.2	0.18	0.62	0.29	0.16	0.56	0.62	0.08	0.3
Home ownership status												
Owner	0.12	0.1	0.78	0.22	0.17	0.61	0.3	0.15	0.56	0.61	0.12	0.27
Mortgagor	0.09	0.07	0.85	0.17	0.18	0.65	0.27	0.16	0.57	0.67	0.06	0.27
Renter	0.08	0.07	0.84	0.16	0.2	0.64	0.25	0.16	0.59	0.63	0.12	0.24
Asset-holding behavior												
Stock, bonds, or crypto	0.09	0.08	0.83	0.18	0.17	0.65	0.27	0.15	0.59	0.66	0.08	0.25
None listed above	0.1	0.09	0.82	0.19	0.21	0.6	0.29	0.18	0.53	0.59	0.13	0.28
Employment status												
Not employed	0.11	0.09	0.8	0.19	0.21	0.6	0.3	0.17	0.53	0.65	0.12	0.23
Employed	0.09	0.08	0.83	0.18	0.17	0.64	0.27	0.15	0.58	0.63	0.1	0.27
Political Affiliation and Orientation												
Political party												
Democrat	0.02	0.03	0.94	0.06	0.12	0.83	0.1	0.13	0.77	0.84	0.06	0.11
Republican	0.19	0.13	0.68	0.34	0.26	0.4	0.49	0.19	0.33	0.39	0.14	0.46
Political belief												
Liberal	0.02	0.03	0.95	0.06	0.13	0.82	0.1	0.13	0.77	0.81	0.06	0.13
Moderate	0.08	0.09	0.83	0.17	0.19	0.65	0.23	0.18	0.59	0.66	0.12	0.22
Conservative	0.2	0.14	0.67	0.35	0.25	0.4	0.52	0.18	0.3	0.41	0.13	0.46
2024 presidential election choice												
Kamala Harris	0.02	0.02	0.96	0.04	0.1	0.86	0.07	0.12	0.8	0.86	0.06	0.08
Donald Trump	0.18	0.14	0.68	0.35	0.26	0.39	0.49	0.19	0.32	0.38	0.14	0.47
Awareness of tariff policy												
Aware of tariff policy	0.1	0.08	0.83	0.18	0.18	0.64	0.28	0.15	0.57	0.66	0.09	0.25
Unaware of policy	0.09	0.11	0.8	0.2	0.21	0.59	0.24	0.21	0.55	0.45	0.18	0.37

Notes: This table summarizes how survey respondents expect the April 10, 2025, tariff policy to affect key economic indicators. After receiving factual information, participants were asked about its expected impact on inflation, unemployment, and the stock market over the next 12 months, as well as over a 5-year horizon for unemployment. Each cell reports the percentage of respondents in each demographic or political subgroup who expect the indicator to decrease (↓), stay the same (–), or increase (↑).

Table B.2: Average expected change in inflation, unemployment, and stock prices due to tariffs, by respondent characteristics

Sample	Inflation rate			Unemployment rate			Stock market		
	Average	Conditional on		Average	Conditional on		Average	Conditional on	
		Up	Down		Up	Down		Up	Down
All	3.22	4.47	-2.33	1.62	3.47	-1.82	-4.91	6.68	-9.86
Demographic characteristics									
Age group									
Under 40	3.21	4.47	-2.45	1.43	3.21	-2.06	-4.68	5.86	-9.52
40 to 60	3.32	4.64	-2.31	1.82	3.66	-1.81	-5.39	7.32	-10.05
Over 60	3.09	4.21	-2.18	1.62	3.56	-1.58	-4.52	6.96	-10.10
Gender									
Female	3.42	4.86	-2.54	1.57	3.46	-2.06	-4.55	6.54	-9.50
Male	3.03	4.10	-2.15	1.66	3.45	-1.61	-5.20	6.82	-10.16
Ethnicity									
White	3.20	4.50	-2.32	1.59	3.51	-1.82	-5.07	6.84	-10.07
Non-White	3.29	4.42	-2.41	1.69	3.35	-1.80	-4.46	6.20	-9.24
Education									
No college degree	3.22	4.56	-2.43	1.66	3.64	-1.85	-5.25	6.46	-9.96
College degree	3.23	4.44	-2.28	1.60	3.39	-1.80	-4.75	6.75	-9.81
Marital status									
Single	3.25	4.43	-2.28	1.48	3.29	-1.75	-5.17	6.96	-9.77
Married	3.14	4.44	-2.39	1.64	3.51	-1.90	-4.66	6.54	-9.95
Home ownership status									
Owner	2.93	4.36	-2.36	1.57	3.45	-1.78	-4.55	6.66	-9.63
Mortgagor	3.47	4.57	-2.15	1.79	3.58	-1.71	-5.49	6.81	-10.24
Renter	3.27	4.48	-2.50	1.56	3.39	-1.98	-4.79	6.61	-9.59
Asset-holding behavior									
Stock, bond, or cryptocurrency	3.18	4.37	-2.13	1.64	3.35	-1.59	-5.12	6.64	-9.68
Employment status									
Not employed	3.16	4.53	-2.05	1.51	3.65	-1.65	-4.87	6.88	-9.95
Employed	3.24	4.45	-2.45	1.65	3.41	-1.88	-4.93	6.61	-9.83
Political Affiliation and Orientation									
Political party									
Democrat	4.04	4.70	-2.13	2.61	3.68	-2.21	-8.35	6.77	-10.73
Republican	2.22	4.03	-2.46	0.45	2.80	-1.81	-1.04	6.72	-8.31
Political belief									
Liberal	4.06	4.73	-2.53	2.61	3.79	-2.17	-8.23	6.75	-10.80
Moderate	3.37	4.58	-1.86	1.57	3.30	-2.04	-4.84	6.95	-9.28
Conservative	2.15	3.97	-2.41	0.50	2.84	-1.70	-1.13	6.57	-8.34
2024 presidential election choice									
Kamala Harris	4.18	4.79	-2.32	2.76	3.77	-2.01	-8.65	7.07	-10.62
Donald Trump	2.19	3.99	-2.33	0.45	2.82	-1.72	-0.92	6.49	-8.36
Awareness of tariff policy									
Aware of tariff policy	3.25	4.50	-2.26	1.68	3.49	-1.69	-5.36	6.67	-10.10
Unaware of tariff policy	2.98	4.30	-3.22	1.17	3.23	-2.81	-1.91	6.70	-7.57

Notes: This table reports the average expected change in the inflation rate ($\Delta\mathbb{E}\pi$) and unemployment rate ($\Delta\mathbb{E}u$) over the next 12 months, as reported by survey respondents. Respondents were asked: "*By how many percentage points do you expect this tariff policy to change (i) the inflation rate, (ii) the unemployment rate, and (iii) stock prices over the next 12 months?*" Results are summarized by demographic and political subgroups. Means are estimated using Huber robust regression to mitigate the influence of outliers.

C Full Regression Results

Table C.1: Heterogeneity in revisions in 1-year ahead inflation expectations, by treatment group

	(1)	(2)	(3)	(4)	(5)	(6)
	Revisions in 1-year ahead expected Inflation rate ($\mathbb{E}\pi^{post}_{i,t+1} - \mathbb{E}\pi^{pre}_{i,t+1}$)					
T1: Inflation	0.418	1.085	0.737*	1.094**	0.0814	-0.575
	(0.294)	(0.776)	(0.422)	(0.458)	(0.454)	(0.423)
T2: Employment	-0.315	0.724	-0.408	0.179	-0.575	-0.441
	(0.280)	(0.850)	(0.391)	(0.439)	(0.439)	(0.422)
T3: Stock	0.0183	1.285**	0.373	0.559	-0.633	-0.750*
	(0.271)	(0.628)	(0.369)	(0.421)	(0.443)	(0.415)
T4: Fox	0.506*	0.315	0.236	0.678	0.413	0.0352
	(0.289)	(0.717)	(0.408)	(0.437)	(0.454)	(0.439)
T5: NYT	0.328	1.299*	0.498	0.616	0.243	0.138
	(0.264)	(0.778)	(0.371)	(0.391)	(0.436)	(0.413)
Sample	Inf Rise	No Inf Rise	Democrat	Liberal	Republican	Conservative
Control	Yes	Yes	Yes	Yes	Yes	Yes
Method	Huber	Huber	Huber	Huber	Huber	Huber
Observations	833	181	444	418	403	366
R^2	0.09	0.25	0.15	0.36	0.07	0.08

Notes: This table reports treatment effects from each information group on revisions in 1-year-ahead inflation expectations, disaggregated by respondent characteristics. The dependent variable is the individual-level change in expected inflation before and after receiving the treatment. Columns (1) and (2) split the sample by whether respondents initially expected the tariff to raise inflation ("*Inf Rise*"), while Columns (3)–(6) show heterogeneity by political affiliation and ideology. All specifications include controls for age, gender, race, marital status, housing arrangement, employment status, and ownership of financial assets. Specifications (1) and (2) include controls for political party affiliation, and political ideology. Estimates are based on Huber regressions, and standard errors are reported in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Table C.2: Heterogeneity in revisions in 1-year ahead unemployment expectations, by treatment group

	(1)	(2)	(3)	(4)	(5)	(6)
	Revisions in 1-year ahead expected Unemployment Rate ($\mathbb{E}u^{post}_{i,t+1} - \mathbb{E}u^{pre}_{i,t+1}$)					
T1: Inflation	-0.162	0.206	-0.436**	-0.134	0.199	0.215
	(0.155)	(0.145)	(0.187)	(0.222)	(0.148)	(0.164)
T2: Employment	0.114	0.428***	-0.0312	0.0445	0.561***	0.525***
	(0.158)	(0.147)	(0.183)	(0.215)	(0.158)	(0.174)
T3: Stock	-0.171	0.368**	-0.0706	-0.237	0.0959	0.152
	(0.143)	(0.149)	(0.176)	(0.214)	(0.164)	(0.162)
T4: Fox	-0.0720	0.385**	-0.0956	-0.00731	0.159	0.197
	(0.142)	(0.152)	(0.172)	(0.199)	(0.146)	(0.164)
T5: NYT	0.226	0.203	0.131	0.119	0.187	0.0694
	(0.142)	(0.142)	(0.174)	(0.199)	(0.161)	(0.170)
Sample	Unemp Rise	No Unemp Rise	Democrat	Liberal	Republican	Conservative
Control	Yes	Yes	Yes	Yes	Yes	Yes
Method	Huber	Huber	Huber	Huber	Huber	Huber
Observations	615	332	428	404	364	344
R^2	0.14	0.12	0.17	0.30	0.11	0.17

Notes: This table reports treatment effects from each information group on revisions in 1-year-ahead unemployment expectations, disaggregated by respondent characteristics. The dependent variable is the individual-level change in expected unemployment before and after receiving the treatment. Columns (1) and (2) split the sample by whether respondents initially expected the tariff to raise unemployment ("*Unemp Rise*"), while Columns (3)–(6) show heterogeneity by political affiliation and ideology. All specifications include controls for age, gender, race, marital status, housing arrangement, employment status, and ownership of financial assets. Specifications (1) and (2) include controls for political party affiliation, and political ideology. Estimates are based on Huber regressions, and standard errors are reported in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

Table C.3: Revisions by awareness of treatment

	(1)	(2)	(3)	(4)
	Revisions in 1-year ahead			
	Expected inflation rate ($\mathbb{E}\pi^{post}_{i,t+1} - \mathbb{E}\pi^{pre}_{i,t+1}$)		Expected unemployment rate ($\mathbb{E}u^{post}_{i,t+1} - \mathbb{E}u^{pre}_{i,t+1}$)	
T1: Inflation	-0.0423	-0.0412	0.00796	-0.0791
× Nothing New	(0.434)	(0.436)	(0.150)	(0.147)
T2: Employment	-0.583	-0.392	0.312*	0.274
× Nothing New	(0.396)	(0.400)	(0.182)	(0.174)
T3: Stock	0.264	0.520*	0.00787	0.0208
× Nothing New	(0.313)	(0.316)	(0.125)	(0.125)
T4: Fox	0.168	0.333	0.0347	0.0447
× Nothing New	(0.327)	(0.317)	(0.125)	(0.121)
T5: NYT	0.0622	0.247	0.0124	0.0187
× Nothing New	(0.289)	(0.280)	(0.132)	(0.127)
T1: Inflation	0.582*	0.753**	0.000811	0.0701
× Learned Something New	(0.298)	(0.298)	(0.126)	(0.127)
T2: Employment	0.143	-0.104	0.136	0.129
× Learned Something New	(0.291)	(0.289)	(0.122)	(0.122)
T3: Stock	-0.201	-0.0658	-0.0243	-0.00734
× Learned Something New	(0.287)	(0.284)	(0.130)	(0.135)
T4: Fox	0.484	0.644*	-0.00831	0.0455
× Learned Something New	(0.341)	(0.347)	(0.132)	(0.135)
T5: NYT	0.670**	0.662**	0.243*	0.333**
× Learned Something New	(0.331)	(0.332)	(0.135)	(0.135)
Controls	No	Yes	No	Yes
Method	Huber	Huber	Huber	Huber
Observations	1,099	1,015	1,038	965
R^2	0.01	0.08	0.01	0.06

Notes: This table reports regression results on how respondents revised their inflation expectations (Columns (1)–(2)) and unemployment expectations (Columns (3)–(4)) by the novelty of information. The specification interacts the five treatment indicators with two indicators capturing whether respondents reported learning nothing new or learning something new from the treatment. Columns (1) and (3) present results without additional controls, while Columns (2) and (4) include additional control variables. Estimates are based on Huber regressions, and standard errors are reported in parentheses. * $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$.

D Semantic Belief Classification

This appendix outlines the methodology used to classify open-ended survey responses regarding the effects of tariffs into semantically meaningful belief categories. We employed a semantic embedding and similarity approach that captures the underlying reasoning in respondents' answers and assigns each response to one or more belief categories based on its proximity to curated prototype phrases.

D.1 Subjective models of tariffs

We first preprocessed all text responses by converting them to lowercase, removing punctuation and digits, and eliminating both standard and domain-specific stopwords. Negation terms (e.g., *not, no, never, without*) were explicitly preserved to retain semantic polarity. Responses were embedded into a 384-dimensional semantic space using the `all-MiniLM-L6-v2` model from Sentence-BERT. Each response was then compared to a bank of manually curated prototype phrases representing key beliefs about tariffs. Each response was assigned to the belief category whose prototype phrases were most semantically similar, measured via cosine similarity. This methodology was implemented in order to analyze responses to the question: *"In your own words, how do you think the recently announced tariff policy would affect the U.S. economy?"* To validate this approach, we manually reviewed all the responses and found that the automated classification agreed with human judgment in approximately 70 percent of cases. This level of concordance suggests that the embedding-based classification provides a reasonably accurate approximation of human interpretation while enabling high-throughput analysis across the full dataset.

Below, we describe each belief category and list the prototype phrases used in the semantic classification process. These phrases serve as anchors that define the semantic center of each belief category.

Inflation responses expressed that tariffs increase costs or contribute to inflation. Prototype phrases included: *"Tariffs raise prices for consumers and businesses," "Consumers face higher prices on everyday goods due to tariffs," "Prices will rise," "Paying more," "Pay more," "Is going to be so much more,"*

"High costs," "The cost of everything is going to go up," "Significant inflation," "Raise costs," "Hard for some people to afford basic," "Inflation," "Increase on foods/goods," "It would make things more costly," "Causing great increase in prices," "Price increases," "No more cheap items," "Prices will go up," "Much higher prices," "Things more expensive," "Price of goods is going to go up," "Increase costs for American consumers," "More expensive to get foreign goods," "I think it will make it harder in us Americans that actually buy goods," "I think it will lead to the increase of the cost of goods," "Will be more expensive," "Inflationary effect," "Lead higher prices inflation," "It will likely lead to the increase in cost of goods," "Will have to pay more for products in our country," "It's going to make a lot of things much more expensive," "Increase the cost," "Consumers will now be paying more," "Inflation is going to be high as a result," "It will cause inflation," "It will raise the costs of goods and increase inflation generally."

Recession risk responses linked tariffs to broader economic decline or recession. Prototype phrases included: *"Tariffs contribute to economic slowdown or recession," "Tariffs represent harmful government intervention," "The economy slows down when global trade is restricted," "Tank the U.S. economy," "Tank the economy," "It is going to kill our economy," "Recession," "Depression," "Start recession," "Slowing economic growth," "Reduce GDP growth," "Damaging for our economy and put us into an economic hardship," "Economy go into a depression," "I think it's going to destroy the U.S. economy," "It is going to cause a major economic depression," "It will cause it to crash," "Growth economy will be trashed," "It will sink the economy," "It will hurt the economy," "It would result to an economic crisis," "Tank it," "The economy will plummet," "The economy will worsen," "Damage to workers and businesses," "It's destroying the economy," "Wreck our economy," "Causing a depression."*

Unemployment responses highlighted the potential for job losses due to tariffs. Prototype phrases included: *"Tariffs lead to job losses in sectors that rely on imported inputs," "Retaliatory tariffs from other countries result in layoffs for export-dependent workers," "Trade tensions have caused companies to cut jobs due to rising costs," "Increased production costs from tariffs force firms to downsize their workforce," "Farmers and manufacturers have laid off workers after losing access to foreign markets," "Jobs were lost when global supply chains were disrupted by tariffs," "Some small businesses closed and workers were laid off because of rising tariff costs," "Job loss," "Freeze hiring," "Layoffs," "Increase unemployment," "Job losses," "It will cause people to lose they jobs," "It will increase unemployment," "Cause unemployment," "Cause people to lose they jobs."*

US jobs responses emphasized that tariffs would boost domestic employment or revive local industry. Prototype phrases included: *"Tariffs protect domestic employment and help create jobs," "Tariffs help protect American jobs from unfair foreign competition," "Domestic industries can hire more workers if imports are reduced," "Protecting local manufacturing jobs requires tariff barriers," "Will promote local industries," "Strengthening local manufacturers," "It would bring more jobs," "It will help make more opportunities for employment and production," "It'll cause companies to begin manufacturing their products here," "It will bring back manufacturing jobs to America," "Back guaranteeing employment."*

Long-term gain responses acknowledged short-term challenges but predicted eventual economic benefits. Prototype phrases included: *"Tariffs may hurt short-term but benefit the economy in the long run," "Benefit in the future," "In the longer term win win," "I believe that they will end in more favorable deals," "It will help us when all is done," "Right back up once countries renegotiate," "Long term I would hope to see American job increase and American quality product increase," "It will end up being good for the USA," "In the long run will produce greater security and income for the US economy," "Going to make it much stronger & more independent," "In the long run it will bring back more manufacturing here," "It will help in the long run," "Help our economy in the long run," "It's going to help more Americans in the long run," "Long term should be positive," "Good for us in the long run," "Long term growth," "In the long run it will work," "I think it will be positive in the long run," "Will ultimately be far better," "Initial pain leading to growth," "Bad at first. Then level off, then on the upswing."*

Stock market impact responses specifically referenced stock market outcomes. Prototype phrases included: *"Tariffs hurt stock market performance by increasing economic uncertainty," "Markets fall when new tariffs are announced due to investor fears," "Stocks are reducing in price," "Tariff-related news causes volatility in stock prices and financial markets."*

Market uncertainty responses mentioned adverse effects on the investment climate or general economic uncertainty. The key prototype phrase was: *"Tariffs increase economic uncertainty and reduce investment."*

Retaliation risk responses expressed concern that tariffs would provoke retaliatory actions from other countries. Prototype phrases included: *"Other countries retaliate against US exports in response," "Trade war," "Closes doors to other countries wanting to do business with us," "Retaliatory*

measures," "Stop trading with us," "They will try and punish the United States," "Discourage some overseas trade."

Trade balance responses indicated support for tariffs as a way to improve trade balances or enforce fairer trade. Phrases included: *"Tariffs reduce trade deficits and promote fair trade," "I think it will help with the deficit and keep trade fair."*

Supply chain issues responses cited potential interruptions in production or logistics. Phrases included: *"Tariffs disrupt supply chains and raise input costs," "Supply chain issues," "Is going to hurt us and disrupt supply chains," "Disrupt the supply chain."*

National security responses framed tariffs as tools to assert national sovereignty or protect national interests. Prototype phrases included: *"Tariffs are necessary to protect national interests and reduce foreign dependence," "Trade policy should prioritize American sovereignty and independence," "Limiting imports from rival nations strengthens national security," "Tariffs help take back control from global elites," "Tariffs defend against threats from China or other foreign adversaries," "Stop other countries from taking advantage of us," "This is especially concerning as China is a communist," "We need to manufacture our products in the US," "It is necessary to combat what China has been doing," "Other countries are afraid now and want to make the trade fair for the U.S."*

General support responses conveyed general support or optimism regarding tariffs. Phrases included: *"Tariffs are good or necessary," "Tariffs are a good policy and show support for Trump," "I believe it would have a positive impact on the US economy," "I believe this would make our economy better," "Great," "Good," "Positive," "Positively," "It would improve the economy of the country," "I think it will greatly improve the economy," "I think it will improve," "It could be good," "It is going to help," "Positive impact," "It would affect it positively," "This would have a positive impact on the U.S. economy," "The US economy is becoming stronger," "It will boost the economy," "It provide businesses to grow," "Proposed tariffs likely improve economy," "In the right way," "Positive impact economy," "Good, it would affect it positively."*

General opposition responses expressed strong disapproval or alarm without specifying a particular economic mechanism. Prototype phrases included: *"Tariffs are bad or harmful," "Tariffs are part of*

harmful policies from the Trump administration," "Badly," "Crazy bad," "Horribly," "I do not think it will be a positive thing," "I think it will be very bad, it has caused great confusion and concern," "Negative effect," "It's a pointless disaster," "I find this whole thing ridiculous," "Its going to make life harder," "Very detrimental," "We're screwed," "Very badly," "Very poorly," "It will not be good in the short term," "I think the economy will take a hit," "I don't see any benefits," "Very very very badly," "Terrible decision," "None of this will do any good for the U.S.," "It is going to be bad," "A harsh amount of damage on the U.S. economy," "It will definitely negatively affect the economy," "This terrible policy will affect Americans negatively," "Negative impact economy," "Recently announced negatively affect economy," "Not positive," "I think the new tariff policy is a complete failure," "It will destroy the American economy," "It will not be good for the people of the United States," "Cripple big part economy," "Negative," "It will not be good."

Unclear or off-topic responses were vague, irrelevant, or revealed no knowledge. Prototype phrases included: *"The response is vague, irrelevant, or not meaningful," "I'm not sure," "I'm not too sure of that," "I am unsure," "I really don't know," "I don't know enough about it to have an opinion," "Don't understand tariffs," "It is pretty hard to say," "I am not sure to be honest," "I'm not sure."*

D.2 Awareness of information treatment

To analyze responses to the question *"Which parts of this information were new or unfamiliar to you?"*, we employed a semantic similarity classification method based on Sentence-BERT embeddings. Responses were first assigned to a binary classification—**Learned Something New** or **No New Information**—and then further divided into more granular subcategories specific to each treatment. To validate this approach, we manually reviewed all responses and found that the automated classification agreed with human judgment in 90 percent of cases for the binary classification and approximately 70 percent for the subcategories.

Inflation treatment subcategories

Higher-than-expected passthrough responses reflected surprise at the magnitude of price effects. Phrases included: *"Prices rose more than I expected," "I didn't know consumers bore that much of the*

cost," "The cost increase was shocking," "Inflation effect was stronger than I thought," "sharp one to one association," "nearly all of the tariff costs were passed on to consumers," "The consumer took most of the hit for the imposed tariff," "actual percentage price increase products was shocking," "all tariff was absorbed customers," "similar increase price correlation increase tariff," "didnt know price jump was big," "drastically prices increased as result," "specifics sharp association."

Lower-than-expected passthrough responses indicated expectations of stronger effects than what was shown. These included: *"Tariffs didn't raise prices as much as I thought," "Price impact was smaller than expected," "I assumed costs would be higher."*

Tariff magnitude was larger than expected responses emphasized surprise at the size of the tariff. Phrases were: *"I didn't realize the tariff was 3.5%," "That's a large tariff," "I was surprised by the 3.5% figure," "It was a bigger tariff than I thought."*

Unaware of 2018–2019 tariff increase responses revealed unfamiliarity with the historical policy timeline. Phrases included: *"I didn't know there were tariffs in 2018," "I was unaware of previous tariff rounds," "The 2018–2019 tariffs were new to me," "tariffs imposed on China in 2018–19," "About the tariff increase in 2019," "didnt know it happened before," "previous tariffs increases," "The tarriffs imposed in 2018."*

Magnitude/Details responses pointed to new factual or numerical content. Phrases included: *"didn't know specific numbers," "not aware specific numbers," "didnt know numbers," "not know exact percentages," "amount was new to me," "exact numbers," "actual real figures," "tariff imposed," "specifics tariffs," "didnt know exact details," "some percentages tariffs," "effects tariffs," "Specific details were new to me," "How much the price would increase," "I was not familiar with the 3.5 tariff," "the rates were new," "Some of the specific statistics were relatively new to me."*

Everything was new responses signaled complete unfamiliarity. These included: *"all was new," "was first time reading," "wasnt familiar," "all it was unfamiliar," "almost all information was new," "actually all information was unfamiliar," "I haven't been super familiar with tarriffs," "all it was new information," "all it havent particularly pay much attention economic news past years," "all."*

No new information responses reflected prior knowledge of all presented material. Exact phrases

were: *"I already knew everything presented," "I was aware of all," "none," "not much," "I was already familiar," "not much kept track market," "na," "none watch news multiple times," "Nothing in the materials was new to me," "nothing unfamiliar," "none of the information was really new," "I know most of this," "nothing new," "familiar with much of the content," "I have heard this before," "This information confirmed what I already believed," "Nothing was new," "none information was new," "nothing new," "I am familiar with the concept," "None of this was new or unfamiliar," "read most previously."*

Employment treatment subcategories

General response entries used only high-level references. Phrases included: *"Tariffs," "The Tarriffs," "retaliatory tariffs," "the 2018 and 2019 imposed tariffs."*

Farming-specific responses noted the agricultural sector. Phrases were: *"Farmers were hit hardest," "Agriculture was impacted most," "agriculture," "losses being more significant in farming regions," "farming information was new," "agricultural products," "job losses for Americans in the farming regions," "farming regions," "Job losses in agriculture," "Farming jobs."*

Job loss from retaliatory tariffs responses identified retaliation-induced domestic job loss. These included: *"Retaliation caused layoffs," "Jobs lost because other countries hit back," "Retaliatory tariffs led to job cuts," "didnt know farmers lose jobs tariffs," "The part about tariffs causing job losses in the US," "I did not know that unemployment goes up when retaitory tarifs are put into place," "the loss of jobs due to retaliating tariffs," "was not aware employment losses due tariff situation," "That retaliatory tariffs caused job loss," "The part about job losses was new to me."*

Expected worse outcomes than suggested responses stated that the information was less negative than anticipated. Phrases included: *"I thought it would be worse," "I expected bigger job losses," "it not lead major job losses."*

Expected better outcomes than suggested responses reflected surprise that tariffs were not beneficial for employment. These included: *"I didn't think tariffs would hurt jobs," "Surprised it had negative effects," "Didn't expect job loss," "us tariffs failed to create job," "Tarrifs did not lead to job*

gains," "did not lead to job gains."

Magnitude/Details responses focused on numerical unfamiliarity. Phrases included: *"didn't know specific numbers," "not aware specific numbers," "didnt know numbers," "not know exact percentages," "amount was new to me," "exact numbers," "The more in depth information," "A bit of the details were new to me," "authors names," "actual real figures."*

Everything was new responses included: *"all was new," "was first time reading," "all basically new," "Almost the whole information," "wasnt familiar," "all it was unfamiliar," "almost all information was new," "actually all information was unfamiliar," "I haven't been super familiar with tarriffs," "all it was new information," "all information was new," "all it havent particularly pay much attention economic news past years," "I was not familiar with any of it," "All of it," "all."*

No new information responses reflected no learning. Phrases included: *"I already knew everything presented," "I was aware of all," "none," "not much," "I was already familiar," "not much kept track market," "na," "none watch news multiple times," "Nothing in the materials was new to me," "nothing unfamiliar," "none of the information was really new," "I know most of this," "nothing new," "familiar with much of the content," "nothing about it was unfamiliar," "I have heard this before," "This information confirmed what I already believed," "Nothing was new," "none information was new," "nothing new," "I am familiar with the concept," "None of this was new or unfamiliar," "Not surprising," "read most previously."*

This classification approach enables a structured interpretation of subjective responses, facilitating systematic comparison across groups.

E Policy Announcements

Policy Announcement I

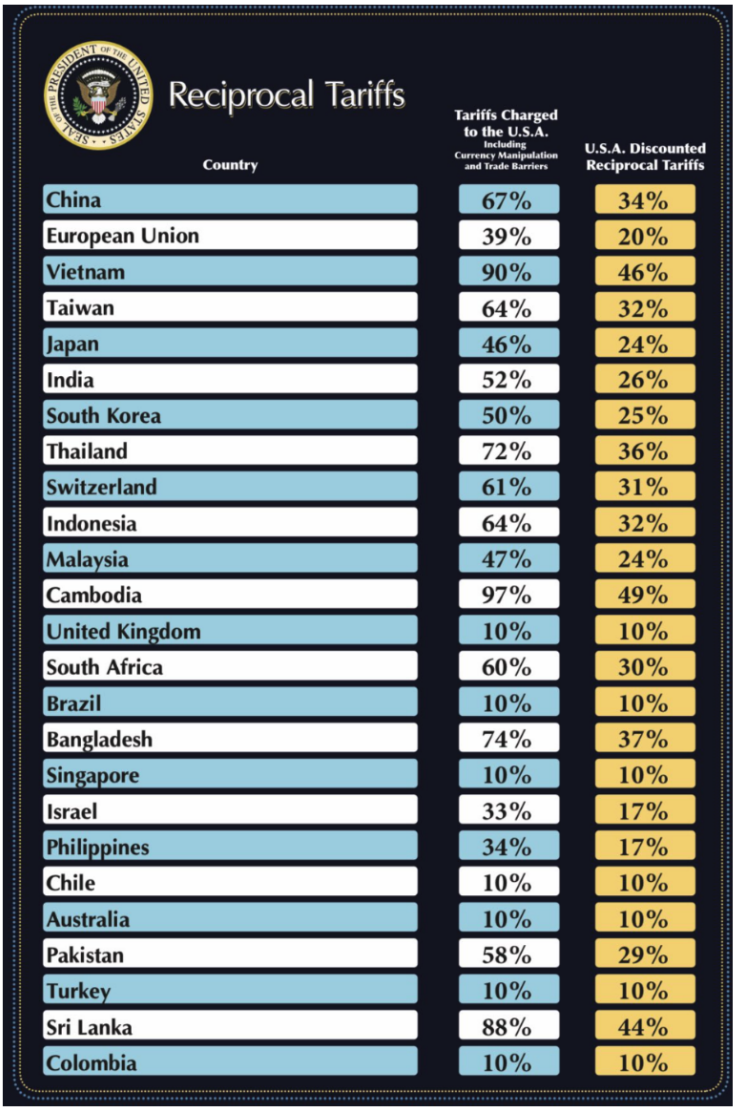
Policy Announcement: U.S. Trade Tariff Changes (April 2025)

On April 2, 2025, President Donald Trump announced a major change in U.S. trade policy by introducing a **10% universal tariff** on all imported goods, effective April 5, 2025. According to the administration, the policy is intended to address trade imbalances and support domestic industries.

The administration also announced plans to implement additional, country-specific tariffs on approximately 60 countries identified as maintaining unfair trade practices. These tariffs are scheduled to take effect on April 9, 2025.

The table below presents information on the proposed **reciprocal tariff structure**. The first column shows the estimated tariff rates that these countries currently apply to U.S. exports, including adjustments for trade barriers such as currency manipulation. The second column shows the corresponding tariff rates that the U.S. proposes to apply to imports from these countries. The U.S. rates are described as **"*discounted* reciprocals,"** meaning they are generally lower than the rates these countries impose on U.S. goods.

The information above is based on official statements released by the U.S. administration and public policy announcements.



Reciprocal Tariffs

Country	Tariffs Charged to the U.S.A. Including Currency Manipulation and Trade Barriers	U.S.A. Discounted Reciprocal Tariffs
China	67%	34%
European Union	39%	20%
Vietnam	90%	46%
Taiwan	64%	32%
Japan	46%	24%
India	52%	26%
South Korea	50%	25%
Thailand	72%	36%
Switzerland	61%	31%
Indonesia	64%	32%
Malaysia	47%	24%
Cambodia	97%	49%
United Kingdom	10%	10%
South Africa	60%	30%
Brazil	10%	10%
Bangladesh	74%	37%
Singapore	10%	10%
Israel	33%	17%
Philippines	34%	17%
Chile	10%	10%
Australia	10%	10%
Pakistan	58%	29%
Turkey	10%	10%
Sri Lanka	88%	44%
Colombia	10%	10%

Policy Announcement II

Since then, the United States has significantly escalated its trade policy through a series of new tariff measures

On **April 2**—known in the U.S. as *Liberation Day*—the government raised the total tariff rate on Chinese imports to **54%**, citing continued concerns over unfair trade practices. In response, **China announced 34% tariffs** on U.S. goods, effective April 4.

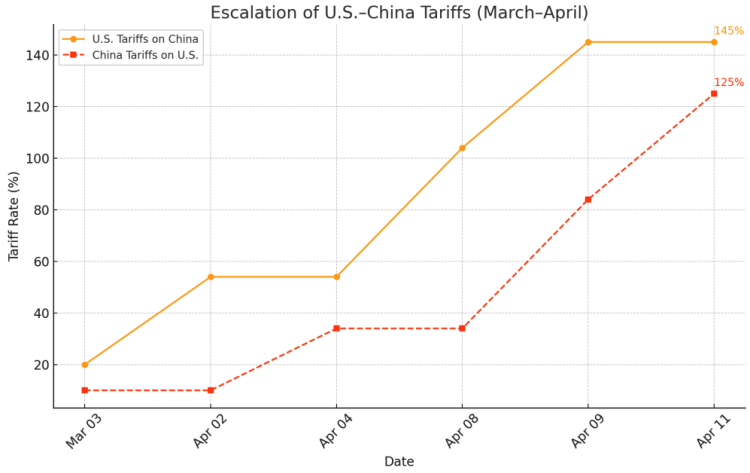
On **April 5**, President Trump's new 10% minimum tariff on imports from nearly all countries and territories took effect.

On **April 9**, the administration's proposed reciprocal tariff rates were scheduled to raise import taxes on dozens of countries. However, just hours after implementation, the administration **suspended** most of these higher rates **for 90 days,** while keeping the 10% universal tariff in place.

China was the exception. On April 9, the U.S. proceeded with an additional increase targeting Chinese imports specifically:

- The U.S. had raised total tariffs on Chinese goods to **145%**
- China had increased tariffs on U.S. exports to **84%**

On April 10, China responded to President Trump's tariffs on Friday, raising its own tariffs on American goods to **125%**.
The chart below illustrates how average tariff rates changed between the two countries during this period.



F Information Treatments

T1: Inflation

In 2018 and 2019, the U.S. government imposed several rounds of tariffs on imports from China. At that time, the average tariff rate reached a maximum of **3.5%**. Economists Cavallo, Gopinath, Neiman, and Tang (2021) conducted an in-depth study using the latest economic techniques to understand the causal impact of these tariffs on the prices of imported goods.

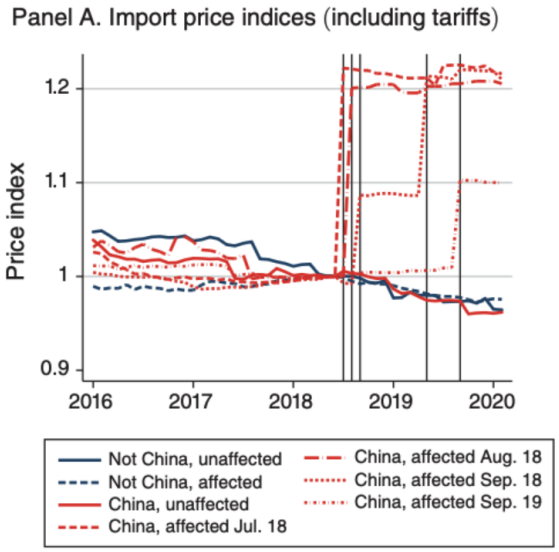
Their research found that tariffs significantly increased the prices paid by U.S. importers. For example, **a 10% tariff led to an average price increase of about 9.4% on affected imports** — meaning nearly all of the tariff cost was passed on to U.S. buyers.

The figure below shows how import prices changed during that period. Each line represents a different group of imported products. Items that were never affected by tariffs followed a stable or slightly declining price trend. In contrast, products from China that were hit by tariffs showed **a sharp increase in prices right after the tariffs took effect**.

The vertical lines on the graph show when key tariff rounds were implemented:

- Summer 2018: First three waves of tariffs on Chinese goods
- May 2019: Tariff on one group increased from 10% to 25%
- September 2019: A new 15% tariff added on another $112 billion in goods

These results suggest that **tariffs caused immediate and visible price increases** for the affected imports. Prices of unaffected products did not change in the same way.



Read Full Article

T2: Employment

In 2018 and 2019, the U.S. government imposed several rounds of tariffs on imports from China. At that time, the average tariff rate reached a maximum of **3.5%**. Economists Autor, Beck, Dorn, and Hanson (2024) conducted an in-depth study using the latest economic techniques to understand the causal impact of these tariffs on employment across different parts of the United States.

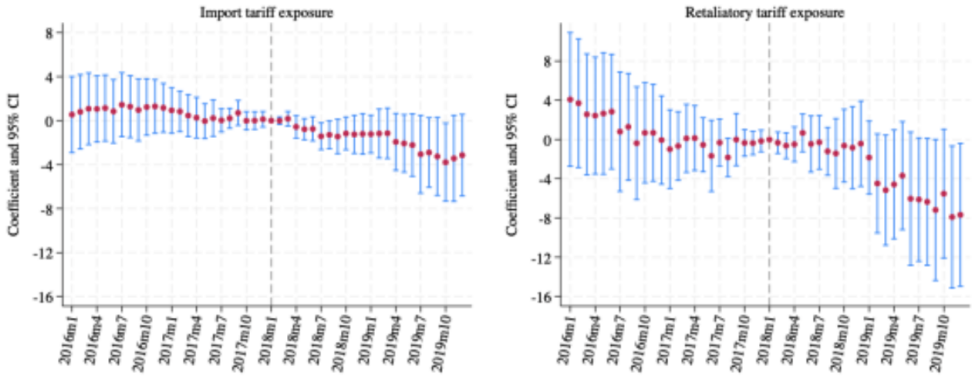
They found that **tariffs on foreign goods did not lead to noticeable job gains** in the U.S. sectors that received new tariff protection. However, **retaliatory tariffs from other countries—especially on U.S. agricultural exports—caused clear job losses**, particularly in farming regions.

The chart below shows changes in employment rates across different U.S. regions (called "commuting zones") depending on their exposure to tariffs:

- The **left panel** shows how employment changed in areas more exposed to U.S. import tariffs.
- The **right panel** shows how employment changed in areas more affected by retaliatory tariffs from other countries.

After the trade war began, employment rates declined slightly in regions exposed to U.S. tariffs, and more significantly in regions hit by foreign retaliation.

Figure 3: Impact of Tariff Exposure on CZ Employment/Population Ratios



Read the full article

T3: Stock

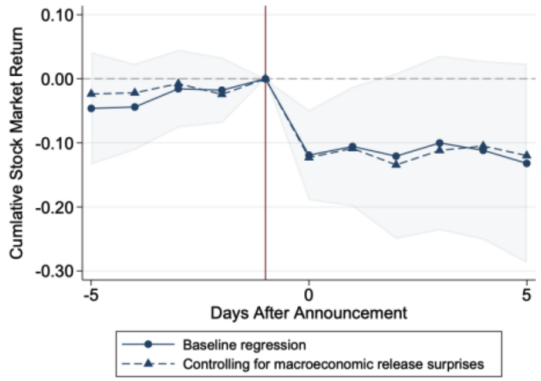
In 2018 and 2019, the U.S. government imposed several rounds of tariffs on imports from China. At that time, the average tariff rate reached a maximum of **3.5%**. Economists Amiti, Gomez, Kong, and Weinstein (2024) conducted an in-depth study using the latest economic techniques to understand the causal impact of these tariff announcements on the U.S. stock market

They found that **tariff announcements led to sharp declines in stock prices.**

Figure 1 below shows how the stock market responded in the days before and after each announcement. Stock prices were relatively stable in the days leading up to the announcements. But immediately after, there were **sizable drops in market value**, often exceeding **10% cumulative losses**, showing a clear negative reaction by investors.

These findings suggest that **tariff announcements** had a significant negative impact on financial markets.

Figure 1: The Dynamics of Stock-Market Returns around Tariff Announcements



Read the full article

T4: Fox

You're almost done with the survey. Before the final questions, we'd like to share the news article from FOXBuinsess:

Fed Chair Powell says tariffs likely to cause inflation to rise, could be persistent
Powell said the extent and duration of a tariff-induced inflation hike is uncertain

By Eric Revell FOXBusiness

Federal Reserve Chair Jerome Powell said at a conference Friday (on April 4th) that President Donald Trump's tariffs are likely to increase inflation and slow economic growth, saying the central bank will do what it can to keep long-term inflation low.

President Trump unveiled sweeping tariff plans on Wednesday that prompted a stock market sell-off and which have prompted retaliation from U.S. trading partners. The S&P 500 is down about 4% on Friday and more than 6% over the past five trading days, while the Dow Jones Industrial Average entered correction territory, down over 10% from its record high in December.

Powell said in his remarks at Friday's conference that it's difficult to predict the impact of tariffs on inflation and other economic indicators "until there is greater certainty about the details, such as what will be tariffed, at what level, and for what duration, and the extent of any retaliation from our trading partners."

"While uncertainty remains elevated, it is now becoming clear that tariff increases will be significantly larger than expected, and the same is likely to be true of the economic effects, which will include **higher inflation and slower growth**," he explained. "The size and duration of these effects remains uncertain."

Read full article: https://www.foxbusiness.com/economy/fed-chair-powell-says-tariffs-likely-cause-inflation-rise-could-persistent

T5: NYT

You are almost done with the survey. Before the final questions, we'd like to share the following news article from **NYTimes:**

Powell Says Trump's Tariffs Raise Risks of Faster Inflation and Slower Growth
Jerome H. Powell, chair of the Federal Reserve, says the central bank's "obligation" is to ensure that a "one-time increase in the price level does not become an ongoing inflation problem."

By Colby Smith, NYTimes

Jerome H. Powell, the chair of the Federal Reserve, warned that President Trump's tariffs risk stoking even higher inflation and slower growth than initially expected, as he struck a more downbeat tone about the outlook, despite the economy so far remaining in a "good place."

"While uncertainty remains elevated, it is now becoming clear that the tariff increases will be significantly larger than expected," he said. "The same is likely to be true of the economic effects, which will include **higher inflation and slower growth**."

Mr. Powell characterized the risks of that outcome, which he warned could include higher unemployment, as "elevated."

"While tariffs are highly likely to generate at least a temporary rise in inflation, it is also possible that the effects could be more persistent," he said in a speech at a conference in Arlington, Va., on Friday (on April 4th).

Read the full article: https://www.nytimes.com/2025/04/04/business/economy/powell-trump-tariff-inflation-risk.html

G Survey Questionnaire

A.Demographics

What is your prolific ID?

What is your gender?

- Male
- Female
- Other

What is your age?

How would you describe yourself? Please select all that apply.

- White
- Black or African American
- American Indian or Alaska Native
- Asian
- Native Hawaiian or Pacific Islander
- Hispanic or Latino Origin
- Other

What is the highest degree or level of school you have completed?

- Less than a high school diploma
- High school degree or equivalent (e.g. GED)
- Some college, no degree

Associate degree (e.g. AA, AS)

Bachelor's degree (e.g. BA, BS)

Master's degree (e.g. MA, MS, MEd)

Doctorate or professional degree (e.g. MD, DDS, PhD)

What is your marital status?

Single (never married)

Married, or in a domestic partnership

Widowed

Divorced

Separated

Where is your primary residence? Please enter the 5 digit zip code.

Which political party do you lean towards?

Democratic party

Republican party

Green party

Libertarian party

Other

Prefer not to answer

Where would you place yourself on this scale?

Extremely liberal

Liberal

Slightly liberal

Moderate; middle of the road

Slightly conservative

Conservative

Extremely conservative

Who did you vote for the last election?

Kamala D. Harris
Donald J. Trump
None of above
Not eligible to vote
Prefer not to say

What kind of news outlet do you follow usually? (select all that apply).

The Washington Post
USA Today
Social media (twitter, instagram, facebook, or youtube)
Fox News
Wall Street Journal
New York Times
CNN

Others

Please rate how much you trust the information from each media outlet below.
(1 = Not at all, 5 = A great deal)

	1=Not at all	2=A little	3=Moderate	4=Qu
CNN	○	○	○	
New York Times	○	○	○	

USA Today	○	○	○	
Fox News	○	○	○	
Wall Street Journals	○	○	○	

In the last month, how much did your household spend (**per month**) on goods and services in total and for each of the individual components listed below?

Please enter a number between 1 and 10,000 for each category. The sum of the expenditures for the individual categories should add up to the total amount.

Food (including groceries, dining out, take-out food, and beverages)	$ 0
Debt and rent payments (mortgages, rent, auto loans, student loans, etc.)	$ 0
Everything else	$ 0
Total	$ 0

In the last month, did you buy a new home, car, or other major big-ticket items (TV, fridge, furniture, and similar items)?

- Yes
- No

How much did you spend on the following?

A house/apartment	$ 0
A car or other vehicle	$ 0
A large home appliance, electronics, or furniture	$ 0
Total	$ 0

Do you plan/expect to purchase a new home, car or other major big-ticket items (TV, fridge, furniture, and similar items) over the next month?

- Yes
- No

How much do you plan/expect to spend on the following?

A house/apartment	$ 0
A car or other vehicle	$ 0
A large home appliance, electronics, or furniture	$ 0
Total	$ 0

Which of the following best characterizes your household:

- Own our house/apartment without a mortgage
- Own our house/apartment and have a fixed-rate mortgage
- Own our house/apartment and have a variable-rate mortgage
- Rent our house/apartment
- Other

How much does your household pay for the monthly mortgage?

_____ dollars per month

How much is your monthly rent?

_____ dollars per month

Do you currently own or hold any of the following assets?

- A home that you or your family live in (owner-occupied housing)
- Stocks or stock mutual funds (including through retirement accounts like 401(k), IRA)
- Bonds or bond mutual funds (including municipal or Treasury bonds)
- Cryptocurrency (e.g., Bitcoin, Ethereum)
- Savings account
- None of above

Approximately how much do you hold in each of the following (**including** in retirement accounts)?
(Use your best guess. Round to $1,000 if unsure.)

Home equity (home value minus mortgage)	$ 0
Stocks	$ 0
Bonds	$ 0
Cryptocurrency	$ 0
Savings account	$ 0
Total	$ 0

How would you describe your level of involvement in managing your investments?

- Very active — I manage my portfolio myself
- Somewhat involved — I check and make changes occasionally
- Not involved — My investments are managed for me
- Not sure / Prefer not to say

B.Labor

Do you have a paid job?

- Yes, Full-time
- Yes, Part-time
- . .

No

How much do you make before taxes and other deductions at your main/current job, on an **annual** basis? Please include any bonuses, overtime pay, tips or commissions

dollars per year

Please select the option that best describes your industry for your main job.

Agriculture, Forestry, Fishing or Hunting
Mining, Quarrying, or Oil and Gas Extraction
Utilities
Construction
Manufacturing
Wholesale Trade
Retail Trade
Transportation or Warehousing
Information Services (including Publishing or Media)
Banking, Finance, or Insurance
Real Estate, or Rental & Leasing Services
Professional, Technical, or Business Services
Education
Health Care or Social Assistance
Arts, Entertainment, or Recreation
Hotel, Accommodation, Restaurant, or Food Services
Other Services (except Government)
Government, including Military

Are you actively looking for a job?

Yes
No

Here are a number of possible reasons why people who are not working choose **not** to look for work. Please **select all that apply** to you.

- Homemaker
- Raising children

- Student
- Retiree
- Disabled, health issues
- Couldn't find a job
- On break
- No financial need
- Temporarily laid-off (expect to be recalled with the next 6 months)
- Temporarily laid-off (do not expect to be recalled with the next 6 months)
- Other

C.Inflation/wage/price expectations

We would like to ask you about the **rate of inflation/deflation**.

Note: inflation is the percentage rise in overall prices in the economy, most commonly measured by the Consumer Price Index and deflation corresponds to when prices are falling.

Over the last 12 months, what do you think the overall rate of **inflation/deflation** has been in the economy?

If you think there has been inflation, please enter a positive number.

If you think there has been deflation, please enter a negative number.

If you think there has been neither inflation nor deflation, please enter zero.

The rate of inflation/deflation was [ ] % over the last 12 months.

In THIS question, you will be asked about the probability (**PERCENT CHANCE**) of something happening.

The percent chance must be a number between 0 and 100.
The sum of your answers must add up to 100.

0 means there is absolutely no chance.
100 means that it is absolutely certain.

What do you think is the **percent chance** that, **over the next 12 months**...

the rate of inflation will be 12% or more	0
the rate of inflation will be between 8% and 12%	0
the rate of inflation will be between 4% and 8%	0
the rate of inflation will be between 2% and 4%	0
the rate of inflation will be between 0% and 2%	0
the rate of deflation (opposite of inflation) will be between 0% and 2%	0
the rate of deflation (opposite of inflation) will be between 2% and 4%	0
the rate of deflation (opposite of inflation) will be between 4% and 8%	0
the rate of deflation (opposite of inflation) will be between 8% and 12%	0
the rate of deflation (opposite of inflation) will be 12% or more	0
Total	0

Over the next 3-5 years, what do you think the overall rate of **inflation/deflation** will be?

If you think there has been inflation, please enter a positive number.

If you think there has been deflation, please enter a negative number.

If you think there has been neither inflation nor deflation, please enter zero.

The rate of inflation/deflation will be [ ] % over the next 3-5 year.

How would you rate **business/economic conditions** in this country as a whole **today**?

Excellent

Good

Only fair

Poor

In a year from now, do you think that **business/economic conditions** in this country, as a whole, will be better than they are at present, will be worse, or will be about the same?

Better a year from now

About the same

Worse a year from now

D. Unemployment

What is your best guess about the **current unemployment rate** in the U.S.?

[ ] %

What is your best guess about what the **unemployment rate** in the U.S. will be **in 12 months**?

[ ] %

What is your best guess about what the **unemployment rate** in the U.S. will be over the **next 3-5 years**?

[ ] %

E. Tariff-mechanism

Next, we'll ask for your opinions about international trade and recent tariff policies.

What do you think foreign trade means for America?
Do you see foreign trade more as an opportunity for economic growth through increased U.S. exports, or a threat to the economy from foreign imports?

Opportunity for economic growth

Threat to the economy

I don't follow trade policy closely enough to say

Others

Policy Announcement: U.S. Trade Tariff Changes (April 2025)

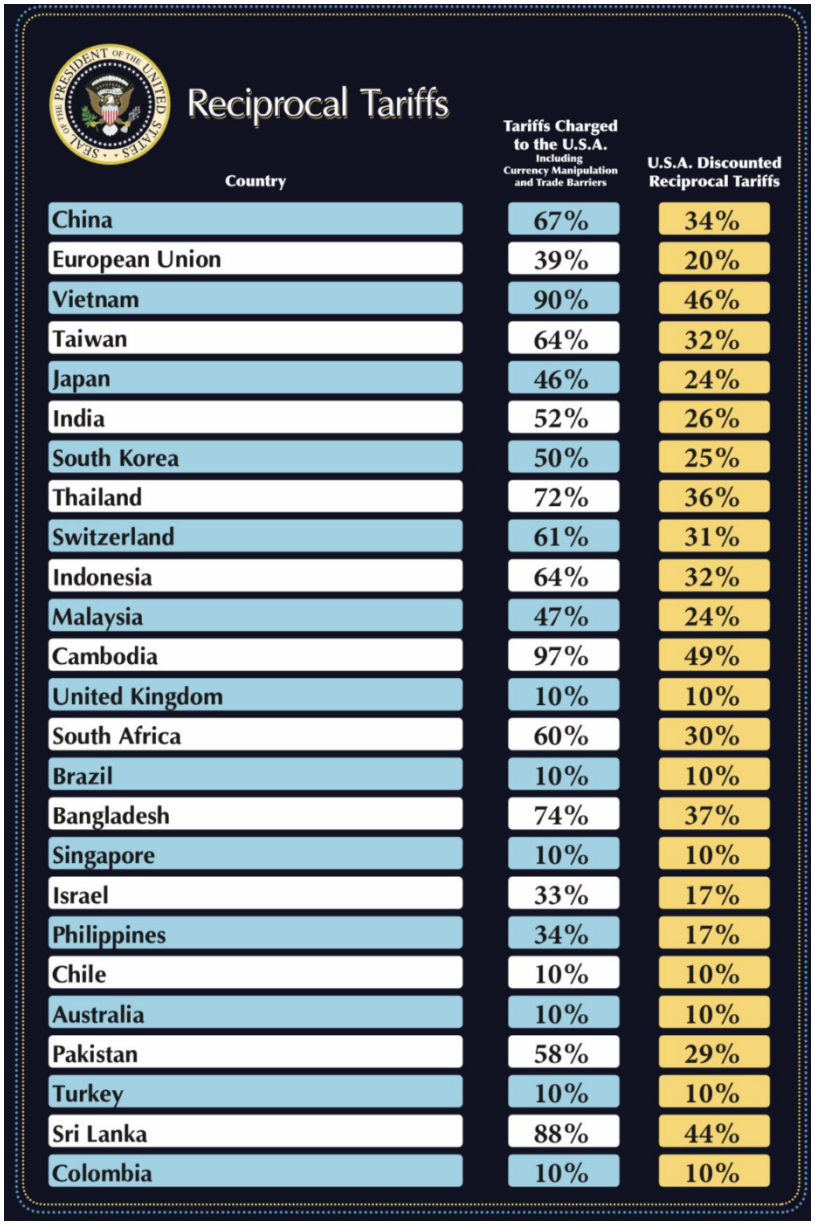
On April 2, 2025, President Donald Trump announced a major change in U.S. trade policy by introducing a **10% universal tariff** on all imported goods, effective April 5, 2025. According to the administration, the policy is intended to address trade imbalances and support domestic industries.

The administration also announced plans to implement additional, country-specific tariffs on approximately 60 countries identified as maintaining unfair trade practices. These tariffs are scheduled to take effect on April 9, 2025.

The table below presents information on the proposed **reciprocal tariff structure**. The first column shows the estimated tariff rates that these countries currently apply

to U.S. exports, including adjustments for trade barriers such as currency manipulation. The second column shows the corresponding tariff rates that the U.S. proposes to apply to imports from these countries. The U.S. rates are described as **"*discounted* reciprocals,"** meaning they are generally lower than the rates these countries impose on U.S. goods.

The information above is based on official statements released by the U.S. administration and public policy announcements.



Country	Tariffs Charged to the U.S.A. including Currency Manipulation and Trade Barriers	U.S.A. Discounted Reciprocal Tariffs
China	67%	34%
European Union	39%	20%
Vietnam	90%	46%
Taiwan	64%	32%
Japan	46%	24%
India	52%	26%
South Korea	50%	25%
Thailand	72%	36%
Switzerland	61%	31%
Indonesia	64%	32%
Malaysia	47%	24%
Cambodia	97%	49%
United Kingdom	10%	10%
South Africa	60%	30%
Brazil	10%	10%
Bangladesh	74%	37%
Singapore	10%	10%
Israel	33%	17%
Philippines	34%	17%
Chile	10%	10%
Australia	10%	10%
Pakistan	58%	29%
Turkey	10%	10%
Sri Lanka	88%	44%
Colombia	10%	10%

According to the policy announcement, what is the universal tariff rate the U.S. plans to apply to all imported goods?

- 5%
- 10%
- 15%
- 25%
- I'm not sure

Based on what you just read, to what extent do you support or oppose the U.S. trade policy described above?

- Strongly support
- Somewhat support
- Neither support nor oppose
- Somewhat oppose
- Strongly oppose

Before today, had you seen or heard about the policy announcement described above?

- Yes
- No

Since then, the United States has significantly escalated its trade policy through a series of new tariff measures

On **April 2**—known in the U.S. as *Liberation Day*—the government raised the total tariff rate on Chinese imports to **54%**, citing continued concerns over unfair trade practices. In response, **China announced 34% tariffs** on U.S. goods, effective April 4.

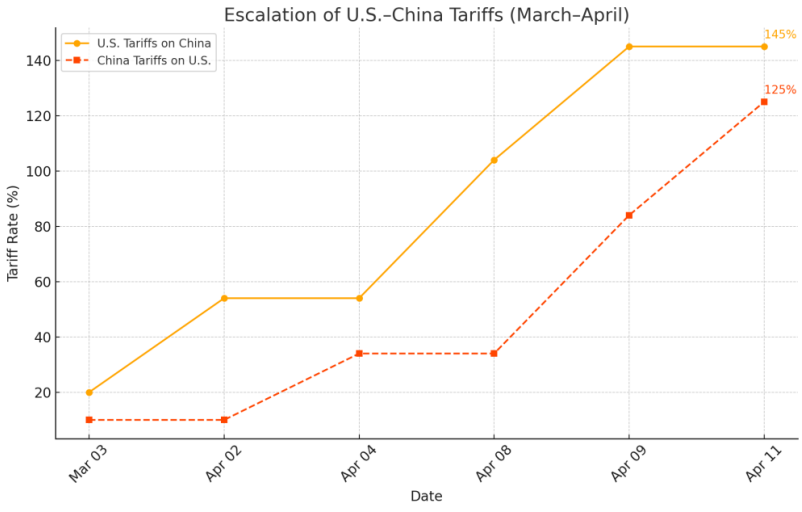
On **April 5**, President Trump's new 10% minimum tariff on imports from nearly all countries and territories took effect.

On **April 9**, the administration's proposed reciprocal tariff rates were scheduled to raise import taxes on dozens of countries. However, just hours after implementation, the administration **suspended** most of these higher rates **for 90 days,** while keeping the 10% universal tariff in place.

China was the exception. On April 9, the U.S. proceeded with an additional increase targeting Chinese imports specifically:

- The U.S. had raised total tariffs on Chinese goods to **145%**
- China had increased tariffs on U.S. exports to **84%**

On April 10, China responded to President Trump's tariffs on Friday, raising its own tariffs on American goods to **125%**. The chart below illustrates how average tariff rates changed between the two countries during this period.



According to the information you just read, what were the final tariff rates imposed between the U.S. and China as of April 10?

- The U.S. imposed 145% tariffs on Chinese goods; China imposed 84% tariffs on U.S. goods
- The U.S. imposed 10% tariffs on all countries, including China; China did not respond
- The U.S. imposed 145% tariffs on Chinese goods; China imposed 125% tariffs on U.S. goods
- I'm not sure

"The U.S. imposed 145% tariffs on Chinese goods, and China imposed 125% tariffs on U.S. goods."

In your own words, how do you think the recently announced tariff policy would affect the U.S. economy?

How do you expect this tariff policy to affect the **inflation rate** over the **next 12 months**?

- Increase
- No change
- Decrease

By how much percentage points do you expect this tariff policy to **raise** the **inflation rate** over the **next 12 months**?

Increase by [ ] %

By how much percentage points do you expect this tariff policy to **decrease** the **inflation rate** over the **next 12 months**?

Decrease by [ ] %

How do you expect this tariff policy to affect the **unemployment rate** over the **next 12 months**?

- Increase
- No change
- Decrease

By how many percentage points do you expect this tariff policy to **raise** the **unemployment rate** over the **next 12 months**?

Increase by [ ] %

By how many percentage points do you expect this tariff policy to **decrease** the **unemployment rate** over the **next 12 months**?

Decrease by [ ] %

Over the **next 5 years**, how do you expect this tariff policy to affect the **unemployment rate**?

- Increase
- No change
- Decrease

How do you expect this tariff policy to affect the overall **stock market** level over the **next 12 months**?

market level over the **next 12 months**?

- Increase
- No change
- Decrease

By how many percentage points do you expect this tariff policy to **raise** the value of the **stock market (for example, S&P 500)** over the **next 12 months**?

Increase by [ ] %

By how many percentage points do you expect this tariff policy to **decrease** the value of the **stock market (for example, S&P 500)** over the **next 12 months**?

Decrease by [ ] %

How do you expect this tariff policy to affect the **business and economic conditions** in the **next 12 months**?

- Better
- About the same
- Worse

How do you expect this tariff policy to affect the **business and economic conditions** in the **next 3-5 years**?

- Better
- About the same
- Worse

F. Information treatment

You are almost done with the survey. Before the final questions, we'd like to share the following information:

In 2018 and 2019, the U.S. government imposed several rounds of tariffs on imports from China. At that time, the average tariff rate reached a maximum of **3.5%**. Economists Cavallo, Gopinath, Neiman, and Tang (2021) conducted an in-depth study using the latest economic techniques to understand the causal impact of these tariffs on the prices of imported goods.

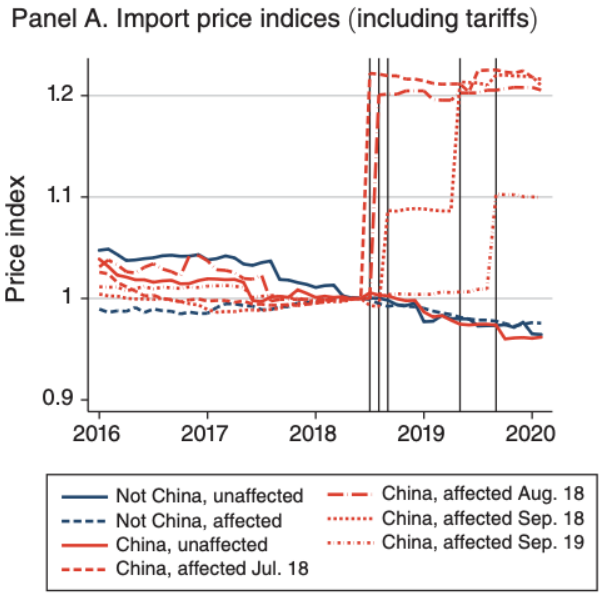
Their research found that tariffs significantly increased the prices paid by U.S. importers. For example, **a 10% tariff led to an average price increase of about 9.4% on affected imports** — meaning nearly all of the tariff cost was passed on to U.S. buyers.

The figure below shows how import prices changed during that period. Each line represents a different group of imported products. Items that were never affected by tariffs followed a stable or slightly declining price trend. In contrast, products from China that were hit by tariffs showed **a sharp increase in prices right after the tariffs took effect**.

The vertical lines on the graph show when key tariff rounds were implemented:

- Summer 2018: First three waves of tariffs on Chinese goods
- May 2019: Tariff on one group increased from 10% to 25%
- September 2019: A new 15% tariff added on another $112 billion in goods

These results suggest that **tariffs caused immediate and visible price increases** for the affected imports. Prices of unaffected products did not change in the same way.



Read Full Article

According to the research described above, what happened to the prices of U.S. imports from China when tariffs were imposed in 2018–2019?

- Prices of Chinese imports decreased significantly
- Prices of Chinese imports remained the same
- Prices of Chinese imports increased sharply
- Prices of non-Chinese imports were also affected in the same way
- I am not sure.

G. Post treatment

Which parts of this information were new or unfamiliar to you?

What do you think the **inflation/deflation rate** (as measured by the Consumer Price Index) is going to be **over the next 12 months**? Please provide an answer as a **percentage change from current prices**.

If you think there will be inflation, please enter a positive number.

If you think there will be deflation, please enter a negative number.

If you think there will be neither inflation nor deflation, please enter zero.

The rate of inflation/deflation will be [ ] % over the next 12 months.

What do you think the **unemployment rate** will be **at the end of 2025**?

[ ] %

How much do you think the **stock price** will have changed by the **end of 2025 compared to now**?

Please provide an answer as a **percentage change from current stock prices**.

[ ] %

How would you rate **business/economic conditions** in this country as a whole **today**?

Excellent

- Good
- Only fair
- Poor

In a year from now, do you think that **business/economic conditions** in this country, as a whole, will be better than they are at present, will be worse, or will be about the same?

- Better a year from now
- About the same
- Worse a year from now

In 3-5 years from now, do you think that **business/economic conditions** in this country, as a whole, will be better than they are at present, will be worse, or will be about the same?

- Better a year from now
- About the same
- Worse a year from now

Who do you think ultimately pays for the costs associated with tariffs? (Select all that apply)

- Foreign government
- Foreign producer
- U.S. importers/distributors
- Retailers
- U.S. government
- U.S. households

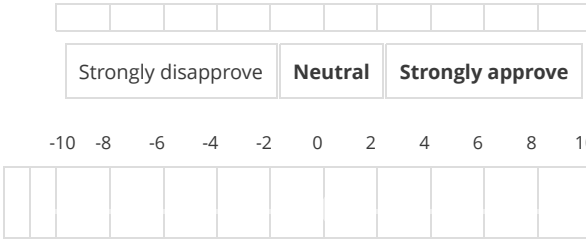
If a 10% tariff is imposed on imported goods, by how many percentage points do you expect their prices to rise for U.S. consumers?

[ ] %

If you had the choice, what's the maximum one-time amount you'd be willing to pay to **remove** the recently imposed tariffs?

$

How much do you approve or disapprove of how Donald Trump is handling the economy?



.

Which of the following is most important to you personally? (Rank order)

Keeping prices low

Protecting American jobs

Supporting American companies

When it comes to trade policy, who do you believe best represents your interests? (1 = Not at all, 5 = A great deal)

	1=Not at all	2=A little	3=Moderate	4=C
Academic economists	○	○	○	
Political leaders	○	○	○	

Business executives	○	○	○	
Labor Union	○	○	○	

What do you think the Federal Reserve should do in the near future regarding interest rates?

Decrease the interest rate

Keep the interest the same

Increase the interest rate

Others (please specify):

Thank you for participating in the survey! We appreciate your time and value your input. If you have any comments or suggestions, please feel free to share them with us — we'd love to hear from you.

To submit your responses and complete the survey, please click the blue arrow button below.