

NBER Behavioral Macroeconomics Research Boot Camp

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Lecture 1. Dampening general equilibrium: Models of imperfect coordination

- *Nagel, R. (1995). Unraveling in guessing games: An experimental study. *The American Economic Review*.
- *Morris, S., & Shin, H. S. (2002). Social value of public information. *American Economic Review*.
- *Camerer, C. F., Ho, T. H., & Chong, J. K. (2004). A cognitive hierarchy model of games. *The Quarterly Journal of Economics*.
- *Angeletos, G. M., & Lian, C. (2022). Dampening General Equilibrium: Incomplete Information and Bounded Rationality. *Handbook of Economic Expectations*.

Noisy (incomplete) information as a model of imperfect coordination:

- Angeletos, G. M., & Pavan, A. (2007). Efficient use of information and social value of information. *Econometrica*.
- Angeletos, G.-M., & Lian, C. (2016). "Incomplete information in macroeconomics: Accommodating frictions in coordination." *Handbook of Macroeconomics*. Vol. 2. Chapter 7.

Level-k thinking:

- Stahl, D. O., II, & Wilson, P. W. (1994). Experimental evidence on players' models of other players. *Journal of Economic Behavior & Organization*.
- Stahl, D. O., & Wilson, P. W. (1995). On players' models of other players: Theory and experimental evidence. *Games and Economic Behavior*.
- Ho, T. H., Camerer, C., & Weigelt, K. (1998). Iterated dominance and iterated best response in experimental "p-beauty contests". *American Economic Review*.
- Costa-Gomes, M., Crawford, V. P., & Broseta, B. (2001). Cognition and behavior in normal-form games: An experimental study. *Econometrica*, 69(5), 1193–1235.
- Bosch-Domenech, A., Montalvo, J. G., Nagel, R., & Satorra, A. (2002). One, two, (three), infinity, ...: Newspaper and lab beauty-contest experiments. *American Economic Review*.
- Costa-Gomes, M. A., & Crawford, V. P. (2006). Cognition and behavior in two-person guessing games: An experimental study. *American Economic Review*, 96(5), 1737–1768.
- Crawford, V. P., Costa-Gomes, M. A., & Iriberri, N. (2013). Structural models of nonequilibrium strategic thinking: Theory, evidence, and applications. *Journal of Economic Literature*.
- Coibion, O., Gorodnichenko, Y., Kumar, S., & Ryngaert, J. (2021). Do you know that I know that you know...? Higher-order beliefs in survey data. *Quarterly Journal of Economics*.

Cursed equilibrium:

- Grossman, S. J., & Stiglitz, J. E. (1980). On the impossibility of informationally efficient markets. *The American Economic Review*.
- Eyster, E., & Rabin, M. (2005). Cursed equilibrium. *Econometrica*.
- Eyster, E., Rabin, M., & Vayanos, D. (2019). Financial markets where traders neglect the informational content of prices. *The Journal of Finance*.

Lecture 2. Macroeconomics with imperfect coordination

- *Woodford, M. (2003). Imperfect common knowledge and the effects of monetary policy. *Knowledge, Information, and Expectations in Modern Macroeconomics: In Honor of Edmund S. Phelps*.
- *Angeletos, G. M., & Lian, C. (2018). Forward guidance without common knowledge. *American Economic Review*.
- *Farhi, E., & Werning, I. (2019). Monetary policy, bounded rationality, and incomplete markets. *American Economic Review*.
- *García-Schmidt, M., & Woodford, M. (2019). Are low interest rates deflationary? A paradox of perfect-foresight analysis. *American Economic Review*.
- *Gabaix, X. (2020). A Behavioral New Keynesian model. *American Economic Review*.
- *Angeletos, G. M., & Lian, C. (2022). Dampening General Equilibrium: Incomplete Information and Bounded Rationality. *Handbook of Economic Expectations*.
- *Angeletos, G. M., & Lian, C. (2023). Determinacy without the Taylor principle. *Journal of Political Economy*, 131(8), 2125–2164.

Complementary approaches and applications:

- Allen, F., Morris, S., & Shin, H. S. (2006). "Beauty Contests and Iterated Expectations in Asset Markets." *Review of Financial Studies*.
- Nimark, K. (2008). "Dynamic Pricing and Imperfect Common Knowledge." *Journal of Monetary Economics*.
- Angeletos, G. M., & La'O, J. (2010). Noisy business cycles. *NBER Macroeconomics Annual*.
- Woodford, M. (2013). Macroeconomic analysis without the rational expectations hypothesis. *Annual Review of Economics*.
- Melosi, L. (2014). Estimating models with dispersed information. *American Economic Journal: Macroeconomics*.
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- Kiley, M. T. (2016). Policy paradoxes in the New Keynesian model. *Review of Economic Dynamics*.

- Andrade, P., Gaballo, G., Mengus, E., & Mojon, B. (2019). Forward guidance and heterogeneous beliefs. *American Economic Journal: Macroeconomics*.
- Woodford, M. (2019). Monetary policy analysis when planning horizons are finite. *NBER Macroeconomics Annual*.
- Carroll, C., Crawley, E., Slacalek, J., Tokuoka, K., & White, M. N. (2020). Sticky expectations and consumption dynamics. *American Economic Journal: Macroeconomics*.
- Angeletos, G. M., & Huo, Z. (2021). Myopia and anchoring. *American Economic Review*.
- Angeletos, G. M., & Sastry, K. A. (2021). Managing Expectations: Instruments Versus Targets. *The Quarterly Journal of Economics*.
- Lian, C. (2021). A theory of narrow thinking. *Review of Economic Studies*.
- Gorodnichenko, Y., & Sergeyev, D. (2021). Zero lower bound on inflation expectations. *NBER Working Paper*.
- Woodford, M., & Xie, Y. (2022). Fiscal and Monetary Stabilization Policy at the Zero Lower Bound: Consequences of Limited Foresight. *Journal of Monetary Economics*.
- Iovino, L., & Sergeyev, D. (2023). Central bank balance sheet policies without rational expectations. *Review of Economic Studies*.
- Afrouzi, H. (2024). Strategic Inattention, Inflation Dynamics, and the Nonneutrality of Money. *Journal of Political Economy*.
- Eichenbaum, M. S., Guerreiro, J., & Vimercati, R. B. (2024). Fiscal stimulus with imperfect expectations: Spending vs. taxes. *Journal of Economic Theory*.
- Angeletos, G. M., & Sastry, K. A. (2025). Inattentive Economies. *Journal of Political Economy*.