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The Global Economic Impact of Politicians: Evidence from an International Survey RCT*

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Abstract

We use the US presidential election on 3 November 2020 to examine how the US president influences economic expectations of international experts. We design a large-scale RCT among 843 experts working in 107 countries, asking about their expectations regarding GDP growth, unemployment, inflation, and trade in their country. The sample is split randomly in two subsamples. Half of the participants were surveyed closely before the election, the other half directly after Joe Biden had been called US president. Our results show that the election of Joe Biden increased growth expectations of international experts by 0.98 percentage points for the year 2021. We also find that (i) treatment effects materialize only in the short-run and (ii) experts' uncertainty increased after the election. Our results suggest that exceptional politicians influence global economic outcomes.

Keywords: US Presidential Elections; Politicians; Economic Expectations; Economic Experts; Randomized Controlled Trial; Causal Inference

JEL Codes: A11; D72; O11

AEA Registry: This experiment has been pre-registered at the AEA RCT Registry. RCT ID: AEARCTR-0006674 (Registration date: October 28, 2020).

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1 Introduction

"American Elections 2020: Joe Biden's victory sparks huge relief in Europe"
— Le Monde, November 9, 2020

"Scientists relieved as Joe Biden wins tight US presidential election"
— Nature, November 9, 2020

This article addresses one of the most fundamental political economy questions: how large is the economic impact of politicians? Empirical studies show that political leaders influence national economic growth (Jones and Olken, 2005; Besley and Reynal-Querol, 2011; Brown, 2020; Easterly and Pennings, 2020). Although this literature has delivered many insights about the contribution of national leaders to a country's economic outcomes, almost nothing is known about the global impact of politicians.

We use the 2020 US presidential election to examine the causal effect of the US president on expert expectations about economic outcomes in a global randomized controlled trial (RCT). Because of the many confounding events, it is difficult to estimate a causal effect using realized observations of macroeconomic variables, many of which are available only on a quarterly or yearly base. Our strategy is to use expectations of experts instead, which is motivated by the observation that experts predict economic outcomes with high accuracy (DellaVigna and Pope, 2018). We conduct a large-scale international survey among 843 economic experts working in 107 countries and ask participants about their short- and long-run expectations regarding real GDP growth, inflation, unemployment, and trade volumes. The participants included in our sample are renowned economic experts working at universities, research institutes, central banks, multinational companies, embassies, and international organizations. We focus on prestigious policy advisors whose opinions influence the national economic debates in the country they work in ("host country").

We randomly split the sample of surveyed experts into two sub-samples. One sub-sample was polled closely before the election (the control group), the other sub-sample was polled closely after Joe Biden had been called president-elect (the treatment group). The results show that experts who have been informed that Joe Biden won the US presidential election expect real GDP growth in their host country in 2021 to be 0.98 percentage points higher than experts polled prior to election date. We also find positive treatment effects of Biden's election on experts' expectations about foreign trade. Our estimates also uncover substantial effect heterogeneity: while the

benchmark effects predominate in the full sample of experts and the sample of experts outside the United States, we do not find any statistically significant treatment effects when restricting the sample to US-based experts.

Three features make the 2020 US presidential election an ideal testing ground for identifying the global economic impact of politicians. First, the US president is perhaps the most powerful politician in the world. The United States influence global developments (Berger et al., 2013; Corsetti et al., 2014) and seek global leadership (Congressional Research Service, 2020). Second, the 2020 US presidential election attracted overwhelming global public attention and has been closely watched by the international community and economic experts around the globe (see Figure B-2 in the appendix). Third, the incumbent president Donald Trump has substantially changed the global political landscape during his four years in office. His "America first" doctrine and the break with many longstanding conventions and decades-old alliances marked a departure of US foreign policy since World War II, affecting multiple nations by means of trade war and the withdrawal of Western political alliances. His policies have sparked a heated controversy and initiated the discussion of a "post-truth" era in world politics (Higgins, 2016; Crilley, 2018). The campaign of his challenger Joe Biden was built on the promise to reverse Trumps policies. In essence, the 2020 presidential election was an election for or against the politician Donald Trump.

Our empirical setting followed the pre-analysis plan that we submitted prior to our experiment (October 28, 2020). The baseline results obtained by this setting are corroborated by many robustness checks that consider confounding treatments such as the 2020 coronavirus pandemic and the announcement of the effectiveness of the vaccine candidate *BNT162b2* developed against SARS-CoV-2. Our results are also robust to various changes in the key assumptions underlying our estimation strategy. As our outcomes are self-reported, we took steps to rule-out experimenter demand effects. Experts participated in previous versions of the survey (that did not include RCTs) since 1981. Also, invitations were sent out by an assistant working in ifo's survey department to rule out that answers were driven by any emotion of participants towards us. Most importantly, however, there was large uncertainty about the electoral outcome. Even if experts would have liked to provide answers that produce interesting results, it was unknown for the control group how such answers would look like.

There are two alternative explanations for our results that would go against our interpretation of a "Trump-Effect". First, over the period 1949-2012, annualized real

GDP growth was 1.79 percentage points higher under Democratic than Republican presidents. This phenomenon has become known as the "presidential growth gap" (Blinder and Watson, 2016; Cahan and Potrafke, 2017; Pastor and Veronesi, 2020).[1] Second, the information that Joe Biden won the US presidential election has resolved electoral uncertainty. Resolving electoral uncertainty has been shown to have real economic consequences. Empirical studies find that economic agents adjusted their expectations once electoral uncertainty is resolved (Gerber and Huber, 2009; Jens, 2017; Falk and Shelton, 2018).[2]

To examine whether our results may also be explained by alternative theories, we proceed on two fronts. We first examine the duration of the treatment effects by eliciting experts' expectations until the end of the next presidency (excluding the highly contested election year 2024). We do not find that the treatment effects are long-lasting. Informing experts about the outcome of the 2020 US presidential election yields more favorable expectations of global experts only for the year 2021. This result does not suggest that the treatment effects are driven by expert's knowledge about the presidential growth gap, in which case we would expect the effects to last over the entire presidency of Joe Biden. On a second front, we examine whether informing experts about the outcome of the election has reduced the uncertainty about their expectations. To measure uncertainty, we ask participants to predict the percentage change for several possible outcomes of the macroeconomic variables included in our survey, allowing us to compute experts' probabilistic density forecast. We use this density to compute summary statistics of expert's level of uncertainty. Our results show that experts who have been informed that Joe Biden won the election have higher levels of uncertainty. These results suggest that the Biden campaign was primarily built on the strategy of voting Donald Trump out of office and that the international community is uncertain about Biden's policies as US president.

What do our results imply about the overall impact of politicians on global economic outcomes? We focus on expectations of economic experts, who have been shown to forecast economic outcomes quite accurately (DellaVigna and Pope, 2018). Under

[1] Also, stock markets did much better under Democratic than Republican presidents (Santa-Clara and Volkanov, 2003; Pastor and Veronesi, 2020).

[2] In a similar vein, financial markets responded to flawed poll data on the US presidential election day in the 2004 (Snowberg et al., 2007). Financial markets and firms' investments also responded to national elections in many other countries: volatilities of finanical markets were especially high just before national elections and firms decreased their investments in election years (e.g. Julio and Yook, 2012; Kelly et al., 2016).

the assumption that randomization was successful, there should be no systematic differences in forecasting ability between experts in the control and the treatment group. Hence, the more positive expectations of experts asked after the election are likely to materialize in realized outcomes. A related question is the extent to which our results can be generalized. On the one hand, the identified treatment effect of 0.98 percentage points for expected real GDP growth in 2021 is substantial, amounting to roughly half of the average annual global growth rate since the Financial Crisis (1.82%, see World Bank, 2020). On the other hand, our estimates are based on the US presidential elections. Given the dominant role of the US president in world politics and the exceptional character of Donald Trump, few politicians are likely to have such a sizable impact on the global economy.Against the backdrop of China's unprecedented rise in world politics and Russia's influence in Europe and Asia, however, we would expect that some other world politicians may also coin growth rates on an international scale. The empirical investigation of this conjecture is a task or future studies.

Contribution to the literature: We relate to the literature that examines how politicians and national leaders influence economic outcomes. Empirical evidence suggests that national politicians influence economic growth (Jones and Olken, 2005; Yao and Zhang, 2015; Easterly and Pennings, 2020) and that the growth effect depends on the education of leaders (Besley and Reynal-Querol, 2011), particularly when leaders have a background in economics (Brown, 2020). Our results contribute to this literature by showing that national leaders also exert great influence on the state of the global economy.

Our study also adds to the literature that investigates how political uncertainty influences economic outcomes (e.g. Pastor and Veronesi, 2012, 2013; Kelly et al., 2016; Baker et al., 2016; Bloom et al., 2018). Measuring political uncertainty is difficult. For example, Kelly et al. (2016) describe that *"a key obstacle in assessing the impact of political uncertainty is the difficulty in isolating exogenous variation in this uncertainty"* (p. 2418). Our innovation to address the challenge of uncertainty measurement is twofold. First, we use exogenous variation in political uncertainty by implementing an RCT around the US presidential elections on 3 November 2020. Second, we ask participants to predict the percentage changes of certain outcomes of the variables included in our survey, which we use to retrieve individual-level measures of uncertainty based on the resulting probabilistic density function. Contrary to evidence provided

in previous studies which show that uncertainty is resolved after elections, our results suggest that uncertainty increases when there is ambiguity about the policies the new incumbent may pursue.

We also contribute to studies that investigate how government ideology influences macroeconomic outcomes and expectations (e.g. Santa-Clara and Volkanov, 2003; Gerber and Huber, 2010; Blinder and Watson, 2016; Cahan and Potrafke, 2017; Potrafke, 2017, 2018; Bachmann et al., 2020; Pastor and Veronesi, 2020). Examining how government ideology in the United States influences expectations about economic outcomes in other countries is new. While descriptive statistics show that growth rates have been higher under Democratic presidents than under Republican incumbents (the "presidential growth gap"; Blinder and Watson, 2016), our results suggest that international experts do not expect that a similar gap materializes in their host country. This finding also suggests that there are no positive externalities of a Democrat president in office *per se*, supporting the notion that the presidential growth gap is driven by timing and luck (Pastor and Veronesi, 2020).

Our study is also related to the literature that studies assessments of economic experts (e.g. Gordon and Dahl, 2013; Sapienza and Zingales, 2013; DellaVigna and Pope, 2018; Gründler and Potrafke, 2020; Zingales, 2020). We are not aware of any previous work that considers changes of incumbents when evaluating assessments of economic experts. We also advance on the literature by conducting an RCT among experts on a global scale.

2 The 2020 US presidential election

We first describe the events at election night, 3 November 2020, and the subsequent events until major media outlets called the election for Biden on 7 November 2020. We then discuss the unique features of the US presidential election that makes it an ideally suited experiment for studying the global economic impact of politicians.

2.1 Events at election night and subsequent days

The outcome of the US presidential election on 3 November 2020 was not clear until 7 November 2020. It took some time to count the votes, in particular, because many citizens did early and postal voting. The Republican incumbent, Donald Trump, declared himself to be the winner of the election on 3 November 2020. At that time, Donald

Trump won critical swing states such as Florida and Ohio and was leading in states such as Wisconsin, Michigan, Georgia, North Carolina and Pennsylvania. He would have won the election had he won the states in which he was leading on 3 November 2020. However, the lead changed in many tight states while the postal ballots were counted. Michigan and Wisconsin were called for Biden on 5 November 2020.

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

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

2.2 Could Joe Biden's win have been anticipated?

Joe Biden led in many polls conducted prior to the 2020 US presidential election that seek to forecast the popular vote (see, e.g., The Economist, 2020). However, Donald Trump's victory in the U.S. Presidential election of 2016 caught many by surprise. Almost all polls and experts predicted a victory of Hillary Clinton. Donald Trump won, however, the overwhelming majority of electoral votes (304 out of 538), whilst losing the popular vote by almost 3 million. The division between the popular vote and the vote of the electoral college has been shown to be driven by regional heterogeneity in political polarization and socioeconomic and demographic factors. Accounting for such factors in standard election models would have led to the prediction of Donald Trump's victory in 2016. Using data until close to the 2020 US presidential election, these augmented models also predicted a tight race between both candidates regarding the outcome of the electoral college votes and suggested no clear favorite (Ahmed and Pesaran, 2020). The odds for Trump winning the election implied by bookmakers was even higher for the 2020 election than for the 2016 election (see Figure B-1 in the appendix). Against the backdrop of the 2016 presidential election and the inherent unpredictability of elections, we do not expect that experts in the control group considered a win of

Joe Biden for reporting their expectations. Ex ante uncertainty about the electoral outcome was amplified by the special character of the incumbent Donald Trump, who was able to heavily mobilize his supported to participate the 2020 election.

Anticipation effects in the control group would bias the results in favor of our interpretation, because the bar for finding effects would be higher when some experts in the control group reported more favorable macroeconomic environments in 2020 based on an anticipated Biden victory.

2.3 Advantages of the US presidential election for the empirical set-up

Three features make the US presidential election ideally suited to use it as a global experiment for identifying a causal effect of politicians on economic expectations.

Strong economic and political power of the United States: The United States economy is by far the largest economy on the globe. In 2020, the International Monetary Fund estimates nominal GDP in the US to be 20,807,269 million US-Dollar, amounting to about one quarter of the global production (IMF, 2020). Consequently, the state of the US economy strongly influences the economic performance of other countries (e.g. Corsetti et al., 2014). The United States is also the most influential international power in world politics, and global leadership is a key element of the United States' intended political role (Congressional Research Service, 2020). There is also evidence of US political power being used to influence countries' decisions in favor of US economic interests (Berger et al., 2013). Taken together, the US president is likely to be the economically and politically most powerful politician in the world.

High public attention: The 2020 US presidential election was closely followed by the international community. For instance, French "Le Figaro" wrote on 3 November 2020 that *"outside the World Cup (soccer) finals, there is hardly any planetary suspense comparable to the U.S. presidential election"* (Gelie, 2020). In a similar vein, Italian daily La Repubblica titled *"the world is waiting"* (Castelletti et al., 2020). There is little dispute that the US election raises interest beyond the United States and that its outcome will shape the international landscape. Given the high public attention, we have good reasons to assume that international experts closely watched the US election and the events until 7 November 2020 when Joe Biden was called president-elect.

Using search data from Google, Figure (B-2) illustrates the surge in global interest in the US presidential election starting by the end of October.

Controversial policies pursued during the presidency of Donald Trump: During his presidency, Donald Trump broke with many longstanding conventions, conducting populist policies that have been controversially discussed, both in the United States and across the globe. His self-positioning as the *"hero of angry workers threatened by trade, migration, and technological change"* (Margalit, 2019) gave rise to rigorous policies in favor of his political base that disadvantaged non-supporters, particularly in blue states and abroad. His "America First" doctrine also marked a departure in US foreign policy since World War II, affecting multiple nations that were directly or indirectly targeted by punitive tariffs and other means of trade war. A key element of "Trumpism" was the use of foreign policy as a platform for the (re)production of a populist-nationalist electoral coalition (Wojczewski, 2020). In numerous occasions, his statements have been labeled as "disputed" by the social media platform Twitter, and his devotion to "alternative facts" has sparked a debate about the "post-truth" era of politics (Higgins, 2016; Crilley, 2018). The high interests that were at stake prompted the incumbent Donald Trump to call the 2020 US presidential election *"the most important election in US history"* (Trump, 2020), while Biden noted that *"all elections are important. But we know in our bones this one is more consequential"* (Biden, 2020). The essential message of the Biden campaign was the promise of reversing Trump's controversial policies. In the end, the 2020 US presidential election was a decision pro or contra Donald Trump.

Limitations: Our empirical setting has some limitations. First, the results may not reflect a "Trump-effect" but rather a "Biden-effect", although this would not violate our general conclusion about the impact of politicians on the economy. Second, contrary to RCTs that simultaneously investigate the treatment group and the control group, our setting which exploits exogenous temporal variation in the availability of information may be more prone to confounding events. This concern is partly mitigated by the global perspective, which should eliminate all confounding events that do not affect all countries similarly.

3 Design of the RCT and descriptive evidence

3.1 General design and randomization

We exploit the unique infrastructure of the Economic Experts Survey (EES, formerly "World Economic Survey", WES) at the ifo Institute and the CESifo research network to reach out to renowned international experts working in universities, research institutes, central banks, multinational companies, embassies, and international organizations. We contacted a total of 1,552 international experts and received answers from 843 participants (about 54%). The survey period was 29 October 2020 to 13 November 2020 (Central European Time - CET). We focus on prestigious policy advisors whose opinions influence the national economic debates in their country. Almost all participants in our sample have a university degree, about half of the participants hold a PhD.

We randomly split the sample into two subsamples. Randomization was achieved by a software-based randomization generator. We balanced the group assignments within strata defined by expert's host country, education, age, affiliation, and field of study. The first group was surveyed from 29 October 2020 until 3 November 2020 CET (the "control group"). The election took place on 3 November 2020. Our sample for the control group includes all answers from experts that participated our survey until public authorities and major news outlets published the first results on 4 November 2020 00:00 CET. The outcome was announced on 7 November 2020. The second group (the "treatment group") was asked directly after the news of Joe Biden's win has become public, covering the period from 8 November 2020 to 13 November 2020.

3.2 Background information about the survey

The full survey is available in Figures (A-1)–(A-4) in the appendix, showing the design of the web interface and the wording of our questions. Our survey encompasses 12 questions on economic expectations. The experts are asked to provide their expectations for the country in which their professional work is located (the "host country"). In about 80% of cases, the host country is identical with expert's country of origin. Our survey includes expectations regarding four macroeconomic variables: (i) the growth rate of real GDP (in %), (ii) the rate of inflation (in %), (iii) the unemployment rate (in % of the labor force), and (iv) the change in trade volumes (in %).

We distinguish between expectations regarding the short-term macroeconomic environment in 2021 (Questions 1, 4, 7 and 10) and the macroeconomic environment over the upcoming presidency until the next election year (Questions 3, 6, 9 and 12). The survey includes two categories of questions to elicit experts' point estimates and probabilistic density forecasts of future macroeconomic variables.

Point estimates of macroeconomic variables: For point estimates, we ask *"What is your estimate of* `[macroeconomic variable]` *in 2021?"*. Participants are presented a scale exhausting the full range of possible outcomes (in case of real GDP running from -15% to +15%) and are asked to put the slide at the position that corresponds to their estimate. Participants also have the possibility to tick a box saying "I don't know".

Probabilistic density forecasts: To measure the degree of uncertainty in experts' expectations, we present a scale showing bins of possible outcomes and ask experts to provide the percentage change for all bins that the macroeconomic variables falls within the bin. Our query asks *"Please indicate which probability you assign to the following* `[macroeconomic variable]` *in 2021"*. Based on the answers to this question we compute summary statistics of the resulting density forecast that serve as measures for the expert-level degree of uncertainty (see section 6.2).

We distributed our survey via the software *qualtrics*. Participants were recruited from the Economic Expert Survey (EES). Responses were recorded only online—responding offline was not possible. We sent a follow-up email one day after sending out the survey. We sent a reminder email five days after sending out the survey. The invitation to participate in the survey and other emails were always sent at 12:00 CET. The procedure was identical for the treatment and the control group.

3.3 Balance tests

Comparable sub-samples are a prerequisite for identifying causal effects in RCTs. In our setting, the samples need to be balanced regarding individual-level characteristics of experts included in our survey (key socioeconomic characteristics, educational background and occupation) and the initial macroeconomic conditions of their host countries (levels of GDP, inflation, unemployment and trade prior to our RCT). Our

balanced tests provide no evidence for differences between the treatment group and the control group regarding gender, age or education (see Figure B-3). The balance tests also show that the treated experts do not differ from non-treated experts in their field of study or their affiliation (see Figure B-4).

Regarding the past macroeconomic environment that might influence experts' expectations, our balance tests show that there are no differences between the control and the treatment group for GDP growth, inflation, unemployment, or trade. The sub-samples are balanced regarding both the initial conditions in the year prior to our RCT (Figure B-5) and the averages during the Trump presidency (Figure B-6).

We are also interested in effect heterogeneity between US-based experts and experts working outside the US. Identifying causal effects in these analyses requires that the treated US experts do not differ from the non-treated US experts. Our balance tests for the United States show that this is the case (Figure (B-7)).

Finally, the consequences of the US presidential election may depend on the size and the global political influence of countries. Using the total population of experts' host countries as a proxy, we show that our sample is also balanced regarding global political influence of countries (Figure B-8).

3.4 Descriptive evidence

Figure (1) shows the sample means of our key macroeconomic variables for the randomly chosen group of experts surveyed prior to the election ("Pre-Election", the control group) and the group of experts polled after the result of the election has become public ("Post-Election", the treatment group). The figure shows that experts polled after Joe Biden had been called president expect higher average levels of real GDP growth, lower rates of inflation and unemployment, and larger increases in international trade volumes.

4 Empirical strategy

4.1 Pre-analysis plan and hypothesis

We submitted our pre-analysis plan on 28 October 2020. The pre-analysis plan included three building blocks. First, it specified the outcome variables that we are interested in (GDP growth, inflation, unemployment and trade). Second, it included the setting

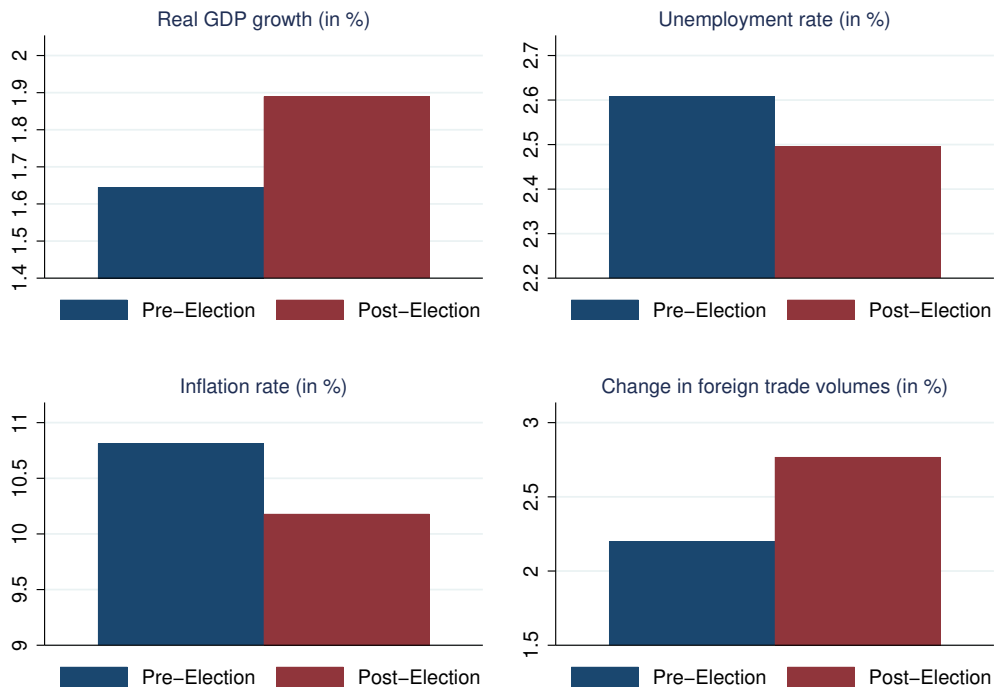

Figure 1 MEANS OF EXPERT EXPECTATIONS, PRE-ELECTION VERSUS POST-ELECTION.
Notes: The figure shows sample means of our four key macroeconomic variables separately for the randomly chosen group of experts surveyed prior to the election ("Pre-Election", the control group of our RCT) and the group of experts polled after the election ("Post-Election", the treatment group of our RCT).

of our analysis, specifying that we ask economic experts working in 120 countries and randomly split the sample into two balanced sub-samples. It then described our strategy that we ask half of the participants during the five days before the election and the other half during the five days after the election, examining the effect of the US presidential election in an RCT setting. Third, the pre-analysis plan also included information about the procedure of the online questionnaire. There have been no changes made to the intended specification submitted prior to the experiment. Given that the outcome of the US election was not clear before 7 November 2020 however, we postponed the start of our survey's second wave by three days.

Our pre-analysis plan also included our main hypothesis. The purpose of our study is examining the global economic impact of exceptional politicians. To establish a causal link between the politicians and global expectations about economic outcomes,

we consider the specific case of the US presidential election and examine whether economic experts change their expectations in response to an election / deselection of the incumbent Donald Trump. Our hypothesis, formulated identically in the pre-analysis plan, is:

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

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

4.2 Estimation strategy

Our empirical strategy is designed to examine whether the outcome of the 2020 US presidential election has influenced experts' expectations about the future macroeconomic performance of their host countries. While the comparison of group means pre and post the election date shown in Figure (1) are informative, the inferences may be biased by heterogeneity across countries, days, and individual experts. Our empirical model addresses these concerns. The baseline empirical specification is given by

$$M_{iet} = \gamma T_{iet} + \eta_i + \zeta_{et} + \mu_e + \varepsilon_{iet}, \tag{1}$$

where the dependent variable M_{iet} denotes expert e's expectations about the level of macroeconomic variable M for the year 2021, filling our survey at day t. We ask experts about four macroeconomic variables M: the growth rate of real GDP, the inflation rate, the unemployment rate, and the percentage change in trade volumes. The treatment variable T_{iet} indicates whether experts were polled before ($T_{iet} = 0$) or after ($T_{iet} = 1$) the result of the 2020 US presidential election election became public and experts have been informed that Joseph Biden will be the 46th president of the United States. The parameter γ measures the treatment effect.

Identifying an effect based on equation (1) is afflicted with four key challenges. First, the past macroeconomic environment of countries may influence expert e's expectation about the future, and there are substantial differences in macroeconomic conditions across the countries included in our sample. Second, there may be unobserved heterogeneity across countries (e.g. culture, political history, or institutions) that influence both the expectations and the reporting behavior of experts. Also, countries differ in their political ties to the United States. Third, there may be confounding events

between the treatment and the day experts participated in the survey. Fourth, experts may differ in the effort they put into filling the survey. The specification of equation (1) tackles these challenges. We include country dummies to account for unobserved cross-country heterogeneity and the host country's past macroeconomic performance (η_i). Fixed effects for countries also eliminate confounding effects from the relationship of experts' host country to the United States. The model also includes dummies that measure the distance (in days) between the date t at which expert e participated in the survey and the election day (ζ_{et}). These dummy variables account for confounding treatments and address the fact that the US election will be more present in experts' minds directly after Joseph Biden has been called president. Finally, we include the time (in seconds) experts took to fill out the survey (μ_e). This variable accounts for differences in the endeavor of experts and controls for "box checking". We also expect this variable to be correlated with other unobserved personality traits of experts which we could not account for in balancing our sub-samples.

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

5 Results

5.1 Benchmark results

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

In the full sample of experts, the treatment effect on the expected growth rate of real GDP in the year 2021 is 0.984. This effect is statistically significant at the 10% level ($t = 1.90$). Numerically, the parameter estimate suggests that the information that Biden has been voted US president increases experts' expectations regarding the growth rate of GDP in 2021 by 0.984 percentage points. The results also suggest that

treated experts expect lower inflation rates, lower unemployment rates, and higher trade volumes, but the estimated parameters for these variables do not turn out to be statistically significant at conventional levels.

A key question is whether the expectations of economic experts differ between experts living in the United States and experts outside the United States. We distinguish between US-based and non-US-based experts in Panels B and C. The results for both subgroups differ considerably. When we only consider non-US-based experts, the treatment effect increase in size (1.159 percentage points) and becomes statistically significant at the 5% level ($t = 2.03$). In contrast, treated experts located in the United States on average have lower growth expectations than non-treated experts, although this effect does not turn out to be statistically significant. We also observe differences regarding expectations for international trade. In the sample of experts outside the United States, the treatment effect for trade expectations is positive and statistically significant at the 5% level ($t = 2.30$). The effect size suggests that experts who are informed that Donald Trump, known for his protectionist policies, has been elected out of office expect trade volumes relative to GDP to be 1.949 percentage points higher in 2021 than experts polled before the election. If anything, we find a slightly negative effect on trade for US-based experts.

The effect of the US presidential election on non-US-based experts' trade expectations suggests a plausible mechanism through which the election of Joe Biden translates into higher growth expectations. We can only conjecture, however, why the outcome of the US election did not predict expectations of US-based experts. First, the political polarization initiated by the Trump presidency may also have been materialized among economic experts in the US, while experts outside the US may largely be negative about the Trump administration. Second, there may be information asymmetry between US-based and non-US-based experts. Third, there may be special circumstances that distinguish the US economy from the whole sample of countries. Finally, a potential reversal of the trade policies conducted by Donald Trump may prompt some experts to expect unfavourable growth effects for the US.

5.2 Robustness tests

How robust are our results? We first conduct a battery of robustness tests to examine whether the results are sensitive to the chosen estimation strategy. We then discuss the potential of experimenter demand effects.

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

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

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

*** Significant at the 1 percent level,
** Significant at the 5 percent level,
* Significant at the 10 percent level

5.2.1 Additional results

Confounding treatments: A concern of our estimation strategy is that confounding events that occurred during our survey period may influence our results. The statistical power of our analysis comes from the large sample of included countries and the randomization process. Any event that is specific to an individual country should be eliminated by randomization and our global perspective. However, to the extent that confounding events influence all countries in our sample similarly, our estimates may be biased. The most relevant international phenomenon that took place in 2020 is the global Covid-19 pandemic. It has been shown that during its initial spread, the number of daily cases of SARS-CoV-2 has influenced policy recommendations of economic experts (Gründler and Potrafke, 2020). However, a positive trend in confirmed SARS-CoV-2 cases would yield a downward bias of the results (via more negative prospects of experts in our treatment group), in which case our estimates would reflect lower bounds. We would hence expect that controlling for differences in the number of SARS-CoV-2 cases would increase the parameter estimates. In Table (C-1), we show that this is indeed the case. When we account for the number of Covid-19 cases, the coefficient on real GDP increases from 0.98 to 1.25 and becomes statistically significant at the 5% level.

A related confounding event may be the news about the nearing availability of a vaccine against Covid-19. On 9 November 2020, the second day of our treatment period, the enterprises Pfizer and BioNTech announced that their vaccine developed against SARS-CoV-2 has proven to be 90% effective at preventing the spread of the virus. We conduct two analyses to examine whether the announcement of the vaccine's effectivity confounds our results. In Table (C-2), we exclude all observations from experts that filled our survey at the 9th of November or later. In Table (C-3), we examine the narrowest possible band of days around the treatment to eliminate any other potentially confounding event. The sample is limited to observations from the day before the election (control group) and 8 November 2020 (treatment group). We observe no changes in the treatment effects.

Placebo treatments: As a complementary strategy to address confounding events, we re-estimate our benchmark model with placebo treatments. Our sample period includes a total of 12 days, which allows us to construct ten placebo treatments (five before and five after the presidential election). Figure (2) shows the results for our

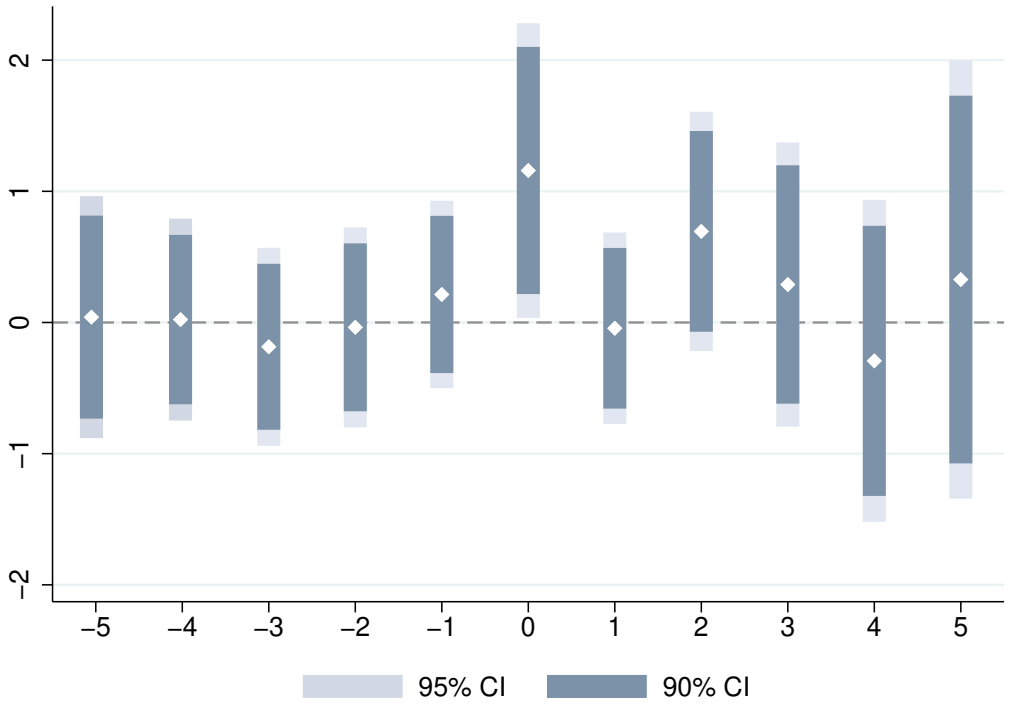

Figure 2 TREATMENT EFFECTS AND PLACEBO TREATMENT.
Notes: The figure shows the effects of our benchmark estimation regarding the treatment effect of the US presidential election on experts' expectation for the 2021 growth rate of real GDP in their host country (replication of Column I, Panel B, Table 1) and a series of placebo treatments. Our benchmark estimate is labeled "0" and refers to the treatment on 3 November 2020. Labels on the x-axis denoted the distance (in survey days) between the placebo treatments and the election.

preferred specification on the effect of the US presidential election and experts' growth expectations for 2021 (Column I, Panel B, Table 1), along with estimates using placebo treatments based on the same specification. We observe that the treatment effect is significant at the 90% and 95% confidence interval only for the US presidential election.

Minimum numbers of experts per country: Our benchmark estimates are obtained using experts from countries for which we have a minimum of three observations to exclude outliers. In Tables (C-4) and (C-5) in the appendix, we alter the minimum requirement, examining effects when we exclude experts from countries with less than 10 participants (Table C-4) and countries with less than two participants (C-5). Altering minimum requirements has little influence on inferences.

Composition of the treatment and the control group: We exploit the maximum number of observations for our benchmark estimates. We next examine whether the results change when we require that each of the included countries should have at least one participant in the control group and the treatment group. Because of our balanced sample and the restriction of our sample to countries for which we have polled at least three experts, this requirement gives rise to excluding only few participants (a total of seven experts from three countries). The results, shown in Table (C-6), are almost identical to our benchmark estimates.

Experts' premia on past macroeconomic conditions: Our baseline strategy is to account for the past macroeconomic environment of an expert's host country by including fixed country effects. However, experts may differ in the extent to which they update their expectations relative to a given base value in response to the newly elected US president, regardless of whether they work in the same host country. Using the expert-level premium relative to the previous year's levels of our macroeconomic variables (Tables C-7) or the average over the Trump period (Table C-8) does not change the inferences.

Changes in the econometric setting: A key question is whether our results depend on the econometric specification of equation (1). In Tables (C-9)-(C-11), we alter the key assumptions of our benchmark model. We do not cluster standard errors in our baseline specification because the number of observations for many of the country cluster is (too) low, biasing our estimates towards non-robust errors. Inferences do not change, however, if we use country-level clusters (see Table C-9) or cluster errors on the survey-day level (not reported). We account for the time experts used to fill our survey to account for effort of experts and expert-specific personality characteristics. The results do not change when we exclude this control (Table C-10). As an additional analysis of whether personal characteristics of experts influence their expectations, we include individual-level controls in the specification (age, education, affiliation, field of study). Given that our randomization process produced balanced samples, expert-characteristics should not influence the results. Table (C-11) confirms this conjecture.

5.2.2 Experimenter demand effects

Our outcome variables are self-reported expectations of experts, giving rise to the possibility of experimenter demand effects (i.e. that experts give answers in line to what they think we want them to say. See, for example, De Quidt et al., 2018). A bias of our results caused by experimenter demand effects requires that participants (i) know that they are part of an RCT, (ii) want to help us and (iii) know which answers would be helpful. There are four arguments that speak against these points. First, we did not promote the intend of our survey experiment. In the invitation to participate our survey, we wrote *"Dear* [`Ms./Mr.XY`]*, As a leading economic expert, we are pleased to invite you to participate in the Economic Expert Survey of the ifo Institute. Your opinion matters! Please access the online survey via your personal link:* [`Link to survey`]*. Your data will be stored and analyzed in full compliance with the highest standards of the data protection laws of the European Union. The survey will take you less than 5 minutes. We look forward to hearing from you!"*. The ifo Institute in Munich conducts the EES (and its predecessor, the World Economic Survey, WES) since 1981. Most of the experts have been participating in the survey since years or decades. Previous surveys were primarily conducted to measure experts' expectations for the next year and did not cover RCTs. The included experts know about the general intention of the EES to extract forecasts for the upcoming year. Previous versions of the survey were typically sent at a similar time in the year. Second, we delayed the AEA registry until shortly before the survey started to minimize the chance that participants read about our study design. Third, a concern may be that the experts included in our sample are mostly befriended scholars. This is not the case. Moreover, to rule out that replies are driven by any emotions of participants towards us, we concealed our identity. The invitation letter was signed by an assistant working in ifo's survey department and who sent similar invitations for prior waves of the EES and the WES. Also, the economic profession is subjected to intense competition, and it is implausible to assume that our influence reaches out to more than 800 experts working in over 100 countries. Fourth, it was impossible to predict who will become president prior to the election. Hence, it was very unlikely for experts in the control group to provide answers on purpose that would produce helpful results.

6 Exceptional politicians or alternative theories?

Our interpretation of the baseline results is that they reflect a "Trump effect". Donald Trump's "America first" doctrine may have facilitated US growth prior to the Covid-19 pandemic. However, the protectionist policies and the break with long-standing international relationships that came along with his political ideas may have led experts to be more pessimistic about their host country's growth perspectives in the face of a possible second Trump term. These findings would be consistent with results of studies that examine how political leaders influence national economic growth (Jones and Olken, 2005; Besley and Reynal-Querol, 2011; Brown, 2020; Easterly and Pennings, 2020). More generally, our results suggest that exceptional politicians massively influence global expectations about economic outcomes.

However, there are two alternative theories that may explain why experts who are informed that Joe Biden has been elected US president expect their host country to grow at larger rates than experts polled prior to the election.

Alternative theory I: The presidential growth gap: Empirical studies have shown that economic growth has been 1.79 percentage points higher in the United States between 1949–2012 under Democratic presidents than under Republican presidents (Blinder and Watson, 2016; Cahan and Potrafke, 2017; Pastor and Veronesi, 2020). Although this theory would explain an increase in growth primarily in the United States, experts may perceive that their host country also benefits from an upswing in the United States.

Alternative theory II: Resolution of political uncertainty: The election of Joe Biden resolved the uncertainty about who will be the next president of the United States. A large literature has shown that economic agents adjust their expectations and behavior to political uncertainty (Gerber and Huber, 2009; Jens, 2017; Falk and Shelton, 2018) and that uncertainty influences experts' expectations (e.g. Dick et al., 2013).

We now examine the extent to which these alternative theories may explain our results.

6.1 The presidential growth gap

When the experts' more positive macroeconomic expectations after the election were driven by the US presidential growth gap, we would expect to see a treatment effect for the entire presidency of the Democrat Joe Biden. To examine how long-lasting the treatment effects are, our survey also asks participants about their expectation of the macroeconomic environment until the year 2023 (we exclude the election year 2024).

In Table (1), we present re-estimates of our benchmark model when we replace expectations for the year 2021 with expectations until the year 2023. Compared to our benchmark estimates, the results change. We do not find a statistically significant treatment effect in any of our samples. Inferences also do not change when we restrict the sample to experts that are included in the benchmark estimates (Table C-12). Taken together, these results do not suggest that the treatment effects are long-lasting. This finding speaks against the explanation that experts' more positive views after the election are caused by their positive assessment of a Democrat in office during the legislature period 2021-2024.

A positive growth effect in the first half of a Democratic presidency and no effect in the second half of a Democratic presidency seems consistent with the Rational Partisan Theory (RPT) model (Alesina, 1987). However, we are skeptical about applying the RPT model to our setting. US experts do not alter their expectations in response to Biden's election victory, as the RPT would predict. Assuming that US experts are better informed about US politics than other experts, the presidential growth gap is unlikely to explain our findings.

6.2 Did the election resolve uncertainty?

A key question is whether the election of Joe Biden has resolved uncertainty. To measure uncertainty of experts, we enrich our questions that ask respondents to provide point estimates by a series of questions that ask for the perceived distribution of possible future outcomes. Specifically, for each of our macroeconomic variables, we ask: *"Please indicate which probability you assign to the following* `[change of macroeconomic variable]` *in 2021"*. The presentation of these questions is shown in Figures (A-1)–(A-4). The ranges of possible outcomes depend on the macroeconomic variable. For growth, we ask respondents to report their expected probability for an increase in real GDP for 14 possible outcomes: (<-6.0%); (-6.0% to -5.0%); (-5.0% to

Table 2 THE 2020 US PRESIDENTIAL ELECTION AND ECONOMIC EXPECTATIONS OF EXPERTS—LONG-RUN EXPECTATIONS UNTIL 2023

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

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

*** Significant at the 1 percent level,
** Significant at the 5 percent level,
* Significant at the 10 percent level

-4.0%); (-4.0% to -3.0%); (-3.0% to -2.0%); (-2.0% to -1.0%); (-1.0% to 0.0%); (0.0% to +1.0%); (+1.0% to +2.0%); (+2.0% to +3.0%); (+3.0% to +4.0%); (+4.0% to +5.0%); (+5.0% to +6.0%); and (>+6.0%). These bins encompass the whole range of outcomes that our macroeconomic variables may take, and we ask experts for their assessment regarding the percentage chance that a certain outcome may occur.

We use the resulting density forecast to compute measures of uncertainty. The main idea behind our strategy is that a higher variation of respondents' answers across the bins of our scale reflects greater uncertainty. In contrast, uncertainty is lower when experts assign large values to outcomes and fill less bins. In the most extreme case, experts who assign 100% to a single bin are very certain about a specific outcome. Based on the probability density function for each expert, we compute the coefficient of variation as a measure of uncertainty. Compared to other dispersion measures (e.g. the range or the variance), the coefficient of variation is less sensitive to small variations in the extreme values of experts' density forecasts.

A key advantage of using probabilistic expectations over traditionally asked questions that aim to elicit respondents' uncertainty (e.g. *"Do you think it is 'very likely', 'likely', 'unlikely' or 'very unlikely' that a specific event occurs"*) is that they facilitate inter-personal comparability. We re-estimate out baseline empirical model using the expert-specific level of uncertainty as explanatory variable

$$U_{iet} = \gamma T_{iet} + \eta_i + \zeta_{et} + \mu_e + \varepsilon_{iet}, \tag{2}$$

where U_{iet} denotes our proxy for uncertainty. In Table (3), we present results for the coefficient of variation, our preferred uncertainty measure, for the full sample of observations. Table (C-13) in the appendix provides complementary evidence based on alternative measures of uncertainty (standard deviation, variance, and mean absolute deviation between the second and the fourth quintile) and a common sample of observations. The main result is that the 2020 US presidential election did not reduce uncertainty. If anything, the election of Joe Biden has increased experts' uncertainty about the economic condition of their host country in 2021.

An explanation for this result is that theories which describe how the resolution of political uncertainty influences expectations of agents implicitly assume that agents are informed about future policies of newly elected leaders. The election strategy of Joe Biden, however, was mainly built on voting out the incumbent Donald Trump. For many experts, particularly those outside the United States, it may be unclear

what policies Joe Biden will pursue and how they may affect their host country. This explanation is consistent with the results in Table (3) showing that the election has increased uncertainty for experts outside the United States, but not for US-based experts.

6.3 Discussion

Taken together, the most convincing explanation for our results is that they reflect a "Trump-effect". Our analyses do not suggest that the treatment effects are persistent, i.e. the expectations of experts regarding the macroeconomic environment in four years (by the end of 2023) are not influenced by the election of Joe Biden. Hence, we can rule-out that experts' more favorable growth expectations for 2021 are driven by the empirical observation that US growth was higher when a Democrat was in office. We also do not find evidence that the US presidential election resolved uncertainty of experts. Rather, our results suggest that experts' individual uncertainty about the future macroeconomic environment has increased after Joe Biden was called US president. This finding is in line with the notion that Joe Bidens campaign strategy was based on mobilizing citizens to vote Donald Trump out of office and not on specific economic goals that he announced to pursue during his first legislative period.

Ruling out alternative theories, our results show that exceptional politicians may well have a large impact on economic prospects on the globe. Experts who knew that Joe Biden was elected US president expect real GDP growth in 2021 to be about 0.98 percentage points higher than experts polled prior to the election. This effect is sizable and amounts to about half of the world average in GDP growth since the global Financial Crisis.

7 Conclusion

Individual politicians influence economic outcomes in their countries (Jones and Olken, 2005; Besley and Reynal-Querol, 2011; Brown, 2020; Easterly and Pennings, 2020). Exceptional politicians even influence expected economic outcomes on a global scale. The impact of the US president on the global economy is large. We find that economic experts increase their expectations of real GDP growth in their country by 0.98 percentage points after Joe Biden was declared winner of the 2020 US presidential election.

Table 3 THE 2020 US PRESIDENTIAL ELECTION AND ECONOMIC EXPECTATIONS OF EXPERTS—EFFECTS ON EXPERTS' UNCERTAINTY

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

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

*** Significant at the 1 percent level,
** Significant at the 5 percent level,
* Significant at the 10 percent level

If expectations materialized, the election victory of Joe Biden would increase world real GDP by 800,000,000,000 USD in 2021 compared to a Trump counterfactual.[3]

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

[3]For this back-of-the-envelope calculation we assume that world real GDP is 80 trillion USD and GDP increases homogeneously by 1 percent across countries.

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A Supplementary Material: The Questionnaire of the Survey

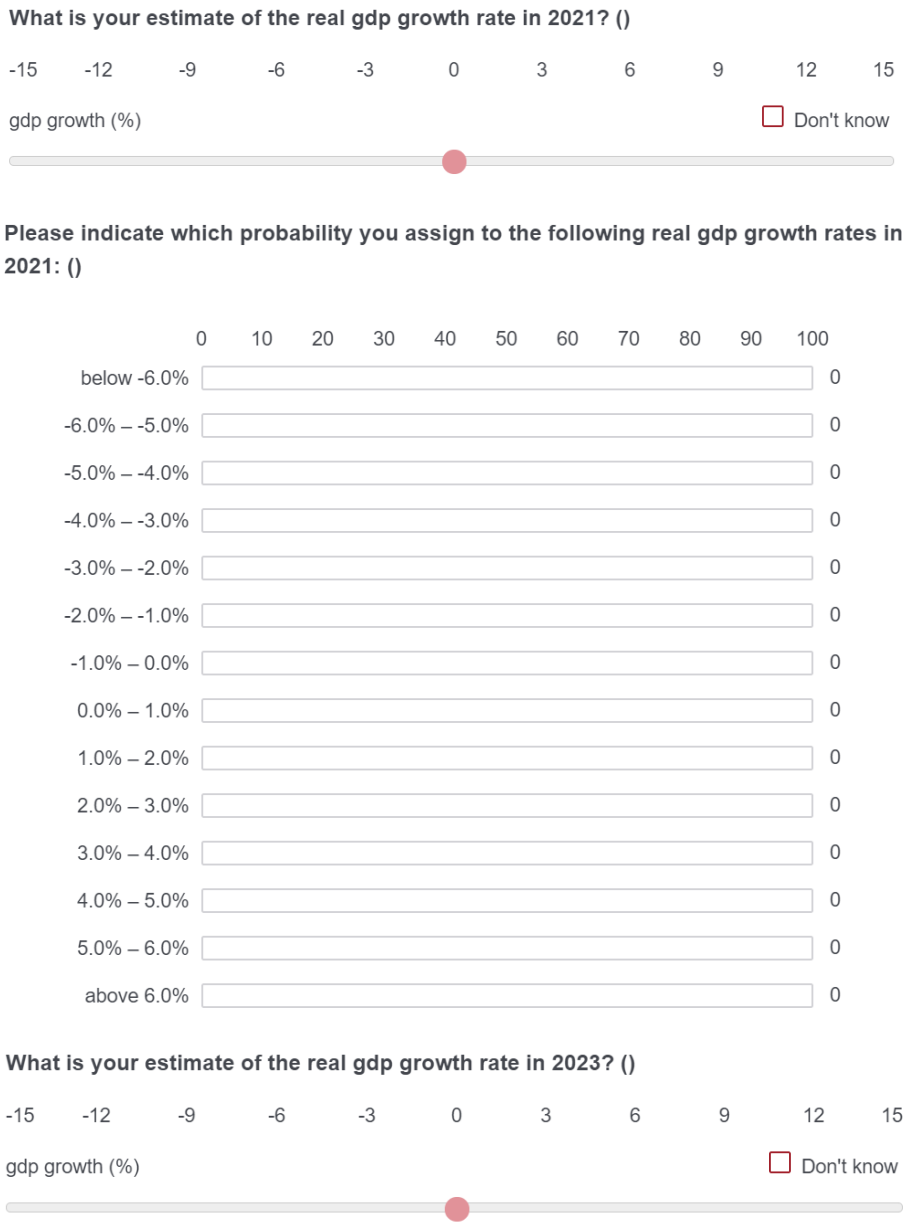

Figure A-1 PAGE 1 OF THE SURVEY: QUESTIONS ASKING FOR EXPECTATIONS REGARDING REAL GDP GROWTH.
Notes: The figure shows the first page of our survey, asking for experts' expectations regarding real GDP growth. A detailed description is provided in Section (3.2).

Figure A-2 PAGE 2 OF THE SURVEY: QUESTIONS ASKING FOR EXPECTATIONS REGARDING INFLATION RATES.
Notes: The figure shows the first page of our survey, asking for experts' expectations regarding inflation rates. A detailed description is provided in Section (3.2).

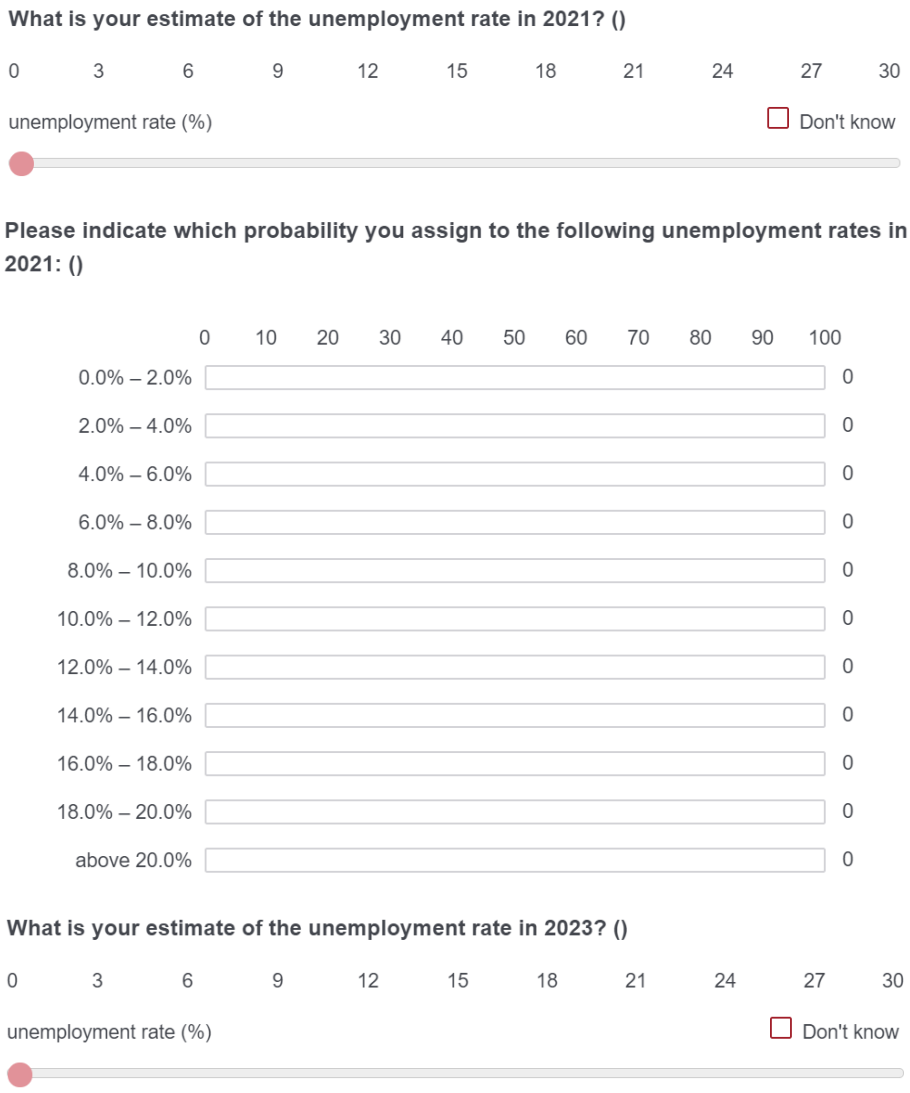

Figure A-3 PAGE 3 OF THE SURVEY: QUESTIONS ASKING FOR EXPECTATIONS REGARDING UNEMPLOYMENT RATES.
Notes: The figure shows the first page of our survey, asking for experts' expectations regarding unemployment rates. A detailed description is provided in Section (3.2).

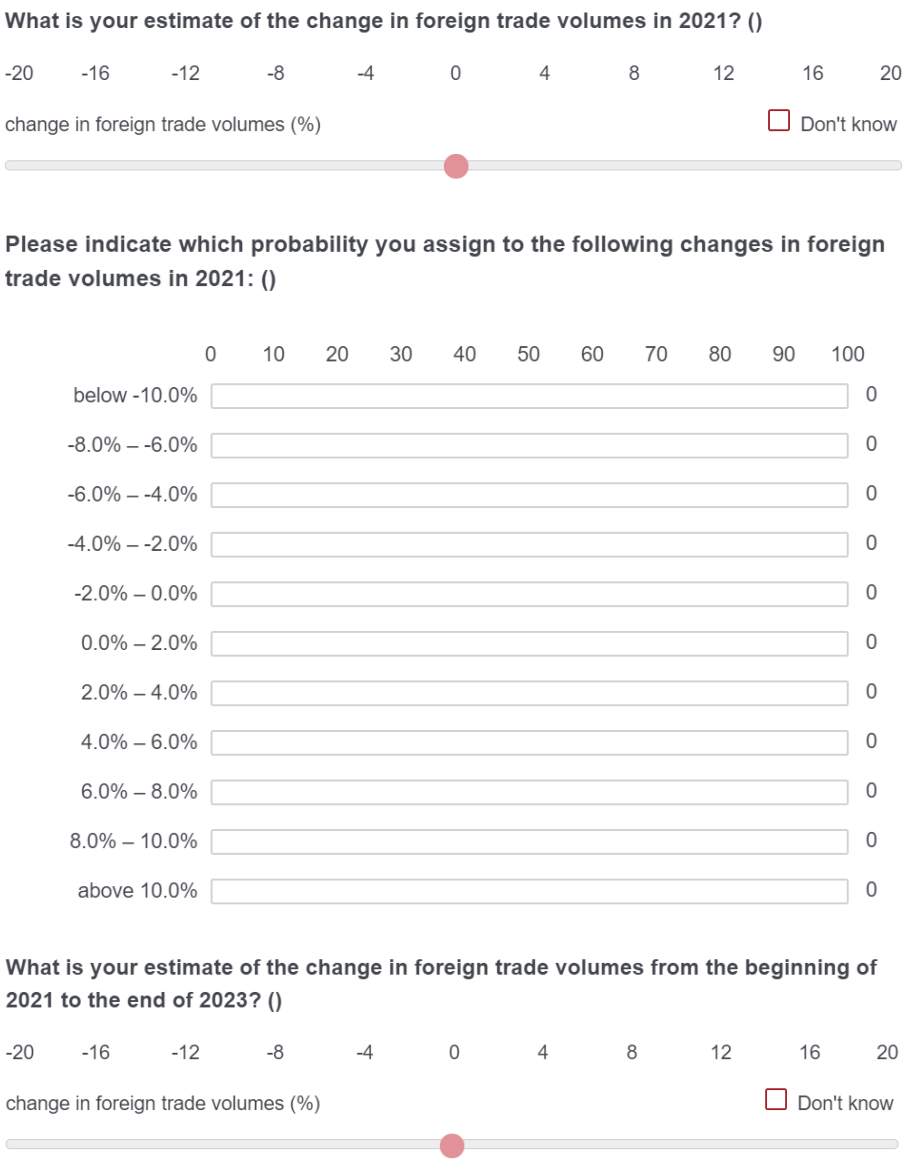

Figure A-4 PAGE 4 OF THE SURVEY: QUESTIONS ASKING FOR EXPECTATIONS REGARDING TRADE VOLUMES.
Notes: The figure shows the first page of our survey, asking for experts' expectations regarding changes in trade volumes. A detailed description is provided in Section (3.2).

B Supplementary Figures

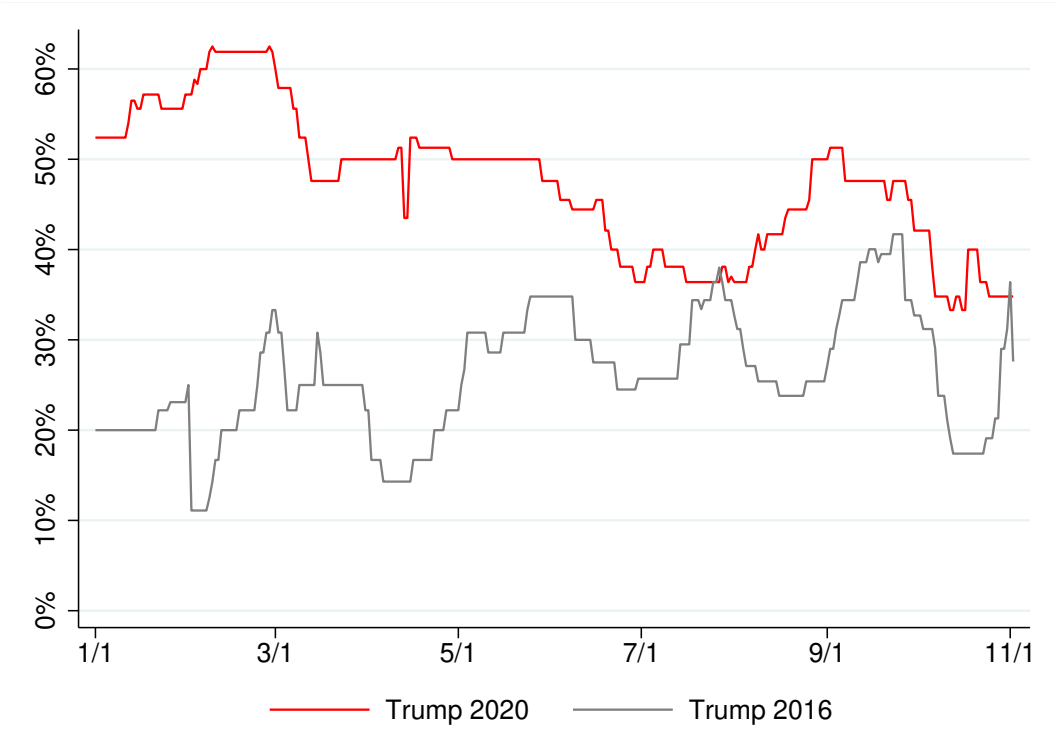

Figure B-1 TRUMPS CHANCES OF WINNING THE US PRESIDENTIAL ELECTION IMPLIED BY ODDS OF BOOKMAKERS, 2016 VERSUS 2020
Notes: The figure shows how Trumps chance of winning the election suggested by bookmakers' odds has developed. The figure covers the period between January 1 of the election year (2016 and 2020) and the election day. Data is taken from Eaton (2020).

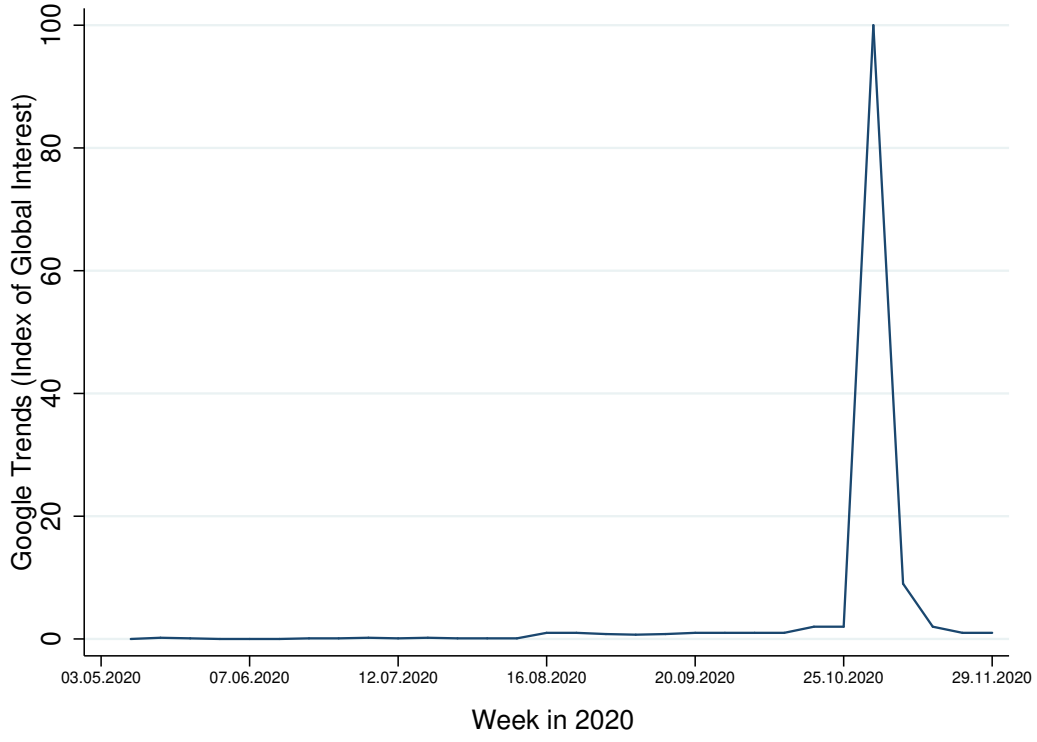

Figure B-2 GLOBAL INTEREST IN THE 2020 US PRESIDENTIAL ELECTION, GOOGLE TRENDS.

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

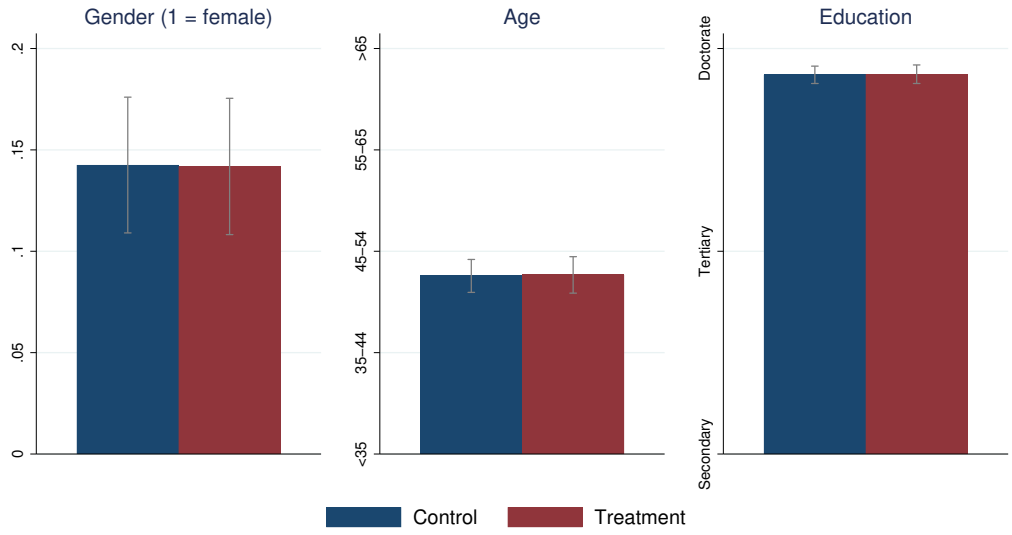

Figure B-3 BALANCE TESTS FOR GENDER, AGE, AND EDUCATION.
Notes: The figure shows the sample means for experts in our control group (asked prior to the 2020 US presidential election, blue bars) and the treatment group (asked after Joe Biden has been called president, red bars). Vertical lines represent the 95% confidence interval.

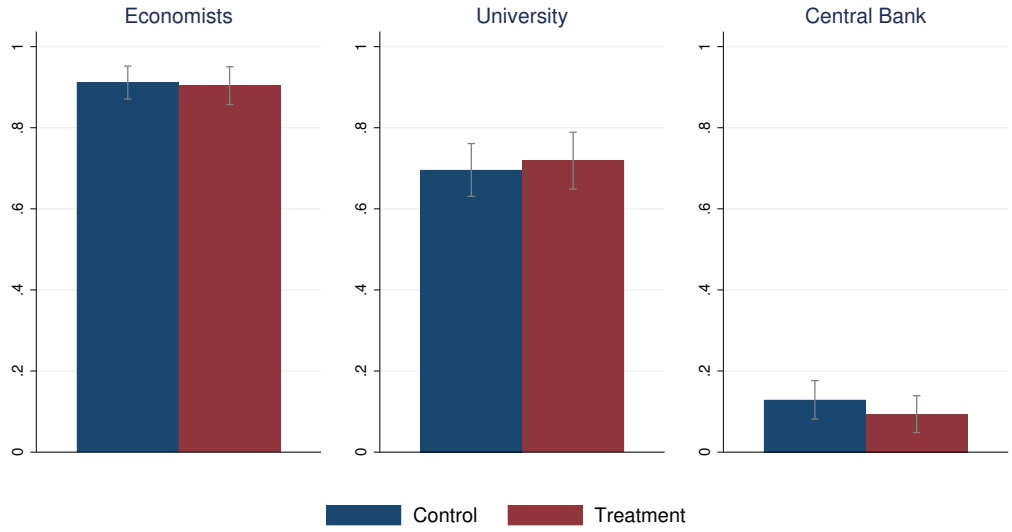

Figure B-4 BALANCE TESTS FOR EXPERTS' FIELD OF STUDY AND AFFILIATION.
Notes: The figure shows the sample means for experts in our control group (asked prior to the 2020 US presidential election, blue bars) and the treatment group (asked after Joe Biden has been called president, red bars). Vertical lines represent the 95% confidence interval.

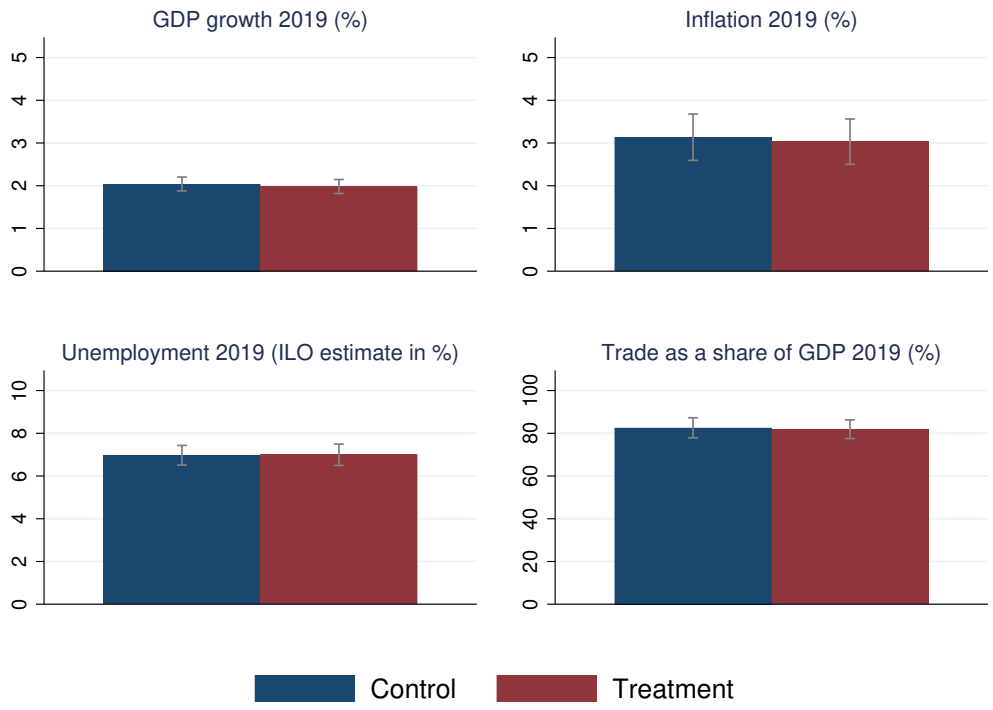

Figure B-5 BALANCE TESTS FOR THE PAST MACROECONOMIC ENVIRONMENT OF EXPERTS (YEAR PRIOR TO ELECTION, 2019).
Notes: The figure shows the sample means for experts in our control group (asked prior to the 2020 US presidential election, blue bars) and the treatment group (asked after Joe Biden has been called president, red bars). Vertical lines represent the 95% confidence interval.

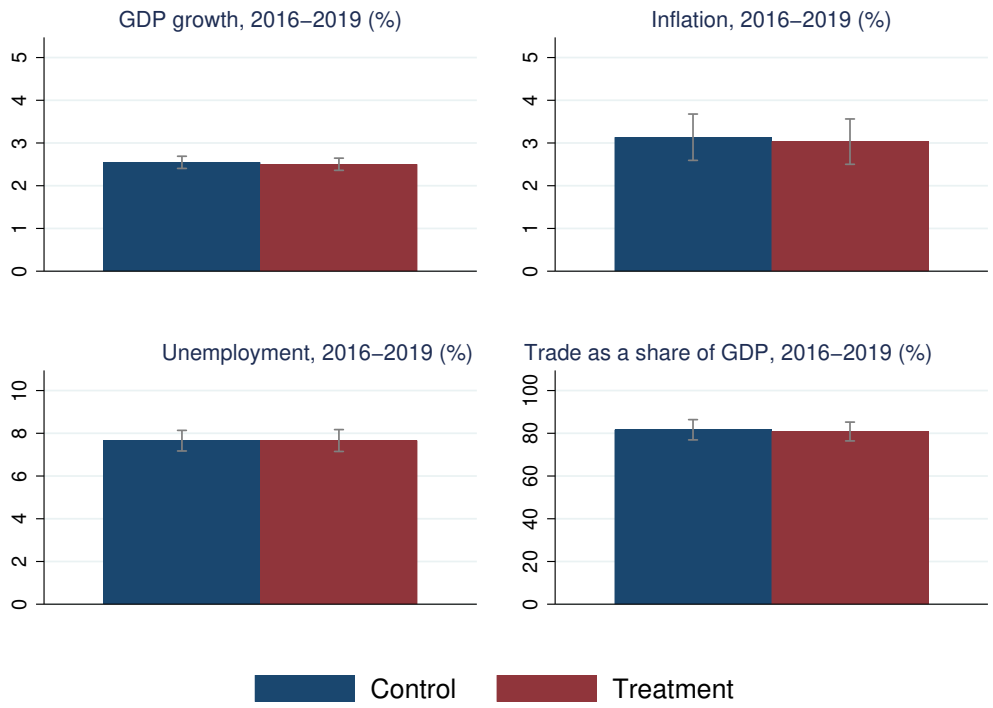

Figure B-6 BALANCE TESTS FOR THE PAST MACROECONOMIC ENVIRONMENT OF EXPERTS (PERIOD OF TUMP PRESIDENCY, 2016–2019).
Notes: The figure shows the sample means for experts in our control group (asked prior to the 2020 US presidential election, blue bars) and the treatment group (asked after Joe Biden has been called president, red bars). Vertical lines represent the 95% confidence interval.

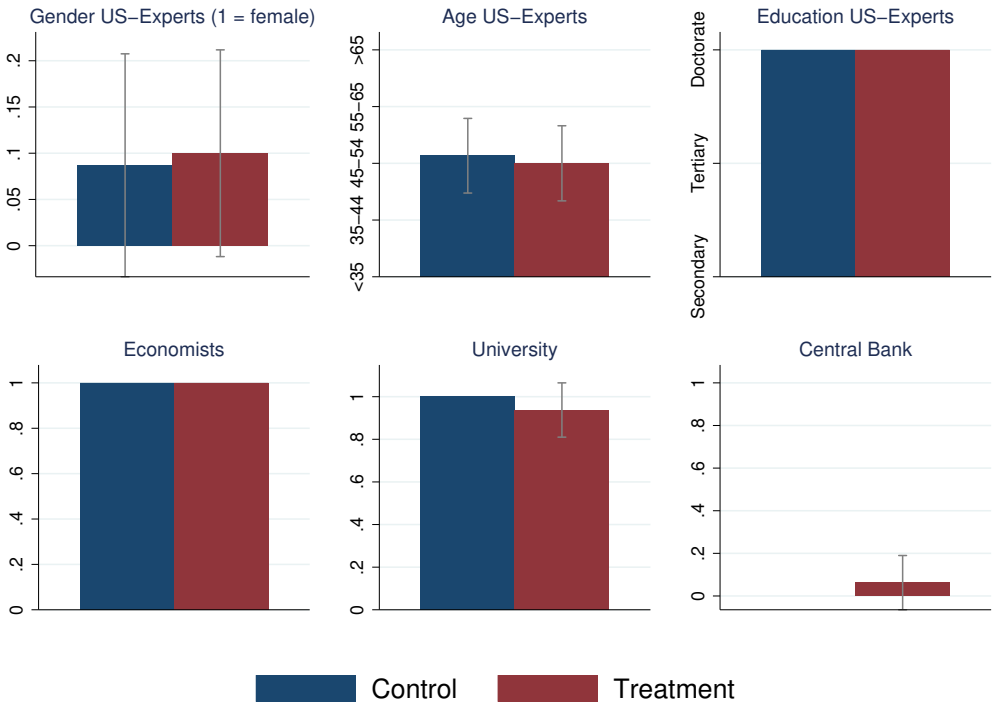

Figure B-7 BALANCE TESTS FOR US-BASED EXPERTS.
Notes: The figure shows the sample means for experts in our control group (asked prior to the 2020 US presidential election, blue bars) and the treatment group (asked after Joe Biden has been called president, red bars). Vertical lines represent the 95% confidence interval.

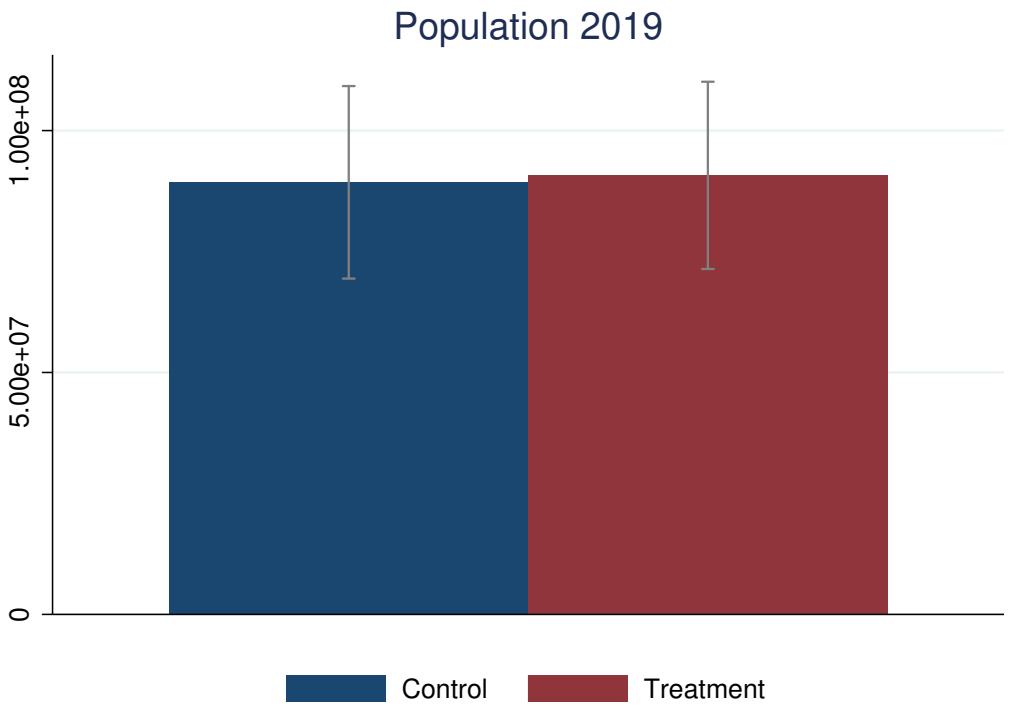

Figure B-8 BALANCE TESTS FOR COUNTRY SIZE (TOTAL POPULATION IN 2019). *Notes:* The figure shows the sample means for experts in our control group (asked prior to the 2020 US presidential election, blue bars) and the treatment group (asked after Joe Biden has been called president, red bars). Vertical lines represent the 95% confidence interval.

C Supplementary Tables

Table C-1 THE 2020 US PRESIDENTIAL ELECTION AND ECONOMIC EXPECTATIONS OF EXPERTS—ACCOUNTING FOR THE NUMBER OF ACTIVE SARS-COV-2 CASES

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

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

*** Significant at the 1 percent level,
** Significant at the 5 percent level,
* Significant at the 10 percent level

Table C-2 THE 2020 US PRESIDENTIAL ELECTION AND ECONOMIC EXPECTATIONS OF EXPERTS—EXCLUDING EXPERTS THAT PARTICIPATED THE SURVEY AFTER NOVEMBER 8, 2020

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

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

*** Significant at the 1 percent level,
** Significant at the 5 percent level,
* Significant at the 10 percent level

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

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

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

*** Significant at the 1 percent level,
** Significant at the 5 percent level,
* Significant at the 10 percent level

Table C-4 THE 2020 US PRESIDENTIAL ELECTION AND ECONOMIC EXPECTATIONS OF EXPERTS—RESTRICTING SAMPLE TO EXPERTS FROM COUNTRIES WITH AT LEAST 10 PARTICIPANTS

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

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

*** Significant at the 1 percent level,
** Significant at the 5 percent level,
* Significant at the 10 percent level

Table C-5 THE 2020 US PRESIDENTIAL ELECTION AND ECONOMIC EXPECTATIONS OF EXPERTS—RESTRICTING SAMPLE TO EXPERTS FROM COUNTRIES WITH AT LEAST TWO PARTICIPANTS

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

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

*** Significant at the 1 percent level,
** Significant at the 5 percent level,
* Significant at the 10 percent level

Table C-6 THE 2020 US PRESIDENTIAL ELECTION AND ECONOMIC EXPECTATIONS OF EXPERTS—RESTRICTING SAMPLE TO EXPERTS FROM COUNTRIES THAT ARE INCLUDED IN BOTH THE TREATMENT AND THE CONTROL GROUP

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

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

*** Significant at the 1 percent level,
** Significant at the 5 percent level,
* Significant at the 10 percent level

Table C-7 THE 2020 US PRESIDENTIAL ELECTION AND ECONOMIC EXPECTATIONS OF EXPERTS—EXPERT-LEVEL PREMIA ON PAST MACROECONOMIC PERFORMANCE OF THEIR HOST COUNTRY (PREMIA RELATIVE TO PREVIOUS YEAR)

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

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

*** Significant at the 1 percent level,
** Significant at the 5 percent level,
* Significant at the 10 percent level

Table C-8 THE 2020 US PRESIDENTIAL ELECTION AND ECONOMIC EXPECTATIONS OF EXPERTS—EXPERT-LEVEL PREMIA ON PAST MACROECONOMIC PERFORMANCE OF THEIR HOST COUNTRY (PREMIA RELATIVE TO AVERAGE OF TRUMP PERIOD, 2016–2019)

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

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

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

Table C-9 THE 2020 US PRESIDENTIAL ELECTION AND ECONOMIC EXPECTATIONS OF EXPERTS—CHANGES IN SPECIFICATION I: BASELINE RESULTS WITH CLUSTERED STANDARD ERRORS

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

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

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

Table C-10 THE 2020 US PRESIDENTIAL ELECTION AND ECONOMIC EXPECTATIONS OF EXPERTS—CHANGES IN SPECIFICATION II: EXCLUDE MEASURE FOR EXPERT EFFORT (DURATION IN SECONDS)

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

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

*** Significant at the 1 percent level,
** Significant at the 5 percent level,
* Significant at the 10 percent level

Table C-11 THE 2020 US PRESIDENTIAL ELECTION AND ECONOMIC EXPECTATIONS OF EXPERTS—CHANGES IN SPECIFICATION III: INCLUDE MORE CONTROLS

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

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

*** Significant at the 1 percent level,
** Significant at the 5 percent level,
* Significant at the 10 percent level

Table C-12 THE 2020 US PRESIDENTIAL ELECTION AND ECONOMIC EXPECTATIONS OF EXPERTS—LONG-RUN EXPECTATIONS UNTIL 2023, SAMPLE OF EXPERTS THAT ARE ALSO INCLUDED IN THE BASELINE SAMPLE

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

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

*** Significant at the 1 percent level,
** Significant at the 5 percent level,
* Significant at the 10 percent level

Table C-13 THE 2020 US PRESIDENTIAL ELECTION AND ECONOMIC EXPECTATIONS OF EXPERTS—EFFECTS ON EXPERTS' UNCERTAINTY, ALTERNATIVE MEASURES OF UNCERTAINTY

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

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

*** Significant at the 1 percent level,
** Significant at the 5 percent level,
* Significant at the 10 percent level

EconPol Europe

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3) capital markets and the regulation of the financial sector and

4) governance and macroeconomic policy in the European Monetary Union.

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