

Quantifying Subjective Uncertainty in Survey Expectations*

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Abstract

Several recent surveys ask for a person's subjective probabilities that the inflation rate falls into various outcome ranges. We provide a new measure of the uncertainty implicit in such probabilities. The measure has several advantages over existing methods: It is robust, trivial to implement, requires no functional form assumptions, and is well-defined for all logically possible probabilities. These advantages are particularly relevant when analyzing large scale consumer surveys. We illustrate the new measure using data from the Survey of Consumer Expectations.

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