

The Willingness to Pay for Economic Narratives

Abstract:

Economic experts frequently comment on economic developments, but do people value these narratives? We combine a large-scale expert survey with a nationally representative household sample to examine the willingness to pay (WTP) for expert narratives in the high-stakes environment of the unprecedentedly high recession probability in 2024. We document a substantial WTP for economic narratives and find that individuals prefer dominant consensus explanations over those that reinforce their prior beliefs. Moreover, acquired narratives shape respondents' expectations about future economic conditions, their understanding of recession drivers, and their spending beliefs. Our study highlights the potential of expert narratives as a tool to enhance economic literacy and to promote informed decision-making.