

The Heterogeneous Expectations Hypothesis: Some Evidence from the Lab

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In the last decade a large literature on heterogeneous expectation models, especially in finance but more recently also in macro, has been developing. This talk summarizes recent evidence from "learning to forecast" laboratory experiments with human subjects. Are individual expectations heterogeneous or do subjects learn to coordinate on a common prediction rule? How do individual expectations interact and which aggregate outcome do they co-create? In particular, we will discuss whether the experimental evidence justifies a heterogeneous expectations hypothesis.