1. By our word count, you are at approximately 11,000 words, so without having counted tables and figures (see above) you are in good shape. Do make sure that the final version remains under the required word count, taking into account tables and figures with the appropriate exchange rate.   
     
   Our final word count (including figures/tables) is about 16000, slightly more than the recommendation of 15500. This includes discussion of various topics the editors asked us to add; at this point we’ve been over the revised version of the paper many times and are having trouble finding appropriate further cuts.
2. The conference participants made some excellent suggestions about what is missing currently from the chapter (we leave it up to you how to include these ideas, but include them in some form you should):
   * Think about having a discussion of the role of the media in the transmission of beliefs and expectations (Rudi).   
       
     In our newly added section 1.4.4.4: News Media, we survey a selected set of work on the role of media in both financial markets and on macroeconomy, respectively. For a more comprehensive treatment we refer readers to a survey paper.
   * Do not be shy to express your critique on things like rational inattention and other informational rigidity theories (Marco). But keep in mind our point 12. below.   
       
     On page 25 and in footnote 22, we made the point that “rational inattention” could be a better fit for modeling professional forecasters than for households. More generally, we have tried to be milder in our wording of critiques of approaches that we think are flawed.
   * Cosmin suggested you include a recent paper of his that is related.   
       
     See the top line on page 3, where we cite Cosmin’s excellent paper as an example of bounded rationality approaches.
3. When appropriate please add cross-references to chapter 5 (Fuster and Zafar) on information experiments and endogenous information acquisition, as well as chapter 8 (Piazzesi, Stroebel, Kuchler). Possibly other chapters as well.   
     
   We cross-reference following chapters in our paper:  
   - Chapter 1, Household Surveys and Probabilistic Questions for a list of surveys. (page 4)   
   - Chapter 7, Inflation Expectations,   
   - and Chapter 25, Bayesian Learning, for non-social models of macroeconomic expectation formation and for detailed microfoundations of sticky information models. (page 23)   
   - Chapter 8, Housing Market Expectations for other drivers of housing market expectations. (page 29)
4. Any evidence on how EE matter for economic choice behavior? How the source of information matters?   
     
   We summarize a considerable number of papers that show that social interactions not only affect beliefs/expectations but also affect economic choices, including our Figure 1.1 that shows the different portfolio responses by Democrats and Republicans following the surprising election outcome in 2016. In particular, in Section 1.4.4., Empirical Evidence, we survey the rapidly expanding literature that shows that choices reflect expectations, in the context of stock investment, housing purchase, and consumer spending.
5. Is there any relationship to recent work on asking about “people like you”, for example when asking about voting intentions? The paper by Galesic, W. Bruine de Bruin, M. Dumas, A. Kapteyn, J. E. Darling, and E. Meijer, "Asking about social circles improves election predictions." *Nature Human Behaviour* 2: 187-193, finds that an advantage of that approach is that it can elicit reliable responses in situations where people are not comfortable with disclosing their true preferences, but may be willing to give information about people around them. Also see Predicted preference conjoint analysis (nih.gov). While the focus clearly is different, we wonder if the collection of such data could be useful for EE modeling.   
     
   This did not fit well into any of our existing sections, but we have now added section 1.4.7. Future Directions, in which both references fit nicely. The bulk of that section contains ideas for how expectational surveys could be improved by an increased focus on people’s interactions with their social circles. In footnote 32, we also have a new citation to Arrondel et al. [2020], which asks survey respondents explicitly about the extent to which their beliefs about the stock market are influenced by their social circles.
6. Any lessons/implications regarding social interaction research generally – such as work on importance of networks for job search? Any specific lessons about mechanisms and impact on outcomes? For one, existing work may imply that besides influencing expectations, such interactions may also directly affect behavior, leading to a potential endogeneity problem in distinguishing causal effects of expectations on behavior. For example, I may learn from friends that job prospects in the area have improved a lot, which causes me to increase my expectations. At the same time these same friends or others may tell me about a specific current vacancy I would be interested in. When researchers see improvement in my earnings, they likely won’t be able to distinguish the relative importance of the two mechanism.   
     
   See responses to point 5 above; we have included the point about job-seekers directly in the “future directions” section, as an example of how questions about the content of information from social circles could be elicited. In addition, in the revised Section 1.4.7, we discuss the reflection problem identified by Manski (1993). We also situate the seminal work on the role of “weak ties” in job search by Granovetter [1973] in the discussion of network theory.
7. Another aspect from the literature on social interactions that may be relevant here is the measurement of (social) distance. Rather than geographic distance, social distance capture proximity in terms of education, religion, race etc.   
     
   In our revised section 1.2.3, (at the top of page 6), we emphasize that the social connections are not limited to geographical proximity, and family/work/friend relationships, and have pointed out that this is an example of why the network formulation of epidemiological models is attractive (it can handle any kind of connection a researcher might want to contemplate).
8. Consider taking out the *Inception* reference.   
     
   We reconsidered it, but decided to keep it for a number of reasons. The fact that epidemiological views are a commonplace in popular understanding of the spread of ideas is a substantively important point; if people widely subscribe to the idea that they get their ideas via contagion, that should be taken as direct evidence that the proposition might be true. We’ve never encountered any similar quote that could be trotted out in support of the Rational Expectations or Rational Inattention models. (One suspects that if everyone were constantly having to solve Rational Expectations or, even harder, Rational Inattention models, there would be lots of quotes in which people would complain about how hard it is or how it prevents them from watching their favorite TV shows or whatever). We considered a number of other quotes from popular sources, but chose this one because it is brief and pithy.
9. Overall, we felt that your writing is, at times, a bit hostile and caustic to traditional Economics. While we may share your sentiment and we also do not want to micromanage our contributors, we want this Handbook to be inclusive and not divisive, so perhaps when you read through it again, check whether you are happy with the tone.   
     
   In the revised draft, we moderated the tone in various places, and we believe that now the paper strikes a good balance between being critical and constructive at the same time.
10. Page 16, the paragraph starting with “The paper also”... - could you provide a bit more intuition for the results mentioned there? How does this relate to the classic RE result that stock prices are (approximate) RWs?   
      
    We now elaborate more on the logic behind Shiller and Pound (1989)’s point that in a special case of the SIR model where infection and recovery rates are close enough and the pool of interested investors are subject to serially uncorrelated shocks, interest in the stocks could follow a random walk. (See page 20 and footnote 19)
11. Page 22: this is an interesting part of the chapter, but can it be made in a bit more concise way?  
      
    See the revised (shorter) Section 1.4.5.
12. In section 1.4.5.3 – connect with Kuchler and Stroebel’s empirical work on networks.  
      
    See the last paragraph in the revised Section 1.4.4.3 (page 29)
13. Section 1.2.4. If considered relevant, on polarization in beliefs observed in the SCE, see Political Polarization in Consumer Expectations - Liberty Street Economics (newyorkfed.org) Economic Expectations Grow Less Polarized since the 2016 Election - Liberty Street Economics ([newyorkfed.org](http://newyorkfed.org/))  
       
    See the newly added footnote 6.
14. How important is the frequency of media releases or information receipt?  
      
    See footnote 26, and the paragraph in page 25: we write that “The speed at which inflation expectations move toward the rational expectation will depend on the intensity of news coverage of inflation…” We cite Carroll [2003], Lamla and Lein [2014] and Larsen et al. [2021] for empirical evidence supporting this claim.
15. Regarding work analyzing the impact of media, chapter 17 (Born et al) cite a number of papers in their section 4.2 on overreactions by firms to news that may or may not be relevant for your discussion including: Chahrour, Ryan, Kristoffer Nimark, and Stefan Pitschner (2020). “Sectoral media focus and aggregate fluctuations”; Kohlhas, Alexandre and Ansgar Walther (2021). “Asymmetric attention”. American Economic Review, forthcoming. At first glance overreactions to news seems inconsistent with EE?   
      
    We cite the paper *Sectoral Media Focus and Aggregate Fluctuations* in the Section 1.4.4.4, as an example providing evidence that news media causes business cycle fluctuations.   
      
    We cite the paper *Asymmetric Attention*, in Section 1.4.6, in making a comparison between economists’ theories on how surprises generate overreaction, and the non-economic studies that show certain content leads to stronger emotional arousal and is therefore more infectious (which could lead to overreaction).