

General Discussion of ‘Trust in Central Banks’

Participants discussed the increasing importance of leveraging central bank communication to counter misinformation regarding the state of the economy. One participant suggested that if central banks fail to provide sufficient information about the state of the economy there is a risk that this information vacuum will be filled by misinformation. Several participants highlighted that sufficient trust in the central bank and strong communication penetration are necessary to effectively combat misinformation.

The weak empirical relationship between inflation expectations and trust in the central bank was also discussed. Several participants noted that trust is an important but nebulous concept that can be difficult to measure, which might help explain the weak empirical relationship. One participant highlighted the importance in drawing a distinction between epistemic trust (i.e. morality and sincerity of central banks) and trust in the credibility of central bank commitments such as forward guidance. Other participants pointed to the importance of economic literacy and personal experiences for the anchoring of inflation expectations.