**Supporting information**

Table A. Alternative specification: spline - linear trends in positive and negative affective forecasting errors

|  |  |  |
| --- | --- | --- |
|  | (1) | (2) |
|   | $$S\_{t}$$ | $$E\left[S\_{t+4}^{t-1}\right]$$ |
|   |  |  |
| *Positive affective forecasting errort-1 – linear trend* |  0.006  |  0.220\*\*\*  |
|  |  (0.006)  |  (0.007)  |
| *Negative affective forecasting errort-1 – linear trend* |  0.035\*\*\*  |  0.384\*\*\*  |
|  |  (0.006)  |  (0.007)  |
|  |  |  |
| Individual FE  | Yes | Yes |
| Age quadratic  | Yes | Yes |
| Year FE  | Yes | Yes |
| Covariates  | Yes | Yes |
| Observations  | 75,231 | 75,231 |
| Individuals  | 13,431 | 13,431 |

*Notes*: All models control for individual fixed effects, a quadratic polynomial in age and year dummies, and for the covariate vectors $X\_{t-6}$ and $∆X\_{i,t-1}^{}$, described in the text. Number of observations and individuals stated at the bottom of each column. Robust standard errors clustered at the individual level in parentheses. \*\*\* p<0.01, \*\* p<0.05, \* p<0.1.

Table B Robustness tests – different subsamples

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|  | Age ≤ 65 | Females | Males | 0<$ E\left[S\_{t-1}^{t-6}\right]$<10 |
|  | $$S\_{t}$$ | $$E\left[S\_{t+4}^{t-1}\right]$$ | $$S\_{t}$$ | $$E\left[S\_{t+4}^{t-1}\right]$$ | $$S\_{t}$$ | $$E\left[S\_{t+4}^{t-1}\right]$$ | $$S\_{t}$$ | $$E\left[S\_{t+4}^{t-1}\right]$$ |
|  |  |  |  |  |  |  |  |  |
| $$Unmet l. s. exp.\_{ t-1}$$ | -0.056\*\*\* | -0.613\*\*\* | -0.084\*\*\* | -0.656\*\*\* | -0.055\*\*\* | -0.631\*\*\* | -0.073\*\*\* | -0.647\*\*\* |
|  | (0.015) | (0.015) | (0.020) | (0.019) | (0.019) | (0.020) | (0.014) | (0.014) |
| $$Beaten l. s. exp.\_{t-1}$$ | 0.020 | 0.451\*\*\* | 0.024 | 0.470\*\*\* | 0.007 | 0.476\*\*\* | 0.011 | 0.500\*\*\* |
|  | (0.016) | (0.015) | (0.020) | (0.019) | (0.020) | (0.020) | (0.014) | (0.014) |
|  |  |  |  |  |  |  |  |  |
| Individual FE  | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Age quadratic  | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Year FE  | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Covariates  | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Observations  | 62,506 | 62,506 | 39,188 | 39,188 | 36,043 | 36,043 | 70,495 | 70,495 |
| Individuals  | 11,652 | 11,652 | 6,962 | 6,962 | 6,469 | 6,469 | 13,199 | 13,199 |

*Notes*: All models control for individual fixed effects, a quadratic polynomial in age and year dummies, and for the covariate vectors $X\_{t-6}$ and $∆X\_{i,t-1}^{}$, described in the text. Number of observations and individuals stated at the bottom of each column. Robust standard errors clustered at the individual level in parentheses. \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

Table C. Robustness tests - different functional forms for age

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|  | Quadratic age trend | Age dummies | Age by gender dummies | Age by gender dummies25 – 65 years sample |
|  | $$S\_{t}$$ | $$E\left[S\_{t+4}^{t-1}\right]$$ | $$S\_{t}$$ | $$E\left[S\_{t+4}^{t-1}\right]$$ | $$S\_{t}$$ | $$E\left[S\_{t+4}^{t-1}\right]$$ | $$S\_{t}$$ | $$E\left[S\_{t+4}^{t-1}\right]$$ |
|  |  |  |  |  |  |  |  |  |
| $$Unmet l.s. exp.\_{t-1}$$ | -0.071\*\*\* | -0.643\*\*\* | -0.071\*\*\* | -0.643\*\*\* | -0.069\*\*\* | -0.642\*\*\* | -0.052\*\*\* | -0.621\*\*\* |
|  | (0.014) | (0.014) | (0.014) | (0.014) | (0.014) | (0.014) | (0.015) | (0.016) |
| $$Beaten l.s. exp.\_{t-1}$$ | 0.016 | 0.473\*\*\* | 0.013 | 0.472\*\*\* | 0.014 | 0.471\*\*\* | 0.020 | 0.452\*\*\* |
|  | (0.014) | (0.014) | (0.014) | (0.014) | (0.014) | (0.014) | (0.015) | (0.015) |
|  |  |  |  |  |  |  |  |  |
| Individual FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Year FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Covariates | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Observations | 75,231 | 75,231 | 75,231 | 75,231 | 75,231 | 75,231 | 60,402 | 60,402 |
| Individuals | 13,431 | 13,431 | 13,431 | 13,431 | 13,431 | 13,431 | 11,231 | 11,231 |

*Notes*: All models control for individual fixed effects, a quadratic polynomial in age and year dummies, and for the covariate vectors $X\_{t-6}$ and $∆X\_{i,t-1}^{}$, described in the text. Number of observations and individuals stated at the bottom of each column. Robust standard errors clustered at the individual level in parentheses. \*\*\* p<0.01, \*\* p<0.05, \* p<0.1.

Table D. Robustness tests - Including the distance between interviews as additional control

|  |  |  |
| --- | --- | --- |
|  | (1) | (2) |
|  | $$S\_{t}$$ | $$E\left[S\_{t+4}^{t-1}\right]$$ |
|  |  |  |
| $$Unmet l. s. exp.\_{ t-1}$$ | -0.065\*\*\* | -0.642\*\*\* |
|  | (0.014) | (0.014) |
| $$Beaten l. s. exp.\_{t-1}$$ | 0.002 | 0.470\*\*\* |
|  | (0.014) | (0.014) |
|  |  |  |
| Individual FE  | Yes | Yes |
| Age quadratic  | Yes | Yes |
| Year FE  | Yes | Yes |
| Covariates  | Yes | Yes |
| Observations  | 70,964 | 70,964 |
| Individuals  | 12,836 | 12,836 |

*Notes*: All models control for individual fixed effects, a quadratic polynomial in age and year dummies, for the covariate vectors $X\_{t-6}$ and $∆X\_{i,t-1}^{}$, described in the text, as well as for the distance (in days) between: (i) the date when St-1 is realized and the date when Et-6(St-1) was expressed; (ii) the date when St is realized and the date when St-1 was realized (only in the model for St). Number of observations and individuals stated at the bottom of each column. Robust standard errors clustered at the individual level in parentheses. \*\*\* p<0.01, \*\* p<0.05, \* p<0.1

Table E. Robustness tests – Unmet and Beaten computed on the basis of the $S\_{t-1}^{}-E\left[S\_{t+3}^{t-2}\right] $affective forecasting error

|  |  |  |
| --- | --- | --- |
|  | (1) | (2) |
|  Outcome variable: | $$S\_{t}$$ | $$E\left[S\_{t+4}^{t-1}\right]$$ |
|   |  |  |
| $$Unmet l. s. exp.\_{ t-1}$$ | -0.046\*\*\* | -0.614\*\*\* |
|  | (0.014) | (0.014) |
| $$Beaten l. s. exp.\_{t-1}$$ | -0.003 | 0.500\*\*\* |
|  | (0.015) | (0.014) |
|  |  |  |
| Individual FE  | Yes | Yes |
| Age quadratic  | Yes | Yes |
| Year FE  | Yes | Yes |
| Covariates  | Yes | Yes |
| Observations  | 72,500 | 72,500 |
| Individuals  | 13,086 | 13,086 |

*Notes*: Unmet and Beaten computed on the basis of the affective forecasting error $S\_{t-1}^{}-E\left[S\_{t+3}^{t-2}\right]. $All models control for individual fixed effects, a quadratic polynomial in age and year dummies, and for the covariate vectors $X\_{t-2}$ and $∆X\_{i,t-1}^{}$, described in the text and whose timing in this case is consistent with that of $E\left[S\_{t+3}^{t-2}\right]$. Number of observations and individuals stated at the bottom of each column. Robust standard errors clustered at the individual level in parentheses. \*\*\* p<0.01, \*\* p<0.05, \* p<0.1.

Table F. Placebo test – randomly assigned expectations vs. truly realized life satisfaction

|  |  |
| --- | --- |
|  | (1) |
|  | $$S\_{t}$$ |
|  |  |
| $$Unmet random l.s. exp.\_{t-1}$$ | -0.003 |
|  | (-0.022;0.029) |
| $$Beaten random l.s. exp.\_{t-1}$$ | -0.004 |
|  | (-0.044;0.05) |
|  |  |
|  |  |
| Individual FE | Yes |
| Year FE | Yes |
| Covariates | Yes |
| Observations | 75,231 |
| Individuals | 13,431 |

*Notes*: We report the median and the empirical confidence intervals at the 5% level of confidence for the coefficients of beaten and unmet expectations derived from re-estimating the model after each of 1,000 random permutations of the life satisfaction expectation $E\left[S\_{t-1}^{t-6}\right]$. The outcome is St, and the specification is the same adopted in Column (3) of Table 5. Number of observations and individuals stated at the bottom of each column. \*\*\* p<0.01, \*\* p<0.05, \* p<0.1.