

Online Appendix

This appendix includes results of various tests referenced in the main text.

Table A.1

Mood, Economic Uncertainty and Adverse Weather Conditions

The table displays OLS regression model estimates using NETJOB, NETEXP, and NETSTART as the dependent variables. Variables are mean-centered before the interaction terms are calculated. Forecast Dispersion interaction terms with Rain and Snow are included in all the models, but not reported. All control variables from models in Table 9 are included in the models, but not reported. Robust standard errors clustered on the state and year-quarter levels are used to estimate the t -statistics, which are displayed in parentheses. Statistical significance is denoted by ***, **, and * for significance at the 1%, 5%, and 10% levels, respectively.

Model:	(1)	(2)	(3)
Dependent Variable:	NETJOB	NETEXP	NETSTART
State DSKC	-0.015** (-2.46)	-0.013*** (-3.30)	-0.011** (-2.13)
Forecast Dispersion	-2.945 (-1.35)	-2.302* (-1.65)	-0.686 (-0.27)
State DSKC \times Forecast Dispersion	-2.876 (-1.55)	-2.890* (-1.92)	-5.719*** (-3.00)
State \times Quarter FEs	YES	YES	YES
Adverse Weather \times Forecast Dispersion Interaction Terms	YES	YES	YES
Control Variables	YES	YES	YES
N	3905	3905	3905
Adjusted R ²	93.74%	94.92%	82.00%

Table A.2

Tobit Regression Estimates

The table displays Tobit regression model estimates using PEO, Sales EXP and Poly EXP as the dependent variables. The Tobit regressions censor values according to the range of the dependent variables. Probability GDP Decline is the mean probability of professional economic forecasters of a decline in the GDP over the next quarter. State Sales Growth is the realized state-level sales growth rate. All control variables from models in Table 3 are included in the models with the exception of the mood proxy, but not reported. Robust standard errors clustered on the state and year-quarter levels are used to estimate the t -statistics, which are displayed in parentheses. Statistical significance is denoted by ***, **, and * for significance at the 1%, 5%, and 10% levels, respectively.

Model:	(1)	(2)	(3)
<u>Dependent Variable:</u>	PEO	Sales EXP	Poly EXP
Probability GDP Decline	-0.787*** (-41.56)		-0.165*** (-6.54)
State Sales Growth		5.688*** (7.80)	
State \times Quarter FEs	YES	YES	YES
DSKC	NO	NO	NO
Other Control Variables	YES	YES	YES
N	91204	21639	21899
Adjusted R ²	9.90%	14.80%	4.60%

Table A.3

Managerial Forecast Accuracy and Mood: Placebo Tests with Non-Economic Forecasts

This table displays OLS regression model estimates of the tests on managerial forecast error on non-economic projections. State Sales EXP (State Poly EXP) is the average Sales EXP (Poly EXP) across firms within the same state and date. Forecast Error (Sales EXP) is calculated as the average difference between Sales EXP and Expected Sales EXP for each state and date, while Forecast Error (Poly EXP) is calculated as the average difference between State Poly EXP and Expected Poly EXP for each state and date. Expected Sales EXP is the predicted values of a Tobit regression model whose dependent variable is Sales EXP and explanatory variables include realized state-level sales growth in upcoming quarter and the control variables, excluding the weather variables, from Table 3. Expected Poly EXP is the predicted values of a Tobit regression model whose dependent variable is Poly EXP and explanatory variables include the mean probability of a decline in the GDP in the upcoming quarter by professional economists and the control variables, excluding the weather variables, from Table 3. The Tobit regression models are censored according the range on State Sales EXP and State Poly EXP. Adjustment is calculated as the ratio of the average state-level managerial forecasts over the next three months relative to the state-level managerial forecasts in the current period based upon Sales EXP or Poly EXP. The state-level estimates are measured as the average managerial forecast for a given month. State DSKC is a monthly average of DSKC of firms within a particular state. State Sunny and State Cloudy are the percentage of firms in a particular month whose DSKC is in the bottom and top 25th sample percentile, respectively. The other explanatory variables from Table 3 are aggregated to the state-level and included as control variables in all of the models. Robust standard errors clustered on the state and date levels are used to estimate the *t*-statistics, which are displayed in parentheses. Statistical significance is denoted by ***, **, and * for significance at the 1%, 5%, and 10% levels.

	(1)	(2)	(3)	(4)
Dependent Variable:	Forecast Error (Sales EXP)	Forecast Error (Poly EXP)	Adjustment (Sales EXP)	Adjustment (Poly EXP)
State DSKC	-0.004 (-0.44)	0.006 (0.65)	0.022 (1.50)	-0.010 (-0.54)
Control Variables	YES	YES	YES	YES
State × Quarter FE	YES	YES	YES	YES
N	7249	7249	6860	6860
Adjusted R ²	0.86%	8.98%	7.17%	2.41%

Table A.4

Consumer Mood and Sky Cloud Cover

Panel A displays OLS estimates using Change in Sales, Expected Sales Volume, and Problematic Sales as the dependent variables. The control variables are indicated at the bottom of the table, but are not reported. Robust standard errors clustered on the ZIP code and date levels are used to estimate the t -statistics, displayed in parentheses. Panel B displays state level OLS estimates using State Retail Sales, Retail Sales Growth, Change in Sales (Survey), Expected Sales (Survey), and % Sales Problem (Survey) as the dependent variables. State-quarter fixed effects and adverse weather variables are in all specifications. Robust standard errors clustered on the state and year-quarter levels are used to estimate the t -statistics, displayed in parentheses. Statistical significance is denoted by ***, **, and * for significance at the 1%, 5%, and 10% levels, respectively.

Panel A: Firm Sales				
Model:	(1)	(2)	(3)	(4)
<u>Dependent Variable:</u>	Change in Sales	Change in Sales	Expected Sales Volume	Problematic Sales
DSKC	-0.016** (-2.25)	-0.008 (-1.43)	-0.010 (-1.42)	0.003 (1.15)
State x Quarter FE	Y	Y	Y	Y
Adverse Weather Conditions	Y	Y	Y	Y
Change in Sales	N	N	N	N
Expected Sales Volume	N	N	N	N
Problematic Sales	N	N	N	N
Other Control Variables	N	Y	Y	Y
N	56380	56380	56380	56380
Adjusted R ²	0.92%	7.31%	6.26%	5.33%

Panel B: State level Retail Sales						
Model:	(1)	(2)	(3)	(4)	(5)	(6)
<u>Dependent Variable:</u>	State Retail Sales	State Retail Sales	Retail Sales Growth	Change in Sales (Survey)	Expected Sales (Survey)	% Sales Problem (Survey)
State DSKC	-0.012** (-2.11)	-0.000 (-0.10)	-0.001 (-0.92)	0.013 (1.30)	-0.000 (-0.06)	0.004 (0.96)
State × Quarter FE	YES	YES	YES	YES	YES	YES
State Retail Sales	NO	NO	NO	NO	NO	NO
Retail Sales Growth	NO	NO	NO	NO	NO	NO
Change in Sales (Survey)	NO	NO	NO	NO	NO	NO
Expected Sales (Survey)	NO	NO	NO	NO	NO	NO
% Sales Problem (Survey)	NO	NO	NO	NO	NO	NO
Other Control Variables	NO	YES	YES	YES	YES	YES
N	3905	3905	3905	3905	3905	3905
Adjusted R ²	73.58%	85.73%	29.17%	32.46%	22.30%	50.05%

Table A.5**Weather Conditions and Local Stock Returns**

The table displays OLS regression model estimates using value-weighted state-level portfolio returns as the dependent variable. Model 1 displays the results for monthly frequency, while Model 2 displays the results for quarterly frequency. The control variables included in each model are State SKC, State Rain, State Snow, and the value-weighted market portfolio returns measured using same frequency as the dependent variable. Driscoll-Kraay standard errors are used to estimate the t -statistics, which are displayed in parentheses. Statistical significance is denoted by ***, **, and * for significance at the 1%, 5%, and 10% levels, respectively.

Model:	(1)	(2)
Estimation Period:	Monthly	Quarterly
Dependent Variable:	State Returns	State Returns
State DSKC	0.000 (0.67)	0.001 (0.48)
State Rain	-0.000 (-0.46)	-0.003 (-1.58)
State Snow	-0.004*** (-4.94)	-0.030*** (-2.97)
Market Returns	0.966*** (45.20)	0.975*** (55.24)
N	11367	3905
Adjusted R ²	76.71%	77.75%