Talk it up or play it down?

(Un)expected correlations between (de-)emphasis and recurrence of discussion points in consequential U.S. economic policy meetings

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It is not easy to get your ideas across in meetings.
Maybe especially true in high-profile meetings since they have made up their mind
Despite the difficulty, we are still explaining ideas in meetings.
Is it possible to get ideas across better?
Why are we focusing on wording?

- **Status** [Cialdini (2009), etc]
- **Stance/topic/argument**
  - (De-)emphasis
Does (de-)emphasis affect the reception of a speaker’s ideas?
Talk it up or play it down?

“… and you could put that reference in the future, but this is not what we want to say in this statement …”

Play it down

“… maybe you want to put that reference in the future, but I’m not sure that this is what we want in this statement …”

Talk it up

“… this is the worst wording we could put in this statement …”
Hedging to expressing uncertainty

... maybe you want to put that reference in the future, but I’m not sure that this is not what we want in this statement ...

Maybe a negative effect?

Hedging for social appropriateness

Chairman Greenspan: I assume iron ore is in [the CRB]?
Mr. Kos: I don’t know if iron ore is in there but copper is: copper scrap is in there, I think.
Chairman Greenspan: That couldn’t have done that much. Steel, for example, is actually down.
Mr. Kos: I don’t think steel is in the CRB.

Maybe a positive effect?

Dataset

• FOMC meeting transcripts from 1977 to 2008
• Contexts:
  – Hedges (e.g., “maybe”)
  – Superlatives (e.g., “best”)
  – Negative conjunction (e.g., “but”)
  – Second person pronouns (e.g., “you”)

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Federal Open Market Committee
Monetary policy

“ultimately [affect] a range of economic variables, including employment, output, and prices of goods and services”

Wall Street rises as Federal Reserve looks to raise rates this year
Federal Open Market Committee

“holds eight regularly scheduled [six-hour] meetings per year [where it] reviews economic and financial conditions, determines the appropriate stance of monetary policy, and assesses the risks to its long-run goals of price stability and sustainable economic growth”

Guo, Blundell, Wallach, and Heller (2015); Hansen, McMahon, and Prat (2015); Meade (2005); Meade and Stasavage; Schonhardt-Bailey (2013); Zirn, Meusel, and Stuckenschmidt (2015), etc.
A repetition framework

1. Match \textit{(in-context, out-context)} word pairs in a speech with similar past “importance”

\textbf{Superlatives} as an example context
A repetition framework

1. Match *(in-context, out-context)* word pairs in a speech with similar past “importance”

**Superlatives** as an example context

*Mr. Moskow:* ... Auto and light truck sales appear to be coming in at about the 14-1/2 million units level so far in May, which is approximately 3/4 million units above the April pace but still well below the *expectations* earlier this year. [...] On the employment front, labor markets remain tight, with the District’s *unemployment* rate at its *lowest* level in over 15 years. ...

Controlled for who the speaker was and when the speech happened in the meeting...
A repetition framework

2. Compare future frequency of (\textit{in-context}, \textit{out-context})

\textbf{Superlatives} as an example context

\textit{unemployment}, \textit{expectations}
A repetition framework

2. Compare future frequency of (in-context, out-context)

Superlatives as an example context

unemployment, expectations

- objectives we've stated in the context and try to maintain Federal Reserve credibility in the external markets

Basically, at the present time we don't think we can keep both M1 and M2 within our target ranges. I would have, at this time last year, been a stickler for M2 and M1 and not wanting M4 as a constraint... If we tried to contain the growth of M1, that would probably result in lower monetary growth objectives and without the higher level of employment that we would like to see. I think the recent data show that we are not going to meet the present time. So, I would for the moment try to stick with the objectives that we adapted at the last meeting. I would not restrict too far. That has the effect of putting M4 closer to the lower bounds of the target range.

CHAIRMAN VOLker. Mr. Stin.

MR. STIN. Just one comment. Mr. Chairman: I'm not sure I understand completely the economic implications of the redistribution of the Federal Reserve System between the monetary authorities. If I had to guess what the effect of a change in the ratio of employment and the lower end of the growth rate might be, I would think we're seeing a similar scenario in the redistribution of speeches and I'm not sure I understand all the economic implications of that.

CHAIRMAN VOLker. Well, with that conclusion of importance—unemployment, expectations...
A repetition framework

2. Compare future frequency of (in-context, out-context)

Superlatives as an example context

unemployment, expectations

effect of a context

Inter-meeting

n-th meeting

t

t+1

t+2
A repetition framework

1. Match \textit{(in-context, out-context)} word pairs in a speech with similar past “importance”
2. Compare future frequency of \textit{(in-context, out-context)}

\[ E(C) = \hat{P}_C - 0.5 \]

\( > 0 \): positive effect
\( < 0 \): negative effect
Hypothesis

• Intra-meeting
  
  **H1:** Hedges have a negative effect  
  **H2:** Superlatives have a positive effect  
  **H3:** Second person pronouns have a positive effect

• Inter-meeting
  
  **H4:** No effects

Are there differences across gender or status?
Intra-meeting: hedges have a very brief negative effect
Intra-meeting: maybe superlatives have a small negative effect
Intra-meeting: second person pronouns have a diminishing positive effect.
Inter-meeting

hedges superlatives 2nd person pronouns
(de-)emphasis affects the reception of a speaker’s ideas, do the effects vary depending on status or gender?
Inter-meeting hedges positive effect is more pronounced for female participants.

![Graph showing the effect of a context across different n-th meetings for female and male participants. The graph displays positive effects for females, particularly noticeable at the second and third meetings.]
Inter-meeting hedges
no differences

effect of a context

n-th meeting

chair
nonchair
Inter-meeting superlatives
no differences

effect of a context

n-th meeting

female
male
Inter-meeting superlatives
positive for high status
negative for low status

![Graph showing the effect of a context on n-th meeting for chair and nonchair individuals.](image)
Intra-meeting second person pronouns positive effect is more pronounced for female participants
Intra-meeting second person pronouns have a positive effect, which is more pronounced for participants with lower status.
Limitations

• Maybe not causal, especially the inter-meeting results
• Changes in the style and leadership
• Only one dataset
• Only text
• Repetition is restrictive
Take away

• A framework to identify contextual effects
• (De-)emphasis matters even in high-profile meetings, and has different effects for people with different status or gender
• It is not always effective to say things in a direct manner or add strong emphasis

Thank you!

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