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Erratum to "Why Has U.S. Inflation Become Harder to Forecast?"

The article (*Journal of Money, Credit, and Banking*, Supplement to Vol. 39, No. 1 (February 2007)) contains errors in Figures 2–4 and Tables 4–5, associated with a coding error in our program for estimating the UC-SV model. We thank Ling Hu of Platinum Grove Asset Management for finding this error and bringing it to our attention. The corrected UC-SV rows for Tables 4 and 5 are given below. Corrected versions of Figures 2–4 and corrected replication files can be found at http://www.princeton.edu/~mwatson.

TABLE 4

PSEUDO OUT-OF-SAMPLE FORECASTING PERFORMANCE OF ADDITIONAL UNIVARIATE MODELS: MSFEs, RELATIVE TO AR(AIC), GDP INFLATION

Corrected Row

Model	1970:I = 1983:IV				1984:I–2004:IV			
	h = 1	h = 2	h = 4	h = 8	h = 1	h = 2	h = 4	h = 8
UC-SV, $\gamma = 0.2$	0.81	0.84	0.87	0.87	1.01	1.02	0.97	0.88

TABLE 5

FOUR-QUARTER AHEAD PSEUDO OUT-OF-SAMPLE RELATIVE MSFEs [RECURSIVE AR(AIC) = 1.00]

Corrected Row

Model	PCE-core		PCE-all		CPI	
	1970:I–1983:IV	1984:I–2004:IV	1970:I–1983:IV	1984:I–2004:IV	1970:I–1983:IV	1984:I–2004:IV
UC-SV, $\gamma = 0.2$	0.89	0.84	0.88	0.77	0.88	0.86