ONLINE APPENDIX

Table A1. Descriptive Statistics and Pearson Correlation Statistics*

Variable	Mean	S.D.	1	2	3	4	5	6	7	8	9	10	11	12
1. Market uncertainty	–.0051	.06												
2. Backing ratio (BR)	.23	.22	.09											
3. Speech positive tone	3.42	1.01	–.05	–.08										
4. Business media fear	.0084	.00	.10	–.23	–.17									
5. Existing market uncertainty	21.84	8.83	–.01	.05	.05	.18								
6. Unemployment rate	6.06	1.84	–.08	.26	.22	–.43	.17							
7. Inflation rate	2.36	1.27	.10	–.08	–.03	.30	–.21	–.48						
8. Expansionary monetary policy	.16	.37	.04	.01	.05	.14	.35	–.21	.24					
9. Contractionary monetary policy	.18	.38	.14	–.17	–.12	.20	–.28	–.34	.38	–.20				
10. Dissent governor	.04	.19	.00	–.10	.00	.13	.06	–.08	.09	–.08	.16			
11. Dissent president	.47	.64	–.17	.16	.18	–.23	–.01	.28	.06	.13	–.28	.01		
12. Consumer Price Index report	.07	.25	.06	.08	.03	.03	–.03	.06	–.02	–.02	–.03	–.05	.02	
13. Producer Price Index report	.06	.24	.14	.05	–.10	.06	.01	.00	.06	.06	.04	.02	–.04	–.07
14. Unemployment report	.05	.22	–.09	.05	–.02	–.06	.04	–.07	.03	.00	.06	–.05	–.05	–.06
15. Governor speeches	.23	.42	–.01	–.03	–.11	.10	–.01	–.11	–.03	.05	.08	.01	–.11	.02
16. Testimony	.08	.28	.05	–.02	.12	.05	.06	.02	–.03	–.01	.00	.06	.01	–.04
17. Press releases	.51	.50	–.06	.06	.07	–.03	.07	.19	–.03	.04	–.05	.06	.13	.03
18. Speech location	.29	.46	.07	–.10	.18	–.02	.02	.03	–.06	.02	–.01	–.05	–.02	.06
19. Speech word count	2667.45	1210.28	–.06	.23	–.41	–.01	.06	.02	–.07	.03	–.08	–.09	–.03	.01
20. Speech uncertainty	1.24	.68	–.01	.08	–.05	.04	–.08	.04	.01	–.05	.05	.02	.02	.12
21. Speech negative tone	1.74	.86	.08	.27	–.28	.03	.08	.00	–.04	.04	.01	.01	–.07	.09
22. Speech power	4.15	1.12	.02	.37	.24	–.20	.02	.23	–.04	–.02	–.12	.01	.11	.03
23. Speech complexity	15.95	1.80	.05	.42	–.27	–.10	.03	.13	–.03	.00	–.06	–.05	.09	.04
24. Speech abstractness	10.18	1.62	–.16	.03	.04	.01	–.07	.02	–.07	–.08	–.04	–.04	–.02	–.05
25. Speech vagueness	1.12	.37	–.05	–.08	–.14	–.08	–.08	–.01	.03	.05	–.06	–.05	.04	.03

Variable	13	14	15	16	17	18	19	20	21	22	23	24
14. Unemployment report	–.06											
15. Governor speeches	.01	–.07										
16. Testimony	.10	–.02	–.06									
17. Press releases	.03	–.08	–.03	.06								
18. Speech location	.08	–.09	–.01	.11	.16							
19. Speech word count	.03	.00	.00	–.11	–.03	–.30						
20. Speech uncertainty	.05	–.07	.07	.05	–.04	–.03	.11					
21. Speech negative tone	.11	–.03	.06	–.12	–.04	–.19	.42	.07				
22. Speech power	.01	–.05	–.08	.08	.11	–.01	.03	.04	.11			
23. Speech complexity	–.02	.00	–.08	.02	–.05	–.04	.36	–.01	.16	.21		
24. Speech abstractness	.07	–.01	–.01	–.03	–.03	–.12	.09	.12	.09	.00	–.06	
25. Speech vagueness	–.04	–.06	–.07	–.06	.01	–.15	.28	.02	.12	–.06	–.05	.08

* 339 speeches from 1/1/1998 to 12/31/2014. Correlations above absolute value of .11 (.14) are significant at .05 (.01) for two-tailed test.

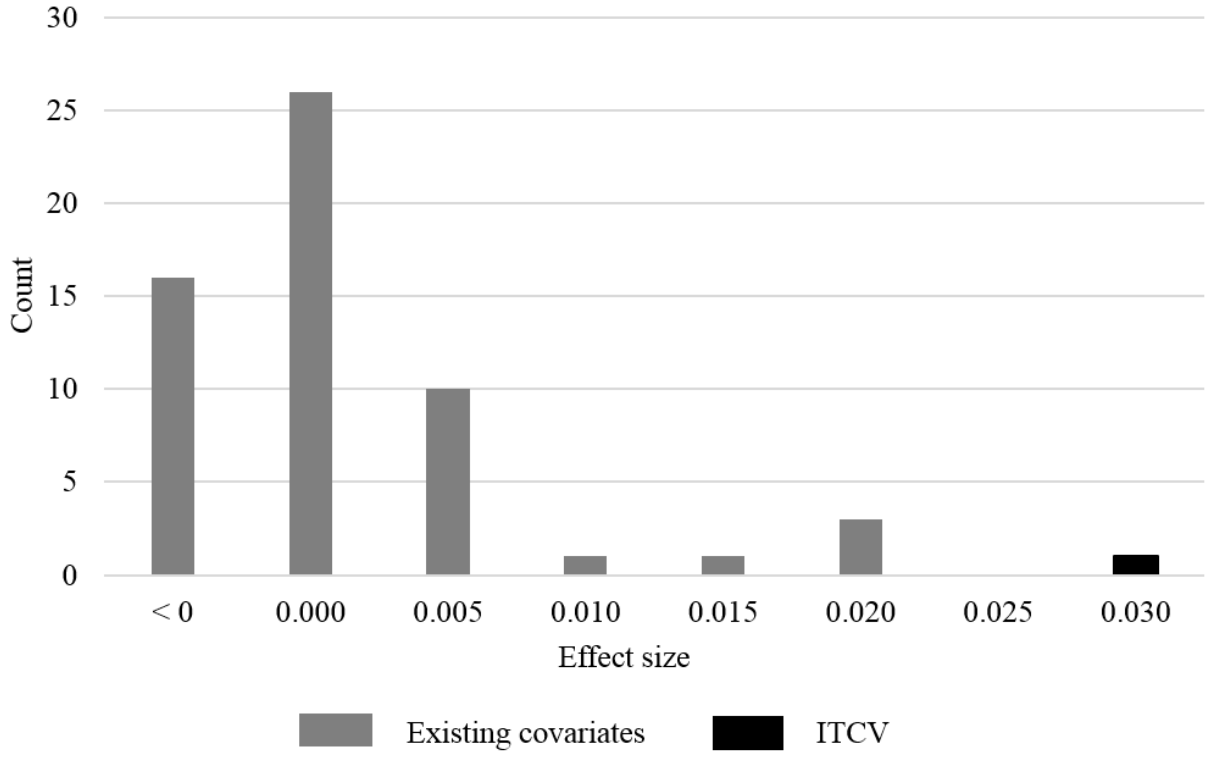
Robustness Checks

I validated that my results were robust in a number of ways. First, I conducted all analyses again using generalized estimating equations (GEE) to control for the possibility of non-independence of these observations (Wade et al., 2006; Pfarrer, Pollock, and Rindova, 2010). Using the XTGEE routine in STATA 14.0, I chose the Gaussian (normal) distribution and an identity link function that corresponded to a linear model. For the correlation matrix, I assumed that there was a first-order autoregressive disturbance (AR1), in which disturbances from a chair's prior speech are correlated with the disturbances resulting from the current speech. When doing so, I found strong support for all my hypotheses. Second, although the chair generally talked about the backing in a descriptive and reaffirming manner, I coded each backing-related paragraph for whether a potential change to the backing was discussed, the backing was described in future-oriented terms, and the backing appeared in the first five or ten paragraphs of a speech. Controlling for these factors again produced consistent results. Third, consistent with the expectation that the speech is not made public until the date and time denoted on the transcript, the backing ratio did not predict market uncertainty for the two-day event window before the day of the speech ($\beta = .02$, $\sigma^2 = 0.019$, $p = .307$, adjusted R-squared = .083). Finally, I examined alternative specifications for a number of control variables to ensure that my results were robust to these changes. I used the actual federal funds rate instead of dummy variables, a two- and three-day window for the business media fear variable, and several different windows (e.g., 15-day and 150-day) for existing market uncertainty. My findings remained consistent across these specifications.

As noted in the text, figure A1 plots the impact threshold for a confounding variable (ITCV) along with the effect sizes of all other covariates in my model. It shows that the size of

the omitted variable needed to invalidate my results is substantially larger than every other control variable used in existing literature. Assuming that I have included a reasonable set of control variables, this suggests that my primary results are not likely driven by a correlated omitted variable.

Figure A1. Reference distribution of the effect sizes for covariates.



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