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Agreed and Disagreed Uncertainty

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When agents' information is imperfect and dispersed, existing measures of macroeconomic uncertainty based on the forecast error variance have two distinct drivers: the variance of the economic shock and the variance of the information dispersion. The former driver increases uncertainty and reduces agents' disagreement (agreed uncertainty). The latter increases both uncertainty and disagreement (disagreed uncertainty). We use these implications to identify empirically the effects of agreed and disagreed uncertainty shocks, based on a novel measure of consumer disagreement derived from survey expectations. Disagreed uncertainty has no discernible economic effects and is benign for economic activity, but agreed uncertainty exerts significant depressing effects on a broad spectrum of macroeconomic indicators.