Increasing workload leads analysts to cluster less important reports strategically, resulting in worse quality.
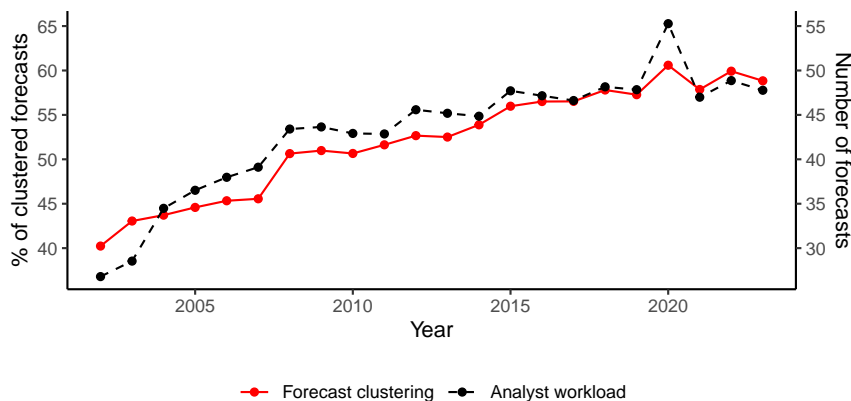
Why (How) Do Analysts Make Multiple Forecasts in a Day?

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Background: When analysts make multiple forecasts in a single day (forecast clustering), the resulting clustered forecasts become less accurate, less bold, and less informative.
Question: Why do analysts increasingly cluster forecasts within a single day and how do they respond to the decrease in quality?

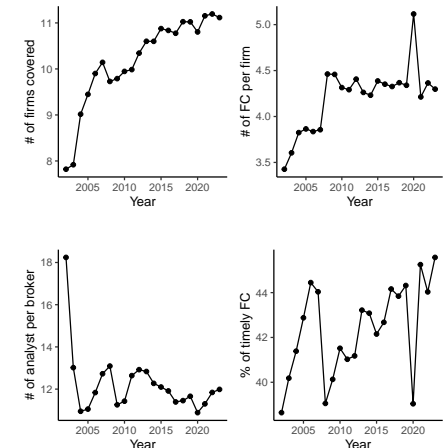### 1. Analyst workload and forecast clustering over time

Legend: Forecast clustering — Analyst workload

2. Strategic forecast clustering by firm/information importance

Measure	TopSize	TopVol	TopIO	ImpFirmAny	ImpFirmAll	RecomRevision
Coefficient	−0.0158***	−0.0083***	−0.0041***	−0.0081***	−0.0167***	−0.0267***
Std. Error	(0.0012)	(0.0012)	(0.0010)	(0.0009)	(0.0028)	(0.0021)
R²	0.3228	0.3227	0.3227	0.3227	0.3227	0.3228
Observations	2,436,716	2,436,716	2,436,716	2,436,716	2,436,716	2,436,716

$$MultiForecast_{i,j,t} = \beta_1 Important_{i,j,t} + \beta_2' \mathbf{X_{i,j,t}} + \delta_j + \delta_{i,q} + \delta_t + \epsilon_{i,j,t}$$

Add'l figures and tables

1. More on analyst workload over time

2. Analyst workload and FC clustering (Qtr)

Dependent Variables:	ClusterFraction	AnyCluster	MaxClusterNum
ReportNum	0.1387***	0.2944***	0.4693***
	(0.0021)	(0.0026)	(0.0114)
Fixed-effects	Analyst + YrQtr		
R²	0.5778	0.6629	0.6326
Observations	222,231	222,231	136,257

3. Other factors influencing FC clustering

Dependent Variable:	MultiForecast		
Model:	(1)	(2)	(3)
UpGrade	−0.0434***		
	(0.0028)		
DownGrade	−0.0125***		
	(0.0026)		
Timely × MultiEA		0.3740***	
		(0.0033)	
Timely		−0.2427***	
		(0.0027)	
MultiEA		0.0557***	
		(0.0015)	
InfoShock			−0.0046***
			(0.0001)
Distraction			0.0537***
			(0.0011)
Fixed-effects	Firm + Analyst-YrQtr + ForecastDay		
R²	0.3228	0.3859	0.3383
Observations	2,436,716	2,436,716	2,436,716

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