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## The Equity Premium Consensus Forecast Revisited

IVO WELCH

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September 2001

*Cowles Foundation Discussion Paper No. 1325*

#### Abstract:

This paper presents the results of a survey of 510 finance and economics professors. The consensus forecast for the 1-year equity premium is about 3% to 3.5%, the consensus forecast for the 30-year equity premium (arithmetic) is about 5% to 5.5%. The consensus 30-year stock market forecast is about 10%. These forecasts are considerably lower than those taken just 3 years ago.

Keywords: Equity Premium

JEL Classifications: G00, G10, G30, F4

Working Paper Series

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