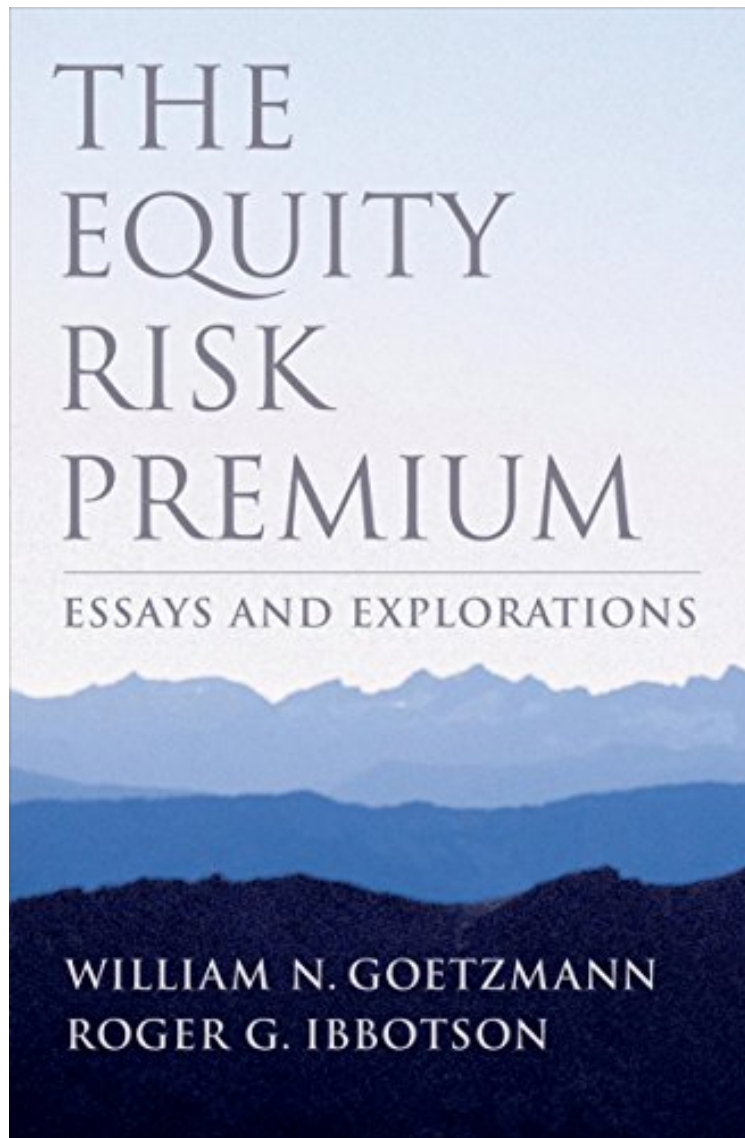


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The Equity Risk Premium: Essays and Explorations

William N. Goetzmann, Roger G. Ibbotson
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William N. Goetzmann, Roger G. Ibbotson : The Equity Risk Premium: Essays and Explorations before purchasing it in order to gage whether or not it would be worth my time, and all praised The Equity Risk Premium: Essays and Explorations:

11 of 12 people found the following review helpful. Good reference, but disappointed due to old date of articles By J. Yoon First of all, this book is for academics and professionals interested in equity risk premium research that is backed by solid data. It is NOT for the lay person interested in stock investing. I was greatly anticipating this book from , but upon initial inspection, I was sadly disappointed. The entire book is a collection of previously published journal

articles. There are no new articles for this book. I found only one 2006 article, and two 2002-2003 articles. The original copyright dates are broadly distributed across 1970's, 1980's, 1990's, and early 2000. It could be a good value as a reference/compendium book with important articles from the past. But if you have already read the older articles (or other equivalent articles on the same subject), then it is a waste of money at \$55. It includes an excerpt from the Ibbotson's "Stocks, Bonds, Bills, and Inflation" handbook, 1976-2000 (the full version sells for \$100 and is updated annually). This may have some value, but it might be cheaper to get the original articles from the Journal of Business. Most large community libraries do carry the Journal of Business, so you can read it for free even if you are not currently affiliated with a university. I have not decided whether to return it to . I may update my review after reading some of the articles. Roger Ibbotson is a founder at Ibbotson Research, the leading firm on the subject of equity risk premium. This book just proves that there is an extreme scarcity of recent research on this subject. I hope some bright PhD at Chicago or Berkeley will update this study.

What is the return to investing in the stock market? Can we predict future stock market returns? How have equities performed over the last two centuries? The authors in this volume are among the leading researchers in the study of these questions. This book draws upon their research on the stock market over the past two dozen years. It contains their major research articles on the equity risk premium and new contributions on measuring, forecasting, and timing stock market returns, together with new interpretive essays that explore critical issues and new research on the topic of stock market investing. This book is aimed at all readers interested in understanding the empirical basis for the equity risk premium. Through the analysis and interpretation of two scholars whose research contributions have been key factors in the modern debate over stock market performance, this volume engages the reader in many of the key issues of importance to investors. How large is the premium? Is history a reliable guide to predict future equity returns? Does the equity and cash flows of the market? Are global equity markets different from those in the United States? Do emerging markets offer higher or lower equity risk premia? The authors use the historical performance of the world's stock markets to address these issues.

"William Goetzmann and Roger Ibbotson have produced a searching and comprehensive analysis of how history reveals the forces that shape risk and return in the stock market. But HURRAH! their work is also eminently readable. All investors, economic historians, and financial academics should read this book--and hurry up about it."--Peter L. Bernstein, Publisher of Economics and Portfolio Strategy and Consulting Editor of The Journal of Portfolio Management "Understanding the stock market is really about understanding the premium that investors demand for holding stocks over less risky assets. Not surprisingly, then, the 'equity premium puzzle' i.e., the seemingly inexplicably high historical excess returns on the stock market, has become a focus of extensive research and debate. To quote Goetzmann and Ibbotson, 'history matters,' and with the deceptively simple act of putting it together, they have shown us just how much it does and how much we can learn from the past. They have also staked their position firmly in the camp of those who believe that with careful statistical analysis of the historical record, and, in particular, with a clear understanding of the role of survivorship bias, the puzzle can be explained. Whatever prior views they may hold, both the professional and the interested amateur will learn much from this work."--Stephen A. Ross, Franco Modigliani Professor of Finance and Economics, MIT About the Author Robert Ibbotson is an expert on capital market returns, cost of capital, and international investing. A member of the Yale School of Management faculty since 1986, he joined Yale from the University of Chicago, where he served as the director of the Center for Research in Security Prices (CRSP). He is Chairman and Founder of Ibbotson Associates in Chicago, New York, and Tokyo, which provides asset allocation advice, consulting, software, data, and financial publishing for financial institutions and investment advisors. He is also a Partner in Zebra Capital Management, LLC, which manages hedge funds. Professor Ibbotson is the author of numerous books and articles, including the annual Stocks, Bonds, Bills, and Inflation Yearbook. Will Goetzmann is the Edwin J. Beinecke Professor of Finance and Management Studies at the Yale School of Management and a Research Associate of the National Bureau of Economic Research. He currently serves as the Director of the International Center for Finance at Yale, an interdisciplinary research organization focused on sponsoring and disseminating academic research in finance. He has taught at the Yale School of Management since 1994 and previously taught at Columbia Business School. He holds a B.A., an M.B.A., and a Ph.D. from Yale. An expert on a diverse range of investments, Will Goetzmann's research topics include the behavior of individual investors, global investing, financial market history, hedge funds, mutual funds, real estate, and art as an investment.