



You are cordially invited to

## **UCLouvain Economics Seminar**

On **Thursday May 23, 2019**, from **12:45 to 14:00**  
**Doyen 22, Place des Doyens, 1**

**Sydney Ludvigson**  
(New York University)

Will give a presentation on

### **How the Wealth Was Won: Factor Shares as Market Fundamentals**

**Abstract:** We provide novel evidence on the driving forces behind the sharp increase in equity values over the post-war era. From the beginning of 1989 to the end of 2017, 23 trillion dollars of real equity wealth was created by the non financial corporate sector. We estimate that 54% of this increase was attributable to a reallocation of rents to shareholders in a decelerating economy. Economic growth accounts for just 24%, followed by lower interest rates (11%) and a lower risk premium (11%). From 1952 to 1988 less than half as much wealth was created, but economic growth accounted for 92% of it.

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