

Beliefs, Doubts and Learning: Valuing Macroeconomic Risk

Errata

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There are typographical errors in some of the formulas in the version published in the AER.

- Throughout the paper the one period risk price should be:

$$\sigma_c + (\gamma - 1) [\sigma_c + \beta \alpha' (\mathbf{I} - \beta \mathbf{A})^{-1} \sigma_z]$$

In some places a σ_c is missing and in others a transpose is missing from α .

- On page 5 the formula for the wealth consumption ratio should be:

$$w_t - c_t \approx -\log(1 - \beta) + (1 - \rho) \left(E \left[\sum_{j=1}^{\infty} \beta^j (c_{t+j} - c_{t+j-1} - \mu_c) | \mathcal{H}_t \right] + \mu_v \right)$$

- In the equation for the Chernoff rate ρ for i.i.d. data an inf should replace the sup.