# Article information:

Future U.S. Equity Returns: A Best-Case Upper Limit | PHILOSOPHICAL ECONOMICS  
<https://www.philosophicaleconomics.com/2018/01/future-u-s-equity-returns-a-best-case-upper-limit/>

# Article summary:

1. Pension funds have shifted their allocations from fixed income to equities, leading to higher equity valuations.

2. Pension funds have been able to exceed their return expectations due to the increase in equity valuations.

3. The author argues that future U.S. equity returns are unlikely to meet the 7.5% pension fund target, even with optimistic assumptions granted.

# Article rating:

May be slightly imbalanced: The article presents the information in a generally reliable way, but there are minor points of consideration that could be explored further or claims that are not fully backed by appropriate evidence. Some perspectives may also be omitted, and you are encouraged to use the research topics section to explore the topic further.

# Article analysis:

The article is generally reliable and trustworthy, as it provides evidence for its claims and explores counterarguments in a balanced manner. It cites sources such as FRED and Z1 L120 for its data, which adds credibility to its arguments. Furthermore, it acknowledges the uncertainty inherent in equity return forecasting by being maximally conservative in its premises and granting every optimistic assumption that a bullish investor could reasonably request.

However, there are some potential biases present in the article that should be noted. For example, the author does not explore any other asset classes besides equities and fixed income securities when discussing pension fund allocations; this may lead readers to believe that these two asset classes are the only ones available for consideration when making investment decisions, which is not necessarily true. Additionally, while the author acknowledges counterarguments from value conscious investors who may disagree with pension funds’ logic of using historical returns as an estimate of future returns, they do not provide any further evidence or analysis on this point beyond simply noting it exists; this could lead readers to draw incorrect conclusions about how valid this argument is without further exploration into it themselves.

In conclusion, while overall the article is reliable and trustworthy due to its evidence-based approach and balanced exploration of counterarguments, there are some potential biases present that should be noted before drawing any conclusions from it.

# Topics for further research:

* Pension fund asset allocation
* Equity return forecasting
* Value conscious investing
* Historical returns as an estimate of future returns
* Alternative asset classes for pension funds
* Investment decision-making strategies

# Report location:

<https://www.fullpicture.app/item/034bcc005793137b2edf952f81748368>