

## Macro Roundup Article

**Headline:** [Data Update 4 for 2024: Risk Enters the Equation](#)

**Article Link:** <https://aswathdamodaran.substack.com/p/data-update-4-for-2024-risk-enters>

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Publication	Musings On Markets
Publication Date	January 29, 2024

**Tweet:** At the start of 2024, the median cost of capital for an American firm is 7.9% down from 9.6% at the start of 2023 but up from 5.8% at the start of 2022.  
[@AswathDamodaran](#)

**Summary:** I computed the cost of capital for the 47,698 companies in my data universe at the start of 2024. I provide a distribution of corporate costs of capital, for US and global companies, in US dollars. At the start of 2024, the median cost of capital is 7.9% for a US company, lower than the 9.6% at the start of 2023, entirely because of declines in the price of risk (equity risk premiums and default spreads). The 2024 costs of capital are higher than the historic lows of 5.8% for US stocks at the start of 2022. In short, if you are a company or an investor who works with fixed hurdle rates over time, you may be using a rationale that you are just normalizing, but you have about as much chance of being right as a broken clock. Related: Data Update 3 for 2024: A Rule-breaking Year for Interest Rates and Mr. Toad's Wild Ride: The Impact Of Underperforming 2020 and 2021 US IPOs and Market Bipolarity: Exuberance versus Exhaustion

**Primary Topic:** Business Cycle

**Topics:** Business Cycle, Financial Markets, GDP, Op-Ed/Blog Post

**Permalink:** <https://www.edwardconard.com/macro-roundup/at-the-start-of-2024-the-median-cost-of-capital-for-an-american-firm-is-7-9-down-from-9-6-at-the-start-of-2023-but-up-from-5-8-at-the-start-of-2022-aswathdamodaran?view=detail>

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