

## ABSTRACT

*With the help of empirical research, this study tries to determine how the Earnings Response Coefficient (ERC) is affected by profitability, default risk, and earnings persistence. ERC is seen as the market's response to company profit information showing a firm's profitability caliber. This study assessed profitability using ROA, which divided profits by total assets. A DER that divides total liabilities by total equity is used to calculate default risk. As opposed to earnings persistence, which is a regression of the year's residual profit running alongside the year's profit. It is a quantitative study. This study's research subject is a business that will be listed in the Indonesian Stock Exchange's LQ45 index from 2017 to 2021. The study included 98 data from 27 companies as samples. The study's analysis method was multiple linear regression analysis. According to study findings, profitability has little bearing on ERC, although default risk and earnings persistence have a beneficial impact.*

***Keywords: Earnings Response Coefficient, Profitability, Default Risk, Earnings Persistence***