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CEO Marital Status and Dividend Policy

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Abstract

We investigate whether and how CEO marital status is related to dividend policy. We find that firms run by single CEOs are less likely to pay dividends. Further analyses reveal that the aforementioned relation is stronger for single CEOs who are more risk-seeking, have compensation packages with lower pay-performance sensitivity, are less conservative, or are less engaged in corporate social responsibility activities. Our results hold in multiple robustness and endogeneity tests, including propensity score matching, difference-in-differences estimation, and an instrumental variable regression. Overall, our findings contribute to the literature highlighting the importance of CEOs' personal attributes for corporate decisions.

JEL Classification: G35, G41.

Keywords: Dividend Policy, CEO Marital Status, Risk Preferences, Behavioral Corporate Finance

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1. Introduction

In their seminal paper, Miller and Modigliani (1961) show the irrelevance of dividend policy under certain assumptions of a perfect capital market. Since then, theoretical and empirical studies relaxing such assumptions have investigated whether dividend policy affects firm value and/or examined when and why some firms pay higher or lower dividends and others no dividend at all (Black and Scholes, 1974; Jensen, 1986; Fenn and Liang, 2001; Fama and French, 2002). Another strand of literature provides evidence that CEOs' personal attributes and life experiences influence their managerial decisions (Bertrand and Schoar, 2003; Serfling, 2014; Faccio et al., 2016; Cronqvist and Yu, 2017). Specifically, some studies show that CEO marital status is linked to managerial styles such as investment policies, earnings management, and corporate social responsibility activities (Roussanov and Savor, 2014; Hilary et al., 2017; Hegde and Mishra, 2019).

To extend these lines of research, we investigate whether the marital status of CEOs is related to their firms' dividend policies and, if so, how. We begin by comparing the dividend payments from firms run by unmarried CEOs with those of firms run by married ones. Our results indicate that firms run by single CEOs pay lower dividends than those led by married ones. In our analyses, we control for firm characteristics and CEO attributes that the literature identifies as associated with dividend policy. Our findings are robust to the use of an instrumental variable approach, a propensity-score matched sample, and a difference-in-differences framework considering CEO turnover as an exogenous shock.

Next, we explore the channels through which CEO marital status is linked to dividend policy. We find that single CEOs invest in risky activities such as R&D and advertising expenditures and run riskier firms as evidenced by higher stock return volatility. Single CEOs also have compensation packages with lower sensitivity to stock price changes, implying that they have higher risk tolerance than married CEOs. Moreover, among the CEOs who have lower delta (high risk tolerance), single

CEOs are those who pay lower dividends. In addition, we find that lower dividend payments are more significant for firms with single CEOs who are inclined to a nonconservative political ideology and for firms with single CEOs who are less engaged in corporate social responsibility (CSR) activities.

We conduct a series of analyses to further assess the robustness of our results. First, we re-run the baseline tests by controlling for firm age, excluding loss firms, excluding female CEOs, and excluding firms headquartered close to state borders. Next, we control for firm fixed effects to account for unobservable firm characteristics, exclude the financial crisis periods from our sample, and use an alternative dataset of CEO marital status. Then, we consider alternative indicators of change in CEO marital status and alternative measures to quantify the dividend policies. Finally, we re-run our baseline model by clustering the standard errors at the CEO level rather than at the firm level. Our findings are robust to these specifications.

We contribute to the literature that examines the effects of CEOs' marital status on corporate policies. First, we find that single CEOs are more risk-seeking and pay lower dividends. Furthermore, we can infer from our change analyses that a shift in CEO marital status due to exogenous CEO turnover results in changes in firms' dividend policies.

Second, we contribute to the identification of mechanisms through which CEOs' marital status affects firms' dividend policies. We find that single CEOs engage in riskier activities such as research and development and advertising expenditures. We also find that single CEOs who are more risk-tolerant, as evidenced by the lower sensitivity of their compensation to stock performance, pay lower dividends. Furthermore, equity investors perceive firms run by single CEOs to be riskier as evidenced by the higher stock return volatility.

Third, we contribute to the literature focusing on the implications of CEOs' personal attributes and political inclination for dividend policies. Hedge and Mishra (2019) report that firms led by

married CEOs exhibit more engagement in CSR. We document that single CEOs who are less likely to engage in CSR activities also pay lower dividends. Similarly, concurring with Nicolosi (2013), who finds that firms run by married, Republican, Christian CEOs with children pay more dividends, we find that less conservative single CEOs pay lower dividends.

Finally, our study contributes to the vast literature on the determinants of dividend policy (e.g., Fama and French, 2001; DeAngelo et al., 2006; Denis and Osobov, 2008). More recently, Caliskan and Doukas (2015) show that CEO risk preferences are linked to dividend policy. Koo et al. (2017) show that firms with higher quality reporting pay higher dividends, and Harris et al. (2020) document that unsustainable dividends lead to negative market reaction even after firms continue to pay dividends despite lower earnings. We provide evidence that CEO marital status influences the magnitude of payouts to shareholders.

The rest of this paper is organized as follows. In the next section, we present related literature and introduce the hypotheses that CEO marital status and dividend policy are linked and in which ways. We present our data sources, sample, and research design in Section 3. We report the results of our empirical analyses in Section 4 and conclude the study in Section 5.[1]

2. Literature review and hypotheses development

Prior studies document the existence of a relation between an individual's marital status and appetite for risk. At the individual level, Bertocchi et al. (2011) find that married individuals, compared to single ones, are more likely to invest in risky assets in their personal portfolios. However, from a corporate standpoint, several studies document the influence of executives' marital status on corporate decisions, with married executives being more risk-averse than their single counterparts. Roussanov and Savor (2014) document that, on average, firms run by single CEOs invest 10.5% more and exhibit 3% higher stock return volatility compared to firms run by married

[1] Results from additional tests that support the main findings are reported in the Internet Appendix.

CEOs. Similarly, Brenner (2015) finds a positive relation between CEO marital status and risk aversion. Hilary et al. (2017) further document that single CEOs are more likely to engage in earnings management. Likewise, Lu et al. (2016) conclude that hedge funds run by single managers take more risks than those run by married managers. Belenzon et al. (2016) find that firms run by married couples behave more conservatively than other family-owned firms.

In this study, we analyze the implications of CEO marital status following the vast economics literature on marriage. Following Matouschek and Rasul (2008), we approach marriage from three perspectives. First, marriage can serve as a utility-enhancing tool (living together) as in Becker (1973, 1974). Two individuals get married and obtain benefits in the form of the quality of meals, quality and number of children, prestige, recreation, companionship, love, and health status. Second, marriage can serve as a commitment device (having a life together), allowing partners to cooperate and/or make relationship-specific investments (Brinig and Crafton, 1994; Scott, 1990, 2000; Wydick, 2004). Third, marriage can serve as a signaling tool used by one partner to credibly signal his or her true love (Bishop 1984; Rowthorn, 2002; Trebilcock, 1999).

There could be several reasons why married CEOs are more risk-averse than single CEOs. First, marital status could potentially raise the level of commitment consumption for the family. Thus, married CEOs might be more likely to focus on their job security and stability, which increases their attitude toward risk aversion. Furthermore, in such a context, married CEOs would likely view their families as being relevant reference agents and exhibit social preferences reflecting their concern for the welfare of these relevant reference agents (Fehr and Fischbacher, 2002; Dahl et al., 2012). Being married induces CEOs to adopt risk-averse policies that are more likely to help in improving the welfare of the CEO's family that serves as a reference agent. We note that other factors such as

having children or informal long-term relationships may affect a decision maker's social preferences (Bennedsen et al., 2022; Dahl et al., 2012) and risk tolerance.[2]

Second, even if CEOs are more risk-tolerant than their spouses, the aggregation of preferences indicates that the family as a whole exhibits greater risk aversion compared to that of a single manager (Hanna and Lindamood, 2005). Pan et al. (2018) show that family firms exhibit significantly lower stock return volatility when they are co-owned by the spouses.

Finally, prior studies argue that marital status could have a direct biological effect on preferences. For instance, married males have lower testosterone levels, which is positively correlated with risk-taking behavior (Burnham et al., 2003; Kamiya et al., 2019; Apicella et al., 2015; Mehta et al., 2015; Guiso and Rustichini, 2018; Nofsinger et al., 2018).

CEOs are faced with decisions to distribute all or part of corporate profits in the form of dividends or to plough them back into the business (Black, 1976; Fama and French, 2001). The decision to distribute profits as dividends or to reinvest them in the business is influenced by CEOs' appetite for risk. Caliskan and Doukas (2015) examine the relation between CEOs' risk aversion and firms' dividend policies. They identify CEOs with high inside debt and high sensitivity of equity compensation to stock prices as risk-averse individuals. They find that such risk-averse CEOs are more likely to adopt conservative dividend policies in the form of high payouts instead of engaging in potentially value-increasing but also risky projects (DeAngelo et al., 2006; Grullon and Michaely, 2002). Hoberg and Prabhala (2009) document that high idiosyncratic volatility firms are less likely to

[2] Unfortunately, in our sample, we do not have access to machine-readable data allowing us to examine the difference between CEOs' marital status and having kids to elicit the specific type of social preferences affecting CEO behavior. So, it is possible that the exhibited social preference of a CEO with children might differ from those that are married, but this is unobservable in our data. We are also unable to determine whether married CEOs are living with their spouses or not (de facto divorced). Similarly, we cannot determine whether single CEOs are living with partners in long-term relationships or not living with any partner. We believe that the possible misclassifications that may exist would have primarily biased against finding results consistent with our empirical predictions.

pay dividends. Similarly, Lee and Mauck (2016) find that idiosyncratic volatility declines following dividend initiations that are associated with long-term abnormal returns.

Given the relation between CEOs' marital status and their degree of risk aversion and the relation between CEOs' risk aversion and firms' dividend policies, we propose a series of hypotheses to examine the association between CEO marital status and dividend policy. Since unmarried individuals are more risk-seeking, and more risk-seeking CEOs are less likely to adopt high-payout dividend policies, we expect firms run by single CEOs to pay lower dividends compared to those run by married ones. We state our first and main hypothesis as follows.

H1: Firms run by single CEOs pay lower dividends compared to firms run by married CEOs.

Our next set of hypotheses focuses on the ways through which CEO marital status is associated with dividend policy. We identify three possible channels through which CEOs marital status influences firms' dividend policies. Since unmarried individuals are more risk-seeking (Roussanov and Savor 2014) and risk preferences affect managerial decisions (Hilary et al., 2017), we expect firms run by single CEOs to engage in riskier investments, experience higher return volatility, and exhibit lower sensitivity of equity pay-performance (delta). Thus, we have the following hypotheses.

H2a: Firms run by single CEOs engage more in risky investments compared to firms run by married CEOs.

H2b: Firms run by single CEOs exhibit higher risk compared to firms run by married CEOs.

H2c: Firms run by single CEOs exhibit lower deltas compared to firms run by married CEOs.

With the premise that single CEOs are more risk-seeking, our final set of hypotheses is based on the types of firms in which a CEO's marital status is more likely to affect dividend policy. First, we examine how the sensitivity of CEO equity pay-performance influences the relationship between CEO marital status and dividend policy.

H3a: The effect of CEO marital status on dividend policy is more significant in firms with lower sensitivity to CEO equity pay-performance.

Hutton et al. (2014) provide evidence that CEOs' political affiliations are associated with risk-taking in corporate decisions. They find that Republican CEOs adopt more conservative corporate policies in the form of lower levels of corporate debt, lower capital and research and development expenditures, and less risky investments. Therefore, we examine how CEOs' political leanings influence the relation between CEO marital status and dividend policy.

H3b: The effect of CEO marital status on dividend policy is more significant in firms led by nonconservative CEOs.

Hedge and Mishra (2019) document that married CEOs engage in increased levels of CSR activities. Furthermore, Albuquerque et al. (2019) provide both analytical and theoretical evidence that CSR activities decrease systematic risk and increase firm value. Therefore, we examine how CEOs' involvement in CSR activities influences the relation between CEO marital status and dividend policy.

H3c: The effect of CEO marital status on dividend policy is more significant in firms with low CSR scores.

3. Data and research design

3.1. Data sources and sample

We obtain CEO marital status data from Roussanov and Savor (2014),[3] who use a variety of public sources to identify whether CEOs were married or single during their tenures within the period 1993 to 2008. We merge their dataset with the U.S. publicly traded firms' accounting data from Compustat, financial market data from the Center for Research in Security Prices (CRSP), CEO characteristics data from ExecuComp, and corporate social responsibility information from

[3] We thank Nikolai Roussanov and Pavel Savor for sharing their dataset at http://dx.doi.oeg/10.1287/mnsc.2014.1926.

KLD Research. We acquire CEO political contributions data from the Federal Election Commission (FEC).[4] We exclude firms in the utility industry (SIC codes between 4900 and 4999) and financial firms (SIC codes between 6000 and 6999). Our main sample consists of 14,362 firm-year observations from 2,008 unique firms.

3.2. Research design

To examine whether CEO marital status is associated with firms' dividend policies (H1), we start with univariate analyses consisting of tests of differences in means for the variables observed in this study for firms led by single CEOs versus firms led by married CEOs. We then conduct multivariate analyses using the following baseline model.

$$Dividend_{j,t} = \beta_0 + \beta_1 Single_{j,t} + \sum \beta_i Controls_{j,t-1} + \varepsilon_{j,t}, \quad (1)$$

where *j* denotes the firm and *t* denotes the year. All variables are defined in Table 1. The dependent variable is either *Log of Dividend*, *Dividend per Share*, or *Dividend to Assets*. We use these three measures to quantify firms' dividend policies since they are directly related to the magnitude of dividend payments. These measures fit better with H1, which is about whether firms run by single CEOs pay lower dividends rather than about such firms not paying dividends at all. Our test variable is *Single*, which takes the value of 1 if the firm's CEO is unmarried during the CEO's tenure and 0 otherwise. Roussanov and Savor (2014) indicate that for their dataset, if a marriage date cannot be found, the CEO is first assumed to be single and gets the marriage status updated only if any marriage information is found later; if a CEO has ever been married but the exact date of the marriage is not available, the CEO is considered as married during the whole tenure.

[Table 1 about here]

[4] The campaign contribution data are available at https://www.fec.gov.

Controls refer to two sets of control variables measured at the beginning of the year. The first set includes firm characteristics documented to be associated with dividend policies in prior studies: *Ln*(*Asset*), *Cash Flow*, *Leverage*, *R&D*, *ROA*, *Tobin's Q*, and *Tangibility*. We expect the coefficients on *Ln*(*Asset*), *Cash Flow, R&D*, *ROA*, and *Tobin's Q* to be positive. Larger firms, firms with higher available cash flows, firms with higher R&D, more profitable firms, and firms with more investment opportunities have been shown to pay more dividends (Fama and French 2002; DeAngelo et al. 2006; Koo et al., 2017). The coefficient on *Leverage* is expected to be negative. Prior studies report that highly levered firms tend to have fewer incentives and capabilities to pay dividends because such firms are more prone to financial risk (Jensen et al., 1992; Fama and French, 2002). We do not make predictions for *Cash Flow* and *Tangibility*. The relationship between cash and dividends could be positive or negative because the available cash could be distributed or reinvested (DeAngelo et al, 2006). Similarly, a larger proportion of tangible assets may allow firms to access more external financing and pay higher dividends (Koch and Shenoy, 1999), or incentivize firms to increase capital expenditures and pay lower dividends (Aivazian et al., 2003). More recent studies find no significant relation between tangibility and dividends (John et al., 2011; Koo et al., 2017).

The second set of controls includes CEO attributes shown in the literature to influence dividend policy: *Ln*(*Tenure*), *Ln*(*Age*), *Duality, Ln*(*Delta*), *Ln*(*Vega*), *CEO Own,* and *Overconfidence*. Consistent with prior studies, we expect the coefficients on *Ln*(*Tenure*), *Ln*(*Age*), *Duality, Ln*(*Delta*), and *CEO Own* to be positive and those on *Ln*(*Vega)* and *Overconfidence* to be negative (Nicolosi, 2013; Caliskan and Doukas, 2015).

The baseline model includes year fixed effects to control for unobservable time-variant effects and two-digit industry fixed effects to account for time-invariant industry factors. Since our test variable *Single* varies by firm, following studies on the association between CEO personal attributes

and managerial behaviors (Hutton et al., 2014; Roussanov and Savor, 2014; Hedge and Mishra, 2019; Bennedsen et al., 2020), we cluster the robust standard errors at the firm level in all regressions.[5]

Next, to mitigate the concern that our results may be driven by CEO characteristics that are correlated to CEO marital status, we adopt an instrumental variable approach. Following Roussanov and Savor (2014) and Hilary et al. (2017), we exploit the variation in the divorce laws across states. We use the instrument, *Community*, which is an indicator variable that takes the value of 1 if the state has adopted the common property system and 0 otherwise. With the common property system, all assets acquired during the marriage are equally divided between spouses in case of divorce. In states that do not adopt the common property system, equitable division standards are applied (i.e., assets accumulated during marriage are divided equitably upon divorce, but not necessarily equally). The rationale for using this instrument is that the equal division of assets is costly to CEOs as they are often wealthier than their spouses. Such costs would affect CEO marital status but should not have any direct effect on dividend policies.

We acknowledge that using *Community* as instrument is based on some assumptions. For instance, CEOs are assumed not to commute from a community property state to a neighboring state that did not adopt the community property standard and vice versa.[6] Community property states might also differ from states that adopt equitable distribution of assets, for example, in terms of taxation, political affiliation, or social and economic policies. However, such current state characteristics are not directly related to the adoption of community property legislation for the following reasons and would not create an endogeneity problem in using *Community* as an instrument. First, only nine states have adopted the community property system (Arizona,

[5] Statistical significances of estimates are closely similar when the robust standard errors are clustered at the CEO level. Results from these tests are presented in Table A.9 in the Internet Appendix.

[6] Results after excluding firms headquartered close to state borders, presented in Table A.6 in the Internet Appendix, supports the validity of the instrument.

California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington, and Wisconsin). From this list, we can observe that community property legislation is present in both large and small states, rich and poor states, red and blue states, and states with (without) state income taxes, as well as states in geographically diverse locations within the United States. Second, these nine states adopted the community property legislation at different points in time. Thus, it is highly unlikely that political economy aspects would create an endogeneity issue and bias our results because it is unlikely that firms' policy choices (e.g., dividend policies) are directly affected after years or even decades of the passage of those laws regulating divorce in the community property states. Third, while our instrument, *Community,* is systematically correlated with variations in firms' policy choices across states, our sample consists of S&P 1500 firms that are large enough and operating at the national level; thus it is unlikely that state-level economic activities where their headquarters are located will drive their dividend policies. In addition, we consider some state-level macroeconomic variables to control for state-level variations in our IV regression: *Ln(IncomeState)* to control for real per capita income for each state and *CEAI* to control for the current economic conditions of each state.

Another concern about our use of *Community* as an instrumental variable is that prenuptial agreements override state property division laws in case of divorce, and thus CEOs, who are usually wealthier than their spouses, could exploit the benefit of prenuptial agreements to take care of divorce costs earlier in their marriages in community property states. However, the adoption of such prenuptial agreements is certainly not universal even among the wealthy. For instance, billionaire couples Bill and Melinda Gates and Jeff Bezos and Mackenzie Scott, who were recently divorced, do not have prenuptial agreements.[7] There is also empirical evidence showing that very few couples

[7] The divorce cases of these billionaire couples are considered as among the costliest divorces ever. See details at: https://nypost.com/article/most-expensive-divorces-of-all-time/and https://www.tmz.com/2019/01/10/jeff-bezos-prenup-mackenzie-lauren-sanchez-divorce-affair/and https://www.yahoo.com/now/jeff-bezos-didn-apos-t-170300677.html . Last accessed on July 4, 2022.

enter prenuptial agreements. For instance, Marston (1996) shows that only approximately 5% of married couples sign prenuptial agreements each year. Similarly, Dubin (2001) provides anecdotal evidence suggesting that 5-10% of couples now enter a prenuptial agreement. Baker and Emery (1993) show a survey result indicating that only 1.5% of the couples who recently applied for marriage licenses express their interest in signing prenuptial agreements.

Moreover, prenuptial agreements are also costly. Marston (1996) shows that drafting a prenuptial agreement might cost between $1,000-$5,000 or as much as $25,000 in some complicated cases. The monetary cost of entering into a prenuptial agreement may seem trivial compared to the benefit it derives in case of divorce, but there are also other reasons why very few couples sign them. Studies show that individuals *underestimate* their likelihood of divorce (Baker and Emery, 1993; Mahar, 2003). More specifically, Baker and Emery (1993) conduct a survey of law students and engaged individuals and find that the respondents' median estimate of their personal likelihood of divorce is 0% even though the overall divorce rate in the population is 50%. Another important factor in the low number of prenuptial agreements is that they provide a *negative signal* to the couple's intimate relationship; initiation of a prenuptial agreement might provide a signal of distrust or implied hints that the marriage might end in divorce (Mahar, 2003; Stake et al., 1998).

In addition, there are some difficulties with the enforceability of prenuptial agreements. For instance, the judge tossed away the prenuptial agreement in the divorce case of Frank and Jamie McCourt where an ownership interest in the Los Angeles Dodgers was involved, citing multiple versions of the agreement and that husband and wife each had misunderstandings about the different prenuptial agreements.[8] Similarly, several empirical studies argue that although the enforceability of prenuptial agreements has increased in modern times, the precise form of

[8] See details at: https://www.avvo.com/legal-guides/ugc/judge-tosses-out-prenup-dodgers-ownership-still-undecided. Last accessed on July 5, 2022.

enforceability varies from state to state (Mahar, 2003). Similarly, Marston (1996, pp. 909-910) argues that courts need to carefully review the procedural fairness of prenuptial agreements concerning whether both parties sign the agreement "freely, knowledgeably, and in good faith, without the exertion of duress or undue influence."

We agree that the presence of prenuptial agreements could potentially weaken the effect of our instrument, *Community*, in predicting CEO marital status (*Single*) in the first stage estimates. Consequently, this may result in an attenuation of the statistical significance of the second stage estimates of our IV regression. However, factors such as overconfidence that marriages will last, negative signals about the uncertainty of marriage, monetary costs, and enforceability difficulties may lead to an infrequent acceptance of prenuptial agreements even among the wealthy. Thus they are less likely to completely impair the validity of our instrument.

To ensure that the difference in dividend policies between firms run by single CEOs and those run by married CEOs is not caused by cross-sectional heterogeneity, we construct a control group of firms (firms run by married CEOs) that are matched to the treated group (firms run by single CEOs). We use the propensity score matching (PSM) method to identify a control firm for each treated firm. For the first step of the PSM, we estimate a logistic regression of *Single* on firm and CEO characteristics. Using the estimated coefficients from the logistic model, we compute the propensity scores (i.e., the predicted likelihood of *Single* = 1) for all firms in our sample. We then match, without replacement, each treated firm with a control firm that has the nearest neighbor propensity score with the treated firm. For the second step of the PSM, we re-estimate our baseline regressions using the propensity-score matched sample (PSM sample).

To further address issues regarding unobservable heterogeneity and self-selection, we examine how the association between CEO marital status and dividend policy is affected by the exogenous shock of CEO turnover. We borrow data from Eisfeldt and Kuhnen (2013) and use their exogenous

CEO turnover events for the period 1993-2005.[9] For the years 2006-2008, we use CEO sudden deaths as exogeneous shocks leading to CEO turnovers.[10] We consider only the exogenous turnover events where the previous long-term CEOs are replaced by new long-term CEOs. We define long-term CEOs as those who hold their positions for at least two years.

Specifically, we estimate the following regression to conduct a difference-in-differences (DID) analysis.

$$Dividend_{j,t} = \beta_0 + \beta_1 After_t \times Treated_{j,t} + \beta_2 Treated_{j,t} + \beta_2 After_t + \sum \beta_i Controls_{j,t-1} + \varepsilon_{j,t} \quad (2)$$

where *After* is an indicator variable that equals 1 for the years after CEO turnover and 0 for the pre-turnover period. We identify that a CEO turnover occurs if the CEO in the current fiscal year is different from the CEO in the previous fiscal year. *Treated* is an indicator variable that equals 1 if a firm replaces a married CEO with a single CEO and 0 otherwise.

In addition to the DID analysis, we verify directly how changes in CEO marital status due to CEO turnover relate to changes in dividend policy. To do so, we re-estimate our baseline model using change variables instead of level variables. The dependent variable in Eq. (1) is replaced with changes in our dividend measures. The change in marital status, Δ*Marital Status*, takes the value of 1 if a single CEO replaces a married CEO, 0 if the marital statuses of the previous CEO and the new CEO are the same after a CEO turnover, and -1 if a married CEO replaces a single CEO. All the control variables in Eq. (2) are defined as changes in the control variables used in Eq. (1).

To test whether single CEOs are more risk-seeking (H2a), run riskier firms (H2b), or are less sensitive to pay-performance (H2c), we use the same sets of control variables as in Eq. (1) except for H2c where we do not control for *Ln*(*Delta*), which is used as the dependent variable. In testing H2a,

[9] We thank Andrea L. Eisfeldt and Camelia M. Kuhnen for making the data available on their research websites.
[10] We thank Ahmed Elnahas, Assistant Professor of Finance at The University of Texas Rio Grande Valley, for sharing the CEO sudden death data.

we replace the dependent variable with expenditures on R&D and advertising. In testing H2b, we replace the dependent variable with either the firm's total stock volatility (the annualized standard deviation of monthly stock returns) or the idiosyncratic volatility (the standard deviation of the residual from a regression of stock returns on the CRSP value-weighted market portfolio returns).

Finally, to examine in which types of firms CEO marital status influences dividend policy (H3), we estimate our baseline model in subsamples (high versus low delta, conservative versus nonconservative, and high versus low CSR).

4. Empirical results

4.1. Descriptive statistics and correlations

We report summary statistics for our dividend measures, CEO marital status, firm characteristics, and other CEO characteristics in Table 2. To mitigate the influence of potential outliers, we winsorize all continuous variables at the 1st and 99th percentiles.. The mean value of *Dividend Dummy* is 0.500, which means that on average 50% of our firm-year observations are from firms paying dividends. Similarly, the mean values of *Dividend to Share* and *Dividend to Assets* are 0.298 and 0.010., which indicate that, on average these firms pay dividends of about 30 cents per share (with a median of less than 1 cent per share), representing about 1% of total assets. The mean value of *Dividend Increase* is 0.388, indicating that, on average, 38.8% of our sample firm-year observations have increased dividends in year t compared to year $t-1$.

The mean value of *Single* is 0.175, which indicates that firms with single CEOs account for 17.5% of our firm-year observations consistent with Roussanov and Savor (2014). Statistics in terms of firm characteristics show that the average firm has total assets of 1.2 billion U.S. dollars, a cash flow ratio of 0.085, a leverage ratio of 0.215, and Tobin's Q ratio of 2.165. The mean value of *R&D* is 0.035, which means that on average our sample firms invest 3.5% of their assets in research and development expenditures. In terms of CEO characteristics, the average tenure of CEOs is about six

years and their average age is about 55 years. Further, we observe that 62.9% of our sample firms have CEO-chairman positions, 62.8% of sample firms have overconfident CEOs, and on average CEOs own 2.2% of firms' outstanding shares. The mean value of the natural logarithm of CEO pay-performance sensitivity or delta is 5.438 and the mean value of the natural logarithm of CEO risk-taking incentive or vega is 3.869.

[Table 2 about here]

Next, in Table 3, we present the Pearson correlation coefficients for our dependent, independent, and control variables. Consistent with our prediction, the marital status indicator variable, *Single,* is inversely correlated with the dividend measures and statistically significant at the 1% level, indicating that single CEOs are less likely to pay dividends. The correlation between *Single and R&D* is 0.08 and statistically significant at the 1% level, indicating that single CEOs are more likely to invest in research and development consistent with Roussanov and Savor (2014). We also observe that larger firms, firms with positive cash flow, and profitable firms are more likely to pay dividends.

The positive correlation between CEO age and dividends indicates that older CEOs are more likely to pay dividends. The negative correlation between overconfidence and dividends shows that overconfident CEOs are less likely to pay dividends (Deshmukh et al., 2013). The negative correlations between CEO tenure and ownership and dividends indicate that powerful CEOs are less likely to pay dividends (Onali et al., 2016). Overall, the correlation coefficients in Table 3 indicate that *Single* is significantly correlated with most of our control variables, justifying the importance of controlling for these characteristics when investigating the association between marital status and dividend policy.

[Table 3 about here]

4.2. Main results

Table 4 presents the results from the univariate analysis. We observe that the difference in means for the dividend policy of firms led by single CEOs versus that of firms led by married CEOs is negative and statistically significant for each of our dividend measures. These results suggest that firms led by single CEOs pay lower dividends compared to firms led by married CEOs. On average, the dividend per share in firms led by single CEOs is 17 cents lower than it is for firms led by married CEOs.

[Table 4 about here]

We also note that most firm characteristics and other CEO attributes appear to be different for our two subsamples of firms. Firms run by single CEOs are relatively smaller, have lower cash flows, are less profitable, invest more in R&D, have more tangible assets, and have relatively higher Tobin's Qs than those run by married CEOs. Compared to married CEOs, single CEOs are younger, have shorter tenure, are less likely to serve as chairs of the board of directors, lead firms with lower CEO pay sensitivity to stock performance and stock volatility, and have a lower percentage of ownership in their firms.

Table 5 presents our baseline results from estimating Eq. (1). In Columns (1) to (3), the dividend measures are regressed only on our test variable *Single* and the set of firm characteristics. The coefficient of *Single* is negative and statistically significant in Columns (1) to (3), indicating that firms run by single CEOs are less likely to pay dividends. For example, the coefficient of *Single* is -0.183 in Column (1), indicating that firms run by single CEOs are on average 18.3% less likely to pay dividends than those runs by married CEOs. In Columns (4) to (6), we include both firm- and CEO-level control variables. Again, we find a negative and statistically significant coefficient of *Single* on all dividend measures. For example, the coefficient of *Single* is -0.198 in Column (4), showing that firms run by single CEOs are on average 19.8% less likely to pay dividends than those run by

married CEOs. Supporting H1, the coefficients on *Single* are negative and statistically significant in all models. In terms of economic significance, we find that compared to firms run by married CEOs, firms run by single CEOs pay an average dividend per share that is 3 cents lower.

The coefficients of the control variables overall have the expected signs and are consistent with findings in related studies. For instance, we find a positive association between firms' dividend policies and firm size (*Ln*(*Asset*)), return on assets (*ROA*), and *Tobin's Q* consistent with prior literature (Fama and French 2002; DeAngelo et al. 2006; Koo et al., 2017). Similarly, the negative relationship between leverage and dividends indicates that highly levered firms are more prone to financial risk, and thus, they tend to have fewer incentives and capabilities to pay dividends (Jensen et al., 1992; Fama and French, 2002). In terms of CEO characteristics, we find a positive association between CEO age and dividends and negative relationship between CEO overconfidence and dividends (Deshmukh et al., 2013).

[Table 5 about here]

4.3. Instrumental variable approach (IV)

Our baseline results suggest a negative relation between CEO marital status and dividend policies. In other words, we find that firms led by single CEOs are less likely to pay dividends compared to those led by married CEOs. However, it is possible that our findings are not driven by CEO marital status but rather reflect an innate heterogeneity in preferences. To address the issue of CEOs innate heterogeneity in preferences, we employ an instrumental variable (IV) regression.

Our IV approach exploits the variation in the cost of getting divorced that is related to the differences between the community property and equitable division systems. Under a community property system, an equal division of the total assets of the spouses is applied after a divorce, whereas under equitable division, the total assets of the spouses are divided by the court based on various factors.

In the first stage of our IV regression, we regress the potentially endogenous variable *Single* on the instrumental variable, *Community,* and controls. In Table 6, we report the results from our IV approach. In the first stage, presented in Column (1), the instrument, *Community*, has a statistically significant (*t*-stat = 2.35) and positive effect on the probability of a CEO being single, while controlling for firm and other CEO characteristics as well as state-level variables (real income per capita and a summary of economic conditions),[11] along with year and industry fixed effects. In the second stage, in Columns (2) to (4), we replace the endogenous variable *Single* with the fitted value, *Singlepred*, from the first-stage regression. The coefficients on *Singlepred* are significantly negative in all these models of dividend policy. Thus, the results of the second-stage estimations presented in Columns (2) to (4) continue to indicate that firms led by single CEOs pay lower dividends compared to firms led by married CEOs. Overall, in this section we find strong support for our baseline results, and the IV approach potentially mitigates the effect of the CEOs innate heterogeneity that could otherwise question our main findings.

[Table 6 about here]

4.4. Propensity-score matched sample

Our univariate analysis (Table 4) reveals significant differences in the firm- and CEO-level characteristics between firms with single CEOs and firms with married CEOs. Specifically, firms run by single CEOs are on average smaller, less profitable, have lower cash flow but have higher investments in R&D expenditures. In terms of CEO characteristics, single CEOs are younger, have shorter tenures, hold fewer dual CEO-chairman positions, and have lower delta and vega. They also hold less ownership in the firms. These firm- and CEO-level differences show that our findings could suffer from selection bias. To mitigate this concern — that our findings are not driven by such

[11] Real income per capita data and the summary of economic conditions are available at https://www.bea.gov/ and https://www.philadelphiafed.org, respectively.

firm- and CEO-level differences — we employ a PSM analysis to carefully match the treated and control groups.

Table 7 reports the results using our propensity-score matched sample. We separate our sample into *Treated* and *Control* groups where *Treated* denotes single CEOs and *Control* refers to matched samples of married CEOs. Panel A of Table 7 shows that all firm and CEO characteristics are no longer statistically different after implementing the PSM procedure. These findings suggest that each treated firm (firms run by single CEOs) is well-matched to a control firm (firms run by married CEOs). After that, we re-run our baseline regression for the matched sample. The results in Panel B of Table 7 are from estimating Eq. (1) using the PSM sample. We find that the coefficients on *Single* remain negative and are statistically significant at the 1% level in Columns (1) to (3). Overall, the findings in this section provide strong support for our baseline results and mitigate the potential effect of selection bias that could otherwise question our main findings.

[Table 7 about here]

4.5. Difference-in-differences framework

If our baseline findings are true, we expect a lower dividend for firms in which a single CEO replaces a married CEO. To further test this prediction empirically, we employ a DID estimation around exogenous CEO turnover. Specifically, we consider only the turnover events in which a long-term new CEO replaces a long-term previous CEO (long-term CEOs are those who hold their positions as CEOs for at least two years) who potentially have a chance to imprint their personal preferences in firms' policies (Cronqvist et al., 2012; Hutton et al., 2014). Table 8 presents the results of our DID framework from estimating Eq. (2).

After is an indicator variable equal to 1 for the years after CEO turnovers and 0 for the pre-turnover periods. *Treated* is an indicator variable equal to 1 if a firm replaces a married CEO with a single CEO and 0 otherwise. We are particularly interested in the DID coefficient (*After* × *Treated*)

and expect a negative coefficient since we are considering the turnover events in which a single CEO replaces a married CEO.

In Table 8, Columns (1) to (3) present the results from the full sample and Columns (4) to (6) present the results from the PSM sample. The coefficients on *After* × *Treated* are negative and statistically significant, except in Column (5) where the dependent variable is *Dividend per Share*. The negative coefficients indicate that after an exogenous CEO turnover,[12] for which a long-term married CEO is replaced by a long-term single CEO, the firm tends to pay lower dividends. Thus, the results from the DID tests concur with our main finding that firms led by single CEOs tend to pay lower dividends.

[Table 8 about here]

4.6. Change in CEO marital status due to exogenous CEO turnover

To examine active CEO influences on dividend policies, we perform a change regression following Chava et al. (2009) and Hutton et al. (2014). If omitted firm characteristics that are constant over time may cause firm-CEO matching to stay constant over time, a change-on-change regression may mitigate that bias. We estimate the effect of change in CEO marital status and control variables on change in dividend policies. Specifically, the change in the measures of dividends (in the controls) is the difference in the values between the first full fiscal year under the new CEO and the last full fiscal year under the previous CEO. Δ*Marital Status* is defined as the change in CEO marital status due to CEO turnover where Δ*Marital Status* =1 if a single CEO replaces a married CEO, 0 if the marital status is similar after a CEO turnover, and -1 if a married CEO replaces a single CEO. We also include industry and year fixed effects in all regression models.

[12] We also run the DID tests with all turnover events (instead of just the ones qualified as exogenous). The unreported results are consistent with those presented in Table 8.

Table 9 presents how changes in CEO marital status due to CEO turnover are linked to changes in dividend policy. The coefficient on Δ*Marital Status* is negative and statistically significant at the 5% level in Columns (2) and (3). For instance, in Column (2), the negative coefficient (-0.017) on Δ*MaritalStatus* indicates that the dividend per share decreases by almost 2 cents if a married CEO is replaced by a single CEO (Δ*Marital Status* = 1). Furthermore, this finding also indicates that the dividend per share stays the same if the previous CEO and the new CEO are both married or both single. Finally, we can also infer from these results that the dividend per share increases by almost 2 cents if a single CEO is replaced by a married one (Δ*Marital Status* = -1). Thus, the results in Table 9 are also consistent with H1, our main hypothesis.

[Table 9 about here]

4.7. Underlying mechanisms

Table 10 presents the results from regressions examining the association between CEO marital status and factors reflecting CEOs' appetite for risk. In Panel A, we examine H2a and H2b. The regressions are estimated on the full sample in Columns (1) to (3) and on the PSM sample in Columns (4) to (6). With respect to the relationbetween CEO marital status and both R&D and advertising expenditures, in Columns (1) and (4), we observe positive coefficients on *Single,* (0.088 and 0.083) that are statistically significant at the 5% and 10% levels, respectively.

In Columns (2) and (5), we examine the relation between CEO marital status and total stock return volatility. We find a positive and statistically significant coefficient on *Single* in the full sample. Finally, in Columns (3) and (6), we examine the relation between CEO marital status and idiosyncratic volatility. We find positive and statistically significant coefficients on *Single* for both samples. Overall, our results indicate that firms led by single CEOs not only invest more in R&D and advertising expenditures, but also exhibit higher total volatility and higher idiosyncratic volatility

compared to firms run by married CEOs. These findings are consistent with those of Roussanov and Savor (2014) and support our Hypotheses H2a and H2b.

[Table 10 about here]

Core and Guay (2002) find that boards elicit CEO risky behavior through compensation incentives. In Panel B of Table 10, we examine H2c. The coefficients on *Single* are all negative and statistically significant. These results are consistent with our Hypothesis H2c. They indicate that firms run by single CEOs exhibit lower CEO pay sensitivity to stock performance (delta) compared to firms run by married CEOs. These results suggest that single CEOs are more risk tolerant than their married counterparts.[13]

In Panels C to E of Table 10, we examine H3a, H3b, and H3c. These results pertain to regressions estimated on subsamples of the PSM sample. In Panel C, we classify a firm as having a high (low) delta if the firm's CEO delta is greater (less) than the sample median delta. The coefficients on *Single* are negative in all columns of Panel C but are statistically significant only in Columns (5) and (6), which pertain to the low-delta firms. These results indicate that the lower dividend payments linked to CEO marital status stem from firms run by single CEOs who are more risk tolerant, and they support H3a. For instance, the negative coefficient on *Single* in Column (5) suggests that for firms run by CEOs who are more risk tolerant, the dividend per share is lower by 5 cents if the CEOs are single.

Hutton et al. (2014) document that a conservative political affiliation is associated with a more conservative attitude in corporate decision-making. In Panel D of Table 10, we classify a firm as having a conservative CEO if most donations made by the firm during the CEO's tenure are directed to the Republican Party. The coefficients on *Single* are negative in Columns (1) to (6) but statistically significant only for the subsample of firms run by nonconservative CEOs presented in

[13] Delta is used as proxy for CEO risk aversion (Caliskan and Doukas, 2015).

Columns (4) to (6). These results suggest that the lower dividend payments by firms led by single CEOs is significant only if the CEOs are nonconservative, supporting H3b.

In Panel E of Table 10, we classify a firm as having a high (low) level of engagement in CSR activities if the sum of its KLD Strengths score and KLD score is greater (less) than the median value of that sum in our sample. The coefficients on *Single* are also negative in Columns (1) to (6) but statistically significant only for firms with low CSR, presented in Columns (4) to (6). These results support H3c and are consistent with the findings of Hedge and Mishra (2019), who report that married CEOs engage more in CSR activities. Overall, the results in Table 9 confirm that the behavior of single CEOs with respect to dividend policy is reflective of their risk preferences.

4.8. Additional tests

To further assess the robustness of our results, we run a series of additional analyses. First, a firm's dividend policy varies with life cycle stages (DeAngelo et al., 2006). Young firms face a relatively large investment opportunity set but are not profitable enough to be able to meet all their financing needs through internally-generated cash. Thus, young firms may pay lower dividends or refrain from paying any dividends at all. Second, firms encountering net losses in particular years may reduce their dividend payments or may not be able to issue dividends. For instance, DeAngelo et al. (1992) report that an annual loss induces dividend reductions for firms with established earnings and dividend records. Third, prior research discusses differences between male and female CEOs in terms of risk-taking behavior. For instance, Faccio et al. (2016) document that transitions from male to female CEOs (or vice versa) are associated with reductions (increases) in corporate risk taking. Fourth, with our use of *Community* as an instrumental variable following Roussanov and Savor (2014) and Hilary et al. (2017), CEOs are assumed not to commute from a community property state to a neighboring state that did not adopt the community property standard and vice versa. Therefore, we re-run the baseline model with different specifications controlling for firm age,

excluding loss firms, and excluding female CEOs, and re-run the IV regressions with excluding firms headquartered near state borders.

Next, we control for firm fixed effects to account for unobservable firm characteristics, exclude the financial crisis periods from the sample, and use an alternative dataset of CEO marital status.[14] Then we consider alternative indicators of changes in CEO marital status and alternative measures to quantify dividend policies. Finally, we re-run the baseline model by clustering the standard errors at the CEO level rather than at the firm level.

Our findings are robust to these specifications. We report the results in the Internet Appendix.

5. Conclusion

In this study, we examined the relation between CEO marital status and dividend policy. Prior studies indicate that single CEOs invest more aggressively and run riskier firms (Roussanov and Savor, 2014; Hilary et al., 2017; Brenner, 2015). Caliskan and Doukas (2015) document that firms run by risk-averse CEOs tend to pay higher dividends. Accordingly, we predicted that firms run by single CEOs would pay lower dividends relative to other firms.

Using CEO marital status data from Roussanov and Savor (2014), we found strong evidence that firms run by single CEOs tend to pay lower dividends compared to those managed by married ones. Our results are robust to alternative specifications, including the use of an instrumental variable, a propensity-score matched sample, and a difference-in-differences framework. In subsample analyses, we examined the types of firms in which CEO marital status was most likely to affect dividend policies. Our results are strongest for single CEOs with low sensitivity of pay to stock price performance, nonconservative single CEOs, and single CEOs of firms with lower levels of CSR activities. Additional analyses such as the use of more information on marital status from

[14] We thank Gilles Hilary, Sterling Huang, and Yanping Xu for making their hand-collected data available on the Taylor & Francis website, doi:10.1080/09638180.2016.1266958

alternative hand-collected data, further confirm the soundness of our results. Overall, our findings contribute to the dividend policy literature as well as the literature on how personal attributes and life experiences of top managers affect corporate management decisions.

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Table 1. Variable definitions

Variable	Definition
CEO Marital Status	
Single	An indicator variable that equals 1 if a CEO is unmarried during the CEO's tenure and 0 otherwise. If a marriage date cannot be found, the CEO is first assumed to be single and gets his or her status updated only if any marriage information is found later. If a CEO has ever been married but the exact marriage date is not available, the CEO is considered as married during the tenure. [Roussanov and Savor, 2014]
Dividend Measures (Baseline)	
Log of Dividend	The natural logarithm of one plus the amount of dividend declared on common shares (dvc).
Dividend to Share	The ratio of dividends declared on common shares (dvc) to the total number of shares outstanding (csho).
Dividend to Assets	The ratio of dividends declared on common shares (dvc) over total assets (at).
Dividend Measures (Robustness)	
Dividend Dummy	An indicator variable that equals 1 if the firm pays dividends declared on common shares (dvc), and 0 otherwise.
Dividend Yield	The ratio of dividends declared on common shares (dvc) to market value (prcc_f*csho).
Dividend to Cash Flow	The ratio of dividends declared on common shares (dvc) to the summation on income before extraordinary items (ib) plus depreciation and amortization (dp).
Dividend to Sale	The ratio of dividends declared on common shares (dvc) to total sales (sale).
Dividend Payout Ratio	The ratio of dividends declared on common shares (dvc) to net income before extraordinary items (ib).
Dividend Increase	An indicator variable that equals 1 if dividend in year t is greater than the dividend in year *t* - 1 (dvc).
Firm Characteristics	
Ln(Asset)	The natural logarithm of total assets (at).
Cash Flow	The ratio of operating income before depreciation minus interest expenses, taxes, and common dividends, all divided by the book value of assets. [(oibdp – xint – txt - dvc)/at]
Leverage	The ratio of total debt divided by the market value of total assets. [(dltt + dlc)/at]
R&D	Expenditures on research and development scaled by total assets. (xrd/at)
ROA	Return on assets for a firm in a given year, measured as net income scaled by total assets. (ni/at)
Tobin's Q	The ratio of the market value of equity plus total assets less book value of equity all divided by total assets. [(prcc_f * csho + at - ceq)/at]
Tangibility	Asset tangibility measured as: 0.715 × receivables + 0.547 × inventories + 0.535 × fixed capital, scaled by total assets net of cash (at-che).
R&D plus Advertising	Expenditures on research and development plus advertising scaled by total Property, Plant, and Equipment. [(xrd + xad)/ppent)]
Total Volatility	The annualized standard deviation of monthly stock returns over the previous year.
Idiosyncratic Volatility	The standard deviation of the residual from a regression of monthly stock returns on the CRSP value-weighted market portfolio return.

FirmAge	The number of years since the first observation first appears in Compustat.
CSR	Sum of the KLD Strengths score and KLD Concerns score.
CEO Characteristics	
Ln(Tenure)	The natural logarithm of CEO tenure, where tenure is defined as the length of a CEO's tenure with her/his current firm (measured as fiscal year minus year joined as CEO).
Ln(Age)	The natural logarithm of the age of a CEO.
Duality	An indicator variable that equals 1 if a CEO is also the chairman and 0 otherwise.
Ln(Delta)	The natural logarithm of the expected dollar changes in CEO wealth for a 1% change in stock price is computed as in Core and Guay (2002).
Ln(Vega)	The natural logarithm of the expected dollar changes in CEO wealth for a 1% change in stock return volatility is computed as in Guay (1999).
Overconfidence	An indicator variable equals 1 if a CEO holds vested options with average moneyness greater than 67% and 0 otherwise. Starting in the first year when a CEO displays this behavior. Option moneyness is calculated as follows: first, we calculate the realizable value per option as the total realizable value of the exercisable options divided by the number of exercisable options [Value_Per_option = (OPT_UNEX_EXER_EST_VAL / OPT_UNEX_ EXER_NUM)]. Second, we compute the estimate of the average exercise price of the options by subtracting the per-option realizable value from the stock price at the fiscal year-end [avg_exercise_price = (prcc_f - Value_Per_option)]. Lastly, the average percent moneyness of an option equals the per-option realizable value divided by the estimated average exercise price [avg_pctg_moneyness_opt = (Value_Per_option/avg_exercise_price)]. [Malmendier and Tate, 2005; Campbell et al., 2011; Hirshleifer et al., 2012]
Conservative	CEO political ideology is measured as total donations to the Republican party minus total donations to the Democratic party divided by total donations to both parties in each election cycle. This index ranges between -1 (strong Democrat) and 1 (strong Republican). [Hutton et al., 2014; Elnahas et al., 2020]
State-Level Variables	
Ln(IncomeState)	The logarithm of real per-capita income for each state. [available at https://www.bea.gov/]
CEAI	The in-state Coincident Economic Activity Index (CEAI) was constructed by the Federal Reserve bank of Philadelphia. This index provides a summary of the current economic conditions in a single statistic by combining four state-level variables: (i) nonfarm payroll employment, (ii) average hours worked in manufacturing by production workers, (iii) the unemployment rate, and (iv) wage and salary disbursements deflated by the consumer price index (CPI) of U.S. city average. For each state, the trend of this index is set to the trend of its gross domestic product (GDP), thus long-term growth in the state's index matches long-term growth in its GDP. Available at: https://www.philadelphiafed.org/
Community	An indicator variable that equals 1 if the firm is headquartered in a community property state and 0 otherwise.

Table 2. Summary statistics

Variable	*N*	Mean	Std Dev	25th Perc	Median	75th Perc
Dividend Measures						
Log of Dividend	14,362	1.794	2.140	0.000	0.020	3.377
Dividend to Share	14,359	0.298	0.456	0.000	0.001	0.472
Dividend to Assets	14,362	0.010	0.016	0.000	0.000	0.015
Dividend Measures (Robustness)						
Dividend Dummy	14,389	0.500	0.500	0.000	0.000	1.000
Dividend Yield	14,359	0.009	0.013	0.000	0.000	0.015
Dividend to Cash Flow	14,361	0.096	0.157	0.000	0.000	0.150
Dividend to Sale	14,355	0.011	0.018	0.000	0.000	0.015
Dividend Payout Ratio	14,361	0.151	0.380	0.000	0.000	0.244
Dividend Increase	14,389	0.388	0.487	0.000	0.000	1.000
CEO Marital Status						
Single	14,389	0.175	0.380	0.000	0.000	0.000
Firm Characteristics						
Ln(Asset)	14,389	7.098	1.513	6.000	6.946	8.073
Cash Flow	14,389	0.085	0.083	0.056	0.089	0.125
Leverage	14,389	0.215	0.172	0.060	0.204	0.325
R&D	14,389	0.035	0.059	0.000	0.005	0.048
ROA	14,389	0.041	0.109	0.018	0.054	0.092
Tobin's Q	14,389	2.165	1.459	1.288	1.700	2.446
Tangibility	14,389	0.545	0.027	0.532	0.545	0.559
CEO Characteristics						
Ln(Tenure)	14,389	1.784	0.760	1.099	1.792	2.303
Ln (Age)	14,389	4.000	0.135	3.912	4.007	4.094
Duality	14,389	0.629	0.483	0.000	1.000	1.000
Ln (Delta)	14,389	5.438	1.440	4.486	5.408	6.364
Ln (Vega)	14,389	3.869	1.495	2.947	3.902	4.871
CEO Own	14,389	0.022	0.050	0.001	0.004	0.014
Overconfidence	14,389	0.628	0.483	0.000	1.000	1.000

This table reports descriptive statistics for dividend measures, CEO marital status, firm characteristics, and CEO characteristics for our sample covering the period 1993-2008. *Single* is an indicator variable that equals 1 if a CEO is unmarried during the CEO's tenure, and 0 otherwise. *Log of Dividend* is the natural logarithm of one plus the amount of dividend declared on common shares. *Dividend to Share* is the ratio of dividends declared on common shares to the total number of shares outstanding. *Dividend to Assets* is the ratio of dividends declared on common shares over total assets. All other variables are defined in Table 1. The control variables (firms and CEO characteristics) are lagged across the tables. All continuous variables are winsorized at the 1st and 99th percentiles.

Table 3. Pearson correlation

		A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R
Single	A	1.00																	
Log of Dividend	B	**-0.19**	1.00																
Dividend to Share	C	**-0.15**	**0.82**	1.00															
Dividend to Assets	D	**-0.12**	**0.74**	**0.77**	1.00														
Ln(Asset)	E	**-0.21**	**0.63**	**0.45**	**0.26**	1.00													
Cash Flow	F	**-0.04**	**0.08**	**0.03**	**0.09**	**0.09**	1.00												
Leverage	G	**-0.06**	**0.09**	**0.08**	**-0.03**	**0.27**	**-0.16**	1.00											
R&D	H	**0.08**	**-0.21**	**-0.18**	**-0.13**	**-0.25**	**-0.29**	**-0.26**	1.00										
ROA	I	**-0.06**	**0.21**	**0.16**	**0.25**	**0.14**	**0.73**	**-0.19**	**-0.32**	1.00									
Tobin's Q	J	**0.02**	**-0.04**	**-0.09**	**0.11**	**-0.14**	**0.21**	**-0.26**	**0.33**	**0.23**	1.00								
Tangibility	K	**0.02**	-0.01	0.02	-0.01	**-0.09**	**0.06**	**-0.03**	**-0.11**	**0.10**	**-0.07**	1.00							
Ln(Tenure)	L	**-0.09**	**-0.07**	**-0.06**	**-0.05**	**-0.06**	**0.04**	**-0.03**	0.00	**0.05**	**0.02**	0.00	1.00						
Ln (Age)	M	**-0.11**	**0.20**	**0.17**	**0.14**	**0.15**	**0.02**	**0.08**	**-0.13**	**0.07**	**-0.11**	**0.02**	**0.32**	1.00					
Duality	N	**-0.15**	**0.20**	**0.18**	**0.12**	**0.21**	**0.04**	**0.09**	**-0.12**	**0.05**	**-0.04**	0.00	**0.26**	**0.28**	1.00				
Ln (Delta)	O	**-0.15**	**0.23**	**0.08**	**0.08**	**0.47**	**0.25**	**-0.05**	**-0.02**	**0.28**	**0.35**	**-0.10**	**0.30**	**0.12**	**0.23**	1.00			
Ln (Vega)	P	**-0.12**	**0.34**	**0.21**	**0.14**	**0.59**	**0.12**	**0.05**	0.01	**0.14**	**0.13**	**-0.17**	**0.02**	0.01	**0.15**	**0.59**	1.00		
CEO Own	Q	**-0.03**	**-0.15**	**-0.12**	**-0.07**	**-0.19**	**0.03**	**-0.05**	**-0.05**	**0.04**	**0.04**	0.02	**0.30**	**0.12**	**0.11**	**0.38**	**-0.18**	1.00	
Overconfidence	R	0.00	**-0.17**	**-0.22**	**-0.16**	**-0.07**	**0.13**	**-0.10**	**0.08**	**0.12**	**0.25**	0.00	**0.33**	**0.04**	**0.05**	**0.32**	**0.03**	**0.09**	1.00

This table reports the Pearson correlation coefficients of dependent and independent variables. The bold text indicates statistical significance at the 1% level. *Single* is an indicator variable that equals 1 if a CEO is unmarried during the CEO's tenure, and 0 otherwise. *Log of Dividend* is the natural logarithm of one plus the amount of dividend declared on common shares. *Dividend to Share* is the ratio of dividends declared on common shares to the total number of shares outstanding. *Dividend to Assets* is the ratio of dividends declared on common shares over total assets. All other variables are defined in Table 1.

Table 4. CEO marital status and dividend policy (univariate test)

Variable	Single	Married	Difference
Dividend Measures			
Log of Dividend	0.898	1.984	-1.085***
Dividend to Share	0.154	0.328	-0.174***
Dividend to Assets	0.006	0.011	-0.005***
Dividend Measures (Robustness)			
Dividend Dummy	0.328	0.536	-0.208***
Dividend Yield	0.006	0.010	-0.004***
Dividend to Cash Flow	0.057	0.104	-0.047***
Dividend to Sale	0.006	0.012	-0.005***
Dividend Payout Ratio	0.092	0.164	-0.073***
Dividend Increase	0.241	0.419	-0.178***
Firm Characteristics			
Ln(Asset)	6.406	7.245	-0.838***
Cash Flow	0.079	0.087	-0.008***
Leverage	0.191	0.220	-0.029***
R&D	0.046	0.033	0.012***
ROA	0.026	0.044	-0.017***
Tobin's Q	2.241	2.149	0.093***
Tangibility	0.546	0.544	0.002***
CEO Characteristics			
Ln(Tenure)	1.630	1.817	-0.187***
Ln (Age)	3.969	4.006	-0.037***
Duality	0.472	0.662	-0.190***
Ln (Delta)	4.957	5.540	-0.584***
Ln (Vega)	3.492	3.949	-0.456***
CEO Own	0.018	0.023	-0.004***
Overconfidence	0.625	0.629	-0.005

This table presents the results of the univariate analysis. *Single* is an indicator variable that equals 1 if a CEO is unmarried during the CEO's tenure, and 0 otherwise. *Married* is an indicator variable that equals 1 if a CEO is married during the CEO's tenure, and 0 otherwise. *Log of Dividend* is the natural logarithm of one plus the amount of dividend declared on common shares. *Dividend to Share* is the ratio of dividends declared on common shares to the total number of shares outstanding. *Dividend to Assets* is the ratio of dividends declared on common shares over total assets. All other variables are defined in Table 1. The symbols ***, **, and * denote statistical significance at the 1%, 5%, and 10% levels, respectively.

Table 5. CEO marital status and dividend policy (baseline regression)

	Log of Dividend	Dividend to Share	Dividend to Assets	Log of Dividend	Dividend to Share	Dividend to Assets
	(1)	(2)	(3)	(4)	(5)	(6)
Single	-0.183***	-0.028*	-0.001***	-0.198***	-0.032**	-0.002***
	(-2.860)	(-1.950)	(-2.740)	(-3.230)	(-2.340)	(-3.290)
Ln(Asset)	0.869***	0.123***	0.003***	0.922***	0.142***	0.003***
	(28.170)	(17.350)	(9.010)	(22.040)	(15.560)	(8.700)
Cash Flow	-3.112***	-0.814***	-0.031***	-2.726***	-0.707***	-0.027***
	(-7.510)	(-8.090)	(-7.080)	(-6.890)	(-7.680)	(-6.670)
Leverage	-1.366***	-0.216***	-0.010***	-1.498***	-0.256***	-0.011***
	(-7.640)	(-5.380)	(-6.560)	(-8.870)	(-6.660)	(-7.840)
R&D	-3.396***	-0.749***	-0.033***	-2.938***	-0.644***	-0.029***
	(-5.190)	(-5.420)	(-5.500)	(-4.650)	(-4.890)	(-4.950)
ROA	2.735***	0.656***	0.034***	2.910***	0.713***	0.036***
	(9.020)	(9.040)	(10.050)	(10.080)	(10.400)	(10.810)
Tobin's Q	0.079***	-0.004	0.002***	0.177***	0.026***	0.003***
	(3.470)	(-0.950)	(6.150)	(6.750)	(5.160)	(8.550)
Tangibility	2.472**	0.497**	0.001	2.516**	0.547***	0.002
	(2.370)	(2.260)	(0.090)	(2.520)	(2.630)	(0.180)
Ln(Tenure)				-0.012	0.009	0.000
				(-0.290)	(1.030)	(0.360)
Ln (Age)				1.070***	0.167***	0.008***
				(4.720)	(3.640)	(4.570)
Duality				0.183***	0.053***	0.001***
				(3.320)	(4.560)	(2.650)
Ln (Delta)				-0.225***	-0.076***	-0.002***
				(-5.100)	(-7.870)	(-6.060)
Ln (Vega)				0.053*	0.025***	0.001**
				(1.950)	(4.010)	(2.450)
CEO Own				0.948	0.614***	0.018**
				(0.990)	(3.240)	(2.300)
Overconfidence				-0.370***	-0.099***	-0.004***
				(-6.590)	(-6.900)	(-7.070)
Year & Ind. FE	Yes	Yes	Yes	Yes	Yes	Yes
Observations	14,362	14,359	14,362	14,362	14,359	14,362
Adj. R²	0.529	0.382	0.290	0.550	0.417	0.326

This table presents the results from tests of the association between CEO marital status and the firm's dividend policy. *Single* is an indicator variable that equals 1 if a CEO is unmarried during the CEO's tenure, and 0 otherwise. *Log of Dividend* is the natural logarithm of one plus the amount of dividend declared on common shares. *Dividend to Share* is the ratio of dividends declared on common shares to the total number of shares outstanding. *Dividend to Assets* is the ratio of dividends declared on common shares over total assets. All other variables are defined in Table 1. All models include year and two-digit industry fixed effects. The *t*-statistics are computed using robust standard errors clustered at the firm level and are reported in parentheses. The symbols ***, ** and * denote statistical significance at the 1%, 5%, and 10% levels, respectively.

Table 6. CEO marital status and payout policy [instrumental variable (IV) regressions]

	Single	Log of Dividend	Dividend to Share	Dividend to Assets
	(1)	(2)	(3)	(4)
Community	0.035**			
	(2.350)			
Singlepred		-7.181**	-1.418**	-0.049**
		(-2.070)	(-2.220)	(-2.160)
Ln(Asset)	-0.051***	0.552**	0.073*	0.001
	(-8.660)	(2.580)	(1.910)	(0.630)
Cash Flow	0.093	-2.211***	-0.597***	-0.023***
	(0.930)	(-4.370)	(-5.410)	(-4.240)
Leverage	-0.002	-1.590***	-0.277***	-0.012***
	(-0.030)	(-7.630)	(-5.530)	(-7.130)
R&D	-0.207	-3.834***	-0.826***	-0.034***
	(-1.460)	(-4.970)	(-4.530)	(-5.260)
ROA	-0.097	2.166***	0.560***	0.031***
	(-1.270)	(3.070)	(3.610)	(4.580)
Tobin's Q	0.000	0.179***	0.027***	0.002***
	(0.020)	(4.600)	(4.840)	(4.180)
Asset Tangibility	0.167	3.157**	0.707***	0.007
	(0.750)	(2.160)	(2.710)	(0.570)
Ln(Tenure)	-0.038***	-0.269*	-0.043	-0.002*
	(-3.070)	(-1.820)	(-1.560)	(-1.810)
Ln (Age)	-0.085	0.549*	0.054	0.005**
	(-1.520)	(1.740)	(0.880)	(2.180)
Duality	-0.037**	-0.083	-0.003	-0.001
	(-2.470)	(-0.570)	(-0.130)	(-0.720)
Ln (Delta)	-0.013**	-0.309***	-0.094***	-0.003***
	(-2.030)	(-4.760)	(-7.850)	(-4.930)
Ln (Vega)	0.002	0.078***	0.029***	0.001***
	(0.330)	(3.010)	(3.720)	(2.820)
CEO Own	-0.067	0.258	0.498***	0.013*
	(-0.390)	(0.390)	(3.320)	(1.950)
Overconfidence	0.011	-0.275***	-0.080***	-0.003***
	(0.780)	(-3.540)	(-5.130)	(-6.260)
CEAI	-0.002	0.001	0.000	0.000
	(-1.400)	(0.110)	(0.070)	(0.480)
Ln(IncomeState)	0.079	-0.191	0.002	0.000
	(1.140)	(-0.400)	(0.020)	(0.010)
Year & Ind. FE	Yes	Yes	Yes	Yes
Observations	14,055	14,028	14,025	14,028
Adj. R²	0.102	0.557	0.427	0.331

This table presents the results of the tests of the association between CEO marital status and dividend policy from the instrumental variable regressions. Column (1) presents the results of the first-stage regression and Columns (2)-(4) present the results of second-stage regressions. *Single* is an indicator variable that equals 1 if a CEO is unmarried during the CEO's tenure, and 0 otherwise. Our instrument variable, *Community,* is an indicator variable that equals 1 if the firm is headquartered in a community property state and 0 otherwise. *SinglePred* is the predicted value of the CEO marital status from the first-stage regression. All other variables are defined in Table 1. All models include year and industry fixed effects. The *t*-statistics are computed using robust standard errors clustered at the state of headquarter level and are reported in parentheses. The symbols ***, **, and * denote statistical significance at the 1%, 5%, and 10% levels, respectively.

Table 7. CEO marital status and payout policy [Propensity Score atching (PSM) sample]

Panel A. Differences in Characteristics of Treatment and Control for PSM sample.

Variable	Treated	Control	Diff	*t*-statistics
Ln(Asset)	6.406	6.380	0.027	0.74
Cash Flow	0.079	0.078	0.000	0.15
Leverage	0.191	0.195	-0.004	-0.80
R&D	0.046	0.045	0.001	0.35
ROA	0.026	0.025	0.001	0.34
Tobin's Q	2.241	2.246	-0.005	-0.11
Tangibility	0.546	0.546	0.000	0.47
Ln(Tenure)	1.630	1.626	0.003	0.17
Ln(Age)	3.969	3.968	0.000	0.11
Duality	0.472	0.474	-0.002	-0.14
Ln(Delta)	4.957	4.938	0.019	0.50
Ln(Vega)	3.492	3.451	0.042	1.10
CEO Own	0.018	0.019	-0.001	-0.62
Overconfidence	0.625	0.634	-0.010	-0.70

Panel B. Married and dividend policy for PSM sample

	Log of Dividend	Dividend to Share	Dividend to Assets
	(1)	(2)	(3)
Single	-0.225***	-0.033***	-0.001***
	(-3.900)	(-2.610)	(-2.950)
Controls	Yes	Yes	Yes
Year & Ind. FE	Yes	Yes	Yes
Observations	5,022	5,020	5,022
Adj. R²	0.416	0.293	0.214

This table presents the results from the tests of the association between CEO marital status and the firm's payout policy for the propensity score-matched sample. Panel A reports the results for the diagnostic statistical difference in means of the firm and CEO characteristics. *Treatment* denotes unmarried CEOs and *Control* refers to matching sample married CEOs. Panel B reports the results for the models of the association between CEO marital status and payout policy for the PSM sample. *Single* is an indicator variable that equals 1 if a CEO is unmarried during the CEO's tenure, and 0 otherwise. *Married* is an indicator variable that equals 1 if a CEO is married during the CEO's tenure, and 0 otherwise. All other variables are defined in Table 1. The *t*-statistics are computed using robust standard errors clustered at the firm level and are reported in parentheses. The symbols ***, **, and * denote statistical significance at the 1%, 5%, and 10% levels, respectively.

Table 8. CEO marital status and payout policy [difference-in-differences (DID) test]

	Full Sample			PSM		
	Log of Dividend	Dividend to Share	Dividend to Assets	Log of Dividend	Dividend to Share	Dividend to Assets
	(1)	(2)	(3)	(4)	(5)	(6)
After × Treated	-2.250***	-0.252***	-0.009**	-1.560***	-0.193	-0.004*
	(-5.430)	(-3.690)	(-2.380)	(-2.710)	(-1.590)	(-1.860)
Treated	-0.124	-0.037	-0.000	0.099	-0.022	-0.001
	(-1.080)	(-1.590)	(-0.610)	(0.580)	(-0.470)	(-0.640)
After	0.041	0.029	-0.000	0.159	0.067	0.001
	(0.400)	(0.970)	(-0.000)	(0.880)	(1.190)	(0.680)
Ln(Asset)	1.065***	0.129***	0.003***	0.924***	0.111***	0.003***
	(17.380)	(5.730)	(4.360)	(8.700)	(3.400)	(2.680)
Cash Flow	-1.568	-0.592**	-0.021*	-1.154	-0.494*	-0.022*
	(-1.520)	(-2.140)	(-1.900)	(-1.310)	(-1.790)	(-1.650)
Leverage	-1.048**	-0.204	-0.009*	-0.676	-0.185	-0.005
	(-2.380)	(-1.560)	(-1.940)	(-1.540)	(-1.610)	(-0.990)
R&D	-3.804**	-1.051**	-0.021	-4.158**	-0.921***	-0.041***
	(-2.150)	(-2.400)	(-1.250)	(-2.570)	(-2.650)	(-2.930)
ROA	1.938**	0.578***	0.039***	-0.039	0.123	0.015
	(2.330)	(2.830)	(3.830)	(-0.050)	(0.610)	(1.600)
Tobin's Q	0.354***	0.021	0.005***	0.314***	0.016	0.003***
	(5.260)	(1.590)	(5.380)	(4.150)	(1.300)	(3.310)
Tangibility	5.321*	1.046	-0.016	5.620**	1.040	0.046
	(1.880)	(1.470)	(-0.540)	(2.090)	(1.540)	(1.520)
Ln(Tenure)	-0.015	0.010	0.000	-0.016	-0.004	-0.000
	(-0.170)	(0.400)	(0.080)	(-0.140)	(-0.140)	(-0.000)
Ln (Age)	0.141	0.101	0.003	0.611	0.107	0.005
	(0.280)	(0.920)	(0.720)	(1.000)	(0.770)	(0.780)
Duality	0.136	0.101***	0.003**	-0.045	0.048	0.000
	(1.240)	(2.780)	(2.580)	(-0.300)	(1.000)	(0.130)
Ln (Delta)	-0.236***	-0.091***	-0.002**	-0.149	-0.021	-0.001
	(-3.050)	(-4.280)	(-2.420)	(-1.300)	(-0.720)	(-0.600)
Ln (Vega)	0.165***	0.083***	0.001*	0.035	0.037	-0.000
	(2.990)	(5.660)	(1.740)	(0.420)	(1.640)	(-0.050)
CEO Own	3.302**	1.023***	0.028*	4.189*	0.760	0.022
	(2.210)	(2.690)	(1.860)	(1.840)	(1.290)	(0.820)
Overconfidence	-0.385***	-0.130***	-0.005***	-0.523***	-0.146**	-0.005***
	(-3.350)	(-3.540)	(-4.000)	(-2.980)	(-2.460)	(-2.760)
Year & Ind. FE	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1,719	1,719	1,719	485	485	485
Adjusted R²	0.712	0.489	0.504	0.678	0.431	0.369

This table presents the coefficient estimates from the Difference-in-Differences (DID) regressions of the association between CEO marital status and dividend policy around a CEO turnover event (-2, +2). Columns (1)-(3) present the results from the full sample and Columns (4)-(6) present the results from the PSM sample. *After* is a dummy variable equals 1 for the years after the CEO turnover, 0 for the pre-tenure period where *CEO turnover* equals 1 if the CEO in the current fiscal year is different from the one in the previous fiscal year. We only consider turnover events that are exogenous and where long-term previous CEOs are replaced by long-term new CEOs (long-term previous and long-term new CEOs are those who hold their position for at least two years). *Treated* is a dummy variable equals 1 if a firm replaces a married CEO with a single CEO, 0 otherwise. All other variables are defined in Table 1. The *t*-statistics are computed using robust standard errors clustered at the firm level and are reported in parentheses. The symbols ***, **, and * denote statistical significance at the 1%, 5%, and 10% levels, respectively.

Table 9. The effect of change in CEO marital status due to CEO turnover on a change in dividend policy

	ΔLog of Dividend	ΔDividend to Share	ΔDividend to Assets
	(1)	(2)	(3)
ΔMarital Status	-0.021	-0.017**	-0.001**
	(-0.740)	(-2.480)	(-2.410)
ΔLn(Asset)	0.137	-0.050*	-0.005***
	(1.300)	(-1.750)	(-4.350)
ΔCash Flow	-1.009**	-0.223***	-0.007*
	(-2.500)	(-2.730)	(-1.700)
ΔLeverage	-0.340	0.101	-0.002
	(-1.370)	(1.440)	(-0.750)
ΔR&D	0.486	-0.114	0.002
	(0.630)	(-0.740)	(0.200)
ΔROA	0.463**	0.087**	0.005***
	(2.440)	(2.330)	(3.150)
ΔTobin's Q	0.274	0.167	-0.005
	(0.350)	(0.730)	(-0.530)
ΔTangibility	0.054**	0.001	0.001***
	(2.230)	(0.130)	(3.330)
ΔLn(Tenure)	-0.028	-0.008	-0.000
	(-1.340)	(-1.090)	(-1.420)
ΔLn (Age)	-0.138	-0.004	-0.000
	(-1.460)	(-0.150)	(-0.050)
ΔDuality	0.007	-0.003	0.000
	(0.240)	(-0.430)	(0.130)
ΔLn (Delta)	-0.024	0.000	-0.000*
	(-1.280)	(0.060)	(-1.730)
ΔLn (Vega)	0.005	0.001	0.000
	(0.420)	(0.150)	(0.680)
ΔCEO Own	0.248	0.015	0.003
	(0.670)	(0.130)	(0.810)
ΔOverconfidence	0.029	0.001	0.000
	(1.100)	(0.140)	(0.720)
Year & Ind. FE	Yes	Yes	Yes
Observations	1,200	1,200	1,200
Adj. R^2	0.045	0.027	0.083

This table presents tests of the association between changes in CEO marital status due to CEO turnover and changes in dividend policy. Δdependent (ΔControls) is the difference in the values between the first full fiscal year under the new CEO and the last full fiscal year under the previous CEO. Δ*Marital Status* is defined as the change in CEO marital status due to CEO turnover, where Δ*Marital Status* =1 if a single CEO replaces a married CEO, 0 if the marital status is similar after a CEO turnover, and -1 if a married CEO replaces a single CEO. All other variables are defined in Table 1. The *t*-statistics are computed using robust standard errors clustered by the firm and are reported in parentheses. The symbols ***, ** and * denote statistical significance at the 1%, 5%, and 10% levels, respectively.

Table 10. Channels (CEO marital status, risk aversion, and dividend policy)

Panel A. CEO marital status and risk-taking preferences

	Full Sample			PSM Sample		
	R&D + Advertising	Total Volatility	Idiosyncratic Volatility	R&D + Advertising	Total Volatility	Idiosyncratic Volatility
	(1)	(2)	(3)	(4)	(5)	(6)
Single	0.088**	0.005***	0.005***	0.083*	0.003	0.003*
	(2.130)	(3.040)	(2.810)	(1.950)	(1.410)	(1.680)
Controls	Yes	Yes	Yes	Yes	Yes	Yes
Year & Ind. FE	Yes	Yes	Yes	Yes	Yes	Yes
Observations	14,389	14,379	14,371	5,030	5,028	5,026
Adjusted R²	0.464	0.434	0.474	0.461	0.413	0.453

Panel B. CEO marital status and compensation incentives

	Full Sample			PSM Sample		
	Ln (Delta)	Ln (Delta)	Ln (Delta)	Ln (Delta)	Ln (Delta)	Ln (Delta)
	(1)	(2)	(3)	(4)	(5)	(6)
Single	-0.729***	-0.321***	-0.169***	-0.128*	-0.141***	-0.127***
	(-11.080)	(-6.180)	(-4.440)	(-1.840)	(-2.700)	(-3.110)
Controls	No	Firm	Firm & CEO	No	Firm	Firm & CEO
Year & Ind. FE	Yes	Yes	Yes	Yes	Yes	Yes
Observations	14,389	14,389	14,389	5,030	5,030	5,030
Adjusted R²	0.119	0.400	0.568	0.0786	0.363	0.504

Panel C. CEO marital status, risk aversion, and payout policy for the PSM sample (high vs. low delta).

	High Delta			Low Delta		
	Log of Dividend	Dividend to Share	Dividend to Assets	Log of Dividend	Dividend to Share	Dividend To Assets
	(1)	(2)	(3)	(4)	(5)	(6)
Single	-0.107	-0.129	-0.005	-0.081	-0.051**	-0.001*
	(-0.280)	(-1.160)	(-1.310)	(-1.410)	(-2.380)	(-1.690)
Controls	Yes	Yes	Yes	Yes	Yes	Yes
Year & Firm FE	Yes	Yes	Yes	Yes	Yes	Yes
Observations	691	691	691	1,833	1,831	1,833
Adjusted R²	0.806	0.714	0.665	0.866	0.752	0.724

Panel D. CEO marital status, risk aversion, and payout policy for the PSM sample (conservative vs. nonconservative).

	Conservative			Nonconservative		
	Log of Dividend	Dividend to Share	Dividend to Assets	Log of Dividend	Dividend to Share	Dividend to Assets
	(1)	(2)	(3)	(4)	(5)	(6)
Single	-0.335*	-0.064	-0.001	-0.226***	-0.034***	-0.002***
	(-1.950)	(-1.330)	(-0.630)	(-3.810)	(-2.640)	(-2.980)
Controls	Yes	Yes	Yes	Yes	Yes	Yes
Year & Ind. FE	Yes	Yes	Yes	Yes	Yes	Yes
Observations	480	480	480	4,542	4,540	4,542
Adjusted R²	0.541	0.477	0.359	0.397	0.268	0.199

Panel E. CEO marital status, risk aversion, and payout policy for the PSM sample (high vs. low CSR)						
	High CSR			Low CSR		
	Log of Dividend	Dividend to Share	Dividend to Assets	Log of Dividend	Dividend to Share	Dividend To Assets
	(1)	(2)	(3)	(4)	(5)	(6)
Single	-0.135	-0.004	-0.001	-0.282**	-0.045*	-0.002**
	(-0.790)	(-0.090)	(-0.330)	(-2.580)	(-1.730)	(-1.990)
Controls	Yes	Yes	Yes	Yes	Yes	Yes
Year & Ind. FE	Yes	Yes	Yes	Yes	Yes	Yes
Observations	542	542	542	1,133	1,133	1,133
Adjusted R^2	0.562	0.494	0.399	0.450	0.335	0.233

This table presents the results from tests of the association between CEO marital status and risk-taking propensity. Panel A reports the results for the CEO marital status and risk-taking preferences. Panel B reports the results for the models of the association between CEO marital status and compensation incentives. Panel C reports the results for the association between CEO marital status, risk aversion, and dividend policy for High vs. Low delta [high (low) delta is separated based on greater (less) than median values]. Panel D reports the results for the association between CEO marital status, risk aversion, and dividend policy for Conservative vs. Non-conservative where Conservative is an indicator variable that equals 1 if all donations of a CEO during her/his tenure are directed to the Republican Party, and Panel E reports the results for the association between CEO marital status, risk aversion, and dividend policy for high vs. low CSR high (low) CSR are separated based on greater (less) than median values). *Single* is an indicator variable that equals 1 if a CEO is unmarried during the CEO's tenure, and 0 otherwise. All other dependent and independent variables are defined in Table 1. The *t*-statistics are computed using robust standard errors clustered by the firm and are reported in parentheses. The symbols ***, **, and * denote statistical significance at the 1%, 5%, and 10% levels, respectively.