Supplementary Appendix to *Marriage and Managers' Attitudes To Risk*

A.1 Marriage and Risk Attitudes: the Setting

Following Bertrand and Schoar (2003), who show that manager identities are strongly correlated with corporate policies, a large literature aims to identify the managerial characteristics that affect firm policies. Benmelech and Frydman (2012), Malmendier, Tate, and Yan (2011), and Schoar and Zuo (2011) trace the impact of the CEOs' earlier life experiences on firm policies and performance. Kaplan, Klebanov, and Sorensen (2008) examine the role of particular types of managerial skills of prospective CEOs, whereas Adams, Almeida, and Ferreira (2005) and Morse, Nanda, and Seru (2011) focus on the concentration of decision-making power in the hands of the CEOs. Bennedsen, Perez-Gonzalez, and Wolfenzon (2006) and Bennedsen, Nielsen, Perez-Gonzalez, and Wolfenzon (2007) use Scandinavian data to identify exogenous shocks to CEO appointment and termination based on life events. Graham, Harvey, and Puri (2011) directly measure behavioral traits of CEOs and link them to firm actions. In our paper, we add to this literature by exploring the role of marital status.

Apart from understanding manager and firm behavior as such, we are interested in shedding light on the risk attitudes of wealthy individuals, who are likely to be marginal investors in financial markets. CEOs in our sample almost exclusively fall in that group (Kaplan and Rauh (2010)), and their preferences are likely to be reflected in corporate investment and financial policies (to the extent that CEO wealth is tied to their firms' financial performance through incentive pay or changes in the value of their human capital). Furthermore, the decisions they make in their CEO role involve large financial stakes and have potentially broad-ranging impact on other agents.

Household survey data appears to indicate that changes in marital status do alter risk-taking behavior; in particular, for males a transition from being single to being married is associated with a decrease in the portfolio share invested in stocks and similar risky assets (Love (2010)). While intuition suggests that aggregation of preferences within a households results in an "averaging" of risk aversion coefficients, Mazzocco (2004) shows that, somewhat counterintuitively, lowering the risk aversion of one of the household members can actually increase the effective risk aversion of the household. Barber and Odean (2000) show that single men display more aggressive trading behavior than single women or married couples, which they interpret as evidence of overconfidence.

In corporate finance, following Malmendier and Tate (2005) and Malmendier and Tate (2009), a number of authors find that managers exhibiting overconfident behavior engage in more risk-taking, in particular through more aggressive investment and debt policies (e.g., see Ben-David, Graham, and Harvey (2007)) and greater innovation activity (Galasso and Simcoe (2010), Hirshleifer, Low, and Teoh (2012)). The latter studies show that overconfident managers may in fact be relatively successful in pursuing innovation, which is consistent with the theoretical literature that shows that managerial overconfidence may be optimal from the firm's standpoint, as explored by Gervais and Goldstein (2007), Gervais, Heaton, and Odean (2011), and Goel and Thakor (2008). Interestingly, recent evidence in both psychology and economics suggests that overconfident behavior itself is a product of social status considerations - see Anderson, Brion, Moore, and Kennedy (2012) and Burks, Carpenter, Goette, and Rustichini (2013).

There exists a large literature in evolutionary psychology that links status, mating, and risk-taking behavior, especially among males. Overwhelming evidence exists that wealth and socioeconomic status are positively related to men's reproductive success (e.g., see Hopcroft (2006), Nettle and Pollet (2008), and Pollet and Nettle (2009), and extensive references therein). Both experimental and survey evidence indicates that mating concerns induce signaling of wealth through conspicuous consumption and financial risk-taking (Griskevicius, Sundie, Miller, Tybur, Cialdini, and Kenrick (2007)). This literature also documents greater risk-taking by subjects confronted with situations suggestive of mating or competing for mates (Wilson and Daly (2004) and Baker and Maner (2008)).

Postlewaite (1998) advocates modeling status concerns as arising endogenously due to non-market interactions (such as marriage and other settings where allocations depend on matching instead of prices) rather than being hard-wired into preferences. Standard arguments lead to positively assortative matching in marriage markets, whereby higher wealth individuals are likely to be matched with mates who are highly desirable, in terms of their wealth or other relevant characteristics (Becker (1973)). Indeed, Charles, Hurst, and Killewald (2011) present evidence of positive marital sorting based on parental wealth. Chiappori, Oreffice, and Quintana-Domeque (2012) estimate a model of marital matching in which both income/education and physical attributes of a spouse enter into an individual's preferences. Consequently, individuals care about their future wealth not only because it can be converted into consumption, but also because it is instrumental in securing a marital match, where the quality of the match depends on relative wealth, i.e. status.

Evidence in the recent literature indicates that status concerns stemming from marriage market competition are also important for other dimensions of individual consumption and investment decisions. In particular, variation in sex ratios, which determine the intensity of competition among males and females, appears to induce variation in the propensity to invest in human and physical capital. Charles and Luoh (2010) exploit the differences in male incarceration rates in the U.S. to identify the effect of marriage market competition on female schooling and labor supply, while Wei and Zhang (2011a) and Wei and Zhang (2011b) use variation in gender imbalances (i.e., the relative number of males to females in the population) across provinces of China to argue that they result in higher savings, greater investment rates, and more economic growth, consistent with the predictions of endogenous status models. Du and Wei (2010) and Du and Wei (2011) use a quantitative model to show that the unbalanced sex ratios in China could also drive its current account surpluses and real exchange rates.

These papers focus on how marriage market competition induces individuals to increase their future expected wealth due to the fear of ending up in the lower end of the wealth distribution, and thus being at risk of failing to obtain a suitable marital match. In contrast, our paper is more concerned with how individuals, especially those already in the upper tail of the wealth distribution, attempt to increase the probability of outperforming their peers by assuming more risk. Importantly, such individuals may take on more (idiosyncratic) risk even if their expected wealth does not increase as a result.

Status concerns have been proposed as explanations for gambling behavior (Robson (1992)), local bias in portfolios (Cole, Mailath, and Postlewaite (2001) and DeMarzo, Kaniel, and Kremer (2004)), and other forms of under-diversification, such as entrepreneurial risk-taking (Roussanov (2010a)). Our findings confirm the importance of such concerns by highlighting how they impact even high-stakes decisions. Models of status differ in their predictions as to whether status considerations lead to greater tolerance for idiosyncratic or aggregate risk. In particular, models that feature "keeping up with the Joneses," as in Abel (1990), exhibit conformist, or herding, behavior (e.g., see Gollier (2004) and DeMarzo, Kaniel, and Kremer (2004)). In contrast, the prediction that competition for status leads to greater idiosyncratic risk-taking ("getting ahead of the Joneses"), whether resulting from marital sorting or not, is driven by the feature that the marginal benefit of an extra dollar of wealth is increasing in relative wealth (e.g., see Gregory (1980) and Becker, Murphy, and Werning (2005)). Therefore, analyzing the differences in attitudes towards idiosyncratic risk by varying the strength of status concerns can shed light on which class of reduced-form relative wealth preferences is empirically relevant, potentially yielding implications for asset pricing and risk sharing.

While we view our findings as providing further support for the theory of marriage-driven status concerns, one can also interpret our results as consistent with the view that both risk-taking and marriage market behavior are determined biologically, and that the link between the two is shaped by evolutionary forces. There is evidence that married males exhibit lower testosterone (Burnham, Chapman, Gray, McIntyre, Lipson, and Ellison (2003)), and high testosterone levels (in both men and women) are often associated with risk-taking behaviors (Burnham (2007) and Sapienza, Zingales, and Maestripieri (2009)), and even appear to predict empire-building behavior among entrepreneurs (Guiso and Rustichini (2011)).

A.2 Marriage, status concerns, and risk-taking: a model

In this appendix we present a model of matching in the marriage market and investment in order to highlight the interaction between matching-induced status concerns and risk-taking. The model builds on Cole, Mailath, and Postlewaite (1992) and Cole, Mailath, and Postlewaite (2001), who show that competition for mates can induce a concern for relative position even if it does not directly enter individuals' preferences. In our model, such relative wealth concerns can lead to a greater tolerance for risk (e.g., Robson (1992) and Becker, Murphy, and Werning (2005)), and especially idiosyncratic risk, as emphasized by Roussanov (2010a). The intuition is that competition for mates is akin to an arms race: insofar as potential spouses prefer wealthier suitors, what matters for attaining a spouse of a higher "quality" is how much wealth one has relative to competitors (as long as the notion of spouse quality is the same for everyone). If attaining a higher quality spouse raises one's marginal utility of wealth, then the desire to "get ahead of the Joneses" overcomes risk aversion and leads to greater risk-taking than if matching concerns were absent.

Environment

There is a continuum of agents of two types: set M (indexed by i) of males and set F (indexed by j) of females, each of measure one.[1] Each agent derives utility from a market good c and a non-market good s:

$$u(c, s) \ = s \log (1 + c)$$

Females are endowed with f_j units of the non-market good, distributed according to c.d.f. H on $(0, \infty)$. Type M agents are managers, i.e. each controls a firm (indexed also by i). At the beginning of the period, each male is endowed with $W_0 > 0$ shares of the firm equity. The manager can choose the composition of the firm's investment projects. The manager's market wealth W at the end of the period is determined by the return on firm equity. The project choice set of the manager consists of all possible linear combinations of two linear technologies: riskless storage at rate R^f and firm-specific risky investment that earns a stochastic rate of return R^i. The market "wealth" of each male at the end of the period is then

$$W^i = W_o \left(R^f + \theta^i (R^i - R^f) \right), \tag{A-1}$$

where θ^i is the share of the firm's capital invested in the risky technology by (male) manager i, subject to the constraint that $W^i > 0$ (this constraint ensures that $c > 0$ and, consequently, utility is always increasing in the non-market good). Risky returns R^i are distributed independently and identically across agents with a c.d.f. Φ on $A = [R_{\min}, \infty)$.[2] We denote the percentile rank of male i in the resulting equilibrium distribution of end-of-period wealth as $G\left(W^i\right)$.[3]

[1] We use these labels just for convenience. There is nothing in our model (or in our empirical tests) that requires the two groups to have biological characteristics of their respective sexes.

[2] The assumption of independence is not critical; what is important is that the agent-specific investment opportunities contain some purely idiosyncratic risk so that they are not perfectly correlated across managers.

[3] The assumption that only males have access to an investment technology is meant to simplify exposition. One could instead consider a symmetric setting where both "males" and "females" face the same problem.

Having matched, a male and a female jointly consume each good; i.e., if a male i matches with a female j, each of them receives utility $u(W^i, f_j)$ at the end of the period. A subset M_M having total measure $\lambda_M \in (0,1)$ of males, and a set F_M of the same measure of females, drawn randomly and independently from their respective distributions, are permanently matched at the beginning of the period. This is meant to capture the idea that people may find their marriage partners early in life, before their investment payoffs are realized. Since all males are ex ante identical while the females are not, they are matched randomly. The remaining subsets M_U of males and F_U of females enter the matching market at the end of the period, after W^i are realized. The relevant equilibrium concept is a stable matching, as introduced by Gale and Shapley (1962), which requires that, given a matching, no male and female would prefer to leave their current matches and pair with each other (see Roth and Sotomayor (1990) for details). Since utility is increasing in both arguments for both males and females, and the two goods are complements, the only stable matching is positively assortative (in W and f, respectively), so that the matched male i and female j have the same percentile rank in the respective distributions:

$$G\left(W^i\right) = H\left(f_j\right).$$

Therefore, the equilibrium allocations depend only on the relative status of the males after the realization of uncertainty about the investment projects. The equilibrium matching function produces a pairing

$$s^i = f_j$$

such that

$$s^i = H^{-1}\left(G\left(W^i\right)\right) = S\left(W^i\right).$$

Thus, at the beginning of the period, each unmatched male solves

$$\max_{\theta} E\left[S\left(W^i\right)\log\left(1+W^i\right)\right], \tag{A-2}$$

where W^i is subject to the resource constraint (A-1) above, and taking the equilibrium status function $S\left(W^i\right)$ as given. Each exogenously matched male solves

$$\max_{\theta} E\left[s^i\log\left(1+W^i\right)\right], \tag{A-3}$$

subject to the same resource constraint (A-1), where s^i is the endowment of the female that the male i was randomly matched with at the beginning of the period.

Equilibrium

We focus on a symmetric equilibrium: a solution θ^i to the problem (A-2) such that $\theta^i=\bar{\theta}$ for all $i\in M_U$. Since the decisions of matched males solving (A-3) are neither influenced by nor have an impact on the decisions of other males, they can be omitted from the description of the equilibrium: there is an θ_M such that $\theta^i=\theta_M$ is satisfied trivially for all $i\in M_M$.

In the symmetric equilibrium, the status matching given by the equilibrium distribution of end-of-period wealth is a function of one's own choice θ^i and the choice of all other agents $\bar{\theta}$ (taken by agent i as given). In this symmetric equilibrium, the wealth distribution inherits the properties of the probability distribution of risky asset returns, since

$$G\left(W\right)=\Pr\left[W^i\leq W\right]=\Phi\left(\frac{W/W_o-\left(1-\bar{\theta}\right)R^f}{\bar{\theta}}\right).$$

Assume that the status function $S\left(W^i\right)$ is continuously differentiable. Then the first-order condition for the individual investment problem faced by the unmarried male is

$$E\left[R^{ix}\left(\frac{S\left(W^{i}\right)}{1+W^{i}}+\log\left(1+W^{i}\right)S'\left(W^{i}\right)\right)\right]=0,$$

where $R^{ix}=R^{i}-R^{f}$.

For those males whose marriage matches are assigned permanently at time 0, there is no interaction between investment and matching concerns, and therefore s^{i} is orthogonal to W^{i}. Then the first-order condition for the problem (A-3) of a married male is the standard Euler equation:

$$E\left[\frac{R^{ix}}{1+W_{M}^{i}}\right]=0, \tag{A-4}$$

where W_{M}^{i} is the end-of-period value of the wealth of agent $i\in M_{M}$ (married at the beginning of the period) given his optimal choice of investment projects.

For the males who are active in the matching market at the end of the period, we can write () as

$$\begin{aligned}
0 &= E\left[R^{ix}\left(\frac{S\left(W^{i}\right)}{1+W^{i}}\right)\right]+E\left[R^{ix}\log\left(1+W^{i}\right)S'\left(W^{i}\right)\right] \\
&= Cov\left(\frac{R^{ix}}{1+W^{i}},S\left(W^{i}\right)\right)+E\left[\frac{R^{ix}}{1+W^{i}}\right]E\left[S\left(W^{i}\right)\right] \\
&\quad +Cov\left(R^{ix}\log\left(1+W^{i}\right),S'\left(W^{i}\right)\right)+E\left[R^{ix}\log\left(1+W^{i}\right)\right]E\left[S'\left(W^{i}\right)\right],
\end{aligned}$$

so that

$$E\left[\frac{R^{ix}}{1+W^{i}}\right]=-\frac{1}{E\left[S\left(W^{i}\right)\right]}\left[\begin{array}{c} Cov\left(\frac{R^{ix}}{1+W^{i}},S\left(W^{i}\right)\right)+Cov\left(R^{ix}\log\left(1+W^{i}\right),S'\left(W^{i}\right)\right) \\ +E\left[R^{ix}\log\left(1+W^{i}\right)\right]E\left[S'\left(W^{i}\right)\right]\end{array}\right]. \tag{A-5}$$

Suppose the status function is linear:

$$s^i = S\left(W^i\right) = \alpha W^i, \tag{A-6}$$

so that $S'\left(W^i\right) = \alpha$ is a (positive) constant and $Cov\left(R^{ix}\log\left(1+W^i\right), S'\left(W^i\right)\right) = 0$. Then (A-5) implies

$$E\left[\frac{R^{ix}}{1+W^i}\right] = -\frac{1}{E\left[S\left(W^i\right)\right]}\left[Cov\left(\frac{R^{ix}}{1+W^i}, S\left(W^i\right)\right) + E\left[R^{ix}\log\left(1+W^i\right)\right]E\left[S'\left(W^i\right)\right]\right].$$

Consequently, for single males this Euler equation implies an inequality

$$E\left[\frac{R^{ix}}{1+W_U^i}\right] < 0 \tag{A-7}$$

that must satisfied by the optimal wealth portfolios W_U^i for all $i \in M_U$ (unmarried at the beginning of period). By comparison with the Euler equation (A-4), this inequality states that the expected excess return on the idiosyncratic risky project, risk-adjusted using the stochastic discount factor of a married investor evaluated at the optimal wealth of a single investor, is negative. That is, the single manager's optimal investment policy exhibits a higher allocation to the idiosyncratic asset than that optimally chosen by the married agent. In other words, agents who are active in the marriage market invest more in the idiosyncratic risky project than those who are married at the beginning of period.

What is the mechanism behind this result? If the idiosyncratic project enjoys a high return, this not only raises the wealth (and therefore consumption) of the agent, but also increases the equilibrium quality of his match, since the wealth of other agents is unaffected, and so it is easier for him to beat the competition. Thus, $S(W^i)$ increases, which in turn raises the marginal utility of consumption. Since wealth becomes relatively more valuable in the high R^i state, this idiosyncratic asset is less risky from the perspective of an agent who is active in the marriage market than it is from the perspective of an exogenously-matched agent, who does not care about relative position. If the risky project realization was common to all agents, however, this effect would not arise. Since all males are ex ante identical, a higher return on the common project does not alter their relative positions and hence has no impact on status and, consequently, match quality.

Special Cases and Extensions

The model prediction above was derived under the simplifying assumption (A-6), which states that the reduced form equilibrium status/matching function is linear in male agent's wealth. Under what conditions is the status function linear? The following simple examples provide sufficient conditions:

1. female good is distributed uniformly on $[f_{\min}, f_{\max}]$ and the equilibrium distribution of wealth is uniform (which is the case if R^{ix} is uniformly distributed on $[R_{\min}, R_{\max}]$);

2. the distribution of the female non-market good coincides with the equilibrium distribution of male wealth, $H(x) = G(x)$ for all x; this situation is relevant also if the problem is completely symmetric, i.e. the females face an investment problem identical to that faced by the males.

What if S is not linear? Then the sign of $Cov\left(R^{ix}\log\left(1+W^{i}\right), G'\left(W^{i}\right)\right)$ is ambiguous and depends on the shape of the status/matching function S, which, in turn, depends on the equilibrium distribution of wealth G. In particular, if S is convex, the latter covariance is negative and the same conclusion as above holds. However, if S is concave, the conclusion is ambiguous and potentially depends on the specific parameterization of the model.

The feature of the model that yields the prediction of greater risk-taking by single managers under a broad set of conditions is the complementarity between the male and the female good (i.e., the fact that $u_{cs} > 0$). This feature is intuitive: a higher quality spouse raises one's own marginal utility of consumption. For example, a spouse with a higher level of "sophistication" may influence one's tastes in a direction that demands purchase of more expensive consumption goods.

The complementarity assumption is not crucial. For example, Cole, Mailath, and Postlewaite (2001) consider a setting in which utility is separable in the market and non-market good, and show that if the status/matching payoff is convex in market wealth, the same result as here obtains (agents take more idiosyncratic risk than in the absence of matching). However, if utility is sufficiently concave over the non-market good, the opposite prediction obtains - the agents "herd" towards common projects (Roussanov (2010b) describes in detail the conditions under which these predictions hold).

A model can be easily generalized to accommodate other margins that have an effect on wealth accumulation, such as a choice of effort vs. leisure or intertemporal consumption-saving decisions. Since the status payoff that comes from the marriage market competition provides an additional benefit of wealth, the key prediction of the model carries over under fairly general conditions: unmarried individuals invest more than married ones. This is because the relative position concerns induced by matching are a form of an arms race: single individuals competing for mates are lead to accumulate more resources than they would for consumption purposes alone. However, unlike other models of relative wealth concerns based on marriage market interactions, such as Cole, Mailath, and Postlewaite (1992) and Wei and Zhang (2011a), our emphasis is not on pure wealth accumulation, but rather on the risk-taking that leads to extreme outcomes and increased wealth dispersion. While CEOs do not necessarily compete with one another for mates, they do not compete with an average person. Rather, they likely compete with other wealthy and highly visible individuals, such as top entrepreneurs, entertainers, and asset managers, who dominate the highest wealth percentiles (Kaplan and Rauh (2010)). Indeed, our model emphasizes that that the payoff to the relative position is the highest in the right tail of the distribution (due to the complementarity between wealth and spouse quality), leading to increased risk-taking.

Discussion of Implications

We show that under a set of plausible conditions individuals who expect to compete in the market for mates exhibit greater risk-taking than those who do not, including those who are already matched. We aim to test this prediction of the model by analyzing differences in risk-taking between single and married managers. The intuition is that for single individuals marriage market competition is more acute than for those already married (even if the matches are not expected to be permanent, as long as divorce and re-matching are costly). The model is deliberately simple in that it compares people who make investment decisions before competing in the marriage market to those who invest after being exogenously matched. The way to interpret this assumption is that the probability of being married at a given point in time depends on luck (e.g., in meeting a suitable partner) as well as relative wealth.

A.3 CEO marital status: external validity

Marriage rates

In order to confirm that the proportion of single CEOs in our data is reasonable, we use data from the Survey of Consumer Finances (SCF) for the year 2001, which is roughly in the middle of our sample period. The SCF oversamples wealthy households, and therefore is more likely than the Census to accurately capture the demographic to which the CEOs in our sample belong. It also does not apply systematic top-coding to income and wealth variables, unlike most other commonly used survey datasets, and therefore provides reliable evidence on the financial position of the wealthiest households (see Kennickell and Lane (2006)).[4] We estimate a logistic regression predicting that the

[4]The SCF does explicitly drop all households/individuals listed in the *Forbes* 400 list of the wealthiest people. Since this list covers only a subset of the CEOs in our sample, the overlap between the two groups is likely sufficiently large to make reliable inferences.

head of household in the SCF is single using the following specification:

$$\Pr(Single) = \Phi\left(\alpha + \beta \times Wealth + \gamma \times Income + \delta \times Age + \zeta \times \frac{Age^2}{100}\right), \tag{A-8}$$

where $Single$ is a dummy variable that equals one if the head is unmarried, Age is the head's age, $Income$ is the annual household income, and $Wealth$ is a measure of household wealth. We use two wealth measures: one is the total household net worth (total assets minus total liabilities), and the other is the value of holdings concentrated in the single largest risky asset. The latter wealth variable (see Roussanov (2010b) for details on its construction) is meant to mimic our proxy for CEO wealth, which is based on holdings of own-company stock and options. We do not use SCF population weights, which are supposed to address the issue of oversampling of wealthy households, as we are interested in capturing the relation precisely for such households rather than the U.S. population as a whole.

Table A-1 presents the regression results, together with the implied probability of being single computed for the median CEO in our sample. This probability is calculated based on the median CEO wealth of \$13.8 million, median annual CEO compensation of \$2.2 million, and median CEO age of 55 years. The implied probabilities for various specifications fall in the 11 to 20% range, which is not too far from the proportion of CEOs we classify as single in our sample. Consequently, we conclude that our measure of marital status is reasonably accurate, at least in the sense that we do not greatly overestimate or underestimate the number of unmarried CEOs.

Table A-1: CEO Marital Status: A Diagnostic

	1	2	3	4	5
Intercept	2.455	1.452	2.396	2.391	1.410
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
Net Worth	-0.032			-0.018	
	(0.000)			(0.000)	
Largest Asset		-0.018			-0.011
		(0.000)			(0.001)
Income			-0.488	-0.279	-0.080
			(0.000)	(0.000)	(0.000)
Age	-0.130	-0.121	-0.125	-0.126	-0.118
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
$Age^2/100$	0.125	0.113	0.119	0.121	0.111
	(0.000)	(0.000)	(0.000)	(0.000)	(0.000)
$\Pr(Single \vert MedianCEO)$	0.203	0.117	0.122	0.149	0.113

This table presents the results of logit regressions of marital status on measures of wealth, income, and age:

$$\Pr\left(Single\right) = \Phi\left(\alpha + \beta \times Wealth + \gamma \times Income + \delta \times Age + \zeta \times \frac{Age^2}{100}\right),$$

where Φ is the logistic c.d.f. Data is from the 2001 Survey of Consumer Finances. Specifications (1) and (4) use *Net Worth* as a measure of wealth in the SCF, while specifications (2) and (5) use the value of the single largest risky asset holding (*Largest Asset*) as a proxy for wealth. We also show the implied probability of a median CEO being single based on these estimates. The implied probabilities are computed based on the median CEO wealth of \$13.8 million (using CEO's holdings of company stock and options), median CEO income of \$2.2 million, and median CEO age of 55 years.

Validating the divorce law instrument

As a way of validating our instrumental variable approach externally to address some of these concerns, we analyze data from the entire U.S. population collected by the U.S. Census Bureau. The idea behind our instrument is that wealthier individuals are deterred from marriage (i.e., are more likely to be single, *ceteris paribus*) if they reside in a community property state. Thus, we test whether an additional interaction between measures of wealth/income and community property residence is positive, using the data from the 2000 U.S. Census 5% sample from the Integrated Public Use Microdata Series (IPUMS). Census does not collect data on wealth, so we can only use data on personal income of the head of household. Since current income is a noisy measure of lifetime income, especially for younger people, we also use data on occupation of the head of household in order to identify individuals who are likely to accumulate substantial wealth over time. In particular, we identify individuals with occupation codes "Lawyers" and "Surgeons and physicians." Finally, as an additional measure that is closest to our focus on corporate CEOs, we separately identify individuals with occupation code "Chief executives."[5] We use two measures of single marital status: a narrow measure that includes only people reporting to have never been married, and a broad measure that includes those who never married as well as those who report their current marital status as either divorced or widowed. All of the regressions control for a quadratic in age to capture life-cycle effects.

Table A-2 presents the results of these tests. The general regression specification is

$$Single = \alpha + \beta \times Comm + \gamma \times Income + \delta \times Age + \zeta \times \frac{Age^2}{100} + \eta \times Occ + \chi \times \widetilde{Income} \times Comm + \kappa \times \widetilde{Occ} \times Comm, \quad \text{(A-9)}$$

where $Comm$ is the dummy variable equal to one if the household's state of residence is a community property state. $Single$ is a dummy variable equal to one if the head of household has never been

[5] This category is likely to include CEOs of privately held firms as well as, potentially, heads of nonprofit organizations. The number of public-company CEOs in this sample is likely to be small, given the small number of publicly listed companies relative to the total number of firms in the U.S.

married (specification 1) or has never been married, is divorced, or is widowed (specifications 2-4). $Income$ is in millions. Occ is a dummy variable for whether the head of household is either a lawyer or a surgeon/physician by occupation (specification 3) or a chief executive (specification 4). The interacted variables $\widetilde{Income}$ and $\widetilde{Occ}$ are demeaned using population weights. Consistent with our results using SCF data in Table A-1, higher income individuals are less likely to be single, as are older individuals (albeit the effect of age is nonlinear).

In accordance with our hypothesis that higher-income individuals are less likely to be married if they reside in a community property jurisdiction, the interaction of income with the community property dummy is positive and highly statistically significant (with t-statistics around 10), regardless of which definition of single status is used. This occurs despite the fact that the effect of community property itself is actually negative (and significant, with t-statistics between 4 and 6). The effect of the community property regime on marriage rates in the general population can depend on a number of factors, such as the difference in income distribution or religious composition between the equitable distribution and community property states. However, this does not have an effect on the validity of our instrument. What matters is whether community property standard has a differential impact on the decisions of wealthy individuals, and whether it makes it less likely for such individuals to get married.

Similarly to the results above, the interaction of a dummy for high-income occupations (doctors and lawyers) with the community property dummy is also positive and statistically significant (specification 3). The interaction of a CEO dummy with the community property dummy is positive but not quite statistically significant, likely due to the fact that many individuals reporting "Chief executive" as their occupation are not actually sufficiently wealthy to be concerned about property division in divorce. We conclude that the effect of residing in a community property state on marital status is concentrated among the wealthier individuals, which validates the use of community property jurisdiction as a useful instrument for CEO single status, as well as alleviates concerns that this variable might be exclusively capturing unobserved heterogeneity across states.

Table A-2: Validating the Instrument: Marital Status and Divorce Law in the U.S.

	1	2	3	4
Intercept	1.252	1.185	1.182	1.181
	(260.000)	(220.560)	(220.160)	(219.970)
Comm	-0.007	-0.007	-0.007	-0.007
	(-5.730)	(-4.330)	(-4.180)	(-4.190)
Income	-0.415	-1.374	-1.274	-1.240
	(-38.130)	(-79.080)	(-83.330)	(-82.170)
Age	-0.037	-0.031	-0.031	-0.031
	(-205.780)	(-142.400)	(-142.480)	(-142.440)
Age^2	0.027	0.030	0.030	0.030
	(177.880)	(152.280)	(152.430)	(152.380)
Occ			-0.005	-0.084
			(-0.680)	(-10.790)
$Comm \times Income$	0.193	0.349		
	(9.390)	(11.070)		
$Comm \times Occ$			0.041	0.018
			(3.090)	(1.280)

This table presents the results of an OLS regressions of marital status on measures of income as well as their interactions with the legal regime guiding division of marital assets in divorce in the state of residence, controlling for age, using the data from the 2000 U.S. Census 5% sample from the Integrated Public Use Microdata Series (IPUMS). The regression specification is

$$Single = \alpha + \beta \times Comm + \gamma \times Income + \delta \times Age + \zeta \times \frac{Age^2}{100} + \eta \times Occ + \chi \times \widetilde{Income} \times Comm + \kappa \times \widetilde{Occ} \times Comm,$$

where $Comm$ is the dummy variable equal to one if the household's state of residence is a community property state. $Single$ is a dummy variable equal to one if the head of household has never been married (specification 1) or has never been married, is divorced, or is widowed (specifications 2-4). $Income$ is in millions. Occ is a dummy variable for whether the head of household is either a lawyer or a surgeon/physician by occupation (specification 3) or a chief executive (specification 4). The interacted variables $\widetilde{Income}$ and $\widetilde{Occ}$ are demeaned using population weights. t-statistics are reported in the parentheses.

A.4 Additional empirical results: tables

In this section we present the full set of regression results for a range of alternative specifications, including additional empirical results on firm leverage and acquisition activity, as well as all of the baseline results for volatility and investment augmented with controls for CEO compensation and holdings.

Table A-3: Regression Results for Total Stock Return Volatility

	1	2	3	4	5	6
CF_t	-0.006	-0.005	-0.005	-0.005	-0.006	
	(-6.430)	(-5.694)	(-5.753)	(-5.781)	(-6.810)	
M_{t-1}/B_{t-1}	0.006	0.005	0.004	0.004	0.000	
	(3.938)	(3.200)	(3.016)	(3.074)	(0.210)	
$logA_{t-1}$	-0.022	-0.022	-0.024	-0.023	-0.022	
	(-10.978)	(-10.546)	(-9.768)	(-9.892)	(-9.120)	
$Leverage_t$	0.077	0.071	0.072	0.072	0.097	
	(8.708)	(7.975)	(7.977)	(8.002)	(10.130)	
Vol_{t-1}	0.408	0.405	0.404	0.401	0.387	
	(9.523)	(8.891)	(8.850)	(8.659)	(7.930)	
$FirmAge$	-0.001	-0.001	-0.001	-0.001	-0.001	
	(-6.678)	(-6.428)	(-6.384)	(-6.436)	(-7.320)	
$Single$	0.012	0.008	0.009	0.011	0.012	0.067
	(2.640)	(1.761)	(2.054)	(2.303)	(2.320)	(7.827)
Age		-0.001	-0.001	-0.001	-0.001	-0.004
		(-4.114)	(-3.781)	(-3.842)	(-3.470)	(-11.458)
$Age \times Single$		-0.001	-0.001	-0.001	-0.001	-0.002
		(-1.460)	(-1.452)	(-1.530)	(-1.520)	(-1.188)
$Tenure$		-0.001	-0.001	-0.001	-0.001	-0.001
		(-1.877)	(-1.992)	(-2.300)	(-2.340)	(-1.021)
$Tenure \times Single$		0.001	0.000	0.001	0.002	-0.000
		(0.693)	(0.610)	(0.843)	(1.800)	(-0.198)
$CEOProminence$			0.003	0.003	0.003	-0.007
			(3.115)	(3.152)	(2.750)	(-4.556)
$FirmProminence$			-0.001	-0.001	-0.001	
			(-0.962)	(-0.972)	(-1.190)	
$Inst$				-0.034	-0.045	
				(-3.789)	(-4.710)	
$Inst \times Single$				-0.061	-0.054	
				(-1.951)	(-1.610)	
R^2	0.481	0.482	0.482	0.484	0.512	0.196

The table reports coefficient estimates of the following OLS regression:

$$Vol = \alpha + \beta \times Single + \gamma \times X + \delta \times Y + \zeta \times (Single \times \tilde{Y}),$$

where Vol is the annualized standard deviation of monthly stock returns over the previous year, $Single$ is a dummy variable equaling one if the CEO is unmarried and zero otherwise, X is a set of firm characteristics, and Y is a set of CEO characteristics (the specific variable definitions are given in Section 2), demeaned when used in interaction terms: $\tilde{Y} = Y - \hat{E}Y$. All specifications also include industry (based on the Fama-French 49-industry classification) and year fixed effects (unreported), with the exception of specification (5), which includes industry×year fixed effects. t-statistics are in parentheses, and are computed using robust standard errors clustered by firm.

Table A-4: Regression Results for Idiosyncratic Return Volatility

	1	2	3	4	5	6
CF_t	-0.005	-0.004	-0.004	-0.004	-0.004	
	(-5.488)	(-4.816)	(-4.885)	(-4.858)	(-4.200)	
M_{t-1}/B_{t-1}	0.001	0.000	0.000	0.000	-0.002	
	(0.890)	(0.233)	(0.011)	(0.049)	(-1.680)	
$logA_{t-1}$	-0.027	-0.027	-0.028	-0.027	-0.027	
	(-12.689)	(-12.330)	(-11.506)	(-11.719)	(-11.850)	
$Leverage_t$	0.082	0.078	0.078	0.079	0.085	
	(9.644)	(8.988)	(9.010)	(9.104)	(9.690)	
$IdVol_{t-1}$	0.346	0.341	0.340	0.335	0.327	
	(8.197)	(7.637)	(7.608)	(7.357)	(7.260)	
$FirmAge$	-0.001	-0.001	-0.001	-0.001	-0.001	
	(-6.853)	(-6.627)	(-6.572)	(-6.702)	(-7.200)	
$Single$	0.012	0.008	0.010	0.012	0.012	0.063
	(2.667)	(1.927)	(2.236)	(2.551)	(2.520)	(8.085)
Age		-0.001	-0.001	-0.001	-0.001	-0.004
		(-3.927)	(-3.551)	(-3.654)	(-3.710)	(-11.370)
$Age \times Single$		-0.001	-0.001	-0.001	-0.001	-0.001
		(-1.278)	(-1.271)	(-1.371)	(-1.310)	(-0.960)
$Tenure$		-0.000	-0.000	-0.001	-0.001	-0.000
		(-1.609)	(-1.733)	(-2.169)	(-2.070)	(-0.819)
$Tenure \times Single$		0.000	0.000	0.000	0.000	-0.001
		(0.131)	(0.038)	(0.352)	(0.230)	(-0.464)
$CEOProminence$			0.003	0.003	0.003	-0.008
			(3.298)	(3.365)	(2.890)	(-6.177)
$FirmProminence$			-0.001	-0.001	-0.001	
			(-0.913)	(-0.934)	(-0.640)	
$Inst$				-0.047	-0.050	
				(-5.269)	(-5.590)	
$Inst \times Single$				-0.076	-0.064	
				(-2.253)	(-1.930)	
R^2	0.443	0.442	0.443	0.445	0.482	0.189

The table reports coefficient estimates of the following OLS regression:

$$IdVol = \alpha + \beta \times Single + \gamma \times X + \delta \times Y + \zeta \times (Single \times \tilde{Y}),$$

where $IdVol$ is the annualized standard deviation of residuals from the regression of firm monthly stock returns on the market return, $Single$ is a dummy variable equaling one if the CEO is unmarried and zero otherwise, X is a set of firm characteristics, and Y is a set of CEO characteristics (the specific variable definitions are given in Section 2), demeaned when used in interaction terms: $\tilde{Y} = Y - \hat{E}Y$. All specifications also include industry (based on the Fama-French 49-industry classification) and year fixed effects (unreported), with the exception of specification (5), which includes industry×year fixed effects. t-statistics are in parentheses, and are computed using robust standard errors clustered by firm.

Table A-5: Regression Results for Total Investment

	1	2	3	4	5	6
CF_t	0.091	0.096	0.095	0.095	0.094	
	(5.551)	(5.941)	(5.882)	(5.878)	(5.710)	
M_{t-1}/B_{t-1}	0.118	0.114	0.108	0.108	0.109	
	(7.894)	(7.676)	(7.363)	(7.349)	(7.340)	
$logA_{t-1}$	-0.128	-0.131	-0.151	-0.154	-0.145	
	(-11.844)	(-11.847)	(-11.335)	(-11.745)	(-11.170)	
$Leverage_t$	0.195	0.188	0.198	0.198	0.205	
	(3.525)	(3.328)	(3.498)	(3.506)	(3.660)	
$Investment_{t-1}$	0.484	0.476	0.475	0.475	0.477	
	(18.104)	(19.099)	(19.043)	(18.980)	(18.940)	
$FirmAge$	-0.002	-0.002	-0.002	-0.002	-0.002	
	(-3.071)	(-2.418)	(-2.350)	(-2.273)	(-2.720)	
$Single$	0.093	0.069	0.090	0.087	0.105	0.453
	(2.349)	(1.712)	(2.249)	(2.181)	(2.650)	(5.234)
Age		-0.004	-0.003	-0.003	-0.004	-0.029
		(-2.782)	(-2.114)	(-2.072)	(-2.700)	(-9.768)
$Age \times Single$		-0.019	-0.019	-0.019	-0.017	-0.042
		(-2.613)	(-2.631)	(-2.638)	(-2.440)	(-2.928)
$Tenure$		-0.009	-0.009	-0.009	-0.007	-0.007
		(-3.727)	(-3.920)	(-3.875)	(-3.410)	(-1.262)
$Tenure \times Single$		0.017	0.016	0.016	0.015	0.039
		(1.440)	(1.372)	(1.389)	(1.320)	(1.474)
$CEOProminence$			0.035	0.035	0.032	-0.002
			(3.832)	(3.842)	(3.550)	(-0.186)
$FirmProminence$			0.004	0.004	0.004	
			(0.405)	(0.416)	(0.350)	
$Inst$				0.133	0.121	
				(1.849)	(1.680)	
$Inst \times Single$				0.022	0.019	
				(0.103)	(0.090)	
R^2	0.445	0.444	0.445	0.445	0.463	0.043

The table reports coefficient estimates of the following OLS regression:

$$Investment = \alpha + \beta \times Single + \gamma \times X + \delta \times Y + \zeta \times (Single \times \tilde{Y}),$$

where $Investment$ is capital expenditures plus acquisitions minus asset sales plus R&D expenditure plus advertising expenditure (scaled by net property, plant & equipment), $Single$ is a dummy variable equaling one if the CEO is unmarried and zero otherwise, X is a set of firm characteristics, and Y is a set of CEO characteristics (the specific variable definitions are given in Section 2), demeaned when used in interaction terms: $\tilde{Y} = Y - \hat{E}Y$. All specifications also include industry (based on the Fama-French 49-industry classification) and year fixed effects (unreported), with the exception of specification (5), which includes industry×year fixed effects. t-statistics are in parentheses, and are computed using robust standard errors clustered by firm.

Table A-6: Regression Results for R&D and Advertising

	1	2	3	4	5	6
CF_t	0.009	0.010	0.010	0.009	0.008	
	(1.592)	(1.684)	(1.644)	(1.640)	(1.410)	
M_{t-1}/B_{t-1}	0.015	0.013	0.012	0.012	0.012	
	(2.787)	(2.397)	(2.155)	(2.144)	(2.240)	
$logA_{t-1}$	-0.026	-0.028	-0.033	-0.033	-0.030	
	(-6.738)	(-6.822)	(-6.739)	(-6.862)	(-6.540)	
$Leverage_t$	-0.019	-0.025	-0.023	-0.023	-0.029	
	(-1.125)	(-1.422)	(-1.303)	(-1.304)	(-1.690)	
$NetAcq_{t-1}$	0.806	0.800	0.799	0.799	0.801	
	(39.609)	(38.798)	(38.546)	(38.576)	(39.110)	
$FirmAge$	-0.000	0.000	0.000	0.000	-0.000	
	(-0.587)	(0.019)	(0.098)	(0.115)	(-0.310)	
$Single$	0.033	0.024	0.029	0.029	0.032	0.324
	(2.598)	(1.932)	(2.402)	(2.228)	(2.590)	(5.667)
Age		-0.001	-0.001	-0.001	-0.001	-0.016
		(-1.966)	(-1.393)	(-1.395)	(-2.100)	(-8.702)
$Age \times Single$		-0.005	-0.005	-0.005	-0.004	-0.024
		(-1.879)	(-1.886)	(-1.880)	(-1.630)	(-2.478)
$Tenure$		-0.002	-0.002	-0.002	-0.001	-0.003
		(-2.597)	(-2.769)	(-2.694)	(-2.070)	(-1.143)
$Tenure \times Single$		0.002	0.002	0.001	0.001	0.013
		(0.541)	(0.475)	(0.446)	(0.240)	(0.713)
$CEOProminence$			0.009	0.009	0.009	0.016
			(3.233)	(3.226)	(3.040)	(2.148)
$FirmProminence$			0.001	0.001	0.001	
			(0.198)	(0.192)	(0.190)	
$Inst$				-0.000	-0.003	
				(-0.014)	(-0.130)	
$Inst \times Single$				0.032	0.031	
				(0.382)	(0.380)	
R^2	0.765	0.761	0.761	0.761	0.770	0.048

The table reports coefficient estimates of the following OLS regression:

$$R\&D + Advertising = \alpha + \beta \times Single + \gamma \times X + \delta \times Y + \zeta \times (Single \times \tilde{Y}),$$

where $R\&D + Advertising$ is R&D expenditure plus advertising expenditure (scaled by net property, plant & equipment), $Single$ is a dummy variable equaling one if the CEO is unmarried and zero otherwise, X is a set of firm characteristics, and Y is a set of CEO characteristics (the specific variable definitions are given in Section 2), demeaned when used in interaction terms: $\tilde{Y} = Y - \hat{E}Y$. All specifications also include industry (based on the Fama-French 49-industry classification) and year fixed effects (unreported), with the exception of specification (5), which includes industry$\times$year fixed effects. t-statistics are in parentheses, and are computed using robust standard errors clustered by firm.

Table A-7: Regression Results for Net Acquisitions

	1	2	3	4	5	6
CF	0.069	0.070	0.070	0.069	0.071	
	(10.620)	(10.215)	(10.194)	(10.145)	(10.130)	
M_{t-1}/B_{t-1}	0.015	0.016	0.015	0.015	0.016	
	(2.370)	(2.344)	(2.167)	(2.177)	(2.280)	
$logA_{t-1}$	-0.046	-0.047	-0.050	-0.053	-0.049	
	(-8.394)	(-8.566)	(-8.133)	(-8.570)	(-7.820)	
$Leverage$	0.242	0.250	0.251	0.252	0.266	
	(7.438)	(7.409)	(7.405)	(7.424)	(7.760)	
$NetAcq_{t-1}$	0.239	0.237	0.237	0.236	0.230	
	(13.332)	(13.135)	(13.147)	(13.069)	(13.130)	
$FirmAge$	-0.001	-0.001	-0.001	-0.001	-0.001	
	(-3.109)	(-2.718)	(-2.683)	(-2.530)	(-2.790)	
$Single$	0.035	0.035	0.039	0.038	0.048	0.095
	(1.415)	(1.347)	(1.482)	(1.452)	(1.900)	(2.587)
Age		-0.001	-0.000	-0.000	-0.001	-0.005
		(-0.621)	(-0.414)	(-0.312)	(-0.920)	(-3.741)
$Age \times Single$		-0.007	-0.006	-0.007	-0.006	-0.012
		(-1.753)	(-1.749)	(-1.762)	(-1.600)	(-2.276)
$Tenure$		-0.004	-0.004	-0.004	-0.003	-0.003
		(-2.107)	(-2.162)	(-2.160)	(-1.640)	(-1.257)
$Tenure \times Single$		0.013	0.013	0.013	0.013	0.021
		(1.655)	(1.640)	(1.653)	(1.610)	(1.844)
$CEOProminence$			0.008	0.008	0.006	-0.014
			(1.504)	(1.519)	(1.230)	(-2.587)
$FirmProminence$			-0.001	-0.001	-0.002	
			(-0.217)	(-0.178)	(-0.320)	
$Inst$				0.182	0.167	
				(5.048)	(4.520)	
$Inst \times Single$				-0.063	-0.080	
				(-0.558)	(-0.720)	
R^2	0.150	0.151	0.151	0.151	0.179	0.014

The table reports coefficient estimates of the following OLS regression:

$$NetAcq = \alpha + \beta \times Single + \gamma \times X + \delta \times Y + \zeta \times (Single \times \tilde{Y}),$$

where $NetAcq$ is acquisitions minus asset sales (scaled by net property, plant & equipment), $Single$ is a dummy variable equaling one if the CEO is unmarried and zero otherwise, X is a set of firm characteristics, and Y is a set of CEO characteristics (the specific variable definitions are given in Section 2), demeaned when used in interaction terms: $\tilde{Y} = Y - \hat{E}Y$. All specifications also include industry (based on the Fama-French 49-industry classification) and year fixed effects (unreported), with the exception of specification (5), which includes industry×year fixed effects. t-statistics are in parentheses, and are computed using robust standard errors clustered by firm.

Table A-8: Regression Results for Market Leverage

	1	2	3	4	5	6
CF_t	-0.011	-0.010	-0.010	-0.010	-0.010	
	(-9.250)	(-8.720)	(-8.590)	(-8.400)	(-20.340)	
M_{t-1}/B_{t-1}	-0.044	-0.044	-0.042	-0.042	-0.041	
	(-22.730)	(-23.370)	(-22.230)	(-22.380)	(-46.930)	
$logA_{t-1}$	0.031	0.031	0.036	0.037	0.036	
	(12.910)	(12.680)	(14.100)	(14.390)	(39.490)	
$Investment_t$	0.004	0.004	0.004	0.004	0.005	
	(3.780)	(3.800)	(4.170)	(4.210)	(7.560)	
$FirmAge$	-0.001	-0.001	-0.001	-0.001	-0.001	
	(-2.270)	(-2.230)	(-2.160)	(-2.230)	(-5.910)	
$Single$	0.017	0.014	0.010	0.011	0.009	-0.004
	(2.550)	(2.020)	(1.460)	(1.610)	(2.800)	(-0.590)
Age		-0.000	-0.001	-0.001	-0.001	0.000
		(-1.100)	(-1.460)	(-1.510)	(-3.220)	(1.160)
$Age \times Single$		0.000	0.000	0.000	-0.000	0.001
		(0.350)	(0.430)	(0.410)	(-0.090)	(0.550)
$Tenure$		-0.001	-0.001	-0.001	-0.001	-0.001
		(-1.410)	(-1.310)	(-1.400)	(-4.000)	(-2.010)
$Tenure \times Single$		-0.001	-0.001	-0.001	-0.001	-0.002
		(-1.120)	(-1.030)	(-0.920)	(-1.650)	(-1.370)
$CEOProminence$			-0.003	-0.003	-0.003	0.002
			(-1.730)	(-1.740)	(-3.560)	(1.030)
$FirmProminence$			-0.006	-0.006	-0.005	
			(-3.390)	(-3.360)	(-7.480)	
$Inst$				-0.036	-0.028	
				(-2.380)	(-4.260)	
$Inst \times Single$				-0.026	-0.026	
				(-1.050)	(-1.870)	
R^2	0.420	0.425	0.429	0.430	0.444	0.293

The table reports coefficient estimates of the following OLS regression:

$$Leverage = \alpha + \beta \times Single + \gamma \times X + \delta \times Y + \zeta \times (Single \times \tilde{Y}),$$

where *Leverage* is market leverage of the firm, *Single* is a dummy variable equaling one if the CEO is unmarried and zero otherwise, X is a set of firm characteristics, and Y is a set of CEO characteristics (the specific variable definitions are given in Section 2), demeaned when used in interaction terms: $\tilde{Y} = Y - \hat{E}Y$. All specifications also include industry (based on the Fama-French 49-industry classification) and year fixed effects (unreported), with the exception of specification (5), which includes industry×year fixed effects. t-statistics are in parentheses, and are computed using robust standard errors clustered by firm.

Table A-9: Regression Results with Compensation and Holdings Controls

	Id. Vol.	Vol.	Investment	Net Acq.	R&D + Advert.
CF_t	-0.005	-0.007	0.097	0.078	0.007
	(-5.110)	(-7.520)	(5.380)	(8.860)	(0.580)
M_{t-1}/B_{t-1}	0.001	0.006	0.124	-0.024	0.091
	(0.840)	(3.220)	(6.830)	(-2.630)	(6.820)
$logA_{t-1}$	-0.029	-0.023	-0.154	-0.062	-0.045
	(-9.560)	(-7.920)	(-9.710)	(-7.100)	(-4.070)
$Leverage_t$	0.073	0.081	0.288	0.313	-0.082
	(7.310)	(8.220)	(4.260)	(7.300)	(-1.750)
$IdVol_{t-1}$	0.302	0.385	0.461	0.103	0.264
	(5.690)	(7.450)	(17.250)	(9.530)	(13.090)
$FirmAge$	-0.001	-0.001	-0.003	-0.001	-0.001
	(-7.180)	(-7.220)	(-2.890)	(-1.330)	(-2.060)
$Single$	0.014	0.014	0.125	0.045	0.121
	(2.210)	(2.190)	(2.640)	(1.420)	(3.140)
Age	-0.000	-0.001	-0.001	-0.000	0.001
	(-1.730)	(-2.800)	(-0.570)	(-0.270)	(0.970)
$Age \times Single$	-0.002	-0.001	-0.015	-0.002	-0.015
	(-1.340)	(-1.270)	(-1.900)	(-0.370)	(-2.490)
$Tenure$	0.000	-0.000	-0.009	-0.007	-0.000
	(0.080)	(-0.750)	(-3.180)	(-3.640)	(-0.180)
$Tenure \times Single$	0.001	0.001	0.021	0.014	0.007
	(0.660)	(1.260)	(1.540)	(1.340)	(0.550)
$CEOProminence$	0.005	0.004	0.028	-0.003	0.033
	(4.050)	(3.480)	(2.570)	(-0.410)	(3.680)
$FirmProminence$	-0.001	-0.002	0.004	-0.001	-0.003
	(-1.230)	(-1.910)	(0.310)	(-0.130)	(-0.300)
$Inst$	-0.045	-0.045	0.076	0.189	-0.084
	(-4.430)	(-4.380)	(0.950)	(4.160)	(-1.780)
$Inst \times Single$	-0.087	-0.077	-0.141	-0.133	0.021
	(-1.800)	(-1.910)	(-0.520)	(-1.000)	(0.110)
$CEO_holdings$	-0.004	-0.003	-0.013	0.019	-0.038
	(-3.450)	(-2.850)	(-1.540)	(3.470)	(-5.990)
$CEO_compensation$	0.007	0.009	0.074	0.039	0.023
	(3.720)	(3.800)	(4.780)	(4.160)	(2.460)
R^2	0.433	0.457	0.432	0.133	0.502

The table reports coefficient estimates of the following OLS regression:

$$Z = \alpha + \beta \times Single + \gamma \times X + \delta \times Y + \zeta \times (Single \times \tilde{Y}),$$

for the following outcome variables Z: idiosyncratic volatility, total volatility, total investment, net acquisitions, and R&D expenditure plus advertising expenditure (all scaled by net property, plant & equipment). *Single* is a dummy variable equaling one if the CEO is unmarried and zero otherwise, X is a set of firm characteristics, and Y is a set of CEO characteristics (the specific variable definitions are given in Section 2), demeaned when used in interaction terms: $\tilde{Y} = Y - \hat{E}Y$. All specifications also include industry (based on the Fama-French 49-industry classification) and year fixed effects (unreported). t-statistics are in parentheses, and are computed using robust standard errors clustered by firm.

Table A-10: Predicting CEO Marital Status with Divorce Law Instrument

	1	2	3	4	5	6
$Community$	0.050	0.048	0.049	0.049	0.059	0.046
	(3.740)	(3.510)	(3.610)	(3.580)	(4.410)	(3.250)
CF_t	-0.006	-0.003	-0.003	-0.003		-0.001
	(-1.860)	(-0.930)	(-0.870)	(-0.910)		(-0.320)
M_{t-1}/B_{t-1}	-0.008	-0.001	0.001	0.001		0.001
	(-2.170)	(-0.260)	(0.340)	(0.330)		(0.290)
$logA_{t-1}$	-0.041	-0.027	-0.016	-0.017		-0.016
	(-11.050)	(-7.000)	(-3.710)	(-3.910)		(-3.670)
$Leverage_{t-1}$	0.018	-0.010	-0.014	-0.015		-0.011
	(0.800)	(-0.410)	(-0.620)	(-0.640)		(-0.480)
$IdVol_{t-1}$	0.037	0.020	0.029	0.031		0.035
	(1.740)	(0.870)	(1.320)	(1.440)		(1.620)
$Investment_{t-1}$	0.009	0.008	0.008	0.008		0.008
	(2.950)	(2.640)	(2.820)	(2.800)		(2.640)
$FirmAge$	-0.001	-0.002	-0.002	-0.002		-0.002
	(-3.260)	(-3.840)	(-3.730)	(-3.670)		(-3.680)
Age		-0.002	-0.003	-0.003	-0.004	-0.003
		(-2.900)	(-3.780)	(-3.760)	(-5.450)	(-4.050)
$Tenure$		-0.002	-0.002	-0.002	-0.002	-0.002
		(-1.400)	(-1.350)	(-1.330)	(-1.430)	(-1.630)
$Wealth$		-0.021	-0.017	-0.017	-0.020	-0.019
		(-7.220)	(-5.810)	(-5.780)	(-7.250)	(-6.180)
$CEOProminence$			-0.021	-0.021	-0.031	-0.022
			(-5.370)	(-5.370)	(-10.570)	(-5.610)
$FirmProminence$			-0.003	-0.002		-0.002
			(-0.720)	(-0.710)		(-0.660)
$Inst$				0.040		0.033
				(1.540)		(1.300)
$Payroll$						0.069
						(0.100)
$CEAI$						-0.121
						(-0.280)
$LogIncomeState$						0.055
						(1.200)
R^2	0.09	0.10	0.11	0.11	0.09	0.11

The table reports coefficient estimates of the following OLS regression:

$$Single = \alpha + \beta \times Community + \gamma \times X + \delta \times Y + \zeta \times Z,$$

where $Single$ is a dummy variable equaling one if the CEO is unmarried and zero otherwise, $Community$ is a dummy variable equaling one if the firm is headquartered in a community property state and zero otherwise, X is a set of firm characteristics, Y is a set of CEO characteristics, and Z is a set of state-level control variables (the specific variable definitions are given in Sections 2 and 4.3). All specifications also include industry (based on the Fama-French 49-industry classification) and year fixed effects (unreported). t-statistics are in parentheses, and are computed using robust standard errors clustered by state.

Table A-11: IV Results for Idiosyncratic Volatility

	1	2	3	4	5	6
CF_t	-0.003	-0.003	-0.004	-0.003		-0.004
	(-3.210)	(-3.270)	(-3.470)	(-3.260)		(-3.830)
M_{t-1}/B_{t-1}	0.003	0.002	0.001	0.001		0.001
	(1.810)	(1.130)	(0.580)	(0.660)		(0.520)
$logA_{t-1}$	-0.015	-0.017	-0.022	-0.020		-0.020
	(-3.340)	(-4.920)	(-7.760)	(-7.290)		(-7.490)
$Leverage_t$	0.077	0.078	0.079	0.080		0.079
	(11.500)	(11.180)	(10.990)	(10.920)		(11.330)
$IdVol_{t-1}$	0.331	0.330	0.326	0.321		0.318
	(7.610)	(7.020)	(6.910)	(6.730)		(6.670)
$FirmAge$	-0.000	-0.000	-0.000	-0.000		-0.000
	(-1.970)	(-1.370)	(-1.540)	(-1.590)		(-1.460)
$SinglePred$	0.297	0.308	0.301	0.316	0.643	0.330
	(2.680)	(2.480)	(2.570)	(2.560)	(2.660)	(2.730)
Age		-0.000	0.000	0.000	0.000	0.000
		(-0.330)	(0.380)	(0.390)	(0.140)	(0.470)
$Tenure$		0.000	0.000	0.000	0.001	0.001
		(1.130)	(0.980)	(0.960)	(1.800)	(1.400)
$Wealth$		0.003	0.001	0.001	0.000	0.002
		(0.980)	(0.480)	(0.460)	(0.080)	(0.710)
$CEOProminence$			0.010	0.011	0.013	0.011
			(4.410)	(4.390)	(1.910)	(4.540)
$FirmProminence$			-0.000	-0.000		-0.000
			(-0.300)	(-0.350)		(-0.350)
$Inst$				-0.075		-0.075
				(-4.880)		(-5.000)
$Payroll$						0.108
						(0.350)
$CEAI$						0.190
						(0.640)
$LogIncomeState$						0.003
						(0.190)
R^2	0.443	0.442	0.442	0.444	0.301	0.444

The table reports coefficient estimates of the following OLS regression:

$$IdVol = \alpha + \beta \times SinglePred + \gamma \times X + \delta \times Y + \zeta \times Z,$$

where $IdVol$ is the annualized standard deviation of residuals from the regression of firm monthly stock returns on the market return, $SinglePred$ is the predicted value for $Single$ computed using coefficient estimates for the corresponding specification in Table A-10, X is a set of firm characteristics, Y is a set of CEO characteristics, and Z is a set of state-level control variables (the specific variable definitions are given in Sections 2 and 4.3). All specifications also include industry (based on the Fama-French 49-industry classification) and year fixed effects (unreported). t-statistics are in parentheses, and are computed using robust standard errors clustered by state, taking into account the uncertainty in first-stage estimates.

Table A-12: IV Results for Total Investment

	1	2	3	4	5	6
CF_t	0.109	0.109	0.108	0.108		0.109
	(6.110)	(5.350)	(5.410)	(5.370)		(5.600)
M_{t-1}/B_{t-1}	0.135	0.103	0.096	0.096		0.096
	(9.940)	(7.890)	(7.850)	(7.870)		(7.070)
$logA_{t-1}$	-0.030	-0.083	-0.122	-0.123		-0.128
	(-0.800)	(-2.980)	(-5.890)	(-5.840)		(-6.440)
$Leverage_t$	0.148	0.245	0.255	0.255		0.292
	(2.330)	(4.550)	(4.900)	(4.920)		(5.420)
$Investment_{t-1}$	0.470	0.464	0.463	0.463		0.456
	(18.890)	(20.690)	(20.220)	(20.160)		(18.780)
$FirmAge$	0.001	0.002	0.002	0.002		0.003
	(0.720)	(1.200)	(1.200)	(1.210)		(1.610)
$SinglePred$	2.299	2.197	2.114	2.107	5.367	2.357
	(2.560)	(2.260)	(2.440)	(2.380)	(1.880)	(2.990)
Age		-0.003	-0.001	-0.001	-0.005	-0.000
		(-1.130)	(-0.350)	(-0.350)	(-0.450)	(-0.080)
$Tenure$		-0.003	-0.004	-0.004	0.001	-0.003
		(-0.910)	(-1.180)	(-1.170)	(0.250)	(-1.130)
$Wealth$		0.073	0.059	0.059	0.155	0.071
		(3.600)	(3.690)	(3.690)	(2.670)	(4.280)
$CEOProminence$			0.076	0.075	0.134	0.076
			(4.210)	(4.150)	(1.610)	(4.930)
$FirmProminence$			0.004	0.004		0.009
			(0.360)	(0.360)		(0.830)
$Inst$				0.020		0.047
				(0.190)		(0.570)
$Payroll$						0.641
						(0.270)
$CEAI$						-1.448
						(-0.770)
$LogIncomeState$						0.285
						(2.300)
R^2	0.446	0.445	0.445	0.445	0.170	0.450

The table reports coefficient estimates of the following OLS regression:

$$Investment = \alpha + \beta \times SinglePred + \gamma \times X + \delta \times Y + \zeta \times Z,$$

where $Investment$ is capital expenditures plus acquisitions minus asset sales plus R&D expenditure plus advertising expenditure (scaled by net property, plant & equipment), $SinglePred$ is the predicted value for $Single$ computed using coefficient estimates for the corresponding specification in Table A-10, X is a set of firm characteristics, Y is a set of CEO characteristics, and Z is a set of state-level control variables (the specific variable definitions are given in Sections 2 and 4.3). All specifications also include industry (based on the Fama-French 49-industry classification) and year fixed effects (unreported). t-statistics are in parentheses, and are computed using robust standard errors clustered by state, taking into account the uncertainty in first-stage estimates.

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