

## Accepted Manuscript

CEO Inside Debt and Corporate Debt Maturity Structure

Viet A. Dang, Hieu V. Phan

PII: S0378-4266(16)30088-7

DOI: <http://dx.doi.org/10.1016/j.jbankfin.2016.05.009>

Reference: JBF 4964

To appear in: *Journal of Banking & Finance*

Received Date: 11 August 2015

Accepted Date: 29 May 2016



Please cite this article as: Dang, V.A., Phan, H.V., CEO Inside Debt and Corporate Debt Maturity Structure, *Journal of Banking & Finance* (2016), doi: <http://dx.doi.org/10.1016/j.jbankfin.2016.05.009>

This is a PDF file of an unedited manuscript that has been accepted for publication. As a service to our customers we are providing this early version of the manuscript. The manuscript will undergo copyediting, typesetting, and review of the resulting proof before it is published in its final form. Please note that during the production process errors may be discovered which could affect the content, and all legal disclaimers that apply to the journal pertain.

## CEO Inside Debt and Corporate Debt Maturity Structure

Viet A. Dang<sup>a,\*</sup> and Hieu V. Phan<sup>b,1</sup>

<sup>a</sup> *Alliance Manchester Business School, the University of Manchester, Booth Street West, Manchester, M15 6PB, United Kingdom*

<sup>b</sup> *The Robert J. Manning School of Business, University of Massachusetts Lowell, One University Avenue, Lowell, MA 01854, United States*

### Abstract

This paper examines the relation between chief executive officer (CEO) inside debt holdings and corporate debt maturity. We provide robust evidence that inside debt has a positive effect on short-maturity debt and that this effect is concentrated in financially unconstrained firms that face lower refinancing risk. Our analysis further shows that CEO inside debt helps reduce the cost of debt financing. Overall, our results indicate that managerial holdings of inside debt facilitate access to external debt financing and reduce refinancing risk, thus incentivizing managers to use less costly shorter term debt.

*JEL classifications:* G32, G34.

*Keywords:* Debt maturity, short-term debt, inside debt, pension, deferred compensation.

---

\* Corresponding author. Tel.: +44(0) 161 275 0438.

Email: [Vietanh.Dang@manchester.ac.uk](mailto:Vietanh.Dang@manchester.ac.uk) (V.A. Dang), [Hieu\\_Phan@uml.edu](mailto:Hieu_Phan@uml.edu) (H. V. Phan)

<sup>1</sup> Tel.: +1 (978) 934 2633.

Download English Version:

<https://daneshyari.com/en/article/5088287>

Download Persian Version:

<https://daneshyari.com/article/5088287>

[Daneshyari.com](https://daneshyari.com)