

CEO and CFO Gender and Firm-Wide Insider Trading

Elvira Scarlat^{*}, Karin Shields^{**}, and Iain Clacher^{***}

^{*}Carlos III University of Madrid

^{**}Birkbeck, University of London

^{***}Leeds University Business School

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Abstract

We investigate insiders' profitability under female executives using a sample of US firms between 2003 and 2011. Our results suggest a significant decrease in firm-wide insider trading profitability following switches from male-to-female CEOs and CFOs. These findings are consistent to different empirical specifications, including difference-in-difference and propensity score matching. This evidence suggests female executives change the corporate culture in their organization via a stronger "tone-at-the-top" that limits insiders' opportunistic trading.

Keywords: *Insider trading, gender, corporate culture*

Data availability: *Data is available from the sources identified in the paper*

JEL Classification: *G14, G34, J16*

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