

TABLE IA.1

Pilot CEOs and Firm Risk (Controlling for High Performance Pay)

OLS regressions with annualized standard deviation of firm-level monthly stock returns as the dependent variable. A constant is included in all models. *M&A Activity* is a binary variable that takes the value one if the firm completed an acquisition in a given year and zero otherwise. All independent variables are defined in the Appendix. Standard errors are clustered by firm, and p-values are in parentheses with ***, **, and * representing significance at the 1%, 5%, and 10% levels, respectively.

	Table 4	Table 4	Table 4	Table 7	Table 7
	Col. (4)	Col. (5)	Col. (6)	Col. (3)	Col. (4)
Pilot	0.028** (0.017)	0.032*** (0.002)	0.033** (0.021)	0.017 (0.169)	0.024** (0.028)
M&A Activity				-0.025*** (0.000)	-0.023*** (0.000)
Pilot * M&A Activity				0.043** (0.030)	0.033* (0.058)
High Performance Pay	0.020 (0.127)	0.016 (0.167)	-0.010 (0.456)	0.022* (0.098)	0.017 (0.136)
Military	-0.013 (0.160)	-0.013 (0.115)	-0.016 (0.323)	-0.014 (0.143)	-0.014* (0.097)
Age 40-49	-0.069*** (0.003)	-0.064*** (0.003)	-0.048** (0.049)	-0.068*** (0.004)	-0.063*** (0.004)
Age 50-59	-0.092*** (0.000)	-0.079*** (0.000)	-0.053** (0.041)	-0.091*** (0.000)	-0.077*** (0.000)
Age ≥ 60	-0.086*** (0.000)	-0.074*** (0.001)	-0.054** (0.045)	-0.086*** (0.000)	-0.073*** (0.001)
Ln(Tenure)	-0.009** (0.015)	-0.007** (0.021)	-0.003 (0.451)	-0.008** (0.023)	-0.007** (0.028)
Ln(Assets)	-0.041*** (0.000)	-0.028*** (0.000)	0.007 (0.431)	-0.040*** (0.000)	-0.027*** (0.000)
Leverage	0.130*** (0.000)	0.079*** (0.000)	0.071* (0.050)	0.131*** (0.000)	0.079*** (0.000)
R&D		0.452*** (0.000)	-0.048 (0.701)		0.450*** (0.000)
Sales Growth		0.048*** (0.000)	0.011 (0.273)		0.052*** (0.000)
ROE		-0.159*** (0.000)	-0.124*** (0.000)		-0.158*** (0.000)
M/B		-0.000 (0.923)	0.012*** (0.003)		-0.000 (0.933)
Ln(Firm Age)		-0.033*** (0.000)	-0.159*** (0.000)		-0.033*** (0.000)
Fixed Effects	Ind., Year	Ind., Year	Firm, Year	Ind., Year	Ind., Year
Observations	9,479	9,463	9,463	9,479	9,463
R ²	46.47%	53.85%	68.97%	46.67%	54.01%

TABLE IA.2

Pilot CEOs and Firm Leverage (Controlling for High Performance Pay)

OLS regressions with book leverage as the dependent variable. Book leverage is defined as current plus long-term debt, divided by total assets. A constant is included in all models. Independent variables are defined in the Appendix. Standard errors are clustered by firm, and p-values are in parentheses with ***, **, and * representing significance at the 1%, 5%, and 10% levels, respectively.

	Table 5	Table 5
	Col. (3)	Col. (4)
Pilot	0.027 ** (0.038)	0.027 ** (0.030)
Military	-0.021 (0.228)	-0.018 (0.300)
Age 40-49	-0.031 (0.252)	-0.028 (0.278)
Age 50-59	-0.030 (0.280)	-0.025 (0.353)
Age ≥ 60	-0.025 (0.391)	-0.019 (0.495)
Ln(Tenure)	-0.003 (0.349)	-0.004 (0.235)
High Performance Pay	-0.006 * (0.069)	-0.008 ** (0.022)
Sales Growth	0.003 (0.686)	0.006 (0.342)
ROE	-0.030 *** (0.000)	-0.028 *** (0.000)
M/B	-0.016 *** (0.000)	-0.018 *** (0.000)
Ln(Assets)	0.010 (0.107)	0.008 (0.373)
Asset Tangibility	0.080 (0.111)	0.066 (0.205)
Fixed Effects	Firm	Firm, Year
Observations	9,551	9,551
R ²	78.25%	78.84%

TABLE IA.3

Acquisitiveness of pilot CEOs (Controlling for High Performance Pay)

Logit models in which the dependent variable equals one if the firm announces a successful merger bid in a given year and zero otherwise. A constant is included in all models. Independent variables are defined in the Appendix. Coefficients are reported as odds ratios. P-values are in parentheses with ***, **, and * representing significance at the 1%, 5%, and 10% levels, respectively.

	Table 6 Col. (2)	Table 6 Col. (3)	Table 6 Col. (4)
Pilot	1.367 ** (0.034)	1.315 ** (0.047)	1.574 * (0.052)
Military	0.843 (0.236)	0.931 (0.601)	0.840 (0.387)
Age 40-49	1.387 (0.306)	1.485 (0.205)	1.750 (0.144)
Age 50-59	1.265 (0.466)	1.442 (0.243)	1.599 (0.241)
Age ≥ 60	1.034 (0.918)	1.202 (0.567)	1.371 (0.445)
Ln(Tenure)	1.207 *** (0.000)	1.185 *** (0.000)	1.173 *** (0.006)
High Performance Pay	1.189 ** (0.013)	1.096 (0.182)	1.088 (0.275)
Leverage	0.620 ** (0.022)	1.097 (0.661)	1.005 (0.989)
Dividend Yield	0.000 *** (0.000)	0.011 ** (0.040)	0.154 (0.444)
Loss Dummy	0.880 (0.168)	0.777 *** (0.006)	0.836 * (0.088)
Ln(Assets)	1.268 *** (0.000)	1.379 *** (0.000)	1.868 *** (0.000)
Free Cash Flow	6.479 *** (0.000)	6.376 *** (0.000)	6.636 *** (0.001)
Q	1.062 * (0.052)	0.984 (0.604)	1.047 (0.296)
CapEx	13.705 *** (0.000)	66.089 *** (0.000)	459.580 *** (0.000)
Fixed Effects	Year	Ind., Year	Firm, Year
Observations	8,649	8,649	6,072
Pseudo R ²	50.33%	53.40%	73.36%

TABLE IA.4

Pilot CEOs and Firm Risk (Controlling for Ln(Age))

OLS regressions with annualized standard deviation of firm-level monthly stock returns as the dependent variable. A constant is included in all models. *M&A Activity* is a binary variable that takes the value one if the firm completed an acquisition in a given year and zero otherwise. All independent variables are defined in the Appendix. Standard errors are clustered by firm, and p-values are in parentheses with ***, **, and * representing significance at the 1%, 5%, and 10% levels, respectively.

	Table 4	Table 4	Table 4	Table 7	Table 7
	Col. (4)	Col. (5)	Col. (6)	Col. (3)	Col. (4)
Pilot	0.028** (0.020)	0.032*** (0.002)	0.033** (0.016)	0.016 (0.198)	0.023** (0.030)
M&A Activity				-0.026*** (0.000)	-0.023*** (0.000)
Pilot * M&A Activity				0.045** (0.025)	0.034* (0.053)
Vega	-0.013 (0.131)	-0.019*** (0.009)	-0.018* (0.074)	-0.013 (0.145)	-0.019** (0.010)
Military	-0.012 (0.228)	-0.013 (0.131)	-0.012 (0.469)	-0.012 (0.205)	-0.013 (0.112)
Ln(Age)	-0.079*** (0.004)	-0.052** (0.026)	-0.070* (0.083)	-0.082*** (0.003)	-0.053** (0.022)
Ln(Tenure)	-0.007** (0.044)	-0.006* (0.073)	-0.001 (0.840)	-0.007* (0.064)	-0.005* (0.092)
Ln(Assets)	-0.039*** (0.000)	-0.026*** (0.000)	0.009 (0.327)	-0.038*** (0.000)	-0.025*** (0.000)
Leverage	0.132*** (0.000)	0.075*** (0.000)	0.071** (0.044)	0.132*** (0.000)	0.076*** (0.000)
R&D		0.459*** (0.000)	-0.055 (0.662)		0.457*** (0.000)
Sales Growth		0.047*** (0.000)	0.011 (0.288)		0.051*** (0.000)
ROE		-0.158*** (0.000)	-0.124*** (0.000)		-0.157*** (0.000)
M/B		-0.000 (0.948)	0.011*** (0.008)		-0.000 (0.963)
Ln(Firm Age)		-0.033*** (0.000)	-0.156*** (0.000)		-0.034*** (0.000)
Fixed Effects	Ind., Year	Ind., Year	Firm, Year	Ind., Year	Ind., Year
Observations	9,546	9,530	9,530	9,546	9,530
R ²	46.16%	53.61%	68.83%	46.37%	53.77%

TABLE IA.5

Pilot CEOs and Firm Leverage (Controlling for Ln(Age))

OLS regressions with book leverage as the dependent variable. Book leverage is defined as current plus long-term debt, divided by total assets. A constant is included in all models. Independent variables are defined in the Appendix. Standard errors are clustered by firm, and p-values are in parentheses with ***, **, and * representing significance at the 1%, 5%, and 10% levels, respectively.

	Table 5	Table 5
	Col. (3)	Col. (4)
Pilot	0.026 ** (0.042)	0.027 ** (0.033)
Military	-0.020 (0.244)	-0.018 (0.311)
Ln(Age)	0.032 (0.438)	0.048 (0.236)
Ln(Tenure)	-0.003 (0.315)	-0.005 (0.183)
Vega	-22.057 *** (0.001)	-20.660 *** (0.001)
Sales Growth	0.003 (0.657)	0.007 (0.308)
ROE	-0.030 *** (0.000)	-0.028 *** (0.000)
M/B	-0.017 *** (0.000)	-0.018 *** (0.000)
Ln(Assets)	0.012 * (0.087)	0.008 (0.346)
Asset Tangibility	0.083 (0.101)	0.069 (0.186)
Fixed Effects	Firm	Firm, Year
Observations	9,551	9,551
R ²	78.26%	78.85%

TABLE IA.6

Acquisitiveness of pilot CEOs (Controlling for Ln(Age))

Logit models in which the dependent variable equals one if the firm announces a successful merger bid in a given year and zero otherwise. A constant is included in all models. Independent variables are defined in the Appendix. Coefficients are reported as odds ratios. P-values are in parentheses with ***, **, and * representing significance at the 1%, 5%, and 10% levels, respectively.

	Table 6 Col. (2)	Table 6 Col. (3)	Table 6 Col. (4)
Pilot	1.373 ** (0.032)	1.314 ** (0.048)	1.583 ** (0.049)
Military	0.834 (0.210)	0.930 (0.596)	0.829 (0.354)
Ln(Age)	0.461 ** (0.018)	0.641 (0.152)	0.576 (0.300)
Ln(Tenure)	1.200 *** (0.000)	1.180 *** (0.000)	1.168 ** (0.010)
Vega	1.294 ** (0.028)	1.048 (0.679)	1.104 (0.502)
Leverage	0.625 ** (0.025)	1.082 (0.710)	0.968 (0.917)
Dividend Yield	0.000 *** (0.000)	0.010 ** (0.036)	0.143 (0.429)
Loss Dummy	0.878 (0.161)	0.778 *** (0.007)	0.836 * (0.089)
Ln(Assets)	1.267 *** (0.000)	1.390 *** (0.000)	1.865 *** (0.000)
Free Cash Flow	6.596 *** (0.000)	6.584 *** (0.000)	7.025 *** (0.001)
Q	1.068 ** (0.033)	0.988 (0.693)	1.050 (0.272)
CapEx	13.461 *** (0.000)	63.673 *** (0.000)	428.708 *** (0.000)
Fixed Effects	Year	Ind., Year	Firm, Year
Observations	8,649	8,649	6,072
Pseudo R ²	50.30%	53.36%	73.33%

TABLE IA.7

Pilot CEOs and Firm Risk (Controlling for MSA Fixed Effects)

OLS regressions with annualized standard deviation of firm-level monthly stock returns as the dependent variable. A constant is included in all models. *M&A Activity* is a binary variable that takes the value one if the firm completed an acquisition in a given year and zero otherwise. All independent variables are defined in the Appendix. Standard errors are clustered by firm, and p-values are in parentheses with ***, **, and * representing significance at the 1%, 5%, and 10% levels, respectively.

	Table 4	Table 7	Table 7	Table 7
	Col. (5)	Col. (2)	Col. (3)	Col. (4)
Pilot	0.025 ** (0.036)	0.002 (0.831)	0.003 (0.823)	0.014 (0.228)
M&A Activity		-0.011 ** (0.018)	-0.013 ** (0.015)	-0.013 *** (0.004)
Pilot * M&A Activity		0.039 * (0.056)	0.046 ** (0.032)	0.040 ** (0.027)
Vega	-0.004 (0.595)	-0.003 (0.719)	0.004 (0.687)	-0.003 (0.639)
Military	-0.017 * (0.095)		-0.021 * (0.086)	-0.017 * (0.089)
Age 40-49	-0.073 *** (0.003)		-0.070 ** (0.012)	-0.072 *** (0.004)
Age 50-59	-0.093 *** (0.000)		-0.104 *** (0.000)	-0.093 *** (0.000)
Age ≥ 60	-0.098 *** (0.000)		-0.113 *** (0.000)	-0.098 *** (0.000)
Ln(Tenure)	-0.006 * (0.072)		-0.009 ** (0.021)	-0.006 * (0.077)
Ln(Assets)	-0.027 *** (0.000)	-0.044 *** (0.000)	-0.041 *** (0.000)	-0.026 *** (0.000)
Leverage	0.028 (0.119)	0.055 *** (0.003)	0.064 *** (0.002)	0.027 (0.128)
R&D	0.551 *** (0.000)			0.555 *** (0.000)
Sales Growth	0.049 *** (0.000)			0.051 *** (0.000)
ROE	-0.167 *** (0.000)			-0.167 *** (0.000)
M/B	-0.005 * (0.075)			-0.005 * (0.081)
Ln(Firm Age)	-0.045 *** (0.000)			-0.045 *** (0.000)
Fixed Effects	Year, MSA	Year, MSA	Year, MSA	Year, MSA
Observations	9,530	12,553	9,546	9,530
R ²	49.13%	38.47%	39.21%	49.20%

TABLE IA.8

Pilot CEOs and Firm Leverage (Controlling for MSA Fixed Effects)

OLS regressions with book leverage as the dependent variable. Book leverage is defined as current plus long-term debt, divided by total assets. A constant is included in all models. Independent variables are defined in the Appendix. Standard errors are clustered by firm, and p-values are in parentheses with ***, **, and * representing significance at the 1%, 5%, and 10% levels, respectively.

	Table 5	Table 5
	Col. (3)	Col. (4)
Pilot	0.013 * (0.052)	0.012 * (0.080)
Military	0.011 * (0.098)	0.010 (0.155)
Age 40-49	-0.025 (0.109)	-0.024 (0.131)
Age 50-59	-0.023 (0.147)	-0.020 (0.195)
Age ≥ 60	-0.010 (0.544)	-0.007 (0.643)
Ln(Tenure)	-0.005 ** (0.022)	-0.004 * (0.087)
Vega	-39.911 *** (0.000)	-38.663 *** (0.000)
Sales Growth	0.017 *** (0.010)	0.017 ** (0.013)
ROE	-0.058 *** (0.000)	-0.058 *** (0.000)
M/B	-0.014 *** (0.000)	-0.016 *** (0.000)
Ln(Assets)	0.021 *** (0.000)	0.021 *** (0.000)
Asset Tangibility	0.195 *** (0.000)	0.191 *** (0.000)
Fixed Effects	MSA	MSA, Year
Observations	9,551	9,551
R ²	25.58%	26.16%

TABLE IA.9

Acquisitiveness of pilot CEOs (Controlling for MSA Fixed Effects)

Logit models in which the dependent variable equals one if the firm announces a successful merger bid in a given year and zero otherwise. A constant is included in all models. Independent variables are defined in the Appendix. Coefficients are reported as odds ratios. P-values are in parentheses with ***, **, and * representing significance at the 1%, 5%, and 10% levels, respectively.

	Table 6	Table 6
	Col. (1)	Col. (3)
Pilot	1.173 (0.235)	1.391 ** (0.027)
Military		0.855 (0.281)
Age 40-49		1.281 (0.438)
Age 50-59		1.173 (0.620)
Age ≥ 60		0.944 (0.861)
Ln(Tenure)		1.189 *** (0.000)
Vega	1.182 (0.114)	1.197 (0.116)
Leverage	0.908 (0.246)	0.712 (0.105)
Dividend Yield	0.000 *** (0.000)	0.000 *** (0.000)
Loss Dummy	0.853 * (0.056)	0.869 (0.135)
Ln(Assets)	1.282 *** (0.000)	1.276 *** (0.000)
Free Cash Flow	4.212 *** (0.000)	6.942 *** (0.000)
Q	1.051 * (0.060)	1.039 (0.215)
CapEx	25.734 *** (0.000)	26.593 *** (0.000)
Fixed Effects	MSA, Year	MSA, Year
Observations	11,570	8,649
Pseudo R ²	38.37%	51.68%

Internet Appendix for “CEO Personal Risk-taking and Corporate Policies”

TABLE AI.10

Pilot CEOs and M&A Announcement Returns (Controlling for Corporate Governance)

OLS regressions with bidder announcement returns as the dependent variable. Abnormal returns are calculated over the window from one day prior to one day following merger announcements (-1, +1), using the S&P 500 Index as the expected return. A constant is included in all models. Independent variables are defined in the Appendix; all bidder characteristics are lagged by one year. Standard errors are clustered by firm and year, and p-values are in parentheses with ***, **, and * representing significance at the 1%, 5%, and 10% levels, respectively.

<i>Governance Proxy:</i>	G-Index		E-Index		Staggered Board	
	(1)	(2)	(3)	(4)	(5)	(6)
Pilot	-0.833 (0.635)	-0.667 (0.717)	-0.158 (0.884)	-0.162 (0.887)	0.137 (0.862)	0.046 (0.956)
Governance	-0.037 (0.523)	-0.041 (0.477)	0.005 (0.964)	0.025 (0.818)	0.211 (0.302)	0.218 (0.292)
Pilot * Governance	0.162 (0.211)	0.132 (0.336)	0.363 (0.177)	0.310 (0.277)	1.009 * (0.085)	0.951 (0.111)
Military	0.081 (0.854)	-0.081 (0.864)	-0.005 (0.992)	-0.164 (0.754)	-0.002 (0.997)	-0.160 (0.747)
Vega	0.266 (0.119)	0.266 * (0.079)	0.242 (0.124)	0.238 * (0.081)	0.294 * (0.080)	0.297 ** (0.049)
Age 40-49	-5.173 *** (0.000)	-5.366 *** (0.000)	-5.192 *** (0.000)	-5.410 *** (0.000)	-5.331 *** (0.000)	-5.529 *** (0.000)
Age 50-59	-5.120 *** (0.000)	-5.318 *** (0.000)	-5.093 *** (0.000)	-5.318 *** (0.000)	-5.319 *** (0.000)	-5.523 *** (0.000)
Age ≥ 60	-5.071 *** (0.000)	-5.293 *** (0.000)	-5.065 *** (0.000)	-5.321 *** (0.000)	-5.308 *** (0.000)	-5.535 *** (0.000)
Ln(Tenure)	-0.099 (0.572)	0.043 (0.815)	-0.095 (0.570)	0.050 (0.774)	-0.099 (0.576)	0.044 (0.813)
Ln(Firm Age)	0.217 (0.327)	0.277 (0.209)	0.120 (0.600)	0.163 (0.473)	0.194 (0.469)	0.245 (0.365)
Free Cash Flow	0.838 (0.244)	0.488 (0.455)	0.870 (0.238)	0.525 (0.435)	0.853 (0.252)	0.502 (0.460)
CapEx	-1.511 (0.467)	-3.894 * (0.084)	-0.864 (0.697)	-3.207 (0.176)	-1.238 (0.570)	-3.640 (0.117)
Ln(Assets)	-0.199 * (0.086)	-0.188 * (0.089)	-0.155 (0.180)	-0.134 (0.225)	-0.178 (0.156)	-0.166 (0.166)
Loss Dummy	0.029 (0.964)	-0.042 (0.946)	0.139 (0.841)	0.058 (0.929)	0.012 (0.985)	-0.051 (0.935)
Leverage	1.236 (0.269)	1.164 (0.302)	1.056 (0.317)	0.940 (0.375)	1.119 (0.320)	1.039 (0.359)
Dividend Yield	-1.772 (0.904)	-7.867 (0.609)	-1.903 (0.897)	-7.873 (0.606)	-2.750 (0.844)	-9.165 (0.532)
Cash Payment	0.364 (0.314)	0.524 (0.138)	0.374 (0.307)	0.527 (0.139)	0.341 (0.345)	0.502 (0.155)
Ln(Trans.Value)	-0.155 * (0.096)	-0.142 (0.126)	-0.154 (0.103)	-0.142 (0.135)	-0.160 * (0.091)	-0.148 (0.119)
Private Target	1.605 *** (0.000)	1.701 *** (0.000)	1.653 *** (0.000)	1.755 *** (0.000)	1.603 *** (0.000)	1.702 *** (0.000)
Diversifying	0.157 (0.423)	0.104 (0.621)	0.126 (0.514)	0.070 (0.735)	0.168 (0.402)	0.113 (0.603)
Fixed Effects	Ind.	Ind., Year	Ind.	Ind., Year	Ind.	Ind., Year
Observations	2,057	2,057	2,053	2,053	2,057	2,057
R ²	5.84%	6.54%	5.85%	6.61%	5.90%	6.60%

Internet Appendix for “CEO Personal Risk-taking and Corporate Policies”

Table IA.10, continued

<i>Governance Proxy:</i>	Board Size		% Independent		CEO-Chairman	
	(7)	(8)	(9)	(10)	(11)	(12)
Pilot	-0.249 (0.961)	-0.087 (0.987)	1.734 (0.392)	2.386 (0.286)	1.624 ** (0.017)	1.451 ** (0.031)
Governance	0.455 (0.618)	0.157 (0.871)	-0.009 (0.271)	-0.003 (0.718)	0.615 (0.108)	0.586 (0.148)
Pilot * Governance	0.348 (0.868)	0.214 (0.919)	-0.016 (0.474)	-0.027 (0.283)	-1.405 (0.200)	-1.329 (0.215)
Military	-0.010 (0.977)	-0.136 (0.703)	0.005 (0.989)	-0.124 (0.739)	0.030 (0.940)	-0.110 (0.784)
Vega	0.292 ** (0.018)	0.283 *** (0.009)	0.293 ** (0.019)	0.278 ** (0.013)	0.261 * (0.053)	0.255 ** (0.033)
Age 40-49	-3.360 ** (0.032)	-3.435 ** (0.023)	-3.409 ** (0.034)	-3.471 ** (0.026)	-3.371 * (0.051)	-3.486 ** (0.036)
Age 50-59	-3.538 * (0.050)	-3.643 ** (0.039)	-3.562 * (0.060)	-3.678 ** (0.047)	-3.597 * (0.076)	-3.751 * (0.058)
Age ≥ 60	-3.746 ** (0.023)	-3.865 ** (0.016)	-3.797 ** (0.031)	-3.912 ** (0.023)	-3.850 ** (0.046)	-4.011 ** (0.033)
Ln(Tenure)	-0.097 (0.544)	0.084 (0.607)	-0.087 (0.615)	0.086 (0.602)	-0.130 (0.464)	0.046 (0.802)
Ln(Firm Age)	-0.033 (0.906)	0.036 (0.897)	0.049 (0.853)	0.070 (0.783)	-0.027 (0.910)	0.010 (0.967)
Free Cash Flow	0.454 (0.500)	0.021 (0.976)	0.462 (0.469)	0.024 (0.971)	0.674 (0.298)	0.200 (0.762)
CapEx	-2.341 (0.163)	-4.264 ** (0.023)	-2.439 (0.149)	-4.369 ** (0.027)	-2.220 (0.163)	-4.138 ** (0.019)
Ln(Assets)	-0.203 (0.127)	-0.157 (0.235)	-0.158 (0.120)	-0.136 (0.157)	-0.188 (0.107)	-0.162 (0.145)
Loss Dummy	-0.222 (0.701)	-0.272 (0.620)	-0.221 (0.695)	-0.284 (0.600)	-0.265 (0.641)	-0.290 (0.592)
Leverage	1.143 (0.160)	1.094 (0.201)	1.042 (0.205)	1.022 (0.240)	1.071 (0.200)	1.035 (0.241)
Dividend Yield	-2.606 (0.868)	-7.443 (0.650)	-0.916 (0.956)	-6.852 (0.691)	-2.340 (0.887)	-7.609 (0.654)
Cash Payment	0.459 (0.226)	0.644 * (0.073)	0.472 (0.223)	0.640 * (0.076)	0.448 (0.219)	0.624 * (0.076)
Ln(Trans.Value)	-0.103 (0.289)	-0.085 (0.395)	-0.101 (0.300)	-0.085 (0.405)	-0.105 (0.263)	-0.090 (0.354)
Private Target	1.571 *** (0.000)	1.668 *** (0.000)	1.579 *** (0.000)	1.666 *** (0.000)	1.589 *** (0.000)	1.676 *** (0.000)
Diversifying	0.079 (0.708)	0.010 (0.963)	0.114 (0.579)	0.028 (0.894)	0.094 (0.631)	0.016 (0.936)
Fixed Effects	Ind.	Ind., Year	Ind.	Ind., Year	Ind.	Ind., Year
Observations	2,041	2,041	2,041	2,041	2,041	2,041
R ²	5.26%	5.98%	5.32%	6.04%	5.42%	6.13%

Internet Appendix for “CEO Personal Risk-taking and Corporate Policies”

Table IA.10, continued

<i>Governance Proxy:</i>	Board Ownership	
	(13)	(14)
Pilot	-0.004 (0.996)	-0.185 (0.805)
Governance	0.086 (0.388)	0.086 (0.375)
Pilot * Governance	0.527 * (0.081)	0.641 ** (0.041)
Military	-0.148 (0.690)	-0.187 (0.610)
Vega	0.299 ** (0.016)	0.268 *** (0.010)
Age 40-49	-3.482 ** (0.044)	-3.511 ** (0.040)
Age 50-59	-3.545 * (0.082)	-3.581 * (0.078)
Age ≥ 60	-3.772 ** (0.046)	-3.832 ** (0.043)
Ln(Tenure)	-0.075 (0.596)	0.051 (0.746)
Ln(Firm Age)	0.172 (0.563)	0.204 (0.488)
Free Cash Flow	0.507 (0.520)	0.217 (0.793)
CapEx	-1.933 (0.331)	-3.346 (0.122)
Ln(Assets)	-0.192 (0.146)	-0.183 (0.139)
Loss Dummy	-0.202 (0.735)	-0.307 (0.598)
Leverage	1.245 (0.140)	1.049 (0.226)
Dividend Yield	0.652 (0.971)	-0.951 (0.958)
Cash Payment	0.655 (0.119)	0.787 * (0.055)
Ln(Trans.Value)	-0.090 (0.419)	-0.078 (0.498)
Private Target	1.600 *** (0.000)	1.684 *** (0.000)
Diversifying	0.193 (0.378)	0.153 (0.462)
Fixed Effects	Ind.	Ind., Year
Observations	1,857	1,857
R ²	5.74%	6.17%

TABLE IA.11

Pilot CEOs and Firm Risk (Controlling for Overconfidence)

OLS regressions with annualized standard deviation of firm-level monthly stock returns as the dependent variable. A constant is included in all models. *M&A Activity* is a binary variable that takes the value one if the firm completed an acquisition in a given year and zero otherwise. All independent variables are defined in the Appendix. Standard errors are clustered by firm, and p-values are in parentheses with ***, **, and * representing significance at the 1%, 5%, and 10% levels, respectively.

	<u>(1)</u>	<u>(2)</u>	<u>(3)</u>	<u>(4)</u>
<u>CEO Characteristics</u>				
Pilot	0.025 ** (0.031)	0.027 ** (0.049)	0.029 *** (0.005)	0.041 *** (0.004)
Depression		0.030 (0.389)	0.025 (0.466)	0.029 (0.364)
Military		-0.021 ** (0.043)	-0.014 (0.110)	-0.017 (0.327)
Confident		0.026 *** (0.000)	0.016 *** (0.004)	0.026 ** (0.011)
Age	-0.002 *** (0.000)	-0.002 *** (0.000)	-0.001 * (0.056)	-0.001 * (0.069)
Tenure	-0.001 (0.124)	-0.002 * (0.054)	-0.001 * (0.065)	0.000 (0.792)
<u>Firm Characteristics</u>				
Leverage			0.079 *** (0.000)	0.099 *** (0.001)
R&D			0.480 *** (0.000)	-0.066 (0.566)
Sales Growth	0.051 *** (0.000)	0.050 *** (0.000)	0.052 *** (0.000)	0.010 (0.295)
ROE	-0.189 *** (0.000)	-0.196 *** (0.000)	-0.165 *** (0.000)	-0.130 *** (0.000)
M/B	0.006 *** (0.008)	0.006 ** (0.025)	0.001 (0.764)	0.012 *** (0.000)
Ln(Assets)	-0.031 *** (0.000)	-0.031 *** (0.000)	-0.029 *** (0.000)	0.001 (0.865)
Ln(Firm Age)	-0.057 *** (0.000)	-0.052 *** (0.000)	-0.032 *** (0.000)	-0.126 *** (0.000)
Fixed Effects	Year	Year	Ind., Year	Firm, Year
Observations	13,719	10,446	10,446	10,446
Firms	1,942	1,524	1,524	1,524
R ²	44.36%	43.50%	53.61%	68.48%

TABLE IA.12

Pilot CEOs and Firm Leverage (Controlling for Overconfidence)

OLS regressions with book leverage as the dependent variable. Book leverage is defined as current plus long-term debt, divided by total assets. A constant is included in all models. Independent variables are defined in the Appendix. Standard errors are clustered by firm, and p-values are in parentheses with ***, **, and * representing significance at the 1%, 5%, and 10% levels, respectively.

	<u>(1)</u>	<u>(2)</u>
<i><u>CEO Characteristics</u></i>		
Pilot	0.031 ** (0.031)	0.031 ** (0.027)
Depression	-0.015 (0.732)	-0.005 (0.909)
Military	-0.022 (0.237)	-0.018 (0.327)
Confident	-0.006 (0.605)	-0.006 (0.546)
Age	0.000 (0.649)	0.001 (0.469)
Tenure	-0.001 (0.505)	-0.001 (0.338)
<i><u>Firm Characteristics</u></i>		
Sales Growth	0.004 (0.516)	0.008 (0.212)
ROE	-0.033 *** (0.000)	-0.031 *** (0.000)
M/B	-0.014 *** (0.000)	-0.016 *** (0.000)
Ln(Assets)	0.014 ** (0.023)	0.009 (0.226)
Asset Tangibility	0.085 * (0.079)	0.076 (0.124)
Fixed Effects	Firm	Firm, Year
Observations	10,507	10,507
Firms	1,505	1,505
R ²	76.91%	77.65%

Internet Appendix for “CEO Personal Risk-taking and Corporate Policies”

TABLE IA.13

Acquisitiveness of pilot CEOs (Controlling for Overconfidence)

Logit models in which the dependent variable equals one if the firm announces a successful merger bid in a given year and zero otherwise. A constant is included in all models. Independent variables are defined in the Appendix. Coefficients are reported as odds ratios. P-values are in parentheses with ***, **, and * representing significance at the 1%, 5%, and 10% levels, respectively.

	<u>(1)</u>	<u>(2)</u>	<u>(3)</u>	<u>(4)</u>
<i>CEO Characteristics</i>				
Pilot	1.427 ** (0.014)	1.395 ** (0.022)	1.336 ** (0.033)	1.666 ** (0.026)
Depression	1.029 (0.951)	1.163 (0.748)	0.906 (0.828)	1.058 (0.913)
Military	0.923 (0.566)	0.923 (0.568)	0.967 (0.804)	0.946 (0.773)
Confident	1.126 (0.146)	1.117 (0.180)	1.090 (0.270)	1.002 (0.987)
Age	0.988 * (0.056)	0.988 * (0.058)	0.997 (0.588)	1.000 (0.988)
Tenure	1.034 *** (0.002)	1.041 *** (0.001)	1.031 *** (0.007)	1.016 (0.370)
<i>Firm Characteristics</i>				
Leverage	0.796 (0.250)	0.734 (0.125)	1.146 (0.508)	0.823 (0.504)
Dividend Yield	-0.000 *** (0.000)	0.000 *** (0.000)	0.007 ** (0.021)	0.028 (0.145)
Loss Dummy	0.866 * (0.098)	0.877 (0.139)	0.789 *** (0.007)	0.863 (0.137)
Ln(Assets)	1.249 *** (0.000)	1.254 *** (0.000)	1.367 *** (0.000)	1.794 *** (0.000)
Free Cash Flow	8.301 *** (0.000)	9.068 *** (0.000)	8.633 *** (0.000)	11.403 *** (0.000)
Q	1.042 (0.146)	1.022 (0.467)	0.962 (0.187)	1.014 (0.727)
CapEx	9.056 *** (0.000)	10.479 *** (0.000)	26.257 *** (0.000)	37.742 *** (0.000)
Fixed Effects	None	Year	Ind., Year	Firm, Year
Observations	9,705	9,705	9,705	6,829
Firms	1,430	1,430	1,430	835
Pseudo R ²	44.89%	45.14%	48.20%	69.92%

TABLE IA.14

Proximity to Commercial Airports

t-tests of the proportion of pilot CEOs versus Non-Pilots that work near a commercial airport. We proxy for the existence of a commercial airport by measuring whether the company’s headquarters are located within a large Metropolitan Statistical Area.

	<u>Pilots</u>	<u>Non-Pilots</u>	<u>Difference</u>	<u>t</u>	<u>p-value</u>
N	184	3,067			
Top 100 MSAs	0.875 (0.024)	0.890 (0.006)	0.015 (0.024)	0.635	0.53
Top 131 MSAs	0.913 (0.021)	0.914 (0.005)	0.001 (0.021)	0.041	0.97
Top 150 MSAs	0.940 (0.0175)	0.922 (0.005)	(0.018) (0.020)	0.897	0.37

TABLE IA.15

Pilot CEOs and Capital Expenditures

OLS regressions with capital expenditures scaled by total assets as the dependent variable. A constant is included in all models. Independent variables are defined in the Appendix. Standard errors are clustered by firm, and p-values are in parentheses with ***, **, and * representing significance at the 1%, 5%, and 10% levels, respectively.

	Capital Expenditures		
	(1)	(2)	(3)
Pilot	0.012 ** (0.021)	0.011 ** (0.027)	0.008 * (0.099)
Dep. Baby	-0.001 (0.916)	-0.016 * (0.096)	-0.018 * (0.063)
Military	-0.005 * (0.100)	-0.011 *** (0.002)	-0.007 *** (0.004)
Age	0.000 * (0.076)	0.000 (0.101)	0.000 (0.564)
Ln(Tenure)	0.000 (0.275)	0.001 ** (0.046)	0.000 (0.353)
Leverage	0.013 * (0.090)	0.012 * (0.097)	-0.027 *** <(0.001)
Div. Yield	-0.002 ** (0.040)	-0.002 ** (0.041)	0.000 (0.771)
I(Loss)	-0.025 *** <(0.001)	-0.021 *** <(0.001)	-0.016 *** <(0.001)
Size	-0.004 *** <(0.001)	-0.003 *** (0.004)	-0.003 *** (0.001)
FCF	-0.043 ** (0.043)	-0.041 ** (0.048)	-0.034 ** (0.047)
M/B	0.008 *** <(0.001)	0.008 *** <(0.001)	0.012 *** <(0.001)
Fixed Effects	None	Year	Ind., Year
Observations	9,828	9,828	9,828
R ²	9.81%	13.00%	42.25%

TABLE IA.16

Pilot CEOs and Firm Market Leverage

OLS regressions with market leverage as the dependent variable. Market leverage is defined as current plus long-term debt, divided by total assets minus book equity plus market equity. A constant is included in all models. Independent variables are defined in the Appendix. Standard errors are clustered by firm, and p-values are in parentheses with ***, **, and * representing significance at the 1%, 5%, and 10% levels, respectively.

	<u>(1)</u>	<u>(2)</u>	<u>(3)</u>	<u>(4)</u>
<i>CEO Characteristics</i>				
Pilot	0.015 *	0.016 *	0.019 *	0.020 *
	(0.091)	(0.067)	(0.100)	(0.066)
Military			-0.005	-0.006
			(0.683)	(0.614)
Age 40-49			-0.020	-0.014
			(0.220)	(0.363)
Age 50-59			-0.023	-0.014
			(0.181)	(0.386)
Age ≥ 60			-0.019	-0.009
			(0.295)	(0.610)
Ln(Tenure)			-0.001	-0.001
			(0.682)	(0.808)
Vega	-0.015 ***	-0.008	-0.014 **	-0.007
	(0.004)	(0.120)	(0.012)	(0.218)
Delta	-0.013 ***	-0.016 ***	-0.014 ***	-0.017 ***
	(0.000)	(0.000)	(0.000)	(0.000)
<i>Firm Characteristics</i>				
Sales Growth	-0.002	0.000 **	-0.002	0.001
	(0.644)	(0.999)	(0.664)	(0.866)
ROE	-0.042 ***	-0.040 ***	-0.043 ***	-0.040 ***
	(0.000)	(0.000)	(0.000)	(0.000)
M/B	-0.024 ***	-0.024 ***	-0.026 ***	-0.025 ***
	(0.000)	(0.000)	(0.000)	(0.000)
Ln(Assets)	0.030 ***	0.035 ***	0.029 ***	0.033 ***
	(0.000)	(0.000)	(0.000)	(0.000)
Asset Tangibility	0.092 ***	0.056 *	0.070 **	0.032
	(0.002)	(0.057)	(0.031)	(0.326)
Fixed Effects	Firm	Firm, Year	Firm	Firm, Year
Observations	12,729	12,729	9,550	9,550
Firms	1,823	1,823	1,466	1,466
R ²	80.94%	82.02%	81.14%	82.27%

TABLE IA.17

Characteristics of Acquirers and Targets

Mean values of variables related to acquisitions by firms with pilot CEOs vs. firms led by non-pilot CEOs. P-values from two-sample Wilcoxon rank-sum (Mann-Whitney) tests are provided in the third column.

	<u>(1)</u>	<u>(2)</u>	<u>(3)</u>
	<u>Pilot CEO</u>	<u>Non-Pilot CEO</u>	<u>P-Value</u>
Target = Private	79.55%	78.26%	0.571
Payment = Cash	60.48%	62.97%	0.435
Cross-Industry Deal (FF48)	43.71%	42.30%	0.606
Cross-Industry Deal (SIC3)	51.43%	53.87%	0.376
Non-US Target	18.47%	21.56%	0.172
1 Day Offer Premium	31.34%	33.66%	0.435
4 Week Offer Premium	37.89%	44.68%	0.345
Deal Value / Acq. Assets	17.60%	23.33%	0.017
Target Industry Tobin's Q	1.75	1.71	0.203