

The Internet Appendix for

“Maturity Clienteles and Corporate Bond Maturities”

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Interpreting the Results of Robustness Tests

In this section, we investigate the robustness of our findings in the paper and report the results in Table IA-4. We first examine the sensitivity of our findings to alternative regression specifications. Column (1) includes TREND_SQUARED as an additional control in our maturity regression (i.e., Column (5) in Table 3 of the paper) to account for the potential non-linearity of the declining trend in bond maturity. In Column (2), a continuous measure of the trend that equals the number of years between the bond offering date and the starting date of our sample period (January 1, 1975) replaces the discrete trend variable in the baseline model. In Column (3), all control variables measured in U.S. dollars are adjusted for inflation by converting them into 2015 U.S. dollars. In Column (4), the bond offering amount is divided by the market value of equity to control for the relative size of the issue. Column (5) controls for underwriter fixed effects to examine the influence of underwriter characteristics on our findings. We identify the lead underwriters for our bond sample from FISD and group them under their parent institutions. Columns (6)-(7) define industry dummies based on the first two digits of a bond issuer's SIC and NAIC codes, respectively, instead of the Fama-French 12-industry classifications.

We also find that our results hold in alternative analysis periods. The analysis periods in Columns (8)-(9), (10)-(11), and (12)-(13) are 1975-1994, 1995-2015, and non-financial crisis (excluding bonds issued between September 1, 2007, and December 31, 2008) periods, respectively. In each of these periods, we run our maturity regression with and without controlling for INSURER_MARKET_SHARE. During all of these periods, we find that the coefficient estimate on TREND is negative and significant, and

controlling for INSURER_MARKET_SHARE turns the TREND coefficient insignificant. An exception is 1975-1994, a period for which the coefficient estimate on TREND is already insignificant, a result that stems from trends in sinking fund provisions and their relationship to bond maturity (Mitchell (1991)¹). We also examine whether our findings are robust to the structural break in the bond market that occurred in 1982 with a significant change in U.S. monetary and fiscal policy (Butler, Grullon, and Weston (2006)²). Untabulated results show that our findings are similar when we control for a dummy variable indicating the post-1982 period, suggesting that our findings are not affected by this structural break.

Finally, we study trends in the duration of bonds—instead of their maturities—as insurance companies may also consider duration as a measure of interest rate risk when investing in bonds. Similar to the decline in bond maturities, we find a decline in average bond duration from 11 years in the 1970s to 7 years in the 2010s. This duration decline is statistically significant, although economically less pronounced than the maturity decline. We find in untabulated results that, controlling for the issuer-level, issue-level, and macro-level variables in our baseline specification, the coefficient estimate on TREND is negative and significant in regressions of $\log(\text{BOND_DURATION})$. As with our tests of the determinants of bond maturities, we find that the trend in duration disappears when we control for INSURER_MARKET_SHARE. We conclude that the variation in the

¹ Mitchell, K. “The Call, Sinking Fund, and Term-to-Maturity Features of Corporate Bonds: An Empirical Investigation.” *Journal of Financial and Quantitative Analysis*, 26.2 (1991), 201-222.

² Butler, A. W.; G. Grullon; and J. P. Weston. “Can Managers Successfully Time the Maturity Structure of Their Debt Issues?” *Journal of Finance*, 61.4 (2006), 1731-1758.

share of insurance company ownership in the corporate bond market is also a significant factor in explaining the variation in bond duration.

Table IA-1. Variable Definitions and Data Sources

This table presents the definitions and data sources of the variables in Table 1 of the paper.

Variables	Source	Definition
<i>Panel A: Firm-Level Variables</i>		
EQUITY_VALUE	COMPUSTAT	Stock price at the end of the fiscal quarter (PRCCQ) multiplied by contemporaneously outstanding common shares (CSHOQ).
MARKET_TO_BOOK	COMPUSTAT	Ratio of market value of assets (ATQ - CEQQ + PRCCQ x CSHOQ) to book value of assets (ATQ).
INCOME_TO_ASSETS	COMPUSTAT	Ratio of net income (NIQ) to total assets (ATQ).
DEBT_TO_ASSETS	COMPUSTAT	Ratio of total debt (DLCQ + DLTTQ) to total assets (ATQ).
TANGIBILITY	COMPUSTAT	$(CHEQ + 0.715 \times RECTQ + 0.547 \times INVTQ + 0.535 \times PPENTQ)/ATQ$, as defined by Berger, Ofek, and Swary (1996).
STOCK_RETURN	CRSP	Quarterly stock return during the 3-month period before the bond offering date.
IPO_DECADE_DUMMIES (FIXED_EFFECTS)	CRSP	Dummy variables indicating the decade in which a firm first appeared in the CRSP database, as defined by Custódio, Ferreira, and Laureano (2013).
<i>PRE_1970_IPO_DUMMY</i>	<i>CRSP</i>	<i>Dummy variable indicating a firm first appeared in the CRSP database before 1970.</i>
<i>1970_1979_IPO_DUMMY</i>	<i>CRSP</i>	<i>Dummy variable indicating a firm first appeared in the CRSP database between 1970 and 1979.</i>
<i>1980_1989_IPO_DUMMY</i>	<i>CRSP</i>	<i>Dummy variable indicating a firm first appeared in the CRSP database between 1980 and 1989.</i>
<i>1990_1999_IPO_DUMMY</i>	<i>CRSP</i>	<i>Dummy variable indicating a firm first appeared in the CRSP database between 1990 and 1999.</i>
<i>2000_2010_IPO_DUMMY</i>	<i>CRSP</i>	<i>Dummy variable indicating a firm first appeared in the CRSP database between 2000 and 2010.</i>
<i>POST_2010_IPO_DUMMY</i>	<i>CRSP</i>	<i>Dummy variable indicating a firm first appeared in the CRSP database after 2010.</i>
INDUSTRY_DUMMIES (FIXED_EFFECTS)	COMPUSTAT	Dummy variables indicating the industry of a firm based on the Fama-French 12-industry classification.
<i>NONDURABLES_</i> <i>INDUSTRY_DUMMY</i>	<i>COMPUSTAT</i>	<i>Dummy variable indicating a firm in the consumer non-durables industry (e.g., food, tobacco, textiles, apparel, leather, and toys).</i>
<i>DURABLES_INDUSTY_</i> <i>DUMMY</i>	<i>COMPUSTAT</i>	<i>Dummy variable indicating a firm in the consumer durables industry (e.g., cars, TVs, furniture, and household appliances).</i>
<i>MANUFACTURING_</i> <i>INDUSTRY_DUMMY</i>	<i>COMPUSTAT</i>	<i>Dummy variable indicating a firm in the manufacturing industry (e.g., machinery, trucks, planes, office furniture, paper, and commercial printing).</i>
<i>ENERGY_INDUSTY_</i> <i>DUMMY</i>	<i>COMPUSTAT</i>	<i>Dummy variable indicating a firm in the energy industry (e.g., oil, gas, and coal extraction and products).</i>
<i>CHEMICALS_INDUSTY_</i> <i>DUMMY</i>	<i>COMPUSTAT</i>	<i>Dummy variable indicating a firm in the chemical industry (e.g., chemicals and allied products)</i>
<i>EQUIPMENT_INDUSTY_</i> <i>DUMMY</i>	<i>COMPUSTAT</i>	<i>Dummy variable indicating a firm in the business equipment industry (e.g., computers, software, and electronic equipment)</i>
<i>TELECOMMUNICATION_</i> <i>INDUSTY_DUMMY</i>	<i>COMPUSTAT</i>	<i>Dummy variable indicating a firm in the telecommunication industry (e.g., telephone and television transmission)</i>
<i>SHOP_INDUSTY_</i> <i>DUMMY</i>	<i>COMPUSTAT</i>	<i>Dummy variable indicating a firm in the shop industry (e.g., wholesale, retail, and allied services)</i>
<i>HEALTH_INDUSTY_</i> <i>DUMMY</i>	<i>COMPUSTAT</i>	<i>Dummy variable indicating a firm in the health industry (e.g., healthcare, medical equipment, and drugs).</i>

(Table IA-1 Continued)

<i>OTHER_INDUSTRIES_DUMMY</i>	<i>COMPUSTAT</i>	<i>Dummy variable indicating a firm in industries other than the above-mentioned.</i>
Panel B: Bond-Level Variables		
<i>BOND_MATURITY</i>	<i>FISD/SDC</i>	<i>Number of years between the maturity and offering dates.</i>
<i>OFFERING_AMOUNT</i>	<i>FISD/SDC</i>	<i>Face value of a bond.</i>
<i>BOND_CHARACTERISTICS_DUMMIES (FIXED_EFFECTS)</i>	<i>FISD/SDC</i>	<i>Dummy variables indicating whether a bond has the following features: callable, convertible, puttable, floating interest rate, sinking fund provision, and global issue.</i>
<i>CALLABLE_DUMMY</i>	<i>FISD/SDC</i>	<i>Dummy variable indicating whether the issuer can redeem a bond before it matures.</i>
<i>FLOATING_DUMMY</i>	<i>FISD/SDC</i>	<i>Dummy variable indicating whether a bond has a floating coupon rate.</i>
<i>CONVERTIBLE_DUMMY</i>	<i>FISD/SDC</i>	<i>Dummy variable indicating whether a bond can be converted to stocks.</i>
<i>PUTTABLE_DUMMY</i>	<i>FISD/SDC</i>	<i>Dummy variable indicating whether bondholders can demand early repayment of the principal from the issuer.</i>
<i>SINKING_FUND_DUMMY</i>	<i>FISD/SDC</i>	<i>Dummy variable indicating whether the issuer sets up a fund to save money for repayments.</i>
<i>GLOBAL_ISSUE_DUMMY</i>	<i>FISD/SDC</i>	<i>Dummy variable indicating whether a bond is offered simultaneously in countries other than the U.S.</i>
<i>RATING_DUMMIES (FIXED_EFFECTS)</i>	<i>FISD/SDC/ Moody's Website</i>	<i>Dummy variables classifying bonds into credit rating groups (AAA or AA, A, BBB, BB, B or Below, and Unrated) based on the median of rating grades from S&P, Moody's, and Fitch.</i>
<i>AAA_OR_AA_RATED_DUMMY</i>	<i>FISD/SDC/ Moody's Website</i>	<i>Dummy variable indicating a bond with an AAA or AA credit rating (e.g., AAA, AA+, AA, or AA- for S&P and Fitch and Aaa, Aa1, Aa2, or Aa3 for Moody's).</i>
<i>A_RATED_DUMMY</i>	<i>FISD/SDC/ Moody's Website</i>	<i>Dummy variable indicating a bond with an A credit rating (e.g., A+, A, or A- for S&P and Fitch and A1, A2, or A3 for Moody's).</i>
<i>BBB_RATED_DUMMY</i>	<i>FISD/SDC/ Moody's Website</i>	<i>Dummy variable indicating a bond with a BBB credit rating (e.g., BBB+, BBB, or BBB- for S&P and Fitch and Baa1, Baa2, or Baa3 for Moody's).</i>
<i>BB_RATED_DUMMY</i>	<i>FISD/SDC/ Moody's Website</i>	<i>Dummy variable indicating a bond with a BB credit rating (e.g., BB+, BB, or BB- for S&P and Fitch and Ba1, Ba2, or Ba3 for Moody's).</i>
<i>B_OR_BELOW_RATED_DUMMY</i>	<i>FISD/SDC/ Moody's Website</i>	<i>Dummy variable indicating a bond with a B or below credit rating (e.g., B+, B, B-, CCC+, or CCC for S&P and Fitch and B1, B2, B3, Caa1, or Caa2 for Moody's).</i>
<i>UNRATED_DUMMY</i>	<i>FISD/SDC/ Moody's Website</i>	<i>Dummy variable indicating a bond without a credit rating from S&P, Fitch, or Moody's.</i>
<i>INSURER_OWNERSHIP</i>	<i>Bloomberg</i>	<i>Amount of insurance company ownership in a bond measured at the end of the issuance quarter divided by the bond's issue amount. This variable is available beginning in 1998 but it is used in the study since 1999 to eliminate a potential coverage bias in the dataset inception year.</i>
<i>MUTUAL_FUND_OWNERSHIP</i>	<i>Bloomberg</i>	<i>Amount of mutual fund ownership in a bond measured at the end of the issuance quarter divided by the bond's issue amount. This variable is available beginning in 1998 but it is used in the study since 1999 to eliminate a potential coverage bias in the dataset inception year.</i>

(Table IA-1 Continued)

TREND FISD/SDC Number of years between the bond offering year and the initial year of our sample period (1975).

Panel C: Macro-Level Variables

INSURER_MARKET_SHARE Flow of Funds Amount of insurance company ownership (LM513063003+LM543063005) in U.S. corporate bonds and foreign entity bonds (issued through U.S. dealers and purchased by U.S. residents) divided by their total outstanding amount (FL893163005).

MUTUAL_FUND_MARKET_SHARE Flow of Funds Amount of mutual ownership (LM653063005) in U.S. corporate bonds and foreign entity bonds (issued through U.S. dealers and purchased by U.S. residents) divided by their total outstanding amount (FL893163005).

LONG_GOVERNMENT_DEBT_SHARE CRSP Ratio of the Treasury bond payments due in more than a year to the total Treasury bond payments due in all future periods, as defined by Greenwood, Hanson, and Stein (2010).

REAL_SHORT_RATE FRED and BLS Difference between the 3-month Treasury bill rate and the quarterly percentage change in the Consumer Price Index (CPI).

TERM_SPREAD FRED Difference between the 10-year and 1-year Treasury rates.

DEFAULT_SPREAD FRED Difference between the BBB and AAA rated corporate bond yields.

Table IA-2. Can the Trends in Firm and Bond Characteristics Explain the Maturity Decline?

This table investigates whether the quarterly averages of bond and firm characteristics plotted in Figures IA-1 and IA-2 can explain the declining trend in bond maturity. We estimate the following regression: $\log(\text{BOND_MATURITY}_i) = \alpha + W_{jt}'\beta + Z_i'\delta + X_t'\gamma + \tau\text{TREND}_t + \theta\text{TRENDING_VARIABLE}_t + \varepsilon_i$, where BOND_MATURITY_i is the maturity of bond i ; α is the intercept; W_{jt} , Z_i , and X_t represent firm-, bond-, and macro-level control variables, respectively; TREND_t is the difference between the year of bond issuance and the year when our sample period starts (1975); and ε_i is the error term. Specifically, firm-level controls (W_{jt}) are $\log(\text{EQUITY_VALUE})$, DEBT_TO_ASSETS , INCOME_TO_ASSETS , MARKET_TO_BOOK , TANGIBILITY , and STOCK_RETURN . Bond-level controls (Z_i) are $\log(\text{OFFERING_AMOUNT})$, CALLABLE_DUMMY , FLOATING_DUMMY , CONVERTIBLE_DUMMY , PUTTABLE_DUMMY , $\text{SINKING_FUND_DUMMY}$, $\text{GLOBAL_ISSUE_DUMMY}$, A_RATED_DUMMY , BBB_RATED_DUMMY , BB_RATED_DUMMY , $\text{B_OR_BELOW_RATED_DUMMY}$, and UNRATED_DUMMY . Macro-level controls (X_t) are $\text{LONG_GOVERNMENT_DEBT_SHARE}$, REAL_SHORT_RATE , TERM_SPREAD , and DEFAULT_SPREAD . All regressions are OLS models of $\log(\text{BOND_MATURITY}_i)$, but firm fixed effects regressions produce broadly similar results. Refer to Table IA-1 for variable definitions and data sources and Table 1 in the paper for sample selection criteria. Standard errors used to compute t-statistics in parentheses are clustered at the firm level.

Dependent Variable:	log(BOND_MATURITY)													
Control Variables	1	2	3	4	5	6	7	8	9	10	11	12	13	14
TREND x 100	-0.48** (-2.41)	-1.02*** (-4.80)	-0.93*** (-4.45)	-0.94*** (-4.55)	-1.33*** (-5.55)	-1.00*** (-4.41)	-1.16*** (-5.84)	-0.42* (-1.94)	-0.62** (-2.09)	-1.08*** (-5.04)	-1.09*** (-5.23)	-0.68*** (-3.30)	-1.28*** (-5.05)	-1.08*** (-5.08)
AVERAGE_CALLABLE_DUMMY	-0.35*** (-4.80)	.	.	.	.	.	.	.	.	.	.	.	.	.
AVERAGE_PUTTABLE_DUMMY	.	-0.22** (-2.14)	.	.	.	.	.	.	.	.	.	.	.	.
AVERAGE_FLOATING_DUMMY	.	.	-1.75*** (-6.87)	.	.	.	.	.	.	.	.	.	.	.
AVERAGE_CONVERTIBLE_DUMMY	.	.	.	-0.34*** (-3.50)	.	.	.	.	.	.	.	.	.	.
AVERAGE_SINKING_FUND_DUMMY	.	.	.	.	-0.23*** (-2.78)	.	.	.	.	.	.	.	.	.
AVERAGE_GLOBAL_ISSUE_DUMMY	.	.	.	.	.	-0.07 (-0.80)	.	.	.	.	.	.	.	.
AVERAGE_INVESTMENT_GRADE_DUMMY	.	.	.	.	.	.	0.09 (1.29)	.	.	.	.	.	.	.
AVERAGE_log(OFFERING_AMOUNT)	.	.	.	.	.	.	.	-0.08*** (-3.39)	.	.	.	.	.	.

(Table IA-2 Continued)

AVERAGE_log(EQUITY_VALUE)	.	.	.	.	.	.	.	.	.	-0.05**	.	.	.	.	.
										(-2.42)	.	.	.	.	.
AVERAGE_DEBT_TO_ASSETS	.	.	.	.	.	.	.	.	.	0.013	.	.	.	.	.
										(0.06)	.	.	.	.	.
AVERAGE_INCOME_TO_ASSETS	.	.	.	.	.	.	.	.	.	.	-2.49	.	.	.	.
											(-0.97)	.	.	.	.
AVERAGE_MARKET_TO_BOOK	.	.	.	.	.	.	.	.	.	.	.	-0.18***	.	.	.
												(-6.23)	.	.	.
AVERAGE_TANGIBILITY	.	.	.	.	.	.	.	.	.	.	.	.	-0.76	.	.
													(-1.61)	.	.
AVERAGE_STOCK_RETURN	.	.	.	.	.	.	.	.	.	.	.	.	.	.	0.06
															(0.45)
Number of Observations	19,101	19,101	19,101	19,101	19,101	19,101	19,101	19,101	19,101	19,101	19,101	19,101	19,101	19,101	19,101
Adjusted R ² (%)	22.64	22.33	22.78	22.41	22.37	22.31	22.2	22.52	22.35	22.31	22.32	22.85	22.33	22.31	
Industry Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Firm IPO Decade Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Firm-Level Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Bond-Level Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Macro-Level Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

***, **, and * represent significance at the 1, 5, and 10 percent levels, respectively.

Table IA-3. Influence of Other Trending Variables on the Maturity Trend

This table investigates whether the trending variables other than those investigated in Table IA-2 can explain the declining trend in bond maturities. We estimate:

$$\log(\text{BOND_MATURITY}_i) = \alpha + W_{jt}\beta + Z_i\delta + X_t\gamma + \tau \text{TREND}_t + \theta \text{TRENDING_VARIABLE}_t + \varepsilon_i,$$

where BOND_MATURITY_i is the maturity of bond i ; α is the intercept; W_{jt} , Z_i , and X_t represent firm-, bond-, and macro-level control variables, respectively; TREND_t is the difference between the year of bond issuance and the year when our sample period starts (1975); and ε_i is the error term. Specifically, firm-level controls (W_{jt}) are $\log(\text{EQUITY_VALUE})$, DEBT_TO_ASSETS , INCOME_TO_ASSETS , MARKET_TO_BOOK , TANGIBILITY , and STOCK_RETURN . Bond-level controls (Z_i) are $\log(\text{OFFERING_AMOUNT})$, CALLABLE_DUMMY , FLOATING_DUMMY , CONVERTIBLE_DUMMY , PUTTABLE_DUMMY , $\text{SINKING_FUND_DUMMY}$, $\text{GLOBAL_ISSUE_DUMMY}$, A_RATED_DUMMY , BBB_RATED_DUMMY , BB_RATED_DUMMY , $\text{B_OR_BELOW_RATED_DUMMY}$, and UNRATED_DUMMY . Macro-level controls (X_t) are $\text{LONG_GOVERNMENT_DEBT_SHARE}$, REAL_SHORT_RATE , TERM_SPREAD , and DEFAULT_SPREAD . The trending variable in Columns (1)-(2) is $\text{PENSION_MARKET_SHARE}$, which equals the amount of pension fund ownership (the sum of FL573063005, FL343063005, and FL223063045 variables in the U.S. flow of fund data) in U.S. corporate bonds and foreign entity bonds (issued through U.S. dealers and purchased by U.S. residents) divided by their total outstanding amount (the data code of FL893163005). The trending variable in Columns (3)-(4) is $\text{FOREIGNER_MARKET_SHARE}$, defined as the amount of unclassified foreign investor ownership (the U.S. flow of fund data code of LM263063005) in U.S. corporate bonds and foreign entity bonds (issued through U.S. dealers and purchased by U.S. residents) divided by their total outstanding amount (the data code of FL893163005). The trending variables in Columns (5), (6), and (7) are CASH_TO_ASSETS , $\text{INTEREST_VOLATILITY}$, and INFLATION , respectively. CASH_TO_ASSETS is the ratio of the issuer's cash and short-term investments (CHEQ) to its total assets (ATQ) at the end of the fiscal quarter prior to bond issuance. $\text{INTEREST_VOLATILITY}$ is the standard deviation of daily interest rates of the 10-year Treasury bond measured in the quarter before a bond issuance. INFLATION is the CPI level at the end of the quarter prior to bond issuance. All regressions are OLS models of $\log(\text{BOND_MATURITY})$, but firm fixed effects regressions produce broadly similar results. Refer to Table IA-1 for variable definitions and data sources and Table 1 in the paper for sample selection criteria. Standard errors used to compute t-statistics in parentheses are clustered at the firm level.

Dependent Variable:	log(BOND_MATURITY)						
	PENSION_MARKET_SHARE		FOREIGNER_MARKET_SHARE		CASH_TO_ASSETS	INTEREST_VOLATILITY	INFLATION
Trending Variable:	1	2	3	4	5	6	7
Control Variables							
TREND x 100	.	-1.09*** (-4.45)	.	-0.83*** (-2.78)	-1.05*** (-4.99)	-1.12*** (-5.37)	-4.29*** (-4.00)
PENSION_MARKET_SHARE	0.73*** (3.28)	0.08 (0.28)	.	.	.	.	.
FOREIGNER_MARKET_SHARE	.	.	-1.23*** (-4.49)	-0.47 (-1.18)	.	.	.
CASH_TO_ASSETS	.	.	.	.	-0.29*** (-3.29)	.	.
INTEREST_VOLATILITY	.	.	.	.	.	-0.07 (-1.22)	.
INFLATION	.	.	.	.	.	.	0.01*** (3.05)
Number of Observations	19,101	19,101	19,101	19,101	19,101	19,101	19,101

(Table IA-3 Continued)

Adjusted R ² (%)	21.98	22.18	22.13	22.2	22.3	22.19	22.25
Industry Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Firm IPO Decade Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Firm-Level Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Bond-Level Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Macro-Level Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes

***, **, and * represent significance at the 1, 5, and 10 percent levels, respectively.

Table IA-4. Robustness Tests

This table presents the results from the regressions that investigate the robustness of our finding that the decline in the insurance company ownership share in the corporate bond market (INSURER_MARKET_SHARE) explains the decline in bond maturities. All regressions are OLS models of log(BOND_MATURITY), but firm fixed effects regressions produce similar results. Columns (1)-(13) reestimate Column (5) of Table 3 in the paper for the following specifications: (1) controlling for TREND_SQUARED as an additional regressor, (2) replacing the year-based TREND variable with a trend measure that equals the number of years between the first day of our sample period (January 1, 1975) and the bond offering date, (3) adjusting the values of OFFERING_AMOUNT and EQUITY_VALUE for inflation (to 2015 U.S. dollars), (4) controlling for OFFERING_AMOUNT_TO_EQUITY_VALUE instead of log(OFFERING_AMOUNT), (5) controlling for underwriter fixed effects, (6)-(7) defining the industry dummies based on the first two digits of a bond issuer's SIC and NAIC codes, respectively, (8)-(9) analyzing the subsample of bonds issued during the 1975-1994 period, (10)-(11) analyzing the subsample of bonds issued during the 1995-2015 period, and (12)-(13) excluding the bonds issued during the Financial Crisis of 2008. Other control variables are log(OFFERING_AMOUNT), CALLABLE_DUMMY, FLOATING_DUMMY, CONVERTIBLE_DUMMY, PUTTABLE_DUMMY, SINKING_FUND_DUMMY, GLOBAL_ISSUE_DUMMY, A_RATED_DUMMY, BBB_RATED_DUMMY, BB_RATED_DUMMY, B_OR_BELOW_RATED_DUMMY, UNRATED_DUMMY, log(EQUITY_VALUE), DEBT_TO_ASSETS, INCOME_TO_ASSETS, TANGIBILITY, MARKET_TO_BOOK, STOCK_RETURN, LONG_GOVERNMENT_DEBT_SHARE, REAL_SHORT_RATE, TERM_SPREAD, and DEFAULT_SPREAD. Refer to Table IA-1 for variable definitions and data sources and Table 1 in the paper for sample selection criteria. Standard errors used to compute t-statistics in parentheses are clustered at the firm level.

Model:	log(BOND_MATURITY)												
	Nonlinear Trend	Continuous Trend	Adjust Inflation	Control AMT/MVE	Control U.W. FE	Alternative Industry Dummies		Between 1975 and 1994		Between 1995 and 2015		Exclude Financial Crisis	
Control Variables	1	2	3	4	5	6	7	8	9	10	11	12	13
TREND x 100	-0.47 (-0.84)	.	-0.01 (-0.05)	-0.06 (-0.20)	0.00 (0.89)	0.03 (0.11)	0.08 (0.28)	0.36 (0.37)	0.28 (0.30)	-1.17*** (-5.09)	0.21 (0.52)	-1.13*** (-5.30)	0.11 (0.36)
INSURER_MARKET_SHARE	1.76*** (4.40)	1.77*** (4.64)	1.79*** (4.62)	1.76*** (4.57)	1.81*** (4.64)	1.86*** (4.82)	1.87*** (4.78)	.	2.23* (1.88)	.	1.85*** (4.14)	.	2.27*** (5.29)
TREND_SQUARED x 100	0.01 (0.83)	.	.	.	.	.	.	.	.	.	.	.	.
CONTINUOUS_TREND x 100	.	-0.13 (-0.42)	.	.	.	.	.	.	.	.	.	.	.
Number of Observations	19,101	19,101	19,101	19,101	19,101	19,101	19,012	5,446	5,446	13,655	13,655	18,641	18,641
Adjusted R ² (%)	22.36	22.36	22.35	22.24	23.54	23.04	24.59	28.95	29.13	20.46	20.50	22.30	22.38
Industry Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Firm IPO Decade Fixed Effects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Other Control Variables	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

***, **, and * represent significance at the 1, 5, and 10 percent levels, respectively.

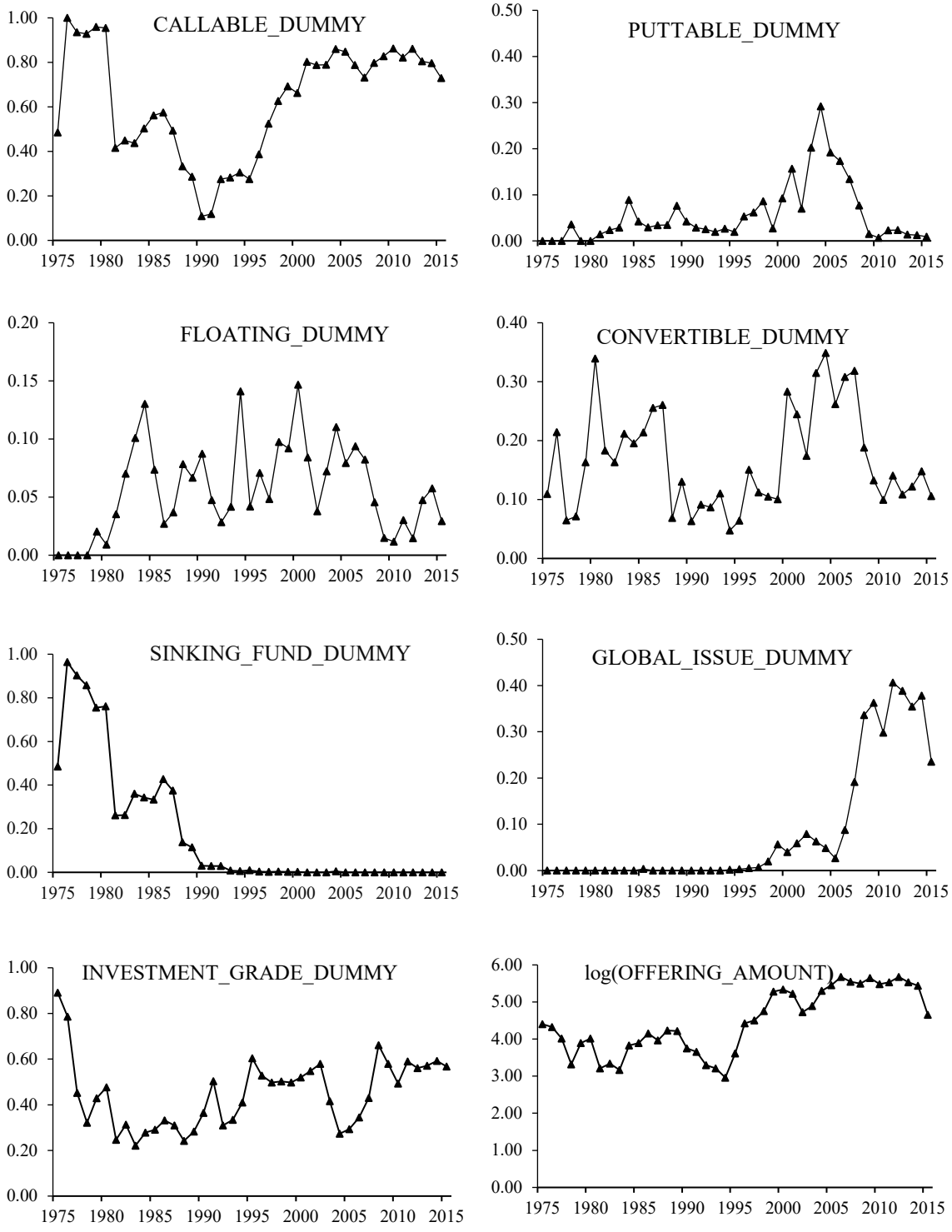


Figure IA-1. Bond Characteristics through Time

This figure reports the percentage of bonds with certain features in our sample of 19,101 new bond issues by year. In addition, it reports the average $\log(\text{OFFERING_AMOUNT})$ for new bond issues by year. Refer to Table IA-1 for details on variable definitions and data sources and Table 1 in the paper for sample selection criteria.

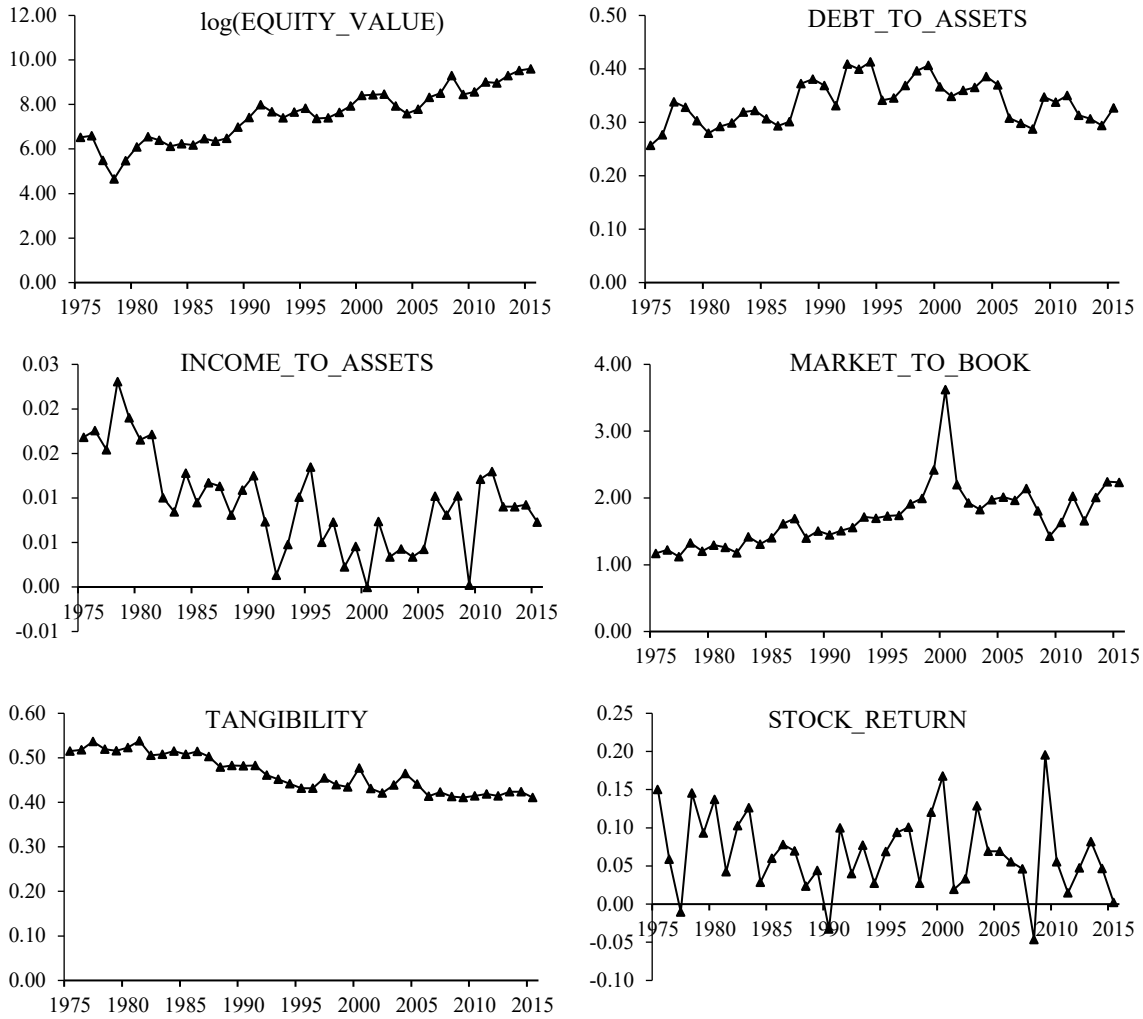


Figure IA-2. Firm Characteristics through Time

This figure reports the average characteristics of firms that issue bonds each year. The sample includes 19,101 new bond issues. Refer to Table IA-1 for details on variable definitions and data sources and Table 1 in the paper for sample selection criteria.