

CEO Gender and Capital Structure

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1 Introduction

The gender composition of corporate leadership has attracted significant attention in the past few years. Currently, only 52 of the Fortune 500 CEOs are women. Nevertheless, this number has increased dramatically since 1998, when only 2 of the 500 CEOs were women (Hinchliffe & Abrams, 2024). This has raised questions regarding the differences in the leadership styles of men and women that could affect firm performance. Specifically, there has been speculation regarding whether the gender of the CEO influences corporate decisions and capital structure. Existing literature has for long argued that female CEOs take on less debt, although newer studies have shown that this is not necessarily the case. It is possible that different risk preferences and risk tolerance levels between men and women would translate into varying degrees of risk taking, one of the ways in which this is manifested is the current ratio of a firm and its solvency. Nevertheless, this requires the assumption that more debt and less liquidity is more risky, which will be further discussed. It is also possible that female CEOs are treated differently by the management board, and the different standards imposed on male versus female CEOs affects whether and to what extent the CEO is able to and decides to take on debt.

This paper explores the relationship between the gender of a CEO and the current and solvency ratios for the S&P 500 companies. There has been extensive research regarding the relationship between the leverage ratio and the gender of the firm's CEO, but there has almost not been any research done on the relationship between the gender of the firm's CEO and the current ratio and the solvency ratio.

Using firm-level data for S&P 500 companies, I find no statistically significant relationship between the gender of a firm's CEO and the current ratio for either a cross-sectional analysis of 2023 or fixed effects panel data regression for 2010-

2020, 2023. However, a fixed effects panel data regression for solvency ratio showed a statistically significant positive association between having a male CEO and the solvency ratio. Moreover, difference-in-differences analysis of firms that experienced a change from a male to a female CEO from 2010 to 2023 shows no statistically significant change in the current ratio, while there was a statistically significant increase in the solvency ratio, compared to firms that did not experience such change. I believe that this paradox could be explained by the glass ceiling effect and that the change in the solvency ratio was not brought about by the female CEO but is a reflection of the firm’s pre-existing conditions and financial trajectory. Overall, the results of this paper suggest that the CEO gender does not systematically and significantly affect short-term liquidity, while there are some effects on long-term solvency.

2 Background

Some existing studies have shown that female CEOs show more conservatism regarding risk compared to their male counterparts. Huang & Kisgen found that firms with female CEOs and other executives tend to engage in fewer mergers and acquisitions and have lower leverage ratios, citing that male CEOs tend to be generally more risk loving and ‘overconfident’ (2013). Similarly, Faccio, Marchia, and Mura found that firms with CEOs have on average, less debt and higher survival chances than comparable firms led by male CEOs. More interestingly, they found that the transition from a male to female CEO is correlated with decreases in corporate risk-taking (2016).

There have also been studies that focus on the effect of having women in positions of power and executive roles rather than solely examining firms with female CEOs. La Rocca et al., found that when the management is comprised of more female members, decisions tend to be directed towards more short-

term debt (2024). Interestingly, they examined listed and unlisted European companies, and examined the impact of the gender of the executive managers across countries with different gender-related cultural norms. They found that in countries with high masculinity scores, where a higher value placed on masculine traits in society, female executives tend to have a more stark preference for short-term debt. They conclude that especially in more ‘masculine’ contexts, female executives want to have a more flexible capital structure. Having a more flexible capital structure is at odds with long-term debt. They interpret this as supporting the hypothesis that female executives tend to be less overconfident than their male counterparts.

In addition to understanding whether there is such a trend, it is also important to understand the potential implications of gender-related risk preferences. Interestingly, Cook & Glass found that female-led firms tend to outperform those led male by their male counterparts during periods of instability and market volatility, showing that perhaps increased risk aversion could be positive in some contexts (2014).

On the other hand, more recent studies have found that female CEOs are not necessarily more risk averse than their male peers. Studies have found that the relationship between risk-taking and gender is context-dependent, and in the case of firms and CEOs, industry-dependent. Adams and Ragunathun found that in high-risk industries, the risk profile and preferences of female CEOs are not significantly different than those of their male peers (2015). Although it is important to note that financial institutions and banks inherently have a different structure regarding corporate risk taking and debt, Berger et al., found that having female leadership does not necessarily correspond to more risk aversion in the European banks they studied (2014). Interestingly, they actually found that board changes that result in more female executives are

weakly correlated with increased portfolio risk.

Other existing works have focused on using large-scale aggregate data to understand this relationship. In particular, a meta-analysis by Jeong & Harrison reported that although female CEOs are more risk averse at first glance, this relationship significantly diminishes when controlling for firm-specific characteristics such as size and industry (2014).

Similarly, Huang et al. found that the debt of non-financial U.S. listed firms was not different among female and male led firms. Moreover, they interestingly found that the transition from male to female CEO is actually associated with an increase rather than a decrease in debt (2024).

On the other hand, one can completely argue that current ratio cannot be a measure of risk. Modigliani & Miller’s capital structure irrelevance theorem puts forth the idea that leverage does not affect firm value (1958). Therefore, one might claim that debt alone is not a measure of risk. Moreover, according to Jensen & Meckling’s agency theory, more debt can be beneficial by reducing agency costs (1976). Because of the conflicts of interest between the managers and the shareholders, more available cash could result in managers undertaking financial decisions that are not in the best interest of the firm, particularly those that could result in ‘empire building’ and increasing the non-pecuniary benefits of the managers. Therefore, because of the dual nature of debt, both as a strong tool against managerial abuse and as a potential measure of risk due to its correlation with bankruptcy, it is important to be extremely cautious regarding approaching the question of the differences in corporate debt ratios from a mere risk perspective.

2.1 Potential Explanations

Experimental evidence of risk aversion has found systematic differences in the behavior of men and women. In a study focused on risk taking and decision making involving hypothetical scenarios about gambling, Eckel & Grossman found that women tend to be more risk averse than men (2008). They also cite sociological and psychological studies supporting the claim that women are more risk-averse than men, particularly with respect to engaging in activities such as drug use and criminal activities. Nevertheless, the question remains of whether the same applies to other contexts, such as management and corporate governance. Extrapolating from the results of such more general studies about the relationship between gender and risk taking, it would be hypothesized that women would exhibit more conservative corporate strategies.

On the other hand, it is possible that situational factors and not behavioral economics can provide the best explanation of the differences in debt ratios. First, it could be that the differences in the debt ratios of female versus male-led companies is due to the heightened scrutiny that female CEOs face. Cook & Glass found that female CEOs are more likely to be appointed when the firm is going through a crisis, a phenomenon they call a ‘glass cliff’ (2014). Due to this, female CEOs may adopt a more cautious approach. If one considers higher debt to be riskier in some cases, then conservative financial decision making could correspond with a reduction of high-risk investments and further expansions that might require more debt. They suggest that female CEOs do not have the opportunity to adopt a high-risk, high-reward strategy and need to demonstrate risk-control abilities, especially in glass-cliff contexts.

On a similar note, Kanter developed the theory of tokenism in 1977, which suggests that female CEOs, given their low numbers in positions of power within the corporate world, experience heightened performance pressures. As explained

by Puffer, the fact that female CEOs are under the microscope can limit their ability to engage in risky decision-making, one of which could be taking on additional debt (2005). Moreover, Adams & Funk found that female executives tend to prioritize long-term stability over short-term gains (2012). One could interpret this to result in the choice to opt out of taking on additional debt in fear of destabilizing the company.

Moreover, a study by Sah found that the firms led by female CEOs tend to keep more cash (2021). This could be correlated with a higher current ratio. This was attributed to the risk aversion of female CEOs and the glass cliff phenomenon, but the study found that this in fact does not result in systematically lower ROA for these firms.

On the other hand, some literature suggest that the lower leverage ratios seen in companies led by female CEOs is explainable not by the CEOs decision making, but by the corporate structure. A meta analysis by Post & Byron found that firms that have appointed female CEOs have more diverse boards of directors, resulting in consensus-driven decision making processes (2015). This can inherently make it harder for the CEO to take on more debt. Nevertheless, they found that the overall firm performance is nearly uncorrelated with the gender of the CEO. Similarly, Ryan & Haslam found that female CEOs might face increased scrutiny from the management board regarding their leadership decisions (2007). Consequently, it is possible that female CEOs are not given as much latitude to take on additional debt as their male counterparts. Huang et al. report similar findings, showing that in firms where board meetings are held with less frequency and the CEO has more structural power, female CEOs tend to use more debt than their male counterparts (2024). This reinforces the hypothesis that female CEOs take on less debt not because of their risk preference and lower ‘overconfidence’, but because they are further restrained by the management

board. Moreover, an interesting finding of this paper was that female CEOs who have prestige power, such as having attended an elite university, also tend to take on more debt than male CEOs in comparable companies. This can be interpreted in two ways – first, it can align with the more mainstream idea that female CEOs are generally more risk averse, and that having attended an elite institution provides the CEO with more confidence and risk tolerance. On the other hand, this can also signify that female CEOs who have attended elite institutions are viewed more favorably by the managerial board and face less scrutiny, allowing them to take on more debt.

Overall, it is important to study and understand the effect of the gender of the CEO on debt, solvency, and liquidity. Although most of the existing literature attempts to explain any observed differences by appealing to the differences in risk profiles between men and women, it is important to note that the results are not all consistent – some studies find female CEOs to take on as much if not more debt than their male counterparts. Moreover, upon attempting to explain any observed differences, it is crucial to consider situational factors, such as board scrutiny, and their impact on the freedom and flexibility that female CEOs have regarding the decision to take on more debt. Furthermore, existing literature has focused on overall leverage, and in order to better understand hypotheses regarding long-term strategic planning of female and male CEOs, we must understand the propensity to take on debt and the ability to repay debts in the short-run as well. Hence, this paper examines the relationship between the gender of a firm’s CEO and the firm’s current ratio and solvency ratio.

3 Methods

Similar to previous studies examining the effects of CEO characteristics on corporate decision-making, this study uses regression analysis. The following hypotheses are investigated:

Hypothesis 1: S&P firms with female CEOs have higher current ratios.

Hypothesis 2: Changes in CEO gender from male to female are correlated with an increase in the firm's current ratio.

Hypothesis 3: S&P 500 firms with female CEOs have higher solvency ratios.

Hypothesis 4: Changes in CEO gender from male to female are correlated with an increase in the firm's solvency ratio.

3.1 Data sources

I collected the data for my sample by searching the Standard and Poor's Execucomp database for CEO characteristics and information. Execucomp contains data on the compensation and characteristics of top executives and management for North American public firms.

CEO data for 2023 extracted from Execucomp. There was complete information for 494 of the S&P 500 CEOs which were included in this analysis. Firm-level data was obtained from the Orbis database, a global commercial database by Bureau van Dijk. Companies that either did not have complete CEO information or complete financial data were excluded from the regression analysis.

3.2 Simple Ordinary Least Squares Regression

To test the relationship between a CEOs gender and the debt that the firm has taken on, initially a simple regression was run regressing the current ratio on the CEO's gender for 2023. I excluded financial companies – those with SIC code

6020 – as also done by Elsaid & Ursel (2011). This was done because previous literature has found that corporate governance and debt structure is widely different in financial and insurance firms. For each of the following regressions, firms that lacked data for any of the variables was not included in the regression. The regression is as follows:

$$\text{CurrentRatio2023}_i = \beta_0 + \beta_1 \cdot \text{MaleCEO}_i + \text{ProfitMargin2023}_i + \varepsilon_i \quad (1)$$

The results of the regression were as follows:

Table 1: OLS Regression of Current Ratio on CEO Gender and Profit Margin (2023)

	<i>Dependent variable: current_ratio_2023</i>
gender_2023MALE	0.301 (0.249)
profit_margin_2023	0.023*** (0.005)
Constant	0.924*** (0.249)
Observations	423
R ²	0.062
Adjusted R ²	0.057
Residual Std. Error	1.336 (df = 420)
F Statistic	13.830*** (df = 2; 420)

Note: *p<0.1; **p<0.05; ***p<0.01

The results of this regression are not consistent with the hypothesis that firms with female CEOs would have higher current ratios. According to these results, having a male CEO is correlated with a 0.301 point increase in the current ratio. Nevertheless, this is not found to be statistically significant at 0.1 level.

Next, I examined the relationship between the asset based solvency ratio of a firm and the gender of the CEO for the year 2023. The regression is as follows:

$$\text{SolvencyRatio2023}_i = \beta_0 + \beta_1 \cdot \text{MaleCEO}_i + \text{ProfitMargin2023}_i + \varepsilon_i \quad (2)$$

Table 2: OLS Regression of Solvency Ratio on CEO Gender and Profit Margin (2023)

	<i>Dependent variable: solvency_ratio_asset_based_2023</i>
gender_2023MALE	0.040 (0.041)
profit_margin_2023	0.001 (0.001)
Constant	0.288*** (0.041)
Observations	477
R ²	0.005
Adjusted R ²	0.001
Residual Std. Error	0.235 (df = 474)
F Statistic	1.128 (df = 2; 474)

Note: *p<0.1; **p<0.05; ***p<0.01

Similarly, the results are not consistent with my initial hypothesis. Firms with male CEOs have on average 0.040 point higher solvency ratios, although this relationship is not statistically significant.

3.3 Firm-specific effects

Next, I wanted to look at data from across the years from 2010-2020 and 2023 to examine the relationship between the CEO gender and firms' current ratio and solvency ratio, while controlling for profitability. Including data across years allows for controlling for firm-fixed effects that could otherwise affect the current ratio. The profit margin variable was used to include profitability. The model assumes a linear relationship with a common slope across groups and no interaction terms.

The fixed effects regression for current ratio was as follows:

$$\text{CurrentRatio}_{it} = \beta_0 + \beta_1 \cdot \text{Gender}_{it} + \beta_2 \cdot \text{ProfitMargin}_{it} + \varepsilon_{it} \quad (3)$$

The results of the regression were as follows:

Table 3: Fixed Effects Regression of Current Ratio on CEO Gender and Profit Margin

	<i>Dependent variable: current_ratio</i>
genderMALE	0.147 (0.133)
profit_margin	0.002 (0.001)
Observations	4,457
R ²	0.001
Adjusted R ²	−0.105
F Statistic	1.436 (df = 2; 4030)
<i>Note:</i> *p<0.1; **p<0.05; ***p<0.01	

After including data for multiple years, the positive effect of having a male CEO on the current ratio decreases, but is still positive and statistically insignificant. This furthers the possibility that there is no significant relationship between the gender of a firm’s CEO and the current ratio.

A similar fixed-effects regression was performed for solvency ratio. The fixed effects regression for solvency ratio was as follows:

$$\text{SolvencyRatio}_{it} = \beta_0 + \beta_1 \cdot \text{Gender}_{it} + \beta_2 \cdot \text{ProfitMargin}_{it} + \varepsilon_{it} \quad (4)$$

Table 4: Fixed Effects Regression of Solvency Ratio on CEO Gender and Profit Margin

	<i>Dependent variable: solvency_ratio</i>
genderMALE	0.170*** (0.023)
profit_margin	0.001*** (0.0002)
Observations	4,926
R ²	0.014
Adjusted R ²	−0.092
F Statistic	31.545*** (df = 2; 4447)
<i>Note:</i> *p<0.1; **p<0.05; ***p<0.01	

Interestingly, after running the panel data regression, there is a statistically significant positive relationship between a firm having a male CEO and the solvency ratio.

3.4 CEO transitions

Although controlling for profitability and fixed effects regressions help to isolate the effect of the CEO's gender on the current ratio, there are a multitude of other variables that we could not control for in the regression. Thus, I looked at the 2023 S&P 500 companies that experienced a transition in their CEO from 2010 to 2023 and had a male CEO in 2010 but a female CEO in 2023. This was done to see whether holding firm-specific effects constant, having a female CEO is correlated with a higher current ratio.

Table 5: Average Current Ratios by CEO Gender in 2010 and 2023

Gender 2010	Gender 2023	Current Ratio 2010	Current Ratio 2023
FEMALE	FEMALE	1.150	1.797
MALE	FEMALE	1.451	1.184
MALE	MALE	2.165	1.605

Table 6: Average Solvency Ratios by CEO Gender in 2010 and 2023

Gender 2010	Gender 2023	Solvency Ratio 2010	Solvency Ratio 2023
FEMALE	FEMALE	0.503	0.00003
MALE	FEMALE	0.358	0.00003
MALE	MALE	0.419	0.00003

A total of 32 companies experienced such a change. Tables 5 and 6 show the average current and solvency ratio by CEO gender in 2010 and 2023, respectively. The mean current ratio and solvency ratio of companies that experienced a CEO transition were lower in 2023 compared to 2010. However, the solvency ratio for companies in all three groups (those that did and did not experience a

change in the CEO's gender) decreased, and companies that had a male CEO in both 2010 and 2023 also experienced a decline in the current ratio. Interestingly, firms that had a female CEO in both 2010 and 2023 saw an increase in the current ratio. However, the mere decrease in the current ratio and solvency ratios cannot necessarily be attributed to a change in the CEO's gender.

3.5 Difference-in Differences Regression

Given the rather small sample size of the companies that experienced a transition, a difference-in differences regression may lack robustness. However, to complement the average comparisons, a difference-in-difference regression was performed to see whether, after taking into account the overall changes in the current ratios for all companies (those with and without a change in the CEO gender), the decrease in the current ratio was statistically significant.

The regression is as follows:

$$\text{CurrentRatio}_{it} = \beta_0 + \beta_1 \cdot \text{Treated}_i + \beta_2 \cdot \text{Post}_t + \beta_3 \cdot (\text{Treated}_i \times \text{Post}_t) + \varepsilon_{it} \quad (5)$$

Table 7: Difference-in-Differences Regression of Current Ratio on CEO Gender Transition

	<i>Dependent variable: current_ratio</i>
FemaleTransition	−0.707** (0.353)
Post2023	−0.552*** (0.129)
Interaction	0.284 (0.498)
Constant	2.159*** (0.094)
Observations	806
R ²	0.028
Adjusted R ²	0.025
Residual Std. Error	1.766 (df = 802)
F Statistic	7.831*** (df = 3; 802)

Note: *p<0.1; **p<0.05; ***p<0.01

The results of the regression show that the firms that eventually experience a transition in the CEO from male to female start out with a lower current ratio than firms that do not, showing that there are some baseline differences between the control and treated group. Moreover, all firms experience a drop of on average -0.552 points in their current ratio after the transition period, as seen in table 7.

The interaction term estimate shows that for firms that switched from a male to a female CEO that change relative to that experienced by the control group, albeit positive, is not statistically significant. Therefore, in the context of the overall decrease in the current ratio, we cannot attribute a statistically significant causal effect to the transition from a male to a female CEO.

A similar difference-in differences regression was done with solvency ratio as the dependent variable. The regression is as follows:

$$\text{SolvencyRatio}_{it} = \beta_0 + \beta_1 \cdot \text{Treated}_i + \beta_2 \cdot \text{Post}_t + \beta_3 \cdot (\text{Treated}_i \times \text{Post}_t) + \varepsilon_{it} \quad (6)$$

Table 8: Difference-in-Differences Regression of Solvency Ratio on CEO Gender Transition

	<i>Dependent variable: solvency_ratio_asset_based</i>
FemaleTransition	−0.083*** (0.029)
Post2023	−0.438*** (0.010)
Interaction	0.083** (0.040)
Constant	0.438*** (0.008)
Observations	806
R ²	0.697
Adjusted R ²	0.695
Residual Std. Error	0.143 (df = 802)
F Statistic	613.747*** (df = 3; 802)

Note: *p<0.1; **p<0.05; ***p<0.01

Similarly, firms that experience a CEO transition initially have lower solvency ratios, showing that these firms might already be riskier or more financially leveraged. Moreover, all control and treated firms experience a statistically significant decrease of on average 0.438 points in their solvency ratio after the transition period. However, the interaction term of 0.083 points is statistically significant at the 0.05 level, showing that a transition from a male to female

CEO results in a higher solvency ratio, as hypothesized.

4 Discussion

My results show that there is no statistically significant relationship between the gender of the CEO and the current ratio for S&P 500 companies, both in 2023 and across 2010-2020, 2023. However, there is interestingly a slight positive relationship between having a male CEO and current ratio and solvency ratio. This is not fully consistent with some research that shows firms with female CEOs tend to be less levered, which would lead one to hypothesize that such firms would have higher current ratios.

Moreover, while there is no statistically significant relationship between the gender of a firm's CEO and the asset based solvency ratio when looking at 2023, panel data analysis shows that there is indeed a statistically significant relationship. Firms with male CEOs have on average a solvency ratio that is 0.170 points higher, controlling for the profit margin and other firm-fixed effects. One possible explanation could be that male-led firms may be overrepresented in firms with lower capital requirements, such as technology, resulting in higher solvency and less long-term debt requirements. It is also possible that male CEOs have more access to capital markets, allowing them to more strategically control debt ratios, resulting in higher solvency ratios.

Notably, firms that experience a transition in the gender of the CEO from 2010 to 2023 initially had statistically significant lower current and solvency ratios than firms that did not experience such a change, as shown through the difference-in-differences regressions. This can show that these firms were systematically different and were experiencing instability, which can explain the lower current and solvency ratios of these firms compared to their male-led counterparts.

Another finding of this paper is that across all firms, the solvency and current ratios experience a statistically significant decrease from 2010 to 2023. Factors such as post-pandemic financial stress and restructuring or inflationary effects could potentially explain this trend (Hackbrath et al., 2006).

A difference-in differences regression for the current ratio showed that for the treatment group (companies that transitioned from a male to female CEO from 2010 to 2023), there was a 0.284 point increase in the current ratio. This increase is consistent with my initial hypothesis that firms with female CEOs have higher current ratios. However, the standard error is high and this observed increase is not statistically significant.

On the other hand, the asset based solvency ratio increased for treated firms from 2010 to 2023 by 0.083 points, which is significant at the 0.05 level. The fact that the solvency ratio shows more sensitivity to the CEO gender could be explained by the fact that solvency ratio reflects the long-term debt and financial structure of a firm and is more related to strategic decision-making, while current ratio is more volatile and more likely to be affected by broader conditions and macroeconomic factors. The fact that firms that experienced a CEO transition display statistically significant increases in their solvency ratio is consistent with existing literature by La Rocca et al. that female CEOs prefer less long-term debt (2024).

One implication of such findings is that contrary to some existing literature, these companies do not show significant a negative relationship between current ratio and a firm having a female CEO. If anything, the results of the cross sectional analysis showed that relationships were all positive for male CEOs, meaning that firms with male CEO has higher solvency and current ratios. This shows that perhaps the assumption that female CEOs are in general more risk averse is a misleading idea, and perhaps male and female CEOs are not

systematically different with regard to corporate decision-making. Nevertheless, firms that experienced a CEO transition did have a significantly higher solvency ratio. One possible explanation is the glass cliff effect, as previously discussed, which describes the phenomenon that women are more likely to be appointed to executive positions when the firm is experiencing distress. Thus, it is possible that firms may naturally take on less debt in response to this uncertainty, and this happens to coincide with the appointment of a female CEO. Therefore, it is difficult to conclude a causal effect and the increase in solvency ratio may reflect the pre-existing financial conditions rather than CEO decision-making.

Furthermore, an explanation of why the observed results are not fully consistent with some existing research on CEO gender and debt is that perhaps gender-based differences may be diminishing in high-stakes and professional contexts. It is possible that female CEOs of S&P 500 companies have already navigated the male-dominated corporate field and no longer display the ‘lower levels of confidence’ that other papers focusing on smaller companies assume.

5 Conclusion

Overall, the results of this paper do not show a statistically significant difference for current ratio of male and female led firms, although there is a difference in the solvency ratios. It is very much so possible that existing literature has overstated the effect of a female CEO’s gender on corporate and managerial decision-making, perhaps due to other non-financial studies that claim women are more risk averse. In general, no clear trend was found through my analysis for current ratio. However, this is not the case for solvency ratio. Nevertheless, the results were again conflicting, as over time male-led firms have higher solvency ratios, but the transition from a male to female CEO resulted in higher solvency ratios. This implies that perhaps the gender of the CEO meaningfully

influences long-term decision-making, but not short term planning as much. Furthermore, the possibility of the glass ceiling effect also raises questions about the causal conclusions that can be drawn from the increase in solvency ratio seen after the CEO transition. The results overall show that the CEO gender does not meaningfully and conclusively influence the capital and debt structure of the firms studied, especially when looking at cross-sectional data and comparing across firms.

Although this paper provides some insight into the relationship between the gender of a firm's CEO and the current ratio and solvency ratio, there are avenues for future research. Future research on this topic could greatly benefit from examining a larger sample size, albeit this is difficult as it is difficult to find panel data for smaller-cap firms across the years. Nevertheless, it would be interesting to see whether there is a more pronounced relationship between the CEO's gender and capital structure in smaller and mid-cap firms.

Furthermore, a large sample size could potentially allow for controlling for industry, something which was not possible in this paper due to the limited sample size. Capital structure decisions differ across sectors, and it is plausible that female and male CEOs are systematically concentrated in different industries. This can further explain any observed differences. Moreover, albeit difficult to obtain, data on specific CEO characteristics such as education, work experience, years with the company, and even college major could be included to isolate the effect of gender on corporate decision making.

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