Internet Appendix

This Appendix reports the results of various additional analyses and robustness tests we conducted in support of the main analyses in our paper. The list of documents in this Appendix is presented below.

Table of Contents:

Discussion of real estate data used in materialism construct

We define an executive as materialistic if they own a primary residence worth more than two times the average of median home prices in zip codes in the corresponding Core Based Statistical Area (CBSA) of their firm's headquarters or if they own a secondary residence worth more than 2 times the average of median home price in zip codes in that property's CBSA. Thus our measure of materialism depends heavily on the real estate values we can obtain for each executive. In the following pages we discuss the steps we have taken to assure ourselves of the veracity of the values of properties owned by an individual.

FOTT provides us with an address history for each executive, not just a summary of property title records or real estate transactions records. This means we have data on new construction, rentals, and properties held in the name of another entity. Our data also provides us with the years when the individual was associated with the property, so we can properly assign transactions through time to the correct individual.

We measure value using an average of estimated property values from Eppraisal.com, Zillow.com, Trulia.com, and Realtor.com or as of 12/31/2015. For robustness, we also measure value from a combination of sales prices or estimated values (in cases of rentals, new construction, or missing sales records) in the year the executive moved into the property.

We demonstrate using the Manhattan CBSA.

Manhattan Residential Zip Codes	
Central Harlem	10026, 10027, 10030, 10037, 10039
Chelsea and Clinton	10001, 10011, 10018, 10019, 10036
East Harlem	10029, 10035
Gramercy Park and Murray Hill	10010, 10016, 10017, 10022
Greenwich Village and Soho	10012, 10013, 10014
Lower Manhattan	10004, 10005, 10006, 10007, 10038, 10280
Lower East Side	10002, 10003, 10009
Upper East Side	10021, 10028, 10044, 10065, 10075, 10128
Upper West Side	10023, 10024, 10025
Inwood and Washington Heights	10031, 10032, 10033, 10034, 10040

Below we provide current median sales prices for each zip code as provided by Trulia.com. Median values provided by Zillow.com, Realtor.com, or Zipcodes.com (historical data is provided by Zipcodes.com and must be purchased) yields similar values.

Zip Code	Median Sales Price
10001	$1,575,000.00
10002	$1,525,000.00
10003	$1,540,000.00
10004	$1,200,000.00
10005	$1,785,000.00
10006	$740,000.00
10007	$2,800,000.00
10009	$1,284,375.00
10010	$1,250,000.00
10011	$1,812,500.00
10012	$1,600,000.00
10013	$3,150,000.00
10014	$2,031,000.00
10016	$925,000.00
10017	$850,000.00
10018	$1,200,000.00
10019	$1,462,500.00
10021	$1,730,000.00
10022	$866,500.00
10023	$1,773,469.00
10024	$1,792,120.00
10025	$1,300,000.00
10026	$890,000.00
10027	$837,500.00
10028	$1,735,000.00
10029	$477,000.00
10030	$540,000.00
10031	$651,068.00
10032	$454,000.00
10033	$415,000.00
10034	$470,000.00
10035	$750,000.00
10036	$1,050,000.00
10037	$477,867.00
10038	$1,043,706.00
10039	$797,800.00
10040	$689,000.00
10044	$540,000.00
10065	$1,325,000.00
10075	$998,000.00
10128	$1,159,000.00
10280	$765,000.00
Mean	$1,196,604.88

Based on this data, an executing working in Manhattan would need to own/rent a home with an estimated value just under $2,400,000 to be considered materialistic under our main measure of real estate. In robustness analysis we increase the threshold to 5 times the average of median home prices in the relevant CBSA. Under this criterion, an executive must own/rent a home with an estimated value just under $6,000,000.

New construction, rentals, and properties held in the name of another entity provide potential issues with identification and estimation. Below, we discuss these properties.

New Constructions

Many executives choose to construct new homes. Our address history provides us with the address of the home but property records on purchase price will generally only have data on the price paid for the land. Internet resources provide us with information to determine if a home is in fact new construction, and provide an estimate of the property's value which we can use to compute our measure of materialism.

To illustrate our process to determine new construction and estimate the value, consider the following property: 1835 73rd Avenue Ne, Medina, WA 98039. This home belongs to Bill Gates and given that the home has its own Wikipedia page, it does not seem like an invasion of privacy to discuss it. To learn whether the home was new construction and get an estimated value for the property we can use the real estate aggregator Zillow.com. Below is the Zillow link to the Gates' property:

http://www.zillow.com/homes/1835-73rd-Ave-NE,-Medina,-WA-98039_rb/?fromHomePage=true&shouldFireSellPageImplicitClaimGA=false

Zillow notes that the original purchase was for $2,050,000 in 1988. But, given that construction of the property itself did not begin until 1994, we have evidence that the purchase in 1988 was for land alone. We can verify whether the original purchase was for an existing home or for vacant land from information provided by the King County Department of Assessments. Below is the link to the Gates' property:

http://info.kingcounty.gov/Assessor/eRealProperty/Dashboard.aspx?ParcelNbr=9208900079

The department of assessment indicates that construction took place in 1994 and the tax roll history indicates the years taxable and appraised improvements to the land were first assessed to the property. Therefore, we know the purchase was for vacant land and the home subsequently built on the land.

Zillow also provides a current estimate of the value of the home at $161,352,038. While this property might be particularly hard to value, most homes have several relevant comparison properties to aid in the process. Moreover, homes of such value that it is difficult to find relevant comparisons are almost certainly going to cost more than 2 times the average price of homes in the relevant core based statistical area, so even though the dollar estimate is noisy, this will not lead to misclassification using our main measure of materialism.

At this point, we have verified that the home itself was new construction, and have an estimated value to use to compute our measure of materialism. Similar information can be gleaned for all properties in our sample in that we can compare the year a home was constructed to the year land was purchased via Internet sources and from the county tax assessor. Because the data provided to us by FOTT is an address history, and not a home purchase history, it is highly unlikely that homes acquired through new construction are missing from our sample or have incorrect estimates for their value. Our data also provides us with the years an individual is associated with a particular address so we can determine if the

individual was associated with the home when it was constructed, or purchased the home years later (and in such cases we can use the purchase price as an estimate in that year).

Given that values for new construction are always estimates, we have two options when computing our value of materialism. We can take the estimated value of all homes as of 2015 and scale by the CBSA of the area in 2015, or we can take an estimated value in the year of acquisition (or the purchase price when available) by solving for the estimated value in the year of acquisition using the following equation:

$$\frac{E_{t-acquisition}}{A_{t-acquisition}} = \frac{E_{2015}}{A_{2015}}$$

Where E equals the estimated value and A equals the assessed value. While the ratio of estimated to assessed value is not constant over time (and the variability can vary geographically), it is hard to think of a theoretical argument for how its variance could be related bank RMI scores or tail risk, which it would need to be in order for classifications based on the error to drive our results. Our estimates of CEO materialism are correlated at over 99% whether using 2015 estimated values or a combination of actual purchase prices and estimated values from the year of acquisition.

Rental Apartments

Many executives in our sample choose to rent. This is particularly common in Manhattan where an executive may rent an apartment close to the office. It is not clear if a property an executive lives in and rents should be treated identically to one which was purchased, but we are able to collect information on properties an individual rents and verify the accuracy of such information as follows.

Our address history provides information on where an executive lives even if the property is a rental. From this information we can gain estimates of property values the same way we do for all properties. One concern could be the ability to differentiate between different units in a given building. Our address history also provides apartment numbers/designations so we are able to differentiate a penthouse condominium from another living space and accurately look up the estimated value of the correct space.

For an example of information that can be collected on condominiums (which an executive may own or rent) consider the residential condominium building located at 3 Commonwealth Avenue, Boston MA, 02116. The following link provides data from the assessor's office for the city of Boston for this building.

http://www.cityofboston.gov/assessing/search/?parcel=0502825000

The building has a master parcel number 0502825000, but each unit has its own parcel number distinguished by changing the last digit of the master parcel. Each individual unit has separate information including assessed taxable values, so these units are not identical. Our address history provides apartment numbers so if we were interested in this property we could gather information for the appropriate unit in the building. The following link provides Zillow information for Apartment 3 at 3 Commonwealth Avenue:

http://www.zillow.com/homedetails/3-Commonwealth-Ave-APT-3-Boston-MA-02116/59166810_zpid/

Zillow provides a current estimated value for this specific unit, and past sales prices and assessed values, which can be verified through the assessor's office indicating that the correct unit is presented.

Real Estate held in Another Entity's Name

In some cases an executive is living in a property for which legal title belongs to another entity. This could be a spouse, but is often commonly related to family trusts. This can occur to administer the estate of a deceased relative, or be an ongoing event for personal financial reasons. Additionally, individuals occasionally transfer property held in a controlled trust for nominal sums of money ($1.00 in many cases). Of course this does not represent a true sales price or market value of the property. As noted before, our address history provides evidence that an executive was living at a home even if it is owned by another individual or trust. The address history also provides the dates the individual was associated with the property, so we can locate sales transactions if they exist and we can estimate property values at the time of transfer in addition to current estimated values. In these cases, transfer of title often does not coincide with the years an individual was present in the home. For example, an individual might occupy a home in 2000 while it is held in trust and then might purchase the home for a market or nominal fee in 2004. We can use estimated values for the year 2000, the year 2004, or the year 2015 and scale by the appropriate cost of real estate in the property's core based statistical area for that year. As discussed above, estimates of materialism using current or past property estimates are correlated at over 99%.

Measures of Materialism

Our primary measure of materialism is an indicator variable, *MATERIAL*, equal to 1 if the CEO owns luxury assets prior to December 31, 2012, where luxury assets include cars with a purchase price greater than $75,000, boats greater than 25 feet in length, primary residences worth more than twice the average of the median home prices in metropolitan area of his firm's corporate headquarters (as defined by the Core Based Statistical Area (CBSA)), any additional residences worth more than twice the average home prices in that metropolitan area (as defined by the CBSA), and 0 otherwise.

To verify that we are adequately capturing the materialistic tendencies in an individual, we construct and verify the robustness of our results to several alternate measures of materialism. We discuss these alternate measures (some are already mentioned in the main body of the paper) in the following pages.

We recalculate a binary measure of materialism using different cut-off values – vehicles with a list price of $110,000 or greater, boats 40 feet and longer, and homes worth at least 5 times the average of median home prices in the zip codes of their firm's CBSA. While the cutoff figures are significantly different, the measure is highly correlated with the original measure. Under these requirements, all non-materialistic CEOs under the original measure are still non-materialistic under this measure, and all materialistic CEOs under this measure are materialistic under the original measure. The only individuals who are classified differently are those who were originally classified as materialistic specifically because of assets within the higher and lower range of the two methods. As such, the measures are highly correlated and yield nearly identical results.

Next, we develop an ordinal measure of materialism by counting the number of materialistic assets an individual owns all individuals who are non-materialistic using a binary measure have 0 lavish assets so this measure really just creates variation in the group defined as materialistic. We can calculate this measure in real time, or by choosing the peak level and applying that as a static measure. This measure has some appeal in that one aspect of materialism is this desire to keep acquiring more goods over time and the measure captures that. However, it is not clear that it is appropriate to treat an individual who has purchased two $100,000 cars as more materialistic than an individual who has purchased one $250,000 car. Results using an ordinal measure are highly correlated with results using a binary measure. Given that both measures classify non-materialistic CEOs in the same manner, the only way this measure would create different results is if the associations between materialism and our dependent variables were distributed like an inverted U where "moderately" materialistic CEOs drove the results and highly materialistic CEOs behaved as non-materialistic CEOs.

Given that our real estate data is more complete than data for vehicles or boats, we recalculate materialism only using real estate data. Under this measure, every individual classified as non-materialistic is still classified as such, and all individuals who owned a materialistic home are classified as materialistic. Individuals classified as materialistic based solely on vehicle or boat ownership are now classified as non-materialistic. The measure is highly correlated with our original measure and our empirical results are similar, though in some cases they are stronger when we use vehicle and boat data, suggesting that it is informative and that such individuals should be considered materialistic under our methodology. We also create three groups – non-materialistic, materialistic without real estate, and materialistic with real estate – and compare results for these groups to one another. We find that the two materialistic groups are statistically similar to one another and significantly different from the non-materialistic group.

We calculate a continuous measure of materialism based on the dollar value (or estimated value) of an individual's assets. We can calculate this measure in real time or as a static measure using the peak value of assets. Because we do not have boat prices available to us, they are estimated from a model that considers length, manufacturer, model, and year. While these inputs are all strong determinants of price, the unique nature of boats and the ability to customize means that individual observations could be poorly estimated. A continuous measure potentially offers advantages in that a $20 million dollar home might be indicative of a higher level of materialism than a $10 million dollar home (assume in the same geographic location). However, this is not a given. Particularly as it pertains to our hypotheses, it is possible that after a certain level of materialism increases are not predictive. Moreover, in our binary measure we have no reason to believe our classification is influenced by an individual's wealth as every CEO in our sample can easily afford a $75,000 vehicle, a boat greater than 25 feet long, or a home worth twice the average of median home prices in their firm's CBSA. However, a CEO's wealth can influence a continuous measure. The richest CEOs in our sample can afford assets worth more than the entire net worth of the least rich CEOs in our sample. This potentially leads to mis-measurement. To address this we can scale the value of assets by an individual's wealth but now the measure has numerator and denominator effects that can vary independently. Assume a CEO with a net worth of $100 million (primarily from stock in his firm) owns assets worth $10 million. If in the next year his firm's stock price increases by 20% and his net worth increases by $20 million that individual has to spend another $2 million on vehicles, boats, or homes or else his measured value of materialism will decrease even though there is no reason to believe the individual has become less materialistic simply because his net worth increased. Further, it is likely not reasonable to compare spending rates for ultra-rich individuals. As wealth increases an individual generally spends a smaller proportion of wealth on real estate, vehicles, or boats. While in theory there is no limit to the value of these assets an individual can purchase, in practice there likely is. Consider an individual worth $50 million dollars. Such an individual might purchase a home worth $10 million dollars, a yacht for $4 million, and own $1 million in vehicles. This individual has spent 30% of their net worth on these assets. Now consider an individual worth $500 million. It is highly doubtful that this individual would need to spend $150 million on real estate, vehicles, and boats to be considered as materialistic as the first individual. There is a practical limit on how much one spends on these things. Finally, it is not clear that the marginal dollar spent on a vehicle is equivalent to the marginal dollar spent on a home nor is an appropriate weighting factor obvious. While a continuous measure has intuitive appeal, it also has many limitations and weaknesses. That said, it still exhibits a strong correlation with our binary measure (the CEOs with more valuable assets are going to be classified as materialistic using a binary measure) and our results are similar. Results using a continuous measure are sensitive to outliers in terms of wealth or asset values and winsorizing the data produces more stable and consistent results.

In sum, our choice of the primary measure of materialism using the binary model was motivated by the high correlation of this measure with all of the above alternative measures, the ease of its interpretation, the ability to estimate certain models using this measure, and last but not the least, the simplicity of the measure.

Appendix Table 1
Industry Classification

Fama-French Industry	Our Sample	KLD-MSCI Population
Food	2.19%	3.46%
Mining and Minerals	0.84%	1.30%
Oil and Petroleum Products	5.29%	3.46%
Textiles, Apparel and Footwear	0.74%	2.34%
Consumer Durables	0.56%	1.69%
Chemicals	1.31%	3.21%
Drugs, Soap, Perfume, Tobacco	3.76%	3.95%
Construction and Construction Materials	2.18%	4.00%
Steel Works	1.17%	1.82%
Fabricated Products	0.18%	1.10%
Machinery and Business Equipment	10.76%	12.14%
Automobiles	1.94%	1.97%
Transportation	6.70%	7.31%
Utilities	4.04%	5.82%
Retail Stores	8.33%	7.01%
Banks, Insurance Companies, and Other Financials	25.41%	11.61%
Other	24.60%	27.81%
	100.00%	100.00%

Appendix Table 1 presents the industry breakdown of our sample and the KLD-MSCI/ExecuComp merged population using the Fama-French 17 industry classification scheme.

Appendix Table 2

CEO Sorting: Firm and Industry CSR Measures

	Dependent Variable: Material			
	CSR Net Scores		Sin Industry	
	(1)	(2)	(3)	(4)
Intercept	-1.3411**	-2.4005***	-0.9519***	-2.0830***
	(-2.12)	(-2.65)	(-2.72)	(-3.08)
CSR Net Score	-0.0407	-0.0477		
	(-1.08)	(-1.01)		
Sin Industry			1.1324***	0.6275
			(2.62)	(1.14)
Size	0.1043	0.1956**	0.0482	0.1655**
	(1.56)	(1.98)	(1.15)	(2.10)
Return on Assets	2.3983**	3.3499**	1.4923**	2.2442*
	(2.15)	(2.44)	(2.24)	(1.87)
Market-to-Book	-0.0246	-0.0351*	-0.0202*	-0.0337
	(-1.60)	(-1.81)	(-1.66)	(-1.48)
Debt-to-Equity	-0.0030	0.0396	0.0015	0.0614
	(-0.18)	(0.75)	(0.11)	(1.35)
Industry Compensation	0.0001	0.0002	0.0002*	0.0002
	(0.75)	(0.95)	(1.67)	(1.36)
Institutional Holdings		-0.0003		-0.0004
		(-0.67)		(-0.92)
Observations	514	350	888	463
Pseudo R Squared	0.02	0.03	0.02	0.03

***Significant at the 1% level; **5% level; * 10% level.

Appendix Table 2 presents results of estimates of regressions of CEO materialism and CSR scores in the year prior to the CEO joining the firm and sin industry. Variables are defined in Appendix Table 19.

Appendix Table 3
Two Way Fixed Effects Model: CEO and Firm Fixed Effects

	Community	Diversity	Employee	Environment	Product
	(1)	(2)	(3)	(4)	(5)
Size	-0.0106	0.0588	-0.0611	-0.0957***	-0.0302
	(-0.32)	(1.15)	(-1.21)	(-2.77)	(-0.87)
Return on Assets	-0.1393	-1.2399***	0.8832	0.4717	0.9455***
	(-0.47)	(-2.69)	(1.94)	(1.52)	(3.02)
Market-to-Book	0.0000	-0.0034	-0.0036	0.0042	-0.0005
	(-0.01)	(-0.76)	(-0.82)	(1.37)	(-0.17)
Debt-to-Equity	-0.0008	0.0016	0.0001	-0.0013	0.0000
	(-0.56)	(0.71)	(0.06)	(-0.86)	(-0.01)
Financial Constraint	0.0147	0.0174	-0.0209	0.0011	-0.0213
	(0.98)	(0.75)	(-0.91)	(0.07)	(-1.35)
Abnormal Return	0.0076	-0.0128	-0.0045	-0.0100	0.0411*
	(0.36)	(-0.40)	(-0.14)	(-0.46)	(1.87)
CEO Tenure	-0.0169***	0.0949***	-0.0478	0.0061	-0.0486***
	(-2.65)	(9.63)	(-4.93)	(0.92)	(-7.26)
CEO Wealth	0.0031	-0.0731***	0.0418	0.0418**	-0.0224
	(0.19)	(-2.82)	(1.63)	(2.40)	(-1.27)
CEO Fixed Effects	Yes	Yes	Yes	Yes	Yes
Firm Fixed Effects	Yes	Yes	Yes	Yes	Yes
Observations	1,252	1,252	1,252	1,252	1,252
Firms	181	181	181	181	181
CEOs who do not switch	131	131	131	131	131
CEOs who switch	96	96	96	96	96
Proportion of Variance explained by:					
R Squared: CEO Fixed Effect	0.48	0.60	0.55	0.68	0.74
R Squared: Firm Fixed Effect	0.32	0.28	0.19	0.12	0.10
R Squared: Model	0.80	0.82	0.74	0.83	0.85

***Significant at the 1% level; **5% level; * 10% level.

Appendix Table 3 presents the results of the AKM analysis of CEO and firm fixed effects on the individual CSR categories. Variables are defined in Appendix Table 19.

Appendix Table 4
Two Way Fixed Effects Model: CEO and Firm Fixed Effects

	R&D	Dividends	BV Equity	Inst Holdings	Inst Holdings/ BV Equity
	(1)	(2)	(3)	(4)	(5)
Size	0.0051	0.033**	2381.692***	-0.0046***	0.0092
	(1.60)	(2.52)	(14.25)	(-3.88)	(0.44)
Return on Assets	-0.2313***	-0.4025***	-6550.128***	0.0628***	-0.3202*
	(-8.09)	(-3.42)	(-4.36)	(5.87)	(-1.67)
Market-to-Book	0.0004	0.0169***	-42.4195***	0.0001	0.0327***
	(1.37)	(14.72)	(-2.89)	(0.35)	(18.43)
Debt-to-Equity	-0.0001	0.0001	33.2314***	0.0001	0.0421***
	(-0.53)	(0.20)	(4.55)	(0.86)	(28.08)
Financial Constraint	-0.0008	-0.1377***	-150.6368**	0.0026***	0.0671***
	(-0.56)	(-23.20)	(-1.99)	(4.41)	(6.36)
Abnormal Return	-0.0017	-0.0019	-357.6989***	-0.0001	-0.0294**
	(-0.84)	(-0.23)	(-3.40)	(-0.22)	(-2.52)
CEO Tenure	-0.0014**	-0.0028	413.0418***	0.0009***	0.0086**
	(-2.33)	(-1.13)	(12.86)	(3.80)	(1.98)
CEO Wealth	0.0003	-0.0137**	-203.803**	0.0002	-0.0168
	(0.15)	(-2.06)	(-2.41)	(0.27)	(-1.64)
CEO Fixed Effects	Yes	Yes	Yes	Yes	Yes
Firm Fixed Effects	Yes	Yes	Yes	Yes	Yes
Observations	1,252	1,252	1,252	953	953
Firms	181	181	181	140	140
CEOs who do not switch	131	131	131	116	116
CEOs who switch	96	96	96	70	70
Proportion of variance explained by:					
R-Squared: CEO Fixed Effect	0.61	0.13	0.48	0.49	0.01
R-Squared: Firm Fixed Effect	0.19	0.07	0.06	0.37	0.04
R-Squared: Model	0.82	0.70	0.92	0.91	0.88

***Significant at the 1% level; **5% level; * 10% level.
Appendix Table 4 presents the results of examining the CEO versus firm fixed effects using the AKM method on several corporate decisions. Variables are defined in Appendix Table 19.

Appendix Table 5

CEO Materialism and CSR Net Z Scores

	ZCSR Net Score	ZCSR Strengths	ZCSR Weaknesses
	(1)	(2)	(3)
Intercept	-0.7238***	-2.5268***	-2.1191***
	(-2.88)	(-10.63)	(-9.13)
Material	-0.3419***	-0.2418***	0.1249**
	(-4.15)	(-3.27)	(2.08)
Size	0.1515***	0.4744***	0.3579***
	(4.27)	(13.69)	(11.46)
Return on Assets	0.0255	-1.0640***	-1.5923***
	(0.06)	(-2.92)	(-4.13)
Market-to-Book	0.0008	0.0011	0.0005
	(0.63)	(1.10)	(0.42)
Debt-to-Equity	-0.0021	-0.0056	-0.0053
	(-0.65)	(-1.25)	(-1.30)
Financial Constraint	-0.0175	0.0364	0.0621**
	(-0.66)	(1.57)	(2.28)
Abnormal Return	-0.0928**	-0.1260**	-0.0272
	(-2.37)	(-2.57)	(-1.30)
CEO Tenure	0.0002	-0.0043	-0.0059
	(0.03)	(-0.68)	(-1.34)
CEO Wealth	-0.0139	-0.0611**	-0.0374
	(-0.44)	(-2.07)	(-1.57)
Observations	4,302	4,302	4,302
R Squared	0.05	0.27	0.20

***Significant at the 1% level; **5% level; * 10% level. Standard errors are clustered by executive.

Appendix Table 5 presents the results of the regressions examining the relation between CEO materialism and industry and year adjusted CSR z-scores. Variables are defined in Appendix Table 19.

Appendix Table 6

CEO Materialism and CSR Individual Category Net Z Scores

	ZCommunity	ZDiversity	ZEmployee	ZEnvironment	ZProduct
	(1)	(2)	(3)	(4)	(5)
Intercept	-1.1234***	-2.0844***	-0.2712	0.4317*	2.2510***
	(-4.72)	(-10.03)	(-1.10)	(1.75)	(7.79)
Material	-0.1522**	-0.529**	-0.1752**	-0.2362***	-0.1770**
	(-2.20)	(-2.32)	(-2.34)	(-2.95)	(-2.31)
Size	0.2184***	0.3555***	0.0758**	-0.0993***	-0.2919***
	(6.08)	(12.12)	(2.34)	(-2.84)	(-7.62)
Return on Assets	-1.2340***	-0.9554***	0.7026**	1.1301***	1.5784***
	(-3.72)	(-3.02)	(1.97)	(3.19)	(3.21)
Market-to-Book	0.0017	0.0001	0.0003	0.0003	0.0001
	(1.04)	(0.11)	(0.26)	(0.52)	(0.03)
Debt-to-Equity	-0.0073	-0.0004	-0.0020	0.0011	0.0008
	(-0.95)	(-0.16)	(-0.60)	(0.62)	(0.22)
Financial Constraint	-0.0648**	0.0388*	-0.0388*	-0.0364	0.0007
	(-2.50)	(1.87)	(-1.66)	(-1.54)	(0.02)
Abnormal Return	-0.0635*	-0.0953*	-0.0812***	-0.0074	0.0543
	(-1.74)	(-1.89)	(-2.62)	(-0.25)	(1.59)
CEO Tenure	-0.0018	-0.0155***	0.0019	0.0096	0.0149***
	(-0.41)	(-3.05)	(0.41)	(1.53)	(2.66)
CEO Wealth	-0.0225	-0.0165	-0.0228	0.0274*	-0.0347
	(-0.96)	(-0.68)	(-0.73)	(1.75)	(-1.04)
Observations	4,302	4,302	4,302	4,302	4,302
R Squared	0.07	0.21	0.02	0.04	0.13

***Significant at the 1% level; **5% level; * 10% level. Standard errors are clustered by executive.

Appendix Table 6 presents the results of regressions examining the relation between CEO materialism and industry and year adjusted CSR z-scores for the individual CSR categories. Variables are defined in Appendix Table 19.

Appendix Table 7

CEO Materialism and CSR Net Scores

	CSR Net Score	CSR Strengths	CSR Weaknesses
	(1)	(2)	(3)
Material	-0.6885***	-0.4035***	0.2851**
	(-3.94)	(-2.70)	(2.44)
Size	0.4573***	1.0399***	0.5825***
	(6.02)	(13.25)	(10.32)
Return on Assets	-0.0664	-2.5512***	-2.4848***
	(-0.08)	(-3.35)	(-3.87)
Market-to-Book	0.0018	0.0029	0.0011
	(0.67)	(1.04)	(0.72)
Debt-to-Equity	-0.0100	-0.0167	-0.0067
	(-1.19)	(-1.42)	(-0.98)
Financial Constraint	-0.0556	0.0111	0.0666
	(-0.95)	(0.21)	(1.37)
Abnormal Return	-0.1540	-0.1968*	-0.0428
	(-1.65)	(-1.72)	(-0.82)
CEO Tenure	0.0060	0.0029	-0.0031
	(0.45)	(0.24)	(-0.50)
CEO Wealth	-0.1402*	-0.1876***	-0.0474
	(-1.95)	(-3.05)	(-1.13)
Institutional Holdings	0.0223	0.0602**	0.0379**
	(0.79)	(2.37)	(2.02)
Observations	3,004	3,004	3,004
Adjusted R Squared	0.15	0.34	0.35

***Significant at the 1% level; **5% level; * 10% level. Standard errors are clustered by executive.

Appendix Table 7 presents results of regressions examining the relation between CEO materialism and CSR net scores, strengths and weaknesses including controls for institutional investments. Variables are defined in Appendix Table 19.

Appendix Table 8

CEO Materialism and Net CSR Scores: Using the Top Half of Materialistic CEOs Only

	CSR Net Score	CSR Strengths	CSR Weaknesses
	(1)	(2)	(3)
Material Top Half	-0.7658***	-0.4428***	0.3230***
	(-3.81)	(-2.78)	(2.64)
Size	0.5109***	1.0953***	0.5844***
	(5.64)	(13.62)	(10.03)
Return on Assets	0.4702	-2.0741**	-2.5443***
	(0.48)	(-2.50)	(-4.17)
Market-to-Book	0.0004	0.0001	-0.0003
	(0.08)	(0.02)	(-0.11)
Debt-to-Equity	-0.0023	-0.0084	-0.0061
	(-0.46)	(-1.01)	(-1.33)
Financial Constraint	-0.0145	0.0398	0.0542
	(-0.25)	(0.80)	(1.45)
Abnormal Return	-0.1562**	-0.2632**	-0.1070
	(-2.03)	(-2.37)	(-1.57)
CEO Tenure	0.0044	-0.0038	-0.0083
	(0.32)	(-0.28)	(-1.23)
CEO Wealth	-0.1550**	-0.2013***	-0.0463
	(-2.21)	(-3.24)	(-1.19)
Industry Fixed Effects	Yes	Yes	Yes
Year Fixed Effects	Yes	Yes	Yes
Observations	3,140	3,140	3,140
Adjusted R Squared	0.15	0.34	0.37

***Significant at the 1% level; **5% level; * 10% level. Standard errors are clustered by executive.

Appendix Table 8 presents results of regressions examining the relation between CEO materialism and CSR scores using an alternative measure of materialism where we only consider the top half of materialistic CEOs. Variables are defined in Appendix Table 19.

Appendix Table 9
CEO Materialism and CSR Net Scores: Using a Continuous Measure of Materialism

	CSR Net Score	CSR Strengths	CSR Weaknesses
	(1)	(2)	(3)
Cont Material	-0.0281***	-0.0174**	0.0107**
	(-3.18)	(-2.24)	(2.12)
Size	0.4201***	1.0076***	0.5875***
	(5.29)	(13.71)	(11.26)
Return on Assets	0.5530	-2.0415***	-2.5945***
	(0.62)	(-2.69)	(-4.77)
Market-to-Book	0.0023	0.0025	0.0003
	(0.92)	(1.20)	(0.24)
Debt-to-Equity	-0.0057	-0.0104	-0.0047
	(-0.97)	(-1.23)	(-1.08)
Financial Constraint	-0.0426	0.0393	0.0819**
	(-0.83)	(0.89)	(2.36)
Abnormal Return	-0.1693**	-0.2704**	-0.1011*
	(-2.03)	(-2.50)	(-1.88)
CEO Tenure	-0.0116	-0.0136	-0.0020
	(-0.96)	(-1.24)	(-0.35)
CEO Wealth	-0.0908	-0.1347**	-0.0439
	(-1.43)	(-2.46)	(-1.24)
Industry Fixed Effects	Yes	Yes	Yes
Year Fixed Effects	Yes	Yes	Yes
Observations	4,302	4,302	4,302
Adjusted R Squared	0.15	0.33	0.37

***Significant at the 1% level; **5% level; * 10% level. Standard errors are clustered by executive.
Appendix Table 9 presents results of regressions examining the relation between CEO materialism and CSR scores using a continuous measure of materialism. CEOs. Variables are defined in Appendix Table 19.

Appendix Table 10

CEO Materialism and CSR Net Scores: Using Higher Cutoffs for Materialism

	CSR Net Score	CSR Strengths	CSR Weaknesses
	(1)	(2)	(3)
Material	-0.6003***	-0.2952**	0.3051**
	(-3.26)	(-2.24)	(2.50)
Size	0.3932***	0.9779***	0.5847***
	(5.12)	(13.59)	(11.68)
Return on Assets	0.7236	-1.9955***	-2.7191***
	(0.81)	(-2.65)	(-4.96)
Market-to-Book	0.0021	0.0023	0.0002
	(0.83)	(1.09)	(0.16)
Debt-to-Equity	-0.0052	-0.0101	-0.0049
	(-0.86)	(-1.19)	(-1.12)
Financial Constraint	-0.0311	0.0447	0.0758**
	(-0.59)	(1.01)	(2.14)
Abnormal Return	-0.1936**	-0.3029***	-0.1093*
	(-2.45)	(-2.84)	(-1.91)
CEO Tenure	-0.0031	-0.0093	-0.0062
	(-0.26)	(-0.86)	(-1.05)
CEO Wealth	-0.0805	-0.1307**	-0.0502
	(-1.25)	(-2.36)	(-1.40)
Industry Fixed Effects	Yes	Yes	Yes
Year Fixed Effects	Yes	Yes	Yes
Observations	4,302	4,302	4,302
Adjusted R Squared	0.13	0.32	0.36

***Significant at the 1% level; **5% level; * 10% level. Standard errors are clustered by executive.

Appendix Table 10 presents results of regressions examining the relation between CEO materialism and CSR scores using an alternative measure of materialism where we consider higher cutoffs for asset values for determining whether a CEO is materialistic. Variables are defined in Appendix Table 19.

Appendix Table 11
Correlation Matrix: CEO Characteristics

	Material	*Record*	*Female*	*Born Recession*	*Over-confidence*	*Narcissism*	*MBA*	*Top MBA*	*Military*	*Work Recession*	*CEO Wealth*
Material	1										
Record	-0.018	1									
Female	-0.053*	-0.074*	1								
Born Recession	0.041	-0.007	-0.015	1							
Overconfidence	0.024	-0.083	0.063	-0.074	1						
Narcissism	-0.009	0.047	0.028	0.023	0.187*	1					
MBA	0.008	-0.013	-0.045	-0.017	-0.001	-0.034	1				
Top MBA	-0.022	-0.039	-0.004	-0.019	0.0417	-0.058	0.646*	1			
Military	0.031	-0.025	-0.053	-0.031	0.089	0.068	0.135*	0.108*	1		
Work Recession	0.022	-0.014	-0.028	-0.016	-0.034	0.029	0.029	0.070*	-0.004	1	
CEO Wealth	-0.027	-0.039	-0.021	0.018	-0.009	-0.082	0.024	0.055*	0.007	-0.038	1

* Significant at the 10% level or better.

Appendix Table 11 presents correlations between various CEO characteristics. Variables are defined in Appendix Table 19.

Appendix Table 12
CEO Materialism and Other CEO Characteristics

	Material		
	(1)	(2)	(3)
Intercept	-0.2190*	-0.4481	-0.0498
	(-1.96)	(-1.44)	(-0.21)
Record	-0.1137	0.4456	0.0674
	(-0.63)	(1.18)	(0.24)
Female	-0.6309	Omitted	-1.3410*
	(-1.37)		(-1.69)
Born Recession	0.1489	0.2222	0.1778
	(1.04)	(0.83)	(0.81)
MBA	0.1218	0.3661	-0.0755
	(0.66)	(1.08)	(-0.29)
Top MBA	-0.3063	-*.9834*	-0.1394
	(-1.31)	(-2.21)	(-0.40)
Military	0.1201	0.1959	0.1891
	(0.51)	(0.46)	(0.44)
Work Recession	0.0856	0.0957	-0.0865
	(0.50)	(0.29)	(-0.32)
CEO Wealth	-0.0127	-0.0669	-0.0243
	(-0.62)	(-1.01)	(-0.71)
Overconfidence		0.1938	
		(0.66)	
Narcissism			-0.0003
			(-0.16)
Observations	888	264	385
Pseudo R Squared	0.01	0.03	0.01

***Significant at the 1% level; **5% level; * 10% level. Standard errors are clustered by executive.

Appendix Table 12 presents the results of regressions of CEO materialism on other CEO characteristics. Variables are defined in Appendix Table 19.

Appendix Table 13
CEO Materialism and CSR Net Score: Including Controls for Other CEO Characteristics

	CSR Net Score	
	(1)	(2)
Material	-0.8041***	-1.3417***
	(-4.19)	(-3.20)
Size	0.4406***	0.5756***
	(4.99)	(2.67)
Return on Assets	0.3398	2.2305
	(0.34)	(0.81)
Market-to-Book	0.0012	0.1343***
	(0.53)	(6.72)
Debt-to-Equity	-0.0051	-0.0459***
	(-0.91)	(-6.17)
Financial Constraint	-0.0748	-0.3247*
	(-1.24)	(-1.69)
Abnormal Return	-0.2082**	-0.5886***
	(-2.31)	(-3.73)
CEO Tenure	0.0203	0.0559
	(0.91)	(1.18)
CEO Wealth	-0.1321*	-0.2064
	(-1.78)	(-1.20)
Record	-0.3196	-0.4144
	(-1.49)	(-0.85)
Female	0.6108	omitted
	(1.23)	
Born Recession	0.0633	0.0796
	(0.33)	(0.22)
MBA	-0.1252	-0.7046
	(-0.58)	(-1.48)
Top MBA	0.2315	0.0319
	(0.83)	(0.05)
Military	0.3213	0.5109
	(1.19)	(0.67)
Work Recession	0.3213	0.5606
	(1.19)	(0.96)
Overconfidence		0.3019
		(0.68)
Narcissism		-0.0041
		(-1.08)
Industry and Year Fixed Effects	Yes	Yes
Observations	3,324	860
Adjusted R Squared	0.18	0.29

***Significant at the 1% level; **5% level; * 10% level. Standard errors are clustered by executive.
Appendix Table 13 presents the results of regressions of CEO materialism and CSR Net Score after controlling for other CEO characteristics. Variables are defined in Appendix Table 19.

Appendix Table 14
CEO Materialism and CSR Net Scores: Instrument Variables Specification

	CSR Net Score	CSR Strengths	CSR Weaknesses
	(1)	(2)	(3)
Intercept	-0.2912578	-2.1881***	-2.4615***
	(-1.33)	(-11.56)	(-12.50)
Material	-1.6719***	-0.9270***	1.2575***
	(-4.84)	(-3.11)	(4.05)
Size	0.2209***	0.5055***	0.3126***
	(10.97)	(29.14)	(17.31)
Return on Assets	0.5913*	-0.9157***	-2.3331***
	(1.97)	(-3.53)	(-8.64)
Market-to-Book	0.0006	0.0016*	0.0012
	(0.59)	(1.76)	(1.28)
Debt-to-Equity	-0.0043	-0.0094***	-0.0065***
	(-1.61)	(-4.10)	(-2.73)
Financial Constraint	-0.0122	0.0326**	0.0463***
	(-0.69)	(2.13)	(2.90)
Abnormal Return	-0.0871**	-0.1061***	-0.0247
	(-2.14)	(-3.03)	(-0.68)
CEO Tenure	0.0015	-0.0054*	-0.0111***
	(0.44)	(-1.8)	(-3.57)
CEO Wealth	-0.0574***	-0.0910***	-0.0081
	(-2.70)	(-4.95)	(-0.42)
Observations	4,016	4,016	4,016
R Squared	0.14	0.21	0.02
Cragg-Donald F-Stat	29.11	27.45	28.34
Durbin-Wu-Hausman Chi Squared P-Value	0.18	0.21	0.14

***Significant at the 1% level; **5% level; * 10% level. Standard errors are clustered by executive.

Appendix Table 14 presents the results of regressions of CEO materialism and the overall CSR score, CSR strengths and CSR weaknesses using an Instrumental Variables Specification. The instrument used is the existence of any social ties between the CEO and the board of directors. Variables are defined in Appendix Table 19.

Appendix Table 15
Predecessor-Successor Analysis: All Turnovers

	CSR Net Score	CSR Strengths	CSR Weaknesses
	(1)	(2)	(3)
Intercept	-2.1434**	-4.6496***	-2.5062***
	(-2.51)	(-5.34)	(-4.38)
New CEO Material	-0.1815*	-0.4481*	-0.2666
	(-1.70)	(-1.94)	(-0.84)
Successor	0.1226	0.1004	-0.0222
	(1.44)	(0.61)	(-0.57)
Change CEO Type	0.0019	-0.0940	-0.0959
	(0.08)	(-0.50)	(-0.41)
*New CEO Material * Successor*	-0.2557**	-0.2217**	0.0340
	(-2.42)	(-2.23)	(0.71)
*New CEO Material * Change CEO Type*	0.1819**	0.1216*	-0.0603
	(2.15)	(1.95)	(-1.54)
*Successor * Change CEO Type*	0.4836**	0.3271*	-0.1565
	(2.54)	(1.83)	(-1.42)
*New CEO Material * Successor * Change CEO Type*	-0.7004***	-0.4912**	0.2092**
	(-2.70)	(-2.38)	(2.03)
Analysis of Changes:			
Non-Materialistic CEO to Non-Materialistic CEO	0.1226	0.1004	-0.0222
	(0.88)	(0.64)	(-0.05)
Materialistic CEO to Non-Materialistic CEO	0.6062***	0.4275**	-0.1787*
	(2.62)	(2.38)	(-1.75)
Materialistic CEO to Materialistic CEO	-0.1331	-0.1213	0.0118
	(-0.92)	(-0.54)	(0.73)
Non-Materialistic CEO to Materialistic CEO	-0.3499**	-0.2854	0.0645
	(-2.27)	(-1.46)	(-0.48)
Controls	Yes	Yes	Yes
Observations	2,012	2,012	2,012
R Squared	0.12	0.26	0.21

***Significant at the 1% level; **5% level; * 10% level. Standard errors are clustered by executive.

Appendix Table 15 presents results of an analysis of all CEO turnovers and overall CSR scores, CSR strengths and CSR weaknesses. Control variables include: Size, Return on Assets, Market-to-Book, Debt-to-Equity, Financial Constraint, Abnormal Return, CEO Tenure, and CEO Wealth. Variables are defined in Appendix Table 19.

Appendix Table 16
Comparison of CEO Compensation Across CEO Types

	Non-Materialistic CEOs			Materialistic CEOs		
	Mean	Median	Standard Deviation	Mean	Median	Standard Deviation
Salary	769	762	377	795	774	371
Bonus	805	317	1,504	842	351*	1,377
Stock Award	555	0	1,580	606	0	1,645
Option Award	475	0	1,415	451	0	1,336
Option Award Blk	1,972	0	4,522	1,954	321*	4,144
LTIP	169	0	737	230**	0	831
Total Comp	6,596	3,756	8,096	6,674	3,851	7,712

***Significant at the 1% level; **5% level; * 10% level.

Appendix Table 16 presents the mean, median and standard deviation of compensation variables for non-materialistic and materialistic CEOs. The significance of t-tests of differences in means and Wilcoxon/Chi-square tests of differences in medians are presented next to the corresponding variables for materialistic CEOs. Variables are defined in Appendix Table 19.

Appendix Table 17
Correlation between CSR scores and CEO compensation

	Non-Materialistic CEO	Materialistic CEO	Test of Difference
Salary	0.03	0.04*	
Bonus	0.05**	0.14***	*
Stock Award	0.04**	-0.09***	**
Option Award	0.04***	-0.08***	**
Option Award Blk	0.08***	0.15***	*
LTIP	0.03	0.08**	
Total Comp	0.08***	0.09***	

***Significant at the 1% level; **5% level; * 10% level.

Appendix Table 17 presents Pearson correlations between CSR Net Score and components of compensation for non-materialistic and materialistic CEOs and compares this difference across the two CEO types. Variables are defined in Appendix Table 19.

Appendix Table 18
CEO Materialism, 3 Year Average CSR Net Scores, and Operating Performance

	One Year Ahead Operating Performance		
	(1)	(2)	(3)
CSR Net Score	0.0094***		
	(2.97)		
CSR Strengths		0.0067**	
		(2.10)	
CSR Weaknesses			-0.0090**
			(-2.14)
Material	0.0185*	0.0301**	0.0058
	(1.82)	(2.27)	(0.42)
*CSR * Material*	-0.0089**	-0.0086**	0.0034
	(02.11)	(-2.15)	(0.72)
Coefficient Summations: T-Statistics			
*CSR + CSR * Material*	0.15	-0.55	-2.08
Control Variables	Yes	Yes	Yes
Industry Fixed Effects	Yes	Yes	Yes
Year Fixed Effects	Yes	Yes	Yes
Observations	2,215	2,215	2,215
Adjusted R Squared	0.32	0.31	0.31

***Significant at the 1% level; **5% level; * 10% level. Standard errors are clustered by executive.

Appendix Table 18 presents the regression results of the relation between CEO materialism, 3-year average CSR scores and one year ahead operating performance. Control variables include: Size, Market-to-Book, Debt-to-Equity, Financial Constraint, CEO Tenure, R&D, SGA, Board Independence, Sales, Liquidity, and SD Returns. Variables are defined in appendix table 19.

Appendix Table 19: Variable Definitions and Data Sources

Variable	Definition	Source
Material	Indicator variable that equals 1 if the CEO owns luxury assets, where luxury assets include cars worth more than $75,000, boats >25 feet, a primary residence worth more than twice the average of median home prices in the metropolitan area of his corporate headquarters (based on the Core Based Statistical Area - CBSA), or additional homes worth more than twice the average home price in the corresponding metropolitan area (CBSA), 0 otherwise	FOTT
CSR Net Score	Net score (strengths less weaknesses) for the Community, Diversity, Employee, Environment, and Product CSR groups	KLD
CSR Strengths	Net strengths for the Community, Diversity, Employee, Environment, and Product CSR groups	KLD
CSR Weaknesses	Net weaknesses for the Community, Diversity, Employee, Environment, and Product CSR groups	KLD
Community	Net score (strengths less weaknesses) for the Community CSR group	KLD
Diversity	Net score (strengths less weaknesses) for the Diversity CSR group	KLD
Employee	Net score (strengths less weaknesses) for the Employee CSR group	KLD
Environment	Net score (strengths less weaknesses) for the Environment CSR group	KLD
Product	Net score (strengths less weaknesses) for the Product CSR group for items related to product safety	KLD
Size	The natural logarithm of the firm's market capitalization	Compustat
Return on Assets	Operating income before depreciation divided by book value of total assets	Compustat
Market-to-Book	Market value of equity divided by book value of equity	Compustat
Debt-to-Equity	Long term debt plus the current portion of short term debt divided by the book value of equity	Compustat
Financial Constraint	Financial constraint proxy developed by Kaplan and Zingales (1997)	Compustat
Abnormal Return	Market adjusted annual return	CRSP
CEO Tenure	The CEO's tenure in the role of CEO at the current firm in years	Boardex
CEO Wealth	The natural logarithm of the CEO's firm based wealth and non-firm based wealth following Dittmann and Maug (2007)	Execucomp/ Dittmann
New CEO Material	Indicator variable that equals 1 if the successor CEO is materialistic, 0 otherwise	FOTT
Successor	Indicator variable that equals 1 if the observation is during the successor's tenure, 0 otherwise	Execucomp
Change	Indicator variable that equals 1 if the predecessor and successor are of different type, 0 otherwise	FOTT
Reveal Post CEO	Indicator variable that equals 1 if a materialistic CEO did not acquire assets until after becoming CEO, 0 otherwise	FOTT
Above Median Assets	Indicator variable that equals 1 if the value of a materialistic CEOs assets are above the median, 0 otherwise	FOTT

Appendix Table 19: Continued

Operating Performance	Operating profit before taxes and depreciation divided by the sum of the book values of long term debt and equity	Compustat
R&D	Research and development expense divided by sales	Compustat
SGA	Selling general and administrative expense divided by sales	Compustat
Board Independence	The percentage of independent board members	Risk Metrics
Sales	Sales divided by total assets	Compustat
Liquidity	Cash and short-term investments divided by total assets	Compustat
Volatility	The standard deviation of monthly returns	CRSP
Material Top Half	Indicator variable that equals 1 if the CEO is in the top half of materialistic CEOs based on the peak estimated value of the CEO's vehicles, real estate, and boats, 0 for non-materialistic CEOs	FOTT
Cont Material	Peak estimated value of the CEO's vehicles, real estate, and boats	FOTT
Material High Bar	Indicator variable that equals 1 if the CEO owns luxury assets, where luxury assets include cars worth more than $110,000, boats >40 feet, a primary residence worth more than five times the average of median home prices in the metropolitan area of his corporate headquarters (based on the Core Based Statistical Area - CBSA), or additional homes worth more than five times the average home price in the corresponding metropolitan area (CBSA), 0 otherwise	FOTT
Post Reveal	Indicator variable that equals 1 if the observation took place after the CEO revealed his type, 0 otherwise	FOTT
Sin Industry	Indicator variable that equals 1 if the firm is in one of the following industries: alcohol; gambling; firearms; military; nuclear power; tobacco, 0 otherwise	KLD
ZCSR Net Score	Industry/year z-score (strengths less weaknesses) for the Community, Diversity, Employee, Environment, and Product CSR groups	KLD
ZCSR Strengths	Industry/year z-score net strengths for the Community, Diversity, Employee, Environment, and Product CSR groups	KLD
ZCSR Weaknesses	Industry/year z-score net weaknesses for the Community, Diversity, Employee, Environment, and Product CSR groups	KLD
ZCommunity	Industry/year z-score (strengths less weaknesses) for the Community CSR group	KLD
ZDiversity	Industry/year z-score (strengths less weaknesses) for the Diversity CSR group	KLD
ZEmployee	Industry/year z-score (strengths less weaknesses) for the Employee CSR group	KLD
ZEnvironment	Industry/year z-score (strengths less weaknesses) for the Environment CSR group	KLD
ZProduct	Industry/year z-score (strengths less weaknesses) for the Product CSR group for items related to product safety	KLD
Industry Compensation	Median total CEO compensation in the firm's industry as measured by 2 digit SIC code	Execucomp

Appendix Table 19: Continued

Institutional Holdings	Number of shares of the firm's stock held by institutions in millions	FactSet
Dividends	Cash dividends paid scaled by book value of equity	Compustat
BV Equity	Book value of the firm's common equity	Compustat
Record	Indicator variable that equals 1 if the CEO has broken the law, 0 otherwise	FOTT
Female	Indicator variable that equals 1 if the CEO is female, 0 otherwise	Boardex
Born Recession	Indicator variable that equals 1 if the CEO was born during an NBER defined recession, 0 otherwise	Boardex/NBER
Overconfidence	Indicator variable that equals 1 if the CEO is a net acquirer of shares during years 4 through 8 of his tenure, 0 otherwise	Execucomp
Narcissism	The area of the CEO's signature collected from the firm's 10-k filing scaled by the number of letters in their name	10-k filings
MBA	Indicator variable that equals 1 if the CEO has an MBA degree, 0 otherwise	Boardex
Top MBA	Indicator variable that equals 1 if the CEO has an MBA degree from a school with an average rank in the top 10, 0 otherwise	Boardex
Military	Indicator variable that equals 1 if the CEO has military experience, 0 otherwise	Boardex
Work Recession	Indicator variable that equals 1 if the CEO began his professional career during an NBER defined recession, 0 otherwise	Boardex/NBER
Salary	Base compensation received	Execucomp
Bonus	Cash bonus received	Execucomp
Stock Award	Value of any stock awarded per FAS 123R	Execucomp
Option Award	Value of any options received per FAS 123R	Execucomp
Option Award Blk	Black-Scholes estimated value of any options awarded	Execucomp
LTIP	Value of long-term incentive plan compensation	Execucomp
Total Comp	Total value of all compensation received	Execucomp

Appendix Table 20
CSR Category Strengths and Concerns (KLD)

CSR Category	Strengths	Concerns
Community	Charitable giving.	Tax disputes
	Innovative giving supporting nonprofit organizations, particularly those promoting self-sufficiency among the economically disadvantaged.	Negative economic impact on the community, such as issues related to environmental contamination, water rights disputes, plant closings, "put-or-pay" contracts with trash incinerators, or other company actions that adversely affect the quality of life, tax base, or property values in the community.
	Non-US Charitable giving.	Serious controversies related to disrespecting the sovereignty, land, culture, human rights, and intellectual property of indigenous peoples.
	Support for housing for the economically disadvantaged.	Other noteworthy community controversies.
	Support for education for primary or secondary school education, particularly for those programs that benefit the economically disadvantaged, or support for job-training programs for youth.	The company is a financial institution whose lending or investment practices have led to controversies.
	Relations with indigenous peoples in the areas of its proposed or current operations that respect the sovereignty, land, culture, human rights, and intellectual property of the indigenous peoples.	
	Volunteer programs.	
	Other in-kind giving programs or notably positive community activities.	
Diversity	Promotion of women and minorities, particularly to line positions with profit-and-loss responsibilities in the corporation.	Fines or civil penalties related to affirmative action issues.
	Women, minorities, and/or the disabled hold four seats or more (with no double counting) on the board of directors, or one-third or more of the board seats if the board numbers less than 12.	Non-representation of women on its board of directors or among its senior line managers.
	Work/life benefits for employee, *e.g.*, childcare, elder care, or flextime.	Other diversity controversies.
	Subcontracting, with women and/or minority-owned businesses.	
	Employment of the disabled	
	Benefits for gay & lesbian employees.	
	Other notable commitments to diversity.	

Appendix Table 20: Continued

CSR Category	Strengths	Concerns
Employee Relations	Strong union relations.	Poor union relations.
	No-layoff policy.	Workforce reductions.
	Cash profit sharing with a majority of the workforce.	Under funded defined benefit pension plan, or inadequate retirement benefits program.
	Employee involvement and/or ownership through stock options; gain sharing, stock ownership, sharing of financial information, or participation in management decision making.	Fines or civil penalties for willful violations of employee health and safety standards, or involvement in major health and safety controversies.
	Strong retirement benefits. Strong health and safety programs. Other strong employee relations initiatives.	Other employee relations controversies.
Environment	The company derives substantial revenues from innovative remediation products, environmental services, or products that promote the efficient use of energy, or it has developed innovative products with environmental benefits.	Fines or civil penalties for violations of air, water, or other environmental regulations, or it has a pattern of regulatory controversies under the Clean Air Act, Clean Water Act or other major environmental regulations.
	Pollution prevention programs.	Liabilities/ fines / penalties for hazardous waste management violations.
	Recycling programs.	The company is among the top manufacturers of ozone depleting chemicals.
	Use of renewable energy and clean fuels, energy efficiency, and promotion of climate-friendly policies and practices.	The company is a substantial producer of agricultural chemicals, *i.e.*, pesticides or chemical fertilizers.
	The company is a signatory to the CERES Principles, publishes a notably substantive environmental report, or has notably effective internal communications systems in place for environmental best practices.	The company's legal emissions of toxic chemicals (as defined by and reported to the EPA) from individual plants into the air and water are among the highest of the companies followed by KLD.
	The company maintains its property, plant, and equipment with above average environmental performance for its industry.	The company derives substantial revenues from the sale/ combustion of coal or oil and its derivative fuel products.
	Commitments to other environmentally proactive activities.	Other environmental controversies.
Product	The company has a long-term, well-developed, company-wide quality program, or it has a quality program recognized as exceptional in U.S. industry.	Fines or civil penalties, or involvement in major recent controversies or regulatory actions, relating to the safety of products and services.
		Fines or civil penalties relating to advertising practices, consumer fraud, or government contracting; or involvement in marketing or contracting controversies.
		Fines or civil penalties for antitrust violations such as price fixing, collusion, or predatory pricing, or is involved in recent major controversies or regulatory actions relating to antitrust allegations.
		Other product-related controversies.