

Read Me for “The Governance of Director Compensation” Replication Package

Overview

The code in this replication package constructs the file used to perform empirical estimates reported in “The Governance of Director Compensation”.

Our programming codes include:

1. Stata Program Code: The "Code_JFE_Final.do" file processes the raw datasets, generating the necessary variables for regression analyses. It also includes all the codes for tables and figures.
2. SAS Code: The "Code_CAR_JFE_Final.sas" file is used to generate abnormal returns using Eventus.

The code runs for less than one hour.

Instructions to Replicators

- Download the pseudo datasets in the folder “\Pseudo Datasets\”. These datasets are generated using the programs under “\Code\” with details described in the later section of *Dataset List*. All the datasets contain pseudo IDs and randomized numeric variables.

- “Code_JFE_Final.do.do” generates all the tables reported in the manuscript. The outputs are described in the later section of the *List of Tables and Programs*.

Data Availability and Provenance Statement

- We certify that the author(s) of the manuscript have legitimate access to and permission to use the data used in this manuscript.

- Some data cannot be made publicly available, such as CRSP, Boardex, Compustat, Thomson Reuters, as access to them requires commercial subscriptions.

Data Source List

Data.Name	Data.Files	Location	Provided	Citation
Location information	LM_EDGAR_10X_Header_1993-2021.csv;		No	https://sraf.nd.edu/data/augmented-10-xheader-data/
CRSP	crsp19502021.dta		No	WRDS→CRSP→Stock/Security Files
Compustat	compustat19502021.dta		No	WRDS→Compustat-Capital IQ→ Compustat→North America
Boardex	annual remuneration2021.dta; Organization Summary - Analytics2021.dta; committee details2021.dta; Individual Profile Details2021.dta; Individual Profile Education2021.dta; Individual Profile Employment2021.dta; company profile2021.dta;		No	WRDS→Boardex→Annual Remuneration; WRDS→Boardex→Organization Summary-Analytics; WRDS→Boardex→Committee Details; WRDS→Boardex→ Individual Profile→Individual Profile Details; WRDS→Boardex→ Individual Profile→Individual Profile Education WRDS→Boardex→ Individual Profile→Individual Profile Employment; WRDS→Boardex→ Company Profile→Company Profile Details;
Thomson Reuter Institutional Ownership Summary	stockownership19802021.dta;		No	WRDS→WRDS TR Tools→ WRDS Thomson Reuters Stock Ownership
Boardex-Compustat Link	BoradexCompustat Link.dta		No	WRDS→ Linking Queries by WRDS→BoardEx CRSP Compustat Link
Gvkey-CIK Link	cik-gvkey link_230511.dta		No	WRDS→SEC Analytics Suite→CIK-Gvkey Link Table
Compustat CRSP Link	compustatcrsp link table_2022_03_30.dta		No	WRDS→CRSP→CRSP/Compustat Merged→ CRSP/Compustat Merged Database-Lining Table

Dataset List

Data file	Source	Notes	Provided
reg.dta	All listed	Combines multiple data sources, serves as input for tables and figures	Pseudo Data Provided
reg_car.dta	All listed	Uses CAR generated from SAS program to produce Table 6	Pseudo Data Provided

List of Tables and Programs

Figure/Tables	Program	Line Number	Output File
Table 1	Code_JFE_Final.do	948-1030	Stata Window
Table 2	Code_JFE_Final.do	1031-1111	Stata Window
Table 3	Code_JFE_Final.do	1116-1130	Table3.xls
Table 4	Code_JFE_Final.do	1132-1202	Table4.xls
Table 5	Code_JFE_Final.do	1293-1342	Table5.xls
Table 6	Code_JFE_Final.do	1344-1561	Table6.xls
Table 7	Code_JFE_Final.do	1565-1580	Table7.xls
Table 8	Code_JFE_Final.do	1628-1688	Table8.xls
Table 9	Code_JFE_Final.do	1582-1624	Table9.xls
Figure 1	Code_JFE_Final.do	1204-1290	Stata Graph