Do investors value gender diversity in firms?

Evidence from the field and lab

David Daniels, Jennifer Dannals*, Thomas Lys & Margaret Neale

SJDM 2019
Evidence from the field: Event studies in tech and finance

59 announcements of gender diversity from technology and finance firms
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$577 $567 $557 $547 $537 $527

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Investors react positively to diversity announcements that reveal more gender diversity. +1.65 pp. stock price (finance) or +0.10 pp. stock price (tech) for each +1 pp. more women the firm reveals.

OLS regression w/1 day event window, firm fixed effects, clustered SEs by date, interaction terms to test hypotheses.
Evidence from the lab: Investment betting game
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Pre-registered on AsPredicted.com #23318. Open Materials @ https://osf.io/ydeq4
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*Gamma Corporation* announced they had higher or lower % women than average within S&P 500 firms in their industry.

Participants made incentivized bets about whether stock price would increase or decrease as a result of this announcement.
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Participants were more likely to predict a stock price increase when the company announced a higher % of women if they believed gender diversity is...

\[ p < 0.001 \]
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- ...a moral and ethical good for firms. $B = 0.04$
- ...associated with less negative attention from regulators. $B = 0.11$
- ...associated with ”outside the box” thinking in groups. $B = 0.10$

Coefficients from a lasso regression, $p < 0.001$

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Thank you!

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David Daniels  
Margaret Neale  
Thomas Lys

Questions?

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