

Fixed Income Conference Calls

Abstract

We study the determinants and informational role of firms' fixed-income conference calls, a unique form of voluntary disclosure that deviates from traditional multi-purpose firm disclosures that serve all stakeholders. We find that fixed income calls are more likely to occur for firms that have more debt, lack credit ratings or publicly-traded equity, are foreign, are experiencing losses, and are larger. In a content analysis, compared with a matched sample of firm-year earnings conference calls, we find that fixed income calls discuss debt-equity conflict events such as share repurchases, to a greater degree. Managers present more financial information as part of the call and discuss more quantitative information. These calls also exhibit less short-termism and have more negative tone. The executive team hosting these calls more likely consists of a combination of CFO, Chief Accounting Officer, and Treasurer than the more typical team of CEO and CFO found on earnings conference calls. Analysts at insurance companies, who almost exclusively invest in debt, are more likely to participate in fixed income calls. Last, we document that credit markets react to these calls, consistent with these calls providing new information to investors. Overall, these results are generally consistent with the idea that fixed income calls meet the differential informational demands of debt versus equity investors.

JEL Classifications: G12, G14, G32, M49

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1. Introduction

Corporate debt is critically important to private and public firms. In 2020, U.S. firms issued \$2.28 trillion of debt—an amount that is nearly six times greater than the \$388 billion of U.S. equity issuance (SIFMA, 2021). Given debt’s economic importance, it is not surprising that a large literature studies debt in a myriad of ways. Examples include the decision to issue debt (Jung et al., 1996; Badoer and James, 2016), debt contract structures (Barclay and Smith, 1995; Hackbarth et al., 2007; Vig, 2013), pricing of debt (Datta et al., 1999; Fortin and Pittman, 2007), actions of debt investors (Green, 2004), as well as more contemporary topics such as the role of sell-side debt analysts (Johnston et al., 2009; De Franco et al., 2009; De Franco et al., 2014; Gurun et al., 2015) and debt specialization (Colla et al., 2013). Firms’ mandatory and voluntary disclosures, in contrast, often provide a rich set of information that traditionally serves multiple purposes with no intentional delineation between different stakeholders, such as debt and equity investors.

More recently, some firms have started conducting fixed-income conference calls that augment and in some cases substitute for the long established tradition of multi-purpose earnings conference calls. In this study, we examine the determinants and informational role of these fixed-income conference calls (FI calls, hereafter). We argue that the information needs of debt investors are sufficiently different from the information provided by other types of firm disclosures, such as earnings conference calls, and that providing this information is potentially important enough to justify the additional management effort and other costs associated with conducting these FI calls.

The informational needs of debt investors differ from equity investors in three fundamental ways. First, debt investors have greater demand for fixed-income specific information and, in particular, for firm decisions that could lead to a wealth transfer from debt to equity investors.

These types of wealth-transfer events include mergers (Billett et al., 2004), share repurchases (Maxwell and Stephens, 2003), spinoffs (Maxwell and Rao, 2003), and buyouts (Asquith and Wizman, 1990). Second, debt investors may differ from equity investors in the type of information used to help monitor, understand, and value a debt contract. For example, covenants included in debt contracts may require firms to meet certain financial ratios and can allow firms to pay an interest rate conditional on firm performance. In addition, covenants that limit corporate actions, such as dividends or share repurchases, can be a function of firms' financial position. Third, debt investors, with their fixed claims against the business, have greater demand for negative information because of their asymmetric payoff function. Debt investors have limited upside when firms perform well but are more likely to suffer losses when firms experience poor performance. While we expect that firms in general would be trying to satisfy the informational demands of debt investors through their traditional disclosures (e.g., SEC filings, press releases, and earnings conference calls), we examine the situations in which these informational demands are more prominent, and hence are more likely to result in a targeted conference call in which management can address debt investors' questions more directly.

We first describe which firms conduct FI calls. We identify 1,612 FI calls held by 424 unique firms over the period from 2001 to 2020. The locations of these firms span nearly fifty countries, with the United States, the United Kingdom, and Canada holding the majority of such calls. On average, firms hold FI calls twice a year. While we observe some clustering of FI calls around earnings announcements and earnings calls, a large proportion of public firm FI calls are outside of the three-day earnings announcement and earnings call windows, and hence are distinct events. We also document that FI calls often occur near to and, in particular, before the issuance of debt securities, consistent with a greater demand for and supply of debt information around

these capital raising events.

Next, using a matched sample, we estimate a firm-year logit model that predicts which firms are more likely to hold a FI call. First, firms that have more debt, more types of debt, and debt with longer maturities are more likely to host a FI call, suggesting greater inherent demand by debt investors for information to monitor and evaluate the firm in these situations. Second, consistent with a weaker information environment driving expanded voluntary disclosures, firms not rated by credit rating agencies and that are foreign are more likely to host a FI call. In a similar vein, we find that compared with firms that have publicly-traded equity (public firms, hereafter), firms without publicly-traded equity (private firms, hereafter) are more likely to hold FI calls. Given that private firms would not normally hold earnings calls, by having a FI call, these private firms can address both debt-specific as well as more traditional investor questions. Third, firms with losses in the prior year are more likely to host a FI call, consistent with debtholders' demand for negative information. Last, larger firms are more likely to host FI calls, consistent with the fixed costs of disclosure being relatively modest for these firms. As larger firms will have more institutional investors, holding a FI call is also consistent with a greater savings in executive time because meeting institutional investors together on a call requires far less time than meeting with them privately on a one-on-one basis.

In our second analysis, we investigate the content of FI calls. Our focus is on a matched sample of earnings conference calls held by the same public firms within one year of the FI call dates. Both the presentation and Q&A parts of the FI calls are shorter than that of earnings calls based on the number of words, supporting the idea that FI calls play an incremental role to earnings calls. As expected, FI calls use more debt-related words than earnings calls. In particular, consistent with debt investors' interest in management's actions that could transfer wealth between

debt and equity investors, FI calls are more likely to discuss these debt-equity conflict events to a greater degree than earnings calls. We find that FI calls are more likely to discuss financial and quantitative information, consistent with the important role this type of information plays in debt contracts. FI calls also focus less on short-horizon information than earnings calls, which supports the idea that debt investors adopt a longer-term perspective consistent with holding bonds until they mature, sometimes for many years. The tone of the discussion is more negative for FI calls, reinforcing the idea that debt investors demand more negative news.

The senior managers hosting FI calls also differ from the senior managers present for earnings calls. CFOs, and in particular CEOs, are less likely to attend FI calls, while Chief Accounting Officers and Treasurers are more likely to attend FI calls, consistent with greater demand for debt-specific, financial, and quantitative information by FI call audiences. Buy-side analysts are five times more likely to ask a question and hence appear on FI calls compared with earnings calls. In particular, buy-side analysts from insurance companies, who almost exclusively invest in debt, appear much more frequently. As sell-side debt analyst coverage is scarce relative to equity coverage, there is more opportunity for buy-side fixed income analysts to ask questions during a FI call given they, unlike equity buy-side investors, cannot rely on receiving sell-side commentary on the call. The media also participate to a lesser degree on FI calls relative to earnings calls. We conjecture that the highly-specific debt information in the FI call appeals less to the wider audience that the media would normally serve.

In our last major analysis, to determine whether FI calls are informative to investors, we test whether FI calls evoke market reactions. Our evidence indicates that cash debt and credit default swap (CDS) markets react significantly to these FI calls. About 0.04% more of the total value of the company's outstanding bonds are traded daily during the event window compared

with the non-event window, which represents a 21% increase and approximately \$10 million per day in incremental bond trading. Similarly, the number of bond trades is 15% higher during the event window. We also find that credit default swap (CDS) daily change in absolute spreads is much higher in the event window compared with the non-event window (2.45% versus 0.37%). Our findings that credit markets react to FI calls suggest that fixed income calls convey material information to fixed income investors.

To the best of our knowledge, our study is the first to examine FI calls. In doing so, we contribute to the literature in several ways. First, while specific information in firm disclosures may be more important to one type of stakeholder compared with another (e.g., debt versus equity investor), firms typically disclose all information broadly. Hence, FI calls that directly target debt investors, one economically important type of stakeholder, are quite novel. By documenting factors associated with the decisions of firms to hold FI calls, content of FI calls, and market reaction to FI calls, our study helps explain why firms deviate from multi-purpose disclosures.

Second, we contribute to how debt investors react to corporate disclosures. Krinsky and Lee (1996), Shivakumar et al. (2011), and Kerr and Ozel (2015) examine the impact of earnings announcements and management forecasts on corporate debt and document significant reactions of credit markets to such announcements. We expand this literature by documenting that FI calls, a different and important voluntary disclosure, are informative for debt investors. Furthermore, our fixed income dictionary may be applied to other, more general disclosures (e.g., 10-Ks) to evaluate managers' attention towards the needs of fixed income investors.

Third, in the context of earnings conference calls, the literature has established that calls impact equity trading (Bushee et al., 2004), reduce post-earnings announcement drift (Kimbrough, 2005), reveal managerial discrimination among analysts (Mayew, 2008), identify instances in

which management deliberately withholds relevant information (Hollander et al., 2010), and demonstrate the value of analysts in questioning management (Matsumoto et al., 2011). Our study complements this literature. In particular, our study is more in the spirit of Kimbrough and Louis (2011), who examine conference calls held by bidders in M&A transactions. Both they and we study a specific type of conference call.

The next section reviews the related literature and presents our motivation for studying FI calls. Section 3 describes the sample and provides descriptive statistics. In sections 4 and 5, we examine the timing and model the determinants of FI calls, respectively. Section 6 describes the content and participants of FI calls. Section 7 provides event-study evidence of FI calls on financial markets and in section 8 we conduct additional analyses. The last section concludes.

2. Background and Motivation

2.1. Conference Call Literature

Conference calls currently play a prominent role in firms' voluntary disclosure strategy, and the majority of these calls are 'earnings' calls, which occur immediately following firms' earnings announcements. Such calls are regularly held by most public firms (National Investor Relations Institute, 2016; Li et al., 2014). Early research focuses on the causes and consequences of conference calls. Tasker (1998) investigates the factors influencing a firm's decision to host a call and argues that firms with less-informative financial statements are more likely to host calls to resolve the information asymmetry problem between managers and outside shareholders. Similarly, Frankel et al. (1999) document that the characteristics associated with more disclosure, such as firm size, profitability, and analyst coverage, are also positively associated with calls. The research suggests that earnings calls convey material information to the market as evidenced by increased equity trading and higher equity price volatility during the call period, as well as more

accurate analyst forecasts (Frankel et al., 1999; Bushee et al., 2003; Bushee et al., 2004; Bowen et al., 2002). Consistent with the idea that calls reduce long-term information asymmetry, firms regularly hosting calls experience a lower cost of capital (Brown et al., 2004). More recent literature dives deeper into the linguistic patterns used by call participants. For example, managers' speech can be used to detect deceptive behaviors (Hobson et al., 2012; Larcker and Zakolyukina, 2012) or to measure manager's knowledge, optimism, or personality (Li et al., 2014; Davis et al., 2015; Green et al., 2018).

Conference calls can be incrementally informative over other disclosures, such as press releases, for a number of reasons. First, managers can release information not previously disclosed by other means during the presentation part of the call. Second, by delivering information verbally, Mayew and Venkatachalam (2012) argue and show that managers may be providing verbal cues that are incrementally informative to participants. Third, the interactive nature of the call, in which managers answer the questions of call participants, such as analysts, can lead to the revealing of new information. In support of this idea, Matsumoto et al. (2011) provide evidence that the Q&A portion of the call is more informative than the management presentation part of the call.

2.2. *Motivation for Holding FI Calls*

In many cases debtholders and equity investors have similar information needs because, for example, they perform similar tasks, such as forecasting financial results or valuing the firm's assets. In which case, the traditional set of firms' mandatory and voluntary disclosures should be sufficient for both types of investors. Debtholders, however, with their different payoffs and more detailed debt contracts with the firm, can have dissimilar information demands along some dimensions compared with equity investors. We expect that these differential information needs help explain which firms hold FI calls. Given the existence of a FI call, these differences should

also affect the topics discussed, and who participates, in the calls.

In the remaining sections, we provide more discussion of FI calls as well as analyses that explore the broad idea that differences between debt and equity investors help explain why firms hold, and participants attend, FI calls. As part of our investigation, we spoke with industry representatives who produce (i.e., debt-issuing public firms) or consume (i.e., fixed income buy-side institutions) FI calls. As examples, we met with investor relations representatives from three large corporations that issue billions of dollars in corporate debt securities. We also spoke with representatives from buy-side institutions—for instance, a fixed income research analyst working for an asset manager with over \$70B in high-yield debt investments under management and another research analyst from a smaller asset manager (managing about \$6B in fixed income).

3. Sample and Descriptive Statistics

We identify 1,612 FI calls issued by 424 unique firms across S&P Capital IQ, Refinitiv Eikon, Thomson One, and Bloomberg. Our sample starts in June, 2001, which represents the first FI call with data available to us, and ends December, 2020. The bulk of FI call observations (90%) come directly from S&P Capital IQ, which is the only data provider that explicitly identifies FI calls. We identify FI calls in Eikon, Thomson One, and Bloomberg by searching keywords in call titles and then manually verify each one.¹ This global sample covers firms that are headquartered in 49 countries/regions across the world. Panel A of Table 1 summarizes the geographic distribution of fixed income calls. Firms headquartered in the United States, the United Kingdom, and Canada represent the bulk of our sample and hold approximately 80% of FI calls.

As firms often hold multiple FI calls per year, FI call events translate into 878 firm-year observations. Panel B reports the frequency of FI calls per firm per year. On average, firms hold

¹ We search the keywords *fixed income*, *bondholder*, *debtholder*, *lender*, etc. The opening remarks of each match are manually read to make sure that the calls are specifically targeting debtholders.

1.8 FI calls each year, with more than half of the firms holding only one FI call per year. We also observe that the sample of FI calls leans more towards private rather than public firm-year observations (539 versus 339). The mean frequency of FI calls per year is 11.8% higher for private firms (1.9) than it is for public firms (1.7). Given that public firms may also have earnings calls, which can provide corporate information that can substitute in part for the FI call, the higher frequency of FI calls per year for private firms is not surprising.

Panel C tabulates the distribution of fixed income calls across 2-digit SIC code industries. Firms in our sample represent a large, diverse set of industries. Business services hold the greatest number of calls during the sample period. Nondepository credit institutions and holding and other investment offices industries hold the next highest number of calls. The financial sector, which includes all 2-digit SIC codes beginning with “6”, represents nearly 28% of FI calls in our sample.

We provide two caveats about our sample. First, our sample of FI calls is aggregated from the four sources mentioned above, who collect their data from publicly-available sources. Not all FI calls, however, are publicized and hence are not included in our sample. One buy-side analyst we spoke with confirmed the existence of such calls that he attended but are not in our sample. Unpublicized calls are typically held by private firms. FI calls involving firms that only issue bank loans are not strictly required to hold FI calls public because bank loans are not technically securities (i.e., these loans do not have a corresponding CUSIP identifier). Second, while we attempt to maximize the size of our test samples, these samples are smaller and mostly include U.S. firms because of data requirements. These restrictions are unique to each test and discussed in their respective sections. While we have no obvious reason to conclude that inferences from our tests do not apply to the FI call population, we realize that there could be unknown differences between population and test samples of FI calls that may limit generalizability of our inferences.

4. Timing of FI Calls around Other News

In this section, we provide descriptive evidence on the timing of FI calls around three types of events: earnings announcements, earnings conference calls, and debt offerings. We start by examining the timing of FI calls relative to the earnings announcement day for the sample of 1,432 public and private firm FI calls that can be matched to an earnings announcement day in S&P Capital IQ. Table 2 presents this analysis. We first divide the sample into two groups: (1) Earnings announcements that occur around the time of the firm's FI calls, which we define as the period of 15 calendar days before to 15 calendar days after the FI call; and, (2) Those that fall out of this period. The majority of earnings announcements (903 or 63% of total) do occur in this 31-day FI call window. Of these, 523 occur on the same day as the FI call. A small number (i.e., 27) of earnings announcements occur in the 15-day period after the FI calls (i.e., [+1,+15]), while the remaining 353 earnings announcements occur in the 15-day period before the FI calls (i.e., [-15,-1]). When FI calls occur on the same day as the earnings announcement and we can determine the time of day for both, we observe that the earnings announcement is at the same time or is before the FI call 94% of the time.² For firms who likely have already decided to host a FI call, conducting it at the time of an earnings announcement has the advantage of providing timely information to debt investors, who would be in the process of updating their models, expectations, and valuations using the firms' accounting information. In untabulated analyses, we find that clustering around earnings announcements is greater for public compared with private firms, consistent with earnings announcements playing a more important role for public firms. We make two additional observations from this analysis. First, while a large portion of earnings announcements cluster

² Among the 523 earnings announcements on the same day of a FI call, we have data on the exact time of the earnings announcement and the FI call in 367 instances, of which earnings are announced at the same time or before the fixed income call in 345 cases.

around FI calls, the majority of FI calls are not on the same day as the firm's earnings announcement, and hence are distinct events. Second, when a FI call is close to an earnings announcement, the FI call is more likely to follow rather than lead earnings announcements.

In columns (4) and (5), we examine the timing of earnings conference calls relative to FI calls. In this analysis, we restrict the sample to public firms as only a small number of private firms hold earnings calls. Of the 573 public firm FI calls, 544 have a corresponding earnings call within a year of the FI call. Earnings calls by definition almost always occur on the same day or one day after the earnings announcement, so for the most part we observe the same patterns in columns (4) and (5) for earnings calls that we do in columns (2) and (3) for earnings announcements. Similarly, an untabulated analysis indicates that when FI calls occur on the same day as the earnings call and we can determine the time of day for both, we notice that the FI call almost always (99% of the time) follows the earnings call. Hence, FI calls also tend to follow rather than lead earnings calls and are relatively distinct events from earnings calls.

In our last analysis, we examine the timing of FI calls around debt offerings. An increase in disclosure around the time of a security offering can reduce information asymmetry between managers and investors. Studies, such as Frankel et al. (1995) and Lang and Lundholm (2000), have established a positive relation between a firms' security offerings and higher levels of voluntary disclosure. This idea motivates our investigation of the degree to which firms are more likely to hold a FI call around the time of new debt issuance.

We collect data from S&P Capital IQ for private and public firms on their debt offerings, which includes the issuance of debentures, bonds, and notes. After matching each FI call with the closest debt offering, we are left with 1,135 FI calls. Columns 6 and 7 of Table 2 show that FI calls are increasingly held concurrently or prior to debt offerings. The effect is smaller in magnitude

compared with FI calls around earnings announcements or earnings calls, but still is important. About 5% (18%) of FI calls are on the same day as (within 15 days of) debt offerings.³ In this case, however, FI calls are more likely to lead rather than follow the debt offering. This pattern is consistent with firms using FI calls to better communicate with debt investors prior to issuing new debt, which is when firms can more directly benefit from this reduction in information asymmetry.

In untabulated analyses, we test whether the clustering around earnings announcements and debt offerings is related to whether the firm holds one or multiple FI calls per year. We find that earnings announcements play a greater role for firms who hold multiple FI calls per year compared with firms who only hold one FI call per year. Debt offerings in contrast play a relatively greater role for firms who only hold one FI call per year compared with firms who hold multiple FI calls per year. This pattern supports the idea that firms whose objective is to communicate with debt investors around earnings announcements, which can occur up to four times per year, will have more FI calls per year compared with firms whose objective is to communicate with debt investors around debt offerings, which occur far less frequently than earnings announcements.

5. Determinants of Fixed Income Calls

In this section, we study factors that determine firms' decisions to hold a FI call. We build on the idea that different information needs of debt compared with equity investors can help explain the demand and supply for FI calls. In our tests, we treat the occurrence of a FI call as a voluntary disclosure choice. While some debt contracts formally include covenants mandating conference calls for debtholders, these specific types of covenants do not occur frequently.⁴ Even

³ We also analyze the timing of debt offerings around FI calls separately for private and public firms. The patterns we observe in these untabulated results are the same for both private and public firm samples, except that the frequency of private firm debt offerings within 15 days of their FI calls is much lower than that of public firms.

⁴ To better understand the extent of covenant-mandated FI calls, we examine bond covenants for a random sample of 100 firms. We find that 10% of firms have bonds with covenants that explicitly mention a requirement to hold a FI conference call. Of these firms, all are private except for one. This result is consistent with the importance of FI calls to private firms, given that private firms' information environment is weaker than that for public firms.

so, management exercises discretion when deciding whether to include this type of covenant in bond indentures. In the first subsection, we describe our tests and explain our predictions about factors that could help explain the likelihood of FI calls. The second subsection discusses the results. In the third subsection, we compare the determinants of FI calls with that of earnings calls.

5.1. *Tests and Predictions*

We use the following model, estimated at the firm-year level, to empirically predict whether a firm holds a FI call:

$$\begin{aligned}
 FI\ Call_{it} = & \beta_0 + \beta_1 Debt\ to\ Assets_{it-1} + \beta_2 Number\ Debt\ Type_{it-1} + \beta_3 Average\ Maturity_{it-1} \\
 & + \beta_4 Rated_{it-1} + \beta_5 Foreign_{it-1} + \beta_6 Private_{it-1} + \beta_7 Loss_{it-1} + \beta_8 Size_{it-1} \\
 & + \beta_9 Intangible_{it-1} + \beta_{10} Sales\ Growth_{it-1} + \beta_{11} Hitech_{it-1} + \beta_{12} Financial_{it-1} \\
 & + \beta_{13} Regulated_{it-1} + YearFE_t + \varepsilon_{it}
 \end{aligned} \tag{1}$$

FI Call is an indicator that equals one if firm *i* holds one or more FI calls in year *t*, zero otherwise.

To start, it is likely that debtholders will demand more information through an FI call when debt is a relatively more important source of firm financing, and hence management is more likely to cater to the specific needs of debtholders. Relative to firms with less debt, firms with more debt have more varied debt contracts and are closer to financial distress. These factors lead to greater demand to monitor the firm by debtholders. Also, firms with more complex debt structures make this monitoring more challenging, which further increases the demand for debt-specific information. We use two proxies for debtholder information demand—the debt to asset ratio and number of debt types. For the latter measure, following Colla et al. (2013), we decompose total debt into seven mutually exclusive debt types: commercial paper, drawn credit lines, term loans, senior bonds and notes, subordinated bonds and notes, capital leases, and other debt.

Unlike equity securities that are often valued based on very long time horizons and never expire, debt securities have fixed durations, which will depend on the type of debt that a firm issues—from bonds that can mature in decades to commercial paper that is issued for less than a

year or even just a few days. On the one hand, firms with longer maturity debt have longer horizons. We expect that investors will demand more information about firms' longer-term debt service ability, specifically softer and more private information, which should increase demand for FI calls. On the other hand, firms with shorter maturity debt will more likely be in a position to issue new debt or roll over existing debt (e.g., replacing expiring loans or bonds with newer issues). Such new debt issuance could also drive demand for FI calls. Given these opposing effects, we make no prediction about the relation between this variable and FI call occurrence.

Information asymmetry between the firm and its creditors is likely to be higher when third-party information about the firm's debt is less available. In particular, rating agencies have in-depth access to firm management and related private information, which culminates in a public rating as well as other rating agency disclosures. This rating agency information should decrease information asymmetry between debt investors and management and hence reduce debt investor demand for firm disclosures. Furthermore, as Kimbrough and Louis (2011) point out, foreign companies may have weaker information environments, and hence greater information asymmetry between managers and investors.

Compared with public firms, we expect private firms—those with no public equity investors—are more likely to have a FI call. By definition, private firms have less public information available to investors. As an example, these firms will not have a publicly-traded stock price, which can aggregate and externally verify firm information (Grossman and Stiglitz, 1976; Verrecchia, 1982). As another example, analysts and the media provide less coverage of private firms (Badertscher et al., 2013). This opaque information environment should lead to greater information asymmetry between managers and debtholders for private firms, and hence greater demand for firm disclosures, which could be satisfied with a FI call. Following Katz (2009) and

Badertscher et al. (2019), we define *Private* as an indicator variable that equals 1 if firm *i* has no available stock price at fiscal year-end in Compustat, zero otherwise.⁵

An important difference between debt and equity investors relates to the role of bad news. Debtholders' demand for negative information is greater because of their asymmetric payoff function. In addition, debt covenants are more likely to be violated in the presence of bad news, which generates more demand for monitoring by debtholders. We predict that firms are more likely to hold a FI call when they suffer a loss, which proxies for the existence of bad news.

We expect that larger firms can more easily bear the fixed costs of additional corporate communications and are hence more likely to hold FI calls. In addition, institutional investors hold the vast majority of corporate debt (over 90% according to SIFMA (2021)) and dominate trading in fixed income secondary markets (Bessembinder et al., 2020). These large investors typically have the option to meet privately with managers or investors relations personnel (in person, on the phone, or have their emails answered) (Brown et al., 2019). One of the firms we interviewed specifically mentioned that a benefit of having the FI call is to give their debt investors better access to firm management. To the extent that these FI calls substitute for private meetings, and that the demand for (and the cost of conducting) private meetings is increasing in firm size because they have more institutional investors, then larger firms have greater incentives to hold FI calls.

High-growth firms have more information asymmetry between managers and investors about the firm's longer-term prospects, which creates demand for more disclosure to reduce this asymmetry. For example, Tasker (1998) finds that conference calls are increasing in intangible assets and Frankel et al. (1999) document that the decision to hold a conference call is decreasing

⁵ Note that for the tests in this section, our private firms have public debt and, under Sections 13 and 15(d) of the Securities Exchange Act of 1934, are subject to the same financial reporting regulations as firms with public equity (Katz, 2009), which is why we have Compustat financial statement data available for these firms. Unfortunately, a lack of data precludes us from studying the full population of private firms.

in the book-market ratio. Gelb (2003) and Green et al. (2014) also find a positive relationship between intangible assets and other forms of disclosure. We use intangible assets and sales growth to proxy for high growth firms.⁶

The limited sample size precludes using a full set of industry fixed effects. Instead, following Kimbrough and Louis (2011), *Hitech*, *Financial*, and *Regulated* are included as industry indicators. Financial and regulated firms may be subject to stricter disclosure mandates, which may be further satisfied with FI calls. We include year fixed effects to control for temporal shocks such as the 2008 financial crisis. All continuous variables are winsorized at the 1% and 99% levels.

The sample of 430 firm-year observations for the period 2001 to 2020 with FI calls for this test is created as follows. As mentioned above, our global sample consists of 878 firm years. We then merge the firm-year observations with Compustat and supplement our sample with accounting information retrieved from S&P Capital IQ to maximize our sample size. We lose 241 firm-year observations as such firms tend to be located outside of the U.S. Last, we require firm-year observations to have non-missing debt types information from S&P Capital IQ and the ability to calculate all our measures from data in either Compustat or S&P Capital IQ. As a consequence, we lose an additional 207 firm-year observations.

The control sample of firm-year observations with no FI calls consists of firms with debt and has similar non-missing data restrictions to FI call treatment firms. We estimate the model with three different no-FI call samples (but always the same FI call treatment sample). The first no-FI call sample consists of all firms with available data during our sample period that do not

⁶ While we predict that the likelihood of FI calls is increasing in firm growth, an alternative expectation is that FI calls are negatively associated with growth because the literature shows that firms with more growth options have less debt (see Myers (1977), Barclay et al. (2006), and Billett et al. (2007) as examples). In untabulated analyses, we estimate equation 1 without the debt level variables. The coefficients on the firm-level variables, which include our proxies for firm growth (i.e., *Intangible* and *Sales Growth*), are similar to the tabulated ones.

have a FI call. The second no-FI call sample is further restricted to firms in the same two-digit SIC industries and years as the FI call sample. The third no-FI call sample adds a further restriction matching each FI call firm with the no-FI call firm in the same industry and year that is closest in size, which makes the FI call and no-FI call observations equal in number.

5.2. *Results*

In Panel A of Table 3 we present mean values of the independent variables partitioned by the FI call and no-FI call samples. Comparing column 1 with column 2, we find that FI call firms tend to issue more debt compared with no-FI call firms. FI call firms tend to issue 0.8 more types of debt and have a shorter average debt maturity. A higher percentage of FI call firms are privately held and larger. FI calls have lower sales growth than no-FI firms. FI call firms are also more likely to be in financial services and less likely to be in high-tech or regulated industries. Comparisons between FI call firms and the column 3 same industry and year no-FI call firms are generally similar. When comparing FI call firms with the column 4 firms that are further matched by closest size, we note that statistical significance decreases for industry indicators and size. In this comparison, FI-call firms now have longer maturities and are less likely to be rated or foreign. Overall, across all three no-FI call samples, in terms of our variables in which we have signed predictions, the significant differences are generally consistent with our expectations.

Panel B provides the results of estimating equation 1. The column 1 results show that FI calls are more likely to be held when the firm has a higher debt-assets ratio and more distinct debt types, consistent with the idea that firms with more debt have greater demand for fixed income information from debtholders. A negative coefficient on *Rated* shows that FI call firms are less likely to have credit ratings from Standard & Poor's, consistent with the idea of FI calls meeting the greater demand for information by debt investors in the absence of third-party information

providers. Foreign firms, with their potentially weaker information environments, are more likely to hold FI calls. The positive *Private* coefficient is consistent with the idea that private firms with their greater information asymmetry between managers and debtholders are more likely to hold FI calls to resolve such problems. *Loss* is positive and statistically significant, suggesting that firms with negative news are more likely to hold FI calls and in the process meet the asymmetric demand for negative information from debt investors. The positive *Size* coefficient is consistent with the greater benefits of providing information to a larger number of institutional investors and the fixed costs of FI calls being relatively smaller for larger firms.

The evidence is mixed on the firm growth proxies. *Intangible* assets are not significantly related to FI calls. *Sales Growth*, however, is negatively related to FI calls, which is opposite to our prediction. One potential explanation is that to the extent that less mature firms with higher growth issue less debt (Myers, 1977; Barclay et al., 2006; Billett et al., 2007), and that our *Debt to Assets* variable does not perfectly capture this effect, then sales growth could be negatively related to FI calls. Last, financial and regulated firms are less likely to hold FI calls. The results are generally the same for the remaining tests in columns 2 and 3, with the exception of lower statistical significance in the column 3 matched sample test that contains a much smaller number of observations. Column 3 presents evidence that FI call firms have a longer average debt maturity, consistent with greater demand for firms' longer-term growth prospects.

We conduct three additional untabulated analyses. First, using sell-side debt analyst data from Gillette (2016), we find that sell-side debt analyst coverage is correlated with FI calls.⁷

⁷ Using a matched sample of firm-year observations with and without FI calls, we find that firms that hold FI calls are more likely to have sell-side debt analysts that issue reports. This result is consistent with two explanations: i) sell-side debt analysts are more likely to cover firms that provide increased voluntary disclosure, such as FI calls; and, ii) firms are more likely to host FI calls as a result of sell-side debt analyst demand for increased voluntary disclosures. A caveat of this analysis is that the number of observations we could include in this analysis is small ($N = 112$) because of limited overlap across the sell-side debt analyst data and our sample and low overall levels of sell-side debt analyst coverage, particularly for private firms.

Second, using this same data we observe that sell-side debt analysts' reports cluster around and discuss FI calls for a small subsample of reports that we can obtain, consistent with the importance of FI calls in information production. Third, we find that firms that are greater in size are more likely to have multiple calls per year, which augments the Table 3 results showing that larger firms are more likely to have FI calls in the first place.

5.3. *FI Calls versus Earning Calls*

We extend the investigation of FI call determinants presented above by using the same equation 1 model to predict an earnings call (instead of a FI call) and compare the results with the model that predicts a FI call. Our purpose is to highlight that the factors determining FI calls are not necessarily the same ones that determine earnings calls and even if the same factor explains both types of calls the relative importance can differ. By conducting this analysis, we are in a better position to understand why firms might hold a FI call in addition to an earnings call.

We use the full set of no-FI call firms in these tests. To facilitate comparisons, the analysis is restricted to firms with publicly-traded equity (and hence exclude the *Private* variable). We now include as independent variables a public firm's equity book-market ratio to serve as an additional inverse proxy for firm growth, and the percentage of institutional equity investors, which is an important determinant of voluntary disclosures (Boone and White, 2015; Bird and Karolyi, 2016).

In Panel A, we first provide mean values of the independent variables. The first two columns show summary statistics for FI call and no-FI call firm-year observations used in the FI call prediction model, while columns 3 and 4 provide the same information for the earnings call prediction model. The differences between the FI call and no-FI call variables in the first two columns generally show the same patterns, including levels of statistical significance, as variables in the first two columns in Panel A of Table 3. Columns 3 and 4 show that firms with earnings

calls versus no-earnings calls significantly differ along all of the dimensions we measure.

Panel B of Table 4 provides the logit results. Column 1 shows that this public-firm FI call prediction model provides very similar results to those in column 1 of Panel B in Table 3. The newly added *Institutional Ownership* variable is positively related to FI call occurrence, consistent with these types of firms providing higher overall levels of voluntary disclosure. Column 2 of Panel B provides the results of estimating the earnings call prediction model. These results are generally consistent with other studies that model the occurrence of earnings calls. For example, Tasker (1998) argues that firm size and more growth opportunities (i.e., lower *BM*, higher *Sales Growth* and *Intangibles*) are positively associated with holding earnings calls. Bushee et al. (2003) find that high-tech firms are more likely to host calls.

In the last column of the panel, we show chi-squared test statistics of the differences in coefficients between columns 1 and 2. Most differences are statistically significant and demonstrate that factors determining FI calls are different than those which explain earnings calls. As specific examples, compared with firms that have earnings calls, firms that have FI calls: (i) have a greater debt-to-assets ratio and longer maturity debt, consistent with greater demand for fixed income information by debt investors; (ii) are more likely unrated, consistent with rating information being more important to debt investors and firms hence more likely providing a FI call to offset this information deficit; (iii) are more likely to incur a loss consistent with greater demand for bad news by debt investors compared with equity investors; and, (iv) are much larger, suggesting that larger firms can more easily bear fixed costs associated with hosting a FI call.

In sum, the results of these logit model analyses support our expectation that FI calls occur to serve the differential informational demands of debt versus equity investors. These differences include demand for more fixed-income specific information and more negative information. FI

calls are also more likely to occur when firms can more easily absorb the fixed costs of additional disclosure and when less information about the firm's debt is available from third parties.

6. Contents and Participants of Fixed Income Calls

As conference calls are interactive, the topics and issues discussed reflect the choices of both managers and other participants. In this section, we analyze the sample of FI calls with available transcripts along two dimensions: content and participants. Before discussing the separate results for these two dimensions, we first describe our FI call transcript sample.

6.1. Sample of FI Call Transcripts

We collect 481 FI conference call transcripts from S&P Capital IQ, Refinitiv Eikon, Thomson One, and Bloomberg, who together represent a sample of FI call transcripts made publicly available by 74 firms. Of these calls with transcripts, 360 are held by firms with publicly-traded equity and 121 are held by private firms or untraded subsidiaries of public firms (e.g., Ford Motor Credit Company is a subsidiary of Ford Motors). FI call transcripts represent 29.8% of the 1,612 FI call event dates provided across our four data sources. For the sample of firms with publicly-traded equity, we are able to access transcripts for 62.8% of the 573 FI call events.⁸ For comparison purposes, for our publicly-traded firms with FI conference call transcripts, we obtain 792 transcripts of earnings calls that occur within one calendar year of each FI call event date. The number of earnings calls is larger than the number of FI calls because earnings calls occur more

⁸ Given this limited availability, we contacted several public and private firms to ask them about their decision to disclose transcripts of their FI calls and to request transcripts of calls that are not available from data providers. We were, however, unable to obtain any FI call transcripts directly from firms. Investor relations representatives of the sample of both private and public firms suggested that, unlike earnings conference calls of public firms, FI calls are not intended for the general public and are only for existing and prospective institutional fixed income investors. This lack of general availability raises potential concerns about the application of Regulation FD to the publicly-traded corporate debt market. We have informally discussed this matter with U.S. Securities and Exchange Commission representatives but have not received a clear response. We note that the language of Regulation FD refers to "securities," not specifically equity or debt instruments. Specifically, item (a) of 243.100 *General rule regarding selective disclosure* states that "whenever an issuer, or any person acting on its behalf, discloses any material nonpublic information regarding that issuer or its securities..., the issuer shall make public disclosure of that information."

frequently and transcripts of the earnings calls are rarely missing across our four data sources.

6.2. *FI Call Content Analysis*

We use the Perl programming language to perform our textual analysis. We first parse the conference call text into two parts—the presentation section and the Q&A (question and answer) section. We then investigate four dimensions of content: a) length; b) debt discussion; c) context discussion; and, d) discussion tone. The results of our analysis for each dimension are presented in Panels A to D, respectively, of Table 5. In each panel, we provide the mean and median values for each of the three samples: i) FI calls held by publicly-traded firms; ii) earnings calls held by a matched set of publicly-traded firms; and, iii) FI calls held by private firms. We also provide tests of differences. Our discussion focuses mainly on the comparison of the matched sample of FI and earnings calls for publicly-traded firms in columns 1 to 6.

6.2.1. Length. We determine the length of each section by counting the total number of words. Panel A shows that FI calls are significantly shorter in both the presentation and Q&A sections relative to earnings calls. This pattern is consistent with FI calls offering incremental information to the marketplace and typically occurring after the firm's earnings announcement.

6.2.2. Debt Discussion. We test whether FI calls are more likely to discuss FI specific debt topics, such as interest rates, rating agencies, and liquidity, compared with earnings calls. In particular, we expect FI calls to contain more discussion of debt-equity conflict events that could lead to a wealth transfer from debt to equity investors, such as share repurchases, capital expenditures, and asset sales. We fully expect that FI calls differ from earnings calls in these ways.

We develop a fixed income dictionary that includes words such as *bond*, *borrow*, *libor*, *principal*, *rating*, *term*, and *yield*. These words were chosen based on publicly-available fixed income dictionaries. The list is also based in part on the debt-equity conflict related words of De

Franco et al. (2014), such as *asset sale*, *dividend*, *m&a*, *repurchase*, and *spinoff*. These types of words indicate events that potentially generate asset substitution or wealth expropriation by equity holders. Appendix B, Panel A provides the complete list of fixed income words.

From the first two rows of Panel B of Table 5 we observe that FI calls contain more fixed-income content than earnings calls. The presentation section of FI calls contains a mean 1.28% of fixed income words, compared with 0.77% for earnings calls. The difference of 0.51% is both statistically significant and economically significant at 14 additional words per transcript. Results for Q&A sessions are similar but of reduced magnitude. We note that the percentage levels of these words are consistent with the percentage levels of word dictionaries used to measure other constructs, such as tone, uncertainty, litigiousness, and praise.⁹

We further refine these analyses by examining only the debt-equity conflict specific words of De Franco et al. (2014) in the last two rows of Panel B. FI call presentation and Q&A sections contain significantly more debt-equity conflict words than earnings conference calls. As a benchmark, and with the caveat that they may have different word lengths, De Franco et al. (2014) report that each debt analysts' report mentions a mean 3.5 (median 3.0) debt-equity conflict-event words, while in our sample, for each fixed income call (both presentation and Q&A parts), these conflict-event words are mentioned a mean 7.1 (median 5) times.¹⁰ Overall, the results in Panel B confirm the idea that FI calls address topics that are important for creditors whose interests may differ from and not be aligned with shareholders.¹¹

⁹ For example, based on descriptive statistics from Loughran and McDonald (2011) and Loughran and McDonald (2013), we provide mean values of their word lists. The former (latter) study shows that their sample of 10-K filings (initial IPO filings) contains: 1.39% (1.41%) negative words, 0.75% (0.97%) positive words, 1.20% (1.31%) uncertainty words, 1.10% (0.75%) litigious words, 0.26% (0.53%) strong modal words, and 0.43% (0.64%) weak modal words. As an additional example, Milian and Smith (2017) develop a short customized dictionary of "analysts' praise of management" and find that praise words comprise 0.09% of analysts' words spoken during earnings calls.

¹⁰ As an additional comparison, using data from Gillette (2016), we estimate that the mean number of words in debt analysts' reports is 3,490, resulting in a similar conflict words percentage (0.10%) to our data.

¹¹ The greater discussion of debt content in FI calls relative to earnings calls also rules out the idea that the content of

6.2.3. Context Discussion. We consider three aspects of the context of conference call discussion. First, as financial information, in particular accounting information, plays an important role in debt contracting, we also expect FI calls to discuss financial information more often than earnings calls. For example, debtholders will use recently-announced financial statements to determine whether the firm has met its debt covenants. Further, current financial performance is critical to assessing the ability to pay future interest and principal, which assists in the valuation of current debt investments as well as in the decision to lend firms more money. Second, as a complementary idea, we expect FI call discussions to include more quantitative information because this information is mostly a result of specific periodic reporting. Examples include the disclosure of financial accounting numbers, operating performance numbers, and the percentage change between realized numbers compared with benchmarks, such as last year's results.

Third, we consider time horizon. We make no *ex ante* prediction for this aspect. On the one hand, unlike equity securities that are often valued based on very long time horizons and never expire, debt securities have shorter durations. Relative to earnings calls, FI calls in this scenario would discuss topics that are more short-term orientated, such as current performance, firm liquidity, and the impact of currency exchange rates. On the other hand, debt investors often hold securities until they mature, which can translate into longer holding periods than a typical equity investor. For example, according to the Investment Company Factbook (2020), equity investors turnover 55% of portfolio assets annually. In this case, debt investors would demand longer-term information to evaluate covenant compliance over the maturity of debt or anticipate future liquidity issues. This view is consistent with those expressed by one firm that we interviewed—they stated that debt investors have a longer term orientation compared with equity investors.

FI calls is similar to earnings calls and that FI calls are simply a venue for debt analysts and fixed income portfolio investors to ask questions similar to those asked by equity analysts and equity portfolio managers on earnings calls.

To measure financially-related words, we follow Matsumoto et al. (2011) and use their dictionary (see Appendix B, Panel B). Financially-related word examples include *accounting*, *financial*, *dollar*, *assets*, *liquidity*, and *reserve*. We follow Campbell, Zheng, and Zhou (2021) to determine how many numbers and numeric words (e.g., *ten*, *twenty*, etc.) are mentioned. A number is included when it is preceded by a space or a dollar sign and not within the range from 1950 until 2040 to exclude mention of years. We then convert the quantity of numbers and numeric phrases into a percentage by dividing it by the total count of words and numbers. Last, to measure time horizon, we use the short-term dictionary from Brochet et al. (2015). Examples of short-term dictionary words include *day*, *weeks*, *month*, and *short-run* (see Appendix B, Panel C).

Panel C of Table 5 provides the results of these three aspects to examine the context of FI calls. The first two rows provide support for the idea that managers present information that includes more financial terms, like accounting related items, in FI calls than in earnings calls. For example, the mean number of financial words in the FI call presentation is 2.76%, while it is 2.20% for earnings calls.¹² The mean difference of 0.56% represents an approximately 25.5% higher level of financial words used by managers in FI call presentations compared with those of earnings calls.¹³ The middle two rows indicate that managers provide more quantitative information, such as the results of periodic reporting of accounting and operating numbers, to FI call attendees in the call presentation. The last two rows provide support for a longer term focus in FI calls. The

¹² As our financial term dictionary follows Matsumoto et al. (2011), we compare our percentage of financial term word usage to that of their analysis (see their footnote #33). Our results are generally in line with theirs. A caveat of this comparison is that our sample of calls is limited to firms with a FI call, which we know from the analysis in Table 4 have different firm characteristics (e.g., FI call firms are larger and more likely to report a loss) than firms holding earnings calls, while their sample represents the broader population of public firms. Their sample also predates ours.

¹³ We note that these financial words are not mutually exclusive with our fixed-income words. In an untabulated test, we delete from the Matsumoto et al. (2011) financial dictionary any words that occur in our fixed-income dictionary and rerun our comparisons of FI calls with earnings calls. We find that the positive difference in the financial words we document in Table 5 is no longer significant for the presentation section and that the difference is no longer positive for the Q&A sections. This test shows that fixed income words are more important than financial words in the context of FI calls and particularly in the context of questions by analysts.

presentation and Q&A parts of FI calls include short-term words to a lesser degree than in earnings calls, which is consistent with the idea that FI call participants exhibit less short-termism. Overall, we find evidence that compared with earnings calls, FI calls contain information that is more financially oriented, more specific (i.e., quantitative), and less short-term orientated.

6.2.4. Discussion Tone. As debtholders have greater demand for bad news than equity holders, we expect FI call content to reflect this preference. FI calls are more likely to emphasize negative aspects of a topic or discuss topics in which there is a greater possibility of negative news and are therefore more likely to include content with negative sentiment. We use the Loughran and McDonald (2011) dictionary to count positive, negative, and net tone words.

Panel D of Table 5 shows that FI calls have less positive tone than earnings calls for both the presentation and Q&A parts of the call. FI calls also have more negative tone words for the Q&A part but are mixed in the presentation part. We focus on net (positive minus negative) tone for our inferences. Net tone for the presentation part is significantly less positive and net tone for the Q&A part is significantly more negative for FI calls relative to earnings calls. As these tone measures are more established in the literature, we can compare the magnitude of our differences in net tone with other studies that use these same measures to gauge the economic significance of our results. For example, Rogers et al. (2011) find a 0.20% difference in net tone between earnings conference calls of firms who are sued by shareholders and a matched sample. As another example, Levy et al. (2018) find differences of net tone that range from 0.1% to 0.4% in earnings calls for the change in CFOs and CEOs language before and after a change in corporate officers' litigation risk. As our difference in presentation (Q&A) net tone of 0.2% (0.4%) is of comparable magnitude to these studies, we argue that our economic significance is also similar. In sum, these tone results hence provide support for the idea that asymmetry of returns faced by debt investors leads them to

demand negative news to a greater degree. It also corroborates the determinants analysis in the previous section in which firms with losses are more likely to hold FI calls.

Columns 7 to 10 display the content analysis results for private and subsidiary firms. These firms typically do not have earnings calls like public firms, therefore a FI call has a multipurpose role of providing general firm information, such as earnings, as well as debt-related information. It is hence more difficult to predict what to expect for these calls along the dimensions we measure and so we refrain from making any ex ante inferences but do provide some highlights. We observe these private calls have lengths that are more similar to FI calls for public firms and shorter than earnings calls. Private FI call presentations also discuss fixed income subjects to a greater degree than earnings calls. Not surprisingly, given the absence of publicly-traded equity for these firms, there is little discussion of equity-debt conflicts. Compared with the FI and earnings calls of public firms, private firm FI calls tend to use more short-term words and use fewer quantitative words. Private firm FI calls have a presentation net tone level similar to that of public firm FI calls but we do not observe a more negative tone in Q&A as we do for FI calls of publicly-traded firms.

6.2.5. Do Some Firms Combine FI Call Information Into Earnings Calls? We also take advantage of this content analysis setting to investigate whether firms not holding a FI call are combining the type of information in a FI call within their earnings call. Combining information represents a potential way of satisfying the informational needs of debt investors without incurring the costs of a separate FI call. An untabulated analysis, however, does not provide support for this conjecture. Compared with earnings calls of firms holding FI calls, firms not holding FI calls have earnings calls that contain shorter presentation and Q&A sections and discuss fixed income and debtor-equity conflict content to a lesser degree. We would expect the opposite pattern if firms not holding FI calls were combining debt specific information into their earnings calls.

6.3. *FI Call Participant Analysis*

As the last part of our transcript analysis, we examine three types of FI call participants: firm managers, analysts, and the media. We identify participants by their titles and affiliation. For analysts, we further categorize them by type (e.g., buy-side and buy-side subtypes) using the identification methodology of Call et al. (2021). The mean appearance frequency for each of these three participant types is presented in Panels A to C, respectively, of Table 6.

6.3.1. Managers. We know from previous studies that earnings call participants representing the firm typically include the CEO and CFO (Tasker, 1998), but may also include other senior managers, such as Chief Accounting Officers (Mitsuda, 2020), COOs, CMOs, and IROs (Brochet et al., 2018). Given the expected demand for specific and technical fixed income information, we predict that the Treasurer and CAO are more likely to attend FI calls relative to earnings calls. Treasurers are in the best position to answer more technical, specific questions (e.g., balance sheet funding, liquidity, etc.). One FI analyst that we spoke with revealed that firms' Treasurers are often preferred on the call because of their superior knowledge regarding the firm's "covenant and risk profile baskets in the firm's debt structure." As the expert on the firm's financial reporting, the CAO can be important when discussing questions about financial accounting numbers that may affect debt contracts, such as financial covenants—in particular, if there are specific accounting issues, such as the accounting of M&A transactions or new accounting regulations. The same FI analyst noted that "the CAO and Treasurer work hand-in-hand to execute the desired structure of the firm and are therefore useful to have on the call together."

It is difficult to predict ex ante how often CEOs or CFOs will appear on FI calls. On the one hand, if the call is important enough to occur, we expect the CEO to attend. On the other hand, if attendance is greater by other executives such as the CFO, Treasurer, and CAO, then there could

be less need for the CEO or CFO to attend.¹⁴ That said, anecdotal evidence from our discussions with practitioners suggests that the CFO is more important for FI calls compared with earnings calls. One analyst we interviewed specifically highlighted that the primary purpose of a FI call is to give debt investors more extensive access to the firm’s CFO and Treasurer. He highlighted that CFOs provide leadership by assuming “the role of the CEO on a fixed income conference call” and address higher level questions (e.g., capital targets, competitive advantages).

From Panel A of Table 6, we observe that on average 0.42 more managers participate on earnings calls than FI calls. Compared with earnings calls, CEOs and CFOs participate less frequently in FI calls.¹⁵ This difference is particularly dramatic for CEOs, who appear on 77% of earnings calls but only 20% of FI calls. Treasurers and CAOs, which include principal accounting officers and controllers, participate more often on FI calls. For example, Treasurers and CAOs appear on 61% and 13%, respectively, of FI calls but only 7% and 2%, respectively, of earnings calls. Compared with CFOs, Treasurers support the CFO function by focusing specifically on areas such as liquidity and financial risk management (Polak et al., 2011). CAOs are more deeply involved in day-to-day accounting issues and financial reporting of the firm (Mitsuda, 2020). These results suggest that FI call participants value corporate liquidity information and granular accounting information more than participants of earnings calls and reinforce the higher levels of quantitative and financial information that we find in FI calls. In the latter two columns, we observe the breakdown of manager participants for FI calls of private firms. These calls are most often led by CFOs who are practically part of every call (96% of calls). CEOs appear on 40% of calls, which

¹⁴ While it is possible that the CFO is also the CAO or the Treasurer, we have no reason to believe that the CFO having multiple roles should be systematically different for FI calls compared with earnings calls. In general, as the propensity of CFOs with multiple roles increases, the power of our tests decreases and we will be less able to distinguish whether the propensity of CAO or Treasurer participation differs between FI calls and earnings calls.

¹⁵ CEOs and CFOs may choose not to appear on FI calls because of reduced media coverage rather than the differing nature of these calls relative to earnings calls. An untabulated analysis provides mixed support for this idea. We find evidence of a negative (positive) relation between CEO (CFO) presence on the FI call and media coverage.

is a frequency similar to that of Treasurers and CAOs (45% and 38%, respectively).

6.3.2. *Analysts.* For typical conference calls, it is common for sell-side analysts to participate by asking questions (Mayew, 2008), and asking predominantly more questions than buy-side analysts (Jung et al., 2018; Call et al., 2021). But, as a practical matter, sell-side debt analysts are far less common than equity analysts. For example, Johnston et al. (2009) show (in their Table 3) that the number of covering debt analysts is approximately 80% lower relative to equity analysts. This lack of sell-side debt analysts likely leads to more buy-side participation on FI calls for two reasons. First, given the limited number of questions that can be asked by participants, buy-side fixed income investors—portfolio managers and analysts from institutions such as insurance companies, hedge funds, mutual funds—have more opportunity to ask questions. Second, as they must rely less on the reports and communications of sell-side analysts, in equilibrium, buy-side analysts should exert more effort to collect and process information from management, which would lead them to ask more questions during the call. Our practitioner discussions reinforced these points. One buy-side analyst we spoke with confirmed that he relies on FI calls extensively, especially when third-party sources of information, such as sell-side analysts, are not available. Two firms that we spoke with mentioned that they consider their FI call target audience to be long-term debt investors and one of them specifically mentioned that the target is not sell-side analysts. Another reason for more buy-side analysts to participate in the FI call compared with an earnings call is that insurance companies—who are large and nearly exclusively fixed income investors—are far more likely to appear on FI calls than earnings calls.

Panel B of Table 6 shows that fewer than half the number of total analysts participate on FI calls relative to earnings calls for publicly-traded firms. This smaller number is likely driven by the much larger population of equity sell-side analysts compared with debt sell-side analysts. Buy-

side analysts are more than five times more likely to appear on FI calls than earnings calls, which supports the idea that a lack of sell-side analysts creates demand and leaves more opportunities for buy-side analysts to ask questions. This result confirms earlier anecdotal evidence that FI calls are aimed specifically at fixed income investors. Unlike the earnings call findings of Call et al. (2021), we do not find that hedge funds make up the majority of buy-side appearances on FI calls. A possible explanation is our sample is limited to firms with a FI call, which we know from the determinants analysis are larger and have fewer growth options, which may be less attractive to hedge funds. Alternatively, hedge funds, in contrast to other types of institutional investors, are likely less involved in fixed income investing relative to equities.¹⁶

On FI calls, we find that insurance and mutual fund analysts represent the majority of buy-side analyst appearances. Insurance company analysts rarely appear on earnings conference calls but appear with significantly greater frequency on FI calls likely because their firms almost exclusively invest in fixed income instruments. For private firms in column 4, we observe that more analysts participate on private FI calls than public FI calls, consistent with the importance of these calls for private firms. Part of this reason is that hedge funds appear more frequently on FI calls for private firms compared with public firms. We also do not see the same level of insurance analyst participation as we do for public FI calls, possibly because debt securities of private firms are less attractive or not suitable for insurance firms.¹⁷

¹⁶ For example, BarclayHedge (<https://www.barclayhedge.com/solutions/assets-under-management/hedge-fund-assets-under-management/fixed-income/>) shows that hedge funds have \$701 billion of fixed income assets under management whereas mutual funds manage more than \$4.1 trillion (see <https://lipperalpha.refinitiv.com/wp-content/uploads/2020/04/Mutual-Funds-and-ETF-Snapshot-Q1-2020.pdf>).

¹⁷ The National Association of Insurance Commissioners (NAIC) that regulates insurance companies assigns each security a NAIC designation, which is a measure for credit quality. These designations are used to set risk-based capital requirements. Since securities from private firms are generally riskier, investing in these securities will potentially increase the capital requirement for insurance companies. In addition, the pricing for these private-firm securities may need to be specially priced by NAIC. In contrast, prices for publicly-traded bonds are updated monthly. (See, for example, https://www.naic.org/documents/svo_AVS_user_guide.pdf.)

6.3.3. Media. We expect the media to be less interested in FI calls compared with earnings calls because of the highly-specific debt related information in a FI call. Panel C of Table 6 shows that media participation is dramatically lower in FI calls than in earnings calls. This result is consistent with FI calls catering to a more narrow audience of debt investors and hence being of less interest to a wider audience that the media would normally serve. As an untabulated robustness test that supports the idea of less media interest in FI calls, we find that the number of news articles is higher on the days 0 and +1 short window around earnings calls than for FI calls.

Overall, these differences in participants between FI and earnings calls that we observe in Table 6 along with the differences in fixed income discussions documented in Table 5 are consistent with the idea that FI investors differ from equity investors and that managements' decisions to host a FI call are motivated by the desire to serve the different needs of these investors.

7. Market Reactions

To determine whether FI calls provide information to public investors we test whether FI calls evoke short-window reactions in the bond and credit default swap markets.

7.1. Bond Trading

We first test whether bond trading volume and the number of trades differ around FI calls. Volume-based metrics not only capture the common movement of opinion but also information that leads to divergent opinions (Harris and Raviv, 1993; Karpoff, 1987; Kim and Verrecchia, 1991). Measuring the reaction in this way has the additional advantage of not needing to know ex ante whether the information in the call is expected to be positive or negative for investors. We use the three-days centered on the FI call date as the event window and our non-event window is the -30 to +30 days surrounding the FI call date excluding the event window.¹⁸ Following De

¹⁸ In untabulated robustness tests, our event-study results and inferences are similar using a five-day event window.

Franco et al. (2014), we define bond volume as the aggregate total trading volume for all of the company's traded bonds, divided by the sum of the face value of all the firm's outstanding bonds. We also investigate the number of bond trades at the company-level.

To mitigate the effects of confounding events, we search for firm-specific news in S&P Capital IQ that occurs on a day that falls into the -30 to +30 days surrounding the FI call date. Examples of news events include earnings announcements, earnings calls, and debt offerings that we studied in our Table 2 timing analysis as well as other news, such as credit rating changes, operation expansions, new partnership announcements, and the release of filings such as 10-Ks, 10-Qs, and 8-Ks. We remove trading observations with confounding events in the three-day window surrounding FI calls from our sample before we calculate average daily trading measures for the event and non-event periods. Our sample for the bond tests includes 304 FI call events.¹⁹

The first two rows of Panel A of Table 7 report the results of our bond event-study tests. Bond investors trade more during the three-day event window compared with the non-event window. About 0.04% more total value of the company's outstanding bonds are traded daily during the event window. Given that the average total trade value is 0.19% per day for the non-event window, this difference represents a 21% increase. With average total debt outstanding of about \$25 billion for firms in the full sample, this difference translates into approximately \$10 million more debt traded during the event window. About 4.56 more trades exchange hands daily (a 15% increase) during the event period compared with the non-event window.²⁰

¹⁹ This sample is smaller than our global sample of 1,612 FI calls for the following reasons. In 1,083 cases, we are unable to match FI call firms to TRACE. For 218 events we have insufficient data to calculate our bond measures for both event and non-event windows. For example, following Bessembinder et al. (2009), we require each FI call event to have non-problematic bond transaction information from TRACE (e.g., no trades are subsequently canceled) and we limit transactions to trades of \$100,000 or more. We lose an additional nine FI call events as they do not have valid trading data for both the event and non-event window after removing confounding events.

²⁰ Our sample includes many financial firms. To mitigate the concern that these financial firms are driving our bond event study results, we conduct untabulated tests for the sample excluding financial firms and find similar results.

Next, we separately conduct our tests for public and private FI calls. Panel A shows that our main inferences are similar when we examine FI calls of public and private firms separately—higher bond market trading reactions for event than for non-event periods. Based on the results in this panel we conclude that FI calls are informative to bond investors.²¹

7.2. *Credit Defaults Swaps*

Credit default swaps (CDS) offer a more accurate tool to measure aggregate changes in a firm's cost of debt capital around FI calls. Blanco et al. (2005) describe the role of single name CDS in aggregating changes in yields across a firm's multiple bonds. Recent studies show that CDS also reflect information regarding firms' bank loans (Shan et al., 2019; Clark et al., 2020). Hence, CDS more accurately capture credit risk information across these various fixed income types within a firm's debt capital structure (Longstaff et al., 2005). In addition, Longstaff et al. (2005) and others note that, because CDS contracts are in zero net supply and are generally more liquid than bonds, they more accurately reflect an entity's credit risk. Our samples for these CDS tests in Panel B are slightly larger than that for bond trading tests in Panel A because CDS are more liquid and CDS exist for firms that issue debt types other than bonds.

We use the absolute value of CDS spread changes to measure the variation in the cost of debt capital. Similar to Callen et al. (2009), the CDS spread change is calculated as the daily 5-year CDS spread from Markit divided by the spread on the previous day minus 1. Results in Panel B show that a firm's CDS absolute spread change is greater in the event window than in the non-event window. This result is significant at the 1% level and is economically large. For instance, for all FI call firms the mean daily difference in absolute CDS spread return between event and

²¹ In untabulated analyses, we also investigate whether the absolute value of bond returns during the event window is significantly different from the absolute value of bond returns during the non-event window. Our tests, however, provide no evidence of a difference in returns. We are hesitant in making a strong inference from this lack of result given the issues in measuring bond returns, such as irregular and often infrequent trading (Bessembinder et al., 2009).

non-event periods in column 3 is 2.1%, which translates into an implied daily change in debt value of \$133.0 million for a typical sample firm.²² The CDS spread change is greater for public firms (2.20%) than for private firms (1.74%), although an untabulated test indicates that this difference is not statistically significant. Overall, our analysis of CDS spreads around FI calls reinforces the bond trading results in the previous subsection. It also helps to answer one question posed by the firms with FI calls that we interviewed—they speculated but could not prove with certainty that FI calls could affect credit spreads. Our systematic evidence affirmatively answers this question.

8. Additional Analysis: Time Series of FI Calls

Figure 1 shows the time-series distribution of FI calls using our larger global sample of firms. We begin in 2009 because it marks the beginning of S&P Capital IQ coverage.²³ The number of FI calls per year increased to its peak in 2014. This increasing frequency is consistent with the analyses discussed above in which FI calls satisfy the informational needs of debt investors. As investor relations officers from two large banks discussed with us, one motivation for holding more FI calls grew out of the 2008-2009 financial crisis and the failure of Lehman Brothers. Banks and other financial institutions wanted to provide more information to their creditors and decided to communicate with a broader base of creditors through a single FI call event.

Since the peak, the number of FI calls has decreased and then increased again in 2020. As a general comment, Figure 1 also shows that aggregate FI call occurrence is positively correlated (0.64) with total aggregate debt issuance, which reinforces the inference discussed above that issuance of debt is one of the potential determinants of firms' decision to hold a FI call. One possible reason for the overall reduction in FI calls over the last five years is that FI calls have

²² This \$133.0M is calculated as the product of: (a) the average debt outstanding of a firm in our CDS FI call sample of \$191.9B; (b) the average CDS spread of 330 bps; and, (c) the incremental absolute CDS spread return of 2.1%.

²³ While we include observations prior to 2009 in our tests discussed in previous sections (as we have no reason to exclude these observations), the mean number of FI calls per year prior to 2009 is only 5.38.

become less useful over time. We test this idea by comparing the usefulness of FI calls in the more recent part of our sample (2016 to 2020) with that of FI calls in the less recent period (prior to 2016). We rely on our previous sets of tests—FI call content, FI participants, and market reactions—to proxy for the construct of usefulness. The results of this analysis are presented in Table 8. Panel A shows no significant differences in total words or fixed income content of FI calls. Panel B shows that fewer managers are involved in more recent FI calls while the media are more likely to attend. Panel C shows that CDS absolute spread changes are lower. While not all the test variables that we examine are consistent with a decrease in the usefulness of FI calls in the more recent period, some dimensions are consistent with this idea.

As our last analysis, we use a similar testing strategy to answer the broader but related question of whether FI calls are less useful to those firms who stop holding FI calls versus firms who continue to hold FI calls. FI calls are categorized into the ‘Last FI calls’ group if the firm does not have another FI call in the 18-month period (i.e., year after next) after the FI call, while other FI calls are placed in the ‘Continuing FI calls’ group. We exclude calls that occur in the last 18 months of our sample period as we are unable to classify them using this rule. The intuition is that if the last FI call that a firm held was less useful then they are less likely to hold another call. The results of this analysis are presented in Table 9. Panel A shows firms that hold their last FI call tend to have managers who talk more but there are fewer questions asked as evidenced by a Q&A section containing fewer words. Panel B shows that fewer analysts (albeit insignificantly) and members of the media attend a firms’ last FI call, which also corresponds with the idea of fewer questions being asked. In Panel C, while none of the differences are statistically significant across the two types, the last FI calls have smaller market reactions compared with continuing FI calls. In untabulated analyses, this pattern is more pronounced for private firms. Overall, the evidence

seems consistent with firms stopping FI calls in part because they have become less useful.²⁴

9. Conclusion

We investigate the determinants and informational role of FI calls. We establish several findings consistent with this unique debtholder-oriented voluntary disclosure meeting the different informational demands of debtholders compared with equity holders. We find that FI calls are more likely to occur for firms that have more debt, lack credit ratings or publicly-traded equity, are foreign, are experiencing losses, and are larger. In a content analysis, compared with a matched sample of firm-year earnings conference calls, we find that FI calls discuss debt-equity conflict events such as share repurchases, to a greater degree. Managers present more financial information as part of the call and discuss more quantitative information. These calls also exhibit less short-termism and have a more negative tone. FI call participants also differ from those of traditional earnings calls. We document greater participation of Chief Accounting Officers and Treasurers, as well as analysts at insurance companies, who mainly invest in debt. Last, we show that bond and credit default swap markets react to FI calls, which supports the idea that FI calls are informative to investors. Overall, our results suggest that when firms hold FI calls they are better able to address the specific informational needs of their creditors.

Our results contribute to the broader voluntary disclosure literature. While firms typically disclose information with little discrimination between different stakeholders, FI calls that directly target debt investors are novel. We also contribute to the literature on how debt investors react to corporate disclosures by providing initial evidence of the information role of FI calls.

²⁴ We also use this testing strategy of ‘usefulness’ to re-examine a related question as to why some firms hold multiple FI calls per year as opposed to holding a single FI call per year. In untabulated analysis we find that although managers talk more in the presentation part of the FI call for firms with one call per year, the Q&A sections are similar in length. We also find that fixed income content is higher and the number of analysts participating is greater for firms with multiple FI calls per year. These results overall suggest that firms who decide to hold multiple FI calls per year hold FI calls that are as, or perhaps more, useful compared with those firms who hold only one FI call per year.

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APPENDIX A Variable Definitions

Variable	Definition	Data Source
<i>Average Maturity</i>	Firm level average maturity in years.	Dealscan & FISD
<i>BM</i>	Book value equity over market value equity for public firms.	Compustat & S&P Capital IQ
<i>Debt to Assets</i>	Total debt divided by total assets.	Compustat & S&P Capital IQ
<i>FI (Earnings) Call</i>	The indicator variable that equals one if firm <i>i</i> holds a fixed income (earnings) conference call in year <i>t</i> , zero otherwise.	S&P Capital IQ, Refinitiv Eikon, Thomson One, & Bloomberg
<i>Financial</i>	Indicator variable that equals one if the two-digit SIC codes equal 60-69, zero otherwise.	Compustat & S&P Capital IQ
<i>Foreign</i>	Indicator variable that equals 1 if firm <i>i</i> is a foreign firm, zero otherwise.	S&P Capital IQ
<i>Hitech</i>	Indicator variable that equals one if the firm's two-digit SIC code equals 28, 35, 36, 73, or 87, zero otherwise.	Compustat & S&P Capital IQ
<i>Intangible</i>	Total intangible assets divided by total assets.	Compustat & S&P Capital IQ
<i>Institutional Ownership</i>	Percentage of equity shares held by institutional investors.	Compustat & S&P Capital IQ
<i>Loss</i>	Indicator variable that equals one if net income is negative, zero otherwise.	Compustat & S&P Capital IQ
<i>Number Debt Type</i>	Number of debt types issued by firm <i>i</i> .	S&P Capital IQ
<i>Private</i>	Indicator variable that equals 1 if firm <i>i</i> has no publicly traded equity, zero otherwise	Compustat & S&P Capital IQ
<i>Rated</i>	Indicator variable that equals 1 if firm <i>i</i> is rated by Standard & Poor's, zero otherwise.	Compustat & S&P Capital IQ
<i>Regulated</i>	Indicator variable that equals one if the firm's two-digit SIC code equals 48 or 49, zero otherwise.	Compustat & S&P Capital IQ
<i>Sale Growth</i>	One-year sales growth.	Compustat & S&P Capital IQ
<i>Size</i>	Natural logarithm of total assets.	Compustat & S&P Capital IQ

APPENDIX B

Textual Analysis Dictionaries

This table displays the dictionaries we use in Table 5 and discuss in section 6. Panel A reports fixed income and debt-equity conflict words where words in bolds/italics are debt-equity conflict words from De Franco et al. (2014). Panel B reports financial words from Matsumoto et al. (2011). Panel C reports short-term words from Brochet et al. (2015).

<i>Panel A. Fixed Income and Debt-Equity Conflict Words</i>				
accru	convertible	euribor	<i>mbo</i>	repo
agency	convex	<i>event risk</i>	mbs	<i>repurchas</i>
<i>asset sale</i>	coupon	fitch	moody	sinking
basis point	<i>covenant</i>	flation	premium	sovereign
bip	coverage	indenture	prepaid	<i>spinoff</i>
bond	credit	interest	prepay	spread
borrow	debenture	<i>lbo</i>	prime	standard & poor
bps	debt	lend	principal	standard and poor
bullet	default	<i>leverage</i>	putable	structur
<i>buyback</i>	discount	libor	rating	swap
callable	<i>dividend</i>	loan	redeem	term
<i>capex</i>	duration	<i>m&a</i>	redemption	treasur
<i>capital expenditure</i>	<i>equity focus</i>	maturity	refinance	yield
collateral				

<i>Panel B. Financial Words</i>				
accounting	cost	euro	liabilit	rent
accrual	covenant	expenditure	liquidity	repurchas
accrue	currenc	expense	loan	reserve
allowance	debenture	financ	loss	revenue
amortiz	debt	gain	margin	roa
asset	deferral	goodwill	obligation	roe
bond	deposit	hedg	payable	roi
borrow	depreciation	impair	payment	sale
budget	derivative	income	pound	securit
buyback	dividend	interest	prepaid	selling
capex	dollar	investment	prepay	shares
capital	earning	lease	profit	swap
cash	ebit	leasing	receivable	tax
cent	eps	lend	redeem	warrant
convertible	equit	leverage	refinanc	

<i>Panel C. Short-Term Words</i>				
daily	monthly	quarterly	short term	week
day	months	quarters	short-run	weekly
days	quarter	short run	short-term	weeks
month				

FIGURE 1
Fixed Income Calls and Debt Issuance

This figure presents the number of fixed income calls per year and the total amount of corporate debt issuance from 2009 to 2020 according to SIFMA (2021). The left (right) vertical axis represents annual call FI call frequency (aggregate corporate debt issuance value), while the horizontal axis represents the year.

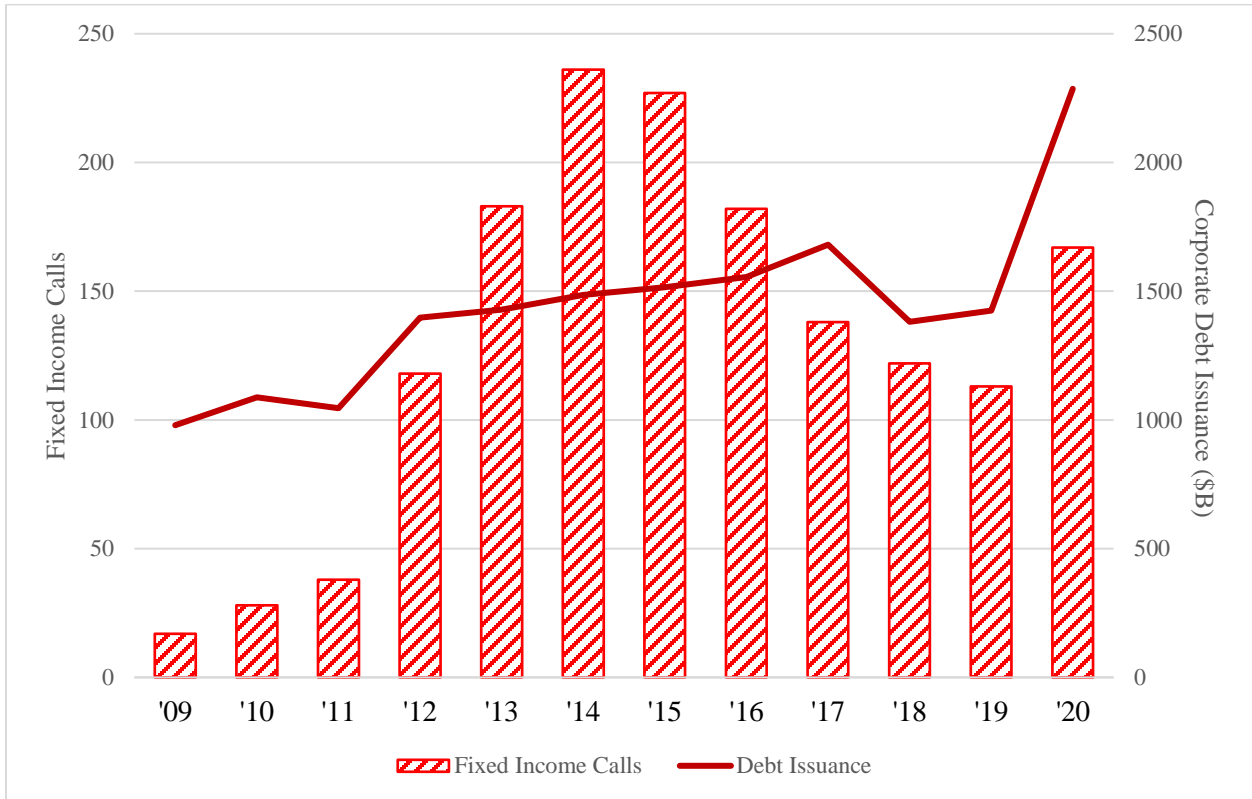


TABLE 1
Descriptive Statistics

This table provides summary descriptive statistics for the full (i.e., global) sample of 1,612 fixed income calls that is not restricted by data availability for our test variables. Panel A reports the geographic distribution of the headquarters locations of firms conducting each FI call. Panel B presents calls on a firm-year basis and partitions the FI calls distribution into public firms and private firms. Panel C describes the industry distribution in which we define each industry by 2-digit SIC code.

<i>Panel A. Geographic Summary of Headquarters Locations</i>					
Country/Region	<i>N</i>	Country/Region	<i>N</i>	Country/Region	<i>N</i>
United States	817	Greece	6	Mauritius	2
United Kingdom	415	Hong Kong	6	Philippines	2
Canada	52	Jersey	6	Spain	2
Germany	51	Singapore	6	Turkey	2
Norway	36	South Africa	6	Ukraine	2
Sweden	23	Cyprus	5	Barbados	1
India	17	France	5	Bulgaria	1
Switzerland	17	Denmark	4	Czech Republic	1
Israel	15	Finland	4	Guernsey	1
Netherlands	15	Belgium	3	Malaysia	1
Luxembourg	12	China	3	Mexico	1
Ireland	10	Indonesia	3	Monaco	1
Poland	10	Latvia	3	Romania	1
Australia	9	United Arab Emirates	3	Russia	1
Cayman Islands	9	Brazil	2	Uganda	1
Bermuda	8	Italy	2		
Morocco	7	Kazakhstan	2		

<i>Panel B. Fixed Income Call Frequency Per Year by Structure of Ownership</i>						
	Number of		FI Calls per Firm Year			
			Mean	Percentile		
	Firm-Years	Calls		25%	Median	75%
All	878	1,612	1.84	1	1	2
Private	539	1,039	1.93	1	1	3
Public	339	573	1.69	1	1	2

(Continued)

TABLE 1 (Continued)
Descriptive Statistics

<i>Panel C. Industry Summary</i>		
SIC2	Industry	N
73	Business Services	154
61	Nondepository Credit Institutions	121
67	Holding and Other Investment Offices	117
60	Depository Institutions	116
28	Chemicals and Allied Products	93
37	Transportation Equipment	75
44	Water Transportation	58
59	Miscellaneous Retail	57
49	Electric, Gas and Sanitary Services	51
20	Food and Kindred Products	49
87	Engineering, Accounting, Research, and Management Services	45
13	Oil and Gas Extraction	41
53	General Merchandise Stores	38
54	Food Stores	34
62	Security & Commodity Brokers, Dealers, Exchanges & Services	33
30	Rubber and Miscellaneous Plastic Products	30
63	Insurance Carriers	29
65	Real Estate	27
29	Petroleum Refining and Related Industries	26
79	Amusement and Recreation Services	25
34	Fabricated Metal Products	25
27	Printing, Publishing and Allied Industries	21
	Other	254
	Unknown	93

TABLE 2
Timing of Other News Relative to Fixed Income Calls

This table shows the timing of earnings announcements, earnings calls, and debt offerings relative to fixed income calls. Column 1 reports the relative days to the fixed income call day (Day 0). Columns 2, 4, and 6 report the number of earnings announcements, earnings calls, and debt offering announcements, respectively. The respective percentages are reported in columns 3, 5, and 7.

Days after the Fixed Income Call (1)	Earnings Announcements (Public and Private Firms)		Earnings Calls (Public Firms Only)		Debt Offerings (Public and Private Firms)	
	Number (2)	Percentage (3)	Number (4)	Percentage (5)	Number (6)	Percentage (7)
-15	12	0.8%	9	1.7%	4	0.4%
-14	17	1.2%	11	2.0%	1	0.1%
-13	12	0.8%	5	0.9%	0	0.0%
-12	4	0.3%	4	0.7%	0	0.0%
-11	9	0.6%	3	0.6%	1	0.1%
-10	5	0.3%	4	0.7%	1	0.1%
-9	10	0.7%	5	0.9%	1	0.1%
-8	20	1.4%	15	2.8%	3	0.3%
-7	24	1.7%	14	2.6%	3	0.3%
-6	32	2.2%	15	2.8%	1	0.1%
-5	21	1.5%	12	2.2%	3	0.3%
-4	25	1.7%	8	1.5%	1	0.1%
-3	23	1.6%	9	1.7%	8	0.7%
-2	24	1.7%	11	2.0%	5	0.4%
-1	115	8.0%	14	2.6%	12	1.1%
0	523	36.5%	234	43.0%	51	4.5%
1	5	0.3%	2	0.4%	23	2.0%
2	1	0.1%	0	0.0%	13	1.1%
3	0	0.0%	0	0.0%	10	0.9%
4	2	0.1%	0	0.0%	5	0.4%
5	1	0.1%	0	0.0%	16	1.4%
6	4	0.3%	0	0.0%	9	0.8%
7	3	0.2%	0	0.0%	10	0.9%
8	2	0.1%	0	0.0%	5	0.4%
9	3	0.2%	0	0.0%	1	0.1%
10	1	0.1%	0	0.0%	2	0.2%
11	0	0.0%	0	0.0%	5	0.4%
12	1	0.1%	0	0.0%	2	0.2%
13	2	0.1%	1	0.2%	2	0.2%
14	1	0.1%	0	0.0%	1	0.1%
15	1	0.1%	1	0.2%	4	0.4%
In [-15, +15]	903	63.1%	377	69.3%	203	17.9%
Not in [-15, +15]	529	36.9%	167	30.7%	932	82.1%
Total	1,432	100.0%	544	100.0%	1,135	100.0%

TABLE 3
Determinants of Holding Fixed Income Calls

This table investigates the determinants of holding fixed income calls at the firm-year level. Panel A shows summary statistics for the FI call treatment sample and each of the three no-FI call control samples. Panel B shows results of three logit models that predict whether a firm has a FI call, each with a different no-FI call control sample but always with the same FI call treatment sample. *, **, and *** indicate statistical significance at the 10%, 5%, and 1% levels, respectively.

	FI Call	No-FI Call Sample =		
	Sample (N = 430) (1)	All (N = 101,320) (2)	Same Industry & Year (N = 35,939) (3)	Same Industry & Year, Closest Size (N = 430) (4)
<i>Debt to Assets</i>	0.42	0.36**	0.36**	0.35***
<i>Number Debt Type</i>	3.55	2.72***	2.79***	3.32***
<i>Average Maturity</i>	10.18	11.88***	9.21***	8.11***
<i>Rated</i>	0.29	0.27	0.24***	0.44***
<i>Foreign</i>	0.74	0.75	0.75	0.61***
<i>Private</i>	0.24	0.08***	0.10***	0.10***
<i>Loss</i>	0.28	0.33**	0.31	0.19***
<i>Size</i>	9.47	6.44***	6.80***	9.44
<i>Intangible</i>	0.14	0.14	0.15	0.13
<i>Sales Growth</i>	5.58%	21.53%***	20.45%***	11.46%**
<i>Hitech</i>	0.17	0.27***	0.35***	0.17
<i>Financial</i>	0.33	0.24***	0.33	0.33
<i>Regulated</i>	0.06	0.09**	0.11***	0.06

(Continued)

TABLE 3 (Continued)
Determinants of Holding Fixed Income Calls

	No-FI Call Sample =		
	All (1)	Same Industry & Year (2)	Same Industry & Year, Closest Size (3)
<i>Debt to Assets</i>	1.07*** (10.22)	0.98*** (8.76)	1.34*** (3.58)
<i>Number Debt Type</i>	0.22*** (4.48)	0.21*** (4.25)	0.22*** (2.97)
<i>Average Maturity</i>	0.11*** (10.11)	0.12*** (10.18)	0.17*** (7.40)
<i>Rated</i>	-1.04*** (-7.65)	-1.14*** (-8.05)	-0.87*** (-4.06)
<i>Foreign</i>	1.44*** (12.93)	1.38*** (12.12)	1.24*** (7.19)
<i>Private</i>	1.74*** (13.83)	1.59*** (12.18)	1.36*** (5.64)
<i>Loss</i>	0.52*** (4.26)	0.47*** (3.80)	0.54*** (2.73)
<i>Size</i>	0.51*** (17.29)	0.50*** (16.41)	-0.01 (-0.20)
<i>Intangible</i>	0.19 (0.70)	0.42 (1.50)	0.51 (1.19)
<i>Sales Growth</i>	-0.31** (-2.28)	-0.26** (-2.00)	-0.34* (-1.88)
<i>Hitech</i>	-0.17 (-1.13)	-0.92*** (-6.05)	-0.03 (-0.10)
<i>Financial</i>	-0.18 (-1.33)	-0.98*** (-7.13)	0.20 (0.92)
<i>Regulated</i>	-1.81*** (-8.12)	-2.46*** (-10.58)	-0.39 (-1.05)
Year Fixed Effects	Yes	Yes	Yes
Pseudo R ² (%)	27.02	24.99	19.00
Observations	101,750	36,369	860

TABLE 4
Fixed Income Calls versus Earnings Calls for Public Firms

This table compares the determinants of holding fixed income calls with the determinants of holding earnings calls. Our sample is restricted to public firm years in which we can identify the incidence of fixed income and earnings calls. Panel A reports summary statistics and comparisons between firm years with calls and firm years without calls. Panel B shows the results of logit models that predict whether a firm has a FI call (Column 1) or an Earnings call (Column 2). Z-statistics for these two columns are reported in parenthesis. Column 3 reports the difference in coefficients. In this column χ^2 -statistics are reported in parenthesis. *, **, and *** indicate statistical significance at the 10%, 5%, and 1% levels, respectively.

	FI Call			Earnings Call		
	With (N = 326) (1)	Without (N = 93,559) (2)	Difference	With (N = 61,270) (3)	Without (N = 32,615) (4)	Difference
<i>Debt to Assets</i>	0.37	0.35	0.02	0.29	0.46	-0.17***
<i>Number Debt Type</i>	3.70	2.73	0.97***	2.85	2.50	0.35***
<i>Average Maturity</i>	10.63	11.81	-1.18***	10.89	13.52	-2.63***
<i>Rated</i>	0.26	0.25	0.22	0.33	0.09	0.24***
<i>Foreign</i>	0.76	0.74	0.02	0.75	0.73	0.02***
<i>Loss</i>	0.26	0.34	-0.08***	0.28	0.43	-0.15***
<i>Size</i>	9.74	6.37	3.37***	7.26	4.74	2.52***
<i>Intangible</i>	0.13	0.14	-0.01	0.17	0.09	0.08***
<i>Sales Growth</i>	6.40%	21.39%	14.99%***	21.00%	21.97%	-0.97%
<i>Hitech</i>	0.15	0.27	-0.12***	0.29	0.24	0.05***
<i>Financial</i>	0.37	0.24	0.13***	0.19	0.33	-0.14***
<i>Regulated</i>	0.06	0.07	-0.01	0.08	0.05	0.03***
<i>BM</i>	0.83	0.70	0.13***	0.64	0.81	-0.17***
<i>Institutional Ownership</i>	38.32%	27.47%	10.85%***	36.93%	9.80%	27.13%***

(Continued)

TABLE 4 (Continued)
Fixed Income Calls versus Earnings Calls for Public Firms

<i>Panel B. Logit Prediction Models</i>			
	FI Call (1)	Earnings Call (2)	Coefficient Differences (3)
<i>Debt to Assets</i>	1.35*** (10.18)	-0.23*** (-9.91)	1.58*** (307.69)
<i>Number Debt Type</i>	0.35*** (6.00)	-0.07*** (-7.52)	0.42*** (34.21)
<i>Average Maturity</i>	0.13*** (10.41)	-0.05*** (-17.15)	0.18*** (121.52)
<i>Rated</i>	-1.34*** (-8.37)	0.41*** (11.99)	-1.75*** (134.49)
<i>Foreign</i>	2.60*** (15.92)	-0.26*** (-11.64)	2.86*** (168.62)
<i>Loss</i>	0.68*** (4.69)	0.26*** (11.91)	0.42*** (9.69)
<i>Size</i>	0.53*** (14.61)	0.52*** (85.06)	0.01*** (11.37)
<i>Intangible</i>	-0.25 (-0.72)	1.46*** (25.98)	-1.71*** (14.96)
<i>Sales Growth</i>	-0.24 (-1.56)	0.04*** (3.48)	-0.28* (3.19)
<i>Hitech</i>	-0.09 (-0.54)	0.61*** (24.21)	-0.70*** (17.78)
<i>Financial</i>	0.12 (0.81)	-1.69*** (-64.48)	1.81*** (115.54)
<i>Regulated</i>	-1.50*** (-5.50)	-0.29*** (-6.68)	-1.21*** (14.95)
<i>BM</i>	0.04 (0.43)	-0.29*** (-23.18)	0.33*** (22.93)
<i>Institutional Ownership</i>	2.20*** (11.16)	2.11*** (51.27)	0.09** (5.98)
Year Fixed Effects	Yes	Yes	
Pseudo R^2 (%)	30.12	40.47	
Observations	93,885	93,885	

TABLE 5
Fixed Income Call Content Analysis

This table provides a content analysis of fixed income calls. Columns 1 and 2 present the mean and median of fixed income calls held by public firms. Columns 3 and 4 present the mean and median of earnings calls held by public firms. Columns 7 and 8 present the mean and median of fixed income calls held by private firms. Differences are also presented along with *t*-statistics in parenthesis. *, **, and *** indicate statistical significance at the 10%, 5%, and 1% levels, respectively.

	Public FI Calls (<i>N</i> = 360)		Public Earnings Calls (<i>N</i> = 792)		Mean Difference	Median Difference	Private FI Calls (<i>N</i> = 121)		Mean Difference	Median Difference
	Mean	Median	Mean	Median	(1) - (3)	(2) - (4)	Mean	Median	(1) - (7)	(2) - (8)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
<i>Panel A. Length</i>										
Presentation Total Words	2,747	2,431	4,245	4,044	-1,498*** (-10.09)	-1,613*** (-13.43)	2,558	2,239	189 (0.74)	192 (0.64)
Q&A Total Words	3,092	2,921	6,328	6,421	-3,236*** (-19.31)	-3,500*** (-18.14)	3,765	3,051	-673** (-2.33)	-130* (-1.83)
<i>Panel B. Debt Discussion</i>										
Presentation Fixed Income %	1.28%	1.26%	0.77%	0.69%	0.51%*** (15.36)	0.57%*** (12.79)	0.95%	0.76%	0.33%*** (4.71)	0.50%*** (4.83)
Q&A Fixed Income %	0.73%	0.67%	0.48%	0.46%	0.25%*** (10.64)	0.21%*** (8.64)	0.43%	0.27%	0.30%*** (5.88)	0.40%*** (6.60)
Presentation Conflict %	0.21%	0.13%	0.13%	0.09%	0.08%*** (7.14)	0.04%*** (5.05)	0.07%	0.05%	0.14%*** (5.75)	0.08%*** (6.82)
Q&A Conflict %	0.12%	0.05%	0.09%	0.06%	0.03%*** (3.27)	-0.01%* (-1.81)	0.06%	0.03%	0.06%*** (2.75)	0.02% (1.46)

(Continued)

TABLE 5 (Continued)
Fixed Income Call Content Analysis

	Public FI Calls (<i>N</i> = 360)		Public Earnings Calls (<i>N</i> = 792)		Mean Difference	Median Difference	Private FI Calls (<i>N</i> = 121)		Mean Difference	Median Difference
	Mean (1)	Median (2)	Mean (3)	Median (4)	(1) - (3) (5)	(2) - (4) (6)	Mean (7)	Median (8)	(1) - (7) (9)	(2) - (8) (10)
<i>Panel C. Context Discussion</i>										
Presentation Financial %	2.76%	2.74%	2.20%	2.24%	0.56%*** (10.26)	0.50%*** (9.43)	2.22%	2.21%	0.54%*** (5.44)	0.53%*** (5.70)
Q&A Financial %	1.24%	1.25%	1.17%	1.17%	0.07%** (2.16)	0.08%** (2.42)	0.92%	0.81%	0.32%*** (4.68)	0.44%*** (5.62)
Presentation Quantitative %	1.13%	0.96%	0.92%	0.73%	0.21%*** (4.78)	0.23%*** (4.71)	0.63%	0.59%	0.50%*** (6.99)	0.37%*** (6.74)
Q&A Quantitative %	0.41%	0.33%	0.39%	0.32%	0.02% (0.87)	0.01% (1.13)	0.25%	0.17%	0.16%*** (4.07)	0.16%*** (4.55)
Presentation Short-Term %	0.65%	0.36%	0.92%	0.90%	-0.27%*** (-6.39)	-0.54%*** (-7.23)	1.07%	1.12%	-0.42%*** (-6.08)	-0.76%*** (-6.72)
Q&A Short-Term %	0.22%	0.16%	0.33%	0.28%	-0.11%*** (-6.58)	-0.12%*** (-8.38)	0.36%	0.26%	-0.14%*** (-4.77)	-0.10%*** (-5.04)

(Continued)

TABLE 5 (Continued)
Fixed Income Call Content Analysis

	Public FI Calls (<i>N</i> = 360)		Public Earnings Calls (<i>N</i> = 792)		Mean Difference	Median Difference	Private FI Calls (<i>N</i> = 121)		Mean Difference	Median Difference
	Mean (1)	Median (2)	Mean (3)	Median (4)	(1) - (3) (5)	(2) - (4) (6)	Mean (7)	Median (8)	(1) - (7) (9)	(2) - (8) (10)
<i>Panel D. Discussion Tone</i>										
Presentation Positive %	1.70%	1.59%	2.00%	2.00%	-0.30%*** (-7.60)	-0.41%*** (-8.42)	1.48%	1.35%	0.22%*** (3.06)	0.24%*** (3.01)
Q&A Positive %	0.80%	0.75%	1.09%	1.09%	-0.29%*** (-11.06)	-0.34%*** (-11.54)	1.01%	0.97%	-0.21%*** (-3.93)	-0.22%*** (-4.30)
Presentation Negative %	0.95%	0.93%	1.02%	0.91%	-0.07%** (-2.06)	0.02% (0.46)	0.89%	0.79%	0.06% (1.52)	0.14%** (1.98)
Q&A Negative %	1.19%	1.13%	1.07%	1.01%	0.12%*** (4.39)	0.12%*** (5.16)	1.03%	1.02%	0.16%*** (2.86)	0.11%*** (3.42)
Presentation Net Tone %	0.74%	0.68%	0.98%	1.05%	-0.24%*** (-4.12)	-0.37%*** (-5.41)	0.60%	0.54%	0.14% (1.58)	0.14% (1.15)
Q&A Net Tone %	-0.38%	-0.38%	0.02%	0.07%	-0.40%*** (-9.97)	-0.45%*** (-10.21)	-0.02%	0.00%	-0.36%*** (-4.67)	-0.38%*** (-5.61)

TABLE 6
Fixed Income Call Participants

This table describes fixed income conference call participants. Column 1 presents fixed income calls held by public firms. Column 2 presents earnings call held by public firms. Column 4 presents fixed income calls held by private firms. Panels A to C provides the frequencies that different managers, analysts, and media participants, respectively, appear on the call. Differences are also presented along with *t*-statistics in parenthesis. *, **, and *** indicate statistical significance at the 10%, 5%, and 1% levels, respectively.

	Public FI Calls (<i>N</i> = 360) Mean (1)	Public Earnings Calls (<i>N</i> = 792) Mean (2)	Mean Difference (1) – (2) (3)	Private FI Calls (<i>N</i> = 121) Mean (4)	Mean Difference (1) – (4) (5)
<i>Panel A. Managers</i>					
Total	2.64	3.06	-0.42*** (-5.33)	2.88	-0.24** (-2.05)
CEO Appears	0.20	0.77	-0.57*** (-21.46)	0.40	-0.20** (-4.66)
CFO Appears	0.65	0.74	-0.09*** (-3.23)	0.96	-0.31*** (-6.96)
Treasurer Appears	0.61	0.07	0.54*** (24.29)	0.45	0.16*** (3.08)
CAO Appears	0.13	0.02	0.11*** (7.67)	0.38	-0.25*** (-6.14)
<i>Panel B. Analysts</i>					
Total	4.11	9.19	-5.08*** (-20.27)	4.89	-0.78** (-2.17)
Buy-Side Analysts	1.03	0.21	0.82*** (14.82)	1.09	-0.06 (-0.43)
Hedge Fund Analysts	0.13	0.08	0.05*** (2.72)	0.31	-0.18*** (-3.57)
Mutual Fund Analysts	0.47	0.04	0.43*** (14.33)	0.37	0.10 (1.20)
Insurance Analysts	0.32	0.02	0.30*** (14.11)	0.18	0.14** (2.34)
<i>Panel C. Media</i>					
Media Participants	0.10	0.34	-0.24*** (-3.21)	0.07	0.03 (0.87)

TABLE 7
Fixed Income Call Event Study

This table examines the information role of fixed income calls in debt markets. In Panel A, we present bond market daily volume and number of trades across event days (i.e., the [-1,+1] window surrounding FI calls) and non-event (i.e., combined [-30,-1] and [+1,+30] windows) days for all firms, private firms, and public firms. In Panel B, we report credit default swap (CDS) 5-year daily change in absolute spreads for all firms, private firms, and public firms. *, **, and *** indicate statistical significance at the 10%, 5%, and 1% levels, respectively.

<i>Panel A. Bond Event Study</i>				
	Event Window Daily Average (1)	Non-event Window Daily Average (2)	Mean Difference (3)	T-statistic (4)
All FI Calls (N = 304)				
Bond volume	0.23%	0.19%	0.04%***	4.09
Bond number of trades	35.04	30.48	4.56***	4.26
Public FI Calls (N = 175)				
Bond volume	0.13%	0.12%	0.01%**	1.98
Bond number of trades	57.07	49.87	7.20***	3.95
Private FI Calls (N = 129)				
Bond volume	0.38%	0.29%	0.09%***	3.74
Bond number of trades	5.15	4.19	0.96***	3.36
<i>Panel B. CDS Event Study</i>				
	Event window Daily Average (1)	Non-event window Daily Average (2)	Mean Difference (3)	T-statistic (4)
All FI Calls (N = 365)				
CDS absolute spread change	2.45%	0.37%	2.08%***	12.35
Public FI Calls (N = 267)				
CDS absolute spread change	2.60%	0.40%	2.20%***	11.78
Private FI Calls (N = 98)				
CDS absolute spread change	2.02%	0.28%	1.74%***	4.77

TABLE 8
More Recent versus Less Recent Fixed Income Calls

This table examines the usefulness of fixed income calls held more recently (during and after 2016) and less recently (before 2016). Panel A reports a subset of the content analysis (Table 5), Panel B presents the participants analysis (Table 6), and Panel C repeats the event study (Table 7). *, **, and *** indicate statistical significance at the 10%, 5%, and 1% levels, respectively.

<i>Panel A. Content Analysis</i>						
	More Recent FI Calls (N = 191)		Less Recent FI Calls (N = 290)		Difference	
	Mean (1)		Mean (2)		Mean (3)	T-statistic (4)
Presentation Total Words	2,493		2,834		-341	-1.50
Q&A Total Words	3,092		3,372		-280	-1.09
Presentation Fixed Income %	1.15%		1.23%		-0.08%	-1.33
Q&A Fixed Income %	0.62%		0.67%		-0.05%	-1.04

<i>Panel B. Participants</i>						
	More Recent FI Calls (N = 191)		Less Recent FI Calls (N = 290)		Difference	
	Mean (1)		Mean (2)		Mean (3)	T-statistic (4)
Total Managers	2.52		2.82		-0.30***	-2.84
Total Analysts	4.19		4.39		-0.20	-0.60
Total Media	0.15		0.06		0.09***	2.66

<i>Panel C. Event Study</i>						
	More Recent FI Calls Event Window – Non-event Window Daily Average		Less Recent FI Calls Event Window – Non-event Window Daily Average		Difference	
	Mean	T-statistic	Mean	T-statistic	Mean	T-statistic
	(1)	(2)	(3)	(4)	(5)	(6)
	(N = 140)		(N = 164)			
Bond volume	0.06%***	3.42	0.03%**	2.31	0.03%	1.43
Bond number of trades	4.25***	2.94	4.83***	3.11	-0.58	-0.27
	(N = 155)		(N = 210)			
CDS absolute spread change	1.60%***	8.02	2.42%***	9.83	-0.82%**	-2.45

TABLE 9
Last Versus Continuing Fixed Income Calls

This table examines the usefulness of last FI calls and continuing FI calls. Last FI calls are defined as FI calls held by firms who do not have another FI call in the next 18-month period (i.e., year after next) after the FI call, while the remaining calls are defined as continuing FI calls. Observations in the last 18 months of our sample period are excluded for this analysis. Panel A reports a subset of the content analysis (Table 5), Panel B presents the participants analysis (Table 6), and Panel C repeats the event study (Table 7). *, **, and *** indicate statistical significance at the 10%, 5%, and 1% levels, respectively.

<i>Panel A. Content Analysis</i>						
	Last FI Calls (N = 51)		Continuing FI Calls (N = 372)		Difference	
	Mean (1)		Mean (2)		Mean (3)	T-statistic (4)
Presentation Total Words	3,921		2,495		1,426***	3.98
Q&A Total Words	2,279		3,345		-1,066**	-2.52
Presentation Fixed Income %	0.95%		1.26%		-0.31%***	-2.98
Q&A Fixed Income %	0.53%		0.68%		-0.15%*	-1.91

<i>Panel B. Participants</i>						
	Last FI Calls (N = 51)		Continuing FI Calls (N = 372)		Difference	
	Mean (1)		Mean (2)		Mean (3)	T-statistic (4)
Total Managers	2.94		2.69		0.25	1.45
Total Analysts	3.65		4.35		-0.70	-1.36
Total Media	0.00		0.10		-0.10*	-1.74

<i>Panel C. Event Study</i>						
	Last FI Calls Event Window – Non-event Window Daily Average		Continuing FI Calls Event Window – Non-event Window Daily Average		Difference	
	Mean	T-statistic	Mean	T-statistic	Mean	T-statistic
	(1)	(2)	(3)	(4)	(5)	(6)
	(N = 31)		(N = 255)			
Bond volume	0.03%	0.91	0.05%***	3.98	-0.02%	-0.64
Bond number of trades	0.53	0.59	5.21***	4.12	-4.68	-1.28
	(N = 46)		(N = 270)			
CDS absolute spread change	1.77%***	4.19	2.10%***	10.88	-0.33%	-0.66