

Accepted Manuscript

In good times and in bad: Defined-benefit pensions and corporate financial policy

Söhnke M. Bartram

PII: S0929-1199(17)30308-5
DOI: [doi:10.1016/j.jcorpfin.2017.10.015](https://doi.org/10.1016/j.jcorpfin.2017.10.015)
Reference: CORFIN 1289
To appear in: *Journal of Corporate Finance*
Received date: 12 May 2017
Revised date: 29 September 2017
Accepted date: 27 October 2017



Please cite this article as: Söhnke M. Bartram , In good times and in bad: Defined-benefit pensions and corporate financial policy. The address for the corresponding author was captured as affiliation for all authors. Please check if appropriate. Corfin(2017), doi:[10.1016/j.jcorpfin.2017.10.015](https://doi.org/10.1016/j.jcorpfin.2017.10.015)

This is a PDF file of an unedited manuscript that has been accepted for publication. As a service to our customers we are providing this early version of the manuscript. The manuscript will undergo copyediting, typesetting, and review of the resulting proof before it is published in its final form. Please note that during the production process errors may be discovered which could affect the content, and all legal disclaimers that apply to the journal pertain.

In Good Times and in Bad: Defined-Benefit Pensions and Corporate Financial Policy

Söhnke M. Bartram*

Abstract

U.S. sponsors of defined-benefit pension plans integrate their pension plans into their overall financial management. Plan contributions are smaller and funding levels lower for plan sponsors that have less cash, are less profitable and are financially distressed. Moreover, plan sponsors make more aggressive pension plan assumptions if they have lower cash holdings and profit margins. While there is no evidence that plan sponsors generally take more risk with their pension plan assets if they have high business or financial risk, there is some evidence of risk shifting during major economic downturns such as the global financial crisis. As a result, funding rules, pension plan assumptions and investment policies are areas to consider for pension policy to protect plan beneficiaries.

Keywords: Pension plans, corporate finance, employer contributions, financial crisis, funding deficit, pension assumptions

JEL Classification: G3, G1, G2

This version: October 31, 2017

First version: September 12, 2012

* Professor of Finance, University of Warwick, Warwick Business School, Department of Finance, Coventry CV4 7AL, United Kingdom, Phone: +44 (24) 7657 4168, Fax: +1 (425) 952 10 70, Email: <s.m.bartram@wbs.ac.uk>, Internet: <<http://go.warwick.ac.uk/sbartram/>>.

The author would like to thank Jeffrey Netter (the editor), an anonymous referee as well as Shlomo Benartzi, João Cocco, Till Förstemann, Mark Grinblatt, Roel Mehlkopf, Anil Shivdasani, Irina Stefanescu as well as seminar participants at the 2017 AEA conference, 2014 EFA conference, 2014 Netspar International Pension Workshop, 2014 ESRC pension conference, 2014 Pension Research Network Workshop, 2013 ESRC pension conference, the 2013 GEA conference, Bath University, University of Geneva, National Taiwan University and Warwick University for helpful comments and suggestions.

متن کامل مقاله

دریافت فوری ←

ISIArticles

مرجع مقالات تخصصی ایران

- ✓ امکان دانلود نسخه تمام متن مقالات انگلیسی
- ✓ امکان دانلود نسخه ترجمه شده مقالات
- ✓ پذیرش سفارش ترجمه تخصصی
- ✓ امکان جستجو در آرشیو جامعی از صدها موضوع و هزاران مقاله
- ✓ امکان دانلود رایگان ۲ صفحه اول هر مقاله
- ✓ امکان پرداخت اینترنتی با کلیه کارت های عضو شتاب
- ✓ دانلود فوری مقاله پس از پرداخت آنلاین
- ✓ پشتیبانی کامل خرید با بهره مندی از سیستم هوشمند رهگیری سفارشات