

Between 1986 and 1999, BHCs and manufacturing firms showed important differences across key governance variables.

Comparison of Descriptive Statistics on Selected Corporate Governance and Financial Variables for Bank Holding Companies and Manufacturing Firms

Variable	Bank Holding Companies	Manufacturing Firms (SIC 2000-3999)
Board size ^a		
Mean	18.2	12.1***
Median	18.0	12.0***
Outside directors (percent) ^a		
Mean	68.7	60.6***
Median	71.4	66.7***
Ratio of value of option grant to sum of salary and bonus ^b		
Mean	1.0	1.6*
Median	0.5	0.8***
CEO ownership (percent) ^c		
Mean	2.3	2.9*
Median	0.4	0.3***
CEO stake (millions of dollars) ^d		
Mean	27.9	133.8**
Median	11.9	9.6**
Meetings per year ^e		
Mean	7.9	7.6
Median	8.0	7.0*
Number of committees ^f		
Mean	4.9	4.4***
Median	5.0	4.0***
Tobin's Q ^g		
Mean	1.1	1.9***
Median	1.0	1.5***
Monthly stock return volatility (percent) ^h		
Mean	7.78	8.85***
Median	7.09	7.92***

Notes: The table presents statistical comparisons of selected corporate governance and financial variables for our sample of bank holding companies (BHCs) and for unregulated, nonfinancial manufacturing firms from 1986 to 1999. Because no data set on manufacturing firms contains all governance variables of interest over the 1986-99 period, the data source used to construct summary statistics for manufacturing firms varies by the variable under consideration and may also vary by year. For each variable, the BHC statistic is computed for the same sample period as the statistic for manufacturing firms.

^a Manufacturing firm data are from Yermack (1995) for 1986-91 and from Spencer Stuart S&P 100 for 1995-96 and S&P 500 for 1997-99. There are 2,394 firm-years.

^b Manufacturing firm data for 1992-99 are from ExecuComp and are for the top fifty S&P 500 firms based on total assets. There are 400 manufacturing firm-years.

^c Manufacturing firm data for 1986-91 are from Yermack (1995); 1992-99 data are from ExecuComp. There are 6,613 manufacturing firm-years.

^d Manufacturing firm data are for the top fifty S&P 500 manufacturing firms in terms of market value and are from Yermack (1995) for 1986-91 and from ExecuComp for 1992-99.

^e Manufacturing firm data for 1995 and 1996 are from Spencer Stuart S&P 100; 1997-99 data are from Spencer Stuart S&P 500. There are 724 firm-years.

^f Manufacturing firm data for 1995 and 1996 are from Spencer Stuart S&P 100; 1997-98 data are from Spencer Stuart S&P 500. There are 510 firm-years.

^g Manufacturing firm data for 1986-91 are from Yermack (1995); 1992-99 data are from Compustat for a sample of manufacturing firms in the S&P 500. There are 4,017 firm-years.

^h The variable is calculated as the standard deviation of monthly returns for a year, then averaged over 1986-99. Manufacturing firm data include manufacturers from Yermack (1995) over the 1986-91 period. Data for 1992-99 are from Compustat for the S&P 500. There are 1,474 manufacturing firm-years.

***Statistically significant at the 1 percent level.

**Statistically significant at the 5 percent level.

*Statistically significant at the 10 percent level.