

Internet Appendix to “How long do equity owners hang on to their stocks”?

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This internet appendix contains supplementary analysis.

- 1 Market and data**
- 2 Characterizing holding period**
- 3 Does holding period differ with owner type?**
- 4 Are there industry differences?**
- 5 The largest owners**

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6 Investment Scale and holding periods for households

In paper, only showing results for investments above 100K. Table 5 in the paper shows the regression. Internet Appendix Table IA.1 shows the corresponding regressions for all owners (not excluding small investments).

Table IA.1 Explaining survivor curve by investment scale for family owners

| | (1) | (2) | (3) | (4) |
|--------------------------------------------|----------------------|----------------------|----------------------|----------------------|
| ln(Initial Investment) | -0.043*** (0.001) | | | -0.169*** (0.001) |
| ln(Portfolio Wealth) (including new asset) | | -0.116*** (0.001) | | |
| ln(Portfolio Wealth) (excluding new asset) | | | -0.077*** (0.001) | -0.014*** (0.001) |
| Constant | 0.962*** (0.006) | 1.816*** (0.008) | 1.245*** (0.007) | 2.222*** (0.008) |
| Observations | 2,412,497 | 1,987,431 | 1,873,686 | 1,873,686 |

Note:

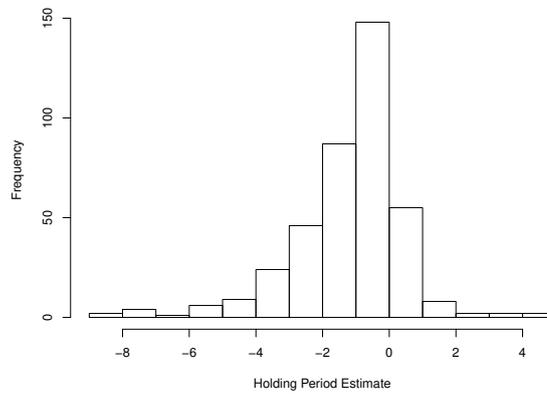
*p<0.1; **p<0.05; ***p<0.01

The table shows estimated contributions to the survival function. We only use data for all private (individual) owners. Each column represents the result of a survivorship regression explaining survivorship with various measures of investment amounts. The estimation is done with R's `survival` package. The regression is done with `survreg` specifying a Weibull distribution. Wealth is measured two ways: The first is the log of the initial investment in a stock (the initial investment is the number of stocks held in the first month times the current stock price). The second is the total portfolio wealth of the investor. Portfolio wealth measured by summing the number of shares multiplied by the stock price at the end of the first month of an investment.

7 Holding period and turnover

Figure IA.1 complements figure 8 in the paper by showing the distribution of the *difference* between the median from the survival curve and the turnover-based estimate.

Figure IA.1 Distributions of difference in two methods for estimating holding periods



The figure shows the distribution of the *difference* between two different methods for estimating holding period. The first is the median holding period from a survival curve estimation. The second is the holding period estimated from turnover, calculated as $\text{Holding Period} = 1/\text{Annual Turnover}$. For each stock at the OSE, the two holding periods are estimated. The figure shows the distribution of the difference between the two measures.
