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## **Lehman Sisters: Female Bank Executives and Risk-Taking**

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## **Lehman Sisters: Female Bank Executives and Risk-Taking**

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### **Abstract**

This paper studies the impact of female executives on risk-taking within US banks. An examination of US bank panel data from 2002 to 2010 provides evidence that female executives reduce levels of risk-taking in banks. We also find that a more balanced gender ratio has a greater impact on bank risk-taking than merely with the presence of female executive. The results are robust to alternative specifications of riskiness and instrument variable approach. However, when we only use part of the sample period surrounding the financial crises of 2007-2008, the results do not hold. We interpret the results as suggesting that having female executives and more balanced gender ratios in the executive team reduces bank risk-taking overall. But the risk-reduction becomes less effective during crisis years.

**Keywords:** Gender, Female, Bank Executive, Diversity, Risk-taking, Lehman Sister

**JEL Classification:** G21, G28, J16, J48