

Propositions belonging to the PhD thesis:

“On the Effects of CEO Compensation”

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1. Options are part of an optimal contract when the CEOs are probability-weighting (Chapter II).
2. Workers' envy results in a positive relationship between CEO pay and workers' wage (Chapter III).
3. The disclosure of CEO compensation leads to increases in workers' wages (Chapter III).
4. Investors trade on pay inequality, and the mispricing comes from the overvaluation of low wage gap stocks (Chapter IV).
5. There are investors who dislike within-firm pay inequality (Chapter IV).
6. The absence of contingent bonuses for publications in top journals at EUR implies that the academic scholars at EUR are not probability weighting or the contracts between EUR and academic scholars are not optimal.
7. Envy among academic scholars in the Netherlands is high, because the wage inequality in Dutch Universities is low by international standards.
8. Options give managers incentives to make long-term decisions.
9. CEOs do not like disclosing their compensation to the public.
10. Disclosing income of people reduces the social welfare if they are inequality averse.
11. The more I know, the more I want to know.