

National Culture Change, Uncertainty, and Debt Maturity Dispersion

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ABSTRACT

Debt maturity dispersions have been concerned since it may directly relate to corporate failures. We investigate maturity dispersion of corporate debts using 49 countries data from 2003 to 2020. We find that the surge of economic uncertainty (WUI) makes firms reduce the tower of their debt maturity. We also find that under the more individualistic, trusted, and joy seeking cultures firms tend to choose the lower debt dispersion towers. The change of the culture tends to intensify the effect to lowering debt dispersion towers. Robustness tests that alleviate potential endogeneity and region level data set also give almost similar findings.

Keywords: Debt maturity dispersions, culture tends, WUI.