

Accounting Research Workshop (ARW) – summer 2025

Speaker: Gabriel Voelcker, Assistant Professor of Business Administration

University: Tuck School of Business, Dartmouth College

Date: July 23, 2025

Topic: *“Attention To Retention: The Informativeness Of Insiders’ Decision To Retain Shares”*

Gabriel Voelcker’s talk explored a less-examined dimension of insider behavior – insiders’ decisions to retain shares instead of selling them. Building on prior literature in insider trading and information asymmetry, his work shifts attention from sales and purchases to retentions, investigating what information this choice may convey to the market.

Using SEC Forms 4 and 144 data, Voelcker analyzes cases where insiders filed intent to sell (Form 144) but ultimately did not execute the trade (as per Form 4). The study examines the economic implications of such inaction, treating it as a potentially informative signal that may reflect either positive or negative private expectations. By empirically showing that these retention decisions are not random, the research reveals a form of deadweight loss for the market, arising from the uncertainty during the retention window, when it remains unclear whether the insider will ultimately execute the trade, thereby indicating a credible signal of private information.

One of the novel contributions of the paper is in extending our understanding of the informational value of inaction – the decision not to trade, even after signaling intent. This subtle behavioral pattern may offer investors and regulators a new lens to assess insider sentiment.

The talk concluded with a discussion on policy implications, including the possibility of encouraging insiders to disclose retention decisions to improve transparency voluntarily. The Q&A session focused on methodological aspects of the approach and the potential for future work on the interaction between registered and unregistered shares in shaping insider behavior.