

Out of the office: How does professional inattention impact retail investors?

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Abstract

Accounting and finance research has long recognized that, relative to professional investors, retail investors face a significant trading disadvantage at earnings announcements. We examine the extent to which professional inattention impacts this disadvantage using plausibly exogenous variation induced by annual Chartered Financial Analyst (CFA) conferences that draw buy-side analyst attendance. Our evidence suggests professional investors' information advantage is significantly attenuated during these conferences, implying a more level playing field for retail investors. We also find a larger volume of retail trading during earnings announcements concurrent to CFA conferences, and these trades appear more profitable. We conduct several robustness tests to validate our inferences are driven by CFA conferences. In sum, we provide novel evidence that professional inattention during earnings announcements likely benefits retail traders.

1. Introduction

Professional buy-side analysts play a significant role in how information is incorporated into price. These experts assimilate public information into actionable recommendations and provide investment advice to and even trade on behalf of clients or for their brokerage. On the other end of the spectrum, research generally assumes retail investors lack the sophistication of their professional counterparts, leading to significant trading disadvantages. In this study, we ask what happens to retail investors when professional, buy-side analysts are “out of the office.” Specifically, we identify a plausibly exogenous annual event that likely reduces buy-side attention, a popular conference for Chartered Financial Analysts (CFAs), and examine whether nonprofessional, retail investors appear impacted by their absence.

While this question is interesting in its own right, our study is also motivated by concerns expressed by regulators, retail investors, and academics regarding fairness in capital markets. One of the primary objectives of the Securities and Exchange Commission (SEC), and similar regulators around the world, is to create and maintain a level playing field across different types of investors. In other words, regulators want to protect retail traders. This has become increasingly difficult with the massive influx of hedge funds over the past few decades, the rise of high-frequency, algorithmic trading, and dark pool trading. While sell-side analysts provide professional guidance that research suggests is particularly relevant to retail investors (Amiram, Owens, and Rozenbaum 2016), many argue that it is still fruitless for retail investors to try to compete in an environment where they cannot match the resources, speed, or time allocation of their professional investor counterparts in the buy-side community (e.g., Locke 2021). Our setting allows us to investigate what happens to retail traders when their trading disadvantage is attenuated.

We use a novel research setting that represents a plausibly exogenous shock to buy-side analyst attention and participation, namely, the annual Chartered Financial Analyst (CFA) Equity Research and Valuation conference. These conferences are attended by thousands of buy-side analysts each year with the goal to keep analysts “abreast of the latest advances and developments in equity research techniques, valuation, and portfolio management” (CFA 2019). We argue that the event exogenously decreases the influence of these analysts in markets, which, in a way, levels the playing field for retail investors. To increase the power of our tests, we rely on days when the conference overlaps with important value-relevant information events, quarterly earnings announcements.¹ This setting thus provides a relatively clean look into what happens in markets, particularly related to retail trading, when the influence of professional analysts is exogenously reduced.

Ex ante, it is unclear what effect a decline in professional analysts’ influence will have on the market response to value relevant information in general, and on retail investors in particular. A long line of research suggests that capital markets benefit from active participation in the market by professional investors, including hedge funds and other institutional investors (Akbas, Armstrong, Sorescu, and Subrahmanyam 2015; Chordia, Subrahmanyam, and Tong 2014; Green, Hand, and Soliman 2011) and short sellers (Boehmer, Jones, and Zhang 2013). This literature generally provides evidence that trading by sophisticated parties facilitates price efficiency and reduces mispricing (also see Kokkenen and Suominen 2015, Sias, Turtle, and Zykaj 2016, and Chen, Da, and Huang 2019). Further, prior research suggests that retail investors (i) are not well

¹ We recognize that these conferences may be purposely scheduled during less busy periods when there are relatively fewer earnings announcements. However, we believe it is highly unlikely firms opportunistically schedule (or move) earnings announcements based on conference dates since these dates are established well before any incentives to time disclosure would be known. Additionally, we consider multiple control samples and use a series of placebo tests to help validate our main inferences.

informed (e.g., Cohen, Gompers, and Vuolteenaho 2002; Barber and Odean 2002; Choi and Sias 2012), (ii) increase volatility due to noise trading (Foucault, Sraer, and Thesmar 2011) and (iii) tend to be net buyers at earnings announcements no matter the news (Lee 1992; Michels 2022).² Thus, CFA conferences that reduce professional investor participation in the price setting process may be associated with negative capital market effects that make retail investors worse off.

However, while professional investor activities likely improve the trading environment as a whole, it is possible that profitable trades at earnings announcements come at the expense of retail investors. Professional investors have more expertise and resources than retail investors, which allows them to learn more from public information and to develop private information (Kim and Verrecchia 1994; Fischer and Verrecchia 1999). This creates an information gap between sophisticated and retail investors, which is exacerbated around corporate disclosure events such as earnings announcements. Accordingly, theoretical models show and empirical evidence suggest that information asymmetry spikes at the earnings announcement because of these sophisticated investor advantages (Kim and Verrecchia 1994; Lee, Mucklow, and Ready 1993; Skinner 1993; Patel 1993). Professional investors are also able to trade more quickly and with larger dollar amounts (Chan and Lakonishok 1993; Rogers, Skinner, and Zechman 2017). Further, Cohen et al. (2002) provide evidence that professional investors trade “in the right direction” around news events, significantly outperforming the retail investors who are likely often the counter-party. This suggests that the CFA conference may be associated with better earnings announcement trading outcomes for retail investors.

² One exception is Boehmer, Jones, Zhang, and Zhang (2021), who find evidence suggesting stocks experiencing net retail buying outperform those with net retail selling over the following week. They describe their evidence as “suggestive” that retail orders “might contain firm-specific information.” Importantly, these trades are not focused on earnings announcement periods. Gomez, Heflin, Moon, and Warren (2022) fail to find an average association between retail order imbalance and subsequent returns at the earnings announcement.

We examine this question using a total of 5,133 earnings announcements occurring around 16 separate event days, all in the fourth calendar quarter, corresponding to 8 CFA conferences from 2012 to 2019. To validate that CFA conferences induce professional investor inattention, we show that overall trading volume is significantly lower and the proportion of retail trades is significantly higher during conference days than control days.

Our main tests focus on earnings announcements occurring during CFA conferences. For our primary control sample, we use earnings announcements that occur within one week prior to and following each event day. The CFA conferences we study occur in the last calendar quarter of the year and range from November 6 to December 7. This staggered design provides a breadth of treatment and control firms that we use to examine three market outcomes. Importantly, most treated firms in our sample are treated only once, consistent with the timing of the CFA conference and earnings announcements being largely independent of one another.

Our first analysis explores whether the information advantage of professional investors around earnings announcements, as measured by the marked increase in information asymmetry at earnings announcements, is impacted by CFA conferences. We find that, relative to control firms issuing earnings announcements in the weeks surrounding the CFA conference, abnormal spreads for treatment firms are 4.0% smaller in the two-day period beginning on the earnings announcement. This evidence suggests that the information gap between sophisticated investors and retail investors is significantly smaller for earnings announcements that occur during the CFA conference. We further find that abnormal depths are significantly higher for earnings announcements during the CFA conference, providing evidence of liquidity improvements as well.

Our second analysis examines aggregate and retail trading volume. If CFA conferences impact sophisticated investor participation at earnings announcements, then we may observe lower

levels of trading overall, a larger proportion of trades initiated by retail investors, or both. We identify trades initiated by retail investors using the method described in Boehmer et al. (2021). We measure retail trading activity as the proportion of trades initiated by retail traders, which controls for total trading volume at earnings announcements. We fail to observe significantly different levels of overall earnings announcement trading volume during CFA conferences. However, consistent with retail traders playing a larger role at the earnings announcements during CFA conferences, our evidence suggests a significantly higher proportion of trades initiated by retail traders around announcements during the conference.

Our third primary test examines the profitability of retail trades at the earnings announcement. Our previous evidence suggests that, during earnings announcements coinciding with the CFA conferences, the information disadvantage of retail traders is reduced, and they trade proportionally more. Whether the trades are more or less profitable, however, is an open empirical question. Because our evidence suggests that retail trades for treated firms occur in periods where the information gap between retail and sophisticated investors is significantly smaller, we may observe that these trades are relatively more profitable. Alternatively, prior research suggests retail traders at earnings announcements tend to be attention-based (Lee 1992; Michels 2022). If these effects are exacerbated during CFA conferences, then we may observe less profitable trades. We measure trade profitability by calculating the order imbalance of trades initiated by retail investors in the two-day period beginning on the earnings announcement. We then evaluate whether imbalance relates to subsequent returns. Our evidence indicates that retail trades made during earnings announcements are significantly more profitable for treatment earnings announcements compared to control announcements over both a two-week and one-quarter holding period. In fact, we fail to find a significant association between retail order imbalance and future returns for

control firms. Overall, our evidence suggests that retail investors benefit when sophisticated market participants are less engaged at the earnings announcement.

We next conduct four sets of additional analyses that help validate our primary results and shed additional light on other market consequences associated with CFA conferences. In the first set of tests, we examine three placebo conference dates: (i) two quarters before the CFA conference, (ii) one quarter before the CFA conference, and (iii) one quarter after the CFA conference. These placebo CFA conferences generally fail to produce similar inferences, suggesting that our observed results are unlikely to occur by random chance.³

In the second set of tests, we examine the duration of the market effects observed around CFA conferences. More specifically, we examine the associations between the CFA conference and market activity measured, on a delay, during days +2 to +5 relative to the CFA conference. We find that none of the *delayed* market variables are associated with the CFA conference, suggesting that the observed associations in our primary tests are concentrated during the distraction period around the information event. In addition, we consider the overall efficiency of the earnings announcement response using intraperiod efficiency (IPE) and post-earnings announcement drift. We fail to find any evidence that efficiency suffers (or improves) during CFA conferences.

In the third set of additional tests, we examine cross-sectional variation in our primary results based on the general level of professional investor ownership in the firms announcing earnings. If our findings are indeed related to exogenous decreases in professional investor activity around earnings announcements, then these effects should be stronger in firms that generally have higher professional investor attention. We measure general professional investor

³ Our primary tests total 6 different specifications, yielding 18 total placebo tests. We observe one significant effect across these 18 tests.

attention using transient institutional investor ownership (Bushee 1998) and find some evidence that our results are concentrated in firms with high institutional ownership. More specifically, we find that the associations between the CFA conference and the reduction in spreads and the profitability of retail trades are significant stronger in firms with high transient institutional ownership relative to firms with lower transient institutional ownership. Differences in the other outcomes (depth and the proportion of retail trades) are not significant.

In our final set of tests, we examine the potential confounding effect of sell-side analyst distraction during the CFA conference. While the CFA conference is targeted at buy-side analysts, it is possible that sell-side analysts also attend or that their research activities are influenced by buy-side inattention during the conference. We examine this possibility by examining the association between the CFA conference and four sell-side analyst variables: forecast volume, timeliness, accuracy, and bias. We find no evidence that sell-side analysts' volume or timeliness of their forecasts is impacted by CFA conferences. Interestingly, we find some evidence that analysts issue forecasts during the CFA conference that are *less* accurate and *more* optimistically biased. This suggests that any influence that the CFA conference may have on sell-side analysts cannot be driving our primary findings because it is difficult to identify reasons poorer quality sell-side analyst forecasts would drive the improved trading environment for retail investors that we observe.

We contribute to the literature on the interrelation between retail and institutional investors. To our knowledge, we provide the first evidence indicating that retail investors benefit when sophisticated investors are less engaged around important corporate information events. Our research complements recent and contemporaneous work examining the impact of *retail* (rather than professional) inattention on earnings announcement outcomes (Liu 2021; Michels 2022). In

particular, evidence in Liu (2021) suggests market-wide underreactions to earnings news during retail brokerage outages, suggesting retail investors play an important role at earnings announcements. Conversely, we fail to find evidence that the efficiency of the price response is affected by CFA conferences, but we do find that retail investors benefit from buy-side analyst inattention. This finding also contributes to our understanding of how buy-side analysts impact capital markets, which is an under-researched topic in the literature (Brown, Call, Clement, and Sharp 2016).

We also contribute to the literature on the informativeness of retail trades. The literature often suggests retail trades do not reflect private information and suggests this investor base largely serves a liquidity provision role (e.g., Lee 1992, Foucault et al. 2011, Michels 2022). On the other hand, more recent research suggests that, in some instances, retail trades may reflect information. Boehmer et al. (2021) provide “suggestive” evidence that retail trades contain information not yet incorporated into prices. Further, Farrell, Green, Jame, and Markov (2022) and Gomez et al. (2022) suggest that retail trades appear to benefit from the recent proliferation in financial analysis on social media. Our evidence suggests that retail trades during periods where there is intense competition for information are only profitable during periods of professional inattention.

Finally, we contribute to the stream of research that identifies exogenous variation in important market related constructs. This stream of research has greatly advanced the accounting and finance literatures and allowed researchers to more convincingly draw causal inferences (e.g., Kelly and Ljungqvist 2012; Lee and Watts 2020). Our study identifies a situation in which buy-side analyst market participation is reduced, which could serve as a fruitful setting to address other research questions.

2. Prior Research and Motivation

Nearly all disciplines identify a set of “experts” that have an outsized influence on outcomes relevant to the area. In medicine, different diagnoses require different expertise. For instance, patients suffering from heart attacks generally receive care from a cardiologist on-call in the emergency room admitting the patient. Jena et al. (2015) study whether the quality of care provided by these doctors varies when certain types of doctors are away, such as those likely to attend annual cardiologist meetings sponsored by the American Heart Association. Specifically, the authors identify patients admitted to emergency rooms at prestigious teaching hospitals with three acute cardiac conditions (heart failure, cardiac arrest, and acute myocardial infarction) on meeting and matched non-meeting days. Despite patient characteristics being virtually identical between treatment and control samples, patients with heart failure or cardiac arrest admitted on conference days have much *lower* mortality rates than patients admitted on non-conference days; the magnitude of the effect is striking. The 30-day mortality rate for patients with heart attacks during conferences is 59% compared to 69% on matched non-conference days. This motivates the interesting question of what happens in other settings when the experts in a given field are away.⁴

In capital markets, buy-side analysts constitute one such influential group.⁵ While admittedly not as “high stakes” as the role of a cardiologist during a cardiac event, buy-side analysts are capital market experts that play an important role in influencing the process through

⁴ Jena et al. (2015) find no differences in acute myocardial infarction mortality rates, though they do find significantly fewer percutaneous coronary interventions (PCIs) during conferences. This suggests at least some of the PCIs conducted by doctors likely attending cardiologist meetings do not improve patient outcomes. Jena, Olenski, Blumenthal, Yeh, Goldman, and Romley (2018) uses a similar setting to provide additional insight into the effects of PCIs for certain acute myocardial infarction diagnoses.

⁵ Sell-side analysts may also be characterized as capital market experts, however, we focus primarily on buy-side analysts in this study for two reasons. First, the CFA conferences we study are primarily geared towards the buy-side. Second, buy-side analysts have a direct effect on the trading decisions of financial institutions (Brown et al. 2016), which underlies the crux of the market outcomes we examine. Any influence of sell-side analysts is indirect because they do not trade on their analysis.

which information is incorporated into security prices. For example, Cheng, Liu, and Qian (2006) find that institutional investors rate buy-side research nearly three times more important to their investment decision-making than that of sell-side analysts. Frey and Herbst (2014) examine one large asset manager and provide evidence that changes in the buy-side analyst stock recommendations at the fund are positively associated with trading in those stocks. Similarly, Jung, Wong, and Zhang (2018) find that institutional investors more actively trade in quarters when their buy-side analysts participate on the earnings announcement conference call. They further find that buy-side analyst participation is significantly related to future returns, trading volume, institutional ownership and short interest. These findings suggest that institutional investors rely on the information and recommendations provided by the experts at their funds. The question that arises is what effect, if any, a decline in buy-side analysts' influence will have on the market in general and on retail investors in particular.

A long line of research suggests that capital markets benefit from active participation in the market by professional investors, presumably supported by buy-side analyst research. Green et al. (2011) and Chordia et al. (2014) provide evidence that hedge fund trading has led to an increase in market efficiency as reflected in reduced returns to market anomalies. Similarly, Akbas et al. (2015) find that trades from hedge funds reduce general mispricing in the market. Additional empirical support for the idea that the activities of sophisticated market participants contribute to more efficient market pricing is found in Kokkenen and Suominen (2015), Sias et al. (2016), and Chen et al. (2019).

In sum, research suggests that the activities of buy-side analysts and their institutional clients help to align security prices with fundamental value. Most would interpret this as beneficial for markets and for retail investors who can trade on prices that are, on average, more "fair." In

this case, any reduction in professional investor trading could be detrimental to markets, particularly given the increased weight that such a reduction in sophisticated trading would give to retail investors in the price setting process. Prior research finds that retail investors are not well informed, increase trading volatility, and trade regardless of news content (see, for example, Lee 1992; Michels 2002; Foucault et al. 2011). Taken together, these arguments suggest that the CFA conferences that reduce professional investor participation in the price setting process may be associated with negative capital market effects that make retail investors worse off.

On the other hand, it is possible that the trades of professional investors indeed improve market efficiency as a whole, but that it does so *at the expense* of less sophisticated retail investors. In general, professional investors have more expertise and resources than do retail investors, which allow them to learn more from public information and to develop private information (Kim and Verrecchia 1994; Fischer and Verrecchia 1999). This creates an information gap between professional and retail investors, which is precisely what concerns regulators like the SEC. Any information gap that exists among investors is exacerbated around corporate disclosure events such as earnings announcements. This idea is supported by theoretical models and empirical tests showing that information asymmetry spikes at the earnings announcement because of these sophisticated investor advantages (Kim and Verrecchia 1994; Lee et al. 1993; Skinner 1993; Patel 1993). Compared to retail investors, professional investors have both an information advantage and the ability to trade more quickly and with larger dollar amounts (Chan and Lakonishok 1993; Rogers, Skinner, and Zechman 2017). Together, these advantages may allow professional investors to take advantage of retail investors as counterparties to trades. If the CFA conference attenuates these advantages, then we may observe better trading outcomes for retail

investors. Thus, whether CFA conferences are associated with positive or negative capital market outcomes in general, and for retail investors, is an open empirical question.

3. Setting and Empirical Design

3.1 CFA Conference Setting

Buy-side analyst attention is determined by many factors, many of which are likely related to the capital market outcomes we are interested in examining (e.g., information asymmetry, liquidity, volume, and retail trading activity). Consequently, identifying the causal effects of buy-side analysts on capital market outcomes poses a significant empirical challenge. To address this challenge, we exploit plausibly exogenous variation in buy-side market involvement caused by the annual Chartered Financial Analyst (CFA) Equity Research and Valuation conference. The annual CFA conference is attended by thousands of buy-side analysts each year with the goal to keep analysts “abreast of the latest advances and developments in equity research techniques, valuation, and portfolio management” (CFA 2019).

We identify eight annual CFA conferences held from 2012 to 2019, with dates falling between November 6 and December 7. Each conference is held over a two-day period from either Tuesday to Wednesday or Thursday to Friday. Because we are interested in examining capital markets outcomes during the conference, we focus on an important value-relevant event, namely earnings announcements, that occur during the same period as the conference. More specifically, we consider earnings announcements one day prior to or during a CFA conference as our treatment observations (we include one day prior to the conference to account for buy-side analysts traveling to the conference location). To identify our control sample of earnings announcements, we use earnings announcements that occur either one week prior to or following each CFA conference.⁶

⁶ We also considered an alternative control sample comprised of treatment firm earnings announcements one year prior to and one year following the CFA conference. Results are qualitatively similar (untabulated).

3.2 Buy-side Analyst Attention, Information Asymmetry, and Liquidity

Our first analysis examines whether buy-side analyst market participation impacts the information advantage of professional investors at earnings announcements. Earnings announcements provide a nice setting to test this question because Kim and Verrecchia (1994) show that earnings announcements spur spikes in information asymmetry because they “stimulate informed judgments among traders who process public disclosure into private information” (p. 44). Extant empirical work supports this theory, providing evidence of temporary but large increases in information asymmetry at the earnings announcement (e.g., Lee et al. 1993; Amiram et al. 2016; Gomez et al. 2022). This line of empirical research typically interprets the earnings announcement spike in information asymmetry as evidence of a large information gap between more and less sophisticated (i.e., retail) investors (e.g., Amiram et al. 2016). Consequently, earnings announcements around CFA conferences provide an ideal setting to examine how variation in buy-side analyst attention caused by the conferences impacts the information advantage of professional investors. We explore this question with the following model:

$$AbSpread_{[0,1]} = \alpha_0 + \alpha_1 Conference + \sum \alpha Controls + Year FE + Weekday FE + \epsilon \quad (1)$$

Following a long line of literature, we proxy for information asymmetry with bid-ask spread. To isolate changes in spreads at the earnings announcement, we define $AbSpread_{[0,1]}$ as the natural logarithm of average daily percent effective spread over trading days [0,1] divided by the average daily percent effective spread over trading days [-41,-11] (Blankespoor, deHaan, and Marinovic 2020).⁷ Our variable of interest, *Conference*, is an indicator variable equal to one for earnings announcements that occur one day prior to or during a CFA conference. We identify control

⁷ All variables are defined in Appendix A.

observations as those that have earnings announcements falling within one week on either side of the CFA conference. The coefficient of interest in Equation (1) is α_1 , which can be interpreted as this incremental abnormal spread for firms announcing earnings during a CFA conference. A significantly positive (negative) α_1 indicates that the earnings announcement spike in bid-ask spread, or information asymmetry, is higher (lower) when buy-side analysts are distracted.

We identify control variables that could influence both abnormal earnings announcement bid-ask spreads and buy-side analyst attention. These controls include the natural logarithm of market-value of equity (*Size*), the market-to-book ratio at the beginning of the period (*MB*), the decile ranked magnitude of the earnings surprise (*Abs[Surprise]*), the natural logarithm of one plus the number of earnings announcements on the respective earnings announcement date (*Busy EA*), the natural logarithm of one plus the analyst following (*Following*), and accounting reporting complexity (*ARC*). In addition, we include year and weekday fixed effects to control for cross-sectional correlation across these dimensions. In particular, the day-of-week fixed effects ensure that α_1 captures any effect of the CFA conference incremental to the day of the week the earnings announcement occurs. Further, we cluster standard errors by earnings announcement date.

While we are primarily interested in information asymmetry per theoretical predictions in Kim and Verrecchia (1994), we also consider market depth (*AbDepth*) as an alternative dependent variable. We define *AbDepth* similar to *AbSpread*. If liquidity improves during CFA conferences, we expect to observe a positive estimate for α_1 with *AbDepth* as the dependent variable.

3.3 Buy-side Analyst Attention and Trading Volume

We next investigate the impact of CFA conferences on total trading volume and the proportion of trading volume attributable to retail investors at earnings announcements. As discussed, if CFA conferences impact sophisticated investor participation at earnings

announcements, then we may observe lower levels of trading overall, a larger proportion of trades initiated by retail investors, or both. To test these conjectures, we estimate the following model:

$$AbVolume_{[0,1]} \text{ or } AbRetailPct_{[0,1]} = \alpha_0 + \alpha_1 Conference + \sum \alpha Control + Year FE + Weekday FE + \epsilon \quad (2)$$

The dependent variable in Equation (2) is either $AbVolume_{[0,1]}$ or $AbRetailPct_{[0,1]}$. $AbVolume_{[0,1]}$ is abnormal volume defined as the natural logarithm of average daily turnover during trading days [0,1] divided by the average daily turnover during trading days [-41,-11]. Daily turnover is calculated as the total number of shares traded divided by total shares outstanding. $AbRetailPct_{[0,1]}$ is abnormal percentage retail volume defined as the natural logarithm of one plus the average daily retail percent over trading days [0,1] divided by one plus the average daily retail percent over trading days [-41,-11]. We add one to both the numerator and denominator due to the frequency of zero retail trading. Daily retail percent is calculated as retail volume (identified following the method developed by Boehmer et al., 2021) divided by total volume. Measuring retail trading activity as the proportion of volume implicitly controls for total trading volume at earnings announcements.

We include the same set of controls as in Equation (1), namely, *Size*, *MB*, *Abs(Surprise)*, *Busy EA*, *Following*, and *ARC*. Further, we again include year and weekday fixed effects and cluster standard errors by earnings announcement date. The coefficient of interest in Equation (3) is α_1 , which can be interpreted as this incremental abnormal volume or proportion of retail trading for treatment firms. A significantly positive (negative) α_1 indicates that total volume, or the proportion of retail trading, is higher (lower) when buy-side analysts are distracted at CFA conferences.

3.4 Buy-side Analyst Attention and Retail Trading Profitability

Our analyses to this point examine how buy-side analyst inattention, proxied for using CFA conferences, impacts the information disadvantage of retail investors and their trading activity. However, these analyses do not speak directly to whether retail investors are better or worse off after a reduction in buy-side analyst attention. For instance, even if retail investors trade proportionately more during CFA conferences, we do not know if their trades make them better or worse off, on average. Following prior studies (e.g., Boehmer et al. 2021), we measure the profitability of retail trading based on how net retail order imbalance is associated with subsequent stock returns. Specifically, we estimate the following model:

$$\begin{aligned} BHAR_{[2,10]} \text{ or } BHAR_{[2,75]} = & \alpha_0 + \alpha_1 Conference + \alpha_2 Retail OIB \\ & + \alpha_3 (Conference \times Retail OIB) \\ & + \sum \alpha Control + \sum \alpha (Conference \times Control) + Year FE \\ & + Weekday FE + \epsilon \end{aligned} \quad (3)$$

The dependent variable in Equation (3) is future buy-and-hold abnormal returns (*BHAR*) over either a [2,10] or [2,75] trading day window. Abnormal returns are calculated as total returns less matching size, book-to-market, and momentum portfolio returns (Daniel, Grinblatt, Titman, and Wermers 1997), or if missing, the value-weighted return from CRSP.⁸ We examine both a short- and long-window future returns to investigate if short-term returns associated with retail order imbalance reverse in longer horizons. *Retail OIB* is net retail order imbalance at the earnings announcement calculated as total retail buys less total retail trades over trading days [0,1] divided by total trades over trading days [0,1], multiplied by 100 for expositional purposes. Retail trades are again identified following the method developed by Boehmer et al., (2021) and trade direction is inferred following the method developed by Lee and Ready (1991).

⁸ Observations missing a portfolio return lack 12 months of returns needed for momentum portfolio assignment.

We include the same set of controls in Equation (3) as prior Equations (1) and (2) except we replace unsigned earnings news ($Abs[Surprise]$) with signed earnings news ($Surprise$), and we also interact all control variables with *Conference*. The coefficient of interest in Equation (3) relates to the interaction term, or α_3 . We interpret α_2 as retail trading profitability for control firms and α_3 as the incremental retail trading profitability for treatment firms. A significantly positive (negative) α_3 indicates that retail trading is more (less) profitable when buy-side analysts are distracted during the CFA conferences.

4. Data and Sample

4.1 Sample

Our sample begins with all earnings announcements in the IBES consensus file during a “treatment” period, defined as the day before a CFA conference and the two days of the conference, or a “control” window, defined as the week before and after the CFA conference window, for eight annual CFA Equity Research and Valuation conferences from 2012 through 2019. This results in 1,123 treatment earnings announcements and 4,131 control earnings announcements for a total of 5,254 observations. We require bid-ask spread, depth, and retail trading data from TAQ. We also require stock return and volume data from CRSP, financial data from Compustat, analyst forecast data from IBES, and accounting reporting complexity data made available by Hoitash and Hoitash (2018; 2022). After these data requirements, our sample is reduced by 121 observations (2.3% sample loss) to a final sample of 5,133 earnings announcements, comprising 1,099 treatment observations and 4,034 control observations.⁹

Our sample captures earnings announcements reported by 2,449 unique firms. Of the treatment sample of 1,099, there are 913 unique firms, which indicates that very few firms in our

⁹ We exclude observations with Cook’s Distance greater than $4/N$ in our regressions to address influential observations (Leone, Minutti-Meza, and Wasley 2019). Thus, the number of observations differ from 5,133 in each regression.

sample are assigned as treatment observations more than once and suggests that the being assigned as a treatment firm is likely random and not driven by firm specific characteristics.

4.2 Descriptive Statistics

In Table 1, we report descriptive statistics for our final sample of 5,133 earnings announcements from 2012 to 2019. We winsorize all continuous variables except returns at the 1st and 99th percentiles. On average, we find that earnings announcements have positive abnormal bid-ask spread (0.170), positive abnormal depth (0.010), positive abnormal trading volume (0.576), and positive abnormal retail volume percentage (0.011). These statistics are consistent with the inferences of prior research and support the use of earnings announcements as a powerful setting to examine retail trading and information asymmetry between investors. The mean value of 0.214 for *Conference* suggests that treatment observations represent 21.4% of all observations.

4.3 Industry and Covariate Balance

We expect that CFA conference timing creates an exogenous shock to buy-side analyst attention, which implies that we should find reasonable covariate balance between treatment and control firms. To test this assumption, we examine industry and covariate balance between our treatment and control samples. In Table 2, Panel A, we present the number of observations in our sample separately for treatment and control firms, broken down by Fama-French 12 industry. Overall, we find that industry distributions appear highly consistent across the treatment and control panels, suggesting CFA conference treatment does not tend to cluster around a specific industry's earnings announcement season. In Panel B of Table 2, we present the covariate balance between the treatment and control samples for potentially confounding factors. Overall, we find covariate that differences in means are statistically insignificant for most variables. Specifically, mean treatment and control observations appear to capture similar firm types (industry, size,

profitability, and market-to-book ratios), firms with similar information environments (analyst following and accounting reporting complexity), and firms with similar investor bases (transient institutional ownership). This industry and covariate balance is consistent with CFA conference timing producing as-if random treatment.

Although most variables exhibit covariate balance, a few exceptions are noteworthy. Treatment and control firms differ significantly by earnings news (*Surprise* and *Abs[surprise]*) and the number of concurrent earnings announcements (*Busy EA*). The lack of balance across these variables reinforces the importance of including these variables as controls in our regressions (Shipman, Swanquist, and Whited 2017). In addition to including these variables as controls in our models, we perform several additional analyses to address potential correlated omitted variables, described later.

4.4 Validation Tests

Before turning to our primary tests, we examine if CFA Conferences are associated with market-wide effects. This serves as a validation check to assess whether trading activity is lower during CFA Conferences, consistent with general investor inattention. We compare both total market volume and retail trading volume during CFA Conferences to two different control periods and the unit of observation is a trading day. We present the results in Table 2, Panel C. In all four columns, *Conference* equals 1 if the day is the day of or day before the CFA conference, and equal to zero during the control window period.

In columns 1 and 2, the control window period is the full year.¹⁰ Although we find no significant change in total market volume on CFA conference days relative to other days during

¹⁰ We have eight years of CFA conferences in our sample (2012 – 2019). Eight years multiplied by 252 trading days per year is 2,016 days. Column 1 uses 1,802 days because we employ Cook’s Distance to address outliers (Leone et al. 2018), which removes some observations.

the year, we do find that retail trading increases on conference days relative to non-conference days during the year. Given that CFA Conferences occur during the fourth quarter, when holidays and other events could reduce market activity, a full year of control period days may be inappropriate. Accordingly, in columns 3 and 4 we reduce the control period to be the fourth calendar quarter (October, November, and December), such that we are comparing the effect of CFA Conference days to only non-conference days in the fourth quarter. Using this control sample, we document reduced total market volume (column 3) and increased retail trading activity (column 4) on CFA Conference days. Overall, the results of Table 2, Panel C are consistent with CFA Conferences being significant events that have market-wide consequences, validating they are strong enough setting to test our research questions of interest.

5. Primary Results

Next, we present our primary analyses that examine the firm-specific effects of announcing earnings during a CFA Conference. Accordingly, the unit of observation for all remaining tests is a firm earnings announcement day. Throughout our analysis, we tabulate our results with and without controls to assess the impact of observable controls on our estimates (Whited, Swanquist, Shipman, and Moon 2022).

5.1 Information Asymmetry and Market Liquidity

Table 3 reports results from estimating Equation (1). In columns 1 and 2 of Table 3, we present results when $AbSpread_{[0,1]}$ is the dependent variable. We find negative and statistically significant coefficients on *Conference* in column 1 (coefficient = -0.06; t-statistic = -3.19) and column 2 (coefficient = -0.04; t-statistic = -2.81). These results suggest that the well-documented spike in information asymmetry at earnings announcements is attenuated for earnings announcements that occur during a CFA conference. These results are not only statistically

significant, but economically meaningful. Specifically, abnormal spread is approximately 4% lower on conference days, roughly 11% of a standard deviation in *AbSpread*.

In columns 3 and 4 of Table 3, we present results for when the dependent variable is *AbDepth*_[0,1]. We find positive and statistically significant coefficients on *Conference* in column 3 (coefficient = 0.046; t-statistic = 2.06) and column 4 (coefficient = 0.046; t-statistic = 2.40), which is consistent with CFA conferences leading to higher liquidity. Overall, these results suggest that a reduction in buy-side analyst attention is associated with a more level playing field (i.e., less information asymmetry between investors) and higher market liquidity.

5.2 Total Volume and Proportion of Retail Trading

In Table 4, we report the estimation results for Equation (2) using aggregate trading volume (*AbVolume*_[0,1]) and the proportion of retail trading volume (*AbRetailPct*_[0,1]) as alternative dependent variables presented in columns 1 and 2 (3 and 4), respectively. We again present results with and without controls. All columns include year and weekday fixed effects and report t-statistics using standard errors clustered by earnings announcement date.

In column 1 of Table 4, which excludes controls, we find a negative and statistically significant coefficient on *Conference* (coefficient = -0.099; t-statistic = -1.89), which indicates that earnings announcements during CFA conferences are associated with a lower total trading volume. However, we find an insignificantly negative coefficient in column 2 after including controls (coefficient = -0.024; t-statistic = -0.72). Taken together, these results provide little evidence of a change in total earnings announcement abnormal volume when buy-side analysts are away at the annual CFA conference.

In columns 3 and 4 of Table 4, we find a positive and significant coefficient on *Conference* in both the univariate and controlled model specifications (coefficients = 0.006 and 0.003; t-stats

= 4.04 and 2.24, respectively). With respect to the economic impact, the estimation results in column 4 suggest that a 0.3% increase in abnormal earnings announcement retail volume during CFA conferences, or approximately 7% of a standard deviation. Overall, these results are consistent with a reduction in buy-side analyst attention leading to an increase in retail trading as a proportion of total trading.

5.3 Retail Trading Profitability

Our results thus far suggest that a reduction in buy-side analyst attention leads to relatively lower information asymmetry, higher market liquidity, and proportionately more retail trading. We next address whether retail traders are truly better off during CFA conferences by examining retail trading profitability.

In Table 5, we report the estimation results for estimating Equation (3). In columns 1 and 2, we present estimates with $BHAR_{[2,10]}$ as the dependent variable, and columns 3 and 4 present estimates with $BHAR_{[2,75]}$ as the dependent variable. All columns include year and weekday fixed effects and report t-statistics using standard errors clusters by earnings announcement date.

With respect to the main effect of *Retail OIB*, we find statistically insignificant coefficients in all four specifications. This suggests retail trades corresponding to control observations do not appear profitable. Turning to our coefficient of interest, the interaction of *Retail OIB* and *Conference*, we find positive and statistically significant coefficients in columns 1 (coefficient = 0.002; t-statistic = 3.12) and column 2 (coefficient = 0.002; t-statistic = 3.35). These results are consistent with retail investors making more profitable trades following earnings announcements for EAs that occur during CFA conferences compared to control observations. In columns 3 and 4 of Table 5, we replace the dependent variable with $BHAR_{[2,75]}$ to examine whether these early trading gains tend to reverse over time. We continue to find positive and statistically significant

coefficients on the interaction term (*Retail OIB* \times *Conferece*) in column 3 (coefficient = 0.003; t-statistic = 1.81) and column 4 (coefficient = 0.003; t-statistic = 2.01). In sum, these results complement our earlier findings and suggest that retail investors benefit from the more level playing field associated with reduced buy-side analyst attention by making more profitable trading decisions.

6. Robustness and Additional Analysis

6.1 Placebo Treatment Periods

In our first robustness test, we re-estimate our primary results using the same treatment and control firms across three placebo dates: (i) two quarters before the CFA conference, (ii) one quarter before the CFA conference, and (iii) one quarter after the CFA conference. We choose these alternative time periods because the annual CFA conferences in our study most commonly relate to earnings announcements for the third fiscal quarter (about 80% of our sample). Thus, the alternative placebo dates generally capture earnings announcements for all other fiscal quarters for firms in our sample (i.e., the first, second, and fourth fiscal quarters). If the results in our study are attributable to the CFA conference, and not firm characteristics that are held constant each quarter, then we should observe no treatment effect for each placebo test.

In Table 6, we report the estimation results for Equations (1) through (3) for each placebo treatment period (i.e., replications of Tables 3, 4, and 5 using these placebo event dates). We estimate a total of 18 placebo tests because we examine six market outcomes each at three placebo treatment periods. In Table 6, Panel A reports estimates for two quarters before the CFA conference, Panel B reports estimates one quarter before the CFA conference, and Panel C reports estimates one quarter after the CFA conference. Of these 18 placebo tests performed, we estimate only one statistically significant coefficient at the 10% significance level. This is for the abnormal

bid-ask spread specification one quarter before the CFA conference (column 1 of Panel B; coefficient = -0.012; t-statistic = -1.91). Additionally, we test whether the 18 t-statistics reported in Table 6 fit a standard normal distribution. Both the Shapiro-Wilk (parametric) and the Kolmogorov-Smirnov (non-parametric) tests fail to reject the null. Overall, these tests provide additional evidence that the effects we estimate in our primary analyses are likely attributable to the CFA conferences, and not explained by other factors such as treatment firm characteristics.

6.2 Treatment Effect Duration

Next, we examine the duration of the treatment effect to investigate how long the CFA conference impacts capital markets. Ex ante, we expect the magnitude of the treatment effect to diminish quickly after the CFA conference as buy-side analyst attention returns to baseline levels. In Table 7, we report the estimation results of Equations (1) through (3) for the window of two to five days following the CFA conference. Similar to our prior analyses, we estimate all models with and without control variables. We find no evidence that treatment firms are associated with differential abnormal bid-ask spread, abnormal depth, or total volume in the post-conference window (columns 1 – 6). We do find some evidence that the percent of retail trading remains elevated in the post-conference window before adding control variables (column 7; coefficient = 0.003; t-statistic = 2.44). However, we fail to find this treatment effect once we include controls in the model (column 8; coefficient = 0.001; t-statistic = 1.13). Taken together, these results suggest the treatment effect is concentrated in the CFA conference window and dissipates quickly after. This evidence is consistent with our expectation that the CFA conference captures a transitory shock to buy-side analyst attention.

6.3 Earnings Response Efficiency

Our primary analyses suggest that less informed investors benefit when buy-side analyst attention is reduced. However, given the increased involvement of retail traders and reduced involvement of informed traders, it is possible that these benefits come at the cost of a less efficient market response to earnings news. Accordingly, this set of tests examine the overall efficiency of the markets' earnings news response using intraperiod efficiency (IPE) and post-earnings announcement drift. IPE measures the pricing efficiency of a news event based on an area-under-the-curve approach where a higher value indicate a more timely market response to news.¹¹ We estimate the following model to test the impact of CFA conferences on IPE:

$$\begin{aligned} IPE_{[0,10]} \text{ or } IPE_{[0,75]} = & \alpha_0 + \alpha_1 \text{Conference} + \sum \alpha \text{Control} \\ & + \text{Year FE} + \text{Weekday FE} + \epsilon \end{aligned} \quad (4)$$

The dependent variable in Equation (4) is *IPE* over either a 10-day or 75-day window beginning at the earnings announcement date. We calculate IPE following Blankespoor et al. (2020) and set IPE to missing for observations with absolute IPE-window returns of less than 1%. We also decile rank IPE by year. Lastly, we include *Size*, *MB*, *Abs(Surprise)*, *Busy EA*, *Following*, and *ARC* as control variables. A significant estimate for α_1 suggests price efficiency differs for earnings announcements during CFA conferences.

We also estimate the following post-earnings announcement drift model as an additional test of earnings news pricing efficiency:

¹¹ IPE is like intraperiod timeliness (IPT; e.g., Drake et al. 2017) except IPE is reduced by stock price over-reactions that subsequently reverse. Blankespoor et al. (2020) argue IPE is superior to IPT as a measure of price responsiveness.

$$\begin{aligned}
BHAR_{[2,10]} \text{ or } BHAR_{[2,75]} &= \alpha_0 + \alpha_1 Conference + \alpha_2 Surprise \\
&+ \alpha_3 (Conference \times Surprise) \\
&+ \sum \alpha Control + \sum \alpha (Conference \times Control) + Year FE \\
&+ Weekday FE + \epsilon
\end{aligned} \tag{5}$$

The dependent variable in Equation (5) is *BHAR* over either a 10-day or 75-day window beginning at the earnings announcement date. We include *Size*, *MB*, *Busy EA*, *Following*, and *ARC* and their interactions with *Conference* as control variables in Equation (5). The coefficient of interest in Equation (6) is α_3 . Like earlier analyses, we estimate Equations (4) and (5) with weekday fixed effects, year fixed effects, cluster standard errors by earnings announcement date, and exclude observations with Cook's Distance values greater than 4/N.

In Table 8, we present the estimation results for Equation (4) and (5). In columns 1 and 2 of the table, we examine the treatment effect on IPE over 10- and 75-day windows, respectively. In columns 3 and 4, we examine the treatment effect on post-earnings announcement drift over the same 10- and 75-day windows, respectively. We find no statistically significant coefficients on our variables of interest in any of the four regression estimates reported in Table 8. Accordingly, we fail to find any evidence that efficiency suffers (or improves) during CFA conferences.

6.4 Cross-Sectional Analysis

We next consider how the CFA conference effects we document vary based on the level of transient institutional ownership. We expect the impact of CFA conferences to concentrate in firms with higher ex ante professional investor attention because these investors are more likely to rely on buy-side analyst research when making their investing decisions. We measure general professional investor attention using transient institutional investor ownership (Bushee 1998) and partition our sample into high and low transient institutional ownership firms. Specifically, we partition firms at the annual median value of transient institutional ownership (*TRA*) and estimate

our primary analyses for the below median (low *TRA*) and above median (high *TRA*) groups. Note that the Bushee transient institutional ownership data ends in 2018, so for this analysis we drop all observations corresponding to 2019.

In Table 9, we report the estimation results for Equations (1) through (4) for high and low *TRA* firm partitions. We perform Wald Tests to test the statistical significance of coefficient magnitudes across partitions. Consistent with our expectations, we find evidence that the treatment effect on bid-ask spread (columns 1 and 2) and retail trading profitability (columns 9 and 10) is statistically stronger for firms with high transient institutional ownership. We fail to observe similar evidence for depth (columns 3 and 4) and retail trading (columns 7 and 8). Overall, the results in Table 9 provide some evidence that the impact of CFA conferences may be stronger for firms in which professional investors are more likely to rely on buy-side analyst research, though the evidence is mixed.

6.5 Sell-side Analysts

In our final set of tests, we consider the potential confounding impact of sell-side analyst attention during CFA conferences. While the CFA conference is targeted at buy-side analysts, it is possible that sell-side analysts also attend or that their research activities are influenced by buy-side inattention during the conference. To evaluate the degree to which sell-side attendance influences our results, we examine the treatment effect on four sell-side analyst forecast characteristics for sell-side analyst forecasts issued in the 2-day earnings announcement window: (i) the number of forecasts issued (*Fcst_N*), (ii) the average number of hours between the earnings announcement and forecasts issued (*Fcst_Lag*), (iii) the average forecast error (*Fcst_Error*), and (iv) the average forecast bias (*Fcst_Bias*).

In Table 10, Panel A, we report estimates of the effect of CFA conferences on the number of sell-side forecasts issued and average time lag of sell-side forecasts. We present results both with and without controls. Overall, we find little evidence of an effect of sell-side analyst forecast frequency and timing. Specifically, although we document a significantly negative coefficient on *Conference* in column 1, this effect goes away when we include controls in the model in column 2, and columns 3 or 4 suggest no significant effect when the dependent variable is sell-side analyst forecast lag.

In Table 10, Panel B, we report estimates of the effect of CFA conferences on sell-side forecast quality (i.e., accuracy and bias). We find that *Conference* is positively associated with sell-side analyst forecast errors in both columns 1 (coefficient = 0.005; t-statistics = 1.74) and column 2 (coefficient = 0.004; t-statistics = 2.50). In addition, we find that *Conference* is positively associated with sell-side analyst forecast bias in both columns 3 (coefficient = 0.004; t-statistics = 2.42) and column 4 (coefficient = 0.002; t-statistics = 1.85). However, it is important to note that any influence that the CFA conference may have on sell-side analysts' forecast quality is unlikely to drive our primary findings because it is difficult to identify reasons that *poorer* quality sell-side analyst forecasts would improve the trading environment for retail investors that we observe in our primary tests. Thus, we believe it is unlikely that any potential sell-side analyst effects are confounding our primary results.

7. Conclusion

Accounting and finance research has long recognized that, relative to professional investors, retail investors face a significant trading disadvantage at earnings announcements. We examine the extent to which professional inattention impacts this disadvantage using plausibly exogenous variation induced by annual Chartered Financial Analyst (CFA) conferences that draw

buy-side analyst attendance. Our evidence suggests professional investors' information advantage is significantly attenuated during these conferences, implying a more level playing field for retail investors. We also find a larger volume of retail trading during earnings announcements concurrent to CFA conferences, and these trades appear more profitable. We conduct several robustness tests to validate our inferences are driven by CFA conferences. In sum, we provide novel evidence that professional inattention during earnings announcements likely benefits retail traders.

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Appendix A

Variable Definitions

Variable	Definition
<i>AbDepth</i> _[x,y]	The natural logarithm of average daily depth over trading days [x,y] divided by the average daily depth over trading days [-41,-11]; all days are indexed relative to the earnings announcement date. Daily depth is calculated as the sum of time-weighted best bid dollar depth and best offer dollar depth.
<i>AbRetailPct</i> _[x,y]	The natural logarithm of 1 + the average daily retail percent over trading days [x,y] divided by 1 + the average daily retail percent over trading days [-41,-11]; all days are indexed relative to the earnings announcement date. Daily retail percent is calculated as retail trades (identified following the method developed by Boehmer et al., 2021) divided by total trades.
<i>AbSpread</i> _[x,y]	The natural logarithm of average daily percent effective spread over trading days [x,y] divided by the average daily percent effective spread over trading days [-41,-11]; all days are indexed relative to the earnings announcement date.
<i>AbVolume</i> _[x,y]	The natural logarithm of average daily turnover during trading days [x,y] divided by the average daily turnover during trading days [-41,-11]; all days are indexed relative to the earnings announcement date. Daily turnover is calculated as the total number of shares traded divided by total shares outstanding.
<i>AggVolume</i>	The natural logarithm of aggregate daily turnover calculated as the total number of shares traded divided by total shares outstanding each day.
<i>AggRetailPct</i>	The natural logarithm of the dollar value of total daily retail trades divided by the dollar value of total daily trades. Retail trades are identified following the method developed by Boehmer et al. (2021).
<i>ARC</i>	Accounting reporting complexity based on the county of monetary items disclosed in annual XBRL filings (developed by Hoitash and Hoitash, 2018).
<i>BHAR</i> _[x,y]	Buy and hold abnormal returns (using portfolio returns calculated from Daniel, Grinblatt, Titman, and Wermers 1997, and if missing, the value-weighted return from CRSP) over day x to day y relative to the earnings announcement date; days are indexed relative to the earnings announcement date.
<i>Busy EA</i>	The natural logarithm of 1 + the total number of earnings announcements on the respective earnings announcement date.
<i>Conference</i>	Indicator equal to 1 if the earning announcement occurs 1 day before or during a CFA conference, and zero otherwise.
<i>Fcst_Error</i>	The average unsigned forecast error for annual EPS forecasts issued over trading days [0,1] relative to the earnings announcement scaled by price per share at the end of the previous fiscal-period. Unsigned forecast error is calculated as the absolute value of forecast EPS less actual EPS.
<i>Fcst_Bias</i>	The average signed forecast error for annual EPS forecasts issued over trading days [0,1] relative to the earnings announcement divided by price per share at the end of the previous fiscal-period. Signed forecast error are calculated as forecast EPS less actual EPS such that a positive value indicated analyst optimism.
<i>Fcst_Lag</i>	The natural logarithm of 1 + the average hourly lag between the earnings announcement and analyst forecast issuance for annual EPS forecasts issued over trading days [0,1] relative to the earnings announcement.
<i>Fcst_N</i>	The natural logarithm of 1 + the number of annual EPS forecasts issued over trading days [0,1] relative to the earnings announcement.
<i>Following</i>	The natural logarithm of 1 + analyst following prior to the earnings announcement of interest.
<i>IPe</i> _[x,y]	Intra-period efficiency from day x to day y as developed by Blankespoor et al. (2018); all days are indexed relative to the earnings announcement date.
<i>MB</i>	Market to book ratio at the beginning of the period.

<i>Retail OIB</i> _[x,y]	Retail order imbalance calculated as total retail buy volume less total retail sell volume over trading days [x,y] divided by total volume over trading days [x,y]; all days are indexed relative to the earnings announcement date.. Retail trades are identified following the method developed by Boehmer et al. (2021) and trade direction is inferred following the method developed by Lee and Ready (1991).
<i>Size</i>	The natural log of 1 + the market value of equity.
<i>Surprise</i>	The annual decile ranked earnings surprise calculated as actual EPS less the consensus EPS forecast preceding the earnings announcement scaled by price per share at the end of the previous fiscal-period.
<i>TRA</i>	Percentage of total shares held by transient institutions in the most recent 13F filing preceding the earnings announcement. Transient institutions are identified using the classification method developed by Bushee (1998).

TABLE 1
Primary Sample Descriptive Statistics

Variable	N	Mean	Lower Quartile	Median	Upper Quartile	Std Dev
<i><u>Dependent Variables</u></i>						
<i>AbSpread</i> _[0,1]	5,133	0.170	-0.029	0.188	0.402	0.355
<i>AbDepth</i> _[0,1]	5,133	0.010	-0.246	0.032	0.268	0.481
<i>AbVolume</i> _[0,1]	5,133	0.576	-0.335	0.612	1.540	1.460
<i>AbRetailPct</i> _[0,1]	5,133	0.011	-0.011	0.008	0.032	0.046
<i>BHAR</i> _[2,10]	5,133	-0.004	-0.052	-0.005	0.038	0.127
<i>BHAR</i> _[2,75]	5,133	0.003	-0.162	-0.026	0.106	0.391
<i><u>Independent Variables</u></i>						
<i>Conference</i>	5,133	0.214	0.000	0.000	0.000	0.410
<i>Retail OIB</i>	5,133	-0.409	-1.103	-0.154	0.600	3.958
<i>Size</i> *	5,133	3,738	134	605	2,529	9,869
<i>MB</i>	5,133	2.469	1.189	1.717	2.920	2.044
<i>Surprise</i> *	5,133	-0.002	-0.003	0.000	0.004	0.042
<i>Abs(Surprise)</i> *	5,133	0.019	0.001	0.003	0.011	0.056
<i>Busy EA</i> *	5,133	233.1	127.0	256.0	355.0	126.4
<i>Follow</i> *	5,133	6.950	2.000	5.000	9.000	6.424
<i>ARC</i>	5,133	197.36	134.00	181.00	241.00	84.75
<i>TRA</i>	4,157	0.145	0.063	0.132	0.210	0.102

This table presents descriptive statistics for variables used in our analyses. Variables with an * are presented before log or decile rank transformations. All continuous variables except returns are winsorized at the 1st and 99th percentiles. All variables are defined in Appendix A.

TABLE 2
Treatment and Control Group Balance

Panel A: Industry Balance

Industry	FF12	Treat		Control	
		# of obs	% of total	# of obs	% of total
NoDur	1	54	4.9%	168	4.2%
Durbl	2	30	2.7%	98	2.4%
Manuf	3	87	7.9%	319	7.9%
Enrgy	4	56	5.1%	181	4.5%
Chems	5	34	3.1%	88	2.2%
BusEq	6	198	18.0%	734	18.2%
Telcm	7	21	1.9%	117	2.9%
Utils	8	25	2.3%	101	2.5%
Shops	9	159	14.5%	404	10.0%
Hlth	10	288	26.2%	1,182	29.3%
Money	11	50	4.5%	269	6.7%
Other	12	97	8.8%	373	9.2%
Total		1,099	100.0%	4,034	100.0%

Panel B: Covariate Balance

Variables	N		Mean		Difference
	Treat	Control	Treat	Control	
<i>Size</i>	1,099	4,034	6.470	6.393	-0.077
<i>ROA</i>	1,099	4,034	-0.042	-0.045	-0.003
<i>MB</i>	1,099	4,034	2.536	2.450	-0.086
<i>Surprise</i>	1,099	4,034	5.197	5.420	0.223**
<i>Abs(Surprise)</i>	1,099	4,034	6.108	6.297	0.189*
<i>Busy EA</i>	1,099	4,034	4.954	5.249	0.295***
<i>Follow</i>	1,099	4,034	1.812	1.792	-0.021
<i>ARC</i>	1,099	4,034	196.19	198.36	2.17
<i>Retail OIB</i>	1,099	4,034	-0.53	-0.38	0.15
<i>TRA</i>	968	3,189	5.122	5.015	-0.107

Panel C: Aggregate Market Volume

Dependent Variable	Full Year Control Sample		Q4 Control Sample	
	<i>AggVolume</i>	<i>AggRetailPct</i>	<i>AggVolume</i>	<i>AggRetailPct</i>
<i>Conference</i>	-0.017 (-0.75)	0.038*** (2.63)	-0.043** (-2.44)	0.034*** (3.24)
<i>Busy EA</i>	0.028*** (12.95)	-0.010*** (-7.41)	0.025*** (7.78)	-0.023*** (-13.10)
<i>Mean Abs(Surprise)</i>	0.009 (0.30)	-0.034 (-1.22)	0.159 (0.50)	-0.005 (-0.06)
<i>Std Abs(Surprise)</i>	-0.006 (-0.68)	0.013 (1.35)	-0.047 (-0.82)	0.002 (0.13)
Observations	1,802	1,807	359	331
Adjusted R-squared	0.185	0.521	0.470	0.805
Fixed Effects	Weekday & Year	Weekday & Year	Weekday & Year	Weekday & Year

Panel A reports the industry composition of treatment and control samples. Panel B reports mean values of potential covariates for treatment and control samples. All continuous variables are winsorized at the 1st and 99th percentiles. Panel C reports trading-day-level estimates from regressing logged aggregate market volume (*AggVolume*) and logged aggregate retail trading as a percent of total trading (*AggRetailPct*) on conference days relative to all trading days during the year (columns 1 and 2) and trading days in the fourth calendar quarter (columns 3 and 4). All regressions include year fixed effects and weekday fixed effects. In all regressions, outliers are removed using a Cook's distance threshold of 4/N. All continuous variables in Panel C are winsorized prior to aggregation at the daily level. *** (**, *) denotes two-tailed significance at the $p < 0.01$ ($p < 0.05$, $p < 0.10$) level. All variables are defined in Appendix A.

TABLE 3

The Impact of Professional Inattention on Information Asymmetry & Liquidity

	DV = <i>AbSpread</i> _[0,1]		DV = <i>AbDepth</i> _[0,1]	
	[1]	[2]	[3]	[4]
<i>Conference</i>	-0.060*** (-3.19)	-0.040*** (-2.81)	0.046** (2.06)	0.046** (2.40)
<i>Size</i>		0.050*** (11.14)		0.045*** (10.14)
<i>MB</i>		-0.008*** (-3.60)		0.002 (0.59)
<i>Abs(Surprise)</i>		-0.007*** (-4.24)		0.002 (0.88)
<i>Busy EA</i>		0.008 (0.80)		-0.005 (-0.45)
<i>Following</i>		-0.029*** (-3.56)		-0.006 (-0.54)
<i>ARC</i>		0.000 (0.10)		-0.000*** (-2.95)
Observations	4,872	4,854	4,840	4,838
Adjusted R-squared	0.077	0.170	0.082	0.113
Cluster	EA Date	EA Date	EA Date	EA Date
Fixed Effects	Weekday & Year	Weekday & Year	Weekday & Year	Weekday & Year

In columns 1 and 2 the dependent variable is abnormal bid-ask spread at the earnings announcement date (*AbSpread*_[0,1]). In columns 3 and 4 the dependent variable is abnormal depth at the earnings announcement date (*AbDepth*_[0,1]). *Conference* is an indicator variable equal to one for earnings announcements that occur one day prior to or during a CFA conference. All continuous variables are winsorized at the 1st and 99th percentiles. All regressions include year fixed effects, weekday fixed effects, and standard errors clustered by earnings announcement date. In all regressions, outliers are removed using a Cook's distance threshold of 4/N, where N=5,133. *** (**, *) denotes two-tailed significance at the p<0.01 (p<0.05, p<0.10) level. All variables are defined in Appendix A.

TABLE 4

The Impact of Professional Inattention on Trading Volume

	DV = <i>AbVolume</i> _[0,1]		DV = <i>AbRetailPct</i> _[0,1]	
	[1]	[2]	[3]	[4]
<i>Conference</i>	-0.099* (-1.89)	-0.024 (-0.72)	0.006*** (4.04)	0.003** (2.24)
<i>Size</i>		0.000 (0.01)		0.000 (0.66)
<i>MB</i>		0.033*** (3.79)		-0.001*** (-6.37)
<i>Abs(Surprise)</i>		0.035*** (5.70)		0.000* (1.90)
<i>Busy EA</i>		-0.019 (-0.72)		-0.007*** (-8.30)
<i>Following</i>		0.675*** (17.13)		0.002* (1.72)
<i>ARC</i>		0.001*** (2.91)		-0.000* (-1.75)
Observations	4,858	4,862	4,791	4,780
Adjusted R-squared	0.006	0.142	0.017	0.038
Cluster	EA Date	EA Date	EA Date	EA Date
Fixed Effects	Weekday & Year	Weekday & Year	Weekday & Year	Weekday & Year

In columns 1 and 2 the dependent variable is abnormal volume at the earnings announcement date (*AbVolume*_[0,1]). In columns 3 and 4 the dependent variable is abnormal percentage retail volume (*AbRetailPct*_[0,1]). *Conference* is an indicator variable equal to one for earnings announcements that occur one day prior to or during a CFA conference. All continuous variables are winsorized at the 1st and 99th percentiles. All regressions include year fixed effects, weekday fixed effects, and standard errors clustered by earnings announcement date. In all regressions, outliers are removed using a Cook's distance threshold of 4/N, where N=5,133. *** (**, *) denotes two-tailed significance at the p<0.01 (p<0.05, p<0.10) level. All variables are defined in Appendix A.

TABLE 5

The Impact of Professional Inattention on Retail Trading Profitability

	DV = $BHAR_{[2,10]}$		DV = $BHAR_{[2,75]}$	
	[1]	[2]	[3]	[4]
<i>Retail OIB</i> × <i>Conference</i>	0.002*** (3.12)	0.002*** (3.35)	0.003* (1.81)	0.003** (2.01)
<i>Retail OIB</i>	0.001 (1.21)	0.000 (0.46)	0.000 (0.18)	-0.001 (-1.50)
<i>Conference</i>	0.005 (1.62)	0.023 (1.20)	-0.014 (-1.63)	-0.040 (-0.86)
Controls	No	Yes	No	Yes
Control Interactions	No	Yes	No	Yes
Observations	4,944	4,929	4,982	4,956
Adjusted R-squared	0.007	0.026	0.005	0.015
Cluster	EA Date	EA Date	EA Date	EA Date
Fixed Effects	Weekday & Year	Weekday & Year	Weekday & Year	Weekday & Year

In columns 1 and 2 the dependent variable is abnormal buy-and-hold returns from 2 to 10 days following the earnings announcement ($BHAR_{[2,10]}$). In columns 3 and 4 the dependent variable is abnormal buy-and-hold returns from 2 to 75 days following the earnings announcement ($BHAR_{[2,75]}$). Abnormal returns are calculated as total returns less portfolio returns calculated from Daniel, Grinblatt, Titman, and Wermers (1997), or if missing, the value-weighted return from CRSP. *Conference* is an indicator variable equal to one for earnings announcements that occur one day prior to or during a CFA conference. All continuous variables except returns are winsorized at the 1st and 99th percentiles. Controls and their interactions with *Conference* are included in columns 2 and 4 but not tabulated. All regressions include year fixed effects, weekday fixed effects, and standard errors clustered by earnings announcement date. In all regressions, outliers are removed using a Cook's distance threshold of $4/N$, where $N=5,133$. *** (**, *) denotes two-tailed significance at the $p<0.01$ ($p<0.05$, $p<0.10$) level. All variables are defined in Appendix A.

TABLE 6
Alternative Quarters Placebo Test

Panel A: Placebo Test at Q – 2

	<i>AbSpread</i> _[0,1]	<i>AbDepth</i> _[0,1]	<i>AbVolume</i> _[0,1]	<i>AbRetailPct</i> _[0,1]	<i>BHAR</i> _[2,10]	<i>BHAR</i> _[2,75]
	[1]	[2]	[3]	[4]	[5]	[6]
<i>Conference</i>	-0.001	0.007	-0.017	0.001		
	(-0.07)	(0.51)	(-0.42)	(0.87)		
<i>Retail OIB × Conference</i>					-0.000	0.002
					(-0.13)	(0.85)
Observations	4,219	4,233	4,267	4,201	4,361	4,310
Adjusted R-squared	0.170	0.069	0.147	0.059	0.036	0.085
Controls	Yes	Yes	Yes	Yes	Yes	Yes
Cluster	Year	Year	Year	Year	Year	Year
Fixed Effects	Weekday & Year	Weekday & Year	Weekday & Year	Weekday & Year	Weekday & Year	Weekday & Year

Panel B: Placebo Test at Q – 1

	<i>AbSpread</i> _[0,1]	<i>AbDepth</i> _[0,1]	<i>AbVolume</i> _[0,1]	<i>AbRetailPct</i> _[0,1]	<i>BHAR</i> _[2,10]	<i>BHAR</i> _[2,75]
	[1]	[2]	[3]	[4]	[5]	[6]
<i>Conference</i>	-0.012*	-0.008	-0.005	0.000		
	(-1.91)	(-0.37)	(-0.12)	(0.03)		
<i>Retail OIB × Conference</i>					0.001	0.001
					(1.03)	(0.39)
Observations	4,730	4,719	4,740	4,682	4,789	4,828
Adjusted R-squared	0.167	0.052	0.141	0.039	0.018	0.060
Controls	Yes	Yes	Yes	Yes	Yes	Yes
Cluster	Year	Year	Year	Year	Year	Year
Fixed Effects	Weekday & Year	Weekday & Year	Weekday & Year	Weekday & Year	Weekday & Year	Weekday & Year

Panel C: Placebo Test at $Q + 1$

	<i>AbSpread</i> _[0,1]	<i>AbDepth</i> _[0,1]	<i>AbVolume</i> _[0,1]	<i>AbRetailPct</i> _[0,1]	<i>BHAR</i> _[2,10]	<i>BHAR</i> _[2,75]
	[1]	[2]	[3]	[4]	[5]	[6]
<i>Conference</i>	-0.003 (-0.30)	-0.015 (-1.20)	0.008 (0.21)	-0.001 (-1.39)		
<i>Retail OIB</i> × <i>Conference</i>					-0.000 (-0.14)	0.000 (0.03)
Observations	4,616	4,603	4,629	4,597	4,668	4,767
Adjusted R-squared	0.350	0.147	0.125	0.043	0.016	0.047
Controls	Yes	Yes	Yes	Yes	Yes	Yes
Cluster	Year	Year	Year	Year	Year	Year
Fixed Effects	Weekday & Year	Weekday & Year	Weekday & Year	Weekday & Year	Weekday & Year	Weekday & Year

This table reports estimates of Equations (1) through (4) at three placebo periods. Panel A reports estimates two quarters prior to the CFA conference ($Q - 2$), Panel B reports estimates one quarter prior to the CFA conference ($Q - 1$), and Panel C reports estimates one quarter after the CFA conference ($Q + 1$). *Conference* is an indicator variable equal to one for firms that reported an earnings announcement that occurred one day prior to or during a CFA conference in quarter Q . Controls are included in all regressions but not tabulated. Control interactions with conference are included in columns 5 and 6 but not tabulated. All continuous variables except returns are winsorized at the 1st and 99th percentiles. All regressions include year fixed effects, weekday fixed effects, and standard errors clustered by earnings announcement date. In all regressions, outliers are removed using a Cook's distance threshold of $4/N$, where $N=4,518$ in Panel A, $5,031$ in Panel B, and $4,904$ in Panel C. *** (**, *) denotes two-tailed significance at the $p<0.01$ ($p<0.05$, $p<0.10$) level. All variables are defined in Appendix A.

Table 7
Treatment Effect Duration

	DV = <i>AbSpread</i> _[2,5]		DV = <i>Depth</i> _[2,5]		DV = <i>AbVolume</i> _[2,5]		DV = <i>AbRetailPct</i> _[2,5]	
	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
<i>Conference</i>	-0.017 (-1.32)	-0.007 (-0.55)	0.012 (0.99)	0.004 (0.36)	-0.053 (-1.14)	0.001 (0.02)	0.003** (2.44)	0.001 (1.13)
<i>Size</i>		-0.007** (-2.20)		0.038*** (11.52)		-0.022 (-1.51)		-0.000 (-1.02)
<i>MB</i>		0.004** (2.38)		-0.004* (-1.84)		0.025*** (3.22)		-0.001*** (-2.64)
<i>Abs(Surprise)</i>		0.000 (0.15)		0.000 (0.15)		0.034*** (5.40)		-0.000 (-0.85)
<i>Busy EA</i>		0.018*** (3.05)		-0.027*** (-3.15)		0.031 (1.26)		-0.004*** (-4.57)
<i>Following</i>		0.019*** (2.86)		-0.008 (-0.94)		0.554*** (17.61)		-0.000 (-0.29)
<i>ARC</i>		0.000** (2.20)		-0.000 (-0.89)		0.001*** (3.73)		0.000 (1.06)
Observations	4,806	4,802	4,823	4,821	4,865	4,862	4,780	4,772
Adjusted R-squared	0.096	0.096	0.175	0.209	0.003	0.100	0.024	0.033
Cluster	Year	Year	Year	Year	Year	Year	Year	Year
Fixed Effects	Weekday & Year	Weekday & Year	Weekday & Year	Weekday & Year	Weekday & Year	Weekday & Year	Weekday & Year	Weekday & Year

This table reports estimates Equations (1) through (3) with dependent variables measured 2 to 5 days following the earnings announcement. *Conference* is an indicator variable equal to one for earnings announcements that occur one day prior to or during a CFA conference. All continuous variables are winsorized at the 1st and 99th percentiles. All regressions include year fixed effects, weekday fixed effects, and standard errors clustered by earnings announcement date. In all regressions, outliers are removed using a Cook's distance threshold of 4/N, where N=5,133. *** (**, *) denotes two-tailed significance at the p<0.01 (p<0.05, p<0.10) level. All variables are defined in Appendix A.

TABLE 8
The Impact of Professional Inattention on the Speed of Price Discovery

	<i>IPE</i> _[0,10]	<i>IPE</i> _[0,75]	<i>BHAR</i> _[2,10]	<i>BHAR</i> _[2,75]
	[1]	[2]	[3]	[4]
<i>Conference</i>	-0.015	0.158		
	(-0.17)	(1.48)		
<i>Surprise</i> × <i>Conference</i>			-0.002	0.001
			(-1.45)	(0.31)
<i>Surprise</i>			0.001	0.000
			(1.60)	(0.33)
<i>Conference</i>			0.028	-0.030
			(1.44)	(-0.55)
Controls	Yes	Yes	Yes	Yes
Control Interactions	No	No	Yes	Yes
Observations	4,631	4,784	4,956	4,979
Adjusted R-squared	0.038	0.003	0.026	0.014
Cluster	EA Date	EA Date	EA Date	EA Date
Fixed Effects	Weekday & Year	Weekday & Year	Weekday & Year	Weekday & Year

In columns 1 and 2 the dependent variable is intraperiod efficiency during 10- and 75-day windows beginning at the earnings announcement, respectively (*IPE*_[0,10] and *IPE*_[0,75]). In columns 3 and 4 the dependent variable is buy-and-hold abnormal returns during 10- and 75-day windows beginning two days following the earnings announcement, respectively (*BHAR*_[2,10] and *BHAR*_[2,75]). *Conference* is an indicator variable equal to one for earnings announcements that occur one day prior to or during a CFA conference. All continuous variables except returns are winsorized at the 1st and 99th percentiles. All regressions include year fixed effects, weekday fixed effects, and standard errors clustered by earnings announcement date. In all regressions, outliers are removed using a Cook's distance threshold of 4/N, where N=5,133. *** (**, *) denotes two-tailed significance at the p<0.01 (p<0.05, p<0.10) level. All variables are defined in Appendix A.

TABLE 9

The Impact of Professional Inattention Conditional on Investor Base

	<i>AbSpread</i> _[0,1]		<i>AbDepth</i> _[0,1]		<i>AbVolume</i> _[0,1]		<i>AbRetailPct</i> _[0,1]		<i>BHAR</i> _[2,10]		<i>BHAR</i> _[2,75]	
	<i>Low TRA</i>	<i>High TRA</i>	<i>Low TRA</i>	<i>High TRA</i>	<i>Low TRA</i>	<i>High TRA</i>	<i>Low TRA</i>	<i>High TRA</i>	<i>Low TRA</i>	<i>High TRA</i>	<i>Low TRA</i>	<i>High TRA</i>
	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]
Conference	-0.030 (-1.37)	-0.073*** (-5.08)	0.056** (2.22)	0.051* (1.84)	-0.043 (-0.69)	-0.059 (-0.99)	0.005** (2.39)	0.004** (2.07)				
Retail OIB × Conference									0.002** (2.03)	0.004*** (4.27)	0.004** (2.44)	0.009* (1.92)
<i>Test of difference:</i>												
<i>High – Low (p-value)</i>	-0.043** (0.044)		-0.005 (0.900)		-0.016 (0.878)		-0.001 (0.611)		0.002* (0.059)		0.005 (0.326)	
Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	1,955	1,961	1,955	1,964	1,960	1,957	1,922	1,953	1,959	1,917	1,944	1,955
Adj.R-squared	0.166	0.182	0.085	0.136	0.098	0.144	0.013	0.075	0.028	0.040	0.030	0.036
Cluster	EA Date	EA Date	EA Date	EA Date	EA Date	EA Date	EA Date	EA Date	EA Date	EA Date	EA Date	EA Date
Fixed Effects	Weekday & Year	Weekday & Year	Weekday & Year	Weekday & Year	Weekday & Year	Weekday & Year	Weekday & Year	Weekday & Year	Weekday & Year	Weekday & Year	Weekday & Year	Weekday & Year

This table reports estimates of Equations (1) through (4) for samples partitioned into low and high transient institutional ownership (*Low TRA* and *High TRA*, respectively). *Conference* is an indicator variable equal to one for earnings announcements that occur one day prior to or during a CFA conference. Controls are included in all regressions but not tabulated. Control interactions with conference are included in columns 9 through 12 but not tabulated. All continuous variables except returns are winsorized at the 1st and 99th percentiles. All regressions include year fixed effects, weekday fixed effects, and standard errors clustered by earnings announcement date. In all regressions, outliers are removed using a Cook’s distance threshold of 4/N, where N=4,157. Coefficient differences are tested across sample partitions using Wald Tests. *** (**, *) denotes two-tailed significance at the p<0.01 (p<0.05, p<0.10) level. All variables are defined in Appendix A.

TABLE 10*The Impact of Professional Inattention on Sell-Side Analysts**Panel A: Number and timeliness of Sell-Side Forecasts*

	<i>DV = Fcst_N</i>		<i>DV = Fcst_Lag</i>	
	[1]	[2]	[3]	[4]
<i>Conference</i>	-0.157** (-2.63)	-0.001 (-0.17)	-0.020 (-0.78)	0.001 (0.02)
<i>Size</i>		0.028*** (8.35)		0.007 (0.87)
<i>MB</i>		0.008*** (3.41)		-0.055*** (-9.17)
<i>Surprise</i>		0.003*** (2.99)		-0.015*** (-4.47)
<i>Busy EA</i>		-0.004 (-0.91)		0.056*** (3.76)
<i>Following</i>		0.851*** (105.04)		-0.027 (-1.40)
<i>ARC</i>		-0.000 (-1.17)		0.001*** (4.70)
Observations	4,210	4,239	4,303	4,276
Adjusted R-squared	0.045	0.899	0.059	0.112
Cluster	EA Date	EA Date	EA Date	EA Date
Fixed Effects	Weekday & Year	Weekday & Year	Weekday & Year	Weekday & Year

Panel B: Quality of Sell-Side Forecasts

	DV = <i>Fcst_Error</i>		DV = <i>Fcst_Bias</i>	
	[1]	[2]	[3]	[4]
<i>Conference</i>	0.005* (1.74)	0.004** (2.50)	0.004** (2.42)	0.002* (1.85)
<i>Size</i>		-0.011*** (-17.67)		-0.001** (-2.47)
<i>MB</i>		-0.001*** (-4.91)		0.000 (0.29)
<i>Surprise</i>		-0.001*** (-3.67)		-0.002*** (-10.54)
<i>Busy EA</i>		-0.001 (-0.70)		-0.002** (-2.23)
<i>Following</i>		0.003*** (3.08)		-0.002* (-1.83)
<i>ARC</i>		0.000*** (9.21)		0.000*** (4.04)
Observations	4,296	4,319	4,230	4,230
Adjusted R-squared	0.023	0.215	0.003	0.045
Cluster	EA Date	EA Date	EA Date	EA Date
Fixed Effects	Weekday & Year	Weekday & Year	Weekday & Year	Weekday & Year

The dependent variable in columns 1 and 2 of Panel A is the number of sell-side analyst forecasts issued in the 2-day earnings announcement window (*Fcst_N*). The dependent variable in columns 3 and 4 of Panel A is the average time lag (in hours) of sell-side analyst forecasts issued in the 2-day earnings announcement window (*Fcst_Lag*). The dependent variable in columns 1 and 2 of Panel B is the average forecast error (i.e., unsigned error) of sell-side analyst forecasts issued in the 2-day earnings announcement window (*Fcst_Error*). The dependent variable in columns 3 and 4 of Panel B is the average forecast bias (i.e., signed error) of sell-side analyst forecasts issued in the 2-day earnings announcement window (*Fcst_Bias*). *Conference* is an indicator variable equal to one for earnings announcements that occur one day prior to or during a CFA conference. All continuous variables are winsorized at the 1st and 99th percentiles. All regressions include year fixed effects, weekday fixed effects, and standard errors clustered by earnings announcement date. In all regressions, outliers are removed using a Cook's distance threshold of $4/N$, where $N=4,452$. *** (**, *) denotes two-tailed significance at the $p<0.01$ ($p<0.05$, $p<0.10$) level. All variables are defined in Appendix A.