

**DEBT MATURITY AND THE CHARACTERISTICS OF OWNERSHIP STRUCTURE:
AN EMPIRICAL INVESTIGATION OF UK FIRMS**

Maria-Teresa Marchica[^]

ABSTRACT

This work investigates the relationship between short-term debt and the characteristics of ownership on a sample of 700 UK non-financial listed firms for the period 1991-2001. The reported results suggest that there is a significant U-shaped relationship between short-term debt and managerial ownership, particularly significant when we take into account the larger bankruptcy risk in high-leverage firms. Moreover, we provide evidence of a significant negative relation between short-term debt and large external shareholding. Our results tend also to support the hypothesis that the identity of non-managerial shareholders matters in debt maturity choices. Finally, the analysis reveals that a large presence of banks among creditors facilitates the access for firms to long-term credit, but this effect may be moderate when firms deal with multiple banks.

JEL Classification: G32, G34

Key words: debt maturity structure; ownership and control structure; panel data; GMM

[^] I would like to thank Antoine Faure-Grimaud, Jana Fidrmuc and all the participants to the Corporate Finance, Corporate Governance, and Political Economy - CFS *Summer School* 2004 for useful suggestions on an earlier version of this paper. I am also grateful to Roberto Mura and Samuel Lee for their very valuable hints; Paola Dongili, Diego Lubian, Aydin Ozkan and Angelo Zago for helpful comments. Financial support by the ESRC (Economic and Social Research Council) and the University of Verona is gratefully acknowledged. All errors remain my own.