

Optimal Disclosure Windows

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Abstract

I study a dynamic disclosure game in which an agent controls the window over which information flows to the decision maker, but has no control over the content of that information. In equilibrium, the agent delays starting disclosure in order to continue to learn privately for some time. This delay exacerbates the information asymmetry between the agent and the decision maker as the agent is learning while the decision maker is not. The length of the disclosure window is determined by the degree of information asymmetry at the beginning of the window, with longer windows associated with greater information asymmetry. As a result, the delay in the start of disclosure requires a longer disclosure window.

Keywords: dynamic disclosure, strategic timing, signaling.

JEL Codes: C73, D82, D83

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