Internet Appendix

IA.A Duration of investment by industry

Table IA.A.1: Average duration of firms' assets by industry

SIC 2-digits	Asset Mat. (avg)	Asset Mat. (sd)	FA Mat. (avg)	FA Mat. (sd)	FA Share (avg)	FA Share (sd)	Obs.
Legal Services	1.33	0.39	3.51	1.93	0.12	0.09	4
Membership Organizations	1.39	0.53	2.60	1.87	0.26	0.15	1
Business Services	2.03	2.35	4.28	3.96	0.22	0.20	2524
Leather and Leather Products	2.11	1.78	6.45	3.43	0.17	0.10	56
Services, Not Elsewhere Classified	2.20	2.33	5.00	6.41	0.21	0.20	3
Apparel, Finished Products from Fabrics & Similar Materials	2.39	2.12	7.27	4.33	0.18	0.12	257
Measuring, Photographic, Medical, & Optical Goods, & Clocks	2.39	2.17	5.88	4.26	0.22	0.15	1179
Wholesale Trade - Durable Goods	2.45	2.53	7.02	5.00	0.18	0.16	588
Electronic & Other Electrical Equipment & Components	2.51	2.13	5.98	4.12	0.25	0.16	1347
Industrial and Commercial Machinery and Computer Equipment	2.62	2.32	6.34	4.19	0.24	0.15	1235
Miscellaneous Manufacturing Industries	2.82	2.72	7.03	4.96	0.25	0.17	271
Home Furniture, Furnishings and Equipment Stores	2.86	2.33	7.45	4.59	0.25	0.13	121
Engineering, Accounting, Research, and Management Services	2.94	3.63	6.05	5.34	0.25	0.20	413
Apparel and Accessory Stores	2.95	1.51	6.97	2.98	0.31	0.13	155
Miscellaneous Repair Services	3.00	2.85	6.42	5.17	0.32	0.20	13
Miscellaneous Retail	3.01	2.68	7.00	4.52	0.27	0.19	442
Educational Services	3.39	3.08	6.49	4.56	0.35	0.22	80
Chemicals and Allied Products	3.39	3.22	7.35	5.27	0.28	0.21	1386
Construction - Special Trade Contractors	3.40	3.88	7.02	5.39	0.27	0.22	76
Transportation Equipment	3.48	2.30	7.97	3.87	0.32	0.15	422
Furniture and Fixtures	3.53	1.87	8.43	4.22	0.32	0.12	114
Printing, Publishing and Allied Industries	3.56	2.80	7.44	4.44	0.34	0.19	308
Heamy Construction, Except Building Construction, Contractor	3.62	3.80	7.34	5.24	0.34	0.19	64
Agricultural Services	3.65	3.71	7.64	5.56	0.37	0.24	16
Fabricated Metal Products	3.66	2.48	8.10	3.88	0.34	0.16	389
Wholesale Trade - Nondurable Goods	3.67	3.85	8.31	5.51	0.28	0.22	365
Nonclassifiable Establishments	3.75	4.98	6.94	7.05	0.26	0.26	372
Textile Mill Products	3.89	2.43	8.32	3.92	0.37	0.14	174
Rubber and Miscellaneous Plastic Products	3.95	2.54	7.88	3.92	0.39	0.17	276
Tobacco Products	4.30	2.40	11.23	4.31	0.29	0.13	18
Transportation Services	4.38	5.19	8.60	6.82	0.31	0.25	85
General Merchandise Stores	4.44	2.67	10.46	4.71	0.33	0.14	171
Local & Suburban Transit & Interurban Highway Transportation	4.73	3.27	7.19	3.70	0.51	0.23	18
Automotive Dealers and Gasoline Service Stations	4.78	4.05	10.03	5.79	0.35	0.22	80
Motion Pictures	4.88	5.21	7.54	7.22	0.42	0.29	218
Lumber and Wood Products, Except Furniture	4.89	3.57	10.06	4.47	0.39	0.20	118
Food and Kindred Products	4.96	3.16	9.35	4.31	0.43	0.18	518
Motor Freight Transportation	5.09	3.59	7.56	4.89	0.59	0.21	170
Food Stores	5.19	2.42	8.89	3.07	0.51	0.15	170
Building Materials, Hardware, Garden Supplies & Mobile Homes	5.33	4.03	11.52	5.90	0.35	0.17	60
Personal Services	5.48	5.27	9.37	7.31	0.44	0.22	74
Primary Metal Industries	5.50	3.36	10.36	4.55	0.44	0.18	267
Construction - General Contractors & Operative Builders	5.71	7.34	12.76	11.42	0.25	0.25	147
Stone, Clay, Glass, and Concrete Products	5.93	4.01	9.98	5.07	0.50	0.18	162
Health Services	5.99	6.13	9.58	7.98	0.41	0.26	457
Communications	6.19	4.61	8.32	5.11	0.60	0.28	797
Paper and Allied Products	6.32	3.50	10.18	4.04	0.53	0.20	184
Automotive Repair, Services and Parking	7.01	5.13	8.78	5.99	0.62	0.25	61
Transportation by Air	7.34	4.47	10.34	5.44	0.62	0.21	159
Coal Mining	7.39	4.88	10.49	5.84	0.62	0.22	55
Agricultural Production - Livestock and Animal Specialties	7.42	5.70	12.14	7.34	0.49	0.25	27
Agricultural Production - Crops	7.44	5.53	13.40	6.69	0.45	0.21	48
Eating and Drinking Places	8.05	4.45	10.45	5.37	0.71	0.19	360
Petroleum Refining and Related Industries	8.13	5.01	12.56	6.29	0.57	0.20	110
Oil and Gas Extraction	8.19	5.96	10.93	7.70	0.68	0.22	974
Mining and Quarrying of Nonmetallic Minerals, Except Fuels	8.87	5.99	12.90	7.66	0.63	0.18	35
Fishing, Hunting and Trapping	9.49	2.49	12.43	1.90	0.74	0.14	1
Amusement and Recreation Services	10.29	6.32	13.33	7.41	0.66	0.27	281
Water Transportation	10.41	5.31	13.39	5.99	0.68	0.24	51
Social Services	10.51	7.22	14.71	8.81	0.61	0.28	35
Metal Mining	10.69	8.15	15.42	10.30	0.57	0.30	180
Hotels, Rooming Houses, Camps, and Other Lodging Places	12.14	6.20	15.44	6.99	0.72	0.24	128
Museums, Art Galleries and Botanical and Zoological Gardens	13.22	2.25	16.69	3.23	0.78	0.06	2
Pipelines, Except Natural Gas	15.57	5.97	20.03	6.87	0.75	0.23	25
Forestry	15.58	7.78	18.81	10.48	0.59	0.32	8
Railroad Transportation	19.28	5.00	23.92	6.27	0.82	0.08	58

Note:
The table reports the mean and standard-deviation of the respective measures aggregated at the industry-level (SIC 2-digits).

Table IA.A.2: Industry decomposition of firm-level variation in Asset Maturity

Depth (# of digits)	# of Industries (SIC)	R-sq (SIC)	# of Industries (NAICS)	R-sq (NAICS)
1	9	0.17	10	0.22
2	65	0.47	24	0.31
3	246	0.56	104	0.51
4	394	0.58	375	0.58
5	.	.	792	0.63
6	.	.	1186	0.65

Note: The table reports the R-squared from the regressions of a firm's *Asset Maturity* on industry dummies in the panel of issuances for different industry classifications and levels.

IA.B *Across-firms channel*: Robustness

IA.B.1 Different definitions for *Asset Maturity*

Table IA.B.1 shows that different construction choices for *Asset Maturity* provide the same qualitative results than the baseline choices highlighted in column 1.

Table IA.B.1: Alternative construction choices for *Asset maturity*

The table presents the reduced-form estimates based on Equation V.B where the dependent variable is the change in *PP&E* at the three-year horizon (i.e. $h = 12$ quarters) as a percentage of total assets at t based on the quarterly panel of Compustat firms for 1976-2007. Specification 1 is the same as specification 4 in Table 1. Other specifications are the same with the exception of the sorting variable. Specifications 2-3 use *Asset maturity (5y ave - SIC-2digits)*, and *Asset maturity (5y ave - SIC-2digits - percentile)*. Specification 4 uses a definition that does not substract amortisation from the depreciation and amortisation expense. Specification 5 uses the measure constructed only out of firms that use a straight-line depreciation reporting policy based on the footnote of variable *dpact* in Compustat Annual. Covariates are measured at quarter-end t. Details for variable definition and winsorising rules in Appendix A. All controls are not reported for ease of presentation. Standard errors reported in parentheses are double clustered by time (quarter-year) and by industry (SIC-2 digits).

	AssetMat (1)	AssetMat (2)	AssetMat (3)	AssetMat (4)	AssetMat (5)
	(1)	(2)	(3)	(4)	(5)
	Δ PPE	Δ PPE	Δ PPE	Δ PPE	Δ PPE
TDebtMat × AssetMat	-2.677	-2.448	-18.88	-2.732	-3.153
	(0.775)	(0.730)	(6.678)	(0.789)	(0.907)
Time FE	✓	✓	✓	✓	✓
Firm FE	✓	✓	✓	✓	✓
Industry x 5-Year Period FE	✓	✓	✓	✓	✓
Controls	✓	✓	✓	✓	✓
Observations	411574	411547	411547	411574	411574
Adjusted R^2	0.494	0.494	0.494	0.494	0.494

In order to allow for time varying investment duration at the industry level, the second column presents the results of the regressions where the specialisation of industries for investment duration is measured as the industry average over the preceding 5-year period instead of over the entire sample. The third specification uses the percentiles of the latter distribution rather than the values to tackle concerns of non-linear and localised effects. The fourth column does not substract amortisation from the depreciation and amortisation expense in the denominator for the formula of the maturity of fixed-assets. The fifth

column only considers, for the construction of the variable, the firms that report using a straight-line depreciation reporting policy as described in Section IV.B.

IA.B.2 Intensive and extensive margins of *Asset Maturity*

Table IA.B.2 compares the results from my baseline specification to the results from specifications with alternative measures of the specialisation of industries for investment duration. The first column presents results for the baseline specification with *Asset Maturity* as the measure. The second specification uses *Fixed-Asset Maturity*, simply the maturity of fixed assets, and defined as:

$$\textit{Fixed-Asset Maturity} := \frac{\textit{PP\&E}}{\textit{Depreciation}}.$$

The third specification uses *Fixed-Asset Share* defined as:

$$\textit{Fixed-Asset Share} := \frac{\textit{PP\&E}}{\textit{PP\&E} + \textit{Current Assets}}.$$

The latter two specifications capture the two margins of the duration of investment. In particular the results are qualitatively unchanged when I use distinctly the measures identifying the intensive and extensive margins of the duration of investment (resp. *Fixed-Asset Maturity* and *Fixed-Asset Share*).

Table IA.B.2: Alternative measures of the specialisation in the duration of investment

The table presents the reduced-form estimates based on Equation V.B where the dependent variable is the change in *PP&E* at the three-year horizon (i.e. $h = 12$ quarters) as a percentage of total assets at t based on the quarterly panel of Compustat firms for 1976-2007. Specification 1 is the same as specification 4 in Table 1. Other specifications are the same with the exception of the sorting variable. Covariates are measured at quarter-end t. Details for variable definition and winsorising rules in Appendix A. All controls are not reported for ease of presentation. Standard errors reported in parentheses are double clustered by time (quarter-year) and by industry (SIC-2 digits).

	Asset Maturity (Baseline)	Fixed-Asset Maturity	Fixed-Asset Share
	(1)	(2)	(3)
	Δ PPE	Δ PPE	Δ PPE
TDebtMat × AssetMat	-2.677	-2.093	-43.38
	(0.775)	(0.731)	(11.08)
Time FE	✓	✓	✓
Firm FE	✓	✓	✓
Industry x 5-Year Period FE	✓	✓	✓
Controls	✓	✓	✓
Observations	411574	411574	411574
Adjusted R^2	0.494	0.494	0.494

Figure IA.B.1 highlights a strong positive correlation between the two main sources of variation in *Assets Maturity*: the measure of the extensive margin of the duration of investment (*Fixed-Asset Share*) and the measure of its intensive margin (*Fixed-Asset Maturity*). Beyond the strong correlation, there is residual variation in the measure of the extensive margin that can be exploited even after controlling for the intensive margin. With this purpose in mind, I run a series of regressions to exploit this variation and get a sense of which of the two margin is driving the main results.

Table IA.B.3 presents the results of specifications proxying the duration of investment with the measure of the intensive and extensive margins (resp. *Fixed-Asset Maturity* and *Fixed-Asset Share*) and including interactions of the maturity of Treasury debt with measures of the"residual" extensive and intensive margins to test for the relevance of each margin beyond the relevance of the other margin. The"residual" intensive (resp. extensive) margin, denoted $\hat{\epsilon}_{\text{ext.} \sim \text{int.}}$ (resp. $\hat{\epsilon}_{\text{int.} \sim \text{ext.}}$) is proxied by the residuals from the regression of the measure of the extensive (resp. intensive) margin on the measure of the intensive (resp. extensive) margin. Formally it corresponds to the component

Figure IA.B.1: Extensive and intensive margins of the duration of investment

The figure presents the correlations between the averages for SIC-2 digits industries of *Fixed-Asset Maturity* with industries' respective averages of *Fixed-Asset Share*. Details on variable construction found in Appendix A. The figure features the Pearson's correlation coefficient (R) and the p-value for that coefficient (p).

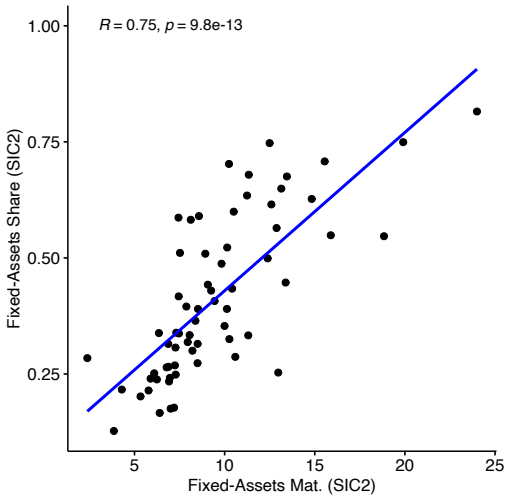


Table IA.B.3: Decomposing the effect of *Asset Maturity* into intensive and extensive margins

The table presents the reduced-form estimates based on Equation V.B where the dependent variable is the change in *PP&E* at the three-year horizon (i.e. $h = 12$ quarters) as a percentage of total assets at t based on the quarterly panel of Compustat firms for 1976-2007. Specifications are the same as specification 4 in Table 1 with the exception of the sorting variable. Columns (1)-(2) present the result where the duration of investment is proxied by respectively the measure of the intensive margin, *Fixed-Asset Maturity*, and the measure of the extensive margin, *Fixed-Asset Share*, respectively. Column (3) includes the"residual" extensive margin beyond the intensive margin ($\hat{\boldsymbol{\epsilon}}_{\text{ext.}\sim\text{int.}}$) proxied by the residuals from the regression of the measure of the extensive margin (*Fixed-Asset Share*) on the measure of the intensive margin (*Fixed-Asset Maturity*) and the"residual" intensive margin beyond the extensive margin ($\hat{\boldsymbol{\epsilon}}_{\text{int.}\sim\text{ext.}}$) proxied by the residuals from the regression of the measure of the intensive margin (*Fixed-Asset Share*) on the measure of the extensive margin (*Fixed-Asset Maturity*). All measures of investment duration are normalised by their standard-deviation. Covariates are measured at quarter-end t. Details for variable definition and winsorising rules in Appendix A. All controls are not reported for ease of presentation. Standard errors reported in parentheses are double clustered by time (quarter-year) and by industry (SIC-2 digits).

	(1) Δ PPE	(2) Δ PPE	(3) Δ PPE
TDebtMat × Intensive Margin	-5.444		
	(1.900)		
TDebtMat × Extensive Margin		-6.775	
		(1.730)	
TDebtMat × $\hat{\boldsymbol{\epsilon}}_{\text{extensive}\sim\text{intensive}}$			-10.89
			(2.776)
TDebtMat × $\hat{\boldsymbol{\epsilon}}_{\text{intensive}\sim\text{extensive}}$			-8.468
			(2.125)
Industry x 5-Year Period FE	✓	✓	✓
Time FE	✓	✓	✓
Firm FE	✓	✓	✓
Controls	✓	✓	✓
Observations	411574	411574	411574
Adjusted R^2	0.494	0.494	0.494

of the extensive (resp. intensive) margin measure that is orthogonal to the intensive (resp. extensive) margin measure. The estimates show that, despite being strongly correlated, both margins of the duation of investment economically and statistically matter for the qualitative results in the test of the *across-firms channel*.

IA.B.3 Different industry classifications

In Table IA.B.4, I show that the baseline results are robust to using other industry taxonomies such as the Global Industry Classification Standard (GICS) or the North American Industry Classification System (NAICS) and to focusing on different levels in these taxonomies.

Table IA.B.4: Alternative industry classifications to measure specialisation in the duration of investment

The table presents the reduced-form estimates based on Equation V.B where the dependent variable is the change in *PP&E* at the three-year horizon (i.e. $h = 12$ quarters) as a percentage of total assets at t based on the quarterly panel of Compustat firms for 1976-2007. Specification 1 is the same as specification 4 in Table 1. Other specifications are the same with the exception of the classification for the sorting variable and the fixed-effects. Covariates are measured at quarter-end t. Details for variable definition and winsorising rules in Appendix A. All controls are not reported for ease of presentation. Standard errors reported in parentheses are double clustered by time (quarter-year) and by industry (SIC-2 digits).

	SIC2	NAICS 2	NAICS 3	GICS Group	GICS Ind.
	(1)	(2)	(3)	(4)	(5)
	Δ PPE	Δ PPE	Δ PPE	Δ PPE	Δ PPE
TDebtMat × AssetMat	-2.677	-2.767	-2.273	-2.672	-2.568
	(0.775)	(0.850)	(0.477)	(0.885)	(0.425)
Time FE	✓	✓	✓	✓	✓
Firm FE	✓	✓	✓	✓	✓
Industry x 5-Year Period FE	✓	✓	✓	✓	✓
Controls	✓	✓	✓	✓	✓
Observations	411574	405960	405957	405118	402089
Adjusted R^2	0.494	0.484	0.493	0.484	0.488

IA.C Robustness to sample choices

In this Appendix, I conduct a set of additional exercises and show that the main results for the test of the *across-firms* are robust to alternative procedures for

dataset building and cleaning.

My sample starts in 1976 (due to data limitations) and finishes in 2007 as the average maturity of Treasury debt is more plausibly exogenous to firms' investment opportunities prior to the the Great Financial Crisis. Following 2007, quantitative easing, which manipulates the duration of government bonds available on the market, has been used to stimulate corporate investment. The US government has also dramatically increased the maturity of Treasury debt issuances following the crisis. The two facts raise serious concerns to the exogeneity of my instrument to macroeconomic conditions following the Great Financial Crisis.

Table IA.C.1: Robustness to different periods and the inclusion of post-QE data

The table presents the reduced-form estimates based on Equation V.B where the dependent variable is the change in *PP&E* at the three-year horizon (i.e. $h = 12$ quarters) as a percentage of total assets at t based on the quarterly panel of Compustat firms for different samples. Specification 1 is the same as specification 4 in Table 1. The second specification is the same except that all coefficients are interacted with dummies for subsamples. Covariates are measured at quarter-end t. Details for variable definition and winsorising rules in Appendix A. All controls are not reported for ease of presentation. Standard errors reported in parentheses are double clustered by time (quarter-year) and by industry (SIC-2 digits).

	(1) Δ PPE	(2) Δ PPE
TDebtMat × AssetMat	-2.676	
	(0.775)	
1976-1996 × TDebtMat × AssetMat		-1.610
		(0.616)
1997-2007 × TDebtMat × AssetMat		-3.479
		(0.970)
Industry x 5-Year Period FE	✓	✓
Time FE	✓	✓
Firm x Period FE	–	✓
Firm FE	✓	–
Controls	✓	✓
Observations	411582	411253
Adjusted R^2	0.494	0.568

Table IA.C.1 shows that the results for the test of the *across-firms channel* are robust to the different time periods in the sample by studying the interaction of the term of interest with dummies for subsamples.

Table IA.C.2 also shows that the results for the *across-firms channel* are robust to different starting years in the construction of the five-year fixed effects when

compared to the arbitrary choice made in the analysis - underlying the specification in the first column.

Table IA.C.2: Alternative starting dates for the five-year fixed effects of the specialisation in the duration of investment

The table presents the reduced-form estimates based on Equation V.B where the dependent variable is the change in *PP&E* at the three-year horizon (i.e. $h = 12$ quarters) as a percentage of total assets at t based on the quarterly panel of Compustat firms for different samples. Specification 5 is the same as specification 4 in Table 1. Other specifications are the same with the exception of alternative starting dates for the five-year fixed effects. The name of each column is the starting year for the sequence of 5-year fixed effects. In other words, for the first column the 5-year fixed effects are the sequence of indicator functions $\mathbf{1}_{year \in [y_0+k; y_0+k+5[}$ where $y_0 = 1971$ and $k = 0, 5, 10, 15, 20....$ Covariates are measured at quarter-end t. Details for variable definition and winsorising rules in Appendix A. All controls are not reported for ease of presentation. Standard errors reported in parentheses are double clustered by time (quarter-year) and by industry (SIC-2 digits).

	$y_0 = 1971$	$y_0 = 1972$	$y_0 = 1973$	$y_0 = 1974$	$y_0 = 1975$
	(1)	(2)	(3)	(4)	(5)
	Δ PPE	Δ PPE	Δ PPE	Δ PPE	Δ PPE
TDebtMat $\times$ AssetMat	-1.665	-0.835	-1.491	-2.581	-2.676
	(0.467)	(0.395)	(0.705)	(0.883)	(0.775)
Industry x 5-Year Period FE	✓	✓	✓	✓	✓
Time FE	✓	✓	✓	✓	✓
Firm FE	✓	✓	✓	✓	✓
Controls	✓	✓	✓	✓	✓
Observations	411584	411585	411585	411585	411582
Adjusted R^2	0.494	0.490	0.489	0.491	0.494

IA.D Analysis of investment around debt issuances

Building on the aggregate results which use the comprehensive panel of public US firms over 1976-2007, I provide additional evidence in a setting in which I can plausibly isolate the timing of large scale investments. That is, I focus on investment following large corporate debt issues over 1987-2007 using an issuance dataset which construction is detailed in Appendix I.

Empirical strategy

I estimate differences-in-differences models of the same form as in equation V.B with three notable distinctions in the sample construction compared to the previous analysis, which was using the full panel of US public

firms. First, I use an annual panel of US public firms. Second, I only focus on firm-time observations corresponding to the first fiscal year-end preceding a corporate debt issuance, i.e. I have as many entries in my resulting panel as they are debt issues. Third, the time subscript t corresponds to the end of the first month preceding the issuance, such that the maturity of Treasury debt as well as the macroeconomic controls are measured at the month preceding issuance. However, the firm controls are measured at the first fiscal year-end preceding a corporate debt issuance.[43]

Hence, the regressions I run are difference-in-differences regression that compare the post-issuance investment of firms who issue when the average maturity of Treasury debt is high relative to firms who issue when the average maturity of Treasury debt is low (first difference), for issuers in long-duration industries relative to firms in long-duration industries (second difference).

The assumption to identify β remains that a higher maturity of government debt should not correlate with unobservable factors that correspond to systematically better or worse investment opportunities for issuers in long-duration industries (relative to the average firm).

Results.

The first three columns of Table IA.D.3 presents the reduced form estimates of the parameter of interest where the dependent variable is the three-year change in *PP&E* (scaled by total assets). The following three columns consider the change in employment as the dependent variable.

Table IA.D.3 confirms in the case of corporate debt issuers the results found in the aggregate: a higher supply of long-term Treasury debt is associated with a relative decrease in post-issuance investment in fixed-assets by issuers in long-duration industries. It also shows that issuers in long-duration industries also

[43]The changes in investment are measured at different horizons in deviation from the stock of investment at the first fiscal year-end preceding the issuance.

Table IA.D.3: Long-term bond supply and issuers in long-duration industries

The table presents the reduced-form estimates based on Equation V.B where the dependent variable is the change in PP&E at the three-year horizon (i.e. $h = 3$ years) as a percentage of total assets or the change in employment at the three-year horizon as a percentage of total employment at t based on the panel of corporate debt issues for 1987-2007. Firm-level controls are measured at $t - 1$. Details for variable definition and winsorising rules in Appendix A. Lower-level interactions are not reported for ease of presentation. Firm-level control are measured at quarter-end t. Standard errors reported in parentheses are double clustered by time (issuance month-year) and by industry (SIC-2 digits).

	(1)	(2)	(3)	(4)	(5)	(6)
	Δ PPE	Δ PPE	Δ PPE	Δ Emp.	Δ Emp.	Δ Emp.
TDebtMat	-8.028			-22.68		
	(5.842)			(7.638)		
TDebtMat × AssetMat	-1.903	-2.256	-2.183	-2.264	-3.163	-2.806
	(0.916)	(0.695)	(0.679)	(0.503)	(0.730)	(0.689)
TDebtMat × Sales Growth		-0.0312	-0.0312		-0.0369	-0.0369
		(0.0119)	(0.0119)		(0.0126)	(0.0125)
TDebtMat × Sales Growth (SIC2)		-0.0826	-0.0809		-0.111	-0.109
		(0.0352)	(0.0353)		(0.0624)	(0.0625)
TDebtMat × M/B Ratio		-5.056	-5.006		-6.640	-6.625
		(4.050)	(4.033)		(5.943)	(5.903)
TDebtMat × ln(MV of Equity)		5.094	5.030		5.296	5.281
		(2.066)	(2.086)		(4.016)	(4.015)
TDebtMat × ln(Assets)		-2.373	-2.324		-1.322	-1.331
		(1.626)	(1.661)		(4.097)	(4.104)
Credit Spread × AssetMat			-0.352			1.202
			(0.625)			(0.984)
Real GDP Gwth × AssetMat			-0.101			-0.110
			(0.0555)			(0.128)
TDebt-to-GDP × AssetMat			-0.0408			0.0151
			(0.0397)			(0.127)
TSY 1y yield × AssetMat			0.257			0.536
			(0.0424)			(0.139)
Industry x 5-Year Period FE	✓	✓	✓	✓	✓	✓
Time FE	–	✓	✓	–	✓	✓
Observations	12595	12595	12595	12226	12226	12226
Adjusted R^2	0.153	0.230	0.230	0.077	0.150	0.150

decrease their labour force.

I progressively control for confounding factors with the inclusion of controls and fixed effects. I find very similar point estimates for the parameter of interest β of model V.B.

The estimated coefficient from my baseline specification (column 2) highlights that, following a one standard deviation increase in the average maturity of Treasury debt, firms in industries at the 75th percentile of the *Asset Maturity* distribution experience a $2.183 \times 0.33 \times (7.47 - 2.93) \approx 3$ ppt larger decrease in their stock of fixed assets as a percentage of total assets, relative to firms in industries at the 25th percentile of the distribution.

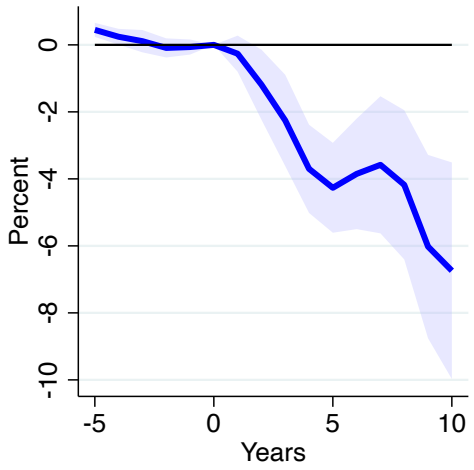
Figure IA.D.1 shows the dynamics underlying the post-issuance effect on

investment. While the effect for fixed assets kicks in right after issuance, it is progressive over time and does not seem to plateau, indicating that the relative trajectory of these firms is changed persistently. The persistence of both effects may be explained by the fact that corporate debt issuances are not very frequent: the average firm only issues 4 times in my sample of debt issues aggregated at the month-level over a time span of 20 years. This contrasts with the effect on investment in the aggregate which appears to revert after 4 years.

Figure IA.D.1: Long-term bond supply and investment by issuers in long-duration industries

The figure presents for each year horizon $h \in \{-5, 5\}$ the reduced-form estimates based on Equation V.B where the dependent variable is the change in PP&E at horizon h-years as a percentage of total assets at t based on the panel of corporate debt issues for 1987-2007. Change in investment at $h = 0$ is assigned 0 for presentation. Firm—-level controls are measured at $t - 1$. Details for variable definition and winsorising rules in Appendix A. Confidence intervals are at 95% confidence level and based on standard errors double clustered by time (issuance month-year) and by industry (SIC-2 digits). At the three-year horizon, the specification in column 1, 2, and 3 in Table IA.D.3 correspond respectively to the red, blue, a,d green lines.

(a) Baseline (Table IA.D.3, column 2)



(b) All specifications (Table IA.D.3)