ASSET SPECIFICITY AND THE VALUE OF CASH HOLDING

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Abstract- This study investigates the impact of asset specificity on the value of cash holding. Running specific assets can enhance firm values but also have to struggle with transaction costs and opportunism. I utilize the marginal value of cash holding to detect how specific assets influence the liquidity demand. Asset specificity increases the value of cash holding with the concern of lower liquidation value (transaction costs point of view) while it destroys the marginal value of cash due to hold-up problem of managers (opportunism point of view). The evidence shows that asset specificity generates extra value in cash holding only when firms are close to default. To highlight the limited benefit of extra cash holding for specific assets, I further detect the impact of asset specificity on the investment-cash flow sensitivity. I find that asset specificity reduce positive relation between investments and cash holding. That implies asset specificity has little to do with financial constraint. Both evidences suggest that holding extra cash is useless for firms with specific assets to gain from investment flexibility.

Keyword- Asset specificity; Value of cash holding.

I. INTRODUCTION

The impact of asset specificity on corporate finance has been noticed in literature. Williamson (1985) defines asset specificity as the "durable investments that are undertaken in support of particular transactions, the opportunity cost of which investments is much lower in best alternative users or by alternative users should the original transaction be prematurely terminated." Accordingly, Williamson (1988) and Shleifer and Vishny (1992) assert that specific assets determine the degree of leverage because of illiquidity or unredeployability. Meanwhile, asset specificity also contributes to a firm's competitive advantages and helps for value creation. Since running specific assets is a double blade decision, the literature recommends that the design of appropriate financing and investing strategies for firms with specific assets is of particular crucial (Balakrishnam and Fox, 1993; Folta and Janney, 2004).

The degree of specific assets alters a firm's external financial constraints and the preference on liquidity choice. Benmelech and Bergman (2009 and 2011) assert that firms with specific assets experience higher cost of debt financing. Meanwhile, James and Kizilaslan (2012) find that firms commit to higher industry risks and have more specified assets prefer to use cash reserves as their liquidity assets rather than line of credit. Although those studies have noticed the impact of asset specificity on liquidity demand, what we know about the association between asset specificity and liquidity demand is limited.

The close connection between asset specificity and liquid management is triggered by the desire of preventing from the fire sale discounts.[1] From the strategic management point of view, however, asset specificity is a key to maintain a firm's uniqueness (Balakrishnam and Fox, 1993; Folta and Janney, 2004). Nowadays the emphasis of asset specificity on corporate finance is mostly dominated by its weakness in liquidity. Nevertheless, if firms can make good use of cash reserves by investing in profitable projects to enhance their specificity, the value of cash is more valuable to firms with specific assets. As a result, cash holding would allow firms with specific assets to be less restricted by illiquidity and increase their flexibility in investments. In this study we intend to investigate whether the value of cash holdings vary with a firm's asset specificity and check whether such connection is governed by investments.

Holding excess cash flow is more value to firms with specific assets for two reasons. First, firms with specific assets would hold excess cash toreduce the likelihood of financial distress and fire sale. Second, holding excess cash flow increase firm's financial slackness and ability to finance new project. However, excess cash holding also increase the possibility of expropriation by the managers of the firm. The net effect of asset specificity on the value of cash would be an empirical issue. Furthermore, I examine whether the positive impact of asset specificity on value of cash holding is triggered by investment flexibility. I apply the investment-cash flow sensitivity to capture difference in investments between firms with specific assets and those with generic assets.

My empirical results shows that the impact of assets specificity on the value of cash holding is insignificant. This result may be driven by the offset impact of pros and cons of holding cash. To highlight the concern of fire sale of specific assets, I divide the sample into two group according to its use of leverage. Firms with debt ratio above (below) the median value of whole observations are classified as high (low) leverage. I find that for firms with high leverage the impact of asset specificity on value of cash is significant positive, but for firms with low leveragethis relation turns into negative. That implies asset specific firms need more cash to prevent them

[1]Shleifer and Vishny (2010) provide a well review of the literature on fire sale discounts.

from default when their leverage ratio is high. However, asset specificity reduce the value of cash when firms have more trouble in managers' opportunism rather than default. Furthermore, I find that the investments sensitivity on the cash flow decreases with assets specificity, implying thatgreater cash holding does not follow higher investment when asset specificity is high. The possible explanation is that firms would hold cash for financial slackness rather than overinvesting that cash in unprofitable projects. In sum, I conclude that the impact of asset specificity on value of cash hinges on the threat of default. With the concern of overinvestment arising from asset specificity, the impact of cash flow on investments decreases with asset specificity.

II. LITERATURE REVIEW

In literature asset specificity describes that assets generate little value outside the firm and force the liquidation value of such assets close to zero. According to the transaction cost theory of Williamson (1988), specific assets can result in quasi-rent for the firm (Klein et al., 1978), beneficial to firm value creation (Teece, 1986), and receive more competitive advantage in the market (Balakrishnam and Fox, 1993). Running specific assets helps firms to create their uniqueness that are hard to be duplicated or reproduced. Such uniqueness can bring in higher quality in production, lower production costs, or more differentiation. But, holding specific assets also give rise to two critical problems: low liquidation value and opportunism.

First, since specific assets cannot be easily redeployed outside the firm, they may experience a huge loss in fire sale and a higher bankruptcy costs. The former work of Williamson (1988)highlight this issue and applies it to capital structure decision of the firm. Referring to transaction cost, he states that firms with specific assets should issue equity rather than debt. Since debtholders are compensated with less value in bankruptcy of firm with specific assets, they will charge higher cost of debt ex ante. Recent research of James and Kizilaslan (2012)also document that firms with industry-specific assets are charged with higher cost of capital in granting bank loans because of the worry of worthless liquidation value.

Second, asset specificity results in opportunist behavior of managers. Investors are difficult to evaluate the performance or efficiency of managers since they cannot find an appropriate benchmark or reference point in the industry. Meanwhile, asset specificity also increases the difficulty or costs of investors in monitoring. Hart and Moore (1994)argue that the human capital, one kind of specific assets, offered by entrepreneurs can exacerbates the hold-up problem faced by investors.

Referring to the asset redeployability proposed by Williamson (1988) and Shleifer and Vishny (1992), recent researchers also find that firms with more specified assets have to deal with severe financial friction. Using the collateral information from secured debt issued by U.S. airline, Benmelech and Bergman (2009) find that the cost of debt financing decreases with asset redeployability, while loan-to-value ratio increases with asset redeployability. Using the similar database Benmelech and Bergman (2011) further verify how bidders' action behaviors in fire sale alter financial frictions. They verify a collateral channel in which a firm's bankruptcy imposes a negative externality to their competitors in the same industry. Evidence shows that industry bankruptcies raise the cost of debt financing of other industry participants. Meanwhile, James and Kizilaslan (2012) find firms with greater industry distress exposure hold more cash and the impact of industry risk exposure on cash holding is more pronounced for firms operating in high asset specific industries. It is the first study that provides empirical evidence of the association between asset specificity and firm liquidity choice, cash holdings or line of credit. In brief, these studies confirm that asset specificity raise the cost of borrowing due to illiquidity.

In addition, the increase in firm specificity deteriorates the information transparency between insider and outsider and makes it harder to obtain external funds. Since outside investors are lack of professional knowledge and skills in handling firms' operation activities, managers may undertake unprofitable projects for their own interests. When asset specificity makes firms become less transparent, managerial discretion increases the agency cost of cash holding and hence, leads to higher cost of capital.

Although holding specific assets deteriorates financial frictions, the literature asserts that firm specific assets create opportunities. Balakrishnam and Fox (1993) and Folta and Janney (2004) argue that investing in specific assets can enhance a firm uniqueness and competitive advantage. As a result, if firms have trouble in raising sufficient funds to finance profitable projects, they are forced to forgo growth opportunities and lose their advantages and attractiveness in the competitive markets. They conclude financing type is the key to influence a firm's competitive position.

Now that we understand that firms with specific assets indeed have higher cost of capital and investments is the key maintain their uniqueness. As a result, from the perspective of a corporate *stockholder*, I propose firms that with more specific assets should retain more cash. With sufficient internal funds a firm can reduce its reliance on the costly external funds in investments, particularly when asset specificity leads to severe financial frictions. Meanwhile, holding cash increases a firm ability to deal with recession and threat of default. Consistent with the argument of the association between financial friction and liquidity demand, cash holding is more valuable to firm with specific assets. To highlight the cash holding is motivated by transaction motives or precautionary

motive, I further detect whether the increase in cash holding benefits investments for firms with specific assets. Accordingly, I propose two hypotheses.

H1. The value of cash holdings is more valuable for firms with higher degree in asset specificity.

H2. The investment-cash flow sensitivities alter with asset specificity.

III. METHODOLOGY

1.1. Measure of asset specificity

To investigate the effect of asset specificity on the value of cash holding, I follow the method introduced by Kimand Kung (2012) and Kim (2013) to construct an industry-level measure of asset specificity.The original information is collected from the Bureau of Economic Analysis (BEA) 1997 capital flow table. This table classifies the use of input factors into 180 main commodities (i.e., assets) among 123 industries for the majority of sectors in the U.S. economy.[2]The reference method consists of two parts. First, for each commodity the so-called specificity score needs to be set. In this stage I compute the ratio of the number of industries in which that asset is *not* used to the number of total industries. This ratio is named specificity score, representingthe difficulty in fire sale. The higher of specificity score means the less possibility in alternative use. [3] Second, the valued-weighted specificity score is developed to represent the asset specificity for each industry. In brief, the measure of asset specificity can be shown by:

$$\text{Speci icity}_{ind} = \sum_{a}^{A} w_{ind,a}(Specificity_score_a),$$

where$Specificity_{ind}$ is a measure of asset specificity for industry *ind*, *a* stands for assets used by this industry,$w_{ind,a}$ is the ratio of industry *ind*'s expenditure on the particular asset *a* to its total capital expenditures, and $Speciticity_score_a$ is the specificity score of asset *a*.

In an unreported descriptive statistics shows that the mean of the measure of assert specificity is 0.26 which is lower than the similar measure developed by Kim and Kung (2012) of 0.59. The standard deviation of my measure is 0.19, a little higher than that found in Kim and Kung (2012) of 0.10. These difference arises since I skip the minimum asset used requirement in calculating weight of specificity score. My setting generates a larger cross-sectional variation in the measure of asset specificity and provides a more comprehensive picture of assets a firm holds.

1.2. Measure of value of cash holding

To generate a proper measure of value of cash holding I merge the firm-level data from the COMPUSTAT and CRSP database. I obtain the firm-specific financial data from COMPUSTAT and receive the stock returns data from CRSP. The sample period covers from January 1990 to December 2013. I exclude financial firms and utility firms (SIC code between 6,000 and 6,999 and between 4,910 and 4,939, respectively). Securities with share codes rather than 10 or 11 are also excluded from the sample.

Referring to Faulkender and Wang (2006), the firm-specific factors and dependent variables are defined as follows. First, I use excess stock returns to capture the value of cash holding from equity holders' point of view. My measure of stock returns includes distributions during the fiscal year. Monthly stock returns are used to generate one year holding period return according to the corresponding fiscal year end. To generate the estimate of excess stock returns, I use the 25 Fama and French portfolios formed on size and book-to-market as my benchmark. Each year I classify each firm into one of 25 size and BE/ME portfolios based on the interaction between the size and book-to-market independent sorts. The size and book-to-market used to mapping the corresponding benchmark is extracted from the information found in the beginning of fiscal year.[4]The excess return is then defined as the holding period return of any stock minus the benchmark return from one of the 25 Fama and French portfolios it belongs to. The breakpoints for the 25portfolios formed on size and BE/ME and the portfolio monthly returns are from Kenneth R. French's web page.[5]

All nominal data are converted to values in 2002 dollars using the consumer price index (CPI). The market value of equity is defined as the number of shares multiplied by the stock closing price at the fiscal year-end. Cash holdings is defined as cash plus marketable securities. Net asset is defined as total assets minus cash holdings. Earnings are defined as earnings before extraordinary items plus interest, deferred tax credits and investment tax credits. Leverage is measured by the ratio of total debt to the sum of total debt and the market value of equity. Net financing is total sale of equity minus repurchases plus debt issuance minus debt redemption. The control variables also include total dividends, R&D expenditure, and interest expenses.[6]

[2] Because BEA utilize the North American Industry Classification System (NAICS) in sorting different kinds of industries, I match the 123 BEA industries with Compustat firms using the NAICS code.

[3] For example, the specificity score is 0.98 for commodity named drilling oil and gas wells, while it is 0.47 for blinds and shades.

[4] The mapping process has to consider the difference in fiscal year end. Faulkender and Wang (2006) sate that the benchmark portfolio a firm belongs to may change during the same fiscal year.

[5] See http://mba.tuck.dartmouth.edu/pages/faculty/ken.french/data_library.html. We thank professor for providing the data.

[6] R&D expenditures equals to zero if missing.

In addition, I exclude firms for which book assets are less than 30 million in 2002 dollars, the market value of equity is negative, dividends are negative, cash holdings are non-positive, net asset are negative, sales are negative, or capital expenditures are negative. In addition, we require the lagged marker value of equity to be non-missing. We trim our observations at the 1% tails measured using the full sample to reduce the impact of outliers. Since I need one year change in some variables, my final sample starts in 1991. We exclude observations with missing monthly returns during the formation period and that with missing financial information. The final sample consists of 16425 firm-years observations from 1990 to 2013.

To prevent the endogeneity problem between firm value and cash holding triggered by growth opportunities, I apply two-stage regression in value creation analysis as suggested byDenis and Sibilkov (2010). In the first stage, I estimate the firm's excess cash holding following Kim, Mauer, and Sherman (1998). Referring to their study, the firm's normal cash holding is decided by firm size, the market-to-book ratio, leverage, cash flow volatility, the duration of a firm's cash cycle, operating cash flow, the default probability, the excess return of a firm's investment over the Treasury bills, and future economic condition as measured by the growth rate of industrial production.[7]

IV. EMPIRICAL RESULT

Table 1 reports the empirical result of the impact of asset specificity on the value of cash holding. To comparable with previous studies, I use models of Faulkender and Wang (2006) and Denis and Sibilkov (2010) as my benchmark. The coefficient of the conducting variables are consistent with Faulkender and Wang (2006) and Denis and Sibilkov (2010). In the unreported table shows that the estimated coefficient of the change in cash holding suggest that an extra dollar of cash is valued by shareholders at $1.12, implies that a dollar of cash can generate extra benefits over its par value to shareholders. And I find that the increase in net financing is not beneficial to shareholders since the corresponding coefficient is significant negative, consistent with Denis and Sibilkov (2010). We detect the impact of asset specificity on value of cash holding by conducting multivariate regression analysis. If asset specificity raises the worry of loss in default, holding excess cash flow is more valuable to highly specificity firms. I find that the variation in asset specificity generates no difference in the value of cash holding. Faulkender and Wang (2006) point out that the use of cash in servicing debt or other liabilities only create small benefits to equity holders. Thus the equity market will place a lower value on excess cash holding for high leverage firms. I propose that the impact of asset specificity on marginal value of cash holding is conditional on the threat of default. The evidence shows that asset specificity generates extra value in cash holding only when firms are close to default. When companies are threatened by financial distress, holding excess cash helps firms with specific assets to escape from costly liquidation. We utilize the framework of Denis and Sibilkov (2010) to investigate the determinants of investment. Net investment is defined as capital expenditures net of depreciation in year (t+1). Size is the log of total book assets measured in 2002 dollars (adjusted for the CPI). We detect whether the investment-cash flow sensitivity alters with asset specification. Referring to Kim, Mauer, and Sherman (1998), we use two different proxies in measuring excess cash holding. The results are presented in Table 2 and Table 3. We find the coefficient on the interaction term of excess cash holding and asset specificity is significantly negatively. That implies running specific assets can reduce the reliance of investments on cash flows and the financial constraints is not of concern to firms with specific assets.

CONCLUSION

This study is expected to complement to the discussion of liquidity management, particularly, the value of cash holdings. In line with cash holdings relinquishing financial constraints, Almeida, Campello, and Weisbach (2004) and Faulkender and Wang (2006) show that financial constrained firms are more sensitive to the cash policy in that the cash flow sensitivity of cash and the value of holding cash is more pronounced for constrained firms than that for unconstrained firms. My inference, however, is to verify the importance of asset specificity. Nowadays the implication of asset specificity on corporate finance is found to be significant to capital structure

[7] Firm size is measured by the natural logarithm of the market value of the firm's assets in 2002 dollars, where the market value of asset is defined as the book value of assets plus the market value of equity minus the book value of equity. Leverage is measured by the ratio of total debt (long-term debt plus debt in current liabilities) to the book value of assets. Cash flow volatility is defined as the standard deviation of the first difference in earnings before interest, depreciation, and taxes minus non-operating income, scaled by the average book value of assets. Duration of a firm's cash cycle is measured by the sum of average inventory age and average collection period minus the average payment period. Default probability is measured by the inverse of Altman's z-score. The return on a firm's investment is measured by the ratio of earnings before interest, depreciation, and taxes minus non-operating income to the book value of assets. The growth rate of industrial production are from Federal Reserve Bank of St. Louis.

and cost of debt financing. Referring to redeployability or liquidity, asset specificity is a bad signal for collateral as well as use of debt. From strategic point of view, nevertheless, asset specificity contributes to creation of differential. In this study we investigate how liquid assets (cash) and illiquid assets (specific assets) interact to alter investments, the process of adding new assets, and firm value. It helps to verify why asset characteristics govern investment decisions and rule growth opportunities. In sum, my study confirms the component of assets is crucial for firm valuation. Further investigation of diversification and asset specificity will be interesting. Consistent with the literature in relevance of asset specificity, our study confirms that asset specificity affects corporate policy.

In addition to the cost of debt financing and capital structure, our investigation provides another explanation to document the impact of asset specificity on liquidity demand. With regard to the transaction cost motive and precautionary motive of cash holdings (Keynes, 1936), I find that liquid assets are viewed as the buffer in handling financial distress rather than the device in facilitating flexibility in investments. In all, this study contributes to the literature that there is an optimal level of cash holdings.

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Table 1Regression Results of Impact of Asset Specificity on Value of Cash Holdings

	Low Probability	Default	High Probability	Default
	(1) Leverage ratio	(2) Z score	(3) Leverage ratio	(4) Z score
ΔC	2.51***	2.63***	0.64**	0.71**
	(9.07)	(9.18)	(2.29)	(3.77)
ΔC × Asset_sp	-1.16*	-1.59*	1.04***	1.16***
	(-1.68)	(-1.96)	(2.66)	(2.71)
Asset_sp	0.22*	0.16	0.06	0.09
	(1.84)	(1.38)	(0.52)	(0.88)
ΔE	1.02***	1.03***	0.38***	0.39***
	(8.25)	(8.98)	(3.41)	(3.04)
ΔNA	0.56***	0.53***	0.24***	0.23***
	(5.89)	(5.85)	(6.20)	(5.59)
ΔRD	0.71	0.94	0.13	-0.25
	(1.25)	(1.48)	(0.18)	(-0.43)
ΔI	-5.47***	-0.92	0.98	0.33
	(-3.09)	(-0.49)	(1.28)	(0.46)
ΔD	-0.47	-1.37	-2.56**	-1.10
	(-0.21)	(-0.65)	(-2.04)	(-0.83)
C_{t-1}	0.32***	0.40***	0.56***	0.37***
	(5.46)	(5.10)	(6.61)	(6.38)
L_t	-0.33*	-0.62**	-0.91***	-0.52**
	(-1.75)		(-11.52)	
		(-9.30)		(-7.47)
NF_t	-0.17	-0.43**	-0.36***	-0.26**
	(-1.08)	(-2.30)	(-4.18)	
				(-3.53)
$C_{t-1} \times \Delta C$	-1.76***	-1.90**	0.01	-0.27
	(-7.05)		(0.03)	(-1.12)
		(-5.46)		
$L_t \times \Delta C$	-4.15**	-1.15*	-0.11	-0.31
	(-2.52)	(-1.85)	(-0.19)	(-0.87)
Cons	0.12**	0.12**	0.34***	0.23***
	(2.56)	(2.66)	(7.29)	(5.31)
Industry_dummy	Y	Y	Y	Y
Year_dummy	Y	Y	Y	Y
Observations	5650	5911	4138	3877
Adj R^2	0.31	0.31	0.31	0.31

Table 2 Regressions Analysis of Net Investment
The dependent variable is net investment, defined as capital expenditures net of depreciations in year (t+1). Asset_spe is indicator of asset specification.Cash_ex is residual cash from Kim, Mauer, and Sherman (1998) in which cash flow is defined as the ratio of earnings before interest, depreciation, and taxes to sales. Financial constraint is measured by dividend payout (payout), firm size (size), accessibility in long-term rating (bond rating) and short-term rating (paper rating).

	payout	size	bond rating	paper rating
	1	2	3	4
Asset_spe	0.039***	0.043***	0.039***	0.039***
	(4.91)	(4.65)	(4.95)	(4.88)
Asset_spe* Cash_ex	-0.054**	-0.036	-0.076**	-0.077**
	(-1.96)	(-1.08)	(-2.63)	(-2.67)
Cash_ex	0.026***	0.025***	0.032***	0.033***
	(3.60)	(2.9)	(4.24)	(4.37)
Leverage	-0.028**	-0.029**	-0.028**	-0.029**
	(-7.16)	(-6.95)	(-7.11)	(-7.24)
MV/BV	0.007***	0.006***	0.007***	0.007***
	(11.79)	(8.10)	(11.89)	(12.10)
RD_sale	-0.020**	-0.020**	-0.020**	-0.020**
	(-3.29)	(-3.31)	(-3.34)	(-3.32)
Lnat_adj	-0.0002	0.0001	0.0003	0.0004
	(0.68)	(0.12)	(0.99)	(1.28)
PPE_TA	0.007**	0.011***	0.006**	0.006**
	(2.46)	(3.53)	(2.38)	(2.37)
CF_netI_TA1	0.017*	0.053***	0.019**	0.020**
	(1.68)	(4.43)	(2.20)	(2.26)
Inter_cash3FCd3	0.039***	-0.026*	0.037***	0.036***
	(3.32)	(-1.84)	(3.70)	(3.61)
Sale_gr	0.011***	0.012***	0.011***	0.011***
	(5.81)	(5.75)	(5.79)	(5.71)
D_equity	0.003***	0.004***	0.003***	0.003***
	(2.86)	(3.76)	(2.87)	(2.82)
D_debt	0.008***	0.006***	0.008***	0.008***
	(7.62)	(6.36)	(7.58)	(7.53)
PPE_sale	-0.076*	-0.002	-0.076*	-0.074*
	(-1.70)	(-0.05)	(-1.71)	(-1.67)
Constraint	-0.0005	0.0006	0.0006	0.002*
	(-0.38)	(0.20)	(0.56)	(1.76)
Cons	-0.031**	-0.003	-0.032**	-0.034**
	(-4.87)	(0.17)	(-5.0)	(-5.26)
Adj R^2	0.235	0.227	0.236	0.236
# of obs	9742	7986	9742	9742

Table 3 Regressions Analysis of Net Investment
The dependent variable is net investment, defined as capital expenditures net of depreciations in year (t+1). Asset_spe is indicator of asset specification. Cash_ex is residual cash from Kim, Mauer, and Sherman (1998) in which cash flow is defined as the ratio of earnings before interest, depreciation, and taxes minus capital expenditures to sales. Financial constraint is measured by dividend payout (payout), firm size (size), accessibility in long-term rating (bond rating) and short-term rating (paper rating).

	payout	size	bond rating	paper rating
	1	2	3	4
Asset_spe	0.039***	0.044***	0.039***	0.039***
	(4.95)	(4.69)	(4.95)	(4.88)
Asset_spe* Cash_ex	-0.061**	-0.049	-0.061**	-0.062**
	(-2.14)	(-1.41)	(-2.15)	(-2.19)
Cash_ex	0.026***	0.026***	0.026***	0.027***
	(3.51)	(3.00)	(3.57)	(3.71)
Leverage	-0.028**	-0.029**	-0.028**	-0.029**
	(-7.12)	(-6.93)	(-7.10)	(-7.22)
MV/BV	0.007***	0.006***	0.007***	0.007***
	(11.77)	(8.09)	(11.85)	(12.06)
RD_sale	-0.019**	-0.020**	-0.019**	-0.020**
	(-3.19)	(-3.22)	(-3.25)	(-3.23)
Lnat_adj	0.0002	0.0000	0.0003	0.0004
	(0.68)	(0.16)	(0.93)	(1.23)
PPE_TA	0.006**	0.011***	0.006**	0.006**
	(2.37)	(3.47)	(2.35)	(2.35)
CF_netI_TA1	0.017*	0.054***	0.019**	0.020**
	(1.70)	(4.46)	(2.23)	(2.28)
Inter_cash3FCd3	0.039***	-0.026*	0.037***	0.036***
	(3.35)	(-1.82)	(3.72)	(3.64)
Sale_gr	0.011***	0.012***	0.011***	0.011***
	(5.80)	(5.74)	(5.79)	(5.71)
D_equity	0.003***	0.004***	0.003***	0.003***
	(2.85)	(3.74)	(2.84)	(2.80)
D_debt	0.008***	0.006***	0.008***	0.008***
	(7.58)	(6.33)	(7.56)	(7.51)
PPE_sale	-0.077*	-0.004	-0.077*	-0.075*
	(-1.72)	(-0.08)	(-1.72)	(-1.68)
Constraint	0.000	0.000	0.000	0.002*
	(-0.43)	(0.24)	(0.50)	(1.68)
Cons	-0.031**	-0.002	-0.032**	-0.034**
	(-4.84)	(0.15)	(-4.94)	(-5.19)
Adj R^2	0.235	0.227	0.235	0.236
# of obs	9742	7986	9742	9742

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