Online Appendix for:

"Local Economic Spillover Effects of Stock Market Listings"

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A.I: Empirical design and methods

In this section, we extend our discussion on our identifying assumptions and empirical strategy. Our main tests use a restrictive fixed effects approach to mitigate concerns of unobservable factors driving our results. Specifically, we use county-year fixed effects and examine the variation in economic outcomes across ZIP codes within the county and year of a company going public. Like all empirical designs, this approach has strengths and weaknesses. It does not address reverse causality (we have different tests, below, that address this issue). But our empirical design does control for a wide variety of time- and geography-varying factors. For an omitted variable to bias our coefficient estimates, it would have to vary only across ZIP codes, within county and within year, and be correlated with IPO activity but not our control variables. Our main identifying assumption is the following: in the absence of a significant local shock such as an IPO, the change in the economic development of nearby ZIP codes in a given year should be similar on average.

The design merits further explanation. First, we note that most counties have no IPOs, but some counties have lots of IPOs. It is not useful to study the local economic impact of an IPO in rural areas that have little economic activity and hence, no meaningful opportunity to have a company go public. Contrast Harris County, Texas and Brewster County, Texas. Harris County is the largest by population (4.5 million) in Texas; Brewster is the largest by land area (6,183 square miles). But Brewster County has only 280 establishments, and only one town with more than 1,000 people, Alpine. The likelihood of a company headquartered in Brewster County going public is quite small. We exclude from our sample such counties that never have an IPO. This design

choice of dropping counties like Brewster creates a bias: an IPO happening, albeit improbably, in a rural area might have a much larger effect on the local business environment than what we estimate with our sample. Moreover, this choice limits the external validity of our analysis to apply only to areas where a company going public is a real possibility. Thus, our results speak most to the effects of an IPO in counties ranging from a population of 70,000 and 1,200 establishments (10^{th} percentile in our sample), to a population of 1,000,000 and 29,000 establishments (90^{th} percentile). This approach leaves us with 295 counties, 2,219 county-years. We extend our tests, below, to regain some external validity by using a more inclusive sample that uses larger geographic units with less restrictive fixed effects and reach the same conclusions.

In a given county-year we examine the differential economic impact of the IPO across different ZIP codes, the most granular geographic unit for which we have ample data. ZIP codes are small: the typical county in a US state has more than a dozen ZIP codes. We exclude ZIP codes that never had an IPO from 1990-2015, making our treated and control samples more homogeneous. Our tests are best explained with a series of figures; we use Harris County, Texas as an example. Figure A.1 shows Harris County and its ZIP code boundaries. ZIP codes that are shaded are those that are in our sample; ZIP codes that are unshaded are "never treated" ZIP codes, and they, like our never-treated counties such as Brewster, are excluded from our tests. Matching treated ZIP codes to control ZIPs from our donor pool further mitigates concerns about unobserved heterogeneity.

[Insert Figure A.1 Here]

Our tests compare, within county-year, differences in outcomes for the shaded ZIP codes as a function of their proximity to a ZIP code that has at least one IPO in that county-year. Figure A.2 illustrates. The map highlights two ZIP codes that in 2004 had at least one IPO; ZIP code 77042 (west) had one firm going public, TODCO, and ZIP code 77056 (east) had two firms going public (WCA Waste Corporation and Westlake Chemical Corporation). The inner ring includes all ZIP codes whose center is within a two-mile radius from the center of the ZIP code that had an IPO, the middle ring includes ZIP codes between two and five miles, and the outer ring includes ZIP codes between five and ten miles from the center of the IPO. If a ZIP code is within different radiuses from different IPOs, we assign it into the smallest ring. For instance, ZIP code 77401 in Houston had no IPOs in 2004 and it is within 7 miles from ZIP code 77042 but only 3 miles from ZIP code 77056. Therefore, in this example, we include ZIP code 77401 in the 2-5 mile group and the dummy variable *Between 2-5 miles from IPO Headquarters* is set to one for 77401 in 2004. Our empirical model estimates IPO local economic effects as a function of each ZIP code's distance from the IPO. ZIP codes have irregular boundaries (or shapes), so to calculate the distance between two ZIP codes we compute the mile-distance of a straight line between their centroids, or the center of the mass of their area. The regression model below uses ZIP codes in the same county-year as a counterfactual.

[Insert Figure A.2 Here]

Figure A.3, again using Harris County, Texas as an example, illustrates how ZIP codes in given county-year provide a plausible counterfactual. Different ZIP codes in a county have IPOs at different times. This feature of our panel allows us to use similar ZIP

codes in the county that had an IPO in a different year (but not in the current year) as a counterfactual. Harris County, though large, is by no means unique. On average, IPOs in our sample are dispersed across fifteen different ZIP codes in a given county; therefore, a ZIP code with an IPO in one year (treated) may serve as a control for another year. Figure A.3, for example, shows that IPOs are scattered across ZIP codes and years.

[Insert Figure A.3 Here]

To further induce homogeneity of our treated and control ZIP-year observations, we use a coarsened exact matching procedure (see Blackwell, et al. (2009)) that we explain in the main text of the paper. Finally, if firms choose to locate their headquarters in a specific ZIP code in a county in expectation of the ZIP code's future economic development, we could have selection bias contributing to our estimates. This possibility seems doubtful, because firms likely choose the specific ZIP code in a county to locate when they are founded based on criteria other than future economic growth several years in the future.[1] Moreover, it is important to emphasize that, because we also examine the spillover effect on neighboring ZIP codes, too, the selection would have to be on the growth of economic conditions not only in the headquarters ZIP code, but also in neighboring ZIP codes where the headquarters is not. Therefore, heterogeneity in the location of corporate headquarters within a county seems plausibly exogenous to the economic development of the ZIP code more than a decade later.

A.II: Reverse causality and omitted variables bias tests

[1] Founding date to IPO date is roughly fifteen years, on average (Field and Karpoff (2002), Loughran and Ritter (2004)) and fewer than 10% of IPOs happen within one year of a firm's foundation date. Very few firms change the location of the headquarters between founding and IPO. Jay Ritter provides the data on his website

In this section, we empirically investigate whether past income growth and other measures of local economic activity affect the timing of IPOs in different ZIP codes. We start by regressing an indicator variable that equals one when a ZIP code has at least one IPO in a given year on lagged home price growth, mortgage origination growth, employment growth, establishment growth, and credit card spending growth. The results in Table A.II.a suggest none of the lags of past economic activity have the ability to predict IPO activity. That is, even though local IPO activity appears to predict future local economic outcomes, local economic progress does not predict future local IPO activity. This conclusion also reflects the lack of empirical and theoretical literature suggesting *local* economic conditions drive the timing of a firm's IPO.[2]

[Insert Table A.II.a Here]

Our matched sample analysis mitigates concerns over whether omitted variables bias drives our result, and our county-year fixed effects absorb location- and time-varying unobserved heterogeneity. When, instead, we use a ZIP code fixed effects and year fixed effects, we find economically larger spillover effects from an IPO (see Table A.II.b). In addition, our results are qualitatively similar when we exclude from the regressions ZIP codes with the highest number of IPOs in the county.

We also examine whether other unobserved factors drive the relation between IPO activity and local economic outcomes. We quantify how large the effect of selection on time-varying unobservable characteristics has to be to explain our results. Altonji, et al. (2005) formalize the procedure to estimate how the coefficients would change if

[2] Most studies suggest that firms time their IPO decision to exploit (successfully or not) a "window of opportunity". See for example Ritter (1991), Lerner (1994), Baker and Wurgler (2000), Schultz (2003), Butler, et al. (2005), and Brau and Fawcet (2006), among others. Colak, Durnev, and Qian (2016), find that state-level political instability affects an IPO decision.

selection on unobservable factors were equal to the treatment effect. Oster (2017) generalizes this methodology. We estimate the degree of selection on unobservables relative to selection on observables that would be necessary to explain away the estimated effect of IPO activity on income. In untabulated tests we find that the selection on unobservables has to be at least 2-6 times larger than selection on observables for the treatment effect of IPO activity on ZIP code economic development to be zero. Moreover, if the selection on unobservables and observables were equally important, the treatment effects of IPO activity on local economic outcomes drop, on average, by one quarter, but the effect would still be statistically significant. Taken together, the empirical results in this section are inconsistent with reverse causality or unobserved factors driving the effect of IPO activity on per capita income. Using ZIP code and year fixed effects we get similar (economically larger) results.

[Insert Table A.II.b Here]

A.III: Intensive margin ZIP-level regressions

In this section, we measure the intensive margin of IPO activity on local economic development. Specifically, to identify the intensive margin of the IPO spillovers we need to estimate the effect of an additional one million dollars in proceeds on the local economy. However, the vast majority of ZIP codes in a given year have no IPOs (zero proceeds), although we still expect the IPO to affect their economic development. To address this issue and estimate the effect of an additional one million dollars of proceeds for ZIP codes that had no IPOs (but are located near an IPO), we assign to them the total amount of IPO proceeds from the closest ZIP code. For instance, a ZIP code with no IPO activity that is located within 0-2 miles from a ZIP that had a 100

million dollars IPO will also take the value of 100.

Our regressions resemble regression model (1), but instead of an indicator that measures the distance from an IPO, we use three different proxies that capture the size (by proceeds) of the closest ZIP code that experiences IPO activity. Our first (and simplest) regression uses the actual dollar amount from IPO proceeds in the ZIP code-year. Moreover, we address the possibility that the relationship between IPO proceeds and changes in employment is non-linear using two more proxies. For our second proxy we use the natural log of proceeds; for our third proxy we group ZIP-years with at least one IPO in deciles based on the yearly distribution of the proceeds across all ZIP codes in a given year. We exclude spinoffs from the regressions and present the results in Table A.III.

[Insert Table A.III Here]

A.IV: 2-month NASDAQ returns as an IV to IPO completion

In this section, we provide empirical support for section 5.b of the main text, which argues that 2-month NASDAQ returns is not a valid instrumental variable (IV) for IPO completion in the context of this study. Specifically, we show that using the 60-day stock market returns from the filing date as an instrument for IPO completion has weak explanatory power in the first stage of the IV regression. In column (1) of Table A.IV, we regress an indicator variable that equals one if the firm completes its IPO (instead of withdrawing it) on NASDAQ returns in the two-month period after the IPO filing. The small R^2 in the first regression (approximately 1%, similar to Cornaggia, et al. (2018)) reflects the weak explanatory power of the IV. Furthermore, we also find that market

returns do not predict IPO completion in the period after year 2000 (see column (5)). This structural break during the dot com crisis, coupled with the low explanatory power of stock market conditions in predicting IPO completion suggest that the IV does not satisfy the relevance condition.

A weak IV poses important identification challenges that we discuss in detail in section 5.b of the paper. The paper also provides more details about why the IV violates the only through (or exclusion) restriction when used in geographic rather than firm-level setting (such as Berstein (2015)).

[Insert Table A.IV Here]

A.V: Extensive margin – MSA level analysis

In this section, we investigate the impact of IPO activity on development of US metropolitan areas (MSA). The baseline empirical strategy we use in the paper exploits cross-ZIP code variation of IPO activity in a given county-year to identify an IPO effect on local real estate and economic development. We choose this empirical design as our basis for two reasons: first, because it strengthens the internal validity of our estimates; second, because it allows us to trace the geographical extent of the IPO-spillover effects on local economic development. Nevertheless, this approach may limit our ability to draw inferences for larger economies, such as large metropolitan areas.

In Table A.V, we study the effect of IPOs on real estate outcomes (mortgage originations, new housing starts, and home prices), labor market outcomes (employment growth, job creation), and other measures of business development (new business starts)

for US metro areas. Specifically, we use data on IPO listing decisions over 1980-2011 to examine the effect of an IPO on the listing firm's MSA's economy.

[Insert Table A.V Here]

We use various measures of IPO activity, a matching procedure combined with MSA-level fixed effects, and various subsamples to draw inferences about the effects we estimate. Broadly speaking, we find that IPOs on average are associated with positive economic outcomes in an MSA. How big is the average effect of an IPO on these outcome variables? Our matched sample results suggest that following years of heavy IPO activity (i.e., top quartile of IPO proceeds over that last two years), relative to their matched sample counterpart MSAs, mortgage originations increase by 6.0% (one-sixth of a standard deviation), and new housing starts increase by 3.7% (one-twelfth of a standard deviation). Housing prices increase by 2.2%, (one-third of a standard deviation) but only for the highest priced homes. Labor markets improve as well, with employment growth increasing 33 basis points (one-ninth of a standard deviation) and job creation rates increasing 46 basis points (one-eleventh of a standard deviation). Finally, a result of a large IPO, the rate of new business starts increases by 18 basis points (one-fifteenth of a standard deviation).

[Insert Tables A.V.a-A.V.i Here]

A.VI: Placebo IPOs

Our identifying assumption is that cross-sectional differences in real estate, employment, and establishment growth of ZIP codes in the same county-year should be approximately the same if there is no IPO activity in that county. By performing the

following placebo tests, we evaluate whether the relationship we observe in the data is spurious. We take all our treated ZIP code-years and we (counterfactually) assign a placebo year to each ZIP code; we retain the matched control ZIP codes, which we assign the same placebo year, and we re-estimate our regressions. Because these ZIP codes experience only placebo IPOs, there should not be a significant IPO effect on the counterfactually assigned dates.

We present the regression results from the placebo tests of real estate variables and economic development in Table XI. The results suggest that placebo IPOs do not create statistically significant changes in home price growth, employment growth, establishment growth (tradable, non-tradable, or construction) or credit card spending between ZIP codes in a given county-year. We conclude that our results are unlikely to be a spurious result of ZIP code-specific characteristics

[Insert Table A.VI Here]

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Tables and Figures

Figure A.1: Identification strategy – Example from Harris County (Houston)
The shaded areas in this map represent all ZIP codes in Harris County, Texas that had at least one IPO from 1990-2015.

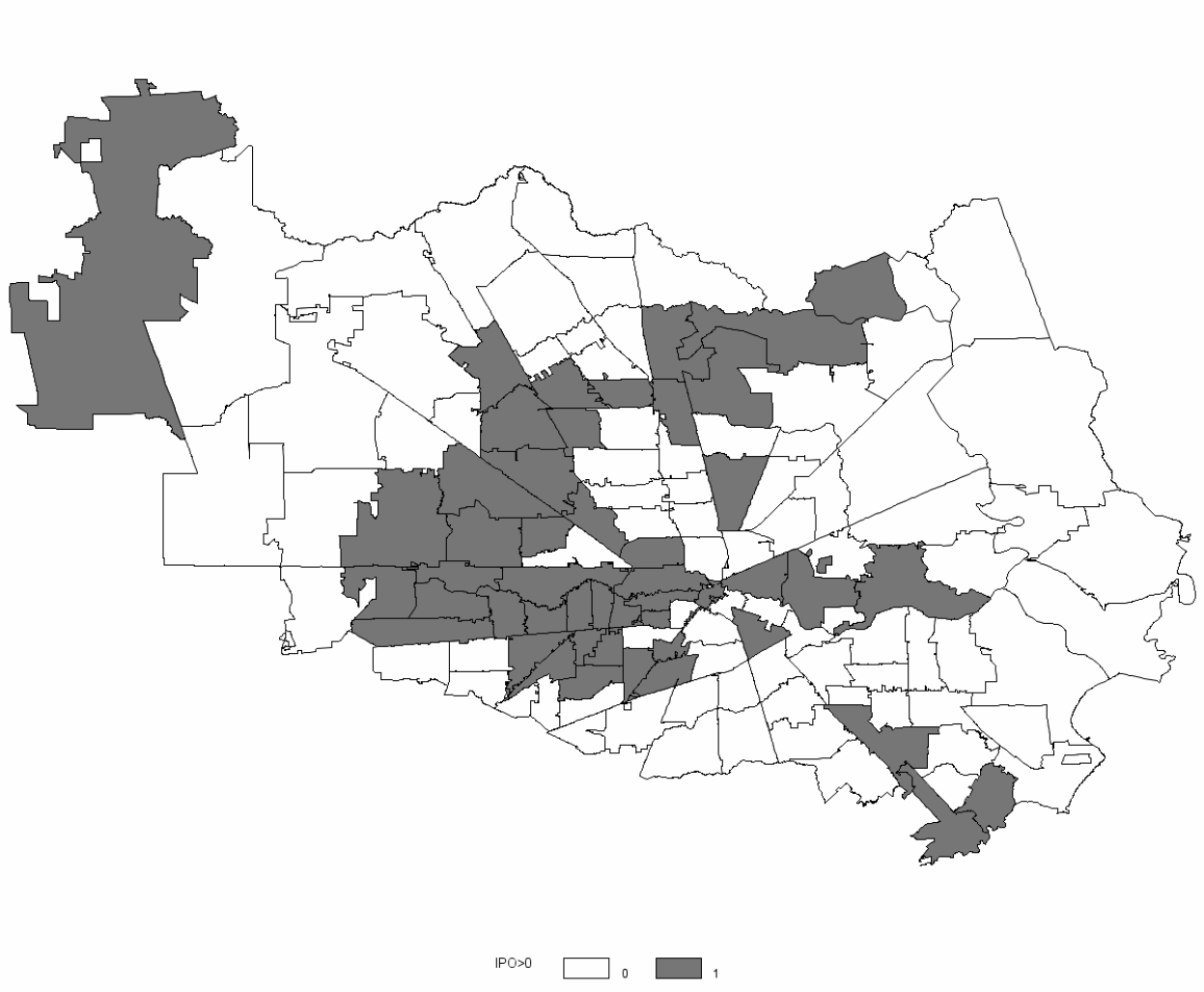

Figure A.2: Empirical design – IPOs in Harris County (year=2004).
The map shows the land area of two ZIP codes in Harris County, Texas. The shaded ZIP code to the west is 77042, and to the east is 77056. The smallest circle represents a 2-mile radius from the center of the ZIP code that the IPO took place. In our regressions, the indicator *within 2-miles from IPO HQ* identifies ZIP codes outside the shaded area but inside the 2-mile radius. Similarly, the indicator *2-5 miles from IPO HQ* identifies all ZIP codes that are at least two miles away but within a five-mile radius from the IPO ZIP code. Finally, the indicator *5-10 miles from IPO HQ* identifies all ZIP codes that are between 5-10 miles from the center of the closest ZIP code with at least one IPO.

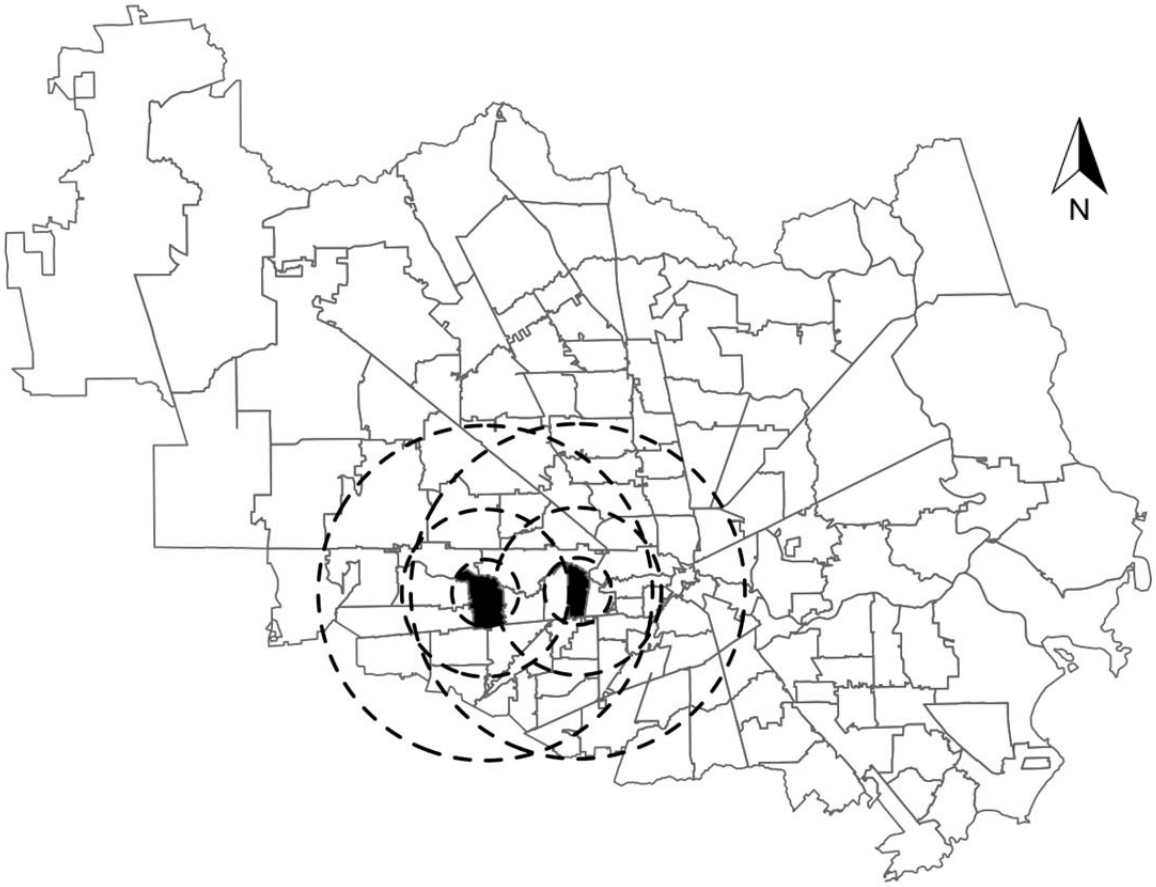

Figure A.3: ZIP codes with at least one IPO in Harris county.
The figures represent ZIP codes with at least one IPO in a given year. The Harris county maps represent IPO activity in the following years (from top left to bottom right): 1992, 1996, 2000, 2004, 2008, and 2012.

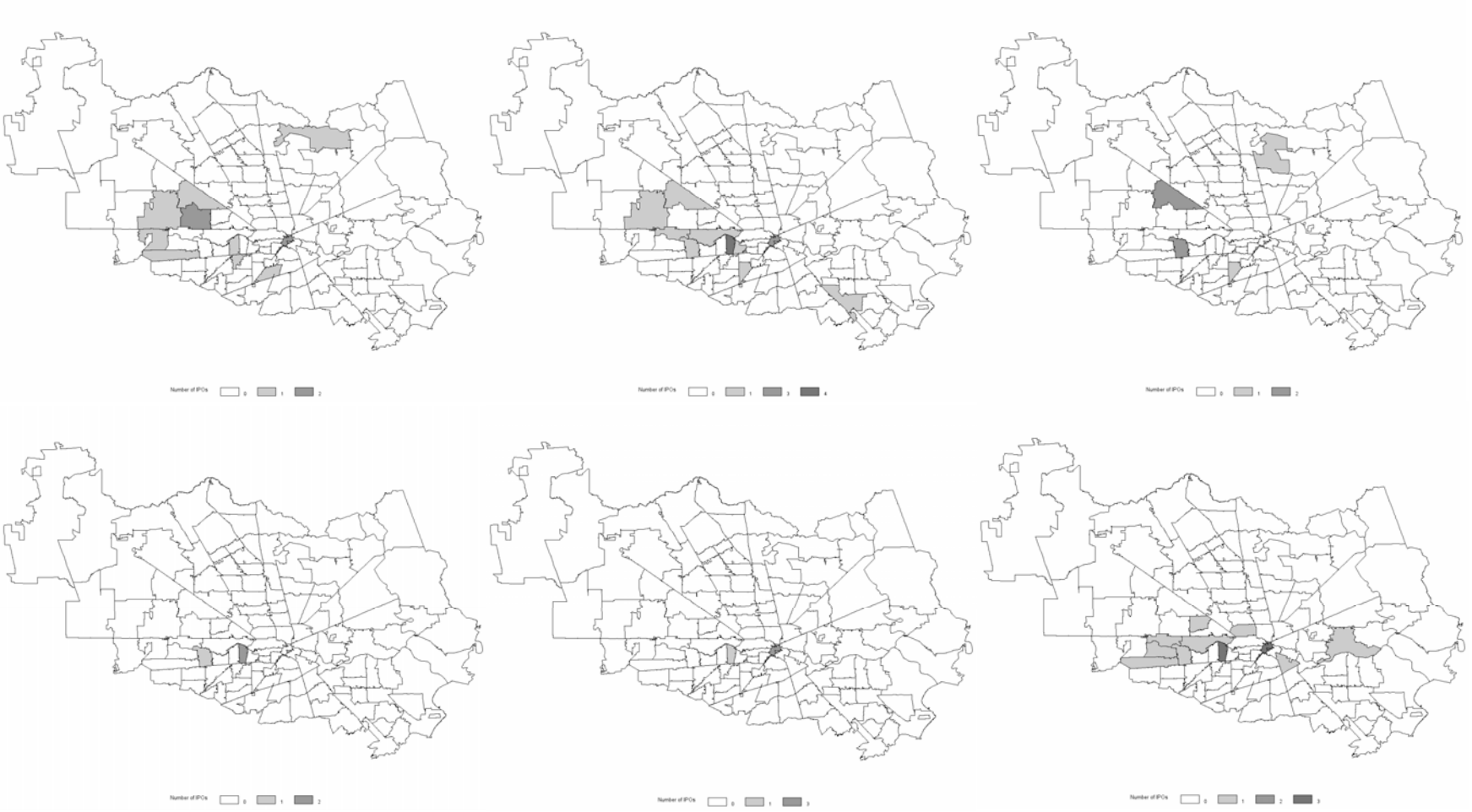

Table A.II.a: ZIP code regressions of IPO activity on lagged ZIP code real estate and economic development. The dependent variable is a dummy variable that indicates whether the ZIP code had at least one IPO in that year. In columns (1)-(5) the independent variable of interest is, respectively, the first lag of the: home price index, average mortgage amount, employment growth, establishment growth, and credit card spending growth. In all regressions we include as controls the natural logs of establishments, employment, ZIP code population, and population density. All regressions include county-year fixed effects. We cluster at the ZIP code and county-year level and report standard errors in parentheses. Significance at the 1%, 5%, and 10% is indicated respectively with *** (p<0.01), ** (p<0.05), and * (p<0.10).

	(1)	(2)	(3)	(4)	(5)
	IPO>0	IPO>0	IPO>0	IPO>0	IPO>0
Lag-%Δ(HPI)	0.1330				
	(0.2826)				
Lag-%Δ(Avg. Mortgage Amount)		-0.1454			
		(0.1273)			
Lag-%Δ(Employment)			0.0018		
			(0.0993)		
Lag-%Δ(Establishments)				0.1650	
				(0.1649)	
Lag-%Δ(Cr. Card Spending)					-0.0272
					(0.0646)
Ln(Population)	-0.0638***	-0.0435***	-0.0593***	-0.0595***	-0.0422*
	(0.0171)	(0.0158)	(0.0173)	(0.0172)	(0.0215)
Ln(Establishments)	-0.0121	-0.0199	-0.0131	-0.0115	-0.0708*
	(0.0259)	(0.0271)	(0.0263)	(0.0263)	(0.0418)
Ln(Employment)	0.1211***	0.1237***	0.1197***	0.1195***	0.1634***
	(0.0219)	(0.0233)	(0.0220)	(0.0219)	(0.0359)
Ln(Wage Income)	0.0411**	0.0625***	0.0459**	0.0436**	0.0741***
	(0.0199)	(0.0204)	(0.0203)	(0.0199)	(0.0282)
Observations (ZIP-years)	10165	9075	10122	10176	4535
Adjusted R^2	0.323	0.326	0.322	0.322	0.283
County-Year FEs	Yes	Yes	Yes	Yes	Yes

Table A.II.b: Fixed effect regressions of local real estate and economic development on ZIP code distances from the IPO headquarters ZIP code. In regressions (1)-(6) the dependent variable is the annual growth rate in the 2-year period post-IPO for ZIP code: (1) home prices index, (2) top-tier homes tier home values, (3) average mortgage amount, (4) employment, (5) establishments in the non-tradable sector, (6) establishments in construction, and (7) credit card spending. *Large IPO HQ ZIP Code* is a dummy variable that indicates if the headquarters of the IPO firm are in that ZIP code, and its proceeds are in the top quartile of the yearly distribution of proceeds. The IPO proximity variables indicate ZIP codes with no IPO activity in that year but are between either 0-2, 2-5, or 5-10 miles away from the closest ZIP code with at least one large IPO. In all regressions we include the first lag of the dependent variable, and the natural logarithm of lagged establishments, employment, population, population density, and wage income. All regressions include ZIP code and year fixed effects. We cluster at the ZIP code and county-year level, and report standard errors in parentheses. Significance at the 1%, 5%, and 10% is indicated respectively with *** (p<0.01), ** (p<0.05), and * (p<0.10).

	(1) HPI Growth	(2) Home Value Growth	(3) Average Mortgage Size Growth	(4) Employment Growth	(5) Establishments Non-Tradable Growth	(6) Establishments Construction Growth	(7) Credit Card Spending Growth
Large IPO HQ ZIP Code	0.0036	0.0095**	0.0094	0.0085**	-0.0009	0.0051	0.0304*
	(0.0035)	(0.0038)	(0.0064)	(0.0034)	(0.0041)	(0.0049)	(0.0177)
<0-2 miles from Large IPO HQ	0.0098**	0.0135***	0.0159**	0.0055*	0.0056*	0.0131**	0.0535***
	(0.0039)	(0.0046)	(0.0073)	(0.0029)	(0.0032)	(0.0063)	(0.0141)
2-5 miles from Large IPO HQ	0.0059*	0.0084***	0.0110**	0.0037**	0.0041**	-0.0007	0.0385***
	(0.0033)	(0.0032)	(0.0050)	(0.0017)	(0.0020)	(0.0031)	(0.0084)
5-10 miles from Large IPO HQ	0.0033	0.0047*	0.0089**	0.0024*	0.0032	0.0029	0.0204***
	(0.0028)	(0.0028)	(0.0044)	(0.0013)	(0.0020)	(0.0026)	(0.0069)
Observations (ZIP-years)	27714	23685	24577	31305	27998	27985	11990
Adjusted R^2	0.643	0.676	0.180	0.319	0.243	0.197	0.404
ZIP Code Controls	Yes	Yes	Yes	Yes	Yes	Yes	Yes
ZIP Code FEs	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year FEs	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Table A.III Intensive margin regressions based on ZIP code-year panel of IPOs. The dependent variable is the average yearly difference in employment during the two-year period after an IPO in the ZIP code. *Proceeds (IPO HQ ZIP)* is the total amount of proceeds from IPOs in that ZIP code-year. *Ln(Proceeds) (IPO HQ ZIP)* is the natural log of the total proceeds from IPOs in that ZIP code-year. *Proceeds Decile (IPO HQ ZIP)* takes integer values between 1-10, and equals 1(10) if the proceeds of IPOs in that ZIP code are in the lowest (highest) decile of IPO proceeds across all ZIP codes in that year. The IPO proximity measure the amount of proceeds (regression (1)), the natural of proceeds (regression (2)), and the IPO proceed decile (regression (3)) for ZIP codes with no IPO activity in that year but are between either 0-2, 2-5, or 5-10 miles away from the closest ZIP code with at least one IPO in the same county-year. In all regressions we control for SEO activity in the ZIP code and include the first lag of the dependent variable, the number of establishments, employment, ZIP code population, population density, and wage income. All regressions include county-year fixed effects. We cluster at the ZIP code and county-year level and report standard errors in parentheses. Significance at the 1%, 5%, and 10% is indicated respectively with *** (p<0.01), ** (p<0.05), and * (p<0.10).

	(1) Δ(Employment)	(2) Δ(Employment)	(3) Δ(Employment)
Proceeds (IPO HQ ZIP Code)	0.663***		
	(0.152)		
Proceeds (<0-2 miles from IPO HQ)	0.103**		
	(0.051)		
Proceeds (2-5 miles from IPO HQ)	0.008		
	(0.025)		
Proceeds (5-10 miles from IPO HQ)	0.033		
	(0.059)		
Ln(Proceeds) (IPO HQ ZIP Code)		64.454***	
		(18.656)	
Ln(Proceeds) (<0-2 miles from IPO HQ)		33.168**	
		(15.527)	
Ln(Proceeds) (2-5 miles from IPO HQ)		8.728	
		(17.349)	
Ln(Proceeds) (5-10 miles from IPO HQ)		6.757	
		(16.947)	
Proceeds Decile (IPO HQ ZIP Code)			43.654***
			(9.021)
Proceeds Decile (<0-2 from IPO HQ)			16.535*
			(8.959)
Proceeds Decile (2-5 miles from IPO HQ)			0.744
			(7.768)
Proceeds Decile (5-10 miles from IPO HQ)			1.933
			(5.068)
Observations (ZIP-years)	8383	8383	8383
Adjusted R^2	0.201	0.203	0.203
County-year FEs	Yes	Yes	Yes

Table A.IV: Regressions of IPO Completion on NASDAQ 2-month returns and county-level information. The regressions use firm filing year observations from 1986 until 2015, excluding year 2000 and 2008 (dot-com and financial crisis). IPO completed is an indicator variable that equals one of the firm files for an IPO and does not withdraw. The control variables are lagged natural logarithms of economic characteristics in the county (employment, establishments, income, population, and income growth). Regressions (1)-(3) include observations from the full sample period; regression (4) includes only years before 2000, and regression (5) includes only years after 2000. In regressions (2)-(5) we include filing year and industry (SIC-2) fixed effects. We cluster at the filing year and county level, and report standard errors in parentheses. Significance at the 1%, 5%, and 10% is indicated respectively with *** (p<0.01), ** (p<0.05), and * (p<0.10).

	(1)	(2)	(3)	(4)	(5)
IPO Completed	Full Period	Full Period	Full Period	Pre-2000	Post-2000
NASDAQ 2-m return	1.116***	0.775***	0.776***	0.944***	0.415
	(0.133)	(0.217)	(0.216)	(0.288)	(0.241)
Ln(Employment)			-0.016	0.006	-0.044
			(0.022)	(0.026)	(0.048)
Ln(Establishments)			-0.057	-0.083	-0.022
			(0.044)	(0.058)	(0.083)
Ln(Income)			0.097***	0.100**	0.106**
			(0.029)	(0.037)	(0.049)
Ln(Population)			-0.026	-0.026	-0.041
			(0.018)	(0.016)	(0.039)
Income Growth			-0.127	-0.427	-0.039
			(0.257)	(0.293)	(0.315)
Observations	8594	8579	8579	5592	2981
Adjusted R^2	0.010	0.062	0.063	0.047	0.074
Industry-year FEs	No	Yes	Yes	Yes	Yes
F-statistic	69.96	12.79	5.42	6.76	.

Table A.V: Regression estimates for MSA-level sample**.** This table includes the estimates of regressions of outcome variables that describe local economic activity at the MSA level on measures of IPO activity. Each cell of the table reports a coefficient estimate for a different regression, varying the outcome variable, IPO activity measure, and/or subsample. Significance at the 1%, 5%, and 10% is indicated respectively with *** ($p<0.01$), ** ($p<0.05$), and * ($p<0.10$). All regressions contain MSA and year fixed effects and a vector of control variables; we suppress the coefficients of the control variables but report the full regression output in the appendix. Columns (A)-(G) contain the dependent variables. Some economic variables, like per capita income, are persistent, so we use growth rates as dependent variables. For consistency, we use growth rates across all outcome variables as follows: (A) Mortgage origination growth: *Ln(Mortgage Origination(t)/Mortgage Origination(t-1))*. (B) Housing start growth: *Ln(Housing Start(t)/Housing Starts(t-1)).* (C) Home price growth (low-priced): *Ln(Median home price low(t)/Median home price low(t-1)).* (D) Home price growth (high-priced): *Ln(Median home price high(t)/Median home price high(t-1)).* (E) Employment growth: *Ln(Employment(t)/Employment(t-1)).* (F) Net job creation rate: the count of jobs created minus the jobs destroyed within the MSA in the last 12 months divided by the average employment between years t and t-1. (G) Business starts growth: *Ln(Estab.(t)/Estab.(t-1)).* (H) Per capita income (PCI): *Ln(PCI(t)/PCI(t-1)).* In regression (1), the independent variable of interest is an indicator variable for MSA-years that belong in the top quartile of distribution of IPO proceeds over the previous two years; the sample is limited only to MSA years with similar population, employment, private firms, public firms, and the lagged dependent variable. In regression (2), the independent variable of interest is an indicator variable for MSA years that had at least one IPO in the previous year; this regression uses the full sample of MSA-years. In regression (3), the independent variable of interest is an indicator variable for MSA-years that belong in the top quartile of distribution of IPO proceeds over the previous two years; this regression uses the full sample of MSA-years. In regression (4), the independent variable of interest is an indicator variable for MSA years that belong in the top quartile of distribution of IPO proceeds over the previous two years; this regression excludes MSA years with no IPO activity. In regression (5), the independent variable of interest is an indicator variable that identifies MSA years with exactly one IPO; this regression excludes all MSA years with more than one IPO. In regression (6), the independent variable of interest is an indicator variable for MSA years that belong in the top quartile of distribution of IPO proceeds over the previous two years; this regression excludes MSAs that never experience an IPO during the sample period. In regression (7), the independent variable of interest is an indicator variable for MSA years that belong in the top quartile of distribution of IPO proceeds normalized by population over the previous two years; this regression uses the full sample of MSA-years. In regression (8), the independent variable of interest is an indicator variable for MSA years that belong in the top quartile of distribution of IPO proceeds over the previous two years; this regression excludes from the sample the top 20 MSAs by population. In regression (9), there are two independent variables of interest: an indicator variable for MSA years that belong in the top quartile of distribution of IPO proceeds over the previous two years, and an indicator variable for MSA years that belong in the top quartile of distribution of SEO process over the previous two years; this regression includes the full sample of MSA years. In regression (10), the dependent variable is the natural log of IPO proceeds; the independent variables of interest are the first three lags of the dependent variable (A)-(H); this regression also includes the first three lags of IPO proceeds and uses the full sample of MSA-years.

		(A)	(B)	(C)	(D)	(E)	(F)	(G)
Description of test and sample	**Rationale for / interpretation of test**	**Mortgage origination growth**	**Housing starts growth**	**Low-priced home price changes**	**High-priced home price changes**	**Employment growth (bps)**	**Job creation rate (bps)**	**Business starts growth (bps)**
Mean		17.6%	3.1%	2.3%	3.2%	150	1170	140
Standard deviation		36.6%	44.5%	9.0%	7.1%	240	490	270
(1) Heavy IPO activity; matched sample	Our baseline test. Matching reduces omitted variables bias and balances the covariates.	6.0%***	3.7%**	Insignif.	2.2%***	22.2*	46**	18.1*
(2) Any IPO; full sample	Comparing MSA-years with an IPO of any size to MSA-years with no IPO activity establishes the extensive margin.	Insignif.	3.7%**	Insignif.	Insignif.	29.1***	19.8*	15.4**
(3) Heavy IPO activity; full sample	Comparing MSA-years with heavy IPO activity to MSA-years with modest or no IPO activity partially establishes the intensive margin.	5.7%**	5.1%***	Insignif.	Insignif.	29.7***	26.6**	16.9**
(4) Heavy IPO activity; sample of only MSA-years with non-zero IPO activity	Comparing MSA-years with heavy IPO activity to only MSA-years with modest IPO activity establishes the intensive margin and mitigates concerns of omitted variables bias, as all observations had some treatment.	5.3%**	3.7%**	Insignif.	Insignif.	23.6**	49.6***	15.3*
(5) Any IPO; sample of singleton IPO and no IPO observations	Comparing MSA-years with one IPO to MSA-years with no IPO activity is a weaker extensive margin test; treated observations are more similar ex ante to control observations than in the full sample.	Insignif.	3.2%***	Insignif.	Insignif.	18.5***	Insignif.	17.4**
(6) Heavy IPO activity; sample excludes MSAs that never had an IPO during our sample	An intensive margin test analogous to (4) but omitting only the MSAs that never had an IPO in our sample.	5.5%**	4.7%***	Insignif.	Insignif.	28.4***	25.8**	15.7**
(7) Heavy IPO activity on a per capita basis; full sample	An intensive margin test analogous to (3) but heavy activity is characterized on a per capita basis so that large MSAs do not skew results.	4.3%**	5.4%***	Insignif.	Insignif.	23.9**	Insignif.	Insignif.
(8) Heavy IPO activity; sample excludes 20 largest MSAs	An intensive margin test analogous to (3) but omitting the largest MSAs by population so that large MSAs do not skew results.	4.4%***	4.4%*	Insignif.	2.9%*	27.8*	27.2*	18.7**
(9) Heavy IPO activity; matched sample; add SEO activity variable	Analogous to (1), but adds a variable for MSA-year SEO activity to allow us to differentiate between change of listing status and equity capital raising	IPO: 5.9%*** SEO: Insig	IPO: 3.7%* SEO: Insig	IPO: Insig SEO: Insig	IPO: 2.2%** SEO: Insig	IPO: 23.7* SEO: Insig	IPO: 46.2** SEO: Insig	IPO: 18.0* SEO: Insig
(10) Reverse causality tests	Full sample Granger-causality style tests to determine if the outcome variable Granger-causes IPO activity	Insignif.	Insignif.	Insignif.	Insignif.	Insignif.	Insignif.	Insignif.

Table A.V.a: The effect of IPO activity on Mortgage Origination Growth. This table corresponds to column A of the meta-table presented as Table A.V. The dependent variable is mortgage origination growth Ln[*Mortg.origination*(*t*)/ *Mortg.origination* (*t*-1)]. In regression (1), the independent variables of interest are two indicator variables for MSAs that had at least one IPO in the last year and whether the MSA had at least one IPO in two years. In regressions (2)-(3) and (6)-(10), the independent variable of interest is an indicator variable that identifies if the MSA belongs in the top quartile of the distribution of proceeds from IPOs in the last two years across all MSAs. Regression (2) includes the full sample; regression (3) includes only MSA years with at least one IPO; regression (6) excludes largest 20 MSAs; regression (7) excludes MSAs that never had IPOs; regression (8) includes an indicator variable that identifies whether the MSA belongs in the top quartile of SEO activity in that year. In regression (4) we include only MSA-years with exactly one IPO. The independent variable of interest in regression (5) is an indicator variable that identifies if the MSA belongs in the top quartile of the distribution of IPO proceeds normalized by MSA population. Regression (9) includes only MSAs with similar characteristics (matched on population, employment, the number of public firms, the number of public firms, and lagged dependent variable). Regression (10) is the same as (9) but includes the high SEO activity indicator. In all regressions we control for MSA characteristics such as population, the number of private firms, the number of people employed, and the number of public firms. We include MSA- and year-fixed effects. We cluster at the MSA and year level and report standard errors in parentheses. Significance at the 1%, 5%, and 10% is indicated respectively with *** (p<0.01), ** (p<0.05), and * (p<0.10).

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
IPOs>0 - Lag 1	0.021									
	(0.013)									
IPOs>0 - Lag 2	0.016									
	(0.015)									
1-IPO				0.024						
				(0.015)						
IPO Proceeds - High (quartile)		0.057**	0.053**			0.044***	0.055**	0.057**	0.060***	0.059***
		(0.025)	(0.020)			(0.013)	(0.022)	(0.025)	(0.020)	(0.019)
IPO Proceeds/Capita - High (quartile)					0.043**					
					(0.016)					
SEO Proceeds High								-0.037*		0.054
								(0.018)		(0.045)
Ln(Population)	0.475	0.464	-0.676	0.674*	0.470	0.537	-0.028	0.466	-0.372	-0.333
	(0.335)	(0.335)	(0.396)	(0.346)	(0.336)	(0.346)	(0.281)	(0.335)	(0.549)	(0.522)
Ln(Private firms)	-0.134	-0.132	-0.261	-0.084	-0.133	-0.125	-0.031	-0.133	0.066	0.060
	(0.089)	(0.089)	(0.222)	(0.090)	(0.090)	(0.089)	(0.090)	(0.089)	(0.447)	(0.450)
Ln(Employment)	1.148***	1.151***	2.125***	1.083***	1.145***	1.172***	1.404***	1.150***	1.303	1.270
	(0.277)	(0.274)	(0.489)	(0.259)	(0.277)	(0.270)	(0.317)	(0.274)	(0.923)	(0.904)
Ln(Public firms)	0.045**	0.047**	0.024	0.045**	0.045**	0.045**	0.027	0.047**	-0.199	-0.210
	(0.020)	(0.021)	(0.048)	(0.021)	(0.021)	(0.021)	(0.026)	(0.021)	(0.118)	(0.121)
Observations	5584	5584	926	5062	5584	5424	4176	5584	573	573
Adjusted R^2	0.695	0.695	0.901	0.681	0.695	0.694	0.737	0.695	0.906	0.906
MSA, Year FEs	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Table A.V.b: Changes in new housing starts. This table corresponds to column B of the meta-table presented as Table A.V. The dependent variable is the change in new housing starts Ln[*housing starts*(*t*)/ *housing starts* (*t*-1)]. In regression (1), the independent variables of interest are two indicator variables for MSAs that had at least one IPO in the last year and whether the MSA had at least one IPO two years. In regressions (2)-(3) and (6)-(10), the independent variable of interest is an indicator variable that identifies if the MSA belongs in the top quartile of the distribution of proceeds from IPOs in the last two years across all MSAs. Regression (2) includes the full sample; regression (3) includes only MSA years with at least one IPO; regression (6) excludes largest 20 MSAs; regression (7) excludes MSAs that never had an IPO; regression (8) includes an indicator variable that identifies whether the MSA belongs in the top quartile of SEO activity in that year. In regression (4) we include only MSA-years with exactly one IPO. The independent variable of interest in regression (5) is an indicator variable that identifies if the MSA belongs in the top quartile of the distribution of IPO proceeds normalized by MSA population. Regression (9) includes only MSAs with similar characteristics (matched on population, employment, the number of public firms, the number of public firms, and lagged dependent variable). Regression (10) is the same as (9) but includes the high SEO activity indicator. In all regressions we control for MSA characteristics such as population, the number of private firms, the number of people employed, and the number of public firms. We include MSA and year fixed effects. We cluster at the MSA and year level and report standard errors in parentheses. Significance at the 1%, 5%, and 10% is indicated respectively with *** (p<0.01), ** (p<0.05), and * (p<0.10).

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
IPOs>0 - Lag 1	0.037**									
	(0.014)									
IPOs>0 - Lag 2	0.022*									
	(0.012)									
1-IPO				0.032***						
				(0.011)						
IPO Proceeds - High (quartile)		0.051***	0.037**			0.044*	0.047***	0.050***	0.037**	0.037*
		(0.018)	(0.017)			(0.023)	(0.017)	(0.018)	(0.017)	(0.018)
IPO Proceeds/Capita - High (quartile)					0.054***					
					(0.017)					
SEO Proceeds High								0.025		0.011
								(0.032)		(0.023)
Ln(Population)	-1.920***	-1.927***	-2.425***	-1.859***	-1.922***	-1.916***	-2.294***	-1.928***	-0.557	-0.552
	(0.353)	(0.355)	(0.578)	(0.343)	(0.354)	(0.349)	(0.393)	(0.355)	(0.714)	(0.712)
Ln(Private firms)	-0.600***	-0.601***	-0.586**	-0.553***	-0.600***	-0.576***	-0.642***	-0.600***	-0.926*	-0.925*
	(0.108)	(0.108)	(0.258)	(0.105)	(0.108)	(0.110)	(0.132)	(0.108)	(0.456)	(0.457)
Ln(Employment)	2.926***	2.939***	3.837***	2.785***	2.936***	2.908***	3.296***	2.939***	2.911***	2.903***
	(0.399)	(0.401)	(0.604)	(0.378)	(0.401)	(0.397)	(0.463)	(0.401)	(0.972)	(0.972)
Ln(Public firms)	-0.032	-0.029	0.045	-0.031	-0.030	-0.026	-0.014	-0.029	0.084	0.083
	(0.024)	(0.024)	(0.073)	(0.024)	(0.024)	(0.024)	(0.027)	(0.024)	(0.154)	(0.153)
Observations	8632	8632	1559	7749	8632	8150	6474	8632	572	572
Adjusted R^2	0.432	0.432	0.557	0.427	0.432	0.429	0.453	0.432	0.644	0.644
MSA, Year FEs	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Table A.V.c: House Price Growth (Bottom-Tier). This table corresponds to column C of the meta-table presented as Table A.V. The dependent variable is the change in house price growth of houses whose value belongs in the lowest tercile in the MSA Ln[*home price*(*t*)/*home price*(*t*-1)]. In regression (1), the independent variables of interest are two indicator variables for MSAs that had at least one IPO in the last year and whether the MSA had at least one IPO two years. In regressions (2)-(3) and (6)-(10), the independent variable of interest is an indicator variable that identifies if the MSA belongs in the top quartile of the distribution of proceeds from IPOs in the last two years across all MSAs. Regression (2) includes the full sample; regression (3) includes only MSA years with at least one IPO; regression (6) excludes largest 20 MSAs; regression (7) excludes MSAs that never had IPOs; regression (8) includes an indicator variable that identifies whether the MSA belongs in the top quartile of SEO activity in that year. In regression (4) we include only MSA-years with exactly one IPO. The independent variable of interest in regression (5) is an indicator variable that identifies if the MSA belongs in the top quartile of the distribution of IPO proceeds normalized by MSA population. Regression (9) includes only MSAs with similar characteristics (matched on population, employment, the number of public firms, the number of public firms, and lagged dependent variable). Regression (10) is the same as (9) but includes the high SEO activity indicator. In all regressions we control for MSA characteristics such as population, the number of private firms, the number of people employed, and the number of public firms. We include MSA and year fixed effects. We cluster at the MSA and year level and report standard errors in parentheses. Significance at the 1%, 5%, and 10% is indicated respectively with *** (p<0.01), ** (p<0.05), and * (p<0.10).

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
IPOs>0 - Lag 1	0.004									
	(0.008)									
IPOs>0 - Lag 2	0.004									
	(0.006)									
1-IPO				0.003						
				(0.008)						
IPO Proceeds - High (quartile)		-0.004	-0.000			0.021	-0.007	-0.004	0.005	0.004
		(0.015)	(0.019)			(0.015)	(0.014)	(0.015)	(0.010)	(0.010)
IPO Proceeds/Capita - High (quartile)					-0.007					
					(0.012)					
SEO Proceeds High								-0.025*		0.038**
								(0.012)		(0.012)
Ln(Population)	-0.153	-0.154	-1.605***	0.046	-0.152	-0.059	-0.535*	-0.148	-1.888***	-1.929***
	(0.252)	(0.254)	(0.320)	(0.269)	(0.255)	(0.262)	(0.274)	(0.255)	(0.470)	(0.453)
Ln(Private firms)	-0.268***	-0.269***	-0.104	-0.298***	-0.269***	-0.296***	-0.163**	-0.269***	-0.280	-0.292
	(0.063)	(0.063)	(0.112)	(0.065)	(0.063)	(0.065)	(0.063)	(0.063)	(0.207)	(0.208)
Ln(Employment)	1.273***	1.277***	2.421***	1.153***	1.275***	1.195***	1.484***	1.272***	2.998***	3.043***
	(0.150)	(0.151)	(0.399)	(0.162)	(0.151)	(0.153)	(0.204)	(0.150)	(0.462)	(0.421)
Ln(Public firms)	0.017	0.017	-0.039	0.020	0.018	0.019	0.037*	0.018	-0.145	-0.147
	(0.014)	(0.014)	(0.046)	(0.015)	(0.014)	(0.015)	(0.018)	(0.014)	(0.110)	(0.109)
Observations	2391	2391	438	2113	2391	2203	1950	2391	181	181
Adjusted R^2	0.512	0.512	0.535	0.517	0.512	0.503	0.524	0.512	0.802	0.804
MSA, Year FEs	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Table A.V.d: House Price Growth (Top-Tier). This table corresponds to column D of the meta-table presented as Table A.V. The dependent variable is the change in house price growth of houses whose value belongs in the top tercile in the MSA Ln[*home price*(*t*)/*home price*(*t*-1)]. In regression (1), the independent variables of interest are two indicator variables for MSAs that had at least one IPO in the last year and whether the MSA had at least one IPO two years. In regressions (2)-(3) and (6)-(10), the independent variable of interest is an indicator variable that identifies if the MSA belongs in the top quartile of the distribution of proceeds from IPOs in the last two years across all MSAs. Regression (2) includes the full sample; regression (3) includes only MSA years with at least one IPO; regression (6) excludes largest 20 MSAs; regression (7) excludes MSAs that never had an IPO; regression (8) includes an indicator variable that identifies whether the MSA belongs in the top quartile of SEO activity in that year. In regression (4) we include only MSA-years with exactly one IPO. The independent variable of interest in regression (5) is an indicator variable that identifies if the MSA belongs in the top quartile of the distribution of IPO proceeds normalized by MSA population. Regression (9) includes only MSAs with similar characteristics (matched on population, employment, the number of public firms, the number of public firms, and lagged dependent variable). Regression (10) is the same as (9) but includes the high SEO activity indicator. In all regressions we control for MSA characteristics such as population, the number of private firms, the number of people employed, and the number of public firms. We include MSA and year fixed effects. We cluster at the MSA and year level and report standard errors in parentheses. Significance at the 1%, 5%, and 10% is indicated respectively with *** (p<0.01), ** (p<0.05), and * (p<0.10).

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
IPOs>0 - Lag 1	0.007									
	(0.007)									
IPOs>0 - Lag 2	0.004									
	(0.005)									
1-IPO				0.008						
				(0.007)						
IPO Proceeds - High (quartile)		0.008	0.010			0.029*	0.006	0.008	0.022***	0.022**
		(0.011)	(0.013)			(0.015)	(0.011)	(0.011)	(0.007)	(0.007)
IPO Proceeds/Capita - High (quartile)					0.007					
					(0.008)					
SEO Proceeds High								-0.027***		-0.003
								(0.008)		(0.018)
Ln(Population)	-0.090	-0.091	-1.164***	0.020	-0.093	-0.039	-0.444*	-0.085	-1.142***	-1.136***
	(0.197)	(0.199)	(0.281)	(0.215)	(0.198)	(0.202)	(0.207)	(0.200)	(0.236)	(0.257)
Ln(Private firms)	-0.191***	-0.191***	-0.077	-0.200***	-0.192***	-0.204***	-0.118*	-0.192***	-0.218*	-0.217*
	(0.047)	(0.047)	(0.105)	(0.050)	(0.047)	(0.049)	(0.053)	(0.047)	(0.109)	(0.107)
Ln(Employment)	1.099***	1.101***	2.025***	1.014***	1.102***	1.044***	1.331***	1.096***	2.263***	2.253***
	(0.118)	(0.119)	(0.366)	(0.137)	(0.118)	(0.121)	(0.142)	(0.118)	(0.261)	(0.311)
Ln(Public firms)	0.014	0.014	-0.012	0.017	0.014	0.015	0.013	0.014	-0.054	-0.053
	(0.012)	(0.012)	(0.035)	(0.012)	(0.012)	(0.013)	(0.016)	(0.012)	(0.031)	(0.031)
Observations	2602	2602	444	2324	2602	2422	2033	2602	349	349
Adjusted R^2	0.543	0.542	0.601	0.538	0.542	0.535	0.552	0.543	0.846	0.846
MSA, Year FEs	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Table A.V.e: Employment Growth. This table corresponds to column E of the meta-table presented as Table A.V. The dependent variable is employment growth Ln[*employment*(*t*)/*employment*(*t*-1)]. In regression (1), the independent variables of interest are two indicator variables for MSAs that had at least one IPO in the last year and whether the MSA had at least one IPO two years. In regressions (2)-(3) and (6)-(10), the independent variable of interest is an indicator variable that identifies if the MSA belongs in the top quartile of the distribution of proceeds from IPOs in the last two years across all MSAs. Regression (2) includes the full sample; regression (3) includes only MSA years with at least one IPO; regression (6) excludes largest 20 MSAs; regression (7) excludes MSAs that never had an IPO; regression (8) includes an indicator variable that identifies whether the MSA belongs in the top quartile of SEO activity in that year. In regression (4) we include only MSA-years with exactly one IPO. The independent variable of interest in regression (5) is an indicator variable that identifies if the MSA belongs in the top quartile of the distribution of IPO proceeds normalized by MSA population. Regression (9) includes only MSAs with similar characteristics (matched on population, employment, the number of public firms, the number of public firms, and lagged dependent variable). Regression (10) is the same as (9) but includes the high SEO activity indicator. In all regressions we control for MSA characteristics such as population, the number of private firms, the number of people employed, and the number of public firms. We include MSA and year fixed effects. We cluster at the MSA and year level and report standard errors in parentheses. Significance at the 1%, 5%, and 10% is indicated respectively with *** (p<0.01), ** (p<0.05), and * (p<0.10).

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
IPOs>0 - Lag 1	0.291***									
	(0.069)									
IPOs>0 - Lag 2	0.056									
	(0.063)									
1-IPO				0.185***						
				(0.059)						
IPO Proceeds - High (quartile)		0.297***	0.236**			0.278*	0.284***	0.290***	0.222*	0.237*
		(0.098)	(0.094)			(0.153)	(0.093)	(0.099)	(0.112)	(0.116)
IPO Proceeds/Capita - High (quartile)					0.239**					
					(0.097)					
SEO Proceeds High								0.234*		-0.527
								(0.128)		(0.368)
Ln(Population)	-4.255***	-4.237***	-2.786***	-4.327***	-4.229***	-4.265***	-4.698***	-4.241***	-3.398*	-3.191*
	(0.710)	(0.711)	(1.003)	(0.721)	(0.710)	(0.719)	(0.820)	(0.710)	(1.733)	(1.709)
Ln(Private firms)	1.149**	1.148**	0.796	1.166**	1.147**	1.193**	1.169**	1.148**	0.250	0.207
	(0.481)	(0.485)	(0.770)	(0.482)	(0.485)	(0.486)	(0.451)	(0.485)	(1.612)	(1.597)
Ln(Public firms)	0.036	0.057	0.556**	0.031	0.054	0.057	0.134	0.057	-0.783*	-0.789*
	(0.093)	(0.092)	(0.254)	(0.092)	(0.093)	(0.091)	(0.094)	(0.092)	(0.452)	(0.455)
Observations	11346	11346	1911	10264	11346	10695	8525	11346	2857	2857
Adjusted R^2	0.457	0.456	0.526	0.452	0.456	0.449	0.507	0.456	0.734	0.737
MSA, Year FEs	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Table A.V.f: Net Job Creation Rate. This table corresponds to column F of the meta-table presented as Table A.V. The dependent variable is net job creation rate (job creation rate – job destruction rate). In regression (1), the independent variables of interest are two indicator variables for MSAs that had at least one IPO in the last year and whether the MSA had at least one IPO two years. In regressions (2)-(3) and (6)-(10), the independent variable of interest is an indicator variable that identifies if the MSA belongs in the top quartile of the distribution of proceeds from IPOs in the last two years across all MSAs. Regression (2) includes the full sample; regression (3) includes only MSA years with at least one IPO; regression (6) excludes largest 20 MSAs; regression (7) excludes MSAs that never had an IPO; regression (8) includes an indicator variable that identifies whether the MSA belongs in the top quartile of SEO activity in that year. In regression (4) we include only MSA-years with exactly one IPO. The independent variable of interest in regression (5) is an indicator variable that identifies if the MSA belongs in the top quartile of the distribution of IPO proceeds normalized by MSA population. Regression (9) includes only MSAs with similar characteristics (matched on population, employment, the number of public firms, the number of public firms, and lagged dependent variable). Regression (10) is the same as (9) but includes the high SEO activity indicator. In all regressions we control for MSA characteristics such as population, the number of private firms, the number of people employed, and the number of public firms. We include MSA and year fixed effects. We cluster at the MSA and year level and report standard errors in parentheses. Significance at the 1%, 5%, and 10% is indicated respectively with *** (p<0.01), ** (p<0.05), and * (p<0.10).

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
IPOs>0 - Lag 1	0.198*									
	(0.113)									
IPOs>0 - Lag 2	-0.044									
	(0.146)									
1-IPO				0.097						
				(0.130)						
IPO Proceeds - High (quartile)		0.266**	0.496***			0.272*	0.258**	0.253**	0.460**	0.462**
		(0.120)	(0.123)			(0.150)	(0.116)	(0.118)	(0.192)	(0.192)
IPO Proceeds/Capita - High (quartile)					0.115					
					(0.122)					
SEO Proceeds High								0.466		-0.043
								(0.270)		(0.413)
Ln(Population)	-15.668***	-15.676***	-15.929***	-15.528***	-15.674***	-15.691***	-17.834***	-15.677***	-10.514***	-10.488***
	(2.001)	(2.002)	(2.761)	(1.980)	(2.001)	(2.018)	(2.320)	(1.998)	(2.895)	(2.950)
Ln(Private firms)	-3.118***	-3.124***	-2.327	-3.237***	-3.125***	-3.269***	-2.795***	-3.117***	-7.265***	-7.276***
	(0.827)	(0.830)	(1.536)	(0.842)	(0.829)	(0.854)	(0.805)	(0.830)	(1.706)	(1.775)
Ln(Employment)	15.713***	15.731***	17.016***	15.474***	15.736***	15.899***	16.387***	15.722***	16.183***	16.167***
	(2.750)	(2.756)	(3.360)	(2.659)	(2.751)	(2.781)	(2.830)	(2.755)	(3.445)	(3.417)
Ln(Public firms)	-0.170	-0.161	0.624	-0.179	-0.162	-0.174	-0.066	-0.162	-0.351	-0.348
	(0.175)	(0.175)	(0.422)	(0.180)	(0.175)	(0.180)	(0.169)	(0.175)	(0.419)	(0.424)
Observations	10202	10202	1646	9276	10202	9631	7629	10202	2309	2309
Adjusted R^2	0.263	0.263	0.417	0.253	0.263	0.253	0.316	0.263	0.604	0.604
MSA, Year FEs	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Table A.V.g: Business Establishment Growth. This table corresponds to column G of the meta-table presented as Table A.V. The dependent variable is the growth of new business establishments Ln[*establishments*(*t*)/*establishments*(*t*-1)]. In regression (1), the independent variables of interest are two indicator variables for MSAs that had at least one IPO in the last year and whether the MSA had at least one IPO two years. In regressions (2)-(3) and (6)-(10), the independent variable of interest is an indicator variable that identifies if the MSA belongs in the top quartile of the distribution of proceeds from IPOs in the last two years across all MSAs. Regression (2) includes the full sample; regression (3) includes only MSA years with at least one IPO; regression (6) excludes largest 20 MSAs; regression (7) excludes MSAs that never had an IPO; regression (8) includes an indicator variable that identifies whether the MSA belongs in the top quartile of SEO activity in that year. In regression (4) we include only MSA-years with exactly one IPO. The independent variable of interest in regression (5) is an indicator variable that identifies if the MSA belongs in the top quartile of the distribution of IPO proceeds normalized by MSA population. Regression (9) includes only MSAs with similar characteristics (matched on population, employment, the number of public firms, the number of public firms, and lagged dependent variable). Regression (10) is the same as (9) but includes the high SEO activity indicator. In all regressions we control for MSA characteristics such as population, the number of private firms, the number of people employed, and the number of public firms. We include MSA and year fixed effects. We cluster at the MSA and year level and report standard errors in parentheses. Significance at the 1%, 5%, and 10% is indicated respectively with *** (p<0.01), ** (p<0.05), and * (p<0.10).

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
IPOs>0 - Lag 1	0.154**									
	(0.074)									
IPOs>0 - Lag 2	0.154**									
	(0.070)									
1-IPO				0.174**						
				(0.081)						
IPO Proceeds - High (quartile)		0.169**	0.153*			0.187**	0.157**	0.166**	0.181*	0.180*
		(0.070)	(0.083)			(0.071)	(0.067)	(0.069)	(0.102)	(0.101)
IPO Proceeds/Capita - High (quartile)					0.061					
					(0.047)					
SEO Proceeds High								0.106		0.201
								(0.122)		(0.228)
Ln(Population)	-8.570***	-8.594***	-9.121***	-8.674***	-8.592***	-8.656***	-9.850***	-8.596***	-9.072***	-9.126***
	(1.587)	(1.583)	(1.873)	(1.618)	(1.585)	(1.606)	(1.732)	(1.582)	(3.094)	(3.038)
Ln(Private firms)	-1.842***	-1.856***	-2.060**	-1.935***	-1.862***	-1.934***	-1.804***	-1.856***	-2.503	-2.502
	(0.532)	(0.534)	(0.950)	(0.521)	(0.535)	(0.514)	(0.562)	(0.534)	(1.699)	(1.706)
Ln(Employment)	9.433***	9.490***	11.723***	9.483***	9.500***	9.568***	10.517***	9.489***	13.492***	13.500***
	(1.173)	(1.175)	(2.483)	(1.101)	(1.177)	(1.164)	(1.392)	(1.174)	(3.178)	(3.188)
Ln(Public firms)	-0.038	-0.020	0.217	-0.045	-0.020	-0.032	0.011	-0.020	-0.804*	-0.799*
	(0.101)	(0.099)	(0.264)	(0.098)	(0.099)	(0.096)	(0.117)	(0.099)	(0.399)	(0.397)
Observations	10527	10527	1820	9478	10527	9917	7917	10527	2651	2651
Adjusted R^2	0.450	0.449	0.516	0.445	0.449	0.446	0.473	0.449	0.640	0.640
MSA, Year FEs	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Table A.V.h: Per Capita Income Growth. This table corresponds to column H of the meta-table presented as Table A.V. The dependent variable is growth in per capital income Ln[*per capita income*(*t*)/per capita income (*t*-1)]. In regression (1), the independent variables of interest are two indicator variables for MSAs that had at least one IPO in the last year and whether the MSA had at least one IPO two years. In regressions (2)-(3) and (6)-(10), the independent variable of interest is an indicator variable that identifies if the MSA belongs in the top quartile of the distribution of proceeds from IPOs in the last two years across all MSAs. Regression (2) includes the full sample; regression (3) includes only MSA years with at least one IPO; regression (6) excludes largest 20 MSAs; regression (7) excludes MSAs that never had an IPO; regression (8) includes an indicator variable that identifies whether the MSA belongs in the top quartile of SEO activity in that year. In regression (4) we include only MSA-years with exactly one IPO. The independent variable of interest in regression (5) is an indicator variable that identifies if the MSA belongs in the top quartile of the distribution of IPO proceeds normalized by MSA population. Regression (9) includes only MSAs with similar characteristics (matched on population, employment, the number of public firms, the number of public firms, and lagged dependent variable). Regression (10) is the same as (9) but includes the high SEO activity indicator. In all regressions we control for MSA characteristics such as population, the number of private firms, the number of people employed, and the number of public firms. We include MSA and year fixed effects. We cluster at the MSA and year level and report standard errors in parentheses. Significance at the 1%, 5%, and 10% is indicated respectively with *** (p<0.01), ** (p<0.05), and * (p<0.10).

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
IPOs>0 - Lag 1	0.293***									
	(0.075)									
IPOs>0 - Lag 2	0.001									
	(0.061)									
1-IPO				0.228***						
				(0.065)						
IPO Proceeds High		0.351***	0.236**			0.493***	0.321***	0.350***	0.326**	0.332**
		(0.113)	(0.114)			(0.156)	(0.104)	(0.113)	(0.140)	(0.139)
IPO Proceeds/Capita - High					0.228**					
					(0.092)					
SEO Proceeds High								0.029		-0.158
								(0.130)		(0.135)
Ln(Population)	-5.219***	-5.239***	-6.214***	-5.155***	-5.229***	-5.280***	-6.919***	-5.239***	-8.427***	-8.402***
	(1.319)	(1.319)	(2.229)	(1.330)	(1.316)	(1.355)	(1.292)	(1.319)	(1.849)	(1.857)
Ln(Private firms)	-1.995***	-2.003***	-2.825***	-1.896***	-2.005***	-2.005***	-1.816***	-2.003***	-2.725**	-2.752**
	(0.557)	(0.558)	(0.937)	(0.519)	(0.558)	(0.545)	(0.586)	(0.558)	(1.162)	(1.154)
Ln(Employment)	5.783***	5.826***	8.625***	5.536***	5.826***	5.811***	6.928***	5.826***	11.453***	11.468***
	(1.413)	(1.413)	(2.295)	(1.388)	(1.414)	(1.426)	(1.389)	(1.413)	(1.955)	(1.953)
Ln(Public firms)	-0.012	0.005	0.205	-0.025	0.003	0.002	0.013	0.005	-0.328	-0.320
	(0.085)	(0.085)	(0.247)	(0.085)	(0.085)	(0.086)	(0.095)	(0.085)	(0.365)	(0.365)
Observations	11346	11346	1911	10264	11346	10695	8525	11346	2047	2047
Adjusted R^2	0.566	0.566	0.647	0.566	0.565	0.555	0.619	0.565	0.669	0.669
MSA, Year FEs	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Table. A.V.i: The Effect of Local Economic Activity on Future IPO Activity. This table corresponds to row (10) of the meta-table presented in Table A.V. The dependent variable in each regression is Ln(1+IPO Proceeds$_t$). In each of the regressions in (1)-(10), the independent variables of interest are the first three lags of the following real estate and economic outcome variables X: (1) mortgage origination; (2) new housing starts; (3) median home price for houses in the bottom tercile of home values in the MSA; (4) median home price for houses in the top tercile of home values in the MSA; (5) employment; (6) net job creation; (7) business establishment starts; (8) per capita income. All regressions include the first three lags of the dependent variable. We also control for MSA characteristics such as population, the number of private firms, the number of people employed, and the number of public firms. All regressions include MSA and year fixed effects. We cluster at the MSA and year level and report standard errors in parentheses. Significance at the 1%, 5%, and 10% is indicated respectively with *** (p<0.01), ** (p<0.05), and * (p<0.10).

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Y = Ln(1+IPO Proceeds)							
	X= Mortgage origination	*X= Housing starts*	*X=Home price (Low)*	*X=Home price (High)*	*X=Employment*	*X=Net job creation*	*X=Business starts*	*X=Per capita income*
Lag 1 of X	-0.016	-0.016	-0.262	-0.229	-0.341	-0.155	0.000	0.003
	(0.021)	(0.027)	(0.192)	(0.171)	(0.410)	(0.131)	(0.267)	(0.004)
Lag 2 of X	-0.012	-0.015	0.293	0.161	-0.360	-0.249*	-0.246	0.001
	(0.019)	(0.020)	(0.321)	(0.270)	(0.407)	(0.141)	(0.258)	(0.003)
Lag 3 of X	-0.027	-0.016	-0.174	-0.074	-0.473*	-0.033	-0.238	-0.006*
	(0.017)	(0.023)	(0.219)	(0.181)	(0.246)	(0.102)	(0.193)	(0.003)
Observations	5235	8300	3144	3411	10248	7198	10164	10248
Adjusted R^2	0.932	0.926	0.947	0.945	0.928	0.925	0.928	0.928
MSA, Year FEs	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Table A.VI: Placebo regressions. The ZIP code year observations in our sample are from counties with no IPO activity in a given year that we treat as if there were IPOs (placebo) using the distribution of IPOs in the county from a different year. In regressions (1)-(6), the dependent variable is the annual growth rate in the two-year period post-IPO for ZIP code: (1) home prices index, (2) top-tier homes values, (3) employment, (4) establishments in the non-tradable sector, (5) establishments in construction, and (6) credit card spending. *IPO HQ ZIP Code* is a dummy variable indicating if the headquarters (HQ) of the IPO firm is in that ZIP code. The IPO proximity variables indicate ZIP codes with no IPO activity and are between either zero and two, two and five, or five and 10 miles away from another ZIP code with at least one IPO in the same county-year. In all regressions, we include the first lag of the dependent variable, the number of establishments, employment, ZIP code population, population density, and wage income. All regressions include county-year fixed effects. We cluster at the ZIP code and county-year level and report standard errors in parentheses. Significance at the 1%, 5%, and 10% is indicated respectively with *** (p<0.01), ** (p<0.05), and * (p<0.10).

	(1) HPI Growth	(2) Top-Tier Home Value Growth	(3) Employment Growth	(4) Establishments (Non-Tradable) Growth	(5) Establishments (Construction) Growth	(6) Credit Card Spending Growth
IPO HQ ZIP Code>0	0.0005	-0.0011	0.0030	-0.0063	-0.0010	0.0118
	(0.0015)	(0.0019)	(0.0052)	(0.0044)	(0.0059)	(0.0167)
0< miles from IPO <=2	0.0040	0.0014	-0.0052	-0.0064	0.0075	0.0378
	(0.0026)	(0.0031)	(0.0081)	(0.0081)	(0.0137)	(0.0385)
2< miles from IPO <=5	0.0013	-0.0002	0.0006	-0.0066	-0.0014	0.0220
	(0.0014)	(0.0021)	(0.0055)	(0.0045)	(0.0067)	(0.0168)
5< miles from IPO <=10	-0.0007	-0.0007	-0.0024	-0.0028	-0.0057	0.0200
	(0.0013)	(0.0018)	(0.0048)	(0.0050)	(0.0055)	(0.0140)
Ln(Population)	-0.0030***	-0.0025***	0.0001	-0.0002	-0.0033	-0.0302***
	(0.0009)	(0.0010)	(0.0035)	(0.0030)	(0.0028)	(0.0084)
ZIP Pop. Density	0.0009***	0.0009***	-0.0014***	-0.0001	-0.0010**	0.0043***
	(0.0002)	(0.0001)	(0.0004)	(0.0004)	(0.0004)	(0.0014)
Ln(Wage Income)	0.0082***	0.0071***	0.0092**	0.0148***	-0.0002	0.0792***
	(0.0015)	(0.0016)	(0.0041)	(0.0039)	(0.0039)	(0.0090)
Observations (ZIP-years)	6775	5708	6728	6431	6430	2555
Adjusted R^2	0.929	0.926	0.165	0.080	0.224	0.583
County-year FEs	Yes	Yes	Yes	Yes	Yes	Yes

Table A.VII: List of industries in non-tradable, tradable, and construction sectors

Non-Tradable Sectors:	Construction:
Grocery stores	Logging
Specialty food stores	Residential building construction
Beer wine and liquor stores	Nonresidential building construction
Health and personal care stores	Utility system construction
Gasoline stations	Land subdivision
Clothing stores	Highway street and bridge construction
Shoe stores	Foundation structure and building exterior contractors
Jewelry luggage and leather goods stores	Building equipment contractors
Sporting goods hobby and musical instrument stores	Building finishing contractors
Book periodical and music stores	Other specialty trade contractors
Department stores	Veneer plywood and engineered wood product manufacturing
Other general merchandise stores	Cement and concrete product manufacturing
Florists	Architectural and structural metals manufacturing
Office supplies stationery and gift stores	Household and institutional furniture and kitchen cabinet manufacturing
Used merchandise stores	Lumber and other construction materials merchant wholesalers
Other miscellaneous store retailers	Building material and supplies dealers
	Lawn and garden equipment and supplies stores
Automobile dealers	Lessors of real estate
Other motor vehicle dealers	Offices of real estate agents and brokers
Automotive parts accessories and tire stores	Activities related to real estate
Furniture stores	Architectural engineering and related services
Home furnishings stores	Sawmills and wood preservation
Electronics and appliance stores	Other wood product manufacturing
Tradable Sectors:	
Aerospace product and parts manufacturing	Metal ore mining
Agriculture construction and mining machinery manufacturing	Metalworking machinery manufacturing
Alumina and aluminum production and processing	Motor vehicle body and trailer manufacturing
Animal food manufacturing	Motor vehicle manufacturing
Animal slaughtering and processing	Motor vehicle parts manufacturing
Apparel accessories and other apparel manufacturing	Navigational measuring electromedical and control instruments manufacturing
Apparel knitting mills	Nonferrous metal (except aluminum) production and processing
Audio and video equipment manufacturing	Nonmetallic mineral mining and quarrying
Bakeries and tortilla manufacturing	Office furniture (including fixtures) manufacturing
Basic chemical manufacturing	Oil and gas extraction
Beverage manufacturing	Other chemical product and preparation manufacturing

Boiler tank and shipping container manufacturing	Other electrical equipment and component manufacturing
Clay product and refractory manufacturing	Other fabricated metal product manufacturing
Coal mining	Other food manufacturing
Commercial and service industry machinery manufacturing	Other general purpose machinery manufacturing
Communications equipment manufacturing	Other leather and allied product manufacturing
Computer and peripheral equipment manufacturing	Other miscellaneous manufacturing
Converted paper product manufacturing	Other nonmetallic mineral product manufacturing
Cut and sew apparel manufacturing	Other textile product mills
Cutlery and handtool manufacturing	Other transportation equipment manufacturing
Dairy product manufacturing	Paint coating and adhesive manufacturing
Electric lighting equipment manufacturing	Pesticide fertilizer and other agricultural chemical manufacturing
Electrical equipment manufacturing	Petroleum and coal products manufacturing
Engine turbine and power transmission equipment manufacturing	Pharmaceutical and medicine manufacturing
Fabric mills	Plastics product manufacturing
Fiber yarn and thread mills	Printing and related support activities
Fishing	Pulp paper and paperboard mills
Footwear manufacturing	Railroad rolling stock manufacturing
Forest nurseries and gathering of forest products	Resin synthetic rubber and artificial synthetic fibers and filaments manufacturing
Foundries	Rubber product manufacturing
Fruit and vegetable preserving and specialty food manufacturing	Seafood product preparation and packaging
Glass and glass product manufacturing	Semiconductor and other electronic component manufacturing
Grain and oilseed milling	Ship and boat building
Hardware manufacturing	Soap cleaning compound and toilet preparation manufacturing
Household appliance manufacturing	Software publishers
Industrial machinery manufacturing	Spring and wire product manufacturing
Iron and steel mills and ferroalloy manufacturing	Sugar and confectionery product manufacturing
Leather and hide tanning and finishing	Textile and fabric finishing and fabric coating mills
Machine shops; turned product; and screw nut and bolt manufacturing	Textile furnishings mills
Manufacturing and reproducing magnetic and optical media	Tobacco manufacturing
Medical equipment and supplies manufacturing	Ventilation heating air-conditioning and commercial refrigeration equipment manufacturing