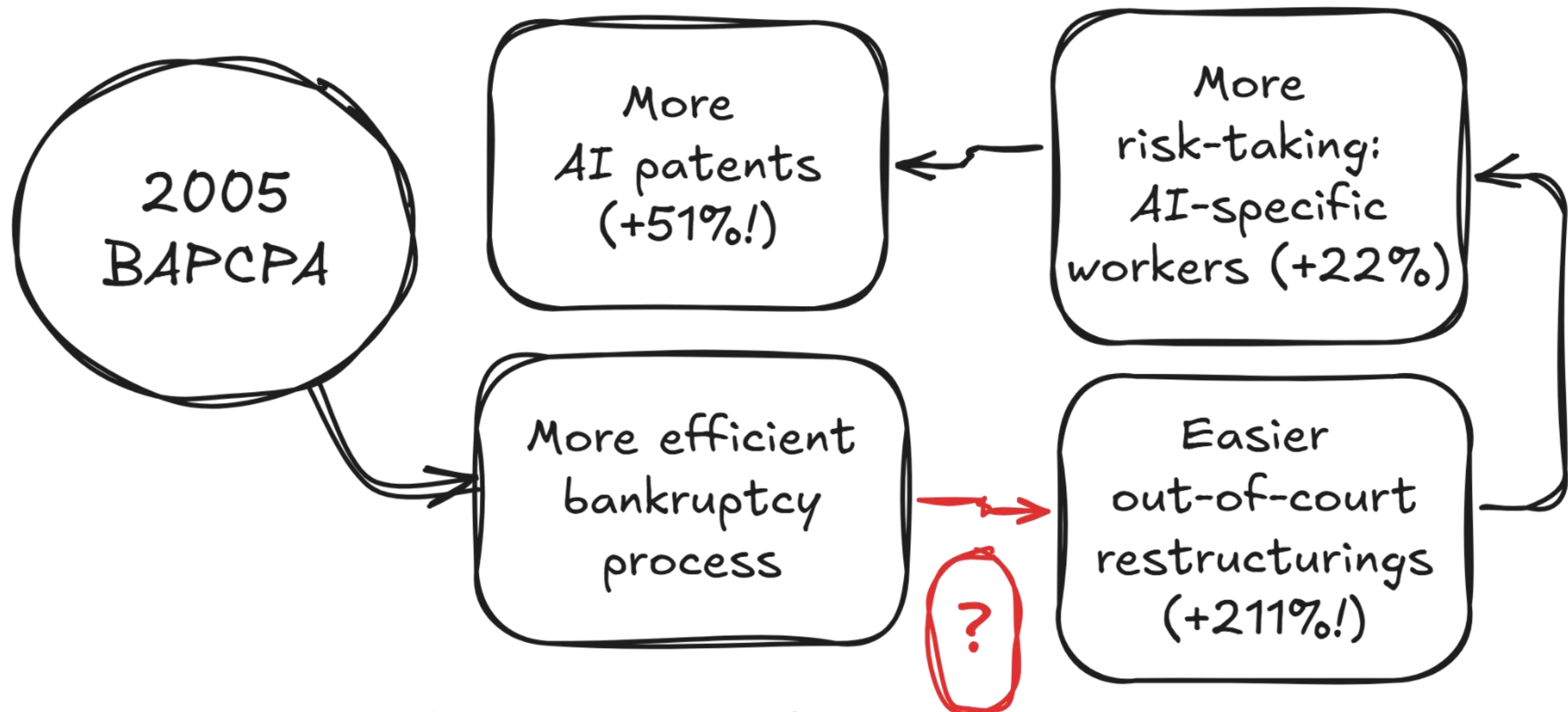
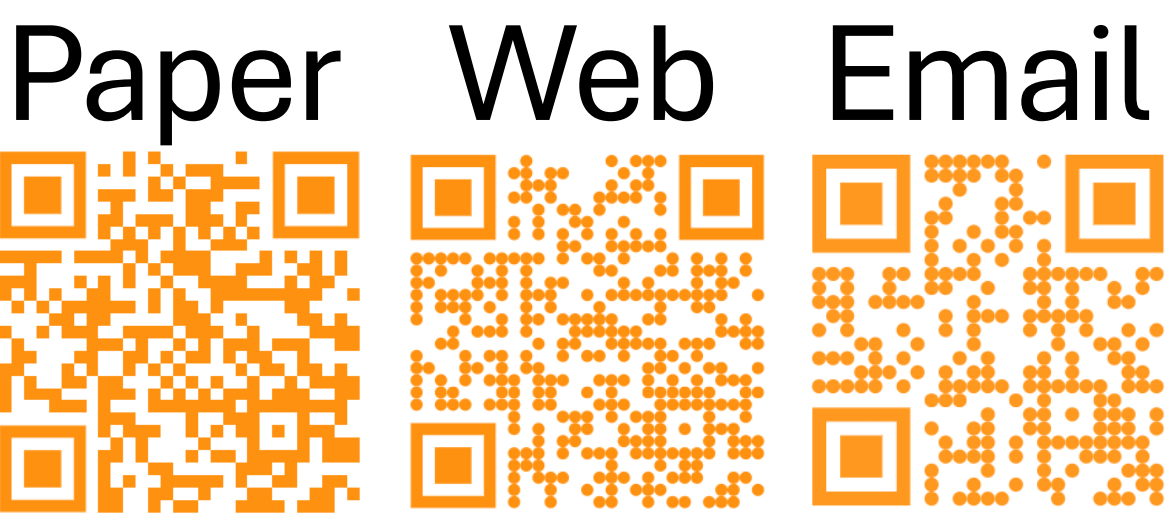
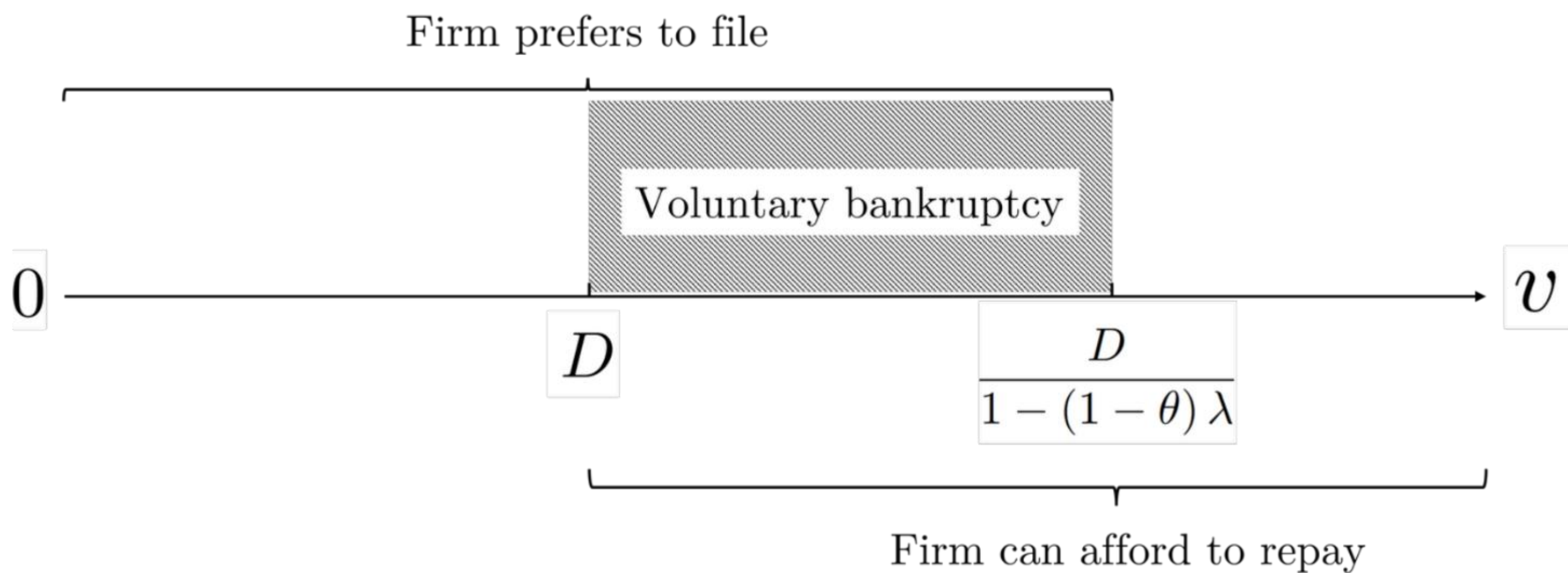


Efficient Bankruptcy, Bargaining Power, and AI Innovation

Runtong Lin, HKU *(I'm on the job market this year!)*



- 1. Isn't bankruptcy and restructuring substitutes?
- 2. How can the effect be so large?



	(1) Full sample	(2) Low bargaining power	(3) High bargaining power
Post \times BAPCPA exposure \times Distress	9.464** (2.214)	-7.150 (-0.379)	19.320** (2.248)
Post \times Distress	-6.541** (-1.985)	8.431 (0.611)	-14.573** (-2.125)
Firm-level controls	Yes	Yes	Yes
District by year FE	Yes	Yes	Yes
Firm FE	Yes	Yes	Yes
Mean of outcome variable	0.52	0.64	0.54
N	892	334	558