

# Corporate investment and firm capital structure. Evidence from the CSPP European program.

by Matteo Renghini | Marco Cucculelli | Università Politecnica delle Marche | Università Politecnica delle Marche

Abstract ID: 88

Inviato: 15/04/2022

Evento: XX Workshop Annuale SIEPI

Argomento: 7. Governance, investimenti e finanza di impresa

Parole chiave: Capital Structure, Corporate Finance, Europe, SMEs, firm investment, regional spill-over

The paper investigates if and to what extent the investment activity of non-listed European SMEs has benefitted from the CSPP credit program targeted to purchase securities issued by listed firms. Using the ratio of eligible-to-non-listed firm as a proxy for the credit spill over on the economy, we find that credit reallocation due to the bank rebalancing mechanism has positively affected the investment activity of SMEs. Also, results suggest a different impact of capital structure on the investment activity according to the degree of credit spill-over. The analysis covers the period 2011-2020 and includes about 100.000 SMEs located in 19 EU countries. Results are robust to the change of the window of analysis and the use of different variable that describe the corporate capital structure.