Guardians at the Gates: Home CEOs and Antitakeover Provisions

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Abstract

We examine the impact of CEOs' home bias on antitakeover provisions driven by agency motivations. Firms led by home CEOs, implying heightened incentives to manage firms in their birthplace, are more likely to adopt ATPs. This effect is exacerbated in weak governance firms and high takeover threat environments. The adoption of state-level poison pill laws alleviates the impact of home CEOs on ATPs, suggesting that they serve as substitutes. These firms are associated with a lower likelihood of receiving bids and completing deals, a higher likelihood of withdrawn or completed in-state deals, reduced takeover premiums, and lower announcement returns.

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1. Introduction

Takeover defenses are a critical aspect of corporate governance, and extensive research has delved into the impact of antitakeover provisions (ATPs) on publicly listed firms.[1] The common view is that ATPs primarily serve to bolster managerial entrenchment, aiming to safeguard the control benefits enjoyed by the incumbent management and reduce the likelihood of unwelcome takeover bids.[2] Previous literature has documented several determinants of ATPs.[3] Nevertheless, except for studies on initial public offerings (IPOs), it has largely overlooked the idiosyncratic characteristics of CEOs that may influence the adoption of ATPs.[4] In this study, we posit that certain CEOs with distinct characteristics have extra incentives to adopt ATPs implying lower likelihood to receive an acquisition bid. So the question is who are such CEOs?

We address this question from the perspective of CEO home bias. Home bias is rooted in the "place identity" theory documented in psychology literature (Fisher, Gerson, and Stueve, 1977; Low and Altman, 1992; Hidalgo and Hernandez, 2001). Place identity refers to the process by which individuals, through interactions with places, identify themselves as belonging to a specific location (Hernández et al. 2007, p. 311). It suggests that individuals have a strong preference to

[1] Prior studies have examined whether takeover defenses are associated with low stock returns (e.g., Gompers et al. 2003; Cremers, Nair, and John 2009; Cremers and Ferrell 2014; Straska and Waller, 2014), firm value (Bebchuk, et al. 2009; Cremers and Ferrell 2014), acquisition returns (Masulis, Wang, and Xie 2007), takeover premiums (Sokolyk 2011; Kadyrzhanova and Rhodes-Kropf 2011), increased risk-taking (John, Litov, and Yeung 2008), internal capital markets (Duchin and Sosyura 2013), credit risk and pricing (Cremers, Nair, and Wei 2007; Klock, Mansi, and Maxwell 2005), operating performance (Core et al. 2006; Giroud and Mueller 2011), cash holdings (Dittmar and Mahrt-Smith 2007; Harford, Mansi, and Maxwell 2008), and corporate innovation (Atanassov 2013).

[2] A manifestation that ATPs enhance managerial entrenchment is that firms with ATPs are associated with higher CEO compensation (Borokhovich, Brunarski, and Parrino, 1997).

[3] Cochran, Wood, and Jones (1985) and Mallette and Fowler (1992) examine the role of board composition on the adoption of ATPs. Dey and White (2021) show that firms strengthen their ATPs to avoid knowledge-worker outflow. Eldar and Wittry (2021) document that firms opportunistically adopt poison pills during market turmoil.

[4] Some studies on IPOs examine CEO characteristics (such as education, reputation, compensation, social links with customers, founder CEOs) and the implications they have on ATPs (see, e.g., Field and Karpoff, 2002; Chemmanur, Paeglis, and Simonyan, 2011; Chemmanur and Jiao, 2012; Johnson, Karpoff, and Yi, 2015), but none on publicly listed firms.

live close to their family and friends in their local community. In this respect, home-biased CEOs have been shown to prioritize their preferred living location, sometimes even accepting reduced compensation, and frequently constraining their mobility.[5]

To this end, anecdotal evidence also hints at a relationship between CEOs' home bias and takeover defenses. For instance, in 2008, an Arizona-based microcontroller company, Microchip, made an unsolicited proposal to purchase Atmel, a California-based microcontroller manufacturer, for $2.3 billion in cash.[6] Despite the $5-a-share offer being 52.4 percent higher than Atmel's closing price on October 1, 2008, the bid was rejected by Atmel's board. Interestingly, both the CEO of Atmel, Steven Laub, and the former CEO, George Perlegos, are California natives. By tracing Steven Laub's career, it becomes evident that he has a strong home bias, as he has predominantly held positions at California-based companies.[7]

In this study, we argue that home CEOs, defined as CEOs whose home state matches the firm's headquarters state, are more susceptible to agency conflicts. These conflicts arise from non-monetary emotional factors, meaning that home CEOs have an additional incentive related with personal utility to prevent their firms from being taken over, which would likely lead to their own replacement.[8] Therefore, we hypothesize that home CEOs have incentives to implement ATPs, which, in turn, has implications on acquisition investments. Specifically, we predict that firms with home CEOs should be positively associated with the adoption of ATPs. This further leads to the prediction that target firms with home CEOs should be less likely to receive a takeover bid.

[5] Yonker (2017a) finds that home CEOs are 20% less likely to experience turnover than non-home CEOs.
[6] Financial Times, October 2008. "Microchip in $2.3bn offer for Atmel"; Reuters, February 2009. "Microchip ends bid to buy Atmel".
[7] Steven Laub graduated from the UCLA. Before joining Atmel, he worked for Silicon Image, a California-based semiconductor provider. After he left Atmel, he worked for IPV Capital, another California-based semiconductor private equity firm.
[8] DeAngelo and Rice (1983) provide some preliminary evidence for the hypothesis that ATPs are best explained as a device for managerial entrenchment and job protection.

To examine whether home bias acts as a deterrent against takeovers, we focus on a sample of US firms covered by the ExecuComp and examine the impact on M&As over the period 1993–2019. We identify the home state of CEOs using data manually collected by Yonker (2017a).[9] We specifically examine six types of ATPs sourced from the Institutional Shareholder Services (ISS) database: classified boards, supermajority voting for business combinations, golden parachutes, poison pills, limitations on shareholders' ability to amend bylaws, and supermajority requirements for charter amendments. As expected, we find that targets with a home CEO are more likely to adopt ATPs.[10] In economic terms, firms with home CEOs adopt roughly 5% more ATPs relative to the average number of ATPs adopted by US firms. Exploiting a sample on *involuntary* CEO changes constructed by Gentry, Harrison, Quigley, Boivie (2021), we reinforce our evidence by showing that firms which replace non-home CEOs with home CEOs are more likely to adopt ATPs. On the contrary, the adoption of ATPs reduces when home CEOs are replaced by non-home CEOs.

Next, to shed further light on our conjecture that home CEOs are subject to heightened agency conflicts, given their personal incentives to prevent takeovers, we examine the impact of corporate governance using three distinct proxies for weak corporate governance. Consistent with our argument, we find that the positive impact of home CEOs on their firm's adoption of ATPs is amplified in firms with weak corporate governance.

To further corroborate the presence of home bias in deals involving target firms with home CEOs, we investigate an additional set of heterogeneous effects. We find that home CEOs, when faced with elevated takeover threats (using, among others, the measure developed by Cain,

[9] We thank Scott Yonker for providing CEO home state data. We also complement the data from Yonker (2017a) by manually collecting CEO birthplace information from Marquis Who's Who, Standard and Poor's Register of Directors and Executives, Lexis-Nexis, NNDB.com, or Google searches.We explain in detail the identification of CEOs' home state in Section 2.

[10] In the Online Appendix, we show that our results hold when i) we use alternative definitions of home CEOs (Table A3), and ii) when we use alternative definitions of ATPs (Table A4).

McKeon, and Solomon, 2017), tend to enact a greater number of ATPs. Similarly, in support of the agency argument, we find that the impact of home CEOs on the adoption of ATPs is exacerbated when CEOs manage firms in small states where they are plausibly subject to less viable local outside options.

We also control for endogeneity issues. Specifically, we employ a propensity score matching (PSM) analysis to control for observable characteristics which could lead to self-selection, by aligning firms that appoint home CEOs with those possessing similar characteristics but are led by non-home CEOs. Moreover, we run a two-stage instrumental variable (IV) analysis, to control for potential omitted variables that may drive our results. Our conclusions are unaffected.

Additionally, by exploiting the adoption of state-level poison pill laws as an exogenous shock and performing stacked difference-in-differences regressions, we find that the introduction of external poison pill laws negatively influences the positive impact of home CEOs on ATPs. This suggests that home CEOs and exogenous antitakeover legislation serve as substitutes.

Having confirmed the positive relation between the presence of a home CEO on the board and increased adoption of ATPs within the firm, we delve into the implications of this phenomenon on a spectrum of M&A outcomes. First, we find that firms with home CEOs experience a reduced likelihood of receiving acquisition bids. The magnitude of the home CEO effect is economically large: firms with a home CEO experience a 1.56% decrease in the probability of receiving a takeover bid. This figure is substantial as it translates into a 33.19% reduction if we compare it with the average acquisition likelihood.

Second, we examine the probability of deal completion and find that target firms with home CEOs are less likely to be acquired. Third, we explore the probability of deal withdrawals. Considering the additional motivation for home CEOs of target firms to impede deal completion, we observe an increased likelihood of deal withdrawals in firms with home CEOs on their board. Fourth, we show that, when a takeover does take place, home CEOs of target firms prefer to be acquired by an acquiring firm from the same state. This aligns with the findings by Bates, Parrino, and Wu (2014), who report that 26.4% of target firm CEOs secured positions in the combined firm following the acquisition.

In the last part of our analysis, we assess the impact of home CEOs on takeover premiums and target firm returns. Existing literature provides inconclusive evidence regarding whether ATPs are linked to an increase or decrease in takeover premiums. ATPs typically reduce the probability of a bid (e.g., Karpoff, Schonlau, and Wehrly, 2017), but they can also create value by enabling managers to negotiate higher prices and secure larger premiums (Stein 1988; Harris 1990). However, more recently, Cunat, Gine, and Guadalupe (2020) present evidence of lack of a trade-off between price and acquisition probability, indicating a positive correlation between acquisition probability and premium. Firms with lower chances of receiving a bid also tend to receive lower premiums.

Our study aligns with the latter scenario, suggesting a lower likelihood of a trade-off between acquisition probability and premiums in firms with home CEOs. Specifically, bidders are aware that firms with home CEOs are less likely to get acquired given the extra incentives of home CEOs to continue heading firms in their home state. Therefore, bidders are less inclined to submit offers for such firms. For the same reason, they are less likely to offer a higher premium, given the anticipation that their offer might not be accepted, resulting consequently in negative signaling effects on their own market value (Bradley, Desai, and Kim, 1983).

Consistent with this notion, we find that target firms with home CEOs are associated with 8.1% lower takeover premiums. This reduction in acquisition premiums translates into a 3.6% decrease in target firm stock abnormal returns. In economic terms, this translates to approximately $38.25 million in value destruction for the average public target firm within our sample. These findings provide further support for the existence of agency problems in firms led by home CEOs.

This paper contributes to several active research areas. First, we extend the literature on firms' determinants to adopt ATPs (e.g., DeAngelo and Rice, 1983; Borokhovich et al., 1997; Dey and White, 2021; Karpoff, Schonlau, and Wehrly, 2022). Contrary to previous studies which highlight *firm* characteristics as determinants of ATPs, we introduce a novel *CEO* characteristic - CEO birthplace - as a driving factor behind ATPs. Specifically, we demonstrate, for the first time in the literature, that target firms with a home CEO are more inclined to adopt ATPs.

Second, a common challenge in studies of ATPs arises from the endogeneity of firm-level governance (Coles et al., 2012; Wintoki et al., 2012), potentially leading to selection bias (Straska and Waller, 2014). Our difference-in-differences framework, leveraging state-level poison pill laws for exogenous variation in ATP adoption, allows us to explore the causal relationship between CEO home bias and ATP adoption. The finding that home CEOs and ATPs act as substitutes suggests that home CEOs function as "guardians at the gates", deterring unwanted takeovers. Therefore, this implies that boards of directors should consider personal traits, including home bias, when selecting a CEO.

Third, considering the particularly pronounced incentive of home CEOs to avoid departing from a firm headquartered in their home state, our setting offers the ideal testing platform to investigate the potential trade-off between price and acquisition probability (Stein, 1988; Harris, 1990; Karpoff et al., 2017) and assess the validity of contrary predictions (Cunat et al., 2020). Our empirical findings confirm that firms with home CEOs are not only less likely to attract acquisition bids but also receive lower takeover premiums, in line with Cunat et al. (2020). This analysis highlights the complex dynamics at play in M&A scenarios involving home CEOs.

Lastly, our findings add to the debate on whether the influence of home bias is driven by information advantage or agency costs. While the majority of studies support the information advantage hypothesis (e.g., Coval and Moskowitz, 1999; Yonker, 2017a; Yonker, 2017b; Lai, Li, and Yang, 2020; Lim and Nguyen, 2021), our evidence reveals that agency conflicts underlie the CEO home bias in target firms during public acquisitions. This finding is particularly important for a second reason; in particular, we are able to disentangle the motivation behind CEO home bias in *public* acquisitions, depending on the side it originates from. Specifically, while Jiang, Qian, and Yonker (2019) demonstrate that information advantage drives the *acquiring firm's* CEO home bias in acquisitions of public target firms, our evidence indicates that agency motivations propel *target firm's* CEO home bias in public acquisitions, resulting in shareholders' value destruction.

The rest of the paper is organized as follows. Section 2 describes the sample and the measure of home CEO. Section 3 reports the empirical evidence. Section 4 concludes the paper.

2. Sample and data

2.1. Sample construction and measure of home CEOs

Our initial sample comprises all firms within the Compustat and ExecuComp databases for the period spanning 1992 to 2018. In line with previous research (Jiang et al., 2019; Nguyen, Petmezas, and Karampatsas, 2023), we have excluded financial firms (SIC 6000-6999) and regulated utilities (SIC 4900-4999), resulting in 36,160 firm-year observations (representing 2,877 unique firms) within our initial dataset.

We define a CEO as a home CEO when their home state corresponds to the state in which the firm's headquarters is located. We identify the CEO's home state based on their Social Security Number (SSN), obtained from the LexisNexis online public records database for CEOs listed in the ExecuComp database.[11] The SSN, a 5-digit number, is issued by the state when an individual applies for their first job or driver's license. The first three digits signify the state of issuance, while the fourth and fifth digits denote the sequence of issuance. Consequently, the Social Security Number reveals both the year and state in which a CEO acquired their SSN. Yonker (2017a) has demonstrated that in his sample, more than 80% of CEOs received their SSN before the age of 17, emphasizing the efficiency of SSN in identifying CEO home states.

In addition to Yonker's data, we have also manually collected birthplace information for CEOs listed in the ExecuComp database, drawing from sources such as Marquis Who's Who, Standard and Poor's Register of Directors and Executives, Lexis-Nexis, NNDB.com, and Google searches. This supplementary data allowed us to identify the birth states for 81.20% of observations within our initial sample. Consequently, our final sample includes 29,346 observations, representing 2,465 unique firms. As presented in Panel A of Table 1, firms with home CEOs constitute 29.60% of our sample, closely aligning with the figure of 30% documented by Yonker (2017a).

2.2. M&A data

Our M&A sample is sourced from the SDC US Mergers and Acquisitions database, including transactions announced between January 1, 1993, and December 31, 2019. To facilitate the identification of the CEOs' home states within target firms, we have limited our selection to publicly traded firms headquartered in the United States. Additionally, we have excluded specific

[11] We thank Scott Yonker for sharing his home CEO data.

transaction types, such as spinoffs, recapitalizations, exchange offers, repurchases, self-tenders, privatizations, acquisitions of remaining interests, and partial interests or assets. To ensure the inclusion of economically significant transactions, we have filtered out deals with a value of less than $1 million and deals in which the relative deal value, concerning acquirer market capitalization one month prior to the announcement, is less than 1%. Furthermore, financial firms (SIC 6000-6999) and regulated utilities (SIC 4900-4999) have been excluded from our analysis.[12] Following these data filters, our initial sample comprises 1,386 acquisition deals. Subsequent to merging this dataset with information on acquisition premium, as well as the announcement returns of target and acquiring firms, our final M&A sample consists of 1,188 acquisition deals, with a cumulative deal value of $6.51 trillion.

2.3. Measure of ATPs

We measure the adoption of ATPs using the entrenchment index (E-index) proposed by Bebchuk et al. (2009). This index, along with its constituent components (comprising classified boards, supermajority voting for business combinations, golden parachutes, poison pills, limitations on shareholders' ability to amend the bylaws, and supermajority requirements for charter amendments), is widely employed in M&A studies to assess firms' defenses against takeovers (e.g., Masulis et al., 2007; Straska and Waller, 2010; Johnson et al., 2015; Karpoff et al., 2017).

The data on ATPs is sourced from the Institutional Shareholder Services (ISS) database. From 1990 to 2006, ISS only released corporate governance data for the years 1990, 1993, 1995, 1998, 2000, 2002, 2004, and 2006. Since 2007, ISS has annually published corporate governance data.

[12] Including financial and utility firms does not affect our results.

Following the methodology of prior studies (Gompers et al., 2003; Bebchuk et al., 2009; Karpoff et al., 2017, 2022), we interpolate data for missing years by extrapolating from the latest available ISS data. For instance, ISS data from 1990 are utilized for 1992, and data from 1993 are applied for 1994. Consequently, we are able to match 73.32% (21,517 out of 29,346) of the home CEO sample with ISS data.

It is noteworthy that while the provision of golden parachutes has been found to be positively associated with takeover likelihood, the other five provisions exhibit a negative relationship with the probability of a takeover (e.g., see Machlin et al., 1993; Sokolyk, 2011; Goktan and Kieschnick, 2012; Bebchuk et al., 2014; and Karpoff et al., 2022). This is consistent with golden parachutes aligning the incentives of target managers and shareholders in a takeover bid (Agrawal and Knoeber, 1998; Machlin et al., 1993; Sokolyk, 2011; Goktan and Kieschnick, 2012; Mansi et al., 2016; Bebchuk et al., 2014; and Goktan et al., 2018). Karpoff et al. (2022) argue that including golden parachutes with the wrong sign merely introduces bias or measurement noise to an index used to gauge a firm's takeover deterrence. Consequently, in constructing our antitakeover index, we assign a negative weight to golden parachutes. Specifically, for the five provisions other than golden parachutes, the adoption of each provision is coded as one in our antitakeover index, while the adoption of "no golden parachute" is similarly coded as one in our antitakeover index.[13]

2.4. Descriptive statistics

Table 1 provides an overview of descriptive statistics for both our home CEO sample and the M&A sample. Detailed variable definitions can be found in the Appendix. We have winsorized all

[13] In unreported analysis (which is available upon request), we find that the unmodified E-index leads to similar results.

continuous variables at the 1st and 99th percentiles to mitigate extreme values. In Panel A, we present summary statistics for our home CEO sample. Firms, on average, adopt approximately two ATPs, with an average count of 1.852. It is noteworthy that firms receiving a takeover bid in any given year make up 4.70% of observations within our sample. Panel B of Table 1 offers a univariate comparison of ATPs between home CEOs and non-home CEOs. On average, home CEOs adopt 0.112 more ATPs compared to their non-home CEO counterparts.

Panel C outlines summary statistics for the M&A sample from the target side, where firms with home CEOs account for 23.80% of the observations. To provide context and due to unavailable information for private and non-US acquirers, we report summary statistics specifically for 549 US public acquirers, totaling 760 observations, in Panel D. Lastly, Panel E delves into deal characteristics for our M&A sample, revealing that our sample firms closely resemble those in prior studies in terms of deal characteristics (e.g., Nguyen et al., 2023).

3. Empirical evidence

3.1. Do home CEOs adopt more ATPs?

We begin our empirical analysis by examining whether home CEOs are linked to a higher or lower adoption of ATPs. To achieve this, we employ OLS models to estimate the following equation:

$$ATPs_{i,t+1} = \alpha + \beta Home\ CEO_{i,j,t} + Controls + Fixed\ Effects + \varepsilon_{i,j,t+1} \qquad (1)$$

where *i* indexes firms, *j* indexes CEOs, and *t* indexes time. ε is the error term. The main dependent variable *ATPs* is the total number of ATPs adopted by a firm in year *t+1*, ranging from 0 to 6. Our independent variable of interest, *Home CEO*, is a binary variable with a value of one when the CEO's home state matches the state in which the firm is headquartered, and zero otherwise.

Following Chen et al. (2021), Dey and White (2021) and Nguyen et al. (2023), we control for a set of firm-specific characteristics, including firm size, market-to-book ratio, net leverage, return on assets (ROA), cash holdings, and Tobin's Q ratio. Additionally, we introduce state-level variables such as the state unemployment rate and state-level population to account for location-specific attributes that may influence the adoption of ATPs. Moreover, we control for industry concentration (*High Herfindahl*) and industry liquidity within the M&A market (*M&A liquidity*) to further refine our analysis.

To address fixed differences that may impact our results, we introduce fixed effects for industry, fiscal year, firms' headquarters state, and CEO birth state, which are defined based on Fama-French 48 Industry Codes, fiscal years, firms' headquarters states, and CEOs' home states. Year fixed effects capture time-varying disparities across fiscal years, while industry fixed effects, firms' headquarters state fixed effects, and CEOs' birth state fixed effects control for time-invariant factors associated with industries, firm locations, and CEOs' birthplaces that could influence a firm's decision to adopt ATPs.[14]

Table 2 illustrates the estimations derived from Equation (1). In specification (1), we focus on ATPs as the dependent variable. Notably, the coefficient for *Home CEO* exhibits a significant positive association at the 1% significance level. This finding suggests that firms led by a home CEO tend to possess 0.092 more ATPs compared to those without a home CEO. This difference corresponds to approximately 7.25% of one standard deviation in the antitakeover index

[14] It is important to include both firms' headquarters state fixed effects, and CEOs' birth state fixed effects, as the former capture the state of the firm's headquarters and the latter the state where the CEOs were born; non-home CEOs are born in different states than the states where their firms' headquarters are located.

(=0.092/1.269) or roughly 5% more ATPs relative to the average number of ATPs adopted by US firms. In specification (2), we find similar results even after accounting for firm fixed effects.[15]

Moving on to specifications (3) to (8), our analysis delves into the components of the antitakeover index to investigate the link between CEOs' home bias and the adoption of individual ATPs. Specifically, in specifications (3) to (6), the decomposition reveals a positive association between *Home CEO* and the adoption of classified boards, supermajority voting, the absence of golden parachutes, and charter amend. These coefficients maintain their significance at better than 5% level. Consequently, it can be inferred that the influence of home CEOs on ATPs predominantly hinges on the adoption of staggered boards, supermajority voting, chater amend, and the absence of golden parachutes.[16] Furthermore, the coefficient of *Home CEO* is negative but only marginally significant in specification (7), indicating that home CEO is negatively associated with the adoption of poison pills. Given that poison pills often serve as negotiation tools in the M&A process (Comment and Schwert 1995), and prior studies yield mixed evidence regarding their effectiveness (Comment and Schwert 1995; Goktan et al. 2018; Karpoff et al. 2022), we interpret this result with caution. Lastly, in specification (8), the coefficients for *Home CEO* do not achieve statistical significance when the dependent variable is *Bylaws Amend*.

3.2. Within-CEO analysis: Evidence from involuntary CEO changes

To reinforce our evidence on the significantly positive impact of home CEOs on ATPs, we perform within-CEO analysis by exploiting a sample on *involuntary* CEO changes constructed by Gentry et al. (2021). Gentry et al. (2021) define involuntary CEO changes as CEO departures due

[15] We find similar results when we include CEO characteristics (e.g., age, tenure, gender, ownership) in our baseline analysis (the results are reported in Table A5 of the Online Appendix).
[16] In Table A1 of the Online Appendix, we find similar results when we perform probit regressions.

to death, illness, and dismissal for performance or personal issues. In specification (1), our dependent variable measures the change in ATPs from one year before the CEO change until one year after the CEO change (*t-1, t+1*). In specifications (2) and (3), we assess the change in ATPs from one year before the CEO change until two (three) years after the CEO change (*t-1, t+2*) ((*t-1, t+3*)), where year *t* corresponds to the year of the CEO change. We create three main indicator variables: i) "change from a non-home CEO to a home CEO" (there are 74 such observations); ii) "change from a home CEO to a non-home CEO" (there are 75 such observations); and iii) "change from a home CEO to another home CEO" (there are 32 such observations). The dummy variable "change from non-home CEO to non-home CEO" acts as a benchmark in our model and is left out of the regressions.

We present the findings regarding involuntary CEO changes in Table 3. Remarkably, our results reveal that when non-home CEOs are replaced by home CEOs, there is an increased likelihood of firms adopting ATPs one, two, or three years following the CEO change. Conversely, the opposite trend is observed when home CEOs are replaced by non-home CEOs; in these instances, there is a decline in the adoption of ATPs two or three years after the CEO change. Finally, we do not find any change when a home CEO is replaced by another home CEO. Overall, our results from the within–CEO analysis support the notion that firms with home CEOs are likely to significantly engage in the adoption of more ATPs.

3.3. Does the existence of weak corporate governance amplify the impact of home CEOs on ATPs?

In this paper, we argue that home CEOs are subject to more agency costs. Specifically, home CEOs harbor additional personal incentives to prevent their firm from being taken over, aiming to safeguard their position in a company headquartered in their home state. If this is the case, then we would expect, that their positive impact on firm's adoption of ATPs to be more pronounced in firms that are subject to weak corporate governance. To investigate this, we consider three proxies of weak corporare governance and interact them with the home CEO variable. These proxies are: (1) *CEO is Chairman* as in Dahya, McConnell, and Travlos (2002), that is a dummy variable that equals one if the CEO is also the chairman in a given year, and zero otherwise; (2) low percentage of institutional ownership as in Chung and Zhang (2011), that is defined as the proportion of outstanding shares held by institutions; and (3) low percentage of independent directors as in Dahya et al. (2002), that is defined as the proportion of independent directors in the board.

Table 4 reports the results. While firms with home CEOs are more likely to adopt ATPs, the positive effect becomes significantly more pronounced for firms with weak corporate governance (i.e., firms subject to severe agency costs) across all specifications. In sum, our results suggest that the existence of weak corporate governance exacerbates the positive impact of home CEOs on the firm's adoption of ATPs, consistent with our conjecture that home CEOs are subject to more agency conflicts.

In support of the agency motivation, in Table A6 of the Online Appendix we examine whether the impact of home CEOs on the adoption of ATPs is amplified when CEOs manage firms in small states where they are plausibly subject to less viable local outside options. Small state is a dummy variable that is equal to one if the location of a firm's headquarters is not in California, Texas, New York, Illinois, or Massachusetts, and zero otherwise. These five states have the highest number of headquarters for US companies covered in the Compustat database. Our results are in line with the agency explanation as we find that home CEOs are more likely to adopt ATPs in smaller states, where there are plausibly less viable local outside options.

3.4. Heterogeneous effects: The role of takeover threat

To further validate the positive impact of home CEOs on ATPs, we investigate heterogenous effects in cases where we would expect the impact to be more pronounced. To do so, we exploit the moderating effect of takeover threats. If the effect of home CEOs on ATPs is indeed affected by their preference against their firm being acquired, then we would expect a positive moderating effect when a takeover threat is considered.

To test these heterogeneous effects, we adopt three measures of takeover threat, as recommended by previous literature: (i) a firm-specific *Hostile Takeover Index* developed by Cain, McKeon, and Solomon (2017); (ii) *High Hostile Takeover*, a binary variable equating to one if a firm's *Hostile Takeover Index* is above the sample median, and zero otherwise (Tsang, Yang, and Zheng, 2022); and (iii) *Hostile_Dummy_1yr*, a binary variable that equals one if at least one peer firm in the same industry (SIC four-digit) received a hostile takeover bid in the previous year, and zero otherwise (Servaes and Tamayo, 2014).

Table 5 presents the results of our analysis. Across all specifications, the home CEO variable consistently carries a positive and statistically significant coefficient. Importantly, the coefficients of the interaction variables are also positive and statistically significant, indicating that home CEOs, when facing higher takeover threats, tend to adopt additional ATPs. Overall, our findings substantiate our argument that, due to home bias, firms with a home CEO on their board are inclined to possess an increased number of ATPs.

3.5. Dealing with endogeneity

A potential concern regarding our causal interpretation of the relationship between CEOs' home bias and ATPs is endogeneity, which may arise from various sources. Two potential sources of endogeneity warrant consideration. The first source pertains to *self-selection bias*, stemming from the endogenous matching process between CEOs and firms. The second source involves *omitted variable bias*, which results from unobservable characteristics that are related to both the adoption of ATPs and the selection of home CEOs for a given firm. We perform two analyses to address the endogeneity issue: (i) a propensity score matching (PSM) analysis and (ii) an instrumental variable (IV) approach.

3.5.1 Propensity score matching (PSM)

To mitigate the self-selection bias rooted in observable characteristics, we employ a matching approach by pairing firms managed by home CEOs (the treated group) with firms sharing similar characteristics but led by non-home CEOs (the control group). The treatment effect, as estimated through propensity score matching (PSM), is determined by the difference between the treated sample and the matched control sample, quantified by the home CEO coefficient. In order to facilitate the matching process, we calculate a one-dimensional propensity score, which is derived from the observable characteristics used in Equation (1). We employ a one-to-one (nearest neighbor) matching estimator with replacement, ensuring that the absolute difference in propensity scores between paired firms does not exceed 0.05. Additionally, we mandate an exact match in terms of Fama-French 48 Industry Code and fiscal year.

Subsequent to this meticulous matching procedure, all independent variables become comparable within the matched sample, indicating that the PSM approach effectively eliminates evident sample selection biases.[17] With the matched sample in hand, we re-run the regression,

[17] Table A2 in the Online Appendix presents a comparison of means for the independent variables between firms with home CEOs and those with non-home CEOs, both for the unmatched and matched samples. This diagnostic test is conducted to verify the effectiveness of our propensity score matching (PSM) analysis in mitigating sample selection

retaining the same control variables and fixed effects as stipulated in Equation (1). Table 6 presents the results. As shown in specification (1), the coefficient of *Home CEO* remains positive and statistically significant at the 1% level, affirming that selection bias based on observable characteristics does not distort the positive impact of home CEOs on ATPs.

3.5.2 Instrumental variable (IV) 2-stage least square approach

To address the potential influence of omitted variables on our findings, we undertake a two-stage instrumental variable (IV) analysis (2SLS) and present the results in specifications (2) and (3) of Table 6. This approach requires the identification of an instrumental variable that exhibits correlation with the selection of home CEOs to lead a firm but remains uncorrelated with the adoption of ATPs.

In line with prior literature (e.g., Deng and Gao 2013; Yonker 2017a; Lai et al. 2020), we employ the percentage of clear days in the firm's headquarters state (*Clear Days*) as our instrumental variable. The rationale behind this choice lies in the common preference for sunny weather, which renders regions with more favorable weather conditions more appealing for attracting talented CEOs from various locations. Consequently, these regions are less likely to rely on local CEOs (i.e., *Home CEO*). Hence, we anticipate a negative association between *Clear Days* and the appointment of home CEOs. Thus, our instrument is expected to fulfill the relevance requirement for instrumental variables. Moreover, the weather conditions in a state are plausibly unlikely to be correlated with firms' decisions regarding mergers and acquisitions, satisfying the exclusion condition for instrumental variables.

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biases associated with observable firm characteristics. The *t*-statistics accompanying the difference-in-means reveal that numerous variables exhibit significant disparities within the unmatched sample.

To perform the IV analysis, we regress the variable *Home CEO* on *Clear Days* and all other control variables (in specification (2)). We obtain a robust negative relationship between *Clear Days* and *Home CEO*. Notably, the coefficient of the instrumental variable is statistically significant at the 1% level, which suggests that firms located in states with more favorable weather conditions are less inclined to appoint a home CEO. Importantly, we ascertain that the effective F-statistic for the weak identification test comfortably surpasses the critical value, thus satisfying the relevance condition and enabling us to reject the null hypothesis of weak identification.

Subsequently, we re-run the same regression as presented in Equation (1) and report the results of the second-stage regression in specification (3), where the instrumented home CEO variable is our main variable of interest. Our results persist in revealing a notably positive relationship between the instrumented home CEO and ATPs, suggesting that firms with a home CEO on their board tend to exhibit a higher prevalence of ATPs.[18] In sum, our results are robust after accounting for potential endogeneity concerns.

3.6. Stacked difference-in-difference (DiD) test: State-level adoption of poison pill provisions

To further validate our results, we consider an exogenous shock in the anti-takeover landscape - specifically, the state-level adoption of poison pill (PP) provisions. As argued by Cain et al. (2017), all states gained access to poison pills as a strategic defense tactic following the landmark

[18] Jiang (2017) highlights the need to reconcile the estimates of the 2SLS regressions, that are anticipated to have a larger magnitude, from the OLS estimates. We note that our IV estimate (0.314) is 3.41 times larger than the OLS estimate (0.092), which is lower than the average number, 9 times, documented by Jiang (2017). We explain this difference as a "local average treatment effect (LATE)", which means that IV estimates could be larger than the true population average treatment effect for legitimate econometric reasons. In our case, our "good weather" IV captures CEOs whose "home CEO" status is more sensitive to weather. Though this IV satisfies the exclusion restriction by the conventional standards, home CEOs who are sensitive to weather conditions could adopt more ATPs than those who are sensitive to not only the weather but also social connection, culture, religiosity, etc. This is because the weather in a state is a more irreplaceable feature compared to other factors.

Georgia-Pacific Corp. v. Great Northern Nekoosa Corp. case on January 16, 1990. This adoption of state-level poison pill laws - often referred to as a "shadow pill" - which took place over the years by several other states, enabled companies to swiftly implement poison pill strategies to ward off unwanted takeover bids. While a substantial body of literature suggests that firm-level poison pills do not significantly enhance anti-takeover deterrence (e.g., Coates, 2000; Catan, 2019), the shadow pill unquestionably provides firms with greater flexibility by legitimizing the rapid adoption of poison pill defenses. Consequently, if the impact of home CEOs on ATPs is primarily driven by CEOs' home bias, the introduction of exogenous poison pill laws should essentially act as a substitute to the impact of home CEOs. Therefore, the prediction is that the adoption of state-level poison pill laws should reduce the impact of home CEOs on ATPs.[19]

We investigate this idea using a difference-in-differences approach to examine how the state-level poison pill laws affect the impact of home CEOs on firm's adoption of ATPs. Recent literature has raised concerns about the validity of estimates relying on standard difference-in-differences models, particularly when the timing of the treatment varies across different groups (e.g., Goodman-Bacon, 2021; Sun and Abraham, 2021; Baker, Larcker and Wang, 2022). In our setting, standard difference-in-differences models could be problematic because the treatment effects vary with respect to the time since the implementation of the state-level poison pill laws. This could induce a "bad comparison" problem, leading to a potential bias of the estimates.

To overcome this issue, we follow Cengiz, Dube, Lindner, and Zipperer (2019) and estimate a "stacked regression" difference-in-differences model. This model combines 11 event-specific datasets comprising the treated cohort (i.e., states with a poison pill law) and all the other "clean" control observations within the treatment window (i.e., states that do not have such a legislation

[19] Following Cain et al. (2017) and Tsang, Yang, and Zheng (2022), we only consider "strong" state-level poison pill laws, which means that a board can adopt dead-hand or no-hand poison pills.

by the end of our sample period). This approach along with stacked-by-time fixed effects addresses the "bad comparison" problem.

Our identification strategy rests on the assumption that the states which adopt poison pill laws provide an exogenous source of variation in the effect of CEO home bias on ATPs. *Post-Law* is a dummy variable that is equal to one when the state where the firm is located has adopted strong PP statutes or cases in year *t*, and zero otherwise. To account for both macro-level shocks and time-invariant differences across firms, we incorporate firm and year fixed effects.

The results are presented in Table 7. In specification (1) of Panel A, we add to the model *Post-Law*. As expected, both *Post-Law* and *Home CEO* contribute significantly to the adoption of ATPs at better than 5% significance level. Most importantly, in specification (2) of Panel A, we augment the model by interacting *Post-Law* with *Home CEO*. If the existence of a state law on the adoption of poison pills acts as a substitute to the positive impact of home CEOs on ATPs, then we should expect a negative sign for the interaction variable. Indeed, while the two individual variables continue to hold a significant coefficient with a positive sign, the interaction variable *Post-Law* × *Home CEO* carries a strongly negative coefficient that is significant at the 1% level, implying a substitution effect.

To test the key assumption of the DiD model, i.e., the parallel trends assumption, we replace the *Poison Pill Law* variable with a set of dummy variables denoted as *PP_t+i*, where i = −3, −2, …, 2, 3, and beyond. Here, *PP_t-3, PP_t-2,* and *PP_t-1* are dummy variables equal to one if the observation is three years, two years, or one year, respectively, before the state's adoption of strong poison pill laws, and zero otherwise. *PP_t* is a dummy variable equal to one if the observation is in the year of the state's adoption of strong poison pill laws, and zero otherwise. Similarly, *PP_t+1*, *PP_t+2*, *PP_t+3* are dummy variables equal to one if the observation is one, two, or three years after the state's adoption of strong poison pill laws, and zero otherwise.

The results in Panel B show that the coefficients of the interaction variable for *PP_t-3*, *PP_t-2*, and *PP_t-1* are not statistically significant, while the coefficients of the interaction variable for *PP_t+1*, *PP_t+2*, *PP_t+3* are negative and statistically significant. This implies that the impact of home CEOs on the adoption of ATPs decreases *after* the adoption of state-level poison pill laws, but not before that. In sum, our stacked difference-in-difference analysis suggests that home CEOs and exogenous antitakeover legislations act as substitutes.

3.7. Implications on M&A Outcomes

3.7.1. Home CEOs and acquisition likelihood

After establishing that the existence of a home CEO on board leads to more ATPs adopted by the firm, we investigate implications on various M&A outcomes and present the results in Table 8. First, we examine the impact of CEOs' home bias on their likelihood of receiving a takeover bid. To conduct this analysis, we estimate the following regression equation employing both probit (in model (1)) and linear probability models (LPM) (in model (2)):

$$Receiving\ a\ Bid_{i,t+1} = \alpha + \beta Home\ CEO_{i,j,t} + Controls + Fixed\ Effects + \varepsilon_{i,j,t+1} \qquad (2)$$

where i indexes firms, j indexes CEOs, and t indexes times. ε is the error term. The dependent variable, *Receiving A Bid*, is a dummy variable that is equal to one if the firm receives at least one acquisition bid in year $t+1$, and zero otherwise. Our independent variable of interest, *Home CEO*, is a dummy variable that is equal to one if the CEO's home state matches the state in which the firm is headquartered, and zero otherwise. We also include the same control variables in Equation (1). To account for inherent variations, we incorporate fixed effects such as industry, year, the state where the firm's headquarters is located, and the CEO's birth state. These fixed effects are categorized according to Fama-French 48 Industry Codes, fiscal years, the firm's headquarters state, and the CEOs' birth state.

We present our findings in Table 8. Across both specifications, the presence of home CEOs is associated with a negative and highly significant coefficient at the 1% level. This suggests that firms with a home CEO on their board tend to be less prone to receiving takeover bids. In particular, in specification (1), we conduct a probit regression and provide marginal effects for the coefficients. In economic terms, the marginal effect corresponding to the home CEO coefficient indicates that firms with a home CEO are linked to a substantial 1.6% reduction in the probability of receiving a takeover bid. This reduction represents a notable 34.04% (=1.6%/4.7%) of the average acquisition likelihood.

Specification (2) presents the results from the LPM estimation. The outcome reveals that firms with a home CEO experience a 1.4% decrease in the likelihood of receiving an acquisition bid, which accounts for a substantial 29.79% (=1.4%/4.7%) of the average acquisition likelihood. Additionally, the estimates of the control variables align with previous studies (e.g., Ambrose and Megginson 1992; Chen et al. 2021). Specifically, the likelihood of receiving a takeover bid diminishes for firms with larger firm size and Tobin's Q, while it increases for firms with higher net leverage.

3.7.2. Home CEOs and withdrawn/completed deals

To delve further into the impact of CEOs' home bias on acquisition outcomes, we explore the status of M&A deals following a firm's receipt of a takeover bid. Given that home CEOs typically have a strong preference to work in proximity to their hometown, we anticipate that firms led by home CEOs are more inclined to withdraw from M&A deals during the process rather than seeing them through to completion. To investigate this hypothesis, we replace the dependent variable *Receiving A Bid* in Equation (2) with two distinct variables: *Withdrawn Deal* and *Completed Deal*. *Withdrawn Deal* is a binary variable that equals one if a deal announced in year *t+1* was subsequently withdrawn and zero otherwise. *Completed Deal* is a binary variable that equals one if a deal announced in year *t+1* was successfully completed and zero otherwise. We hypothesize that, as a strategy to deter takeover bids, firms with home CEOs should exhibit a higher likelihood of withdrawn deals and a lower probability of completed deals.

The results, presented in specifications (3) to (6) of Table 8, reveal the following insights: In specifications (3) and (4), which focus on withdrawn deals, home CEOs exhibit a positive and highly significant coefficient at the 1% level. The associated marginal effect of the home CEO coefficient indicates that firms with a home CEO on their board are linked to an 8.80% increase in the probability of withdrawing an M&A deal. Given that the average probability of withdrawn deals is 18.90%, this 8.80% increase holds significant economic weight, accounting for 46.56% of the unconditional probability. The results remain consistent with a similar economic magnitude in specification (4) when employing LPM estimates.

In specifications (5) and (6), which investigate completed deals, we find that the coefficient for the *Home CEO* variable is negative and significant at better than 5% level. This implies that firms with home CEOs are less likely to complete an M&A deal. In economic terms, the marginal effect associated with the home CEO coefficient indicates that firms led by a home CEO are associated with an 8.60% decrease in the probability of completing an M&A deal. Given that the average likelihood of completed deals is 13.56%, this 8.60% decrease carries substantial economic significance, amounting to 63.42% of the unconditional probability. These results remain consistent with a similar economic magnitude in specification (6) when employing LPM estimates.

3.7.3. Do target firms with home CEOs tend to be acquired by in-state bidders more often?

Bates et al. (2014) find that 26.40% of target firm CEOs received job offers from acquiring firms after acquisitions. This suggests that target firms led by home CEOs may be more inclined to sell to in-state acquirers, allowing them to remain close to their families. Consequently, we hypothesize that acquisition deals involving target firms managed by home CEOs are more likely to be completed when the acquiring firm is also based in the same state. To conduct this analysis, we introduce the dependent variable *Complete In-State Deal*, which is a binary variable that is equal to one when the acquisition deal is successfully completed and the acquiring firm is headquartered in the same state as the target firm, and zero otherwise.

Specifications (7) and (8) of Table 8 presents the results. In specification (7), we employ a probit regression, while specification (8) provides estimates based on LPM. Our findings indicate that target firms led by home CEOs exhibit a higher likelihood of completing in-state deals. In both specifications, the *Home CEO* variable consistently carries a positive and statistically significant coefficient at the 10% significance level. In terms of economic significance, the marginal effect associated with the home CEO coefficient in specification (1) suggests that target firms with a home CEO are associated with a 5.10% increase in the probability of completing in-state deals. This implies that M&A deals involving target firms managed by home CEOs encounter less resistance when the acquiring firm hails from the same state.

3.7.4. Home CEOs, takeover premium, and target firm CARs

In this section, we explore the impact of CEO's home bias within target firms on both takeover premiums and target firm announcement returns. *Takeover Premium* is computed as the difference between the offer price and the target firm's stock price four weeks before the acquisition announcement, divided by the latter.[20] Target firm announcement returns are measured by estimating the market-adjusted cumulative abnormal returns over the 3-day window surrounding the acquisition announcement date (*Target CAR (-1, 1)*), utilizing the CRSP value-weighted index return as the market return.[21] In addition to controlling for fixed differences and employing the control variables outlined in Equations (1) and (2), we also account for deal characteristics that could influence acquisition outcomes, including tender offers (*Tender*), methods of payment (*All Cash*, *All Stock*), diversifying deals (*Diversifying*), hostile deals (*Hostile*), and in-state deals (*In-State Deal*).

Table 9 presents our findings. In specifications (1) and (2), *Takeover Premium* serves as the dependent variable. In specification (1), the *Home CEO* coefficient is negative and statistically significant at the 5% level. In specification (2), we exclude observations involving non-US and private acquirers from our M&A sample and incorporate controls for certain bidder characteristics. The results remain consistent, suggesting that target firms with a home CEO on their board tend to have an 8.10% lower acquisition premium compared to those without a home CEO. This reduction equates to approximately 18.16% of one standard deviation of the acquisition premium.

Specification (3) investigates the impact of CEOs' home bias on shareholder wealth within the target firm, with the dependent variable being the three-day CARs for target firms. The *Home CEO*

[20] To avoid extreme outliers, we follow Officer (2003) and limit the measure to values between 0% and 200%.
[21] Our results are similar when we use: i) an alternative event window (-2, +2); ii) market model; or iii) equally weighted index return as the market return.

coefficient is negative and statistically significant at the 1% level. In economic terms, target firms led by home CEOs are associated with a 3.60% decrease in their announcement returns. This translates into a value destruction of approximately $38.23 million in terms of shareholders' wealth, considering that the average market capitalization of target firms in our sample is $1.06 billion.

In summary, our findings regarding takeover premiums, coupled with target announcement returns, align with recent evidence presented by Cunat et al. (2020). This evidence suggests that when there is no apparent trade-off between price and acquisition probability, firms tend to receive lower takeover premiums. This observation fits well with our investigation of firms with home CEOs. Specifically, bidders are aware of the additional incentives for home CEOs to prevent their firms from being acquired, making them less inclined to submit bids. Moreover, for the same reasons, offering a higher premium is less likely, given the anticipation that their offer might not be accepted. An unsuccessful bid with a high premium could send a negative signal to the market, reducing their own value (Bradley, Desai, and Kim, 1983). Our findings are in line with the lack of trade off between acquisition probability and price (Cunat et al., 2020), as we find that home CEOs are associated with both lower likelihood of receiving a bid and lower takeover premiums.

4. Conclusion

In this paper, we investigate the impact of target firms' CEO home bias on the adoption of ATPs. Consistent with the notion that home CEOs have extra incentives to head firms in their home state, our findings provide robust evidence that firms with a home CEO are more inclined to adopt ATPs. Reinforcing our argument that the existence of home CEOs exacerbates agency conflicts with shareholders, we find that, in the presence of weak corporate governance firms with home CEOs adopt more ATPs. Additionally, examining further heterogeneous effects, we find that when there are higher takeover threats, home CEOs are more likely to implement ATPs. Importantly, these results remain robust even after we address endogeneity concerns and conduct a comprehensive set of robustness checks. Moreover, using the adoption of state-level poison pill laws as an exogenous shock, we find that the introduction of exogenous poison pill laws negatively influences the impact of home CEOs on ATPs, indicating that home CEOs and exogenous antitakeover legislations act as substitutes.

Furthermore, examining the implication on several M&A outcomes, we show that target firms led by a home CEO exhibit a reduced likelihood of receiving a bid or successfully completing an M&A deal. In addition, they are associated with a higher propensity to withdraw from an M&A deal. Consistent with the concept of home bias, we also demonstrate that target firms with a home CEO on their board are more likely to complete a deal with an in-state acquirer. Finally, target firms with home CEOs are associated with lower takeover premiums and target firm announcement returns.

Our study yields two important implications. First, whereas the impact on the likelihood of receiving a bid for a firm with a home CEO is analogous to the effects for any firm which adopts antitakeover provisions, it diverges from the typical outcome where firms adopting ATPs generally exhibit greater bargaining power. Specifically, we find no positive impact on acquisition premiums, aligning with recent evidence that suggests the absence of a tradeoff between price and acquisition likelihood (Cunat et al., 2020). Second, our results emphasize the substantial influence of idiosyncratic motivations of specific individuals, such as CEOs' home bias, on the adoption of antitakeover provisions and M&A activities. This underscores the importance for regulators and board members to consider the impact of CEOs' home bias-driven agency motivation on corporate decisions.

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Appendix. Variable definitions

Variable	Definition	Data Source
Panel A. Firm characteristics		
Receiving A Bid	A dummy variable that is equal to one if the firm receives at least one acquisition bid in year *t+1*, and zero otherwise.	Thomson Financial SDC
Ln (Assets)	The natural log of total assets (AT).	Compustat
M/B	Market-to-book ratio, computed as market value of equity (ME) divided by book value of equity (BE).	Compustat
Net Leverage	Total long-term debt minus cash holdings (DLTT + DLC − CHE) divided by total asset (AT).	Compustat
ROA	Return on assets, computed as operating income before depreciation (EBITDA) over book value of total assets (AT).	Compustat
Cash	Cash holdings, computed as cash and short-term investments (CHE) scaled by total assets (AT).	Compustat
Tobin's Q	Tobin's Q ratio, computed as total assets (AT) minus book value of equity (SEQ) plus market value of equity (CSHO × PRCC_F), divided by total assets.	Compustat
ATPs	The total number of antitakeover provisions (based on E-index components, i.e., classified board, supermajority voting, golden parachute, poison pills, bylaws amend, and charter amend) adopted by a firm in year *t+1*, ranging from 0 to 6. Golden parachutes provision is given a negative weight.	Institutional Shareholder Services (ISS) Database
Classified Board	A dummy variable that is equal to one if a firm adopted classified board provision in year *t+1*, and zero otherwise.	Institutional Shareholder Services (ISS) Database
Supermajority Voting	A dummy variable that is equal to one if a firm adopted supermajority voting provision in year *t+1*, and zero otherwise.	Institutional Shareholder Services (ISS) Database

No Golden Parachutes	A dummy variable that is equal to one if a firm did not adopt golden parachutes provision in year *t+1*, and zero otherwise.	Institutional Shareholder Services (ISS) Database
Poison Pills	A dummy variable that is equal to one if a firm adopted poison pills provision in year *t+1*, and zero otherwise.	Institutional Shareholder Services (ISS) Database
Bylaws Amend	A dummy variable that is equal to one if a firm adopted bylaws amend provision in year *t+1*, and zero otherwise.	Institutional Shareholder Services (ISS) Database
Charter Amend	A dummy variable that is equal to one if a firm adopted charter amend provision in year *t+1*, and zero otherwise.	Institutional Shareholder Services (ISS) Database
CEO is Chairman	A dummy variable that is equal to one if the CEO is also the chairman, and zero otherwise.	ExecuComp
% of Institutional Ownership	The proportion of shares owned by institutional shareholders. We use the “low % of institutional ownership” which is a dummy variable that takes the value of one if the proportion of institutional ownership is lower than the sample median in a given year, and zero otherwise.	Institutional Shareholder Services (ISS) Database
% of Independent Directors	The proportion of independent directors in the board. We use the “low % of independent directors” which is a dummy variable that takes the value of one if the proportion of independent directors in the board is lower than the sample median in a given year, and zero otherwise.	BoardEx
Hostile Takeover Index	An index developed Cain et al. (2017) to measure firm-level hostile takeover threats. In our study, we also use *High Hostile Index*, which is a dummy variable that is equal to one if the Hostile Takeover Index of a firm is greater than the sample median, and zero otherwise.	Cain et al. (2017)
Hostile_Dummy_1yr	A dummy variable that is equal to one if at least one peer firm in the same industry (SIC four-digit) received hostile takeover bids in the previous year, and zero otherwise.	Thomson Financial SDC

Panel B. Deal characteristic		
Takeover Premium	The difference between the offer price and the target firm's stock price four weeks before the acquisition announcement divided by the latter. The values are limited between 0% and 200%.	Thomson Financial SDC
Withdrawn Deal	A dummy variable that is equal to one if the deal announced in year *t+1* was eventually withdrawn afterwards, and zero otherwise.	Thomson Financial SDC
Completed Deal	A dummy variable that is equal to one if the deal announced in year *t+1* was successfully completed afterwards, and zero otherwise.	Thomson Financial SDC
Completed In-State Deal	A dummy variable that is equal to one if an in-state deal announced in year *t+1* was successfully completed afterwards, and zero otherwise. An in-state deal means the acquirer headquartered in the same state as the target firm.	Thomson Financial SDC
Tender	A dummy variable that is equal to one for deals defined as tender offers, and zero otherwise.	Thomson Financial SDC
Hostile	A dummy variable that is equal to one for deals classified as hostile or unsolicited, and zero otherwise.	Thomson Financial SDC
All Cash	A dummy variable that is equal to one for deals where the method of payment is 100% cash, and zero otherwise.	Thomson Financial SDC
All Stock	A dummy variable that is equal to one for deals where the method of payment is 100% stocks, and zero otherwise.	Thomson Financial SDC
Diversifying	A dummy variable that is equal to one if the 3-digit SIC industry code of the target firm is different from the 3-digit SIC code of the acquire firm.	Thomson Financial SDC

Panel C. Independent variable of interest		
Home CEO	A dummy variable that is equal to one if the home state of a CEO matches the state in which the firm is headquartered, and zero otherwise.	Yonker (2017a); Marquis Who's Who, Standard and Poor's Register of Directors and Executives, Lexis-Nexis, NNDB.com, or Google searches
Home CEO (<100 miles)	A dummy variable that is equal to one if the distance between CEO's home county and firms' headquarters county is less than 100 miles, and zero otherwise.	Marquis Who's Who, Standard and Poor's Register of Directors and Executives, Lexis-Nexis, NNDB.com, or Google searches

Panel D. Industry and state characteristics		
High Herfindahl	Herfindahl index is the sum of squares of the market shares of all firms with the same three-digit SIC code in a given year, where the market share is defined as sales of the firm divided by the sum of the sales in the industry. In this paper, we use the "*high Herfindahl*", which is a dummy variable that is equal to one if the Herfindahl index of a target firm is above the industry median in a given year, and zero otherwise.	Compustat
M&A Liquidity	The sum of deal values in a given year and three-digit SIC code, divided by the sum of total assets of all firms in Compustat database with the same 3-digit SIC code.	Compustat
State Population	State-level annual population.	US Census Bureau

State Unemployment	State-level annual unemployment rate.	US Bureau of Labor Statistics
Clear Days	The average percentage of clear days per year in the target firms' headquarters state.	US NOAA
Poison Pill Law	A dummy variable that is equal to one if the state in which the firm is incorporated has adopted strong poison pill law in a given year, and zero otherwise.	Cain et al. (2017) and Tsang et al. (2022)

Table 1. Summary statistics

This table presents summary statistics for a sample of US publicly listed firms with available data on CEO birth state over the period 1992-2018, and for a sample of US domestic acquisitions with public targets announced over the period 1993-2019. We report the mean, median, first quartile, third quartile, standard deviation, and number of observations for the home CEO sample (Panels A and B), and for the M&A sample (Panels C, D, and E). The definitions of all variables are provided in the appendix.

Panel A. Home CEO sample

	N	Mean	St. Dev	Min	Median	Max
Home CEO	21,517	0.304	0.460	0	0	1
Receiving A Bid	21,517	0.034	0.181	0	0	1
Ln (Assets)	21,517	7.516	1.511	-2.056	7.381	11.159
M/B	21,517	3.233	4.893	-25.862	2.390	37.910
Net Leverage	21,517	0.084	0.288	-0.935	0.117	2.864
ROA	21,517	0.144	0.112	-4.994	0.141	0.441
Cash	21,517	0.142	0.159	0	0.081	0.952
Tobin's Q	21,517	2.064	1.471	0.469	1.644	53.886
High Herfindahl	21,517	0.738	0.440	0	1	1
M&A Liquidity	21,517	0.093	0.154	0	0.043	0.923
State Population (in millions)	21,517	14.315	10.807	0.519	11.212	39.250
State Unemployment (%)	21,517	6.002	1.957	2.300	5.500	13.800
ATPs	21,517	1.852	1.269	0	2	6
Classified Board	21,517	0.503	0.500	0	1	1
Supermajority Voting	21,517	0.234	0.424	0	0	0
No Golden Parachute	21,517	0.316	0.465	0	0	1
Poison Pills	21,517	0.394	0.489	0	0	1
Bylaws Amend	21,517	0.244	0.430	0	0	0
Charter Amend	21,517	0.160	0.367	0	0	0

Panel B. Home CEO sample: univariate analysis on antitakeover provisions

	Home CEOs		Non-Home CEOs		Mean Diff. (4)– (2)	t-Value
	N (1)	Mean (2)	N (3)	Mean (4)		
ATPs	6,546	1.930	14,971	1.817	0.112	5.974***
Classified Board	6,546	0.527	14,971	0.492	0.035	4.711***
Supermajority Voting	6,546	0.249	14,971	0.228	0.021	3.349***
No Golden Parachute	6,546	0.382	14,971	0.287	0.095	13.901***
Poison Pills	6,546	0.368	14,971	0.406	-0.037	-5.171***
Bylaws Amend	6,546	0.243	14,971	0.245	-0.002	-0.276
Charter Amend	6,546	0.160	14,971	0.160	0	0.026

Panel C. M&A sample: target firms

	N	Mean	St. Dev	Min	Median	Max
Home CEO	1,188	0.238	0.426	0	0	0
Ln (Assets)	1,188	7.008	1.518	2.342	6.888	11.159
M/B	1,188	3.341	5.566	-24.809	2.342	38.517
Net Leverage	1,188	0.082	0.309	-0.787	0.117	1.398
ROA	1,188	0.017	0.147	-1.550	0.043	0.360
Cash	1,188	0.155	0.173	0	0.088	0.840
Tobin's Q	1,188	1.910	1.394	0.503	1.543	23.077
High Herfindahl	1,188	0.653	0.476	0	1	1
M&A Liquidity	1,188	0.116	0.169	0	0.134	14.326
CAR (-1,1)	1,188	0.204	0.219	-0.914	0.182	2.503

Panel D. M&A sample: acquiring firms

	N	Mean	St. Dev	Min	Median	Max
Ln (Assets)	760	8.612	1.637	1.868	8.649	11.159
M/B	760	4.425	5.914	-24.809	3.235	38.517
Net Leverage	760	0.108	0.268	-0.725	0.133	1.052
ROA	760	0.149	0.108	-1.520	0.147	0.441
Cash	760	0.136	0.155	0	0.076	0.802
Tobin's Q	760	2.412	2.722	0.603	1.819	53.886
CAR (-1,1)	760	0.002	0.037	-0.141	0.001	0.264

Panel E. M&A sample: deal characteristics

	N	Mean	St. Dev	Min	Median	Max
Takeover Premium	1,188	0.446	0.424	0	0.338	2
Tender	1,188	0.218	0.413	0	0	0
Hostile	1,188	0.044	0.205	0	0	0
All Cash	1,188	0.468	0.499	0	0	1
All Stock	1,188	0.194	0.395	0	0	0
Diversifying	1,188	0.631	0.483	0	1	1

Table 2. Home CEOs and antitakeover provisions

This table presents the results for the effect of home CEOs on the adoption of antitakeover provisions over the period between 1992 and 2018 for a sample of US publicly listed firms. We perform linear probability models (LPM). The main dependent variable, *ATPs*, is the total number of antitakeover provisions adopted by a firm in year *t+1*, ranging from 0 to 6. *Classified Board*, *Supermajority Voting*, *Poison Pills*, *Bylaws Amend*, and *Charter Amends* are dummy variables that are equal to one if each individual provision is adopted in year *t+1*, and zero otherwise. *No Golden Parachute* is a dummy variable that is equal to one if a firm did not adopt golden parachutes provision in year *t+1*, and zero otherwise. *Home CEO* is a dummy variable that is equal to one if the home state of a CEO matches the firm's headquarters state, and zero otherwise. The definitions of all variables are provided in the Appendix. All control variables are lagged by one year. Industry, firm, year, headquarters' state, and CEO birth state fixed effects, whose coefficients are suppressed, are based on Fama-French 48 industries classification, firm dummies, calendar year dummies, headquarters' state dummies, and CEO birth state dummies, respectively. The *t*-statistics reported in parentheses are based on standard errors adjusted for heteroscedasticity and clustered at the state-year level. The symbols ***, ** and * indicate statistical significance at the 1%, 5%, and 10% levels, respectively.

	ATPs	**ATPs**	**Classified Board**	**Super. Voting**	**No Golden Parachute**	**Charter Amend**	**Poison Pills**	**Bylaws Amend**
	(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**(7)**	**(8)**
Home CEO	0.092***	0.050**	0.008**	0.028***	0.010**	0.025***	-0.018*	-0.002
	(5.084)	(2.368)	(2.049)	(3.462)	(2.094)	(3.617)	(-1.858)	(-0.313)
Ln (Assets)	-0.037***	0.036**	0.030***	0.005	-0.016**	0.009*	0.009	-0.001
	(-4.966)	(2.112)	(5.910)	(0.836)	(-2.332)	(1.818)	(1.375)	(-0.176)
M/B	-0.003*	-0.001	-0.000	-0.001*	0.000	-0.000	-0.000	0.000
	(-1.662)	(-0.932)	(-0.359)	(-1.708)	(0.039)	(-0.698)	(-0.819)	(0.609)
Net Leverage	-0.175***	-0.168***	-0.021	-0.044**	-0.022	-0.070***	-0.032	0.021
	(-3.761)	(-3.085)	(-1.243)	(-2.424)	(-0.937)	(-4.305)	(-1.302)	(1.064)
ROA	0.248***	-0.211***	-0.041*	-0.010	-0.003	-0.079**	-0.051	-0.028
	(3.480)	(-2.738)	(-1.800)	(-0.374)	(-0.068)	(-2.379)	(-1.433)	(-1.003)
Cash	-0.274***	-0.389***	-0.121***	-0.076**	0.021	-0.075***	-0.147***	0.009
	(-3.294)	(-4.056)	(-4.109)	(-2.382)	(0.537)	(-2.674)	(-3.562)	(0.272)
Tobin's Q	0.003	0.026***	0.008***	0.004**	0.006*	0.009***	-0.006**	0.005*
	(0.481)	(3.992)	(4.070)	(2.039)	(1.943)	(3.874)	(-2.210)	(1.901)
High Herfindahl	-0.026	-0.019	0.001	-0.003	-0.046***	-0.005	0.014	0.019**
	(-1.149)	(-0.827)	(0.147)	(-0.360)	(-4.424)	(-0.685)	(1.327)	(2.156)
M&A Liquidity	0.006	-0.015	0.008	-0.021	0.014	-0.010	0.002	-0.009
	(0.112)	(-0.383)	(0.613)	(-1.441)	(0.724)	(-0.716)	(0.130)	(-0.568)
State Population	-0.062***	-0.094***	-0.013***	-0.009***	-0.009***	-0.023***	-0.019***	-0.022***
	(-10.602)	(-11.949)	(-4.987)	(-3.290)	(-2.689)	(-7.132)	(-5.845)	(-8.044)
State Unemployment	-0.036***	-0.018*	0.004	-0.008*	-0.005	-0.014***	0.012***	-0.007*
	(-3.869)	(-1.934)	(1.458)	(-1.837)	(-1.431)	(-3.291)	(3.190)	(-1.917)
Industry FEs	Yes	No	No	No	No	No	No	No
Firm FEs	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year FEs	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Target HQ State FEs	Yes	No	No	No	No	No	No	No
Birth State FEs	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	21,517	21,517	21,517	21,517	21,517	21,517	21,517	21,517
Adjusted R^2	0.200	0.672	0.788	0.601	0.596	0.590	0.645	0.587

Table 3. Evidence from involuntary CEO changes

This table presents the results for the effect of involuntary CEO changes on changes of antitakeover provisions over the period between 2000 and 2018 for a sample of S&P 1500 firms. Involuntary CEO changes are defined as departures due to death, illness, and dismissal for performance or personal issues (Gentry et al., 2021). *Home CEO* is a dummy variable that is equal to one if the home state of a CEO matches the firm's headquarters state, and zero otherwise. The main independent variables of interest are three dummy variables that are equal to one if the involuntary CEO change belongs to a specific classification, i.e., *From Non-Home CEO to Home CEO*, *From Home CEO to Non-Home CEO*, and *From Home CEO to Home CEO*, and zero otherwise. The dependent variables are *ATPs (t-1, t+1)*, *ATPs(t-1, t+3)* and *ATPs (t-1, t+2)*, which are the changes of antitakeover provisions from year *t*-1 to year *t*+1, *t*+2, or t+3, where year *t* is the year of CEO change. The definitions of all variables are provided in the Appendix. All control variables are lagged by one year. Industry, year, headquarters state, and CEO birth state fixed effects, whose coefficients are suppressed, are based on Fama-French 48 industries classification, calendar year dummies, headquaters' state dummies, and CEO birth state dummies, respectively. The *t*-statistics reported in parentheses are based on standard errors adjusted for heteroscedasticity and clustered at the state-year level. The symbols ***, ** and * indicate statistical significance at the 1%, 5%, and 10% levels, respectively.

	ATPs (*t*-1, *t*+1) **(1)**	**ATPs (*t*-1, *t*+2)** **(2)**	**ATPs (*t*-1, *t*+3)** **(3)**
From Non-Home CEO to Home CEO (N= 74)	0.077*	0.091***	0.103**
	(1.946)	(2.853)	(2.533)
From Home CEO to Non-Home CEO (N= 75)	-0.063	-0.055**	-0.049**
	(-0.356)	(-2.152)	(-2.194)
From Home CEO to Home CEO (N= 32)	0.141	0.356	-0.160
	(0.572)	(0.689)	(-0.395)
Ln (Assets)	-0.003	-0.051	-0.089
	(-0.064)	(-0.425)	(-1.041)
M/B	-0.002	0.017	0.008
	(-0.248)	(1.044)	(0.683)
Net Leverage	0.057	-1.904	-0.540
	(0.144)	(-1.679)	(-0.880)
ROA	1.094**	2.312	1.480
	(2.383)	(1.109)	(0.976)
Cash	-0.709	-2.449*	-1.064*
	(-0.932)	(-1.890)	(-1.710)
Tobin's Q	0.060	-0.030	-0.044
	(0.960)	(-0.192)	(-0.412)
High Herfindahl	-0.179	-0.378	-0.116
	(-1.247)	(-1.122)	(-0.463)
M&A Liquidity	-0.748*	-0.995	-0.653
	(-1.956)	(-0.981)	(-1.033)
State Population	0.001	0.034*	0.002**
	(0.069)	(1.845)	(2.135)
State Unemployment	-0.030	-0.223	0.053
	(-0.417)	(-1.127)	(0.453)
Industry FEs	Yes	Yes	Yes
Year FEs	Yes	Yes	Yes
Target HQ State FEs	Yes	Yes	Yes
Birth States FEs	Yes	Yes	Yes
Observations	280	247	213
Adjusted R^2	0.468	0.312	0.477

Table 4. The role of corporate governance

This table replicates the regression results for the impact on ATPs after interacting home CEOs with three proxies of weak corporate governance: (i) *CEO is Chairman*, a dummy variable that is equal to one if the CEO is also the chairman in a given year, and zero otherwise; (ii) *Low % of Institutional Ownership*, which is a dummy variable that is equal to one if the percentage of shares held by institutions of a firm is lower than the industry median, and zero otherwise; and (iii) *Low % of Independent Directors*, which is a dummy variable that is equal to one if the percentage of independent directors on the board of a firm is lower than the industry median, and zero otherwise. The dependent variable is *ATPs*, which is the total number of antitakeover provisions adopted by a firm in year *t+1*, ranging from 0 to 6. *Home CEO* is a dummy variable that is equal to one if the home state of a CEO matches the firm's headquarters state, and zero otherwise. The definitions of all variables are provided in the appendix. Industry, year, headquarters' state, and birth state fixed effects, whose coefficients are suppressed, are based on Fama-French 48 industries classification, calendar year dummies, headquarters' state dummies, and CEO birth state dummies, respectively. The *z*-statistics reported in parentheses are based on standard errors adjusted for heteroscedasticity and clustered at the state-year level. The symbols ***, ** and * indicate statistical significance at the 1%, 5%, and 10% levels, respectively.

	DV: ATPs		
	(1)	**(2)**	**(3)**
Home CEO	0.044***	0.102***	0.025***
	(5.284)	(4.518)	(5.187)
CEO is Chairman	-0.080**		
	(-2.440)		
Home CEO × CEO is Chairman	0.025***		
	(3.577)		
Low % of Institutional Ownership		-0.019	
		(-0.500)	
Home CEO × Low % of Institutional Ownership		0.033***	
		(6.199)	
Low % of Independent Directors			0.121
			(1.639)
Home CEO × Low % of Independent Directors			0.056*
			(1.666)
Control Variables	Yes	Yes	Yes
Industry FEs	Yes	Yes	Yes
Year FEs	Yes	Yes	Yes
Target HQ State FEs	Yes	Yes	Yes
Birth States FEs	Yes	Yes	Yes
Observations	21,517	19,244	17,590
Adjusted R^2	0.234	0.228	0.242

Table 5. The role of takeover threat

This table replicates the regression results in Table 2 after interacting home CEOs with takeover threat measures. We use three proxies of takeover threat: (i) *Hostile Takeover Index* constructed by Cain, McKeon, and Solomon (2017); (ii) *High Hostile Index*, which is a dummy variable that is equal to one if the *Hostile Takeover Index* of a firm is greater than the sample median, and zero otherwise (Tsang, Yang, and Zheng, 2022); and (iii) *Hostile_Dummy_1yr*, which is a dummy variable that is equal to one if at least one peer firm in the same industry (SIC four-digit) received hostile takeover bids in the previous year, zero otherwise (Servaes and Tamayo, 2014). The dependent variable is *ATPs*, which is the total number of antitakeover provisions adopted by a firm in year *t+1*, ranging from 0 to 6. *Home CEO* is a dummy variable that is equal to one if the home state of a CEO matches the firm's headquarters state, and zero otherwise. The definitions of all variables are provided in the Appendix. Industry, year, headquarters' state, and birth state fixed effects, whose coefficients are suppressed, are based on Fama-French 48 industries classification, calendar year dummies, headquarters' state dummies, and CEO birth state dummies, respectively. The *z*-statistics reported in parentheses are based on standard errors adjusted for heteroscedasticity and clustered at the state-year level. The symbols ***, ** and * indicate statistical significance at the 1%, 5%, and 10% levels, respectively.

	DV: ATPs		
	(1)	**(2)**	**(3)**
Home CEO	0.008**	0.078***	0.069***
	(2.211)	(3.952)	(3.402)
Hostile Takeover Index	-0.425***		
	(-3.115)		
Home CEO × Hostile Takeover Index	0.485**		
	(2.428)		
High Hostile Index		-0.024	
		(-0.698)	
Home CEO × High Hostile Index		0.037***	
		(2.631)	
Hostile_Dummy_1yr			-0.064**
			(-2.207)
Home CEO × Hostile_Dummy_1yr			0.062**
			(2.326)
Controls Variables	Yes	Yes	Yes
Industry FEs	Yes	Yes	Yes
Year FEs	Yes	Yes	Yes
Target HQ State FEs	Yes	Yes	Yes
Birth States FEs	Yes	Yes	Yes
Observations	18,656	18,656	18,656
Adjusted R^2	0.187	0.189	0.182

Table 6. Controlling for endogeneity

This table presents the results of propensity score matching (PSM) and two-stage least squares (2SLS) with an instrumental variable for the effect of home CEOs on antitakeover provisions. In the PSM analysis, the treatment group includes firms managed by home CEOs during 1992-2018 while the control group includes firms managed by non-home CEOs. We use 1-to-1 nearest neighbor propensity score matching, of which the propensity score is calculated based on control variables in Table 2. We also exactly match fiscal year and Fama-French 48 industry code. The dependent variable is *ATPs*, which represents the total number of antitakeover provisions adopted by a firm in year *t+1*, ranging from 0 to 6. Specification (1) of Panel A presents the replication result of Table 2 with the matched sample. In the 2SLS analysis, specification (2) presents the first-stage regression estimates, where the dependent variable is *Home CEO* and the instrumental variable is *Clear Days*, which is the average percentage of clear days per year in the state of the firm's headquarters. Specification (3) reports second-stage regression estimates, where the dependent variable is *ATPs* and the independent variable is the instrumented *Home CEO*. The definitions of all variables are provided in the Appendix. All control variables are lagged by one year. Industry, year, headquarters' state, and CEO birth state fixed effects, whose coefficients are suppressed, are based on Fama-French 48 industries classification, calendar year dummies, headquarters' state dummies, and CEO birth state dummies respectively. The *t*-statistics reported in parentheses are based on standard errors adjusted for heteroscedasticity and clustered at the state-year level. The symbols ***, ** and * indicate statistical significance at the 1%, 5%, and 10% levels, respectively.

DV: ATPs	**PSM**	***2SLS***	
		First Stage	**Second Stage**
	(1)	**(2)**	**(3)**
Home CEO	0.074***		0.314***
	(3.366)		(2.804)
Clear Days		-0.003***	
		(-15.897)	
Ln (Assets)	-0.030***	-0.036***	-0.023***
	(-3.269)	(-5.060)	(-10.927)
M/B	-0.004	-0.002	-0.002***
	(-1.255)	(-0.977)	(-2.581)
Net Leverage	-0.238***	-0.137**	-0.036
	(-3.913)	(-3.001)	(-1.916)
ROA	-0.039	0.184***	0.113***
	(-0.312)	(3.686)	(5.202)
Cash	-0.403***	-0.266***	-0.037
	(-3.541)	(-3.262)	(-1.094)
Tobin's Q	0.006	0.006	0.006***
	(0.485)	(0.926)	(2.611)
High Herfindahl	-0.050*	-0.042	0.028***
	(-1.736)	(-1.854)	(3.213)
M&A Liquidity	-0.002	0.014	0.001
	(-0.025)	(0.266)	(0.040)
State Population	-0.074***	-0.006***	0.005***
	(-10.122)	(-6.930)	(6.738)
State Unemployment	-0.045***	-0.020	0.007
	(-3.583)	(-1.944)	(1.427)
Industry FEs and Year FEs	Yes	Yes	Yes
Target HQ State and Birth State FEs	Yes	No	No
Efficient F-Statistics		252.702	
LIML size of nominal 10%		23.109	
Observations	12,684	21,517	21,517
Adjusted R^2	0.207	0.160	0.178

Table 7. Stacked difference-in-difference (DID) test for the adoption of state-level poison pill laws on the relationship between home CEOs and ATPs

Panel A of this table reports the regression results for the effect of Poison Pill laws on the relationship between home CEOs and ATPs using a stacked difference-in-differences (DiD) model. The dependent variable, *Home CEO*, is a dummy variable that is equal to one if the home state of a firm's CEO matches the firm's headquarters state, and zero otherwise. *Poison Pill Law* is a dummy variable that is equal to one if the state in which the firm is incorporated has adopted strong poison pill law in year *t*, and zero otherwise. We identify 11 events of state-level adoption of poison laws (i.e., cohorts) and set the estimation window to be seven years (i.e., from *t*-3 to *t*+3). Panel B reports the results of the parallel trends analysis. *PP_t-3*, *PP_t-2*, and *PP_t-1* are dummy variables equal to one if the observation is three years, two years, or one year before the state's adoption of strong Poison Pill statutes or cases, respectively, and zero otherwise. *PP_t* is a dummy variable that is equal to one if the observation is in the year of the state's adoption of strong poison pill statutes or cases, and zero otherwise. *PP_t+1*, *PP_t+2*, and *PP_t+3* are dummy variables equal to one if the observation is one, two, or three years after the state's adoption of strong poison pill statutes or cases, respectively, and zero otherwise. The definitions of all variables are provided in the Appendix. All control variables are lagged by one year. Firm × cohort and year × cohort fixed effects, whose coefficients are suppressed, are based on firm IDs, cohort dummies, and calendar year dummies, respectively. The *t*-statistics reported in parentheses are based on standard errors adjusted for heteroscedasticity and clustered at the state-year level. The symbols ***, ** and * indicate statistical significance at the 1%, 5%, and 10% levels, respectively.

Panel A. Stacked difference-in-differences (DiD) tests

	DV: ATPs	
	(1)	**(2)**
Post-Law	0.356***	0.382***
	(3.103)	(3.329)
Home CEO	0.075**	0.086**
	(2.138)	(2.302)
Post-Law × Home CEO		-0.082***
		(-2.869)
Ln (Assets)	-0.056*	-0.056*
	(-1.938)	(-1.932)
M/B	-0.006*	-0.006*
	(-1.725)	(-1.732)
Net Leverage	-0.197	-0.196
	(-1.512)	(-1.510)
ROA	-0.213	-0.214
	(-1.377)	(-1.375)
Cash	-0.058	-0.057
	(-0.373)	(-0.367)
Tobin's Q	-0.004	-0.005
	(-0.487)	(-0.517)
High Herfindahl	-0.126**	-0.126**
	(-2.325)	(-2.313)
M&A Liquidity	-0.047	-0.047
	(-0.622)	(-0.618)
State Population	-0.145***	-0.145***
	(-7.217)	(-7.224)
State Unemployment	-0.070*	-0.070*
Firm × Cohort Fixed Effects	Yes	Yes
Year × Cohort Fixed Effects	Yes	Yes
Observations	7,817	7,817
Adjusted R^2	0.672	0.672

Panel B. Parallel trends analysis

	Home CEO **(1)**
PP_*t*-3 × Home CEO	0.060
	(0.573)
PP_*t*-2× Home CEO	0.026
	(0.118)
PP_*t*-1× Home CEO	0.084
	(1.029)
PP_*t* × Home CEO	-0.011
	(-1.274)
PP_*t*+1 × Home CEO	-0.034***
	(-2.737)
PP_*t*+2 × Home CEO	-0.035**
	(-2.391)
PP_*t*+3 × Home CEO	-0.057***
	(-3.231)
Control Variables	Yes
Firm × Cohort Fixed Effects	Yes
Year × Cohort Fixed Effects	Yes
Observations	7,815
Adjusted R^2	0.733

Table 8. Implications for the impact of home CEOs on ATPs: Acquisition likelihood, withdrawn deals, completed deals, and in-state deals

This table presents the results for the impact of home CEOs in target firms on the probability of receiving a bid, withdrawing from an M&A deal, completing an M&A deal, and conducting an in-state deal over the period between 1992 and 2018 for a sample of US publicly listed firms that received a bid. The dependent variable in specifications (1) and (2) is *Receiving A Bid*, which is a dummy variable that is equal to one if the firm receives at least one acquisition bid in year *t+1*, and zero otherwise. The dependent variable in specifications (3) and (4) is *Withdrawn Deal*, which is a dummy variable that is equal to one if the deal announced in year *t+1* was eventually withdrawn afterwards, and zero otherwise. The dependent variable in specifications (5) and (6) is *Completed Deal*, a dummy variable that is equal to one if the deal announced in year *t+1* was successfully completed afterwards, and zero otherwise. The dependent variable in specifications (7) and (8) is *Completed In-State Deal*, which is a dummy variable that is equal to one if an in-state deal was announced in year *t+1* and successfully completed afterwards, and zero otherwise. An in-state deal means that the acquirer is headquartered in the same state as the target firm. Specifications (1), (3), (5), and (7) present estimates of probit models and specifications (2), (4), (6), and (8) present estimates of linear probability models (LPM). *Home CEO* is a dummy variable that is equal to one if the home state of a CEO matches the firm's headquarters state, and zero otherwise. All control variables are lagged by one year and are the same as the ones used in Table 2. Industry, year, headquarters' state, and birth state fixed effects, whose coefficients are suppressed, are based on Fama-French 48 industries classification, calendar year dummies, headquarters' state dummies, and CEO birth state dummies, respectively. The *z*-statistics and *t*-statistics reported in parentheses are based on standard errors adjusted for heteroscedasticity and clustered at the state-year level. The symbols ***, ** and * indicate statistical significance at the 1%, 5%, and 10% levels, respectively.

	DV: Receiving a Bid		***DV: Withdrawn Deal***		***DV: Completed Deal***		***DV: Completed In-State Deal***	
	Probit	**LPM**	**Probit**	**LPM**	**Probit**	**LPM**	**Probit**	**LPM**
	(1)	**(2)**	**(3)**	**(4)**	**(5)**	**(6)**	**(7)**	**(8)**
Home CEO	-0.016***	-0.014***	0.088***	0.085***	-0.086***	-0.076**	0.051*	0.030*
	(-4.959)	(-4.666)	(3.147)	(2.658)	(-2.854)	(-2.255)	(1.845)	(1.843)
Control Variables of Table 2	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Industry FEs	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year FEs	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Target HQ State FEs	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Birth States FEs	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	29,293	29,346	1,165	1,386	1,321	1,386	1,108	1,386
(Pseudo R^2) / Adjusted R^2	(0.104)	0.021	(0.105)	0.131	(0.165)	0.154	(0.184)	0.180

Table 9. Implications for the impact of home CEOs on ATPs: Takeover premium and target firm CAR

This table reports OLS regressions for the effect of home CEOs in target firms on the acquisition premium and target CARs. In specifications (1) and (2), the dependent variable is the 4-week offer premium reported by SDC, which is calculated as the difference between the offer price and the target firm's stock price four weeks before the acquisition announcement divided by the latter. The dependent variable in specification (3) is the target firm's market adjusted cumulative abnormal return (CAR) over a 3-day event window (-1, +1) around the acquisition announcement. The CRSP value–weighted market index return is used to calculate abnormal returns. The definitions of all variables are provided in the Appendix. Industry, year, headquarters' state, and birth state fixed effects, whose coefficients are suppressed, are based on Fama-French 48 industries classification, calendar year dummies, headquarters' state dummies, and CEO birth state dummies respectively. *t*-statistics reported in parentheses are based on standard errors adjusted for heteroscedasticity and clustered at the state-year level. The symbols ***, ** and * indicate statistical significance at the 1%, 5%, and 10% levels, respectively.

	Takeover Premium (1)	**Takeover Premium (2)**	**Target CAR (-1,1) (3)**
Home CEO	-0.053**	-0.081*	-0.036***
	(-2.134)	(-1.843)	(-2.617)
Ln (Assets)	-0.024**	-0.028*	-0.015***
	(-2.537)	(-1.882)	(-3.659)
M/B	-0.004	-0.005**	-0.002
	(-1.467)	(-2.507)	(-1.425)
Net Leverage	0.244***	0.112	0.003
	(3.518)	(1.168)	(0.098)
ROA	-0.646***	-0.625***	-0.062
	(-4.586)	(-5.553)	(-0.640)
Cash	0.332***	0.227	0.031
	(2.931)	(1.582)	(0.464)
Tobin's Q	0.022	0.010	-0.007
	(1.671)	(0.744)	(-1.412)
High Herfindahl	0.029	0.090***	0.039**
	(1.192)	(3.702)	(2.051)
M&A Liquidity	0.020	0.086	-0.048
	(0.277)	(1.073)	(-1.265)
Bidder Characteristics			
Ln (Assets)		0.017	
		(1.062)	
M/B		-0.002	
		(-0.802)	
Net Leverage		0.221*	
		(1.684)	
ROA		0.001	
		(0.009)	
Cash		0.082	
		(0.421)	
Tobin's Q		0.018***	
		(2.806)	
Deal Characteristics			
Tender	0.000	0.014	0.076***
	(0.013)	(0.374)	(3.757)
Hostile	0.022	0.024	0.022
	(0.404)	(0.362)	(0.758)
All Cash	-0.093**	-0.033	0.068***
	(-2.270)	(-0.678)	(3.504)
All Stock	-0.143***	-0.091***	-0.020
	(-4.779)	(-3.279)	(-0.923)
Diversifying	0.071***	0.021	-0.037**
	(3.312)	(0.715)	(-2.270)
In-State Deal	-0.009	0.058*	0.012
	(-0.381)	(1.900)	(0.669)
State Characteristics			
State Population	0.035**	0.028***	0.005
	(2.427)	(2.802)	(1.132)
State Unemployment	0.013	0.028	0.008
	(0.724)	(1.311)	(0.713)
Industry FEs	Yes	Yes	Yes
Year FEs	Yes	Yes	Yes
Target HQ State FEs	Yes	Yes	Yes
Birth State FEs	Yes	Yes	Yes
Observations	1,188	788	1,188
Adjusted R^2	0.308	0.382	0.256

Online Appendix

Table A1. Home CEOs and antitakeover provisions: Probit model

This table presents the probit model results for the effect of home CEOs on the adoption of antitakeover provisions over the period between 1992 and 2018 for a sample of US publicly listed firms after performing probit regressions. The main dependent variables, *Classified Board*, *Supermajority Voting*, *Poison Pills*, *Bylaws Amend*, and *Charter Amends*, are dummy variables that are equal to one if each individual provision is adopted in year *t+1*, and zero otherwise. *No Golden Parachute* is dummy variable that is equal to one if a firm did not adopt golden parachutes provision in year *t+1*, and zero otherwise. *Home CEO* is a dummy variable that is equal to one if the home state of a CEO matches the firm's headquarters state, and zero otherwise. The definitions of all variables are provided in the Appendix. All control variables are lagged by one year. Industry, year, headquarters' state, and CEO birth state fixed effects, whose coefficients are suppressed, are based on Fama-French 48 industries classification, calendar year dummies, headquarters' state dummies, and CEO birth state dummies, respectively. The z-statistics reported in parentheses are based on standard errors adjusted for heteroscedasticity and clustered at the state-year level. The symbols ***, ** and * indicate statistical significance at the 1%, 5%, and 10% levels, respectively.

	Classified Board (1)	**Supermajority Voting (2)**	**No Golden Parachute (3)**	**Poison Pills (4)**	**Bylaws Amend (5)**	**Charter Amend (6)**
Home CEO	0.021***	0.023***	0.098***	-0.047***	-0.003	-0.002
	(3.011)	(4.377)	(13.641)	(-6.597)	(-0.475)	(-0.320)
Ln (Assets)	-0.024***	-0.011***	0.017***	-0.007***	-0.008***	-0.007***
	(-7.228)	(-5.555)	(6.354)	(-2.848)	(-4.035)	(-4.108)
M/B	0.000	-0.001**	-0.001	0.000	-0.000	-0.001
	(0.016)	(-2.184)	(-0.870)	(0.644)	(-0.696)	(-1.271)
Net Leverage	-0.063***	-0.029**	-0.203***	0.099***	0.018	0.004
	(-3.461)	(-2.042)	(-11.636)	(5.894)	(1.079)	(0.345)
ROA	0.051	0.062*	0.081**	-0.032	0.068**	0.051**
	(1.426)	(1.823)	(2.529)	(-1.106)	(2.186)	(2.518)
Cash	-0.094***	-0.112***	-0.051	0.024	-0.051	-0.027
	(-2.693)	(-3.794)	(-1.554)	(0.698)	(-1.641)	(-1.143)
Tobin's Q	-0.009***	0.001	0.020***	-0.017***	0.000	0.003
	(-2.815)	(0.669)	(7.147)	(-5.856)	(0.089)	(1.609)
High Herfindahl	-0.005	0.025***	-0.037***	-0.001	0.011	-0.014**
	(-0.484)	(3.142)	(-4.180)	(-0.132)	(1.345)	(-2.009)
M&A Liquidity	0.008	-0.012	-0.033	0.001	0.019	0.040**
	(0.344)	(-0.672)	(-1.585)	(0.048)	(0.922)	(2.545)
State Population	-0.007**	-0.002	-0.007***	-0.005*	-0.017***	-0.005***
	(-2.471)	(-1.274)	(-2.583)	(-1.784)	(-8.644)	(-3.240)
State Unemployment	0.001	-0.012***	-0.002	0.006	-0.012***	-0.008***
	(0.243)	(-3.493)	(-0.523)	(1.611)	(-3.056)	(-3.535)
Industry FEs	Yes	Yes	Yes	Yes	Yes	Yes
Year FEs	Yes	Yes	Yes	Yes	Yes	Yes
Target HQ State FEs	Yes	Yes	Yes	Yes	Yes	Yes
Birth State FEs	Yes	Yes	Yes	Yes	Yes	Yes
Observations	21,483	21,484	21,485	21,499	21,441	21,406
Pseudo R^2	0.135	0.320	0.187	0.279	0.111	0.213

Table A2. Summary statistics for unmatched sample and matched sample used in the PSM analysis

This table presents the results for the difference-in-means of control variables between the home CEOs and non-home CEOs subsamples together with the corresponding *t*-statistics before and after the matching used in the propensity score matching (PSM) analysis of Table 6. We match each home CEO observation with a non-home CEO observation using the nearest neighbor (i.e., one-to-one matching) with replacement subject to caliper (i.e., maximum difference in propensity score) of 0.05. The propensity score is a function of observable characteristics used in Equation (1). The definitions of all variables are provided in the appendix. ***, **, and * represent significance at the 1%, 5%, and 10% levels, respectively.

	Home CEO	Non-Home CEO	Difference	T-statistics
Panel A. Before PSM				
Ln (Assets)	7.161	7.344	-0.183	-8.944***
M/B	3.193	3.394	-0.201	-2.952***
Net Leverage	0.074	0.085	-0.011	-2.643***
ROA	0.043	0.024	0.019	7.235***
Cash	0.145	0.152	-0.007	-3.385***
Tobin's Q	2.080	2.112	-0.031	-1.351
High Herfindahl	0.747	0.708	0.039	6.742***
M&A Liquidity	0.526	0.534	-0.008	-0.374
State Population	14.593	14.247	0.346	2.512**
State Unemployment	5.922	5.892	0.030	1.251
Panel B. After PSM				
Ln (Assets)	7.161	7.166	-0.005	-0.540
M/B	3.193	3.187	0.006	0.438
Net Leverage	0.074	0.077	-0.003	-0.278
ROA	0.043	0.042	0.001	1.358
Cash	0.145	0.144	0.001	0.295
Tobin's Q	2.080	2.065	0.015	0.014
High Herfindahl	0.747	0.753	-0.006	-0.787
M&A Liquidity	0.536	0.544	-0.007	-0.500
State Population	14.593	14.660	-0.067	-0.265
State Unemployment	5.922	5.932	-0.010	-0.337

Table A3. Robustness check: Alternative measure of home CEOs

This table replicates the main results in Tables 2, 8, and 9 using an alternative measure of home CEOs. The dependent variables include (1) *ATPs*, the total number of antitakeover provisions adopted by a firm in year *t+1*, ranging from 0 to 6; (2) *Receiving A Bid*, a dummy variable that is equal to one if the firm receives at least one acquisition bid in year *t+1*, and zero otherwise; (3) takeover premium, which is calculated as the difference between the offer price and the target firm's stock price four weeks before the acquisition announcement divided by the latter; and (4) target firm's market adjusted cumulative abnormal return (CAR) over a 3-day event window (-1, +1) around the acquisition announcement. The alternative measure of home CEOs, *Home CEO (<100 miles)* is a dummy variable that is equal to one if the distance between CEO's home county and the firm's headquarters county is less than 100 miles, and zero otherwise. All control variables are lagged by one year. Industry, year, headquarters' state, and birth state fixed effects, whose coefficients are suppressed, are based on Fama-French 48 industries classification, calendar year dummies, headquarters' state dummies, and CEO birth state dummies, respectively. The *z*-statistics and *t*-statistics reported in parentheses are based on standard errors adjusted for heteroscedasticity and clustered at the state-year level. The symbols ***, ** and * indicate statistical significance at the 1%, 5%, and 10% levels, respectively.

	ATPs (1)	**Receiving A Bid (2)**	**Takeover Premium (3)**	**Target CAR (-1, 1) (4)**
Home CEO (<100 miles)	0.142***	-0.175***	-0.030*	-0.023*
	(4.632)	(-2.943)	(-1.795)	(-1.821)
Controls in Table 2	Yes	No	No	No
Controls in Table 8	No	Yes	No	No
Controls in Table 9	No	No	Yes	Yes
Industry FEs	Yes	Yes	Yes	Yes
Year FEs	Yes	Yes	Yes	Yes
Target HQ State FEs	Yes	Yes	Yes	Yes
Birth State FEs	Yes	Yes	Yes	Yes
Observations	8,160	10,172	409	409
Adjusted R^2 / (Pseudo R^2)	0. 211	(0.052)	0.239	0.315

Table A4. Robustness check: Alternative measure of ATPs

This table replicates the main results in Table 2 using alternative measures of antitakeover provisions. The dependent variables include (1) *E-index* as in Bebchuk, Cohen and Ferrell (2009), (2) an index which sums eight provisions shown by Karpoff et al. (2022) to have both empirical and theoretical support regarding reducing takeover likelihood, including anti-green mail, blank check, classified board, directors' duties, fair price, no golden parachutes, supermajority vote, and unequal voting; and (3) *Delay* provisions defined by Gompers, Ishii, and Metrick (2003). *Home CEO* is a dummy variable that is equal to one if the home state of a firm's CEO matches the firm's headquarters state, and zero otherwise. All control variables are lagged by one year. Firm, year, headquarters' state, and birth state fixed effects, whose coefficients are suppressed, are based on firm IDs, calendar year dummies, headquarters' state dummies, and CEO birth state dummies, respectively. The *t*-statistics reported in parentheses are based on standard errors adjusted for heteroscedasticity and clustered at the state-year level. The symbols ***, ** and * indicate statistical significance at the 1%, 5%, and 10% levels, respectively.

	E-index	**Karpoff et al. (2022)**	**Delay**
	(1)	**(2)**	**(3)**
Home CEO	0.031**	0.042***	0.044**
	(2.403)	(2.963)	(1.992)
Controls in Table 2	Yes	Yes	Yes
Firm Fixed Effects	Yes	Yes	Yes
Year Fixed Effects	Yes	Yes	Yes
Target HQ State FEs	Yes	Yes	Yes
Birth State FEs	Yes	Yes	Yes
Observations	21,517	11,217	11,217
Adjusted R^2	0.694	0.732	0.239

Table A5. Robustness check: Control for CEO characteristics

This table presents the results for the effect of home CEOs on the adoption of antitakeover provisions over the period between 1992 and 2018 for a sample of US publicly listed firms after controlling for CEO characteristics. We perform linear probability models (LPM). The main dependent variable, *ATPs*, is the total number of antitakeover provisions adopted by a firm in year *t+1*, ranging from 0 to 6. *Classified Board*, *Supermajority Voting*, *Poison Pills*, *Bylaws Amend*, and *Charter Amends* are dummy variables that are equal to one if each individual provision is adopted in year *t+1*, and zero otherwise. *No Golden Parachute* is a dummy variable that is equal to one if a firm did not adopt golden parachutes provision in year *t+1*, and zero otherwise. *Home CEO* is a dummy variable that is equal to one if the home state of a CEO matches the firm's headquarters state, and zero otherwise. CEO characteristics including tenure, age, gender, and share ownership. All control variables are lagged by one year. Firm, year, and CEO birth state fixed effects, whose coefficients are suppressed, are based on firm dummies, calendar year dummies, and CEO birth state dummies, respectively. The *t*-statistics reported in parentheses are based on standard errors adjusted for heteroscedasticity and clustered at the state-year level. The symbols ***, ** and * indicate statistical significance at the 1%, 5%, and 10% levels, respectively.

	ATPs (2)	**Classified Board** (3)	**Super. Voting** (4)	**No Golden Parachute** (5)	**Charter Amend** (6)	**Poison Pills** (7)	**Bylaws Amend** (8)
Home CEO	0.056**	0.013***	0.021***	0.012**	0.026***	-0.020**	-0.012
	(2.452)	(2.644)	(3.600)	(2.035)	(3.451)	(-2.305)	(-1.186)
Tenure	-0.001	-0.001***	0.000	0.002***	0.000	-0.001*	-0.001
	(-0.766)	(-2.639)	(0.332)	(2.622)	(0.054)	(-1.782)	(-1.113)
CEO Age	0.004***	0.001	0.000	0.000	0.000	0.001	0.002***
	(2.802)	(1.447)	(0.763)	(0.811)	(0.353)	(1.584)	(2.956)
Female CEO	-0.040	0.046**	-0.031	-0.053**	-0.040**	-0.013	0.052**
	(-0.630)	(2.359)	(-1.542)	(-2.128)	(-2.226)	(-0.570)	(2.307)
CEO Ownership	-0.005***	-0.003***	-0.001	0.003***	0.000	0.001	-0.005***
	(-2.807)	(-4.949)	(-1.430)	(3.365)	(0.322)	(1.562)	(-9.176)
Firm FEs	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year FEs	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Birth State FEs	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	21,517	21,517	21,517	21,517	21,517	21,517	21,517
Adjusted R^2	0.670	0.785	0.596	0.598	0.592	0.584	0.644

Table A6. The role of small states

This table replicates the regression results in Tables 2 after interacting home CEOs with small state variable. *Small State* is a dummy variable that is equal to one if the location of a firm's headquarters is not in California, Texas, New York, Illinois, or Massachusetts, and zero otherwise. These five states have the highest number of headquarters for US companies covered in the Compustat database. The dependent variable is *ATPs*, which is the total number of antitakeover provisions adopted by a firm in year *t+1*, ranging from 0 to 6. *Home CEO* is a dummy variable that is equal to one if the home state of a CEO matches the firm's headquarters state, and zero otherwise. The definitions of all variables are provided in the Appendix. Industry, year, headquarters' state, and birth state fixed effects, whose coefficients are suppressed, are based on Fama-French 48 industries classification, calendar year dummies, headquarters' state dummies, and CEO birth state dummies, respectively. The *z*-statistics reported in parentheses are based on standard errors adjusted for heteroscedasticity and clustered at the state-year level. The symbols ***, ** and * indicate statistical significance at the 1%, 5%, and 10% levels, respectively.

	DV: ATPs
	(1)
Home CEO	0.076**
	(2.014)
Home CEO × Small State	0.052*
	(1.897)
Ln (Assets)	-0.046**
	(-2.758)
M/B	-0.004***
	(-2.969)
Net Leverage	-0.370***
	(-4.716)
ROA	0.274***
	(3.198)
Cash	-0.406***
	(-4.802)
Tobin's Q	-0.010
	(-1.077)
High Herfindahl	-0.112***
	(-3.153)
M&A Liquidity	-0.102
	(-1.214)
State Population	-0.099***
	(-4.308)
State Unemployment	-0.056
	(-1.253)
Industry FEs	Yes
Year FEs	Yes
Target HQ State FEs	Yes
Birth States FEs	Yes
Observations	21,517
Adjusted R^2	0.097