

The Chair of Corporate Finance and Governance organizes a research seminar in finance on

Thursday, March 7, 2024, 5:15pm-6:45pm, room C230

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**"Navigating Climate Changes:
How Do Adaptation Initiatives Affect
Corporate Debt Choice?"**

Abstract: Climate change adaptation initiatives are designed to navigate climate change. However, it is unclear how firms and creditors perceive regulatory risks and adaptation strategies associated with such initiatives. Employing the staggered introduction of state-level climate change adaptation plans as quasi-exogenous shocks, we find that initiating such plans significantly increases the reliance on private debt financing for affected firms. This effect is more pronounced among firms prone to suffer from climate risks, with more fragile fundamentals and higher information asymmetries. Our findings shed light on how climate issues determine the perceptions of various types of creditors and affect corporate decisions.

The research seminar is open to all interested persons