

ENTRY AND EXIT PATTERNS OF “TOXIC” FIRMS

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Abstract

We pair an establishment-level dataset from Texas with public information available in the Toxics Release Inventory to evaluate the standing of dirty industries in Texas census tracts. Specifically, we consider relationships between demographic, economic, and transportation factors and the number of firms that report release of toxic chemicals. We use this to inform our study of the entry and exit patterns of these firms. We find that an inverse-U-shaped relationship characterizes the number of reporting firms. Agglomeration variables and the share of nonwhite residents in a tract are statistically significant in all statewide models and suggest concern about both chemical releases being concentrated in certain tracts and also affecting nonwhite-dense areas disproportionately.

JEL Classification: Q56, R30

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Madhu Khanna, and Robert Rothschild. We want to thank the Texas Workforce Commission for providing the data. While we are not permitted to release the data directly, interested researchers can contact the Texas Workforce Commission for data requests. We are happy to provide computer programs used to our empirical models.