Supplemental Materials for Nicholas G. Rupp and Curtis R. Taylor, "Who Initiates Recalls and Who Cares? Evidence from the Automobile Industry," *The Journal of Industrial Economics*.

Appendix Table IV: Nationality of the Manufacturer in the Bivariate Probit

Variable	*Pr(Initiator)*	*Pr(WSJ Reported)*
Constant	-0.269	-0.655
	(-0.917)	(-2.532)
U.S. Big Three	-0.016	0.310
	(-0.076)	(1.799)
Ford*Vehicles recalled	0.153	0.090
	(2.864)	(1.645)
Chrysler*Vehicles recalled	0.222	0.036
	(2.767)	(0.681)
GM*Vehicles recalled	0.009	0.050
	(0.460)	(1.086)
Toyota*Vehicles recalled	0.722	-0.195
	(2.856)	(-0.989)
Honda*Vehicles recalled	-0.039	0.140
	(-0.672)	(1.609)
Nissan*Vehicles recalled	-0.005	0.078
	(-0.055)	(1.134)
High hazard	-0.443	0.087
	(-2.153)	(0.710)
Percent repaired	0.104	0.777
	(0.350)	(2.902)
Placard/Equipment recall	-0.745	–
	(-1.911)	
High bond rating	-0.443	0.051
	(-1.716)	(0.254)
Current year model	-0.928	-0.022
	(-4.597)	(-0.119)
Three+ years old model	1.107	-0.089
	(4.491)	(-0.372)
Three+ years*Vehicles recalled	0.055	0.001
	(0.957)	(0.014)
Inaugural model	0.367	0.260
	(1.865)	(1.321)
Log likelihood	-518.75	
Sample size	479	479

Note: z-statistics, in parentheses, are based on White (1980) heteroscedasticity-consistent standard errors. *Placard/Equipment recall* is omitted from the *WSJ* estimation due to a lack of *WSJ* observations.

Appendix Table V: Testing for Nonlinearities in the Bivariate Probit (n=479)

Variable	*Pr(Initiator)*	*Pr(WSJ Reported)*
Constant	-0.770	-0.218
	(-2.394)	(-0.831)
Ford	0.515	0.479
	(1.561)	(2.347)
Chrysler	0.643	-1.237
	(1.862)	(-5.080)
Toyota	0.765	-1.441
	(1.157)	(-3.995)
Honda	0.459	-0.301
	(0.945)	(-0.875)
Nissan	0.964	-0.164
	(2.235)	(-0.650)
Ford*Vehicles recalled	0.126	0.000
	(0.889)	(0.009)
Chrysler*Vehicles recalled	0.152	0.269
	(0.705)	(3.548)
GM*Vehicles recalled	0.214	0.026
	(2.804)	(0.876)
Toyota*Vehicles recalled	-2.000	0.059
	(-1.126)	(0.927)
Honda*Vehicles recalled	-0.576	0.108
	(-1.286)	(1.265)
Nissan*Vehicles recalled	-0.228	0.037
	(-0.539)	(0.803)
Ford*(Vehicles recalled)^2	0.005	–
	(0.372)	
Chrysler*(Vehicles recalled)^2	0.004	–
	(0.162)	
GM*(Vehicles recalled)^2	-0.007	–
	(-1.730)	
Toyota*(Vehicles recalled)^2	1.835	–
	(1.590)	
Honda*(Vehicles recalled)^2	0.061	–
	(1.318)	
Nissan*(Vehicles recalled)^2	0.019	–
	(0.312)	
High hazard	-0.298	0.165
	(-2.082)	(1.271)
Percent repaired	0.092	0.805
	(0.303)	(2.800)
Placard/Equipment recall	-0.661	–
	(-1.755)	
High bond rating	-0.213	0.250
	(-0.746)	(0.988)
Current year model	-0.957	-0.058
	(-4.483)	(-0.308)
Three+ years old model	1.177	-0.194
	(3.878)	(-0.871)
Three+ years*Vehicles recalled	0.020	0.015
	(0.167)	(0.533)
Inaugural model	0.319	0.481
	(1.593)	(2.152)
Log likelihood	-474.87	

Note: z-statistics, in parentheses, are based on White (1980) heteroscedasticity-consistent standard errors. *Placard/Equipment recall* is omitted from the *WSJ* estimation due to a lack of *WSJ* observations.

Appendix Table VI: Probability that the *WSJ* Reports the Recall

Model	Bivariate Probit	
Sample	All	
Variable	Coefficient	Marginal Effect
Constant	-0.209	–
	(-0.807)	
Ford	0.472	0.145
	(2.336)	
Chrysler	-1.244	-0.451
	(-5.164)	
Toyota	-1.446	-0.484
	(-4.012)	
Honda	-0.310	-0.078
	(-0.905)	
Nissan	-0.171	-0.070
	(-0.684)	
Ford*Vehicles recalled	-0.001	-0.001
	(-0.027)	
Chrysler*Vehicles recalled	0.269	0.092
	(3.532)	
GM*Vehicles recalled	0.022	0.006
	(0.927)	
Toyota*Vehicles recalled	0.059	0.016
	(0.358)	
Honda*Vehicles recalled	0.109	0.016
	(1.241)	
Nissan*Vehicles recalled	0.037	0.012
	(0.772)	
High hazard	0.165	0.055
	(1.268)	
Percent repaired	0.804	0.271
	(2.798)	
High bond rating	0.245	0.066
	(0.969)	
Current year model	-0.059	-0.017
	(-0.316)	
Three+ years old model	-0.196	-0.053
	(-0.882)	
Three+ years*Vehicles recalled	0.016	0.004
	(0.624)	
Inaugural model	0.482	0.153
	(2.152)	
Log likelihood	-480.21	
Sample size	479	

Note: z-statistics, in parentheses, are based on White (1980) heteroscedasticity-consistent standard errors. See Table 2 for the bivariate probit results for the probability of initiator recalls.