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Leveraged buyouts, private equity and jobs

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Notes

1. In 1999 the proportion of PE-financed LBOs was 57%. Later, in the second wave, however, PE firms focussed on larger deals. Nevertheless, the proportion of PE-financed LBOs in 2004 was 38% (CMBOR [2006](#)).

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equations. Appropriate instrument sets were selected using Hansen and serial correlation tests.

7. In order to control for the endogeneity of the LBO dummy variables we run a multinomial logit model and use the predicted probabilities as additional instruments. Measures relative to the industry average of output, wage rates, total assets and capital intensity are used as independent variables in the models.
8. The instruments used in each equation are n_{it} , w_{it} , y_{it} lagged $t - 3$ to $t - 5$. Appropriate instrument sets were selected using Hansen and serial correlation tests.

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