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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](#)).
2. This arises as financiers are able to negotiate contractual conditions in the shareholders' agreement providing for such disclosure.
3. Note, if unobserved differences between buyouts and non-buyout firms are constant over time, they will be captured by the firm-specific fixed effects. We also adopt a more rigorous approach to differences between LBOs and non-LBOs by employing a generalised instrumental variable estimator.

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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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