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.

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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