

# Online Appendix for “Private Equity and Human Capital Risk”

November 9, 2018

This Internet Appendix provides additional information on the construction of the data set for our paper “Private Equity and Human Capital Risk”. The discussion can be found in the main text of the paper and the tables in the Online Appendix are referred to as A-#, where # is the table number in the appendix.

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**Table A-1: Construction of data set.** The table describes the steps from the initial list of private equity buyouts to the individual-level matched data set, which we consider in our analyses.

Step	Number of observations
1. Select Transactions from Thomson One, Capital IQ, and Bundesverband der Kapitalanlagegesellschaften	891 Transactions
2. Exclude secondary buyouts	798 Transactions
3. Record linkage of transactions to establishments at transaction announcement date	544 Transactions 2,652 Establishments
4. Selection of employees, for which we have all key variables	541 Transactions 2,597 Establishments 209,345 Target Employees
5. Keep deal if deal has at least 10 employees	513 Transactions 2,563 Establishments 208,449 Target Employees
6. Keep matched employees	511 Transactions 2,420 Establishments 152,057 Target Employees

**Table A-2: Matching algorithm.** The table presents the categories and dates on which we match target employees to control employees.  $t$  denotes event time where  $t = 0$  indicates the announcement year.

Dimension	Matching Date	Categories
Education	t=-1	(1) Secondary school leaving certificate without completed vocational training, (2) Secondary school leaving certificate with vocational training or upper secondary school leaving certificate without vocational training, (3) Upper secondary school leaving certificate with vocational training, (4) College or university degree
Empl. status	t=-1, t=0	(1) Employed all year, (2) employed parts of the year, (3) not employed at all
Experience	t=-1	Number of days in employment during last 10 years (quintiles)
Gender	t=-1	(1) male (2) female
Industry	t=-1	1 Agriculture/forestry, (2) Fishing/aquaculture, (3) Mining/quarrying, (4) Manufacturing, (5) Energy and water supply, (6) Construction, (7) Wholesale and retail trade; repair of motor vehicles and durable goods, (8) Accommodation and food service activities, (9) Transportation/communication, (10) Financial and insurance activities, (11) Real estate activities, (12) Public administration/defence/compulsory social security, (13) Education, (14) Health and social work activities, (15) Other service activities, (16) Activities (1) German, (2) Immigrant (Greece, Italy, Turkey, former Yugoslavia countries), (3) Rest of the World
Nationality	t=-1	(1) Vocational training, (2) Full-time employment, (3) Part-time employment, (4) Home worker
Occupation	t=-1	of households as employers, (17) Activities of extraterritorial organisations and bodies
Qualification	t=-1	(1) Simple manual occupations, (2) Skilled manual occupations, (3) Technicians/Engineers, (4) Simple service, (5) Qualified service, (6) Semi-professions, (7) Professions, (8) Simple commercial and administrative occupations, (9) Qualified commercial and administrative occupations, (10) Managers
Region	t=-1	(1) South (Hessen, Baden-Wuerttemberg, Bayern), (2) West (Nordrhein-Westfalen, Rheinland-Pfalz, Saarland), (3) East (Berlin, Brandenburg, Mecklenburg-Vorpommern, Sachsen, Sachsen-Anhalt, Thuringen), (4) North (Schleswig-Holstein, Hamburg, Niedersachsen, Bremen)

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**Table A-3: Deal characteristics.** This table presents descriptive statistics on the 511 deals that we consider in our empirical analyses. “Credit score” and “Business assessment” are derived from data compiled by Creditreform and provided by the Mannheim Company Panel (MCP). Creditreform provides companies with credit advice about their suppliers, dealers, and competitors. Creditreform maintains a credit-worthiness index with values from 0 to 600. We categorize credit scores into “very good” (0-199), “good” (200-299), “moderate” (300-399), “critical” (400-499), and “very critical” (above 500). “Business assessment” is based on survey data and integrates firm financials, feedback from suppliers and customers, as well as other information obtained by Creditreform. Note that credits scores and business assessments are available for only about half of our sample. “Industry” is based on the 1-digit industry category scheme used by the Institute for Employment Research in Nuremberg.

<b>Category</b>	<b>N</b>	<b>in %</b>
<b>Credit score</b>	231	100.0%
Very good	80	34.6%
Good	136	58.9%
Moderate	12	5.2%
Very critical	3	1.3%
<b>Business assessment</b>	233	100.0%
Expanding	5	2.1%
Positive	53	22.7%
Constant	118	50.6%
Stagnating	12	5.2%
Declining	3	1.3%
Uncertain	42	18.0%
<b>Industry</b>	511	100.0%
Manufacturing	276	54.0%
Real estate	93	18.2%
Trade, maintenance and repairs	75	14.7%
Communication and transport	23	4.5%
Construction	15	2.9%
Other services	9	1.8%
Financial services	8	1.6%
Other industries	12	2.3%

**Table A-4: Decomposition of establishment growth and worker flows - Worker influence subsamples.** This table replicates the analysis of Table 4 from period  $t$  to period  $t + 5$ . The three subsamples are based on the total number of employees associated with a deal at  $t$ .

Dependent Variable:	Growth Rate ( $\theta(g)$ )	Separation Rate ( $\theta(s)$ )	Hiring Rate ( $\theta(h)$ )	$\theta(h) / \theta(s)$
PE Buyouts (N=22) with more than 2000 employees				
t to t+5	-0.1004	0.2184**	0.1180*	54%
	-1.50	2.51	1.56	
PE Buyouts (N=82) with more than 500 employees and less than 2000 employees				
t to t+5	-0.0652	0.1360**	0.0708*	51%
	-1.22	2.30	1.71	
PE Buyouts (N=407) with less than 500 employees				
t to t+5	-0.1008**	0.1956***	0.0944***	48%
	-2.31	4.88	3.60	

**Table A-5: Establishment matching success.** This table presents descriptive statistics on target establishments and control establishments. To each target establishment, we match up to 10 control establishments. On average, we match 9.98 control establishments to one target establishment. All variables are measured in the year of the private equity buyout announcement. The Imbens-Wooldridge statistic measures the normalized difference between two variables. The test divides the difference between two variables by the square root of the sum of their variances. As a rule of thumb, a test statistic exceeding 0.25 indicates that the analysis tends to be sensitive to the specification.

	Establishment Size	Establishment Age	Establishment Wage	Highly skilled	Medium Skilled	Full-time employees	Female employees	Employee age
<b>Panel A. Matched buyout establishments, N = 2,420</b>								
Mean	91.0	10.8	85.5	73.2%	11.0%	68.5%	42.2%	37.6
Median	23.0	8.0	77.8	76.8%	3.5%	85.2%	30.0%	37.7
Variance	232	9.6	32	22.1%	18.6%	33.1%	34.9%	6.4
<b>Panel B. Matched control establishments, N = 24,147</b>								
Mean	79.5	10.9	83.1	73.9%	9.6%	62.4%	42.9%	38.1
Median	22.0	8.0	78.2	78.2%	2.8%	80.0%	30.3%	38.3
Variance	196	9.6	30	21.0%	17.6%	36.0%	33.8%	6.1
Comparison to matched buyout establishments:								
Relative difference	13.5%	-1.6%	2.8%	-0.9%	13.9%	9.4%	-1.8%	-1.1%
Imbens-Wooldridge statistic	0.04	0.01	0.05	0.02	0.06	0.13	0.02	0.05

**Table A-6: Individual matching success.** This table presents descriptive statistics on target employees, control employees, and matched target employees. All variables are measured in the year prior to the private equity buyout announcement. The Imbens-Wooldridge statistic measures the normalized difference between two variables. The test divides the difference between two variables by the square root of the sum of their variances. As a rule of thumb, a test statistic exceeding 0.25 indicates that the analysis tends to be sensitive to the specification.

	Earnings	Daily Wage	Fraction Employed	Tenure	Age	Establishment Size
<b>Panel A. Matched target employees, N = 152,057</b>						
Mean	35,986	99.58	0.98	3,351	41.12	778.34
Median	35,168	96.74	1.00	2,375	41.00	354.00
Variance	2.E+08	1606.61	0.01	9.E+06	110.70	2.E+06
<b>Panel B. Matched control employees, N = 152,057</b>						
Mean	35,884	99.29	0.97	3,338	40.94	736.89
Median	35,095	96.57	1.00	2,374	41.00	326.00
Variance	2.E+08	1605.29	0.01	9.E+06	108.36	1.E+06
Comparison to Matched target employees:						
Relative difference	0.28%	0.29%	0.02%	0.39%	0.42%	5.47%
Imbens-Wooldridge statistic	0.00	0.01	0.00	0.00	0.01	0.02
<b>Panel C. Unmatched target employees, N = 56,392</b>						
Mean	13,283	54.35	0.50	901	32.37	499.22
Median	8,012	41.51	0.50	365	29.00	182.00
Variance	2.E+08	1884.73	0.19	2.E+06	166.06	1.E+06
Comparison to Matched target employees:						
Imbens-Wooldridge statistic	1.04	0.77	1.05	0.74	0.53	0.16
<b>Panel D. Unmatched part-time target employees, N = 16,063</b>						
Mean	7,595	33.28	0.58	900	34.69	391.92
Median	2,799	22.51	0.70	275	31.00	130.00
Variance	1.E+08	1106.89	0.17	3.E+06	204.53	9.E+05
Comparison to Matched target employees:						
Imbens-Wooldridge statistic	1.50	1.27	0.92	0.73	0.36	0.25

**Table A-7: Public vs. private targets.** The table presents OLS-regressions of *Earnings*, *Daily Wage*, and *Days Employed* in a triple-difference setup as in equation (3) in the paper. The dependent variables are in logarithms in columns (2), (4), and (6). In the specification shown the risk factor is “Public Target” and denotes all target employees who work in a publicly listed target. The numerical variables are defined in Table 2 and the categorical variables are defined in Table 3 in the paper. Each specification contains individual and year fixed effects. The number of observations for *Earnings* and *Days Employed* is  $912,342 = 152,057$  Target Employees  $\times$  2 (Control Employees)  $\times$  3 (event years). The number of observations for *Daily Wage* is 821,608. Standard errors are clustered at the firm level. t-statistics are provided below the coefficient estimates. \*, \*\*, \*\*\* indicate significance at the 10%, 5% and 1% level, respectively.

Dependent Variable:	(1) Earnings (Euro)	(2) Earnings (ln)	(3) Daily Wage (Euro)	(4) Daily Wage (ln)	(5) Days Empl. (days)	(6) Days Empl. (ln)
Regression (1): Employees associated with public targets						
$D_{i2} \times \text{Target} \times \text{Public target}$	511.38	0.023	1.54	0.012	0.06	0.007
	0.83	0.25	1.22	1.13	0.02	0.13
$D_{i5} \times \text{Target} \times \text{Public target}$	-540.41	0.022	-1.64	-0.012	0.51	0.019
	-0.51	0.12	-0.66	-0.64	0.08	0.18



**Table A-8: Private equity and human capital - baseline.** The table presents OLS-regressions of *Earnings*, *Daily Wage*, and *Days Employed* in a difference-in-difference setup as in equation (2). Standard errors are clustered at the firm level. t-statistics are provided in parentheses. \*, \*\*, \*\*\* indicate significance at the 10%, 5% and 1% level respectively.

Dependent Variable:	(1) Earnings (Euro)	(2) Earnings (ln)	(3) Daily Wage (Euro)	(4) Daily Wage (ln)	(5) Days Empl. (days)	(6) Days Empl. (ln)
$D_{i-5} \times \text{Target}$	41.33 0.21	-0.006 -0.08	0.21 0.54	0.002 0.30	0.55 0.17	0.004 0.07
$D_{i-4} \times \text{Target}$	19.27 0.11	-0.012 -0.22	0.06 0.15	0.000 -0.03	0.42 0.16	0.000 -0.01
$D_{i-3} \times \text{Target}$	-130.48 -0.98	-0.023 -0.59	-0.23 -0.69	-0.003 -0.80	-0.32 -0.17	-0.011 -0.35
$D_{i-2} \times \text{Target}$	-105.00 -1.20	-0.020 -0.89	-0.32 -1.43	-0.0039* -1.69	-0.29 -0.24	-0.012 -0.67
$D_{i0} \times \text{Target}$	49.77 0.49	0.000 -0.02	0.23 0.87	0.003 0.95	-0.05 -0.11	0.001 0.10
$D_{i1} \times \text{Target}$	-102.74 -0.52	-0.0612** -2.16	0.41 0.94	0.003 0.67	-2.3804** -2.17	-0.0386** -2.07
$D_{i2} \times \text{Target}$	-372.43 -1.38	-0.1551*** -3.08	0.49 1.03	0.004 0.74	-5.3387*** -2.90	-0.0879*** -2.83
$D_{i3} \times \text{Target}$	-597.1128* -1.79	-0.1855*** -2.72	0.26 0.55	0.001 0.18	-7.0898*** -2.93	-0.1077*** -2.67
$D_{i4} \times \text{Target}$	-971.1415** -2.51	-0.2272*** -2.69	-0.58 -1.04	-0.009 -1.41	-8.2623*** -2.85	-0.1269*** -2.61
$D_{i5} \times \text{Target}$	-979.3816** -2.14	-0.2414** -2.47	-0.32 -0.50	-0.007 -1.03	-8.8330*** -2.76	-0.1360** -2.47
N	3,345,254	3,345,254	3,071,118	3,071,118	3,345,254	3,345,254
R <sup>2</sup>	0.07	0.04	0.28	0.13	0.05	0.05

**Table A-9: Individual-level analyses of employee characteristics.** The table presents OLS-regressions of *Earnings*, *Daily Wage*, and *Days Employed* in a triple-difference setup from equation 2. The dependent variables are in logarithms in columns (2), (4), and (6). Each specification includes a risk factor, which is measured in the year prior to the buyout announcement. The numerical variables are defined in Table 3 and the categorical variables are defined in Table 2. Each specification contains individual and year fixed effects. The number of observations for *Earnings* and *Days Employed* is 2,128,798 = 152,057 Target Employees x 2 (Control Employees) x 7 (event years). The number of observations for *Daily Wage* is 1,929,354. Standard errors are clustered at the firm level. t-statistics are provided below the coefficient estimates. \*, \*\*, \*\*\* indicate significance at the 10%, 5% and 1% level, respectively.

**Table A-9: Individual-level analyses of employee characteristics.** (continued)

Dependent Variable:	(1) Earnings (Euro)	(2) Earnings (ln)	(3) Daily Wage (Euro)	(4) Daily Wage (ln)	(5) Days Empl. (days)	(6) Days Empl. (ln)
Panel B.						
Regression (1): Managers versus all others						
$D_{i0} \times \text{Target} \times \text{Manager}$	-115.64	-0.006	-0.01	-0.001	-0.62	-0.005
	-0.36	-0.25	-0.01	-0.17	-0.45	-0.33
$D_{i1} \times \text{Target} \times \text{Manager}$	-529.23	-0.023	-0.01	-0.001	-2.33	-0.011
	-1.14	-0.40	-0.01	-0.12	-1.04	-0.36
$D_{i2} \times \text{Target} \times \text{Manager}$	-965.67*	-0.071	-0.81	-0.007	-2.38	-0.028
	-1.76	-0.97	-0.80	-0.82	-0.88	-0.70
$D_{i3} \times \text{Target} \times \text{Manager}$	-1344.87**	-0.140	-0.61	-0.009	-3.86	-0.061
	-2.15	-1.55	-0.65	-1.08	-1.21	-1.27
$D_{i4} \times \text{Target} \times \text{Manager}$	-1477.50**	-0.104	0.02	0.001	-5.56	-0.060
	-2.16	-0.97	0.02	0.06	-1.51	-1.03
$D_{i5} \times \text{Target} \times \text{Manager}$	-2019.40***	-0.294**	-0.32	-0.006	-8.36*	-0.144**
	-2.59	-2.36	-0.36	-0.61	-1.91	-2.12
Regression (2): White collar employees versus all others						
$D_{i0} \times \text{Target} \times \text{White Collar}$	-29.10	-0.009	0.01	-0.005	-0.20	-0.001
	-0.19	-0.59	0.02	-1.21	-0.24	-0.06
$D_{i1} \times \text{Target} \times \text{White Collar}$	-210.08	-0.050	0.14	-0.007	-3.10**	-0.030
	-0.91	-1.55	0.27	-1.20	-2.22	-1.09
$D_{i2} \times \text{Target} \times \text{White Collar}$	-455.01*	-0.123***	-0.05	-0.007	-4.35**	-0.065*
	-1.67	-3.11	-0.09	-0.94	-2.26	-1.90
$D_{i3} \times \text{Target} \times \text{White Collar}$	-509.30*	-0.123**	0.17	-0.009	-4.93**	-0.064*
	-1.74	-2.45	0.31	-0.99	-2.34	-1.69
$D_{i4} \times \text{Target} \times \text{White Collar}$	-434.44	-0.117*	0.52	-0.005	-4.46*	-0.062
	-1.39	-1.96	0.81	-0.54	-1.86	-1.45
$D_{i5} \times \text{Target} \times \text{White Collar}$	-701.89*	-0.151**	0.07	-0.010	-5.40**	-0.080*
	-1.95	-2.22	0.10	-0.99	-2.16	-1.73
Regression (3): Employees with above median age versus all others						
$D_{i0} \times \text{Target} \times \text{Old}$	-15.54	-0.004	0.03	0.000	-0.25	-0.003
	-0.17	-0.29	0.15	0.06	-0.34	-0.33
$D_{i1} \times \text{Target} \times \text{Old}$	-522.18***	-0.036*	-0.67***	-0.007	-2.69***	-0.018
	-3.86	-1.82	-2.82	-1.56	-2.76	-1.16
$D_{i2} \times \text{Target} \times \text{Old}$	-696.40***	-0.098***	-0.73**	-0.008	-4.00***	-0.050**
	-3.92	-3.21	-2.50	-1.44	-3.17	-2.53
$D_{i3} \times \text{Target} \times \text{Old}$	-723.87***	-0.133***	-0.74**	-0.012*	-5.68***	-0.079***
	-2.85	-2.72	-2.21	-1.73	-3.17	-2.81
$D_{i4} \times \text{Target} \times \text{Old}$	-804.55**	-0.194***	-0.84**	-0.012	-6.24***	-0.109***
	-2.5538	-2.81	-2.13	-1.56	-2.61	-2.80
$D_{i5} \times \text{Target} \times \text{Old}$	-807.04**	-0.184**	-1.15**	-0.018**	-6.19**	-0.106**
	-2.1006	-2.12	-2.46	-2.02	-2.10	-2.17

**Table A-10: Alternative measures of skill.** This table replicates the analyses of Panel B of Table 5 (in Panel A) and of Panel B of Table 7 (in Panel B) for alternative measures of skill. Skill is based on the ten qualification categories presented in Table 3. “Low skill” is based on categories 1, 4, 8 and “medium skill” is based on categories 2, 5, 6, 9. The categorization of education into low, medium, and high is defined in Table 3. Standard errors are clustered at the firm level. t-statistics are provided below the coefficient estimates. \*, \*\*, \*\*\* indicate significance at the 10%, 5% and 1% level, respectively.

Panel A.	(1)	(2)	(3)	(4)	(5)	(6)
	Empl. Growth Rate ( $\theta(g)$ )	Separation Rate ( $\theta(s)$ )	Hiring Rate ( $\theta(h)$ )	Empl. Growth Rate ( $\theta(g)$ )	Separation Rate ( $\theta(s)$ )	Hiring Rate ( $\theta(h)$ )
	<b>from t=-1 to t=+2</b>			<b>High-Low</b>		
Low skill	-0.0148	0.076***	0.0612**	0.0040	-0.0304	-0.0260
	-0.55	2.70	2.44	0.10	-0.78	-0.75
Medium skill	-0.0268	0.0488***	0.0220			
	-1.43	2.78	1.58			
High skill	-0.0108	0.0456*	0.0352			
	-0.34	1.70	1.45			
Low education	-0.0328	0.0828***	0.0496*	-0.0072	-0.0020	-0.0088
	-1.15	2.74	1.86	-0.18	-0.05	-0.26
Medium education	-0.0128	0.0520***	0.0392**			
	-0.57	2.62	2.32			
High education	-0.0400	0.0808***	0.0408**			
	-1.48	3.33	1.99			
	<b>from t=-1 to t=+5</b>			<b>High-Low</b>		
Low skill	-0.0944**	0.242***	0.1476**	-0.0236	-0.0412	-0.0644
	-2.08	3.83	2.55	-0.32	-0.46	-0.92
Medium skill	-0.0764**	0.1328***	0.056**			
	-2.15	3.07	2.04			
High skill	-0.1180**	0.2008***	0.0832**			
	-2.01	3.11	2.09			
Low education	-0.1136***	0.2628***	0.1492**	-0.0056	-0.0564	-0.0624
	-2.86	3.70	2.28	-0.09	-0.67	-0.84
Medium education	-0.0856***	0.1808***	0.0952**			
	-2.43	4.38	2.80			
High education	-0.1192***	0.2064***	0.0868**			
	-2.63	4.50	2.53			

**Table A-10: Alternative measures of skill (continued).**

Panel B. Triple Diff analysis						
Dependent Variable:	(1) Earnings (Euro)	(2) Earnings (ln)	(3) Daily Wage (Euro)	(4) Daily Wage (ln)	(5) Days Empl. (days)	(6) Days Empl. (ln)
Regression (1): Education groups						
$D_{i2} \times \text{Target} \times \text{Low education}$	459.77	-0.003	-0.38	-0.003	0.73	-0.004
	1.26	-0.05	-0.52	-0.12	0.27	-0.07
$D_{i5} \times \text{Target} \times \text{Low education}$	396.23	-0.052	-0.29	-0.004	-2.46	-0.036
	0.89	-0.64	-0.32	-0.13	-0.79	-0.59
$D_{i2} \times \text{Target} \times \text{Medium education}$	634.08**	0.036	0.23	0.002	2.01	0.018
	2.09	1.07	0.30	0.36	1.53	1.02
$D_{i5} \times \text{Target} \times \text{Medium education}$	426.76	0.032	-0.63	-0.007	0.54	0.010
	1.24	0.55	-0.90	-1.15	0.26	0.33
Regression (2): Skill terciles						
$D_{i2} \times \text{Target} \times \text{Low skill}$	224.22	-0.018	-0.34	-0.004	-0.18	-0.011
	0.69	-0.43	-0.53	-0.53	-0.11	-0.37
$D_{i5} \times \text{Target} \times \text{Low skill}$	253.92	-0.056	0.23	-0.004	-3.03	-0.042
	0.54	-0.75	0.24	-0.38	-1.11	-0.91
$D_{i2} \times \text{Target} \times \text{Medium skill}$	234.75	-0.001	0.28	0.003	0.06	0.000
	0.76	-0.04	0.42	0.59	0.05	-0.02
$D_{i5} \times \text{Target} \times \text{Medium skill}$	130.93	-0.025	0.44	-0.001	-2.01	-0.019
	0.31	-0.44	0.58	-0.08	-1.01	-0.65

**Table A-11: Individual-level analyses of stayers and leavers.** The table presents OLS-regressions of *Earnings*, *Daily Wage*, and *Days Employed* in a triple-difference setup from equation (3). Each specification includes an indicator variable *Leaver*, which is one if the employee leaves the target establishment at some point between  $t$  and  $t + 2$ . We only report the estimates of  $\gamma_2$ ,  $\theta_2$ ,  $\lambda_2$  and  $\eta_2$ . In Panel A, we report the results for regressions of *Earnings*, *Daily Wage*, and *Days Employed* and their logarithmic transformations for the whole sample. In Panel B, we report three results for regressions of *Earnings* for subsamples of employees. The numerical variables are defined in Table 1 and the categorical variables are defined in Table 3. *Low Wage* and *High Wage* denote the first and third tercile of *Daily Wage*, respectively. Each specification includes individual and year fixed effects. Standard errors are clustered at the firm level. t-statistics are provided below the coefficient estimates. \*, \*\*, \*\*\* indicate significance at the 10%, 5% and 1% level, respectively.

Panel A. Full sample						
Dependent Variable:	(1) Earnings (Euro)	(2) Earnings (ln)	(3) Daily Wage (Euro)	(4) Daily Wage (ln)	(5) Days Empl. (days)	(6) Days Empl. (ln)
$D_{i2}$	3297.25*** 40.07	0.066*** 6.21	8.98*** 43.07	0.083*** 41.04	-0.782* -1.80	-0.016*** -2.68
$D_{i2} \times \text{Target}$	206.58 0.99	-0.008 -0.97	0.70 1.29	0.007* 1.66	-0.53 -1.58	-0.010** -2.54
$D_{i2} \times \text{Leaver}$	-6596.68*** -41.65	-1.271*** -56.86	-4.27*** -23.18	-0.057*** -22.88	-56.116*** -60.50	-0.751*** -58.86
$D_{i2} \times \text{Target} \times \text{Leaver}$	-939.02* -1.94	-0.266*** -3.30	-0.35 -0.64	-0.006 -0.90	-7.713** -2.46	-0.136*** -2.85

  

Panel B. Subsamples, dependent variable: Earnings (Euro)						
Subsample:	(1) White Collar	(2) Manager	(3) Young	(4) Old	(5) Low wage	(6) High wage
$D_{i2}$	3314.30*** 32.26	4343.06*** 14.06	2814.77*** 27.62	3931.10*** 44.65	2911.86*** 35.19	3687.90*** 27.36
$D_{i2} \times \text{Target}$	189.56 0.88	-189.08 -0.71	157.29 0.76	263.41 1.23	395.32** 2.26	82.76 0.31
$D_{i2} \times \text{Leaver}$	-5989.46*** -37.77	-11259.52*** -19.26	-9873.58*** -46.85	-3845.92*** -34.22	-3832.75*** -41.03	-9199.47*** -31.61
$D_{i2} \times \text{Target} \times \text{Leaver}$	-1192.90** -2.00	-1353.47 -1.44	-1275.92** -2.16	-468.92 -1.53	-531.25* -1.69	-2229.27*** -3.12
Number of obs.	609,504	57,190	1,024,373	1,104,425	709,499	709,597

**Table A-12: Deal level clustering.** This table replicates the analyses of Panel A of Table 4 (Panel A), and of Panel A and of Regression (1) of Panel E of Table 7 (Panel B). For details on deal-level clustering, see Appendix A.3 in the paper. Standard errors are clustered at the firm level. t-statistics are provided below the coefficient estimates. \*, \*\*, \*\*\* indicate significance at the 10%, 5% and 1% level, respectively.

Dep. Variable:	(1) Growth Rate ( $\theta(g)$ )	(2) Separation Rate ( $\theta(s)$ )	(3) Hiring Rate ( $\theta(h)$ )	(4) $\theta(h) / \theta(s)$	(5) Total Earnings Growth
Panel A. Growth rates and worker flows					
t	-0.0092 -0.65	0.0229** 2.24	0.0137 1.48	60%	0.0018 0.12
t+1	-0.0053 -0.39	0.0230** 2.17	0.0177** 1.96	77%	-0.0027 -0.21
t+2	-0.0050 -0.54	0.0189*** 2.60	0.0138** 2.13	73%	-0.0019 -0.21
t+3	-0.0353*** -2.98	0.0422*** 3.76	0.0069 1.23	16%	-0.0295** -2.42
t+4	-0.0187 -0.86	0.0341* 1.67	0.0154** 2.17	45%	-0.0237 -1.12
t+5	-0.0186 -1.18	0.0298** 2.21	0.0112 1.32	38%	-0.0176 -1.14
t to t+2	-0.0186 -0.88	0.0594*** 3.10	0.0407** 2.44	68%	-0.0088 -0.42
t to t+5	-0.0896*** -2.45	0.1875*** 4.17	0.0979*** 2.77	52%	-0.0787** -2.03

Table A-12: Deal level clustering (continued).

Dependent Variable:	(1) Earnings (Euro)	(2) Earnings (ln)	(3) Daily Wage (Euro)	(4) Daily Wage (ln)	(5) Days Empl. (days)	(6) Days Empl. (ln)
Panel B.						
Regression (1): Managers versus all others						
$D_{i2} \times \text{Target} \times \text{Manager}$	-965.67*	-0.071	-0.81	-0.007	-2.38	-0.028
	-1.73	-0.96	-0.83	-0.85	-0.86	-0.69
$D_{i5} \times \text{Target} \times \text{Manager}$	-2019.40**	-0.294**	-0.32	-0.006	-8.36*	-0.1440**
	-2.42	-2.27	-0.35	-0.61	-1.84	-2.05
Regression (2): White collar employees versus all others						
$D_{i2} \times \text{Target} \times \text{White Collar}$	-455.01*	-0.123***	-0.05	-0.007	-4.35**	-0.0649**
	-1.65	-3.32	-0.09	-0.88	-2.39	-1.99
$D_{i5} \times \text{Target} \times \text{White Collar}$	-701.89*	-0.151**	0.07	-0.010	-5.40**	-0.0802*
	-1.86	-2.23	0.10	-0.92	-2.20	-1.81
Regression (3): Employees with above median age versus all others						
$D_{i2} \times \text{Target} \times \text{Old}$	-696.40***	-0.098***	-0.73***	-0.008	-4.00***	-0.050***
	-4.00	-3.48	-2.59	-1.51	-3.26	-2.68
$D_{i5} \times \text{Target} \times \text{Old}$	-807.04**	-0.184***	-1.15***	-0.018**	-6.19**	-0.106***
	-2.44	-2.61	-2.61	-2.10	-2.54	-2.71