# Successor/Predecessor Studies

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# Outline

- Goals of the Successor/Predecessor studies
- Successor/Predecessor products
- Examples

# Goals

- Use the UI wage record data to shed light on
  - Births
  - Deaths
  - Mergers
  - Acquisitions
- Intended to aid states with ES202 successor/predecessor editing

# LEHD Successor/Predecessor Products

- Written report
- Data file containing the following:
  - SEIN
  - Successor SEIN
  - Year, Quarter
  - Link Type
  - Successor Link Type
  - 4 digit SIC
  - Match Period

# Contents of a Typical Report

- Total linkages identified by ES-202 and UI data
- Typical ES202 discrepancies that may be a source of the relatively low concurrence
- Commonly occurring industry links in the UI data
- Commonly occurring industry links in the ES-202 data
- Synthesizing of results
- Analysis of the temporary help industries

# Four Categories of Successor/Predecessor Links

1. Predecessor firm dies, more than 5 workers and more than 80% of predecessor's employment moves to successor
2. Predecessor firm dies, and more than 5 workers but less than 80% of predecessor's employment moves to successor
3. Predecessor firm lives,  more than 5 workers and more than 80% of predecessor's employment moves to successor
4. Predecessor firm lives, and more than 5 workers but less than 80% of predecessor's employment moves to successor

# Successor/Predecessor Links in MD

- ES202 data identify 6,734 linkages (1990-1999)
- UI data more than 3 times as many: 22,035
- The sources agree on 3,039 of the links
- Discrepancy probably due to data coding errors (catalogued in report)

# Key Findings Using UI data for MD

- Eating and drinking establishments have the most successor/predecessor changes (category 1)
- Eating and drinking establishments have the most businesses acquisition activity (category 2)
- Almost no firms fall into category 3
- The industry that absorbs large numbers of workers from other industries (category 4) is temporary help services

# Comparison to ES-202 Findings

- In both data sources eating and drinking establishments have the most successor/predecessor links (category 1)
- Eating and drinking establishments have the most acquisitions in both sources (category 2)
- Category 3 and 4 linkages are virtually nonexistent in the ES-202 data

# Conclusion

- LEHD uses the successor/predecessor analysis to edit accessions and separations in the QWI
- States can use the successor/predecessor analysis to improve the quality of their LMI systems