



```

/*
NOTES: This dofile creates the firm-level analysis dataset
Author: Michael Kilumelume
Last updated: 21.01.2022
*/

cap log close
log using "$log_save\create_firm_level", replace

use "$saveaddress_data\merged_ind_panel", clear
cap drop n
cap drop n_id
egen n_id=group(id_new)
cap drop n_fid
egen n_fid=group(taxrefno)
*Code from Marlies
gen totalperiodsinyearofassessment1 = substr(totalperiodsinyearofassessment, ".", "
> ", .)
cap drop totpy
destring totalperiodsinyearofassessment1 , gen(totpy) force
gen totalperiodsworked1 = substr(totalperiodsworked, ".", " ", .)
cap drop totpwork
destring totalperiodsworked1, gen(totpwork) force

replace totpy=abs(totpy)
replace totpwork=abs(totpwork)

gen frac=totpwork/totpy

gen totpy_annual=totpy
replace totpy_annual=totpy*2 if totpy==26
gen frac_annual= totpwork/totpy_annual

* create monthly earnings
gen monthly_earnings=(a3601_income/frac)/12

*create total wages per firm
bys n_fid taxyear: egen double tot_3601 = total(a3601_income)
bys n_fid taxyear: egen double tot_kerr = total(kerr_income) if kerr_emp_inc==1

*identify minimum wage workers (workers earning below 2274 in 2012)
sort id_new taxyear
br id_new taxyear monthly_earnings
drop if id_new == ""
cap drop mw_worker_2012
gen mw_worker_2012 = monthly_earnings<2274 & taxyear ==2013

cap drop mw_worker_2012_tg
by id_new: egen mw_worker_2012_tg = max(mw_worker_2012)

* number of workers in firm
bysort n_fid taxyear: egen firm_size=count(n_id)

* get number of workers earning below 2274
gen tag_below_2274 = 1 if monthly_earnings <2274
bys n_fid taxyear: egen total_low_wage = total(tag_below_2274)

br taxyear n_fid taxrefno firm_size total_low_wage
keep taxyear n_fid taxrefno firm_size total_low_wage

*collapse to firm-level
bys taxrefno taxyear : gen n =_n
keep if n ==1
drop n
br

*calculate FA
gen fa = total_low_wage/ firm_size
keep taxrefno taxyear fa
save "$saveaddress_data\fa_histograms.dta", replace

```

