Longitudinal Linking of Enterprises in the LBD and SSL

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We propose a new heuristic methodology for constructing longitudinal firm identifiers from the LBD and SSL databases. In addition to using information encoded in the FLAGA variable, our method uses the existence of FIRMIDs and MU status before an after a FIRMID change to infer various types of reorganizations. We distinguish can spinoffs, acquisitions, continuing firms after divestiture, and other reorganizations. In the cases of continuing or reorganizing firms, we preserve the longitudinal linkage copy constructing a LONGFIRMID variable that is constant over the entire firm spell. A LONGFORMIDF flag variable classifies the disposition of each switch in FIRMID and can be used to construct alternative identifiers. Tests of the classification system appear reasonable, but there is scope for further refinement.

Relevant Datasets: LBD, SSL

Required Dataset Permissions: LBD, SSL 1991-2008