

## Web Appendix – Not for Publication

*Table WA-1*

### Establishment Entry Categories by Year: Number of Establishments

| <b>Panel A: West Germany</b> |               |                    |                     |                       |                          |                       |         |         |
|------------------------------|---------------|--------------------|---------------------|-----------------------|--------------------------|-----------------------|---------|---------|
|                              | ID-<br>Change | Spin-off<br>pulled | Spin-off/<br>pushed | New estab.<br>(small) | New estab<br>(med & big) | New estab.<br>(fuzzy) | Unclear | Total   |
| 1976                         | 503           | 1,884              | 577                 | 129,286               | 7,307                    | 6,235                 | 876     | 146,668 |
| 1977                         | 547           | 1,674              | 845                 | 109,455               | 6,147                    | 6,654                 | 781     | 126,103 |
| 1978                         | 552           | 1,477              | 728                 | 107,275               | 6,661                    | 6,665                 | 912     | 124,270 |
| 1979                         | 637           | 1,182              | 637                 | 104,953               | 7,138                    | 6,667                 | 945     | 122,159 |
| 1980                         | 640           | 2,221              | 732                 | 106,188               | 6,932                    | 7,330                 | 923     | 124,966 |
| 1981                         | 689           | 1,543              | 847                 | 98,169                | 6,124                    | 6,794                 | 929     | 115,095 |
| 1982                         | 699           | 1,500              | 1,071               | 95,663                | 5,580                    | 6,243                 | 824     | 111,580 |
| 1983                         | 859           | 1,455              | 1,328               | 96,602                | 5,789                    | 6,230                 | 856     | 113,119 |
| 1984                         | 885           | 1,381              | 1,048               | 104,372               | 6,383                    | 6,251                 | 1,008   | 121,328 |
| 1985                         | 796           | 1,274              | 1,185               | 101,405               | 5,994                    | 6,185                 | 961     | 117,800 |
| 1986                         | 887           | 1,168              | 1,055               | 105,311               | 6,772                    | 7,000                 | 1,295   | 123,488 |
| 1987                         | 987           | 1,353              | 1,165               | 100,861               | 6,097                    | 6,731                 | 1,105   | 118,299 |
| 1988                         | 997           | 1,454              | 1,118               | 101,671               | 6,035                    | 7,018                 | 1,178   | 119,471 |
| 1989                         | 1,033         | 1,611              | 1,139               | 102,444               | 6,494                    | 7,375                 | 1,333   | 121,429 |
| 1990                         | 1,092         | 1,344              | 991                 | 116,058               | 7,975                    | 8,260                 | 1,521   | 137,241 |
| 1991                         | 1,163         | 1,376              | 1,188               | 118,157               | 8,257                    | 8,739                 | 1,447   | 140,327 |
| 1992                         | 1,129         | 1,460              | 1,208               | 109,933               | 7,213                    | 8,646                 | 1,411   | 131,000 |
| 1993                         | 1,367         | 1,915              | 1,688               | 108,100               | 7,160                    | 8,816                 | 1,513   | 130,559 |
| 1994                         | 1,425         | 2,218              | 1,910               | 107,840               | 7,278                    | 8,628                 | 1,340   | 130,639 |
| 1995                         | 1,213         | 2,250              | 1,678               | 111,946               | 7,289                    | 8,208                 | 1,217   | 133,801 |
| 1996                         | 1,183         | 3,067              | 2,092               | 111,463               | 7,571                    | 9,058                 | 1,348   | 135,782 |
| 1997                         | 1,378         | 2,692              | 1,850               | 108,795               | 7,105                    | 7,983                 | 1,305   | 131,108 |

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Table WA-1 (continued)

| <b>Panel A: West Germany</b> |               |                    |                     |                       |                          |                       |         |           |
|------------------------------|---------------|--------------------|---------------------|-----------------------|--------------------------|-----------------------|---------|-----------|
|                              | ID-<br>Change | Spin-off<br>pulled | Spin-off/<br>pushed | New estab.<br>(small) | New estab<br>(med & big) | New estab.<br>(fuzzy) | Unclear | Total     |
| 1998                         | 1,459         | 2,482              | 1,785               | 114,966               | 7,743                    | 8,561                 | 31,404  | 138,400   |
| 1999                         | 1,340         | 2,359              | 2,020               | 198,391               | 9,924                    | 9,555                 | 1,569   | 225,158   |
| 2000                         | 1,436         | 2,177              | 1,626               | 145,207               | 10,370                   | 10,284                | 1,857   | 172,957   |
| 2001                         | 1,396         | 2,424              | 2,036               | 131,542               | 9,262                    | 10,708                | 1,658   | 159,026   |
| 2002                         | 1,849         | 2,440              | 2,384               | 119,153               | 7,369                    | 9,941                 | 1,638   | 144,774   |
| 2003                         | 1,623         | 2,781              | 2,803               | 100,078               | 6,530                    | 9,158                 | 1,386   | 124,359   |
| 2004                         | 1,844         | 2,366              | 2,310               | 107,494               | 6,692                    | 8,754                 | 1,692   | 131,152   |
| Total                        | 31,608        | 54,528             | 41,044              | 3,272,778             | 207,191                  | 228,677               | 36,232  | 3,872,058 |
| <b>Panel B: East Germany</b> |               |                    |                     |                       |                          |                       |         |           |
|                              | ID-<br>Change | Spin-off<br>pulled | Spin-off/<br>pushed | New estab.<br>(small) | New estab<br>(med & big) | New estab.<br>(fuzzy) | Unclear | Total     |
| 1992                         | 114           | 3,070              | 1,124               | 115,417               | 32,786                   | 8,454                 | 481     | 161,446   |
| 1993                         | 284           | 3,878              | 729                 | 51,233                | 6,590                    | 5,987                 | 745     | 69,446    |
| 1994                         | 395           | 2,466              | 719                 | 41,531                | 6,035                    | 5,103                 | 728     | 56,977    |
| 1995                         | 441           | 2,302              | 764                 | 37,710                | 5,280                    | 4,716                 | 679     | 51,892    |
| 1996                         | 521           | 2,317              | 1,136               | 31,929                | 3,896                    | 4,483                 | 618     | 44,900    |
| 1997                         | 544           | 1,512              | 921                 | 29,585                | 3,434                    | 3,759                 | 538     | 40,293    |
| 1998                         | 556           | 1,104              | 931                 | 48,786                | 3,563                    | 3,673                 | 595     | 59,208    |
| 1999                         | 543           | 807                | 893                 | 53,505                | 3,771                    | 3,451                 | 604     | 63,574    |
| 2000                         | 559           | 828                | 776                 | 34,633                | 3,001                    | 3,129                 | 603     | 43,529    |
| 2001                         | 523           | 870                | 862                 | 29,213                | 2,511                    | 2,961                 | 506     | 37,446    |
| 2002                         | 661           | 743                | 890                 | 26,520                | 2,057                    | 2,655                 | 502     | 34,028    |
| 2003                         | 549           | 1,516              | 739                 | 24,181                | 1,962                    | 2,367                 | 460     | 31,774    |
| 2004                         | 612           | 785                | 686                 | 23,453                | 1,736                    | 2,079                 | 452     | 29,803    |
| Total                        | 6,302         | 22,198             | 11,170              | 547,696               | 76,622                   | 52,817                | 7,511   | 724,316   |

Table WA-2  
Establishment Entry Categories by Year: Number of Workers in Establishments

| Panel A: West Germany |               |                    |                     |                       |                          |                       |         |         |
|-----------------------|---------------|--------------------|---------------------|-----------------------|--------------------------|-----------------------|---------|---------|
|                       | ID-<br>Change | Spin-off<br>pulled | Spin-off/<br>pushed | New estab.<br>(small) | New estab<br>(med & big) | New estab.<br>(fuzzy) | Unclear | Total   |
| 1976                  | 6,403         | 42,624             | 8,247               | 162,757               | 72,400                   | 85,592                | 14,053  | 392,076 |
| 1977                  | 7,001         | 43,326             | 11,655              | 137,676               | 59,939                   | 86,255                | 11,775  | 357,627 |
| 1978                  | 7,921         | 33,229             | 11,357              | 135,952               | 66,958                   | 84,056                | 15,301  | 354,774 |
| 1979                  | 11,168        | 24,982             | 8,948               | 134,857               | 66,874                   | 85,265                | 12,690  | 344,784 |
| 1980                  | 9,200         | 37,481             | 9,725               | 138,092               | 64,524                   | 89,162                | 13,959  | 362,143 |
| 1981                  | 9,316         | 35,244             | 11,162              | 127,391               | 55,713                   | 81,853                | 12,930  | 333,609 |
| 1982                  | 12,080        | 31,912             | 16,090              | 121,937               | 46,210                   | 68,904                | 13,502  | 310,635 |
| 1983                  | 13,292        | 33,616             | 21,938              | 123,630               | 49,994                   | 70,408                | 11,617  | 324,495 |
| 1984                  | 14,644        | 32,571             | 14,722              | 133,322               | 57,307                   | 64,947                | 18,103  | 335,616 |
| 1985                  | 12,326        | 25,455             | 15,199              | 128,831               | 55,053                   | 68,766                | 16,026  | 321,656 |
| 1986                  | 18,360        | 26,540             | 13,978              | 136,057               | 59,826                   | 85,260                | 21,902  | 361,923 |
| 1987                  | 16,515        | 31,366             | 18,645              | 130,509               | 64,070                   | 79,249                | 18,806  | 359,160 |
| 1988                  | 16,485        | 29,984             | 16,356              | 132,024               | 54,305                   | 88,999                | 23,480  | 361,633 |
| 1989                  | 13,428        | 44,577             | 17,561              | 132,872               | 58,685                   | 87,902                | 24,367  | 379,392 |
| 1990                  | 16,831        | 48,035             | 15,614              | 148,459               | 73,187                   | 107,811               | 28,393  | 438,330 |
| 1991                  | 18,443        | 42,995             | 14,650              | 153,191               | 80,299                   | 109,335               | 25,106  | 444,019 |
| 1992                  | 15,155        | 45,680             | 16,218              | 143,795               | 65,406                   | 102,556               | 20,767  | 409,577 |
| 1993                  | 19,693        | 66,986             | 27,315              | 141,979               | 62,887                   | 109,199               | 29,667  | 457,726 |
| 1994                  | 20,306        | 69,184             | 28,045              | 142,592               | 65,342                   | 105,401               | 24,712  | 455,582 |
| 1995                  | 21,514        | 91,419             | 31,324              | 146,835               | 70,045                   | 104,450               | 30,809  | 496,396 |
| 1996                  | 21,938        | 111,502            | 41,125              | 146,381               | 78,854                   | 147,292               | 42,776  | 589,868 |
| 1997                  | 29,731        | 99,108             | 31,373              | 140,979               | 71,982                   | 112,905               | 28,680  | 514,758 |
| 1998                  | 27,742        | 93,713             | 27,018              | 150,064               | 78,972                   | 117,366               | 28,748  | 523,623 |
| 1999                  | 26,200        | 90,773             | 40,274              | 173,692               | 103,573                  | 149,096               | 37,289  | 620,897 |

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Table WA-2 (continued)

| <b>Panel A: West Germany</b> |               |                    |                     |                       |                          |                       |         |           |
|------------------------------|---------------|--------------------|---------------------|-----------------------|--------------------------|-----------------------|---------|-----------|
|                              | ID-<br>Change | Spin-off<br>pulled | Spin-off/<br>pushed | New estab.<br>(small) | New estab<br>(med & big) | New estab.<br>(fuzzy) | Unclear | Total     |
| 2000                         | 27,419        | 79,612             | 32,501              | 163,065               | 120,933                  | 155,978               | 42,874  | 622,382   |
| 2001                         | 32,627        | 82,724             | 36,252              | 152,292               | 101,440                  | 178,760               | 41,161  | 625,256   |
| 2002                         | 47,372        | 79,929             | 42,735              | 137,507               | 76,560                   | 154,129               | 60,298  | 598,530   |
| 2003                         | 39,406        | 77,663             | 49,841              | 129,536               | 75,292                   | 143,321               | 30,873  | 545,932   |
| 2004                         | 40,547        | 89,441             | 41,456              | 124,614               | 70,851                   | 130,249               | 51,655  | 548,813   |
| Total                        | 573,063       | 1,641,671          | 671,324             | 4,070,888             | 2,027,481                | 3,054,466             | 752,319 | 1.28e+07  |
| <b>Panel B: East Germany</b> |               |                    |                     |                       |                          |                       |         |           |
|                              | ID-<br>Change | Spin-off<br>pulled | Spin-off/<br>pushed | New estab.<br>(small) | New estab<br>(med & big) | New estab.<br>(fuzzy) | Unclear | Total     |
| 1992                         | 1,676         | 584,826            | 28,416              | 177,046               | 368,820                  | 140,088               | 7,136   | 808,008   |
| 1993                         | 5,268         | 97,942             | 15,839              | 69,015                | 73,573                   | 96,985                | 13,610  | 372,232   |
| 1994                         | 6,995         | 58,419             | 14,058              | 57,836                | 75,365                   | 88,210                | 16,480  | 317,363   |
| 1995                         | 8,375         | 51,591             | 19,605              | 52,771                | 61,554                   | 66,051                | 14,650  | 274,597   |
| 1996                         | 7,760         | 68,988             | 17,010              | 44,724                | 45,617                   | 89,310                | 14,618  | 288,027   |
| 1997                         | 13,958        | 28,389             | 12,675              | 41,232                | 37,056                   | 46,593                | 10,503  | 190,406   |
| 1998                         | 8,658         | 18,842             | 11,896              | 65,364                | 39,076                   | 44,724                | 10,816  | 199,376   |
| 1999                         | 7,788         | 11,704             | 12,280              | 68,560                | 39,144                   | 40,464                | 12,680  | 192,620   |
| 2000                         | 9,886         | 15,833             | 10,968              | 45,348                | 31,473                   | 38,832                | 10,228  | 162,568   |
| 2001                         | 11,435        | 15,339             | 12,496              | 38,745                | 28,003                   | 41,314                | 15,681  | 163,013   |
| 2002                         | 13,731        | 15,132             | 12,657              | 34,541                | 22,709                   | 33,743                | 11,728  | 144,241   |
| 2003                         | 12,081        | 31,294             | 10,355              | 32,948                | 21,934                   | 31,227                | 11,749  | 151,588   |
| 2004                         | 14,633        | 15,561             | 9,707               | 29,135                | 19,393                   | 27,499                | 10,180  | 126,108   |
| Total                        | 122,244       | 513,860            | 187,962             | 757,265               | 863,717                  | 785,040               | 160,059 | 3,390,147 |

Table WA-3  
Establishment Exit Categories by Year: Number of Establishments

| Panel A: West Germany |               |                    |                     |                       |                          |                       |         |         |
|-----------------------|---------------|--------------------|---------------------|-----------------------|--------------------------|-----------------------|---------|---------|
|                       | ID-<br>Change | Spin-off<br>pulled | Spin-off/<br>pushed | New estab.<br>(small) | New estab<br>(med & big) | New estab.<br>(fuzzy) | Unclear | Total   |
| 1975                  | 373           | 807                | 898                 | 70,092                | 5,405                    | 4,600                 | 391     | 182,566 |
| 1976                  | 453           | 771                | 1,334               | 74,017                | 6,025                    | 5,140                 | 417     | 88,157  |
| 1977                  | 498           | 824                | 1,186               | 75,222                | 5,339                    | 5,036                 | 428     | 88,533  |
| 1978                  | 586           | 866                | 1,081               | 72,065                | 4,683                    | 5,228                 | 488     | 84,997  |
| 1979                  | 602           | 763                | 1,232               | 77,665                | 5,232                    | 5,365                 | 516     | 91,375  |
| 1980                  | 628           | 694                | 1,416               | 79,387                | 6,204                    | 5,441                 | 485     | 94,255  |
| 1981                  | 644           | 767                | 1,761               | 80,768                | 7,503                    | 5,233                 | 463     | 97,139  |
| 1982                  | 807           | 667                | 2,138               | 82,882                | 7,559                    | 5,353                 | 534     | 99,940  |
| 1983                  | 842           | 716                | 1,785               | 83,262                | 6,599                    | 5,183                 | 568     | 98,955  |
| 1984                  | 767           | 574                | 2,075               | 89,099                | 7,506                    | 4,909                 | 540     | 105,470 |
| 1985                  | 863           | 700                | 1,875               | 90,329                | 6,963                    | 5,692                 | 769     | 107,191 |
| 1986                  | 958           | 699                | 2,025               | 89,840                | 6,655                    | 5,574                 | 676     | 106,427 |
| 1987                  | 974           | 748                | 1,903               | 89,702                | 6,266                    | 5,965                 | 729     | 106,287 |
| 1988                  | 979           | 818                | 1,874               | 88,931                | 5,776                    | 6,098                 | 726     | 105,202 |
| 1989                  | 1,042         | 840                | 1,760               | 90,206                | 5,882                    | 6,845                 | 883     | 107,458 |
| 1990                  | 1,121         | 850                | 1,986               | 93,627                | 6,507                    | 7,344                 | 870     | 112,305 |
| 1991                  | 1,108         | 936                | 2,170               | 100,218               | 7,187                    | 7,519                 | 908     | 120,046 |
| 1992                  | 1,301         | 959                | 2,722               | 98,146                | 8,082                    | 7,408                 | 937     | 119,555 |
| 1993                  | 1,345         | 1,072              | 3,030               | 99,534                | 8,815                    | 7,575                 | 859     | 122,230 |
| 1994                  | 1,176         | 984                | 2,820               | 102,032               | 8,810                    | 7,274                 | 793     | 123,889 |
| 1995                  | 1,127         | 1,127              | 3,075               | 104,628               | 8,668                    | 7,097                 | 788     | 126,510 |
| 1996                  | 1,382         | 1,160              | 3,113               | 108,133               | 9,195                    | 7,121                 | 857     | 130,961 |
| 1997                  | 1,440         | 1,194              | 3,053               | 110,512               | 8,839                    | 7,444                 | 926     | 133,408 |
| 1998                  | 1,329         | 1,378              | 3,355               | 113,080               | 8,865                    | 8,700                 | 964     | 137,671 |

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Table WA-3 (continued)

| <b>Panel A: West Germany</b> |               |                    |                     |                       |                          |                       |         |           |
|------------------------------|---------------|--------------------|---------------------|-----------------------|--------------------------|-----------------------|---------|-----------|
|                              | ID-<br>Change | Spin-off<br>pulled | Spin-off/<br>pushed | New estab.<br>(small) | New estab<br>(med & big) | New estab.<br>(fuzzy) | Unclear | Total     |
| 1999                         | 1,402         | 1,451              | 2,768               | 133,369               | 9,064                    | 9,192                 | 1,211   | 158,457   |
| 2000                         | 1,395         | 1,403              | 3,305               | 141,628               | 10,846                   | 9,623                 | 1,085   | 169,285   |
| 2001                         | 1,847         | 1,855              | 3,981               | 156,269               | 12,445                   | 9,925                 | 1,209   | 187,531   |
| 2002                         | 1,664         | 1,562              | 4,613               | 217,369               | 13,152                   | 9,534                 | 956     | 248,850   |
| 2003                         | 1,926         | 1,870              | 4,095               | 157,378               | 11,935                   | 8,687                 | 1,203   | 187,094   |
| Total                        | 30,579        | 29,055             | 68,429              | 2,969,390             | 226,007                  | 196,105               | 22,179  | 3,541,744 |
| <b>Panel B: East Germany</b> |               |                    |                     |                       |                          |                       |         |           |
|                              | ID-<br>Change | Spin-off<br>pulled | Spin-off/<br>pushed | New estab.<br>(small) | New estab<br>(med & big) | New estab.<br>(fuzzy) | Unclear | Total     |
| 1991                         | 106           | 401                | 825                 | 18,233                | 3,809                    | 32,340                | 290     | 26,004    |
| 1992                         | 263           | 454                | 796                 | 22,308                | 3,101                    | 2,531                 | 451     | 29,904    |
| 1993                         | 362           | 508                | 893                 | 23,536                | 3,698                    | 2,963                 | 496     | 32,456    |
| 1994                         | 401           | 536                | 963                 | 24,532                | 4,219                    | 2,884                 | 449     | 33,984    |
| 1995                         | 440           | 501                | 1,293               | 25,074                | 4,702                    | 2,869                 | 406     | 35,285    |
| 1996                         | 502           | 487                | 1,355               | 25,339                | 4,881                    | 2,860                 | 337     | 35,761    |
| 1997                         | 534           | 514                | 1,448               | 26,139                | 4,840                    | 2,817                 | 390     | 36,682    |
| 1998                         | 525           | 630                | 1,365               | 39,206                | 4,432                    | 3,139                 | 432     | 49,729    |
| 1999                         | 551           | 477                | 1,239               | 46,739                | 4,778                    | 2,819                 | 394     | 56,997    |
| 2000                         | 524           | 483                | 1,401               | 41,216                | 5,142                    | 2,951                 | 352     | 52,069    |
| 2001                         | 664           | 590                | 1,396               | 38,955                | 4,719                    | 2,839                 | 405     | 49,568    |
| 2002                         | 571           | 460                | 1,236               | 40,470                | 4,002                    | 2,478                 | 342     | 49,559    |
| 2003                         | 623           | 548                | 1,099               | 38,890                | 3,745                    | 2,297                 | 411     | 47,613    |
| Total                        | 6,066         | 6,589              | 15,309              | 410,637               | 56,068                   | 35,787                | 5,155   | 535,611   |

Table WA-4

## Establishment Exit Categories by Year: Number of Workers in Establishments

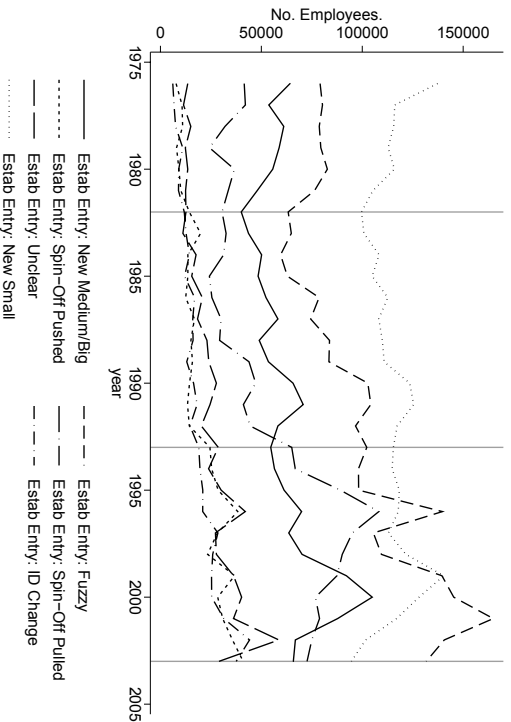
| Panel A: West Germany |               |                    |                     |                       |                          |                       |         |         |
|-----------------------|---------------|--------------------|---------------------|-----------------------|--------------------------|-----------------------|---------|---------|
|                       | ID-<br>Change | Spin-off<br>pulled | Spin-off/<br>pushed | New estab.<br>(small) | New estab<br>(med & big) | New estab.<br>(fuzzy) | Unclear | Total   |
| 1975                  | 4,323         | 14,367             | 16,213              | 89,376                | 69,221                   | 62,744                | 5,864   | 262,108 |
| 1976                  | 5,516         | 11,452             | 22,150              | 94,327                | 81,208                   | 67,177                | 5,334   | 287,164 |
| 1977                  | 6,445         | 15,658             | 21,527              | 94,427                | 60,562                   | 62,963                | 6,120   | 267,702 |
| 1978                  | 10,827        | 15,543             | 16,528              | 90,942                | 49,376                   | 70,965                | 5,346   | 259,527 |
| 1979                  | 8,766         | 10,631             | 17,872              | 98,735                | 55,008                   | 68,459                | 6,640   | 266,111 |
| 1980                  | 8,686         | 9,189              | 22,556              | 101,394               | 68,756                   | 66,314                | 5,766   | 282,661 |
| 1981                  | 10,897        | 15,294             | 32,161              | 104,186               | 90,119                   | 60,403                | 5,702   | 318,762 |
| 1982                  | 11,494        | 10,065             | 43,991              | 105,728               | 83,868                   | 62,650                | 6,011   | 323,807 |
| 1983                  | 13,887        | 13,388             | 31,186              | 106,061               | 72,259                   | 61,893                | 7,366   | 306,040 |
| 1984                  | 11,533        | 8,943              | 34,507              | 113,195               | 84,352                   | 55,308                | 7,915   | 315,753 |
| 1985                  | 14,337        | 12,474             | 29,918              | 114,989               | 74,696                   | 64,956                | 10,090  | 321,460 |
| 1986                  | 15,918        | 13,129             | 35,627              | 113,863               | 71,384                   | 66,905                | 11,035  | 327,861 |
| 1987                  | 15,128        | 12,690             | 29,703              | 114,162               | 63,023                   | 72,690                | 11,460  | 318,856 |
| 1988                  | 12,372        | 13,950             | 30,052              | 113,454               | 56,951                   | 68,801                | 12,170  | 307,750 |
| 1989                  | 16,503        | 13,195             | 25,890              | 115,542               | 63,692                   | 81,962                | 14,059  | 330,843 |
| 1990                  | 15,819        | 14,538             | 25,146              | 118,992               | 62,224                   | 93,707                | 12,199  | 342,625 |
| 1991                  | 14,316        | 12,759             | 31,882              | 127,342               | 71,788                   | 87,569                | 13,461  | 359,117 |
| 1992                  | 19,661        | 15,216             | 46,381              | 126,285               | 87,295                   | 97,215                | 14,920  | 406,973 |
| 1993                  | 19,878        | 17,477             | 52,471              | 128,883               | 98,784                   | 99,537                | 14,045  | 431,075 |
| 1994                  | 20,676        | 15,033             | 52,837              | 132,260               | 94,370                   | 89,206                | 14,632  | 419,014 |
| 1995                  | 20,570        | 20,831             | 61,725              | 134,562               | 92,855                   | 94,315                | 17,701  | 442,559 |
| 1996                  | 30,492        | 21,108             | 55,285              | 139,655               | 98,537                   | 96,340                | 15,822  | 457,239 |
| 1997                  | 24,511        | 21,685             | 49,133              | 143,042               | 88,115                   | 98,347                | 13,162  | 437,995 |
| 1998                  | 26,251        | 22,649             | 63,284              | 146,779               | 90,130                   | 124,497               | 16,922  | 490,512 |

Continued next page

Table WA-4 (continued)

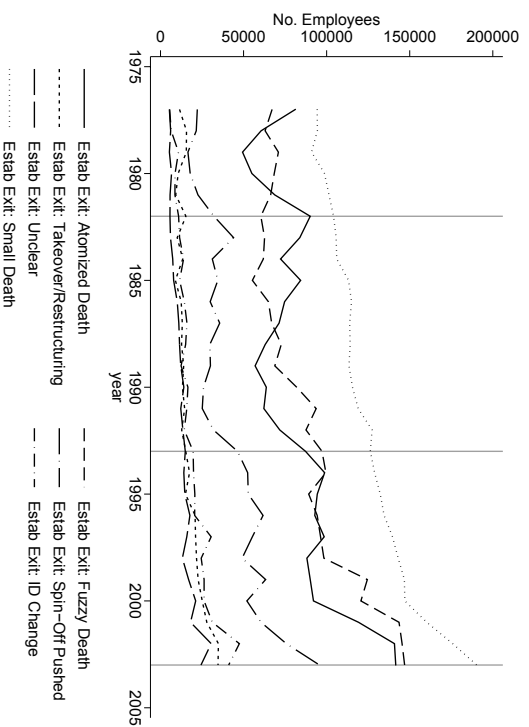
| <b>Panel A: West Germany</b> |               |                    |                     |                       |                          |                       |         |           |
|------------------------------|---------------|--------------------|---------------------|-----------------------|--------------------------|-----------------------|---------|-----------|
|                              | ID-<br>Change | Spin-off<br>pulled | Spin-off/<br>pushed | New estab.<br>(small) | New estab<br>(med & big) | New estab.<br>(fuzzy) | Unclear | Total     |
| 1999                         | 26,248        | 25,135             | 52,002              | 147,071               | 92,078                   | 120,617               | 21,182  | 484,333   |
| 2000                         | 31,189        | 27,880             | 60,509              | 160,267               | 119,171                  | 143,568               | 18,060  | 560,644   |
| 2001                         | 47,469        | 34,849             | 75,714              | 175,867               | 140,823                  | 145,410               | 30,519  | 650,651   |
| 2002                         | 41,047        | 34,628             | 95,664              | 190,343               | 141,596                  | 146,929               | 24,361  | 674,568   |
| 2003                         | 42,181        | 42,515             | 78,223              | 193,138               | 122,998                  | 122,366               | 25,715  | 627,136   |
| Total                        | 546,940       | 516,271            | 1,210,137           | 3,634,867             | 2,445,239                | 2,553,813             | 373,579 | 1.13e+07  |
| <b>Panel B: East Germany</b> |               |                    |                     |                       |                          |                       |         |           |
|                              | ID-<br>Change | Spin-off<br>pulled | Spin-off/<br>pushed | New estab.<br>(small) | New estab<br>(med & big) | New estab.<br>(fuzzy) | Unclear | Total     |
| 1991                         | 1,655         | 12,611             | 65,565              | 24,106                | 146,752                  | 80,603                | 7,936   | 339,228   |
| 1992                         | 4,645         | 11,877             | 27,045              | 29,778                | 50,596                   | 60,413                | 8,595   | 192,949   |
| 1993                         | 6,366         | 8,867              | 25,496              | 31,889                | 55,904                   | 49,291                | 9,002   | 186,815   |
| 1994                         | 7,843         | 13,940             | 32,057              | 34,196                | 59,088                   | 50,124                | 6,707   | 203,955   |
| 1995                         | 6,706         | 7,966              | 28,305              | 34,830                | 67,475                   | 46,851                | 7,853   | 199,986   |
| 1996                         | 12,118        | 6,803              | 28,987              | 35,685                | 65,804                   | 39,835                | 5,143   | 194,375   |
| 1997                         | 7,989         | 8,273              | 28,364              | 36,851                | 61,926                   | 40,120                | 5,156   | 188,679   |
| 1998                         | 7,609         | 9,449              | 23,799              | 52,531                | 51,288                   | 39,312                | 7,234   | 191,222   |
| 1999                         | 9,922         | 6,228              | 22,502              | 60,616                | 54,436                   | 33,137                | 7,818   | 194,659   |
| 2000                         | 11,595        | 8,955              | 25,705              | 54,274                | 56,336                   | 40,329                | 5,711   | 202,905   |
| 2001                         | 14,050        | 8,450              | 25,233              | 51,003                | 53,255                   | 36,421                | 6,839   | 195,251   |
| 2002                         | 12,780        | 8,399              | 22,260              | 49,027                | 45,496                   | 31,526                | 5,925   | 175,413   |
| 2003                         | 15,142        | 8,868              | 19,776              | 50,957                | 39,497                   | 30,026                | 5,512   | 169,778   |
| Total                        | 118,420       | 120,686            | 375,094             | 545,743               | 807,853                  | 577,988               | 89,431  | 2,635,215 |





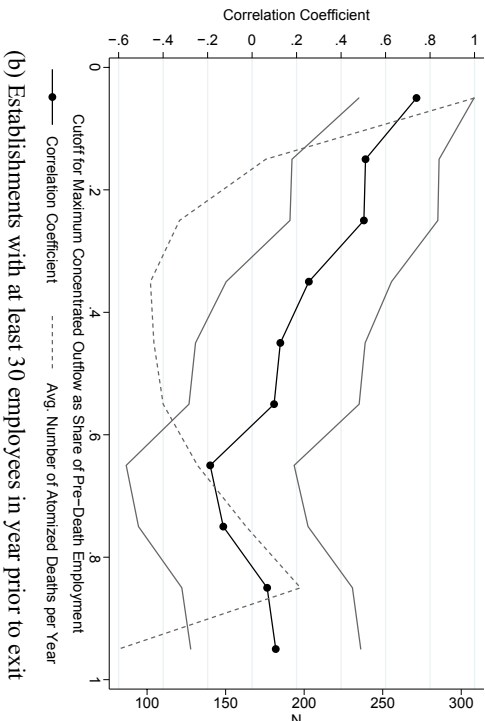
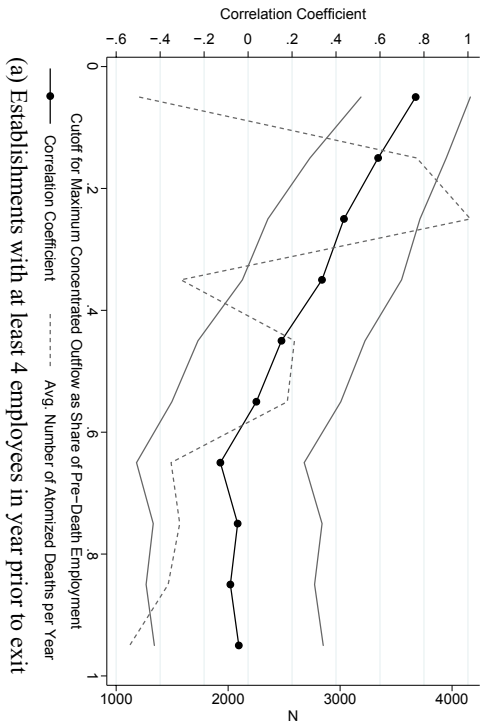
Notes: The figure shows the number of employees in each of the 7 entry categories by year. Vertical lines indicate recession years. Data: Establishment History Panel.

Figure WA-1: Number of Employees  
in each Establishment Entry Category from 1976–2004



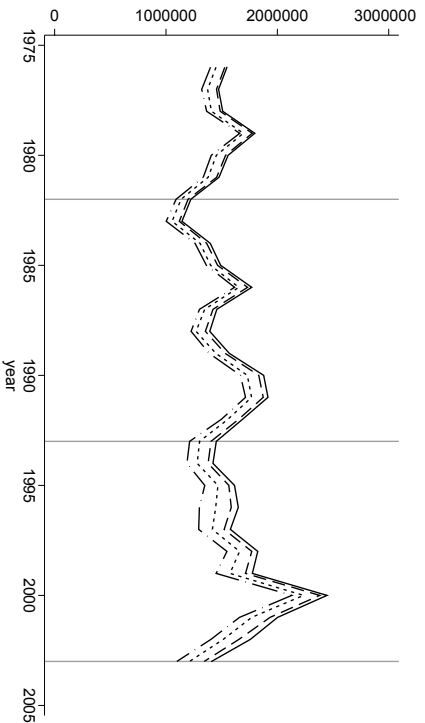
Notes: The figure shows the number of employees in each of the 7 exit categories by year. Vertical lines indicate recession years. Data: Establishment History Panel.

Figure WA-2: Number of Employees  
in each Establishment Exit Category from 1976–2004



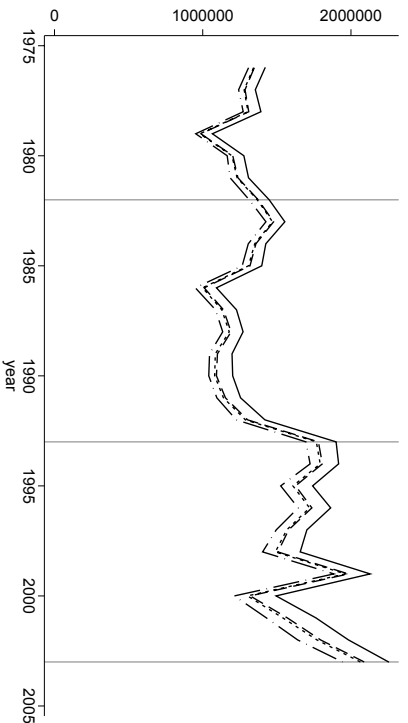
Notes: The figures show how the correlation between the number of establishment deaths per year and the change in the unemployment rate is affected by different thresholds for what constitutes an establishment death. For each point, all establishment deaths where the share of the maximum concentrated outflow of pre-exit employment falls into the given cutoff range (e.g.,  $[0-0.1]$  for the first bin) are calculated by year. Then the correlation between the (Hodrick-Prescott filtered) time series of establishment deaths and the year to year change in the unemployment rate is calculated. The left axis shows the correlation coefficient, while the right axis shows the average number of establishment deaths per year in the cutoff bin. The bands are 95% confidence intervals.

Figure WA-3: Correlation between  
Number of Establishment Deaths per Year and the Business Cycle  
as a Function of the Concentration of Employee Outflows



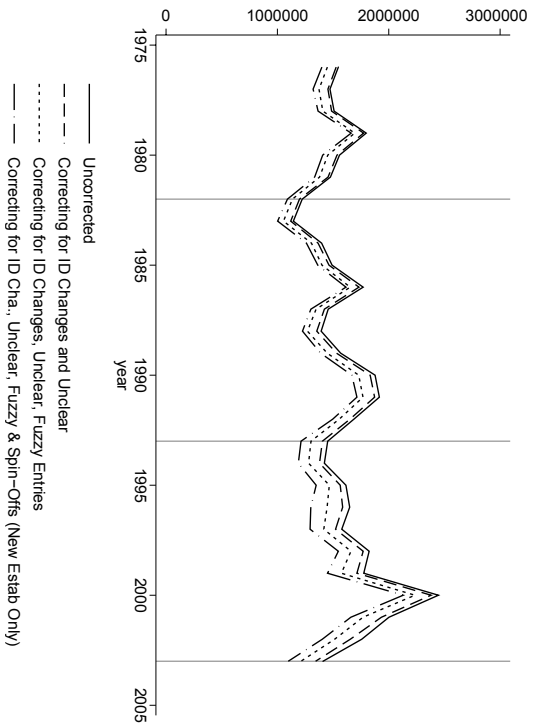
Notes: The figure shows corrected and uncorrected measures of total job creation by year. Vertical lines indicate recession years. Data: Establishment History Panel.

Figure WA-4: Correcting Total Job Creation Measures for Spurious Entries



Notes: The figure shows corrected and uncorrected measures of total job destruction by year. Vertical lines indicate recession years. Data: Establishment History Panel.

Figure WA-5: Correcting Total Job Destruction Measures for Spurious Exits



Notes: The figure shows corrected and uncorrected measures of net job creation by year. Vertical lines indicate recession years. Data: Establishment History Panel.

Figure WA-6: Correcting Total Net Job Creation Measures for Spurious Entries and Exits