

The effects of firm ownership transitions on economic growth and job creation: preliminary findings from a longitudinal population study

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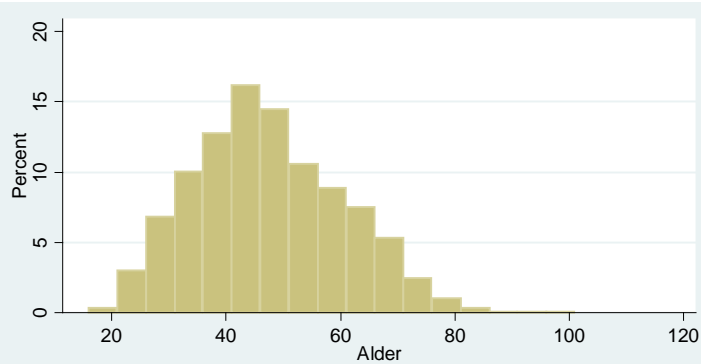
Handelshögskolan i Stockholm / Imperial College London

Lars-Erik Lundberg's foundation, The Swedish Research Council
(Vetenskapsrådet) and Torsten and Ragnar Söderbergs foundations

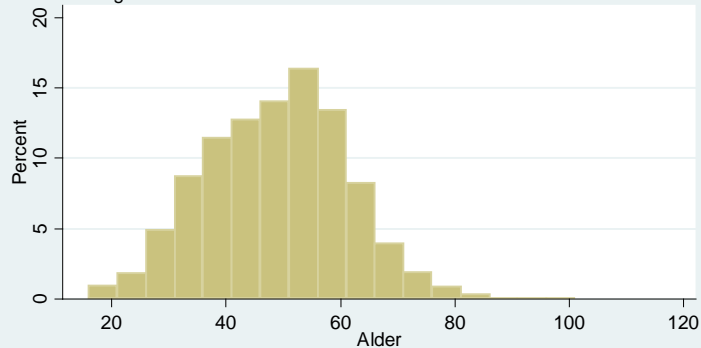
Age structure of business owners in Sweden (changes over time)

Mean age: 46,86

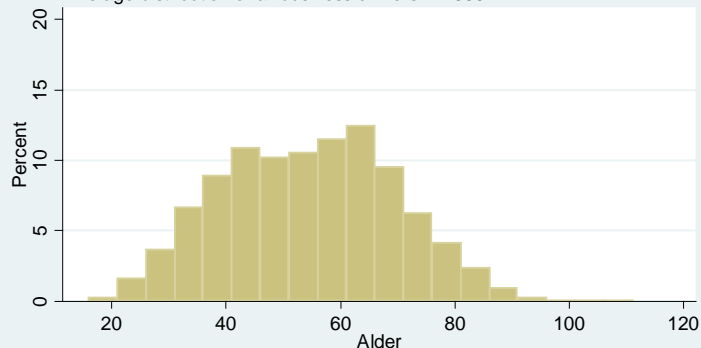
Share of business owners ≥ 60 years: 19%



The age distribution of all business owners in 1990



The age distribution of all business owners in 2000



The age distribution of all business owners in 2007

Mean age: 48,25

Share of business owners ≥ 60 years 18%

Mean age: 53,93 (52,77)

Share of business owners ≥ 60 years: 38% (34%)



Central research question

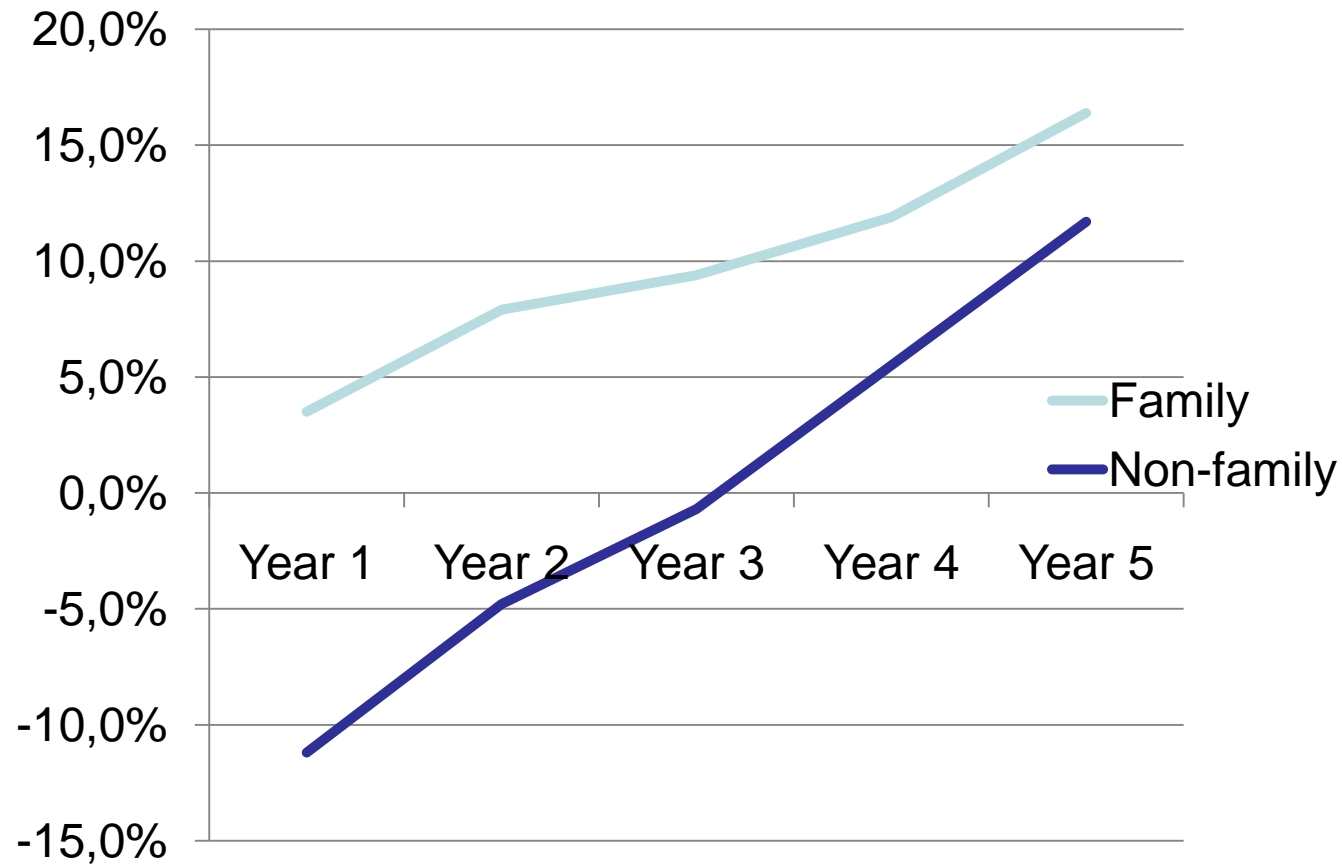


- What are the economic effects of different types of ownership transfer?
 - Transfer within the family vs. outside the family
 - Are differences related to the chosen time perspective, i.e. long-term vs. short-term view
 - Earnings before income tax
 - Employment
 - Sales

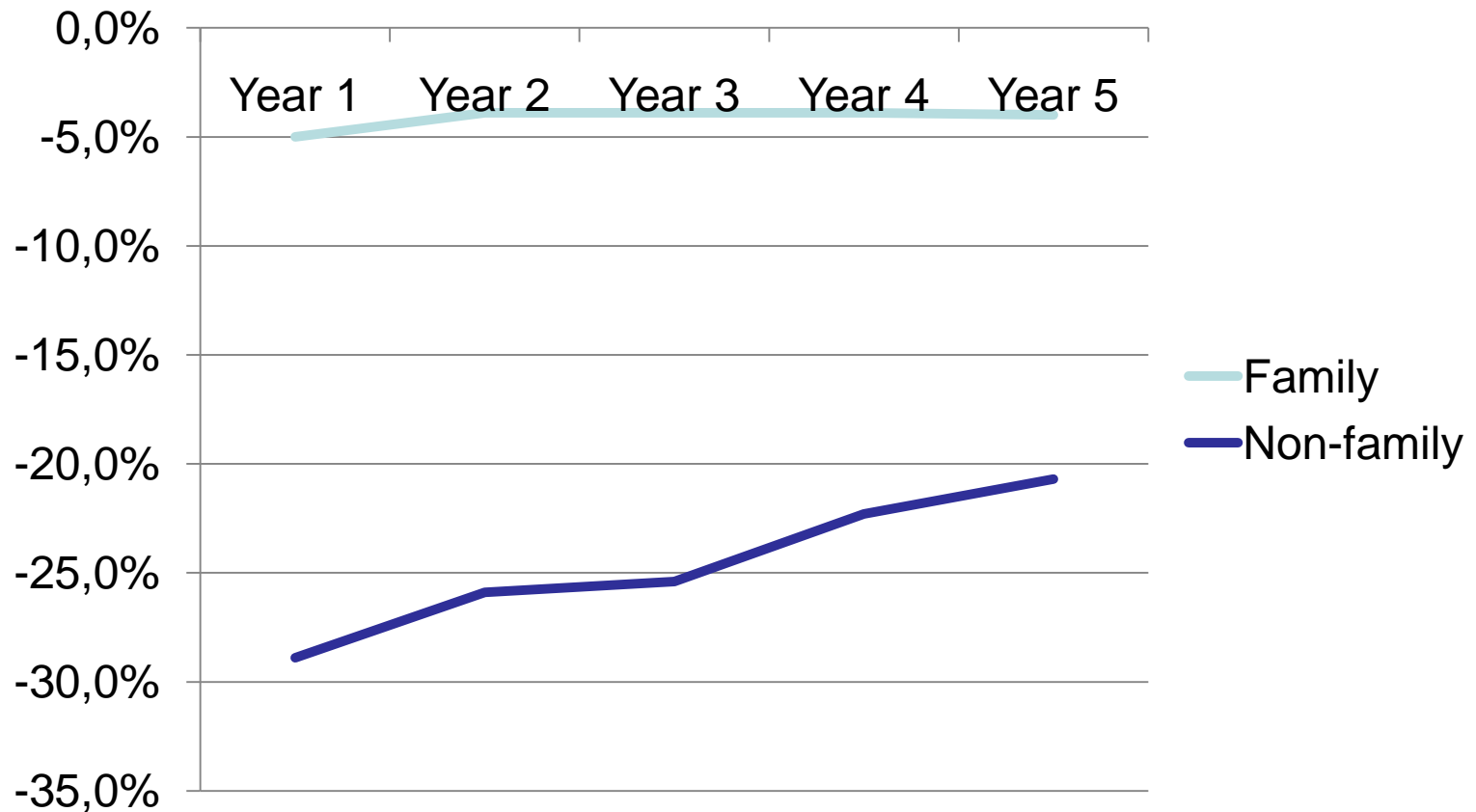
Method

- Matched employer-employee data from Statistics Sweden
- Links between individuals (spouses, parents, etc.)
- Observation period: 1990-2007
 - Here we present results based on five cohorts of transfers (98-02)
 - 7,345 firms (>10 employees)
 - Transfer within the family appr. 24%
 - Transfer outside the family appr. 76%
- This is work in progress
- Preliminary descriptive findings

Findings (1) Sales growth



Findings (1) Employment growth



Conclusions and implications

- There appears to be differences in post-succession performance depending on the exit route taken (within vs. outside family succession)
- These differences vary depending on
 - Performance measures investigated
 - Length of observation period