

The KfW/ZEW Start-up Panel: Design and Research Potential

by

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Abstract: To date there is no data set in Germany, which observes firm formations not only on an annual basis but also continuously over a number of years. Therefore the Centre for European Economic Research (ZEW), the KfW Bankengruppe and Creditreform are cooperating to form a start-up panel for Germany. In the context of the KfW/ZEW start-up panel, telephone interviews with approximately 6000 newly founded companies from all industries will be conducted once a year (“computer-aided telephone interviews“, CATI). In this way, the KfW/ZEW start-up panel will for the first time make it possible to conduct a profound analysis of the temporal development of newly founded companies and their probability of survival or failure.

The database of Creditreform, the largest German credit rating agency, serves as the basis for the start-up panel. Creditreform’s database that is provided to the ZEW for research purposes is used to identify the firms that are suitable for the survey based on the stratification criteria. Three stratification criteria are applied in order to construct the sample of the KfW/ZEW start-up panel: year of firm formation, sector, and whether or not the firm received support from the KfW bank. In each year, a random sample of firms that have been founded in the three years prior to the year of the survey is drawn from Creditreform’s database. Firms that already participated in the survey will be contacted during the six subsequent years in order to track their development.

The surveys of the KfW/ZEW start-up panel will be designed as so-called “Bus” surveys. This means that along with the standard questions that remain the same every year, additionally different focus themes are included. The themes that are intended to be analysed with the help of the KfW/ZEW start-up panel include: (i) survival, growth and success of firm formations; (ii) innovation behaviour of start-ups; (iii) labour demand; (iv) investment and financing strategies.

The scientific potential of the KfW/ZEW start-up panel is also based on the fact that half of the companies surveyed belong to the technology- and knowledge-intensive sectors of the manufacturing and services industry. This allows for differentiated analyses of these foundations which are particularly important for the dynamics and international competitiveness of economies.

In this paper we will first describe in detail the design of the KfW/ZEW start-up panel including the identification of firm formations and closures from Creditreform's database and the stratification procedure used to build the gross sample. The research potential of the KfW/ZEW start-up panel will be illustrated using data from the first survey of the panel that was conducted in 2008. Finally, the data access for external researches and data protection issues of the confidential micro data are discussed.

Keywords: *micro data, firm data, firm foundation.*

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