

*Replication Materials for:*

# New Evidence on the Cyclicity of Employer-to-Employer Flows from Canada

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This documentation file describes the programs and data needed to recreate the empirical results presented in our paper. The data needed to replicate our results are in the `data_raw` folder. This folder contains three files:

- `lfs.txt` – Aggregated data on labor force state stocks (employment, unemployment, etc.) from the LFS
- `roe.txt` – Aggregated separations data from the ROE and Picot, Lin and Pyper (1998)
- `insurable_employment.csv` – Employment captured by the ROE data from the Canadian Employment Insurance Statistics available on Statistics Canada’s public database in Table 14-10-0006-01 (Formerly Table 276-0011 in CANSIM)

Stata programs needed to replicate our results are in the `programs_stata` folder. Users should run the `master.do`, which will call all the other programs in the appropriate order. The full list of programs is:

1. `master.do`
2. `readmicrolfs.do` (Optional)
  - **Output:** `data_raw\lfs.txt`
3. `read_insurable_emp.do`
  - **Output:** `data_working\insurable_emp.dta`
4. `three_state_1.do`
  - **Output:**
    - `data_raw\xemp_st_x12.dta`
    - `data_raw\xemp_x12.dta`
    - `data_raw\xeu_st_x12.dta`
    - `data_raw\xnonemp_st_x12.dta`
    - `data_raw\xnonemp_x12.dta`
    - `data_raw\xselfemp_st_x12.dta`
    - `data_raw\xu_st4_x12.dta`

- data\_raw\xunemp\_x12.dta
  - data\_working\lfs.dta
  - data\_working\three\_state\_flows.dta
  - data\_working\lfs\_annual.dta
5. three\_state\_2.do
- Output: data\_working\three\_state\_flows\_quarter.dta
6. read\_roe.do
- Output:
    - data\_working\roe\_aggdata.dta
    - data\_working\roe\_aggdata\_plus.dta
    - data\_working\roe\_aggdata\_all.dta
7. ee.do
- Output:
    - data\_working\merged\_data.dta
    - data\_working\ee.dta
8. produce\_stats.do
- Output:
    - figures\_and\_output\statistics.txt
    - figures\_and\_output\graph\_input.xlsx

Users that have downloaded the LFS public-use microdata can use `read_microlfs.do` to read it and aggregate those data. Place the LFS microdata files in Stata format into `data_raw\` to use this program.

During execution of the program `three_state_1.do`, the program will halt to allow the user to run the X-12 deseasonalization algorithm on the LFS data. Pre-processed deseasonalized data has been included so the user can simply press 'q' to continue. We also include the X-12 program, courtesy of the US Census Bureau, for the interested readers. Such readers should follow these steps:

1. Make sure the file `winx12i\runx12.ini` has the correct directories specified.
2. Run the file `winx12i\Runx12.exe` and navigate to each subfolder within `winx12i\data\`. Select the `.spc` file as the Input file and press 'Run'.
3. Return to Stata and press the 'q' key on your keyboard to resume execution.

Once the program has finished executing, `figures_and_output\statistics.txt` will contain all the values necessary to recreate Table 1.

To recreate Figure 1, copy the data in `figures_and_output\graph_input.xlsx` to `figures_and_output\graphs.xlsx`.