Productivity Partnership Data School I:
## Applications of Firm-Level Data in Canada

Yasin Salimibeni

CEA – 2017

My Research Agenda

- Objective: To study if information asymmetry's effect in loan (debt) pricing, i.e. interest rate

- Contributes to the literature of credit spread puzzle, financial friction and business cycle

- Data: Survey on Financing and Growth of Small and Medium Enterprises

- Method: Regression / Tabulation

More on the Data and Method

- From the data I can access
  - Firms' financials
  - Some Firm and Owner's Characteristics
  - Firm-Bank relationship (Proxy variables)
  - Amount and cost of loans

- Method:
  - Regress lending rates on firm and borrower's characteristics and other controls
  - Compare firms with longer/strong relationship to their credit supplier with those which are less integrated/ have weaker relationship with the lender (may use a matching method to do the comparison)

Timeline of my Data Access
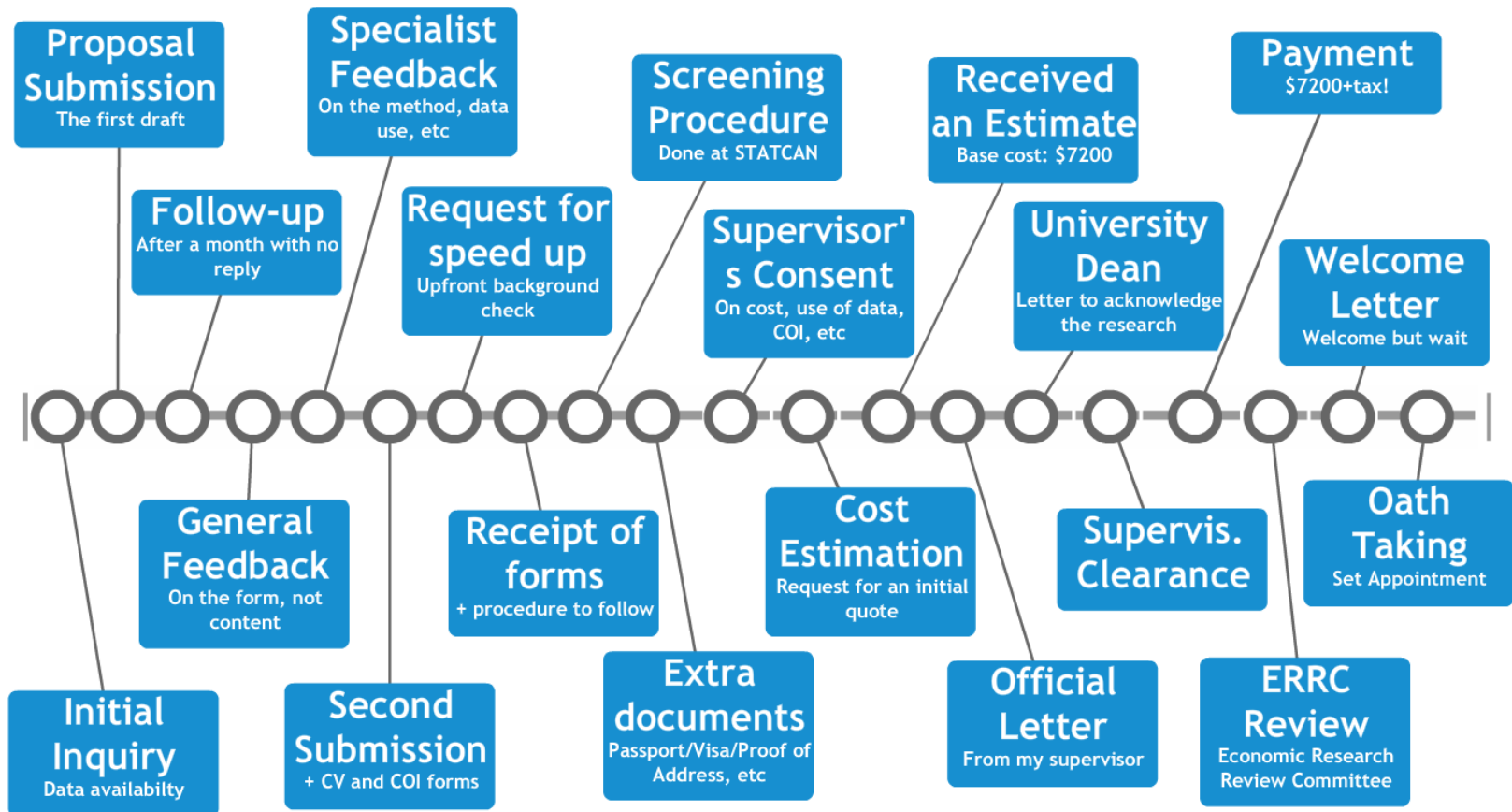
How to speed up application?

- Proposal:
  - Better to brief in the background/literature; comprehensive in the methodology and data
    - Give exact list of regressions, tables, and all the variables to use
    - Specify years (vintages) of data you need to use (and justify)
  - Have a section titled: Justification for using the microdata; and one if you need to "release unweighted regression"

- Prepare other documents in advanced:
  - Visa, Study Permit, Passport, Proof of address
  - CV, Conflict of Interest form, Supervisor's letter, Dean's letter

Suggestions for CDER

- Clarify the procedures
  - Update/Upgrade website's information
  - Could benefit from flowcharts and diagrams
- Make online accounts
  - To upload documents instead of emailing
  - To inform what's done and what's left to do
- Let for more upfront submission
  - CV, COI, Contest forms, Background Check, etc.