Dr. David Arnold

Assistant Professor of Teaching, Co-Director of Instruction

Economics Department, University of California, San Diego

"The Labor-Market Impacts of a Major Merger: Evidence from the Security Guard Industry."

Abstract: In 2016, AlliedBarton and Universal Protection Service merged to form Allied Universal, the largest security guard services firm in the world and third-largest employer in the United States. This paper studies the labor-market impacts of this merger by combining online job posting data from Lightcast with publicly available labor-market data. I find that counties more exposed to the merger experience wage increases relative to less-exposed counties. Large competitors respond strategically, adopting similar hiring practices, such as increasingly advertising benefits. Using data on federal security contracts from usaspending.gov, I find suggestive evidence that increases in prices for security guards led to higher wages through rent sharing.

Link: https://darnold199.github.io/security.pdf