

## M&A and the Rise of Concentration

### **Abstract:**

This paper provides the first quantification of the contribution of M&A to rising concentration. Using comprehensive data from the U.S. Economic Census, we show that M&A has contributed to rising concentration in every sector and that M&A contributes 44% of the increase in aggregate concentration. We present an empirical decomposition of changes in concentration that further accounts for the effects of entry and exit. Last, we present analysis designed to help us understand the possible extent to which the relaxing of merger guidelines or lax government enforcement of existing guidelines contributed to the rise in concentration.