Appendix for The Unexpected Compression: Competition at Work in the Low Wage Labor Market

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A1 Measurement Error Correction for Separation Elasticities Based on Individual Wage

In order to correct for measurement error in the annual measure of EE separation, we estimate how switching both industry and occupation relates to switching employers in months where we can observe true EE separations (MIS 6-8). As discussed in Section 1, we consider the IPUMS variable *EMPSAME* to provide a "ground truth" measure of monthly EE separations, which we can check against monthly changes in industry and occupation. True annual EE separations (ΔJ^{12}) are then related to proxied annual separations ($\tilde{\Delta} J^{12}$) as follows:

$$E\left(\tilde{\Delta} J^{12}\right) = P(\tilde{\Delta} J^{12} = 1|\Delta J^{12} = 1)E(\Delta J^{12}) + P(\tilde{\Delta} J^{12} = 1|\Delta J^{12} = 0)(1 - E(\Delta J^{12}))$$
$$E\left(\tilde{\Delta} J^{12}\right) = \theta_{11}E(\Delta J^{12}) + \theta_{10}(1 - E(\Delta J^{12}))$$
$$E\left(\tilde{\Delta} J^{12}\right) = (\theta_{11} - \theta_{10})E(\Delta J^{12}) + \theta_{10}$$

We can then solve for true annual separations as $E\left(\Delta J^{12}\right) = \frac{E(\tilde{\Delta} J^{12}) - \theta_{10}}{(\theta_{11} - \theta_{10})}$. However, since we don't have a ground truth estimate of ΔJ^{12}, we also lack an estimate of $\theta_{11} = P(\tilde{\Delta} J^{12} = 1|\Delta J^{12} = 1)$ or $\theta_{10} = P(\tilde{\Delta} J^{12} = 1|\Delta J^{12} = 0)$. We can estimate proxies for θ_{11} and θ_{10} using monthly data. Define p_{11} as the share of annual separators who leave between MIS 4 and 5, so that $p_{11} = P(\Delta J^{MIS4,5} = 1|\Delta J^{12} = 1)$. If we define ΔJ^1 as monthly separations, $1 - \Delta J^1$ is the probability of not switching jobs in 1 month and $1 - (1 - \Delta J^1)^m$ is the probability of switching jobs at least once in the span of m months. Since we observe 'true' job switching in 3 months out of the year, we need to know the proportion of true switchers that switch jobs in the 9 months between MIS 4 and 5. Thus, $p_{11} = \frac{1-(1-\Delta J^1)^9}{1-(1-\Delta J^1)^{12}}$. We can then define $\theta_{11} = p_{11}(\theta_{11}^m) + (1 - p_{11})$ where $\theta_{11}^m = P(\tilde{\Delta} J^1 = 1|\Delta J^1 = 1)$, $\tilde{\Delta} J^1$ is the observed EE separation (measured as the joint occurrence of an industry and occupation switch between month $t - 1$ and t), and ΔJ^1 is the monthly ground truth EE separation measured by the IPUMS variable *EMPSAME*. If $\theta_{10}^m = P(\tilde{\Delta} J^1 = 1|\Delta J^1 = 0)$, then $\theta_{10} = 1 - (1 - \theta_{10}^m)^9$. The observed parameters used in calculating θ_{11} and θ_{10} are calculated separately for subgroup and period.

True monthly separations are a function of residual wage w as follows: $E(\Delta J^{12}) = \alpha +$

$\beta \ln(w)$, whereas the conditional expectation function for observed separations is $E(\tilde{\Delta} J^{12}) = [\alpha + \theta_{10}] + [\beta (\theta_{11} - \theta_{10})] \ln(w)$. (For notational simplicity, we have dropped the monthly subscript to the regression coefficient, simplifying α^{12} and β^{12} as α and β, respectively.)

The semi-elasticities can thus be obtained by dividing $\tilde{\beta}$ by $(\theta_{11} - \theta_{10})$. Empirically, $\theta_{11} - \theta_{10}$ for the overall sample in period $T(t) = 2$ is approximately 0.57, meaning that the (semi-elasticity) coefficient adjustment factor is around 1.75. To obtain the elasticities corresponding to these estimates, we then divide the $\beta_{T(t)}$ by the true mean separation rate $E(\Delta J^{12}) = \frac{E(\tilde{\Delta} J^{12}) - \theta_{10}}{\theta_{11} - \theta_{10}}$ in period $T(t)$ by subgroup. The corrected 12-month EE separation elasticities using this method are presented in Table 2 column 2. The correction itself makes a modest difference: the elasticities with measurement error correction for the high-school under-40 group is -0.175 (se= 0.044) for period 1 and 0.268 (se = 0.104) for period 2, without the correction, these elasticities are 0.159 (se = 0.040) and 0.252 (se = .098), respectively.

Figure A1: Changes in Nominal Wage and Inflation Rate Along the (Unsmoothed) Distribution
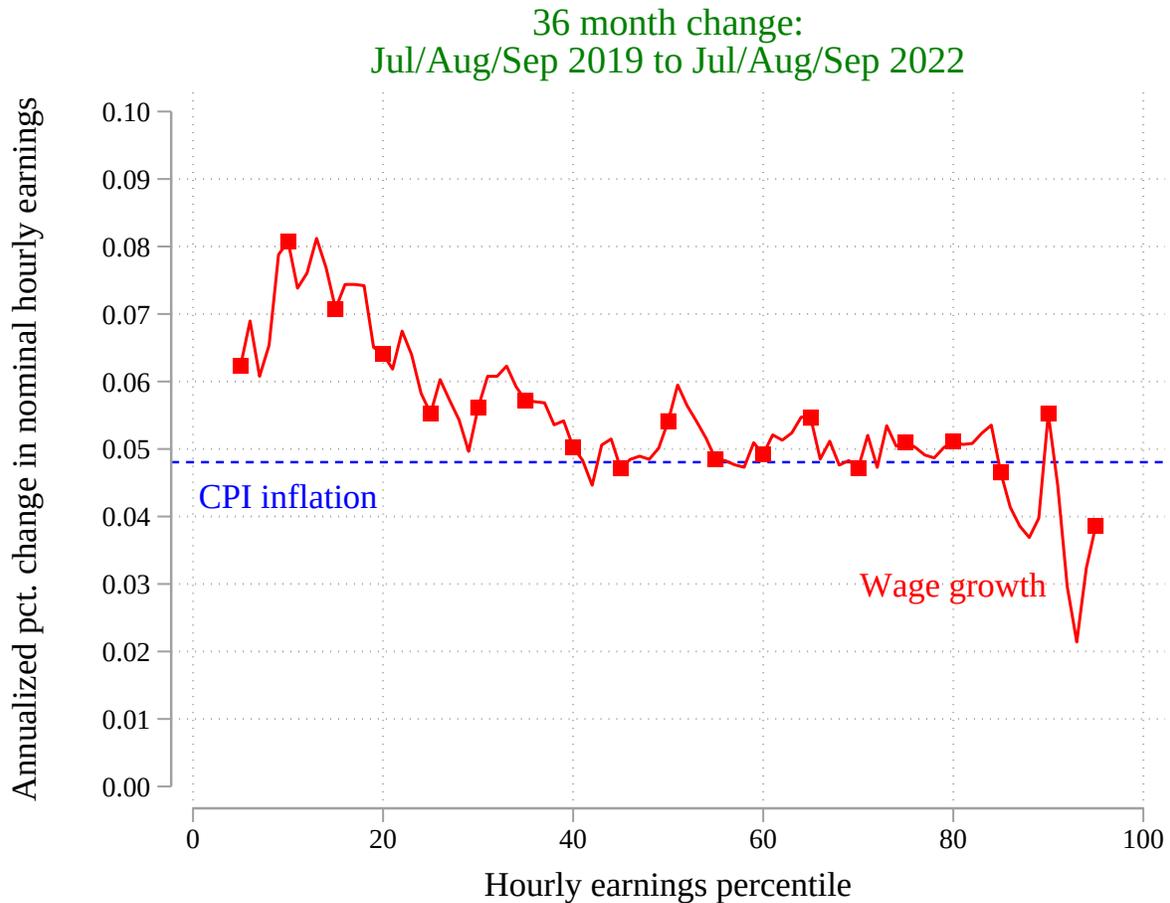
Note: CPS monthly data. Adjusted to maintain demographic composition in January–March 2020 using inverse probability weighting based on age, education, race/ethnicity, gender, citizenship, country of birth, and region. Use CPI-U annualized, not-seasonally adjusted, all workers.

Figure A2: 48 Month Changes in Nominal Wage and Inflation Rate Along the Distribution
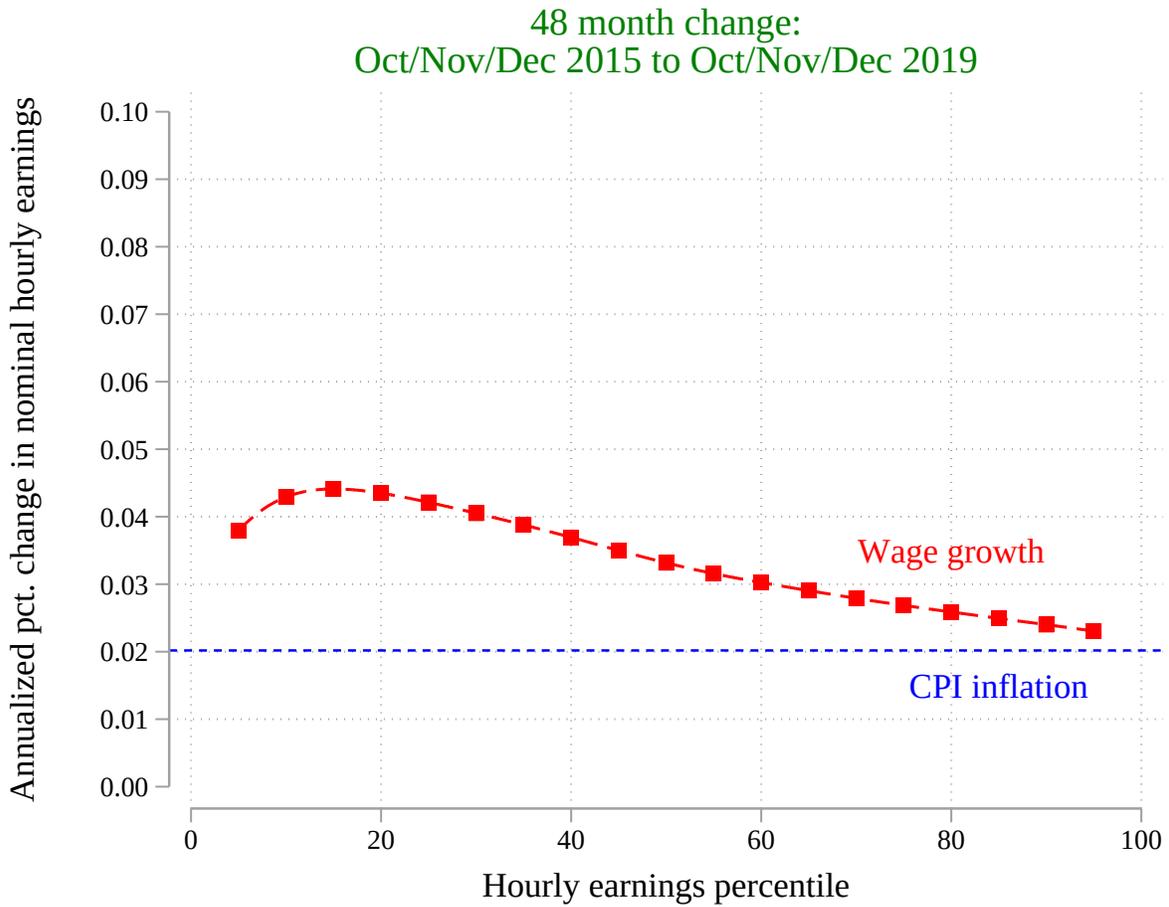
48 month change:
Oct/Nov/Dec 2015 to Oct/Nov/Dec 2019

Note: CPS monthly data. Adjusted to maintain demographic composition in January–March 2020 using inverse probability weighting based on age, education, race/ethnicity, gender, citizenship, country of birth, and region. Wage percentiles smoothed with lowess. Use CPI-U annualized, not-seasonally adjusted, all workers.
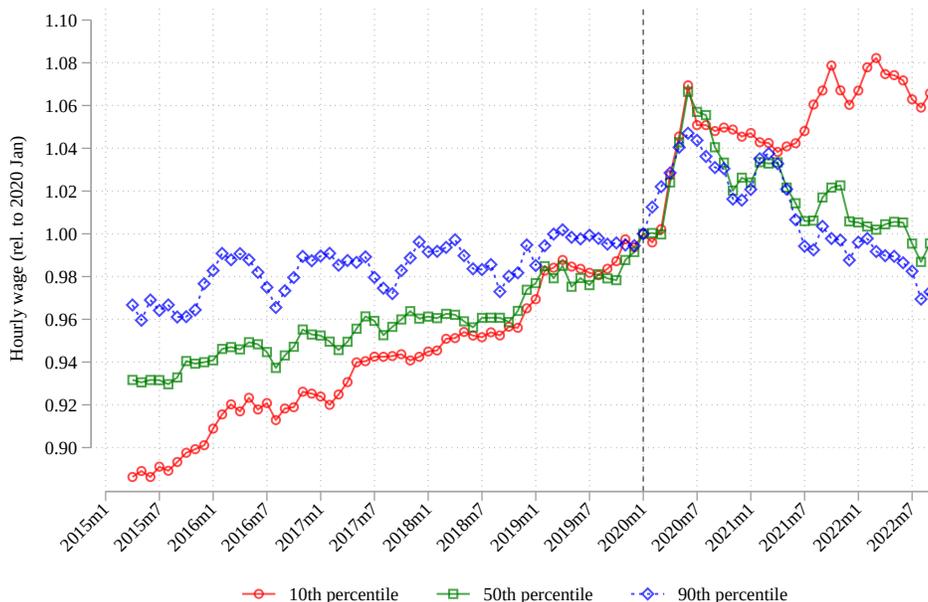
Figure A3: Real Hourly Wages by Metro Area Status, Relative to January 2020

Note: CPS monthly data. Adjusted to maintain demographic composition in January–March 2020 using inverse probability weighting based on age, education, race/ethnicity, gender, citizenship, country of birth, and region. Wages are real (2022_{q3} USD) and smoothed with a 3-month moving average.

Figure A4: Real Hourly Wages by Quantile and Metro Area Status,
Relative to January 2020
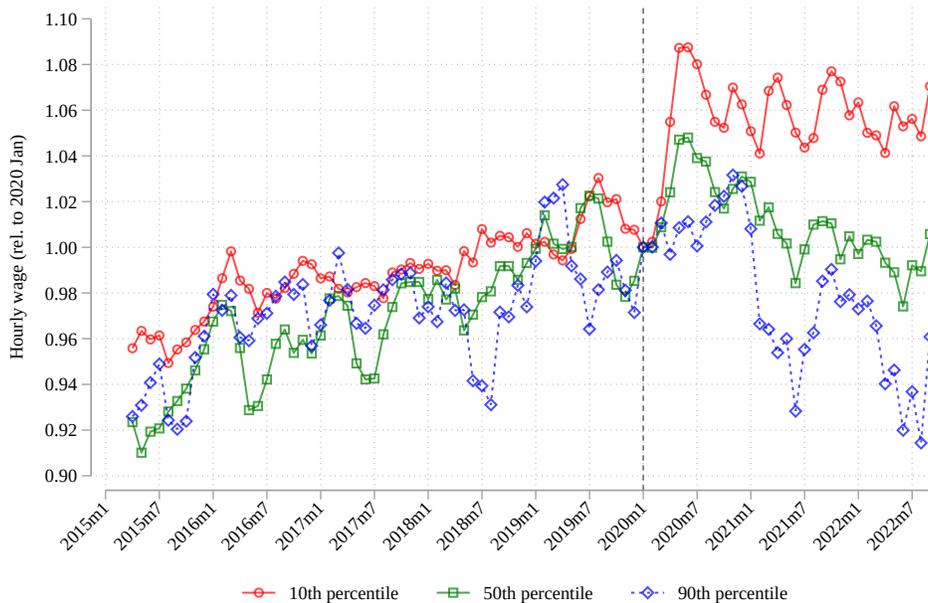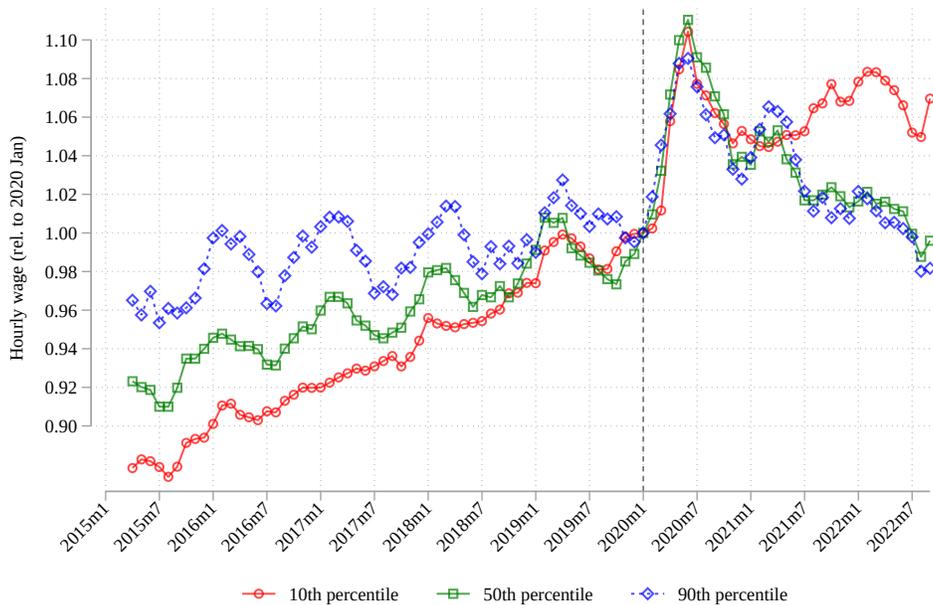
A. Metro area

B. Non-metro area

Note: CPS monthly data. Adjusted to maintain demographic composition in January–March 2020 using inverse probability weighting based on age, education, race/ethnicity, gender, citizenship, country of birth, and region. Wages are real (2022_{q3} USD). Wage percentiles smoothed with lowess and 3-month moving average.

Figure A5: Real Hourly Wages by Quantile and Sex, Relative to January 2020

A. Male workers

B. Female workers

Note: CPS monthly data. Adjusted to maintain demographic composition in January–March 2020 using inverse probability weighting based on age, education, race/ethnicity, gender, citizenship, country of birth, and region. Wages are real (2022_{q3} USD). Wage percentiles are smoothed with lowess and a 3-month moving average.

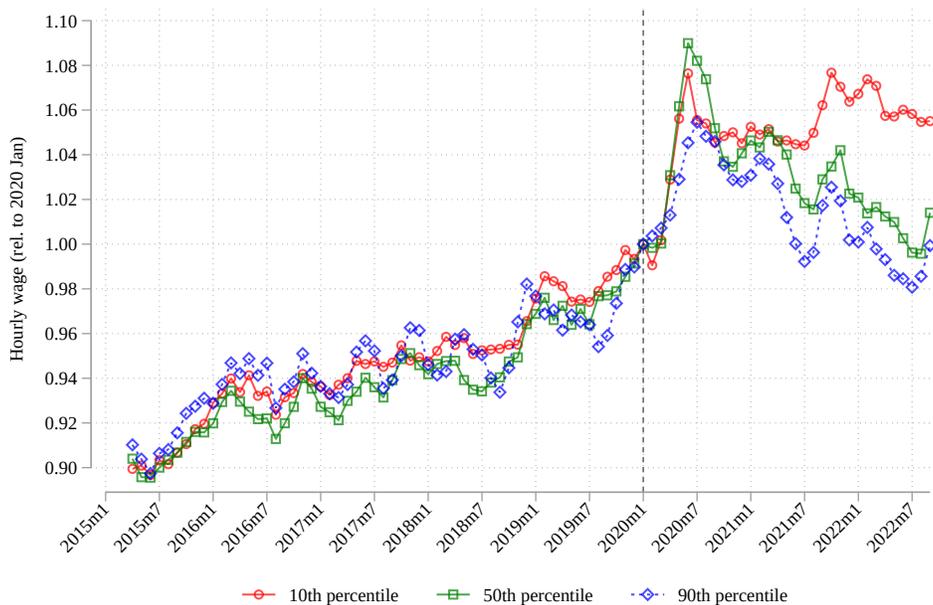**Figure A6:** Real Hourly Wages by Education Levels (5 Education Categories), Relative to January 2020

Note: CPS monthly data. Adjusted to maintain demographic composition in January–March 2020 using inverse probability weighting based on age, education, race/ethnicity, gender, citizenship, country of birth, and region. Wages are real (2022_{q3} USD) and smoothed with a 6-month moving average.

Figure A7: Real Hourly Wages by Types of Occupation Using Task Measures, Relative to January 2020

Note: CPS monthly data. Adjusted to maintain demographic composition in January–March 2020 using inverse probability weighting based on age, education, race/ethnicity, gender, citizenship, country of birth, and region. Wages are real (2022_{q3} USD) and smoothed with a 3-month moving average. Occupation task types were identified following Jaimovich and Siu (2020).

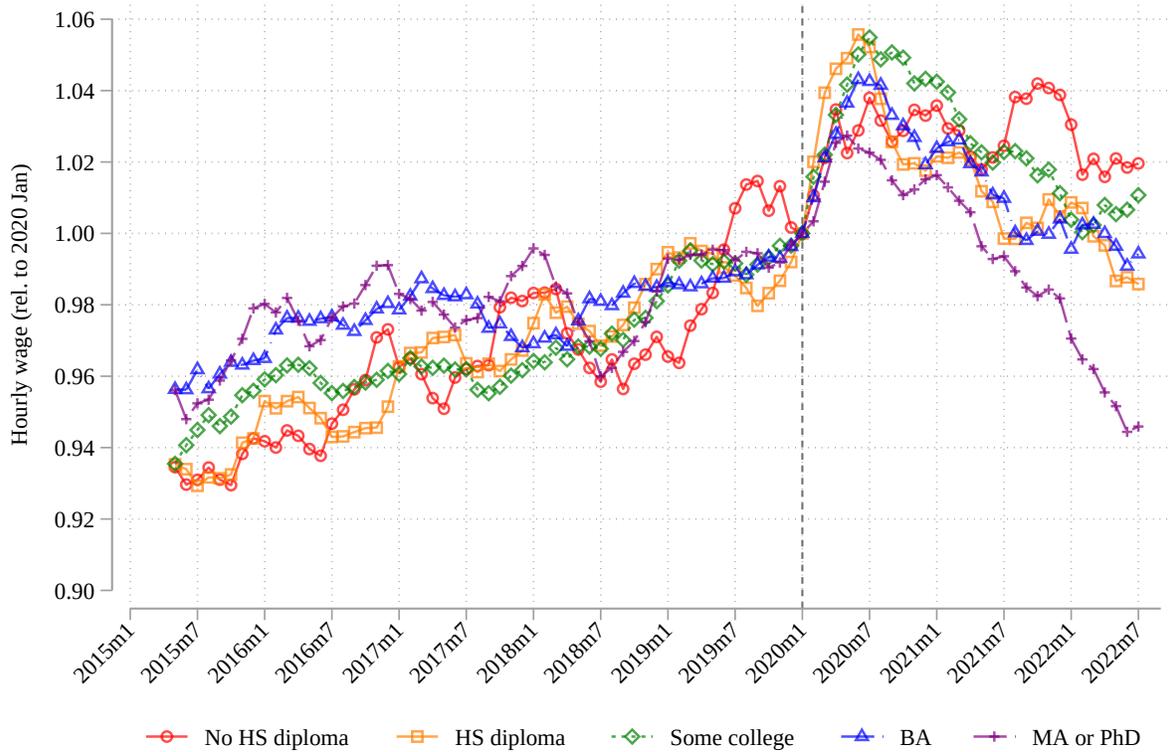**Figure A8:** Real Hourly Wages by Education Levels (Non-BA vs. BA+), Relative to January 2020
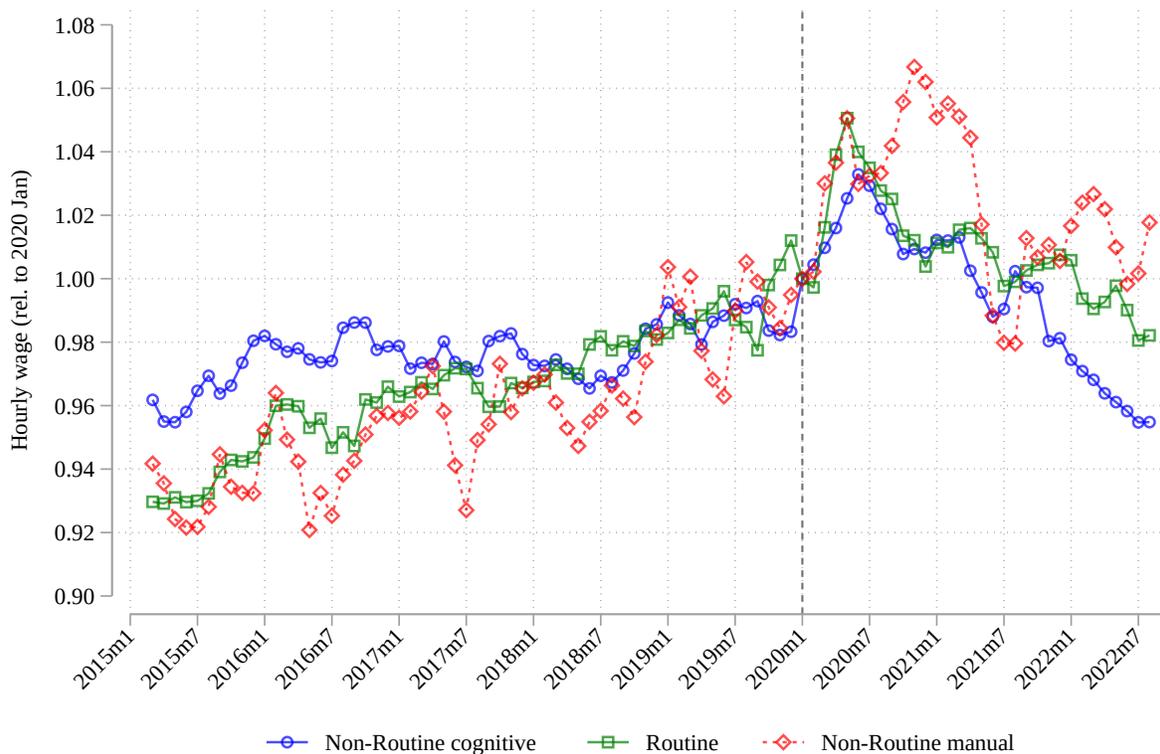

Note: CPS monthly data. Adjusted to maintain demographic composition in January–March 2020 using inverse probability weighting based on age, education, race/ethnicity, gender, citizenship, country of birth, and region. Wages are real (2022_{q3} USD) and smoothed with a 3-month moving average.

Figure A9: EE Separation Rates by Month and Year: Non-BA Workers

A. High School education
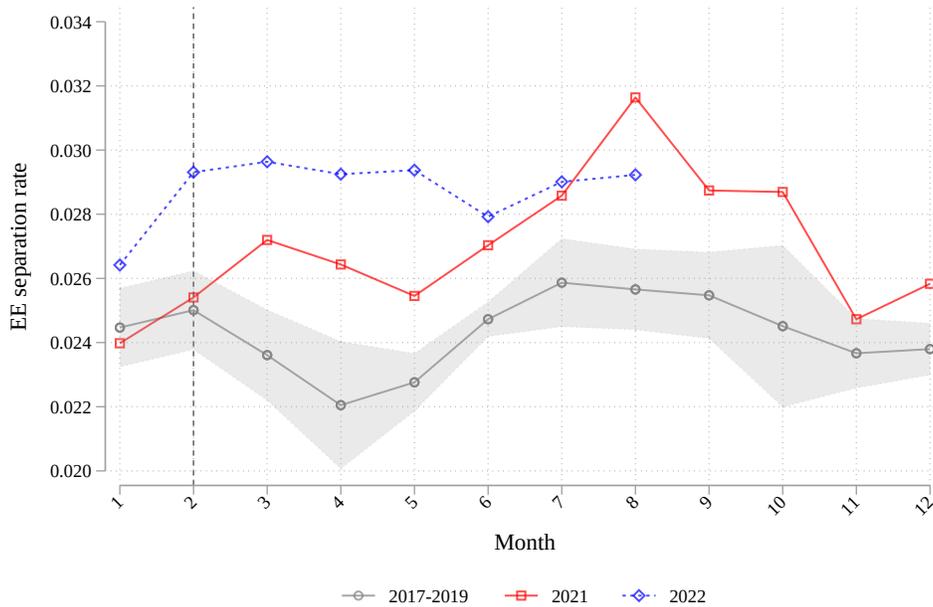
B. Some college education
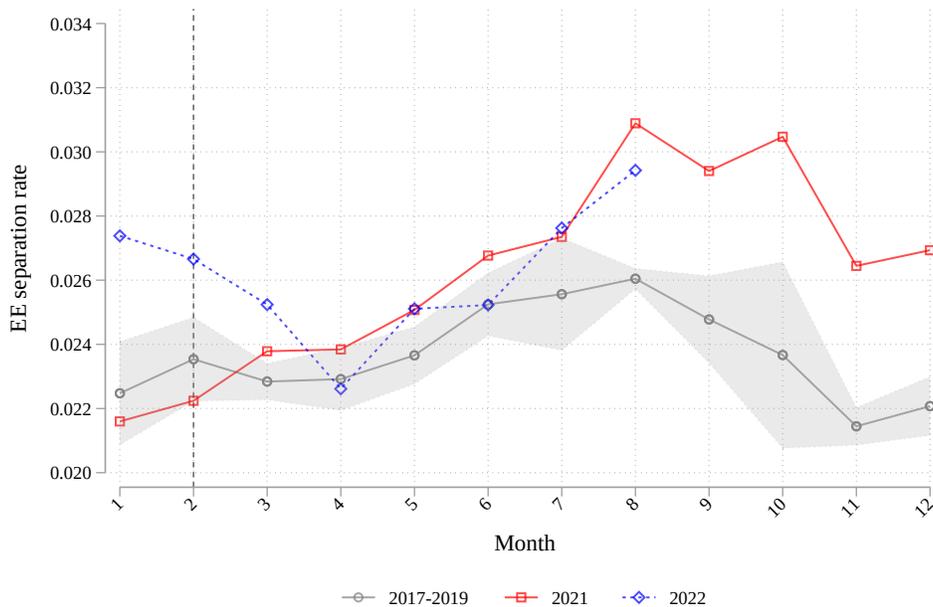
Note: CPS monthly data. Employment-to-employment (EE) separation rate is smoothed with a 3-month moving average. Shaded area represents the 95% confidence interval for the monthly EE separation rate during the 2017–2019 period.

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Table A1: Coefficient on Tightness from Regressions of Wage Change on State Labor Market Tightness

	(1)
Overall	0.0105**
	(0.0054)
Within wage quartiles	
1st Quartile	0.0437***
	(0.0105)
2nd-4th Quartiles	0.0052
	(0.0073)
Within age and education groups	
HS under 40	0.0384***
	(0.0101)
All other groups	0.0038
	(0.0058)
Controls:	
Age	X
Demographics	X
Sector and Union	X
Covid Death Rate	X

Note: N=75,199. Table reports estimates from OLS regressions of log real wage change on tightness corresponding to Figure 23. The independent variable is state-level tightness from 2021_{q3} to 2022_{q1}. Tightness is an average of the standardized EE separation rate and negative standardized unemployment rate, measured at the state level. EE separation rates obtained from CPS monthly data. Seasonally-adjusted state unemployment rates obtained from BLS LAUS. The dependent variable is log real wage change from 2021_{q1q2} and 2022_{q2q3}. Real wages obtained from CPS monthly data. Specifications includes state and 6-month period fixed effects. Wage quartiles are estimated by state and period. Age controls include five age group dummies. Demographic controls include dummies for three education levels, 26 race categories, and sex. Sector controls include dummies for work in the manufacturing sector, professional services sector, finance sector, and business sector. Union controls are a dummy for union coverage. Covid death rate controls include a continuous variable for the state Covid-19 death rate per 100,000 people as of Sep 2022, and an interaction with an indicator for the 2nd and 3rd quarter of 2022. Within quartile estimates reported from a regression including interactions with the bottom quartile, and all others. Within age and education estimates reported from a regression including high schools workers under 40, and all others. Standard errors in parentheses, clustered by state. * $p < 0.10$, ** $p < 0.05$, *** $p < .01$

Table A2: Coefficient on Unemployment from Regressions of Wage Change on State Standardized Negative Unemployment Rate

	(1)	(2)	(3)	(4)	(5)
Overall	0.0125**	0.0132**	0.0080**	0.0070*	0.0065*
	(0.0055)	(0.0054)	(0.0040)	(0.0039)	(0.0037)
Within wage quartiles					
1st Quartile	0.0310**	0.0311**	0.0296**	0.0294**	0.0292**
	(0.0133)	(0.0132)	(0.0128)	(0.0128)	(0.0133)
2nd Quartile	0.0324***	0.0325***	0.0313***	0.0311***	0.0308***
	(0.0068)	(0.0068)	(0.0066)	(0.0066)	(0.0066)
3rd Quartile	−0.0039	−0.0035	−0.0031	−0.0035	−0.0037
	(0.0043)	(0.0043)	(0.0043)	(0.0043)	(0.0044)
4th Quartile	−0.0094	−0.0097	−0.0092	−0.0088	−0.0091
	(0.0086)	(0.0087)	(0.0083)	(0.0083)	(0.0083)
Within age and education groups					
High School, under 40	0.0255***	0.0287***	0.0289***	0.0253***	0.0248***
	(0.0063)	(0.0061)	(0.0059)	(0.0058)	(0.0063)
High School, 40+	0.0310***	0.0299***	0.0293**	0.0259**	0.0253***
	(0.0119)	(0.0115)	(0.0115)	(0.0103)	(0.0095)
Some College, under 40	0.0338***	0.0317***	0.0299***	0.0270***	0.0265***
	(0.0057)	(0.0057)	(0.0054)	(0.0054)	(0.0059)
Some College, 40+	0.0082	0.0069	0.0065	0.0065	0.0060
	(0.0077)	(0.0076)	(0.0078)	(0.0078)	(0.0074)
BA+, under 40	−0.0210***	−0.0179**	−0.0162**	−0.0156**	−0.0161**
	(0.0079)	(0.0073)	(0.0075)	(0.0073)	(0.0069)
BA+, 40+	−0.0153**	−0.0167**	−0.0151**	−0.0131*	−0.0136*
	(0.0071)	(0.0072)	(0.0071)	(0.0071)	(0.0073)
Controls:					
Age		X	X	X	X
Demographics			X	X	X
Sector and Union				X	X
Covid Death Rate					X

Note: N=75,199. Table reports estimates from OLS regressions of log real wage change on the negative standardized unemployment rate. The independent variable is the negative of standardized unemployment rate at the state-level from 2021_{q3} to 2022_{q1}. Seasonally-adjusted state unemployment rates obtained from BLS LAUS. The dependent variable is log real wage change from 2021_{q1q2} and 2022_{q2q3}. Real wages obtained from CPS monthly data. All specifications include state and 6-month period fixed effects. Wage quartiles are estimated by state and period. Age controls include five age group dummies. Demographic controls include dummies for three education levels, 26 race categories, and sex. Sector controls include dummies for work in the manufacturing sector, professional services sector, finance sector, and business sector. Union controls are a dummy for union coverage. Covid death rate controls include a continuous variable for the state Covid-19 death rate per 100,000 people as of Sep 2022, and an interaction with an indicator for the 2nd and 3rd quarter of 2022. Within quartile estimates reported from a regression with quartile interactions. Within age and education estimates reported from a regression with age and education group interactions. Standard errors in parentheses, clustered by state. * $p < 0.10$, ** $p < 0.05$, *** $p < .01$

Table A3: Coefficient on EE Separation Rate from Regressions of Wage Change on State Standardized EE Separation Rate

	(1)	(2)	(3)	(4)	(5)
Overall	0.0086*	0.0060	0.0049	0.0041	0.0043
	(0.0049)	(0.0053)	(0.0040)	(0.0039)	(0.0037)
Within wage quartiles					
1st Quartile	0.0272***	0.0273***	0.0267***	0.0266***	0.0268***
	(0.0092)	(0.0092)	(0.0089)	(0.0088)	(0.0085)
2nd Quartile	0.0100	0.0097	0.0095	0.0094	0.0096
	(0.0070)	(0.0071)	(0.0068)	(0.0069)	(0.0067)
3rd Quartile	−0.0038	−0.0041	−0.0036	−0.0039	−0.0037
	(0.0048)	(0.0048)	(0.0047)	(0.0047)	(0.0048)
4th Quartile	0.0019	0.0016	0.0010	0.0009	0.0011
	(0.0070)	(0.0070)	(0.0067)	(0.0067)	(0.0066)
Within age and education groups					
High School, under 40	0.0154*	0.0160**	0.0155*	0.0139*	0.0142*
	(0.0080)	(0.0080)	(0.0081)	(0.0078)	(0.0076)
High School, 40+	0.0069	0.0068	0.0046	0.0035	0.0038
	(0.0114)	(0.0116)	(0.0110)	(0.0108)	(0.0103)
Some College, under 40	0.0031	−0.0006	0.0000	−0.0010	−0.0007
	(0.0073)	(0.0073)	(0.0070)	(0.0069)	(0.0068)
Some College, 40+	0.0058	0.0058	0.0044	0.0061	0.0065
	(0.0065)	(0.0066)	(0.0070)	(0.0066)	(0.0067)
BA+, under 40	0.0027	−0.0000	0.0010	0.0010	0.0013
	(0.0065)	(0.0067)	(0.0066)	(0.0064)	(0.0061)
BA+, 40+	−0.0005	−0.0004	0.0004	−0.0015	−0.0013
	(0.0072)	(0.0074)	(0.0072)	(0.0077)	(0.0081)
Controls:					
Age		X	X	X	X
Demographics			X	X	X
Sector and Union				X	X
Covid Death Rate					X

Note: N=75,199. Table reports estimates from OLS regressions of log real wage change on the standardized EE separation rate. The independent variable is the standardized EE separation rate measured at the state level from 2021_{q3} to 2022_{q1}. EE separation rates obtained from CPS monthly data. The dependent variable is log real wage change from 2021_{q1q2} and 2022_{q2q3}. Real wages obtained from CPS monthly data. All specifications include state and 6-month period fixed effects. Wage quartiles are estimated by state and period. Age controls include five age group dummies. Demographic controls include dummies for three education levels, 26 race categories, and sex. Sector controls include dummies for work in the manufacturing sector, professional services sector, finance sector, and business sector. Union controls are a dummy for union coverage. Covid death rate controls include a continuous variable for the state Covid-19 death rate per 100,000 people as of Sep 2022, and an interaction with an indicator for the 2nd and 3rd quarter of 2022. Within quartile estimates reported from a regression with quartile interactions. Within age and education estimates reported from a regression with age and education group interactions. Standard errors in parentheses, clustered by state. * $p < 0.10$, ** $p < 0.05$, *** $p < .01$

Table A4: Coefficient on Tightness from Pooled Regressions of Wage Change on State Labor Market Tightness

	(1)	(2)	(3)
A. Overall			
2021-2022	0.0207***	0.0189***	0.0105**
	(0.0055)	(0.0056)	(0.0054)
2015-2019	0.0010	0.0024	0.0023
	(0.0031)	(0.0025)	(0.0020)
B. 1st Quartile			
2021-2022	0.0570***	0.0572***	0.0547***
	(0.0125)	(0.0123)	(0.0125)
2015-2019	0.0013	0.0014	0.0016
	(0.0050)	(0.0048)	(0.0047)
C. High School, under 40			
2021-2022	0.0401***	0.0438***	0.0381***
	(0.0083)	(0.0093)	(0.0100)
2015-2019	0.0008	−0.0005	0.0002
	(0.0050)	(0.0038)	(0.0037)
Controls:			
Age		X	X
Demographics			X
Sector and Union			X
Covid Death Rate			X

Note: N=421,629. Table reports pooled estimates from OLS regressions of log real wage change on tightness. The dependent variable is log real wage change over 2015–19 and 2021–22 using stacked differences from year $t-1_{q1q2}$ to year t_{q2q3}. The independent variable is state-level tightness which is an average of the standardized EE separation rate and negative standardized unemployment rate from $t-1_{q3}$ to year t_{q1}. In order to pool the estimates, the dependent variables also include an indicator for post-pandemic time period ($period = 2021 - 22$), an indicator *post* equal to one for t_{q2q3} and zero for $t-1_{q1q2}$, and an interaction between tightness, *period*, and *post*. The year 2020 is excluded from the analysis. All specifications include state and 6-month period fixed effects. Wage quartiles are estimated by state, year, and *post*. Age controls include five age group dummies. Demographic controls include dummies for three education levels, 26 race categories, and sex. Sector controls include dummies for work in the manufacturing sector, professional services sector, finance sector, and business sector. Union controls are a dummy for union coverage. Covid death rate controls include a continuous variable for the state Covid-19 death rate per 100,000 people as of Sep 2022 interacted with *post*. Within group estimates (quartiles or age/education groups) are reported from a regression where indicators for each group are interacted with tightness, *period*, and *post*. All covariates with the exception of our covariate of interest, tightness, are interacted with an indicator for stack (year $t-1_{q1q2}$ to year t_{q2q3}). EE separation rates and real wages obtained from CPS monthly data. Seasonally-adjusted state unemployment rates obtained from BLS LAUS. Standard errors in parentheses, clustered by state. * $p < 0.10$, ** $p < 0.05$, *** $p < .01$

Table A5: Coefficient on Tightness from Regressions of Wage Change on State Labor Market Tightness - 15th percentile trimmed

	(1)	(2)	(3)	(4)	(5)
Overall	0.0189***	0.0186***	0.0130***	0.0113**	0.0109**
	(0.0060)	(0.0059)	(0.0045)	(0.0045)	(0.0049)
Within wage quantiles					
1st Quartile	0.0745***	0.0746***	0.0713***	0.0707***	0.0704***
	(0.0103)	(0.0103)	(0.0097)	(0.0097)	(0.0098)
2nd Quartile	0.0455***	0.0454***	0.0435***	0.0432***	0.0429***
	(0.0086)	(0.0087)	(0.0083)	(0.0082)	(0.0083)
3rd Quartile	−0.0042	−0.0039	−0.0032	−0.0037	−0.0039
	(0.0065)	(0.0064)	(0.0062)	(0.0062)	(0.0069)
4th Quartile	−0.0042	−0.0046	−0.0046	−0.0046	−0.0048
	(0.0119)	(0.0119)	(0.0111)	(0.0110)	(0.0113)
Within age and education groups					
High School, under 40	0.0478***	0.0496***	0.0484***	0.0442***	0.0437***
	(0.0107)	(0.0109)	(0.0108)	(0.0101)	(0.0100)
High School, 40+	0.0252*	0.0242*	0.0217	0.0183	0.0179
	(0.0150)	(0.0145)	(0.0144)	(0.0135)	(0.0128)
Some College, under 40	0.0438***	0.0409***	0.0392***	0.0354***	0.0349***
	(0.0105)	(0.0105)	(0.0104)	(0.0103)	(0.0104)
Some College, 40+	0.0235**	0.0226**	0.0191**	0.0194**	0.0192**
	(0.0092)	(0.0094)	(0.0095)	(0.0089)	(0.0096)
BA+, under 40	−0.0175*	−0.0169	−0.0129	−0.0128	−0.0131
	(0.0106)	(0.0104)	(0.0103)	(0.0097)	(0.0097)
BA+, 40+	−0.0082	−0.0093	−0.0056	−0.0066	−0.0070
	(0.0117)	(0.0121)	(0.0117)	(0.0115)	(0.0122)
Controls:					
Age		X	X	X	X
Demographics			X	X	X
Sector and Union				X	X
Covid Death Rate					X

Note: N=64,318. Table reports estimates from OLS regressions of log real wage change on tightness. The independent variable is state-level tightness from 2021_{q3} to 2022_{q1}. Tightness is an average of the standardized EE separation rate and negative standardized unemployment rate, measured at the state level. EE separation rates obtained from CPS monthly data. Seasonally-adjusted state unemployment rates obtained from BLS LAUS. The dependent variable is log real wage change from 2021_{q1q2} and 2022_{q2q3}. Real wages obtained from CPS monthly data. All specifications include state and 6-month period fixed effects. Wage quartiles are estimated by state and period. The bottom 15th percentile of earners in each state and period are trimmed from sample. Age controls include five age group dummies. Demographic controls include dummies for three education levels, 26 race categories, and sex. Sector controls include dummies for work in the manufacturing sector, professional services sector, finance sector, and business sector. Union controls are a dummy for union coverage. Covid death rate controls include a continuous variable for the state Covid-19 death rate per 100,000 people as of September 2022 interacted with an indicator for the 2nd and 3rd quarter of 2022. Within quartile estimates reported from a regression with quartile interactions. Within age and education estimates reported from a regression with age and education group interactions. Standard errors in parentheses, clustered by state. $^{*}\ p < 0.10$, $^{**}\ p < 0.05$, $^{***}\ p < .01$

Table A6: Relationship Between Employment-to-Employment Separation and Industry Wage Premia

	Overall		HS, under 40		All others	
	(1)	(2)	(3)	(4)	(5)	(6)
Period 1: 2015-2019						
Ind. Wage Premium	−0.0209***	−0.0141***	−0.0250***	−0.0162***	−0.0162***	−0.0130***
	(0.0035)	(0.0029)	(0.0046)	(0.0045)	(0.0032)	(0.0029)
Ind. Wage Premium^2	0.0245*	0.0080	0.0111	−0.0067	0.0193	0.0089
	(0.0144)	(0.0111)	(0.0121)	(0.0113)	(0.0119)	(0.0100)
Period 2: 2021-2022						
Ind. Wage Premium	−0.0232***	−0.0142***	−0.0433***	−0.0310***	−0.0153***	−0.0112***
	(0.0043)	(0.0028)	(0.0060)	(0.0059)	(0.0035)	(0.0028)
Ind. Wage Premium^2	0.0448**	0.0272**	0.0679***	0.0525**	0.0309**	0.0211*
	(0.0190)	(0.0126)	(0.0264)	(0.0252)	(0.0142)	(0.0116)
Controls		X		X		X

Note: Table reports coefficients on industry wage premium (IWP) and its square from a regression of an indicator for EE separation at time t on 3-digit industry wage premia at time $t − 1$ and its square as well as demographic controls and state fixed effects. Demographic controls include dummy variables for sex, race, ethnicity, age group, education, citizenship, and metro area status. The 3-digit industry wage premia are calculated from a regression of log real wage on demographic controls and industry fixed effects for the pre-pandemic period, 2015-2019. The dependent variable, EE separation rate, is obtained from monthly CPS data. Estimates from this table are used for calculating the elasticities reported in Figure 24, panel A of Figure 25, and in the first two panels of Table 3. These elasticities are calculated by evaluating the derivative of EE separation w.r.t IWP at $x = \{−.3, 0, .3\}$ and dividing by the conditional mean of EE separation at $x = \{−.3, 0, .3\}$ to estimate the elasticity at $x = \{−.3, 0, .3\}$. The third row of each column in Table 3 reports the difference between the coefficients in rows 1 and 2. Standard errors in parentheses are clustered by industry. * $p < 0.10$, ** $p < 0.05$, *** $p < .01$

Table A7: Relationship Between Employment-to-Employment Separation and Industry Wage Premia: All others

	HS, 40+		BA, under 40		BA, 40+	
	(1)	(2)	(3)	(4)	(5)	(6)
Period 1: 2015-2019						
Ind. Wage Premium	-0.0082^{**}	-0.0073^{**}	-0.0145^{***}	-0.0132^{***}	-0.0054	-0.0049
	(0.0039)	(0.0031)	(0.0048)	(0.0044)	(0.0034)	(0.0032)
Ind. Wage Premium^2	0.0100	0.0089	0.0312^{***}	0.0285^{***}	0.0079	0.0081
	(0.0082)	(0.0076)	(0.0106)	(0.0098)	(0.0082)	(0.0076)
Period 2: 2021-2022						
Ind. Wage Premium	-0.0139^{***}	-0.0116^{***}	-0.0107^{***}	-0.0095^{***}	-0.0045	-0.0049
	(0.0040)	(0.0035)	(0.0040)	(0.0036)	(0.0033)	(0.0030)
Ind. Wage Premium^2	0.0196	0.0206^{*}	0.0357^{***}	0.0315^{***}	0.0049	0.0031
	(0.0124)	(0.0119)	(0.0096)	(0.0088)	(0.0099)	(0.0093)
Controls		X		X		X

Note: Table reports coefficients on industry wage premium (IWP) and its square from a regression of an indicator for EE separation at time t on 3-digit industry wage premia at time $t-1$ and its square as well as demographic controls and state fixed effects. Demographic controls include dummy variables for sex, race, ethnicity, age group, education, citizenship, and metro area status. The 3-digit industry wage premia are calculated from a regression of log real wage on demographic controls and industry fixed effects for the pre-pandemic period, 2015-2019. The dependent variable, EE separation rate, is obtained from monthly CPS data. Estimates from this table are used for calculating the elasticities reported in panels B through D of Figure 25 and in the last three panels of Table 3. These elasticities are calculated by evaluating the derivative of EE separation w.r.t IWP at $x = \{-.3, 0, .3\}$ and dividing by the conditional mean of EE separation at $x = \{-.3, 0, .3\}$ to estimate the elasticity at $x = \{-.3, 0, .3\}$. The third row of each column in Table 3 reports the difference between the coefficients in rows 1 and 2. Standard errors in parentheses are clustered by industry. * $p < 0.10$, ** $p < 0.05$, *** $p < .01$

Table A8: Employment-to-Employment Separation Elasticities Using Industry Wage Premia: Poisson Estimates

	Overall	HS, under 40	HS, 40 +	BA+, under 40	BA+, 40+
	(1)	(2)	(3)	(4)	(5)
Period 1: 2015-2019					
Ind. Wage Premium	−0.6718***	−0.5493***	−0.4417**	−0.5860***	−0.3061
	(0.1467)	(0.1588)	(0.1907)	(0.2100)	(0.2016)
Ind. Wage Premium^2	−0.0645	−0.5563	0.4419	0.7690*	0.3735
	(0.5807)	(0.4770)	(0.4640)	(0.4614)	(0.4414)
	N=1,969,694	*N=284,602*	*N=351,275*	*N=319,995*	*N=427,576*
Period 2: 2021-2022					
Ind. Wage Premium	−0.5940***	−0.9188***	−0.6198***	−0.3904**	−0.3131
	(0.1261)	(0.1697)	(0.1830)	(0.1722)	(0.1941)
Ind. Wage Premium^2	0.7509	1.2571	0.9370	0.9751**	0.1149
	(0.5756)	(0.8027)	(0.6782)	(0.3899)	(0.5516)
	N=524,684	*N=76,518*	*N=85,741*	*N=94,304*	*N=124,985*

Note: Table reports coefficients on industry wage premium and its square from a Poisson regression of an indicator for EE separation at time t on 3-digit industry wage premia at time $t − 1$ and its square as well as demographic controls and state fixed effects. Demographic controls include dummy variables for sex, race, ethnicity, age group, education, citizenship, and metro area status. The 3-digit industry wage premia are calculated from a regression of log real wage on demographic controls and industry fixed effects for the pre-pandemic period, 2015-2019. The dependent variable, EE separation rate, is obtained from monthly CPS data. Standard errors in parentheses are clustered by industry. * $p < 0.10$, ** $p < 0.05$, *** $p < .01$

Table A9: Various Specifications of Price-Phillips Curves

	(1)	(2)	(3)	(4)	(5)	(6)
A. Dep Var: Δ Inflation						
Δ Unemployment	−0.7924*	−0.7290*	−1.4588**	−0.9821	−0.9578	
	(0.3897)	(0.3682)	(0.6607)	(0.6375)	(0.6196)	
N=21						
B. Dep var: Δ Log CPI						
Unemployment			−1.2120**	−1.1523**	−1.1913***	−0.8132**
			(0.5421)	(0.4667)	(0.4609)	(0.3580)
N=42						
Pre-period	Jan/Feb '20	Jan/Feb '20	Jan-Jun '19	Sep '19-Feb '20	Jan/Feb '20	Jan-Jun '21
Post-period	Mar/Apr '22	Mar/Apr '22	Apr-Sep '22	Apr-Sep '22	Apr-Sep '22	Apr-Sep '22
LAUS adjustment		X	X	X	X	X
Imputed CPI			X	X	X	X

Note: Table reports estimates from OLS regressions of changes or levels of inflation, on changes or levels of unemployment over different periods for the 21 metro areas used in Cerrato and Gitti (2022). In panel A the dependent variable is change in inflation and the independent variable is change in unemployment, from various pre- to post-periods. In panel B the dependent variable is change in log CPI (level of inflation) from various pre- to post-periods. The independent variable is unemployment from July 2021 to March 2022. CPI-U less energy is obtained from BLS at the CBSA-level. Column 1 replicates the coefficient in Figure 2 of Cerrato and Gitti (2022). We make incremental changes to bridge their specification and time periods to ours. LAUS adjustment indicates the use of seasonally-adjusted unemployment rates obtained from BLS LAUS. CPI is reported bi-monthly at the CBSA level. In columns 3-6, we impute for missing monthly CPI assuming constant growth such that $CPI_t = e^{0.5[ln(CPI_{t-1})+ln(CPI_{t+1})]}$. Column 6 uses the same periods as our main wage- and price-Phillips curve specifications. All specifications include metro area and period fixed effects. Standard errors in parentheses, clustered at the metro-level. * $p < 0.10$, ** $p < 0.05$, *** $p < .01$