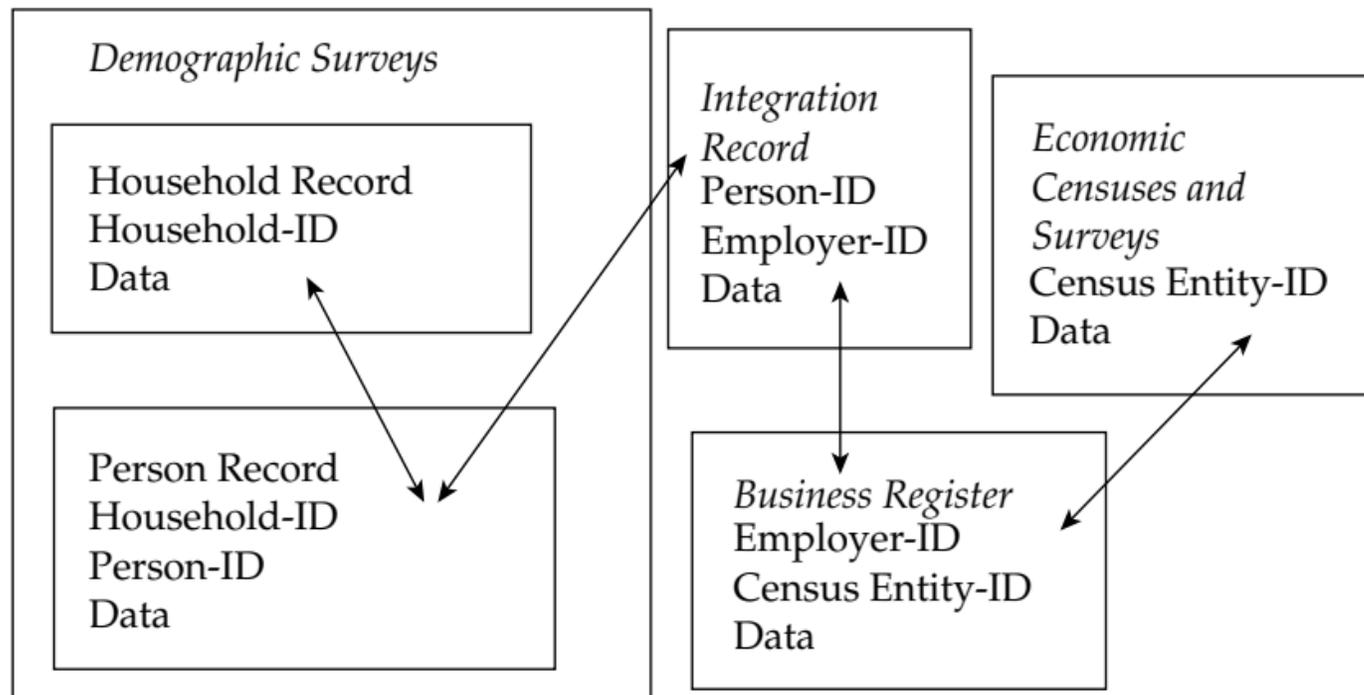


Figure 2.1 The Longitudinal Employer-Household Dynamics Program



Source: Authors' compilation.

Table 2.1 Sources of Industry Earnings Differentials

Standard Industrial Classification	Industry	Industry Wage Premium	Premium Attributable to Person Effects	Premium Attributable to Firm Effects
Highest-paying industries				
62	Security, commodity, brokers, and services	82%	34%	37%
67	Holding and other investments	70	34	27
48	Communication	63	7	52
49	Electric, gas, and sanitary services	54	0	55
81	Legal services	54	18	31
Lowest-paying industries				
58	Eating and drinking places	-45	-12	-38
01	Agriculture-crops	-35	-10	-31
72	Personal services	-33	-12	-24
79	Amusement and recreation services	-32	-8	-28
70	Hotel and lodging services	-32	-17	-19
54	Food stores	-30	1	-30

Source: LEHD data for California, Florida, Illinois, and North Carolina, 1992 to 1999. Table adapted from Abowd (2002).

Table 2.2 Distribution of Workers Across Demographics and Industries: LEHD Data and Census 2000 Data

	Census 2000					
	Nationwide		Five States		LEHD Data	
	Distribution	Earnings	Distribution	Earnings	Distribution	Earnings
All	1.00	\$31,780	1.00	\$33,026	1.00	\$29,598
By gender						
Male	0.53	38,459	0.54	39,510	0.52	36,208
Female	0.47	24,110	0.46	25,477	0.48	22,455
By age group						
24 and younger	0.14	11,571	0.14	11,809	0.20	8,929
25 to 54	0.72	35,528	0.72	36,796	0.67	34,832
55 and older	0.15	33,518	0.15	34,957	0.13	33,560
By race-ethnicity						
White	0.78	33,930	0.67	36,863	0.66	34,190
Black	0.09	25,776	0.10	26,347	0.14	19,255
Asian	0.03	34,458	0.06	34,938	0.06	30,355
Hispanic	0.10	21,756	0.17	22,415	0.14	17,956
By NAICS sector						
Agriculture, forestry, fishing, and so on	0.02	14,985	0.02	16,589	0.02	11,506
Mining	0.00	44,600	0.00	43,965	0.00	48,158
Transportation and warehousing	0.05	36,606	0.05	36,893	0.04	33,682

(Table continues on p. 22.)

Table 2.2 (Continued)

	Census 2000					
	Nationwide		Five States		LEHD Data	
	Distribution	Earnings	Distribution	Earnings	Distribution	Earnings
Construction	0.07	29,315	0.07	30,613	0.06	28,363
Manufacturing	0.15	38,442	0.13	39,740	0.12	41,660
Wholesale trade	0.04	37,892	0.04	38,510	0.05	40,283
Retail trade	0.12	23,606	0.12	25,120	0.13	19,259
Information	0.03	42,476	0.03	45,763	0.03	51,914
Finance, insurance, and real estate; rental, and leasing	0.07	42,810	0.07	43,520	0.06	43,497
Professional services	0.09	37,623	0.10	38,580	0.15	29,295
Educational, health, and social services	0.20	30,079	0.19	31,340	0.16	29,198
Entertainment, food, and accommodation	0.08	16,950	0.08	18,231	0.10	12,774
Other services	0.05	20,435	0.05	20,403	0.04	18,144
Public administration	0.05	38,410	0.05	41,320	0.03	36,155

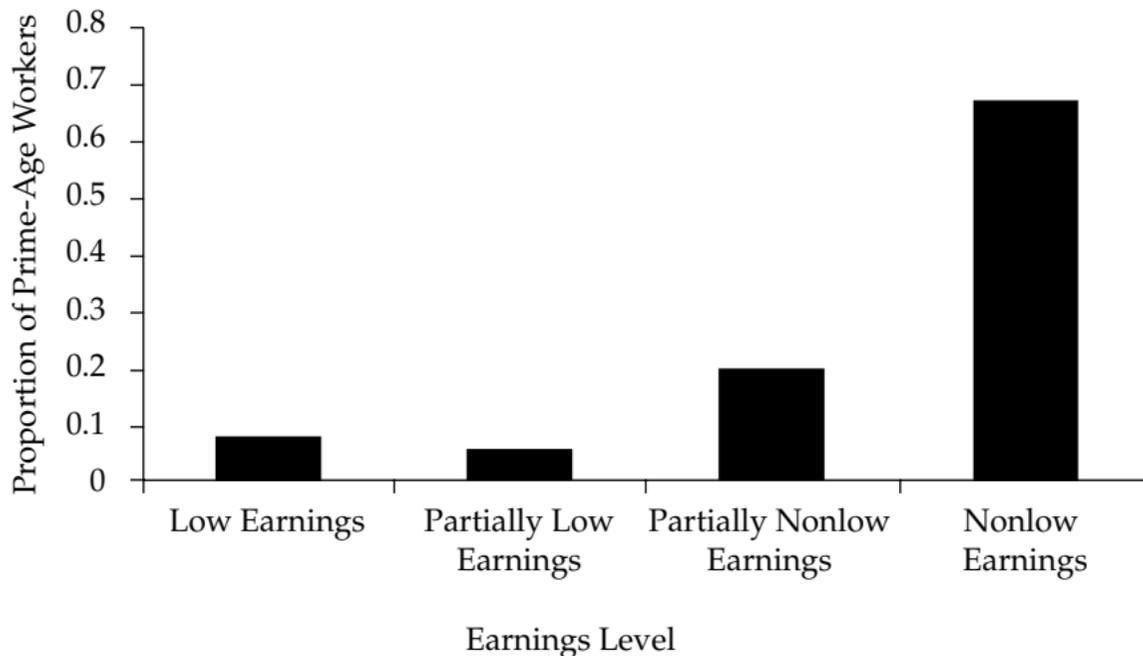
Source: Authors' compilation.

Table 2.3 Characteristics of the Dataset

Year	Number of Workers	Number of Firms	Quarterly Observations	Workers 25 to 54 Years Old Earning More Than \$2,000	Workers 25 to 54 Years Old Earning More Than \$2,000 in Year $t - 1$, t , and $t + 1$	Primary Firms of Workers in Column 5
1993	33,610,480	1,611,313	125,958,556	20,841,562	—	—
1994	34,446,998	1,637,966	131,241,944	21,166,665	17,127,531	1,160,274
1995	35,235,729	1,667,450	134,616,936	21,414,898	—	—
1996	35,904,821	1,701,738	138,824,383	21,596,830	—	—
1997	36,784,149	1,765,017	141,280,177	21,885,636	17,711,051	1,235,889
1998	37,737,586	1,784,740	146,436,574	22,122,646	—	—
1999	38,700,090	1,830,721	150,383,219	22,289,055	—	—
2000	39,824,157	1,872,866	154,238,335	22,476,714	17,997,147	1,235,889
2001	40,475,026	1,909,504	156,754,546	22,657,380	—	—
Average	36,968,782	1,753,479	142,192,741	21,827,932	17,611,910	1,210,684
Sum	332,719,036	15,781,315	1,279,734,670	196,451,386	52,835,729	3,632,052

Source: LEHD data for California, Florida, Illinois, and North Carolina.

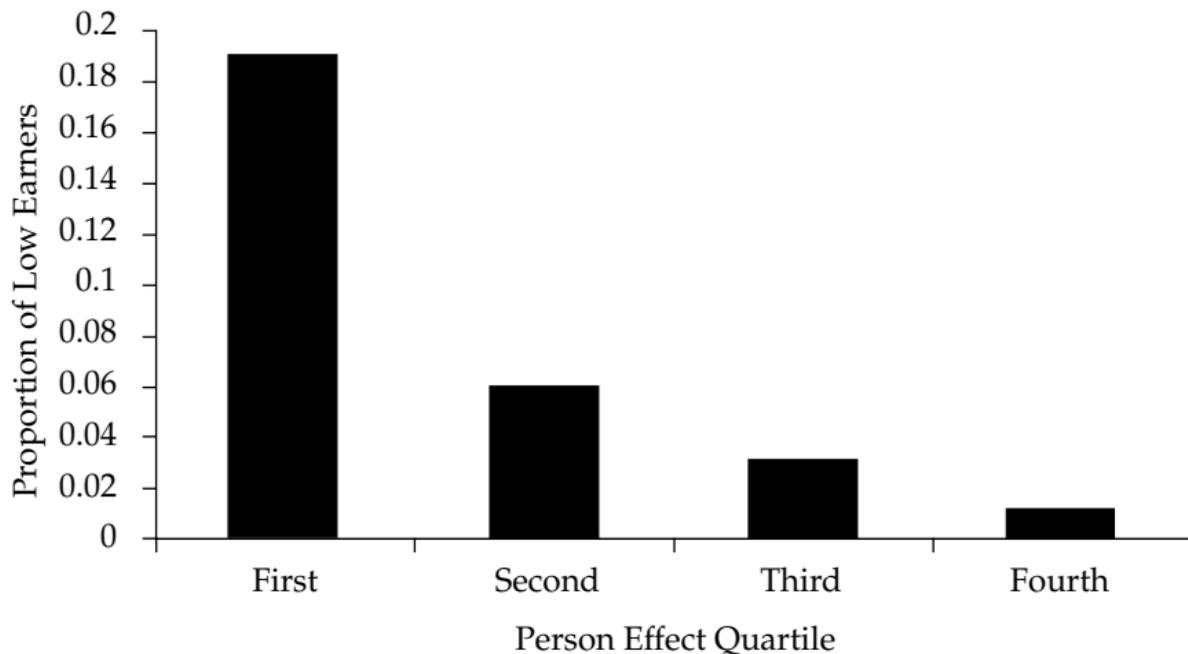
Figure 3.1 Distribution of Prime-Age Workers Across Earnings Categories, 1993 to 1995



Source: Authors' compilation.

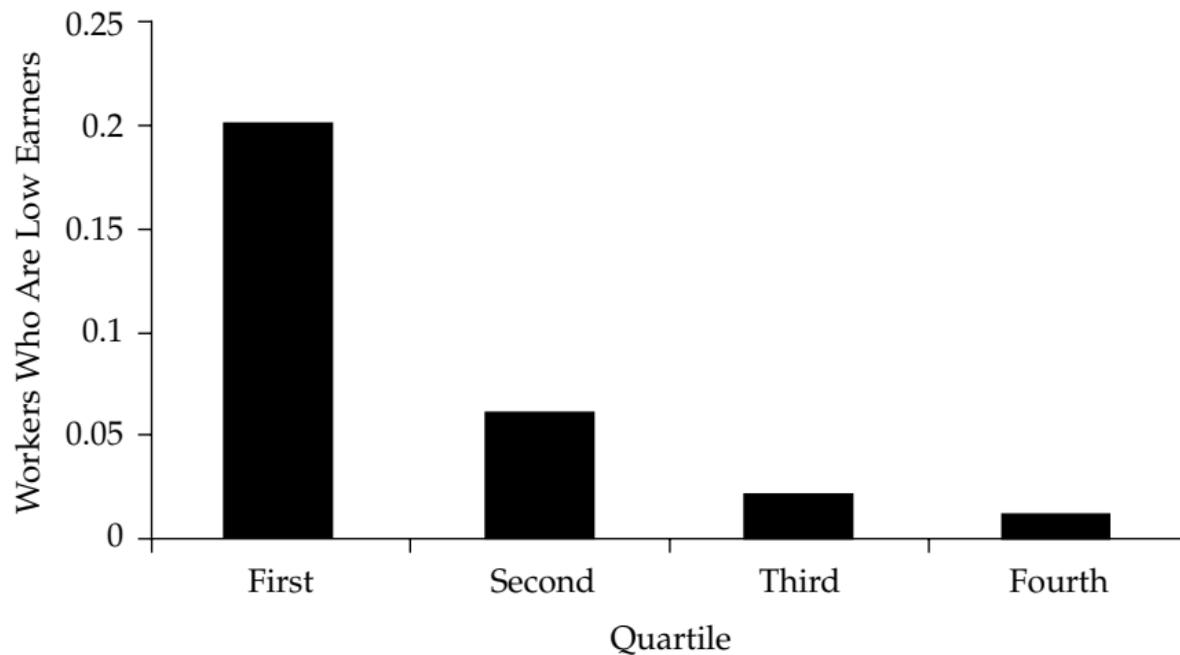
Note: The earnings categories are defined in the text.

Figure 3.2 Fractions of Workers in Each Person Effect Quartile Who Are Low Earners



Source: Authors' compilation.

Figure 3.3 Fraction of Workers in Each Firm Effect Quartile Who Are Low Earners



Source: Authors' compilation.

Table 3.1 Earnings and Employment, by Earnings Categories

	Low Earnings		Partially Low Earnings		Partially Nonlow Earnings		Nonlow Earnings	
	Mean	Median	Mean	Median	Mean	Median	Mean	Median
Total annual earnings	\$7,081	\$7,099	\$11,011	\$11,188	\$17,916	\$16,053	\$45,430	\$35,878
Quarterly earnings	2,076	2,083	3,029	3,027	5,257	4,468	11,730	9,187
Full quarterly earnings	2,226	2,212	3,187	3,157	5,663	4,761	11,558	9,175
Quarters of employment	10.42	11.00	10.97	12.00	10.54	11.00	11.75	12.00
Full quarters of employment	7.61	8.00	8.58	9.00	7.91	8.00	10.84	12.00
Number of employers	2.85	2.00	2.58	2.00	2.61	2.00	1.54	1.00

Source: Authors' compilation.

Note: The earnings categories are defined in the text. Earnings are presented in 1998 dollars using CPI-U as the deflator. "Full quarters" are defined as all quarters in which an individual's employer is the same as in both the preceding and following quarters.

Table 3.2 Earnings and Employment, by Demographic Group

	Fraction in Each Group Who Are Low Earners	Mean of Total Annual Earnings	Quarters of Employment	Full Quarters of Employment	Number of Employers
All workers	0.08	\$34,781	11.37	9.89	1.91
By race-ethnicity and gender					
White females	0.10	28,732	11.43	10.07	1.80
Black females	0.12	23,948	11.42	9.87	2.11
Asian females	0.08	28,762	11.39	10.07	1.88
Hispanic females	0.16	20,414	11.30	9.79	1.92
White males	0.03	46,465	11.35	9.90	1.85
Black males	0.09	27,868	11.26	9.37	2.43
Asian males	0.07	34,524	11.26	9.70	1.99
Hispanic males	0.09	23,101	11.21	9.37	2.30
By age					
25 to 34	0.08	27,640	11.28	9.47	2.22
35 to 44	0.07	37,036	11.40	10.03	1.81
45 to 54	0.07	41,970	11.44	10.31	1.60
By place of birth					
Foreign-born	0.10	29,144	11.28	9.75	1.98
U.S.-born	0.07	35,912	11.38	9.92	1.90

Source: Authors' compilation.

Table 3.3 Demographics of Workers and Earnings Across Quartiles of Person Fixed Effects

	Quartile of Person Fixed Effect				All
	First	Second	Third	Fourth	
Distribution of Workers by Demographic Groups					
All workers	0.25	0.25	0.25	0.25	1.00
By race-ethnicity and gender					
White females	0.26	0.24	0.25	0.25	1.00
Black females	0.31	0.30	0.25	0.15	1.00
Asian females	0.26	0.25	0.25	0.25	1.00
Hispanic females	0.33	0.26	0.23	0.17	1.00
White males	0.19	0.24	0.26	0.30	1.00
Black males	0.38	0.29	0.21	0.12	1.00
Asian males	0.27	0.23	0.24	0.26	1.00
Hispanic males	0.31	0.29	0.25	0.16	1.00
By age					
25 to 34	0.07	0.19	0.33	0.41	1.00
35 to 44	0.26	0.31	0.24	0.19	1.00
45 to 54	0.50	0.25	0.14	0.10	1.00
By place of birth					
Foreign-born	0.33	0.26	0.22	0.19	1.00
U.S.-born	0.23	0.25	0.26	0.26	1.00
Mean Employment and Earnings					
Total annual earnings	\$19,693	\$28,450	\$34,724	\$58,112	\$35,245
Quarterly earnings	5,179	7,415	9,028	15,395	9,254
Full quarterly earnings	5,278	7,530	9,126	15,129	9,265
Quarters of employment	11.29	11.38	11.42	11.39	11.37
Full quarters of employment	9.67	9.88	9.99	10.09	9.91
Number of different employers	2.01	1.94	1.88	1.71	1.88

Source: Authors' compilation.

Table 3.4 Worker Earnings and Distribution of Low Earners Across Firm Categories

	Distribution of Low Earners Across Firm Categories	Percentage of Workers in Each Category Who Are Low Earners	Total Annual Earnings
All firms	1.00	0.08	\$35,233
By industry			
Construction	0.04	0.06	31,568
Manufacturing	0.11	0.04	37,244
Durable goods	0.03	0.02	39,996
Apparel and other textile	0.03	0.24	20,614
Other nondurable goods	0.08	0.07	33,604
Transportation and utilities	0.03	0.03	40,105
Wholesale trade	0.04	0.04	40,380
Retail trade	0.31	0.17	23,990
Eating and drinking places	0.16	0.31	16,929
Other retail trade	0.15	0.11	26,707
Finance, insurance, and real estate	0.03	0.03	42,294
Services	0.43	0.09	35,338
Hotels and other lodging places	0.03	0.18	19,965
Personal services	0.03	0.23	19,535
Business services	0.09	0.12	32,593
Help supply services	0.04	0.23	19,326
Other business services	0.05	0.09	36,981
Health services	0.06	0.05	38,253
Educational services	0.10	0.10	33,422
Social services	0.03	0.15	20,772
Public administration	0.01	0.02	37,345
By firm size (employees)			
Fewer than 25	0.32	0.12	32,901
26 to 100	0.18	0.08	33,616
101 to 500	0.18	0.07	34,307
501 to 1,000	0.07	0.06	34,414
More than 1,000	0.25	0.05	38,085

(Table continues on p. 37.)

Table 3.4 *Continued*

	Distribution of Low Earners Across Firm Categories	Percentage of Workers in Each Category Who Are Low Earners	Total Annual Earnings
By annual worker turnover			
0 to 10 percent	0.01	0.02	51,777
11 to 25 percent	0.10	0.03	41,111
26 to 50 percent	0.30	0.06	35,977
51 to 100 percent	0.51	0.12	28,477
More than 100 percent	0.08	0.20	28,088

Source: Authors' compilation.

Note: The distribution of low earners across major SIC divisions (one-digit industries) sums up to 1.

Table 3.5 Distribution of Employer Characteristics Across Quartiles of Firm Fixed Effects

	First	Second	Third	Fourth	All
All firms	0.25	0.25	0.25	0.25	1.00
By industry					
Construction	0.19	0.27	0.27	0.27	1.00
Manufacturing	0.09	0.21	0.27	0.42	1.00
Durable goods	0.06	0.19	0.26	0.49	1.00
Apparel and other textile	0.48	0.38	0.12	0.03	1.00
Other nondurable goods	0.14	0.24	0.28	0.34	1.00
Transportation and utilities	0.13	0.19	0.21	0.47	1.00
Wholesale trade	0.12	0.25	0.33	0.30	1.00
Retail trade	0.62	0.24	0.11	0.04	1.00
Eating and drinking places	0.89	0.08	0.03	0.01	1.00
Other retail trade	0.51	0.30	0.14	0.05	1.00
Finance, insurance, and real estate	0.10	0.24	0.35	0.31	1.00
Services	0.30	0.29	0.23	0.18	1.00
Hotels and other lodging places	0.50	0.47	0.03	0.01	1.00
Personal services	0.55	0.26	0.14	0.05	1.00
Business services	0.33	0.23	0.19	0.25	1.00
Help supply services	0.59	0.28	0.09	0.04	1.00
Other business services	0.25	0.21	0.22	0.32	1.00
Health services	0.09	0.28	0.45	0.18	1.00
Educational services	0.52	0.41	0.06	0.01	1.00
Social services	0.38	0.40	0.19	0.04	1.00
Public administration	0.10	0.25	0.45	0.21	1.00
By firm size (employees)					
Fewer than 25	0.36	0.25	0.21	0.19	1.00
26 to 100	0.24	0.28	0.29	0.19	1.00
101 to 500	0.20	0.25	0.29	0.25	1.00
501 to 1,000	0.22	0.24	0.28	0.26	1.00
More than 1,000	0.22	0.24	0.22	0.31	1.00
By annual worker turnover					
Less than 10 percent	0.05	0.03	0.08	0.83	1.00
10 to 25 percent	0.13	0.27	0.31	0.29	1.00
26 to 50 percent	0.23	0.27	0.27	0.23	1.00
51 to 100 percent	0.38	0.24	0.20	0.18	1.00
More than 100 percent	0.46	0.17	0.14	0.23	1.00

Source: Authors' compilation.

Table 3.6 Distribution of Workers Across Categories of Firm Characteristics, by Demographic Group

	Females				Males				Place of Birth	
	White	Black	Asian	Hispanic	White	Black	Asian	Hispanic	Foreign-Born	U.S.-Born
By industry										
Construction	0.02	0.01	0.01	0.01	0.10	0.06	0.02	0.10	0.04	0.06
Manufacturing	0.13	0.15	0.20	0.23	0.22	0.23	0.27	0.29	0.25	0.18
Transportation and utilities	0.05	0.06	0.04	0.04	0.09	0.10	0.06	0.06	0.05	0.07
Wholesale	0.05	0.02	0.06	0.06	0.09	0.06	0.10	0.09	0.08	0.07
Retail trade	0.15	0.11	0.13	0.14	0.13	0.13	0.17	0.18	0.15	0.14
Finance, insurance, and real estate	0.11	0.09	0.11	0.08	0.06	0.04	0.05	0.03	0.06	0.08
Services	0.46	0.49	0.43	0.41	0.26	0.29	0.30	0.23	0.34	0.36
Public administration	0.04	0.08	0.03	0.04	0.06	0.08	0.03	0.02	0.02	0.06
All	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
By firm size (employees)										
Fewer than 25	0.20	0.08	0.19	0.18	0.23	0.12	0.24	0.22	0.22	0.20
26 to 100	0.15	0.11	0.14	0.17	0.19	0.16	0.18	0.24	0.19	0.16
101 to 500	0.19	0.22	0.21	0.23	0.20	0.23	0.21	0.25	0.23	0.20
501 to 1,000	0.09	0.10	0.08	0.08	0.08	0.10	0.07	0.07	0.08	0.09
More than 1,000	0.37	0.50	0.38	0.34	0.31	0.40	0.30	0.21	0.28	0.36
All	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
By annual worker turnover										
0 to 10 percent	0.02	0.04	0.04	0.03	0.04	0.04	0.03	0.02	0.03	0.04
11 to 25 percent	0.25	0.23	0.29	0.24	0.23	0.21	0.25	0.19	0.21	0.24
26 to 50 percent	0.40	0.40	0.37	0.38	0.38	0.37	0.37	0.39	0.39	0.39
51 to 100 percent	0.30	0.30	0.27	0.31	0.31	0.34	0.31	0.36	0.34	0.31
More than 100 percent	0.02	0.02	0.03	0.03	0.03	0.03	0.04	0.03	0.04	0.03
All	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00

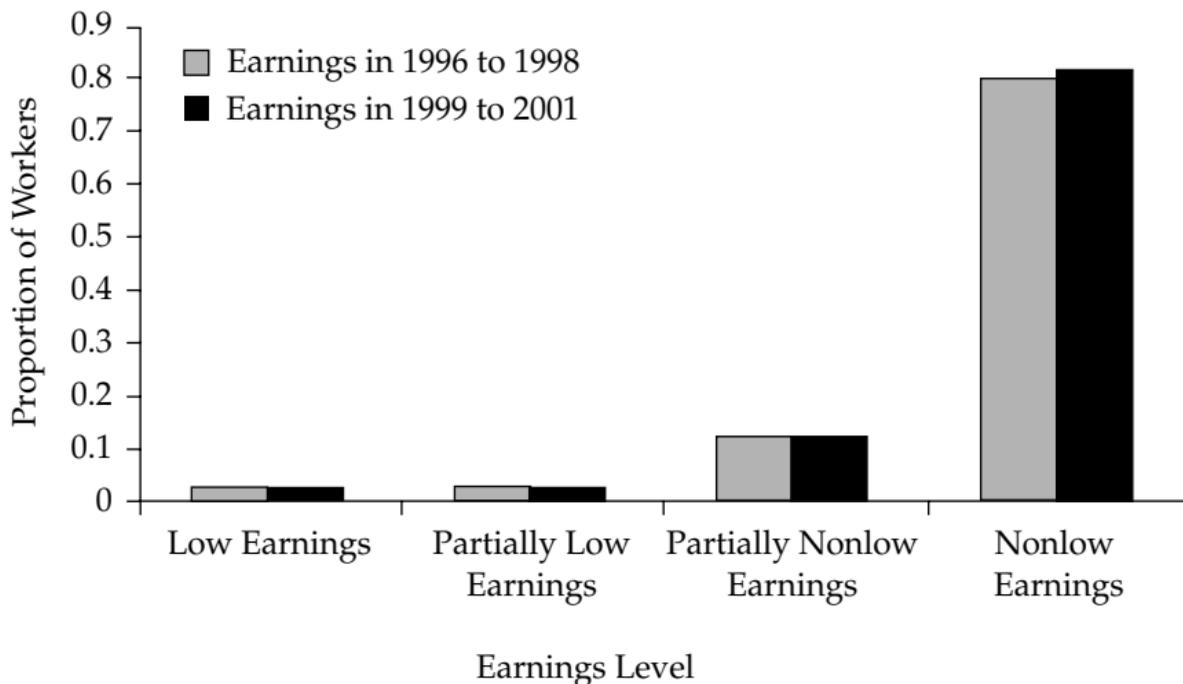
Source: Authors' compilation.

Table 3.7 Distribution of Workers Across Firm Effects, by Demographic Group

	First	Second	Third	Fourth	All
All workers	0.25	0.25	0.25	0.25	1.00
By race-ethnicity and gender					
White females	0.30	0.26	0.24	0.20	1.00
Black females	0.24	0.26	0.27	0.23	1.00
Asian females	0.23	0.26	0.27	0.24	1.00
Hispanic females	0.29	0.30	0.24	0.17	1.00
White males	0.21	0.23	0.25	0.31	1.00
Black males	0.23	0.24	0.26	0.27	1.00
Asian males	0.23	0.24	0.25	0.28	1.00
Hispanic males	0.28	0.30	0.25	0.16	1.00
By place of birth					
Foreign-born	0.26	0.28	0.25	0.21	1.00
U.S.-born	0.25	0.25	0.25	0.26	1.00

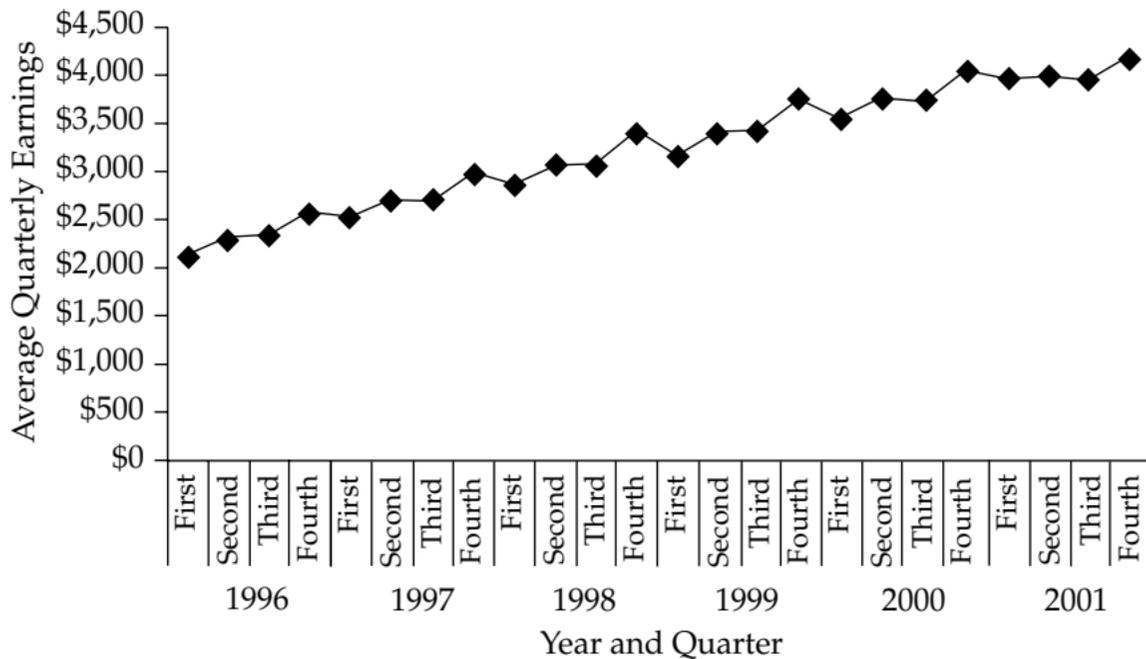
Source: Authors' compilation.

Figure 4.1 Distribution of Workers Across Earnings Categories in 1996 to 1998 and 1999 to 2001



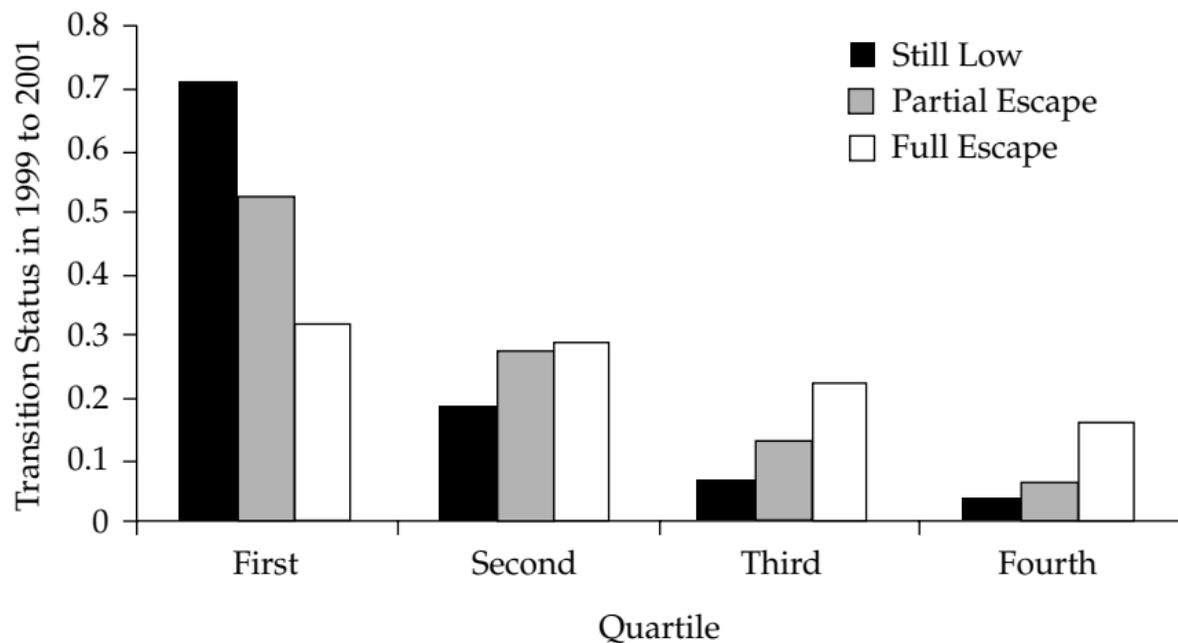
Source: Authors' compilation.

Figure 4.2 Average Quarterly Earnings in 1996 to 2001 for Workers with Low Earnings in 1993 to 1995



Source: Authors' compilation.

Figure 4.3 Earnings Transitions of Initial Low Earners by Quartile of Firm Fixed Effect in 1999 to 2001



Source: Authors' compilation.

Table 4.1 Earnings Transition Matrices

	Earnings in 1996 to 1998					Earnings in 1999 to 2001				
	Low	Partially Low	Partially Nonlow	Nonlow	All	Low	Partially Low	Partially Nonlow	Nonlow	All
Earnings in 1993 to 1995										
Low	0.43	0.21	0.28	0.08	1.00	0.29	0.17	0.27	0.27	1.00
Partially low	0.11	0.27	0.41	0.21	1.00	0.09	0.16	0.33	0.42	1.00
Partially nonlow	0.03	0.05	0.28	0.64	1.00	0.03	0.04	0.22	0.71	1.00
Nonlow	0.00	0.00	0.06	0.93	1.00	0.01	0.01	0.08	0.91	1.00

Source: Authors' compilation.

Note: Each row presents the probability that a worker in a certain earnings category in 1993 to 1995 ends up in the given category in a later period.

Table 4.2 Earnings and Employment in 1999 to 2001 for Initial Low Earners

Transition Status in 1999 to 2001	Level		Growth	
	Mean	Median	Mean	Median
Annual earnings				
All	15,846	13,277	1.30	0.76
Still low	7,644	7,780	0.16	0.08
Partial escape	14,008	13,389	0.98	0.74
Full escape	27,450	23,630	3.00	2.24
Quarterly earnings				
All	4,166	3,496	1.09	0.66
Still low	2,110	2,139	0.15	0.08
Partial escape	3,762	3,508	0.87	0.64
Full escape	6,983	5,999	2.44	1.83
Full quarter earnings				
All	4,173	3,527	1.13	0.57
Still low	2,132	2,153	0.17	0.07
Partial escape	3,814	3,510	0.89	0.55
Full escape	6,829	5,884	2.50	1.62
Quarters worked				
All	11.37	12.00	0.57	0.00
Still low	11.04	12.00	0.01	0.00
Partial escape	11.29	12.00	0.45	0.00
Full escape	11.85	12.00	1.34	1.00
Full quarters worked				
All	8.92	10.00	0.55	0.00
Still low	8.55	10.00	-0.67	-1.00
Partial escape	8.52	9.00	0.29	0.00
Full escape	9.96	11.00	2.24	2.00
Number of employers				
All	2.09	1.00	0.55	0.00
Still low	2.01	1.00	-0.67	-1.00
Partial escape	2.32	2.00	0.29	0.00
Full escape	1.80	1.00	2.24	2.00

Source: Authors' compilation.

Note: The transition status of initial low earners is defined as "still low" if earnings in 1999 to 2001 were low; "partial escape" if earnings were partially low or partially nonlow; and "full escape" if earnings were nonlow. "Growth" denotes average earning growth between 1993 to 1995 and 1999 to 2001.

Table 4.3 Earnings Transitions and Growth Rates, by Demographic Characteristics for Initial Low Earners

	Earnings Status in the Period 1999 to 2001					Growth in Annual Earnings Between 1993 to 1995 and 1999 to 2001	
	Low	Partially Low	Partially Nonlow	Nonlow	All	Mean	Median
All workers	0.28	0.17	0.27	0.27	1.00	1.29	0.76
By race-ethnicity and gender							
White females	0.32	0.17	0.25	0.26	1.00	1.19	0.70
Black females	0.27	0.21	0.29	0.23	1.00	1.03	0.68
Asian females	0.27	0.14	0.26	0.33	1.00	1.45	0.90
Hispanic females	0.31	0.22	0.26	0.21	1.00	0.96	0.61
White males	0.23	0.12	0.29	0.36	1.00	1.90	1.08
Black males	0.24	0.16	0.35	0.25	1.00	1.28	0.86
Asian males	0.31	0.14	0.22	0.33	1.00	1.75	0.97
Hispanic males	0.18	0.16	0.31	0.34	1.00	1.39	0.93
By age							
25 to 34	0.20	0.15	0.30	0.34	1.00	1.63	1.04
35 to 44	0.29	0.18	0.27	0.26	1.00	1.21	0.73
45 to 54	0.41	0.19	0.22	0.18	1.00	0.88	0.45
By place of birth							
Foreign-born	0.29	0.19	0.26	0.26	1.00	1.17	0.71
U.S.-born	0.28	0.17	0.27	0.28	1.00	1.33	0.78
By person fixed effect (quartile)							
First	0.36	0.19	0.25	0.20	1.00	1.00	0.59
Second	0.20	0.16	0.31	0.33	1.00	1.43	0.93
Third	0.15	0.13	0.29	0.43	1.00	1.94	1.30
Fourth	0.14	0.08	0.27	0.51	1.00	2.86	1.84

Source: Authors' compilation.

Table 4.4 Firm Characteristics, by Earnings Transition Categories in 1999 to 2001 for Initial Low Earners

	All	Still Low	Partial Escape	Full Escape
All firms	1.00	1.00	1.00	1.00
By industry				
Construction	0.04	0.02	0.04	0.05
Manufacturing	0.12	0.09	0.13	0.13
Durable goods	0.05	0.02	0.06	0.07
Apparel and other textile	0.02	0.03	0.02	0.00
Other nondurable goods	0.07	0.07	0.07	0.06
Transportation and utilities	0.03	0.02	0.03	0.05
Wholesale trade	0.04	0.03	0.04	0.06
Retail trade	0.24	0.31	0.25	0.16
Eating and drinking places	0.11	0.17	0.10	0.05
Other retail trade	0.13	0.14	0.14	0.11
Finance, insurance, and real estate	0.04	0.02	0.04	0.06
Services	0.47	0.48	0.47	0.45
Hotels and other lodging places	0.02	0.03	0.03	0.02
Personal services	0.02	0.03	0.02	0.01
Business services	0.07	0.07	0.08	0.06
Help supply services	0.03	0.04	0.04	0.02
Other business services	0.04	0.03	0.04	0.04
Health services	0.08	0.06	0.09	0.10
Educational services	0.15	0.18	0.14	0.15
Social services	0.03	0.03	0.04	0.03
Public administration	0.02	0.02	0.02	0.04
By firm size (employees)				
Fewer than 25	0.24	0.33	0.22	0.18
25 to 100	0.16	0.14	0.17	0.16
101 to 500	0.19	0.16	0.21	0.21
501 to 1,000	0.08	0.07	0.08	0.10
More than 1,000	0.33	0.30	0.32	0.36
By annual worker turnover				
Less than 10 percent	0.02	0.04	0.01	0.01
10 to 25 percent	0.19	0.18	0.17	0.25
26 to 50 percent	0.40	0.37	0.39	0.44
51 to 100 percent	0.36	0.37	0.40	0.28
More than 100 percent	0.03	0.04	0.03	0.01

Source: Authors' compilation.

Note: The columns sum to 1 separately for industry, firm size, and turnover categories.

Table 4.5 Distribution of Initial Low Earners Across Industries in the 1999 to 2001 Period, by Race, Gender, and Place of Birth: Partial and Complete Escapers

	Construction	Manufacturing	Transportation and Utilities	Wholesale	Retail	Finance, Insurance, and Real Estate	Services	Public Administration	All
Partial escapers									
By race-ethnicity and gender									
White females	0.02	0.08	0.02	0.03	0.27	0.05	0.52	0.02	1.00
Black females	0.01	0.10	0.03	0.02	0.18	0.03	0.62	0.02	1.00
Asian females	0.00	0.18	0.02	0.05	0.32	0.05	0.37	0.01	1.00
Hispanic females	0.01	0.25	0.02	0.05	0.18	0.03	0.46	0.01	1.00
White males	0.12	0.11	0.05	0.05	0.25	0.03	0.37	0.02	1.00
Black males	0.09	0.14	0.07	0.05	0.22	0.03	0.38	0.03	1.00
Asian males	0.03	0.15	0.04	0.08	0.40	0.02	0.28	0.00	1.00
Hispanic males	0.10	0.25	0.03	0.07	0.26	0.02	0.27	0.01	1.00
By place of birth									
Foreign-born	0.04	0.23	0.02	0.05	0.25	0.03	0.37	0.01	1.00
U.S.-born	0.04	0.09	0.03	0.03	0.24	0.04	0.50	0.02	1.00

Complete escapers

By race-ethnicity
and gender

White females	0.02	0.08	0.04	0.05	0.17	0.08	0.52	0.04	1.00
Black females	0.00	0.13	0.04	0.04	0.11	0.07	0.53	0.08	1.00
Asian females	0.01	0.18	0.03	0.05	0.21	0.08	0.41	0.02	1.00
Hispanic females	0.01	0.18	0.04	0.06	0.14	0.05	0.50	0.02	1.00
White males	0.10	0.13	0.07	0.08	0.17	0.05	0.37	0.04	1.00
Black males	0.07	0.17	0.10	0.08	0.16	0.04	0.33	0.05	1.00
Asian males	0.02	0.20	0.06	0.08	0.22	0.05	0.35	0.02	1.00
Hispanic males	0.15	0.24	0.06	0.10	0.18	0.02	0.24	0.02	1.00

By place of birth

Foreign-born	0.06	0.20	0.04	0.07	0.19	0.05	0.36	0.02	1.00
U.S.-born	0.05	0.11	0.05	0.06	0.15	0.07	0.47	0.05	1.00

Source: Authors' compilation.

Table 4.6 Odds Ratio Estimates of Probability of Fully Escaping Low Earnings in the Period 1999 to 2001

	(1)	(2)	(3)	(4)	(5)	(6)
By race-ethnicity and gender (versus white males)						
White females	0.711**		0.664**		0.714**	
Black females	0.535**		0.479**		0.486**	
Asian females	1.069		1.031		1.060	
Hispanic females	0.520**		0.444**		0.495**	
Black males	0.557**		0.520**		0.546**	
Asian males	1.062		1.173		1.176	
Hispanic males	0.950		0.895*		0.945	
By place of birth (versus U.S.-born)						
Foreign-born	0.849**		0.899**		0.828**	
Person fixed effect		2.556**		3.171**		3.879**
By industry (versus manufacturing)						
Construction			1.581**	1.918**		
Transportation and utilities			1.600**	1.763**		
Wholesale trade			1.614**	1.764**		
Retail trade			0.622**	0.680**		
Finance, insurance, and real estate			2.074**	2.119**		
Services			0.933*	1.009		
Public administration			1.713**	1.923**		
By firm size (versus fewer than 25)						
26 to 100			1.305**	1.283**		
101 to 500			1.485**	1.416**		
501 to 1,000			1.714**	1.644**		
More than 1,000			1.611**	1.563**		
By annual worker turnover (versus less than 10 percent)						
10 to 25 percent			2.172**	2.758**		
26 to 50 percent			1.790**	1.931**		

(Table continues on p. 67.)

Table 4.6 *Continued*

	(1)	(2)	(3)	(4)	(5)	(6)
51 to 100 percent			1.144	1.033		
More than 100 percent			0.623**	0.514**		
Firm fixed effect					6.518**	8.654**

Source: Authors' compilation.

Notes: Each specification is based on 58,792 observations. In addition to reported variables, all specifications include a constant and controls for experience. The odds ratio is the exponential of the estimated coefficient and indicates how the odds of the event change as the variable is changed from 0 to 1. For instance, the odds ratio for black males of 0.557 in column 1 indicates that the odds that black males will fully escape low earnings are little more than half of the odds that white males (the reference category) will fully escape low earnings.

*significant at 5 percent; **significant at 1 percent

Table 4.7 Odds Ratio Estimates of Probability of Fully or Partially Escaping Low Earnings in the Period 1999 to 2001

	(1)	(2)	(3)	(4)	(5)	(6)
By race-ethnicity and gender (versus white males)						
White females	0.648**		0.653**		0.643**	
Black females	0.583**		0.542**		0.495**	
Asian females	0.969		1.011		0.973	
Hispanic females	0.531**		0.485**		0.475**	
Black males	0.742**		0.680**		0.710**	
Asian males	0.825*		0.972		0.916	
Hispanic males	1.063		1.006		1.049	
By place of birth (versus U.S.-born)						
Foreign-born	0.820**		0.858**		0.786**	
Person fixed effect		2.323**		2.670**		3.929**
By industry (versus manufacturing)						
Construction			1.896**	2.450**		
Transportation and utilities			1.581**	1.772**		
Wholesale trade			1.505**	1.655**		
Retail trade			0.548**	0.613**		
Finance, insurance, and real estate			2.014**	2.051**		
Services			0.843**	0.935*		
Public administration			1.540**	1.803**		
By firm size (versus fewer than 25)						
26 to 100			1.370**	1.302**		
101 to 500			1.591**	1.472**		
501 to 1,000			1.858**	1.724**		
More than 1,000			1.701**	1.632**		
By annual worker turnover (versus less than 10 percent)						
10 to 25 percent			1.975**	2.378**		
26 to 50 percent			1.992**	1.927**		
51 to 100 percent			1.690**	1.277**		

(Table continues on p. 69.)

Table 4.7 *Continued*

	(1)	(2)	(3)	(4)	(5)	(6)
More than 100 percent Firm fixed effect			1.261*	0.845	6.800**	10.188**

Source: Authors' compilation.

Notes: Each specification is based on 58,792 observations. In addition to reported variables, all specifications include a constant and controls for experience.

*significant at 5 percent; **significant at 1 percent

Table 4.8 Determinants of Log of Total Annual Earnings in the Period 1999 to 2001

	(1)	(2)	(3)	(4)	(5)	(6)
By race-ethnicity and gender (versus white males)						
White females	-0.145**		-0.151**		-0.134**	
Black females	-0.191**		-0.213**		-0.215**	
Asian females	-0.047**		-0.048**		-0.049**	
Hispanic females	-0.196**		-0.225**		-0.210**	
Black males	-0.169**		-0.187**		-0.169**	
Asian males	-0.041*		-0.003		-0.013	
Hispanic males	-0.036**		-0.054**		-0.042**	
By place of birth (versus U.S.-born)						
Foreign-born	-0.033**		-0.014*		-0.034**	
Person fixed effect		0.309**		0.348**		0.415**
By industry (versus manufacturing)						
Construction			0.154**	0.206**		
Transportation and utilities			0.145**	0.166**		
Wholesale trade			0.099**	0.124**		
Retail trade			-0.138**	-0.136**		
Finance, insurance, and real estate			0.195**	0.193**		
Services			-0.027**	-0.016*		
Public administration			0.110**	0.143**		
By firm size (versus fewer than 25)						
26 to 100			0.100**	0.098**		
101 to 500			0.134**	0.126**		
501 to 1,000			0.156**	0.15**		
More than 1,000			0.152**	0.148**		
By annual worker turnover (versus less than 10 percent)						
10 to 25 percent			0.241**	0.296**		
26 to 50 percent			0.198**	0.227**		
51 to 100 percent			0.122**	0.131**		
More than 100 percent			-0.028	-0.016		
Firm fixed effect					0.459**	0.564**

(Table continues on p. 71.)

Table 4.8 *Continued*

	(1)	(2)	(3)	(4)	(5)	(6)
Observations	58,792	58,488	58,753	58,449	55,993	55,717
R-squared	0.06	0.12	0.12	0.19	0.16	0.26

Source: Authors' compilation.

Notes: Each specification is based on 58,792 observations. In addition to reported variables, all specifications include a constant and controls for experience.

*significant at 5 percent; **significant at 1 percent

Table 4A.1 CPS Characteristics of Workers, by Earnings Categories

	Low Earnings	Partially Low Earnings	Partially Nonlow Earnings	Nonlow Earnings	All
Education					
High school dropout	0.28	0.28	0.17	0.09	0.13
High school graduate	0.37	0.33	0.36	0.27	0.30
Some college, no degree	0.15	0.21	0.20	0.21	0.20
College degree	0.20	0.18	0.28	0.43	0.37
All	1.00	1.00	1.00	1.00	1.00
Family income as percentage of poverty level					
Less than 100 percent	0.20	0.17	0.08	0.02	0.05
101 to 200 percent	0.38	0.41	0.38	0.17	0.24
More than 200 percent	0.42	0.43	0.53	0.81	0.71
All	1.00	1.00	1.00	1.00	1.00
Hourly wages					
Less than \$8.00	0.73	0.75	0.54	0.13	0.26
\$8.00 to \$10.00	0.14	0.17	0.20	0.17	0.17
More than \$10.00	0.13	0.08	0.26	0.71	0.57
All	1.00	1.00	1.00	1.00	1.00

Source: Authors' compilation.

Table 4A.2 Earnings Transitions in the Period 1996 to 1998 and the Period 1999 to 2001 for Initial Low Earners, by CPS Characteristics

	Low Earnings	Partially Low Earnings	Partially Nonlow Earnings	Nonlow Earnings	All
Earnings status in 1996 to 1998					
High school dropouts	0.63	0.14	18.37	0.04	1.00
High school dropouts and graduates	0.53	0.20	23.32	0.04	1.00
Family income below poverty level	0.45	0.27	23.94	0.04	1.00
Family income less than 200 percent of poverty level	0.50	0.21	25.56	0.04	1.00
Wages less than \$8.00 per hour	0.50	0.28	19.57	0.02	1.00
Earnings status in 1999 to 2001					
High school dropouts	0.44	0.19	0.20	0.17	1.00
High school dropouts and graduates	0.35	0.22	0.22	0.21	1.00
Family income below poverty level	0.30	0.18	0.37	0.15	1.00
Family income less than 200 percent of poverty level	0.29	0.23	0.24	0.23	1.00
Wages less than \$8.00 per hour	0.46	0.22	0.19	0.14	1.00

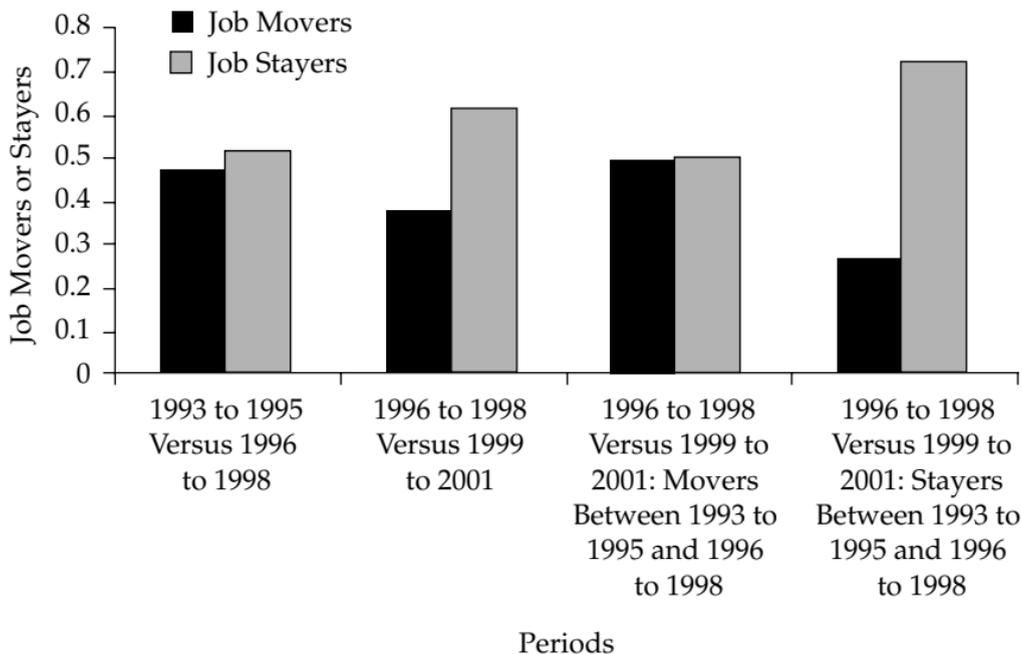
Source: Authors' compilation.

Table 4A.3 Mean Firm Effect in Base and Subsequent Periods by Earnings Status in Subsequent Period for Initial Low Earners, by CPS Characteristics

Period	Earnings Status in Subsequent Period							
	Low		Partially Low		Partially Nonlow		Nonlow	
	1993 to 1995	1996 to 1998	1993 to 1995	1996 to 1998	1993 to 1995	1996 to 1998	1993 to 1995	1996 to 1998
High school dropouts	-0.37	-0.34	-0.23	-0.21	-0.36	-0.06	-0.63	0.24
High school dropouts and graduates	-0.44	-0.41	-0.45	-0.36	-0.27	-0.06	-0.42	0.09
Family income below poverty level	-0.46	-0.36	-0.51	-0.39	-0.29	0.00	-0.27	0.13
Family income less than 200 percent of poverty level	-0.39	-0.33	-0.44	-0.33	-0.26	-0.02	-0.58	0.19
Wages less than \$8.00 per hour	-0.42	-0.42	-0.41	-0.44	-0.27	0.01	-0.24	-0.47
Period	1993 to 1995	1999 to 2001	1993 to 1995	1999 to 2001	1993 to 1995	1999 to 2001	1993 to 1995	1999 to 2001
High school dropouts	-0.28	-0.32	-0.31	-0.22	-0.37	-0.05	-0.38	-0.06
High school dropouts and graduates	-0.44	-0.32	-0.44	-0.38	-0.36	-0.15	-0.28	-0.03
Family income below poverty level	-0.44	-0.34	-0.25	-0.18	-0.52	-0.20	-0.33	-0.07
Family income less than 200 percent of poverty level	-0.32	-0.32	-0.42	-0.35	-0.41	-0.12	-0.33	0.04
Wages less than \$8.00 per hour	-0.43	-0.48	-0.44	-0.43	-0.33	-0.27	-0.31	0.14

Source: Authors' compilation.

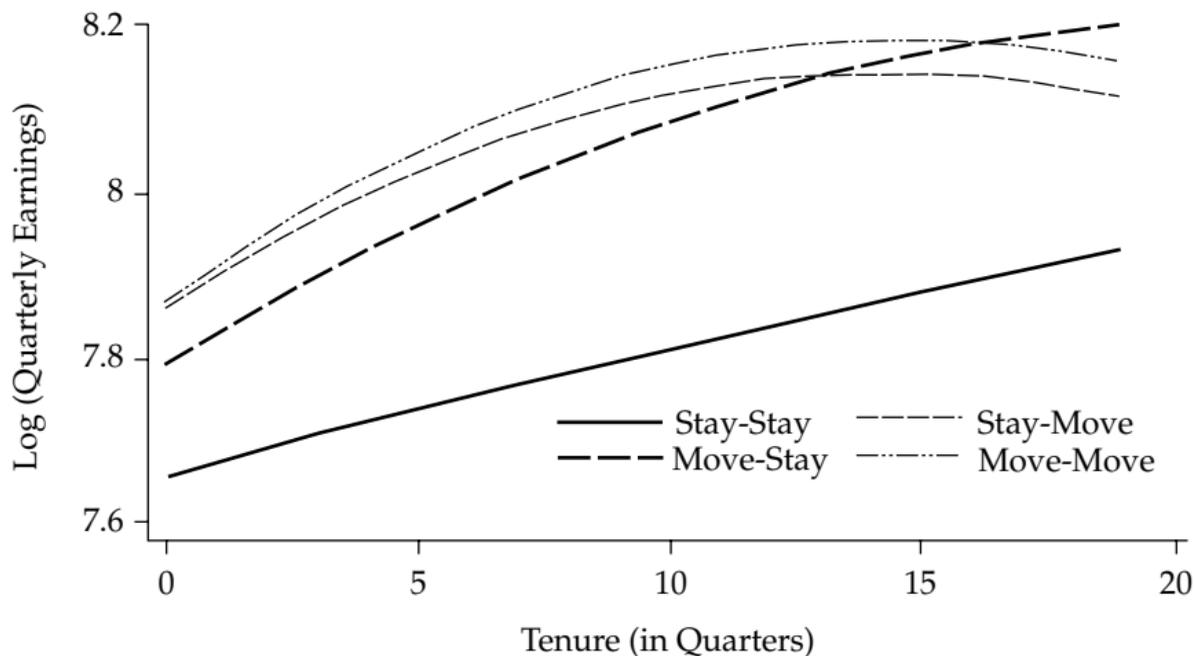
Figure 5.1 Rates of Job Mobility in 1993 to 1995 Versus 1996 to 1998 and in 1996 to 1998 Versus 1999 to 2001: Workers with Low Earnings in 1993 to 1995



Source: Authors' compilation.

Note: "Job mobility" is defined as a change in primary employer between periods.

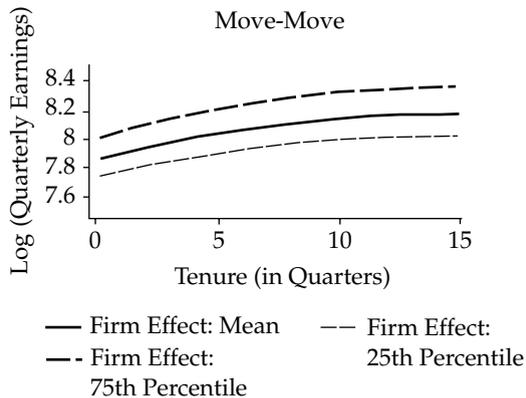
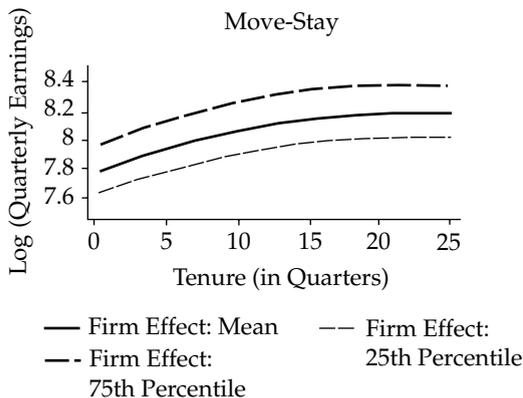
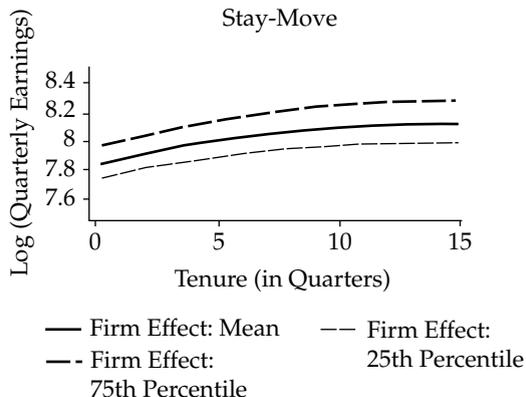
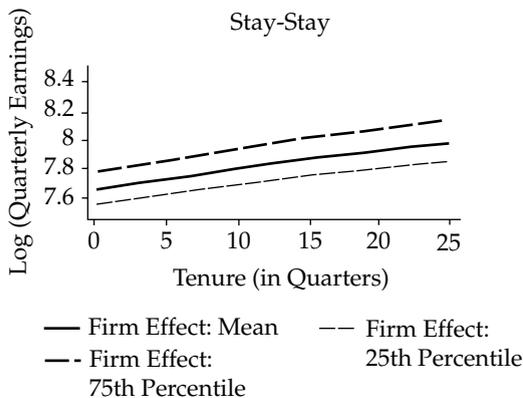
Figure 5.2 Wage-Tenure Profiles, by Mobility Group



Source: Authors' compilation.

Note: Mean tenure for the stay-stay group is 29.1 quarters; 8.3 for stay-movers; 14.9 for move-stayers; and 6.4 for move-movers.

Figure 5.3 Wage-Tenure Profiles, by Mobility Group and Firm Fixed Effect



Source: Authors' compilation.

Table 5.1 Distribution of Initial Low Earners Across Transition Categories, by Job Mobility

	Earnings Status in 1996 to 1998			
	Still Low	Partial Escape	Full Escape	All
Job mobility in 1993 to 1995 versus 1996 to 1998				
All	0.43	0.48	0.08	1.00
Move	0.30	0.57	0.13	1.00
Stay	0.56	0.41	0.04	1.00
	Earnings Status in 1999 to 2001			
	Still Low	Partial Escape	Full Escape	All
Job mobility in 1996 to 1998 versus 1999 to 2001				
All	0.57	0.39	0.04	1.00
Move	0.40	0.51	0.08	1.00
Stay	0.65	0.33	0.02	1.00
	Earnings Status in 1999 to 2001			
	Still Low	Partial Escape	Full Escape	All
Job mobility in 1993 to 1995 versus 1996 to 1998 and in 1996 to 1998 versus 1999 to 2001				
All	0.29	0.44	0.28	1.00
Move-move	0.19	0.49	0.31	1.00
Move-stay	0.19	0.39	0.42	1.00
Stay-move	0.24	0.49	0.27	1.00
Stay-stay	0.42	0.40	0.17	1.00

Source: Authors' compilation.

Note: Earnings status in the middle panel is defined only for those who were still low earners in 1996 to 1998.

Table 5.10 Regressions of Log Quarterly Earnings, by Mobility Group with Controls for Base Period Characteristics

	Stay-Move	Move-Stay	Move-Move	Move-Move
Without control for current firm effect				
Fixed firm effect in 1993 to 1995	0.256 (34.36)**	0.378 (35.20)**	0.220 (24.72)**	0.070 (7.87)**
Temp agency in 1993 to 1995	0.103 (8.58)**	0.056 (2.03)*	0.062 (5.33)**	0.000 (0.03)
Tenure in 1993 to 1995	0.001 (1.29)	0.011 (12.08)**	0.006 (8.40)**	0.006 (8.03)**
Fixed firm effect in 1996 to 1998				0.577 (66.60)**
Temp agency in 1996 to 1998				0.099 (8.77)**
Tenure in 1996 to 1998				0.009 (11.47)**
R-squared	0.16	0.13	0.16	0.20
With control for current firm effect				
Fixed firm effect in 1993 to 1995	0.000 (0.05)	0.156 (14.37)**	0.052 (6.20)**	-0.008 (0.93)
Temp agency in 1993 to 1995	0.007 (0.68)	0.014 (0.54)	0.007 (0.70)	-0.016 (1.49)
Tenure in 1993 to 1995	0.004 (6.54)**	0.009 (10.15)**	0.005 (7.73)**	0.005 (7.41)**
Fixed firm effect in 1996 to 1998				0.314 (36.12)**
Temp agency in 1996 to 1998				0.038 (3.51)**
Tenure in 1996 to 1998				0.007 (8.99)**
R-squared	0.32	0.22	0.28	0.29
Observations	77,393	46,086	75,937	75,935

Source: Authors' compilation.

Notes: In addition to the reported coefficients, all specifications include controls for the same variables as in the specification reported in table 5.8. The effects on these variables of the inclusion of base period characteristics are very limited and therefore not reported. Absolute values of t statistics are in parentheses.

*significant at 5 percent; **significant at 1 percent

Table 5.2 Distribution of Initial Low Earners Across Job Mobility Categories, by Escape Status

	Earnings Status in 1996 to 1998			
	Still Low	Partial Escape	Full Escape	All
Job mobility in 1993 to 1995 versus 1996 to 1998				
Move	0.33	0.56	0.76	0.47
Stay	0.67	0.44	0.24	0.53
All	1.00	1.00	1.00	1.00
	Earnings Status in 1999 to 2001			
	Still Low	Partial Escape	Full Escape	All
Job mobility in 1996 to 1998 versus 1999 to 2001				
Move	0.24	0.44	0.66	0.34
Stay	0.76	0.56	0.34	0.66
All	1.00	1.00	1.00	1.00
	Earnings Status in 1999 to 2001			
	Still Low	Partial Escape	Full Escape	All
Job mobility in 1993 to 1995 versus 1996 to 1998 and in 1996 to 1998 versus 1999 to 2001				
Move-move	0.16	0.27	0.27	0.24
Move-stay	0.16	0.22	0.36	0.24
Stay-move	0.12	0.16	0.14	0.14
Stay-stay	0.56	0.36	0.24	0.38
All	1.00	1.00	1.00	1.00

Source: Authors' compilation.

Note: Earnings status in the middle panel is defined only for those who were still low earners in 1996 to 1998.

Table 5.3 Mean Earnings and Employment, by Job Mobility Categories

	Job Mobility 1993 to 1995 Versus 1996 to 1998 and 1996 to 1998 Versus 1999 to 2001			
	Move-Move	Move-Stay	Stay-Move	Stay-Stay
Annual earnings				
1993 to 1995	\$7,259	\$7,419	\$7,714	\$7,720
1996 to 1998	12,972	14,101	10,722	10,520
1999 to 2001	17,562	18,679	15,896	13,094
Quarterly earnings				
1993 to 1995	2,110	2,131	2,127	2,107
1996 to 1998	3,471	3,703	2,832	2,765
1999 to 2001	4,645	4,838	4,171	3,445
Quarterly tenure				
1993 to 1995	7.73	9.08	11.20	12.73
1996 to 1998	7.75	9.78	20.39	24.12
1999 to 2001	9.73	20.53	10.62	35.19
Quarters worked				
1993 to 1995	10.44	10.58	10.99	11.16
1996 to 1998	11.16	11.41	11.36	11.52
1999 to 2001	11.24	11.52	11.36	11.44
Change in quarters worked, 1993 to 1995 to 1999 to 2001				
1995 to 1999 to 2001	0.81	0.94	0.38	0.28
Number of employers				
1993 to 1995	3.84	2.80	1.97	1.43
1996 to 1998	3.73	2.18	2.14	1.17
1999 to 2001	2.81	1.45	2.08	1.23

Source: Authors' compilation.

Table 5.4 Job Mobility, by Personal Characteristics

	Job Mobility 1993 to 1995 Versus 1996 to 1998 and 1996 to 1998 Versus 1999 to 2001				All
	Move- Move	Move- Stay	Stay- Move	Stay- Stay	
All workers	0.24	0.24	0.14	0.38	1.00
By race-ethnicity and gender					
White females	0.18	0.23	0.14	0.45	1.00
Black females	0.30	0.25	0.15	0.31	1.00
Asian females	0.23	0.24	0.15	0.38	1.00
Hispanic females	0.20	0.24	0.16	0.41	1.00
White males	0.31	0.24	0.14	0.31	1.00
Black males	0.41	0.27	0.11	0.21	1.00
Asian males	0.28	0.28	0.14	0.29	1.00
Hispanic males	0.30	0.26	0.16	0.28	1.00
By place of birth					
Foreign-born	0.22	0.25	0.16	0.38	1.00
U.S.-born	0.24	0.24	0.14	0.38	1.00
By age					
25 to 34	0.34	0.27	0.15	0.25	1.00
35 to 44	0.20	0.23	0.15	0.42	1.00
45 to 54	0.14	0.20	0.13	0.53	1.00
By person fixed effect (quartile)					
First	0.18	0.21	0.14	0.46	1.00
Second	0.31	0.27	0.15	0.27	1.00
Third	0.36	0.29	0.14	0.21	1.00
Fourth	0.33	0.28	0.11	0.27	1.00

Source: Authors' compilation.

Table 5.5 Distribution of Workers Across Industries, by Mobility Status

	Job Mobility 1993 to 1995 Versus 1996 to 1998 and 1996 to 1998 Versus 1999 to 2001			
	Move- Move	Move- Stay	Stay- Move	Stay- Stay
By industry in 1993 to 1995				
Construction	0.04	0.03	0.03	0.03
Manufacturing	0.12	0.10	0.11	0.08
Transportation and utilities	0.03	0.03	0.02	0.02
Wholesale trade	0.03	0.03	0.03	0.03
Retail trade	0.34	0.35	0.36	0.24
Finance, insurance, and real estate	0.03	0.03	0.03	0.03
Services	0.40	0.41	0.41	0.55
Public administration	0.01	0.01	0.01	0.02
All	1.00	1.00	1.00	1.00
By industry in 1996 to 1998				
Construction	0.04	0.04	0.03	0.03
Manufacturing	0.13	0.14	0.11	0.09
Transportation and utilities	0.04	0.04	0.02	0.02
Wholesale trade	0.05	0.05	0.03	0.03
Retail trade	0.26	0.26	0.36	0.23
Finance, insurance, and real estate	0.05	0.04	0.03	0.03
Services	0.42	0.41	0.40	0.55
Public administration	0.01	0.03	0.01	0.02
All	1.00	1.00	1.00	1.00
By industry in 1999 to 2001				
Construction	0.05	0.04	0.03	0.03
Manufacturing	0.14	0.14	0.12	0.09
Transportation and utilities	0.04	0.04	0.03	0.02
Wholesale trade	0.05	0.05	0.05	0.03
Retail trade	0.22	0.26	0.27	0.24
Finance, insurance, and real estate	0.06	0.04	0.05	0.03
Services	0.42	0.41	0.43	0.54
Public administration	0.02	0.03	0.03	0.02
All	1.00	1.00	1.00	1.00

Source: Authors' compilation.

Table 5.6 Distribution of Workers Across Firm Size, Annual Worker Turnover, and Firm Fixed Effect Categories, by Job Mobility Status

	Move-Move		Move-Stay		Stay-Move		Stay-Stay	
	Mean	Median	Mean	Median	Mean	Median	Mean	Median
Firm size								
1993 to 1995	2,187	118	2,768	107	2,511	97	4,883	207
1996 to 1998	2,170	162	3,975	210	2,628	100	5,207	228
1999 to 2001	3,232	245	4,472	233	3,444	249	5,566	244
Annual worker turnover								
1993 to 1995	0.62	0.61	0.59	0.57	0.54	0.52	0.43	0.38
1996 to 1998	0.60	0.59	0.50	0.48	0.46	0.44	0.35	0.31
1999 to 2001	0.53	0.50	0.41	0.39	0.50	0.48	0.36	0.32
Firm fixed effect								
1993 to 1995	-0.29	-0.27	-0.31	-0.29	-0.34	-0.31	-0.30	-0.24
1996 to 1998	-0.16	-0.14	-0.13	-0.11	-0.34	-0.31	-0.30	-0.24
1999 to 2001	-0.07	-0.05	-0.13	-0.11	-0.15	-0.12	-0.30	-0.24

Source: Authors' compilation.

Table 5.7 Tenure and Temp Agency Employment in the Base Period Among Low Earners Who Changed Jobs, by Earnings Status in Later Periods

	Tenure		Fraction of All Workers Employed in Temp Agencies
	Mean	Median	
Earnings in 1997 to 1999			
Still low	8.96	9	0.05
Partial escape	8.27	8	0.06
Full escape	7.67	7	0.07
Earnings in 1999 to 2001			
Still low	9.16	9	0.05
Partial escape	8.23	8	0.06
Full escape	8.23	8	0.06

Source: Authors' compilation.

Table 5.8 Regressions of Log Quarterly Earnings, by Mobility Group

	Stay-Stay	Stay-Move	Move-Stay	Move-Move
Person fixed effect	0.661 (153.86)**	0.306 (41.11)**	0.567 (108.94)**	0.410 (62.73)**
Experience	0.014 (35.44)**	0.005 (7.43)**	0.009 (22.10)**	0.005 (10.75)**
Squared experience	-0.035 (19.91)**	-0.014 (4.53)**	-0.021 (10.17)**	-0.011 (4.21)**
Firm fixed effect	0.561 (23.19)**	0.536 (29.84)**	0.868 (36.46)**	0.699 (50.37)**
Tenure	0.017 (16.49)**	0.044 (27.28)**	0.039 (26.67)**	0.047 (34.43)**
Squared tenure	-0.113 (4.89)**	-1.548 (26.83)**	-0.899 (18.13)**	-1.632 (26.19)**
Tenure × firm fixed effect	0.008 (4.08)**	0.027 (7.80)**	0.007 (2.04)*	0.022 (7.32)**
Squared tenure × firm fixed effect	-0.071 -1.57	-0.926 (8.09)**	-0.213 -1.940	-0.839 (7.13)**
Full quarter employed	0.164 (29.40)**	0.347 (46.04)**	0.254 (41.02)**	0.448 (78.76)**
Constant	7.114 (318.82)**	7.570 (239.96)**	7.450 (339.03)**	7.513 (320.88)**
Observations	119,016	46,146	77,481	75,872
R-squared	0.20	0.21	0.31	0.28

Source: Authors' compilation.

Notes: All specifications include a full set of state dummies (not reported). Absolute values of t statistics are in parentheses.

*significant at 5 percent; **significant at 1 percent

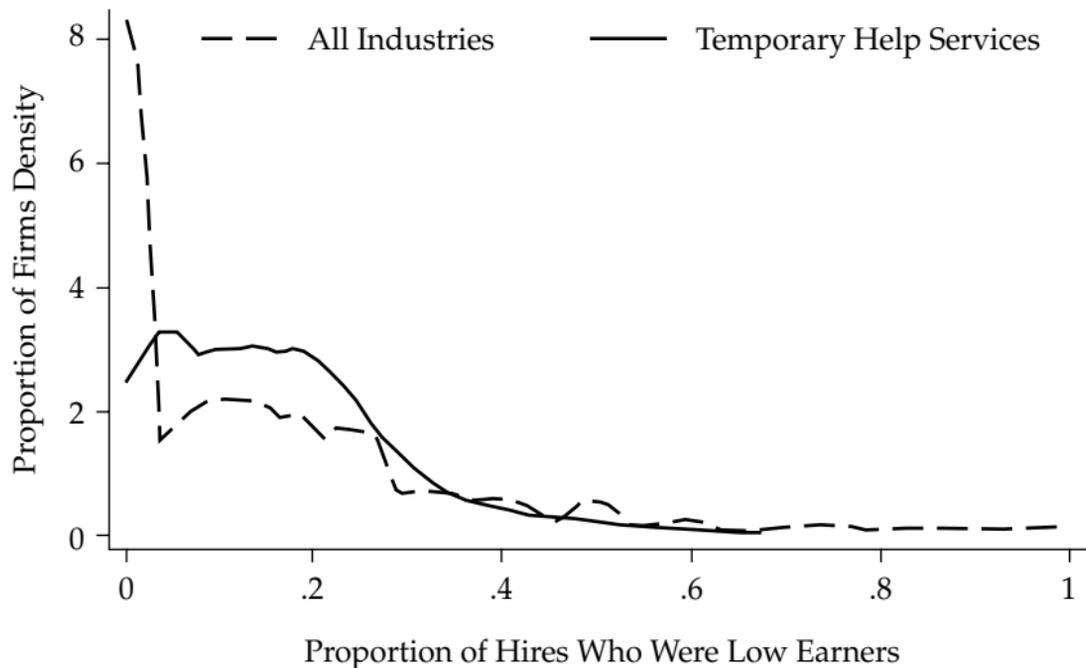
Table 5.9 Decomposition of Wage Differentials Between Groups of Job-Changers and Job-Stayers, 1999 to 2001

Mobility Group Variable	Stay-Move			Move-Stay			Move-Move		
	(a)	(b)	Total	(a)	(b)	Total	(a)	(b)	Total
Firm effect	29%	58%	62%	-14%	27%	13%	-7%	52%	46%
Tenure	190	-307	-117	99	-76	22	90	-186	-96
Tenure squared	-145	75	-69	-63	23	-41	-48	45	-3
Tenure \times firm effect	-29	51	22	1	17	19	-5	33	27
Squared tenure \times firm effect	25	-15	9	2	-5	-3	4	-9	-5
Full quarters	116	-15	102	24	-1	23	93	-13	81
Total	202	-103	100	83	17	100	124	-24	100

Source: Authors' compilation.

Note: Shown are the percentages of total wage differentials between each mobility group and "stay-stay" that can be accounted for by: (a) differences in the coefficients and (b) differences in the means of each variable. The decomposition shown in the table is based on the regression specifications in table 5.8. Differences in coefficients are weighted by the means of the own-group variables. Differences in variables are weighted by the coefficients for the stay-stay group.

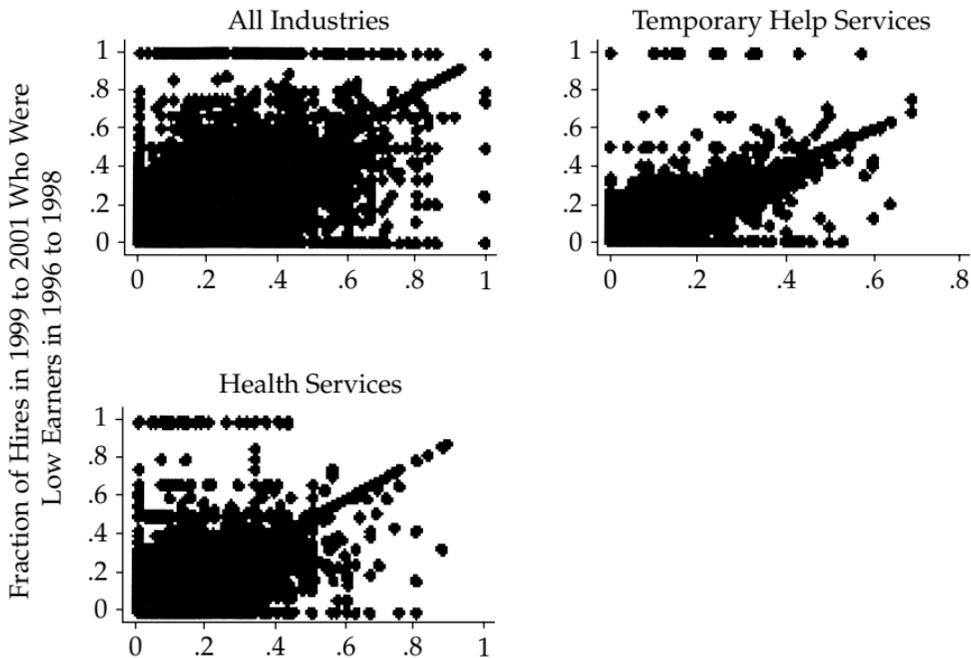
Figure 6.1 Distribution of Proportion of Hires in 1996 to 1998 Who Were Low Earners in 1993 to 1995



Source: Authors' compilation.

Note: The figure shows Kernel Density Estimates of the distribution of the proportions of firms' new hires in 1996 to 1998 who were low earners in 1993 to 1995.

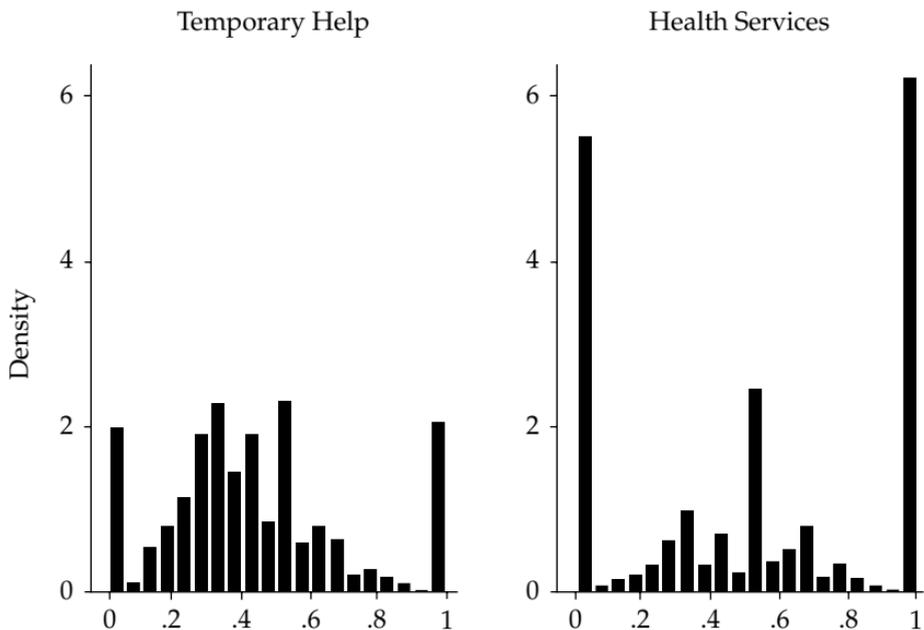
Figure 6.2 Firm-Level Persistence in Proportion of New Hires Who Were Low Earners in the Preceding Three-Year Period



Fraction of Hires in 1996 to 1998 Who Were Low Earners in 1993 to 1995

Source: Authors' compilation.

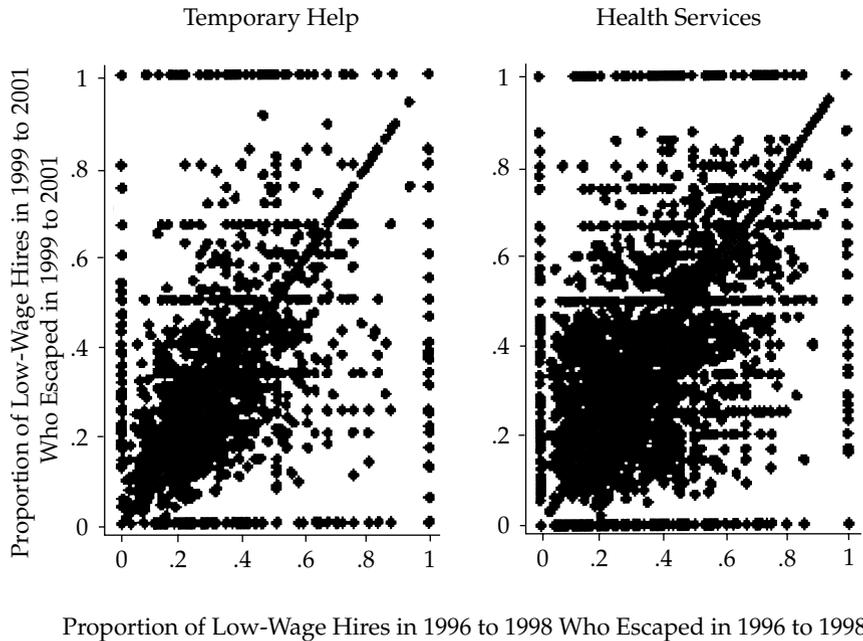
Figure 6.3 Distribution of Proportions of Low-Earning Hires in Temporary Help and Health Services in 1996 to 1998 Who Escaped That Status



Proportion of Low-Wage Hires in 1996 to 1998 Who Escaped in 1996 to 1998

Source: Authors' compilation.

Figure 6.4 Firm-Level Persistence in Escape Rates: Fraction of Newly Hired Low Earners Who Escaped Low Earnings in 1996 to 1998 Versus 1999 to 2001



Source: Authors' compilation.

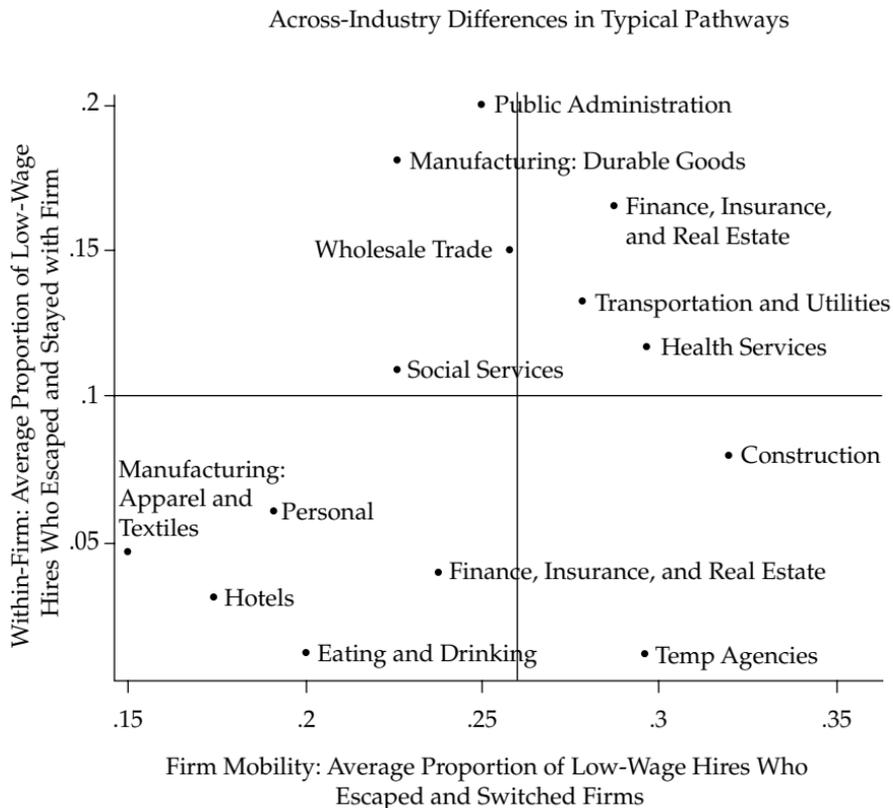
Table 6.3 Effects of Firm Characteristics on the Proportions of Low Earners Hired by Firms

Explanatory Variables	Proportion of Variation Explained		
	Whole Economy	Temporary Help	Health Services
Employment size and turnover	0.05	0.01	0.06
Employment size and turnover plus firm fixed effect	0.12	0.1	0.14
Employment size and turnover plus firm escape rate	0.15	0.19	0.18

Source: Authors' compilation.

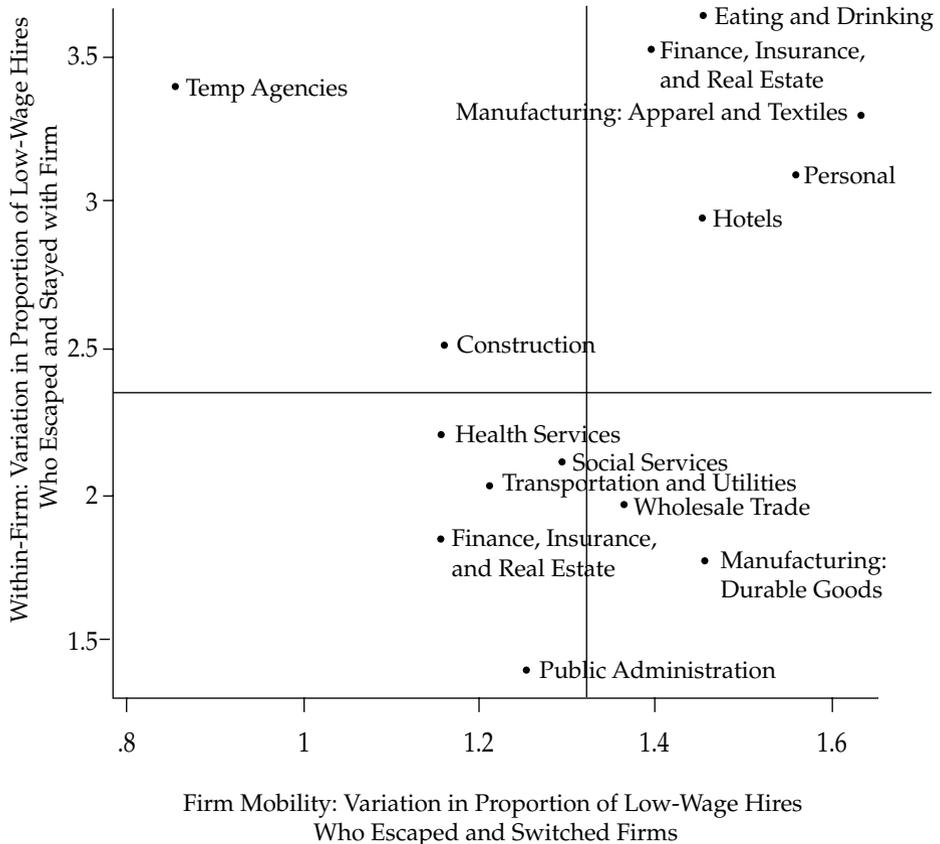
Note: Results are based on firms that hired at least five low earners in the 1996 to 1998 period.

Figure 6.5 Across-Industry Differences in Pathways Out of Low-Wage Work



Source: Authors' compilation.

Figure 6.6 Within-Industry Differences in Pathways Out of Low-Wage Work



Source: Authors' compilation.

Table 6.1 The Concentration of Low-Earner Hiring in Selected Industries, 1996 to 1998

Industry	Range by State
Construction	3.73 to 9.60%
Manufacturing	5.65 to 25.30
Durable goods	13.36 to 100.00
Apparel and other textiles	8.89 to 28.60
Other nondurable goods	14.39 to 24.86
Transportation and utilities	4.29 to 12.94
Wholesale trade	9.20 to 16.80
Retail trade	12.90 to 26.30
Eating and drinking places	14.30 to 27.90
Other retail trade	25.50 to 27.30
Finance, insurance, and real estate	23.70 to 35.40
Services	23.70 to 34.80
Hotels and other lodging places	23.40 to 47.30
Personal services	23.70 to 54.10
Business services	23.70 to 52.80
Help supply services	9.08 to 24.40
Other business services	11.20 to 19.90
Health services	12.70 to 46.40
Education services	6.50 to 27.50
Social services	9.80 to 18.90
Public administration	25.10 to 50.00

Source: Authors' compilation.

Note: These ranges represent the percentages of low earners hired in the industry by the ten largest firms in each.

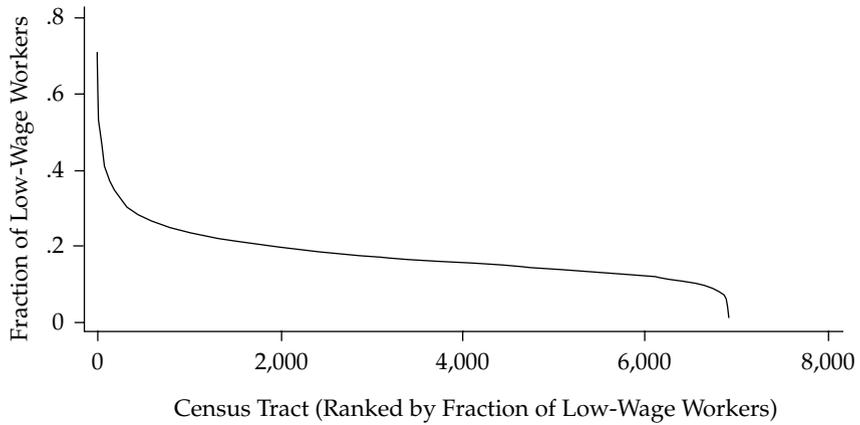
Table 6.2 Effects of Firm Characteristics on the Proportions of Low Earners Hired by Firms

Explanatory Variables	Proportion of Variation Explained		
	Whole Economy	Temporary Help	Health Services
Employment size and turnover	0.01	0.13	0.03
Employment size and turnover plus firm fixed effect	0.10	0.28	0.04
Employment size and turnover plus firm previous hiring proportion	0.17	0.49	0.09

Source: Authors' compilation.

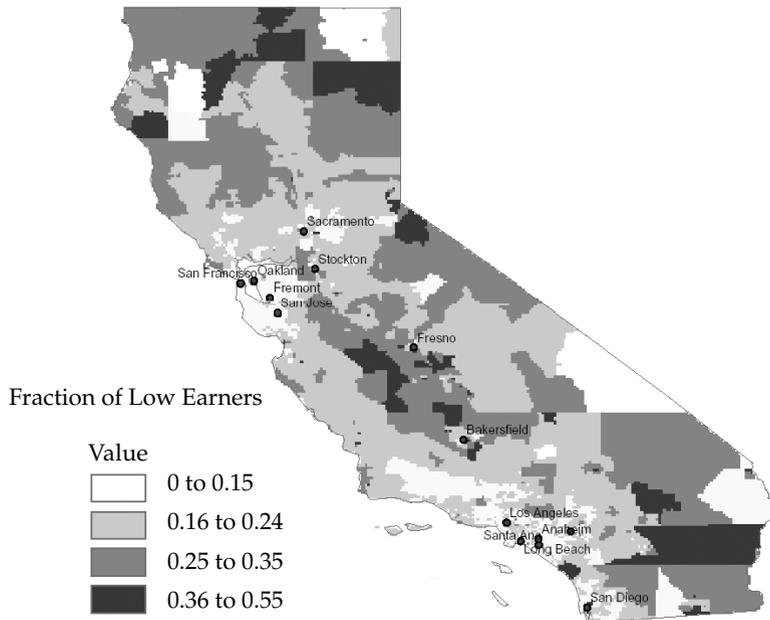
Note: These figures represent R-squared measures from regressions in which the dependent variables were the proportion of all hired workers who were low earners and the explanatory variables are those listed.

Figure 7.1 Distribution of Fraction of Low-Wage Workers Across Census Tracts in California



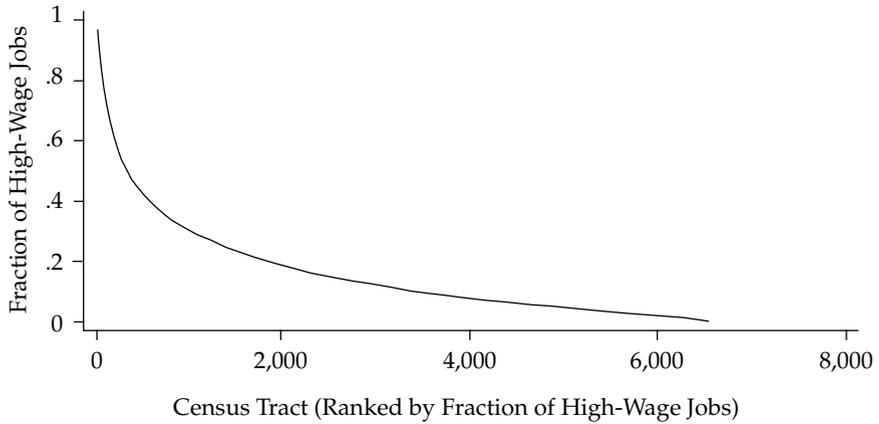
Source: Authors' compilation.

Figure 7.2 Fraction of Low Earners in Census Tract Populations in California



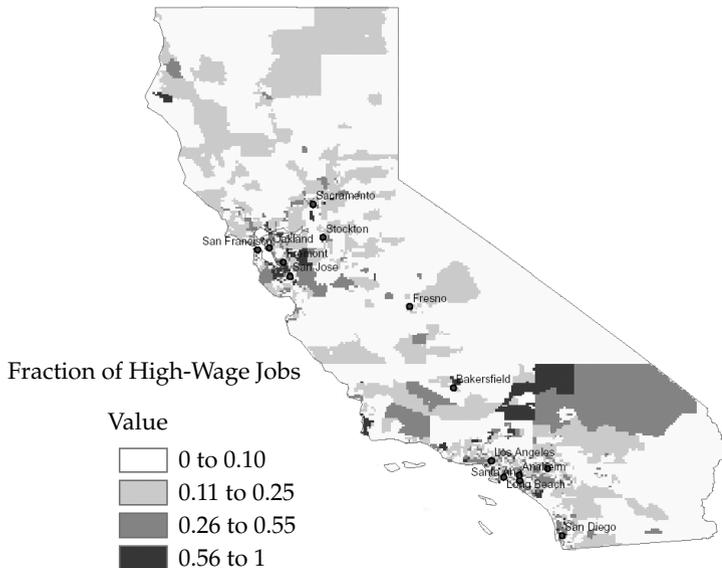
Source: Authors' compilation.

Figure 7.3 Distribution of Fraction of High-Wage Jobs Across Census Tracts in California



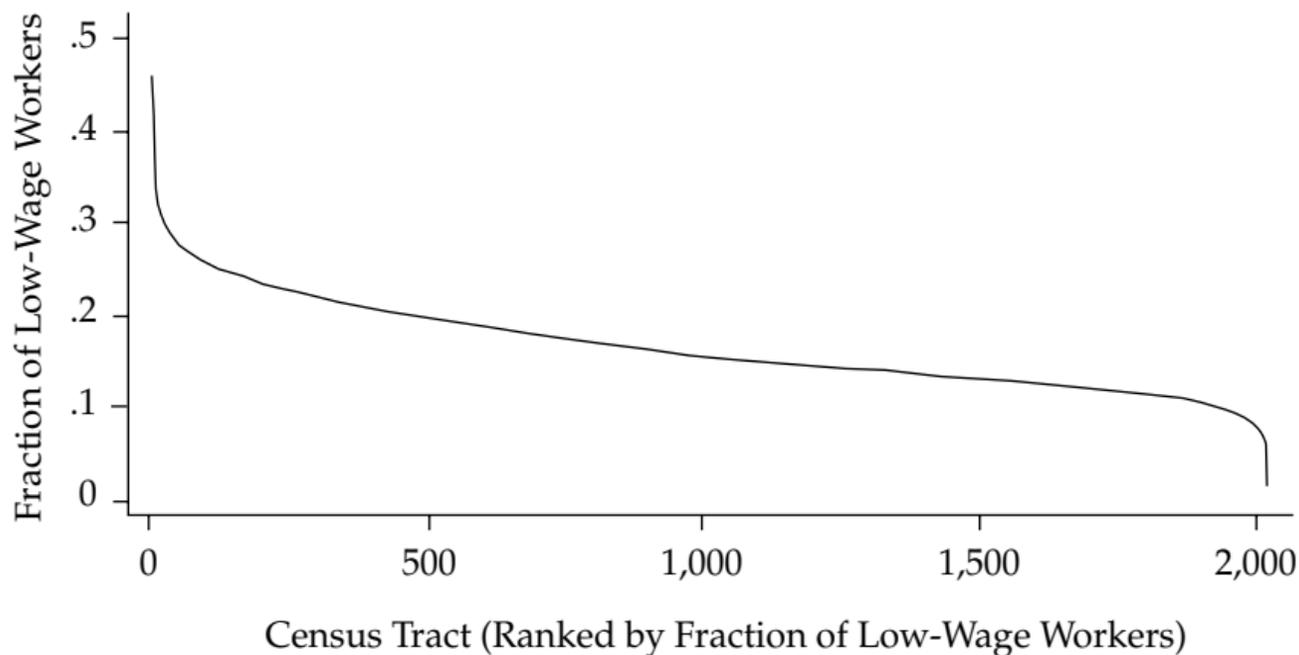
Source: Authors' compilation.

Figure 7.4 Fraction of High-Wage Jobs in Each Census Tract in California



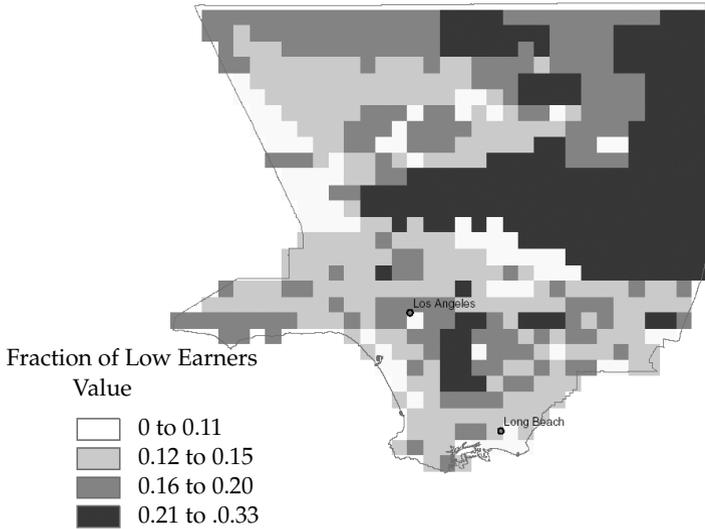
Source: Authors' compilation.

Figure 7.5 Distribution of Fraction of Low-Wage Workers Across Census Tracts in Los Angeles County



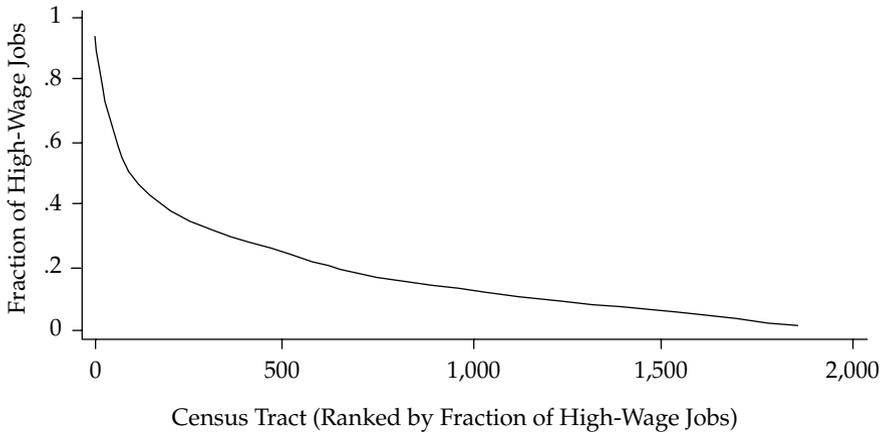
Source: Authors' compilation.

Figure 7.6 Fraction of Low Earners in Census Tract Populations in Los Angeles County



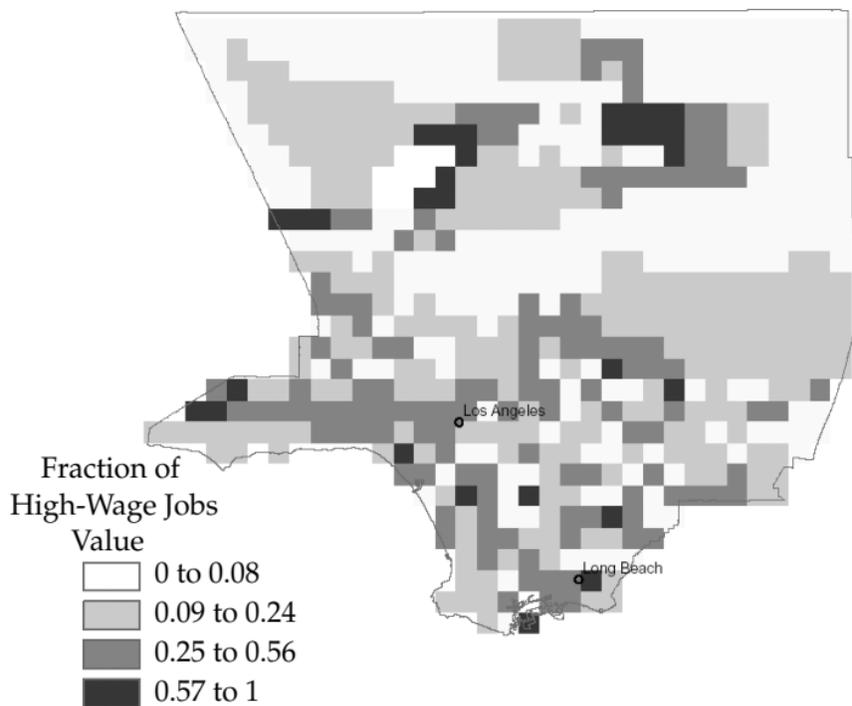
Source: Authors' compilation.

Figure 7.7 Distribution of Fraction of High-Wage Jobs Across Census Tracts in Los Angeles County



Source: Authors' compilation.

Figure 7.8 Fraction of High-Wage Jobs in Each Census Tract in Los Angeles County



Source: Authors' compilation.

Table 7.1 Impact of Firm Wage Premia on Fractions of Local Residents Who Are Low Earners

	Dependent Variable: Percentage of Residents Who Are Low Earners in	
	Tract	County
Mean firm wage premia in county	-0.243 (0.010)**	-0.265 (0.033)**
Mean firm wage premia in tract	-0.236 (0.004)**	
R-squared	0.346	0.302
Observations	6,124	181

Source: Authors' compilation.

**significant at 1 percent

Table 7.2 Distribution of Commuting Distances, by Area and Earnings Category

Area	Earnings Category	Under Five Miles	Five to Ten Miles	Eleven to Twenty-Five Miles	Twenty-Six to Fifty Miles	All
California	Low earners	0.47	0.23	0.22	0.08	1.00
	Nonlow earners	0.30	0.25	0.32	0.13	1.00
Illinois	Low earners	0.53	0.21	0.19	0.07	1.00
	Nonlow earners	0.33	0.24	0.33	0.10	1.00
Minnesota	Low earners	0.52	0.21	0.22	0.06	1.00
	Nonlow earners	0.34	0.25	0.34	0.07	1.00
Los Angeles County, California	Low earners	0.46	0.24	0.24	0.06	1.00
	Nonlow earners	0.28	0.26	0.36	0.11	1.00
Cook County, Illinois	Low earners	0.47	0.25	0.22	0.05	1.00
	Nonlow earners	0.29	0.29	0.36	0.06	1.00
Twin City area, Minnesota	Low earners	0.48	0.28	0.23	0.02	1.00
	Nonlow earners	0.35	0.34	0.30	0.01	1.00

Source: Authors' compilation.

Table 7.3 Distribution of Commuting Distances in California, by Earnings Category and Demographic Group

	Low Earners					Nonlow Earners				
	Under Five Miles	Five to Ten Miles	Eleven to Twenty-Five Miles	Twenty-Six to Fifty Miles	All	Under Five Miles	Five to Ten Miles	Eleven to Twenty-Five Miles	Twenty-Six to Fifty Miles	All
All	0.47	0.23	0.22	0.08	1.00	0.30	0.25	0.32	0.13	1.00
By demographic group										
White female	0.52	0.21	0.19	0.07	1.00	0.34	0.25	0.30	0.10	1.00
Black female	0.38	0.29	0.24	0.09	1.00	0.27	0.28	0.33	0.11	1.00
Asian female	0.52	0.23	0.19	0.06	1.00	0.29	0.28	0.33	0.09	1.00
Hispanic female	0.48	0.24	0.21	0.07	1.00	0.34	0.26	0.30	0.10	1.00
White male	0.42	0.23	0.25	0.10	1.00	0.27	0.23	0.34	0.16	1.00
Black male	0.33	0.26	0.29	0.12	1.00	0.24	0.26	0.34	0.16	1.00
Asian male	0.48	0.23	0.22	0.06	1.00	0.26	0.27	0.36	0.11	1.00
Hispanic male	0.41	0.25	0.25	0.09	1.00	0.32	0.25	0.31	0.12	1.00

Source: Authors' compilation.

Table 7.4 Distribution of Commuting Distance in California, by Earnings Transition Status

	Still Low Earnings					Full Escapes				
	Under Five Miles	Five to Ten Miles	Eleven to Twenty-Five Miles	Twenty-Six to Fifty Miles	All	Under Five Miles	Five to Ten Miles	Eleven to Twenty-Five Miles	Twenty-Six to Fifty Miles	All
All	0.50	0.23	0.20	0.07	1.00	0.38	0.25	0.27	0.10	1.00
By demographic group										
White female	0.55	0.21	0.18	0.06	1.00	0.42	0.24	0.26	0.09	1.00
Black female	0.40	0.30	0.22	0.08	1.00	0.33	0.29	0.29	0.09	1.00
Asian female	0.54	0.23	0.18	0.05	1.00	0.37	0.27	0.28	0.08	1.00
Hispanic female	0.49	0.24	0.20	0.07	1.00	0.41	0.25	0.25	0.09	1.00
White male	0.45	0.23	0.23	0.09	1.00	0.34	0.24	0.29	0.13	1.00
Black male	0.37	0.25	0.29	0.10	1.00	0.31	0.27	0.28	0.14	1.00
Asian male	0.50	0.24	0.20	0.06	1.00	0.34	0.30	0.27	0.09	1.00
Hispanic male	0.41	0.25	0.25	0.09	1.00	0.34	0.25	0.30	0.11	1.00

Source: Authors' compilation.

Table 7.5 Probability of Escaping Low Earnings Status as a Function of Commuting Distance

	All	White Females	Black Females	Asian Females	Hispanic Females	White Males	Black Males	Asian Males	Hispanic Males
Person effect	1.946 (0.014)*	2.208 (0.029)*	2.451 (0.094)*	2.120 (0.068)*	1.694 (0.031)*	2.328 (0.048)*	2.057 (0.101)*	2.014 (0.070)*	1.601 (0.031)*
Metropolitan area	0.942 (0.009)*	0.895 (0.019)*	0.847 (0.040)*	0.734 (0.030)*	0.992 (0.022)	0.880 (0.028)*	0.806 (0.050)*	0.779 (0.037)*	1.517 (0.037)*
Commuting distance ^a									
Five to ten miles	1.213 (0.015)*	1.204 (0.027)*	1.112 (0.070)	1.361 (0.069)*	1.114 (0.032)*	1.273 (0.048)*	1.221 (0.104)*	1.514 (0.087)*	1.184 (0.370)*
Eleven to twenty-five miles	1.400 (0.017)*	1.374 (0.032)*	1.210 (0.080)*	1.756 (0.092)*	1.301 (0.038)*	1.421 (0.053)*	1.107 -0.094	1.682 (0.098)*	1.385 (0.042)*
More than twenty-five miles	1.280 (0.016)*	1.176 (0.027)*	0.662 (0.043)*	1.491 (0.084)*	1.197 (0.036)*	1.355 (0.049)*	1.067 (0.087)	1.890 (0.129)*	1.411 (0.044)*
R-squared	0.04	0.05	0.06	0.05	0.02	0.06	0.04	0.05	0.02
Observations	234,109	72,813	8,306	13,464	48,181	24,562	4,712	10,091	36,860

Source: Authors' compilation.

Note: The reported estimates are log-odds ratios. Standard errors are in parentheses.

^aUnder-five-miles category is omitted.

*significant at 1 percent

Table 7.6 Distribution of Average of Firm Effect Within Two Miles, by Earnings Transition Status

Demographic Group	Mean	25th Percentile	Median	75th Percentile
Still low earnings				
White females	-0.108	-0.190	-0.099	-0.020
Black females	-0.043	-0.101	-0.038	0.027
Asian females	-0.061	-0.141	-0.068	0.017
Hispanic females	-0.129	-0.200	-0.087	-0.007
White males	-0.114	-0.200	-0.093	-0.006
Black males	-0.034	-0.111	-0.032	0.039
Asian males	-0.064	-0.141	-0.071	0.014
Hispanic males	-0.209	-0.315	-0.136	-0.038
All	-0.122	-0.198	-0.094	-0.011
Full escapes				
White females	-0.094	-0.177	-0.091	-0.011
Black females	-0.042	-0.110	-0.037	0.035
Asian females	-0.042	-0.134	-0.055	0.038
Hispanic females	-0.076	-0.146	-0.062	0.009
White males	-0.091	-0.179	-0.081	0.003
Black males	-0.042	-0.119	-0.039	0.039
Asian males	-0.040	-0.127	-0.055	0.024
Hispanic males	-0.082	-0.151	-0.068	0.011
All	-0.079	-0.159	-0.072	0.008

Source: Authors' compilation.

Table 7.7 Probability of Escaping Low Earnings Status as a Function of Mean Firm Wage Premia Within Two Miles of Residence

	All	White Females	Black Females	Asian Females	Hispanic Females	White Males	Black Males	Asian Males	Hispanic Males
Person effect	2.057 (0.015)*	2.27 (0.030)*	2.405 (0.091)*	2.200 (0.071)*	1.790 (0.034)*	2.352 (0.048)*	2.078 (0.102)*	2.065 (0.071)*	1.681 (0.033)*
Metropolitan area	0.769 (0.008)*	0.827 (0.018)*	0.817 (0.042)*	0.725 (0.030)*	0.674 (0.017)*	0.790 (0.026)*	0.759 (0.049)*	0.779 (0.036)*	0.872 (0.024)*
Labor market quality within:									
Two miles	12.088 (0.533)*	3.862 (0.306)*	5.892 (1.935)*	5.445 (1.144)*	45.410 (5.463)*	4.456 (0.563)*	4.862 (1.934)*	2.651 (0.653)*	53.321 (6.374)*
Two to five miles	11.027 (0.582)*	4.005 (0.373)*	4.771 (1.715)*	5.018 (1.177)*	38.303 (5.448)*	4.241 (0.633)*	5.593 (2.476)*	2.079 (0.569)*	52.912 (7.751)*
Six to ten miles	6.265 (0.569)*	2.697 (0.426)*	6.317 (3.413)*	3.243 (1.297)*	33.173 (7.852)*	2.252 (0.591)*	2.904 (1.942)	1.883 (0.882)	57.105 (13.593)*
R-squared	0.04	0.05	0.06	0.05	0.04	0.06	0.04	0.04	0.05
Observations	234,109	72,813	8,306	13,464	48,181	24,562	4,712	10,091	36,860

Source: Authors' compilation.

Note: The reported estimates are log-odds ratios. Standard errors are in parentheses.

*significant at 1 percent

Table 7A.1 Effects of Local Firm Wage Premia on Firm Premia of Newly Hired Workers, Los Angeles County, California

	Displaced Workers		Displaced Low Earners	
	1	2	1	2
Person fixed effect	-0.002 (0.006)	-0.007 (0.006)	0.052 (0.027)	0.054 (0.028)
Mean firm premium at jobs under two miles away	0.479 (0.127)**	0.870 (0.135)**	1.736 (0.245)**	1.571 (0.322)**
Mean firm premium at jobs two to five miles away	0.625 (0.144)**	1.002 (0.151)**	2.386 (0.328)**	2.214 (0.561)**
Mean firm premium at jobs five to ten miles away	0.033 (0.172)	0.510 (0.181)**	1.971 (0.352)**	1.741 (0.565)**
Local demand ^a		0.002 (0.001)*		0.002 (0.003)
Local supply ^b		-0.001 (0.000)**		0.000 (0.000)
Constant	-0.022 (0.005)**	0.071 (0.012)**	-0.278 (0.023)**	-0.310 (0.067)**
Observations	19,640	19,640	1,634	1,634
R-squared	0.02	0.02	0.03	0.03

Source: Authors' compilation.

Note: Standard errors are in parentheses.

^a"Local demand" is defined for each displaced worker as the total number of new hires within ten miles of residence in 2000.

^b"Local supply" is defined for each displaced worker as total employment within ten miles of residence in 2000.

*significant at 5 percent; **significant at 1 percent