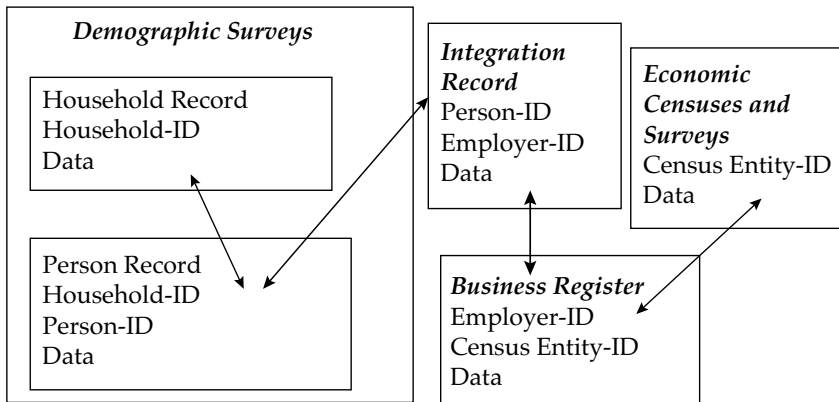
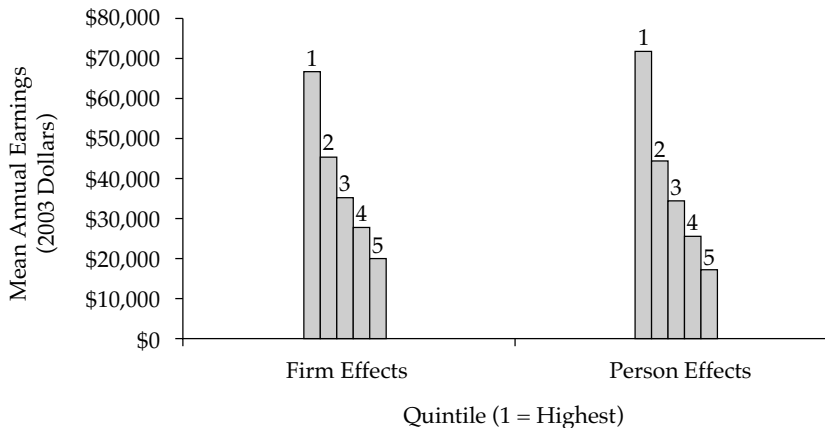


Figure 2.1 The Longitudinal Employer-Household Dynamics Program



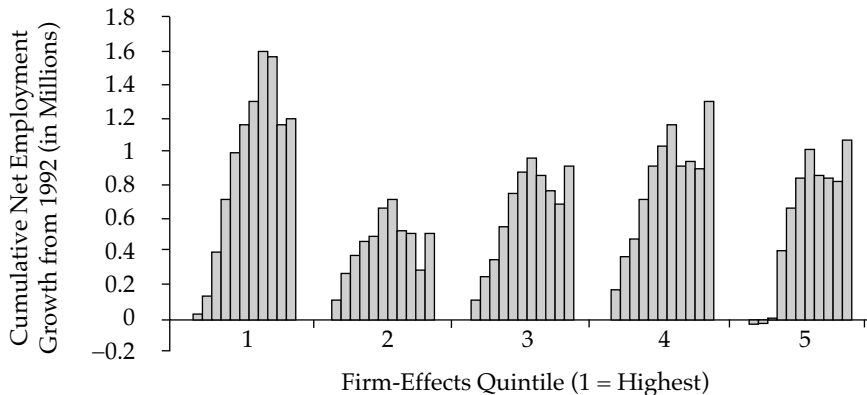
Source: Authors' illustration.

Figure 2.2 Mean Annual Earnings by Firm- or Person-Effects Quintile, 1992 to 2003



Source: Authors' tabulations using microdata from U.S. Census Bureau (1992–2003; 12 states).

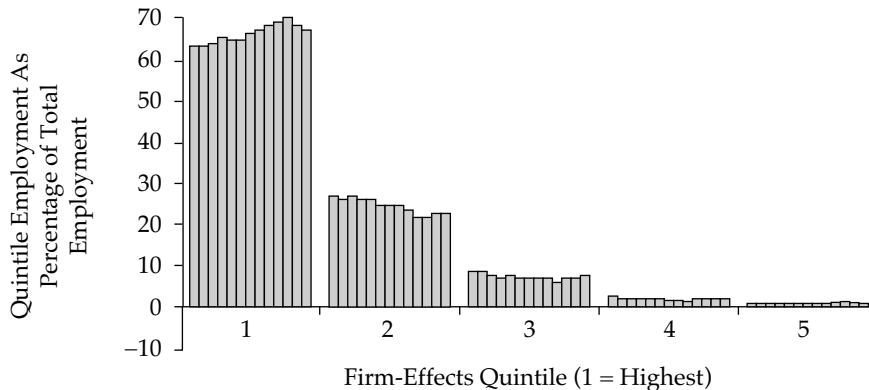
Figure 2.3 Cumulative Net Employment Growth by Firm-Effects Quintile and by Year, 1992 to 2003



Source: Authors' tabulations using microdata from U.S. Bureau of the Census (1992–2003).

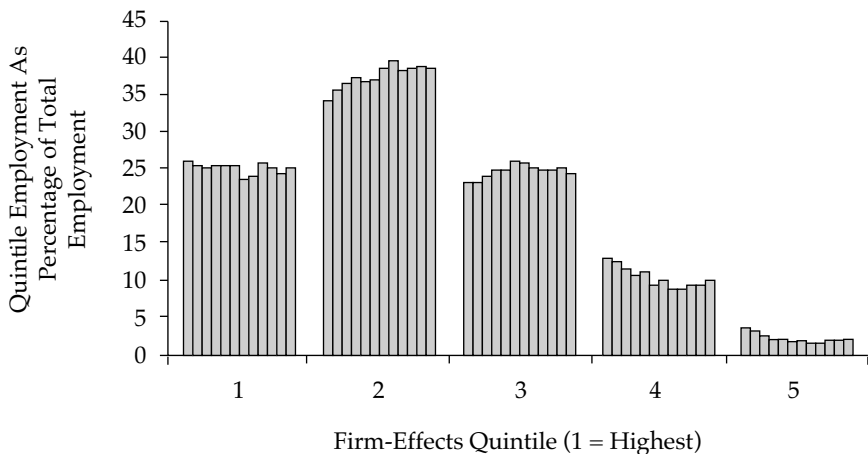
Note: Each bar represents cumulative employment growth within a quintile for a year in the period of 1993 to 2003, relative to 1992.

Figure 2.4 Employment over Time Within Person-Effects Quintile 1, 1992 to 2003



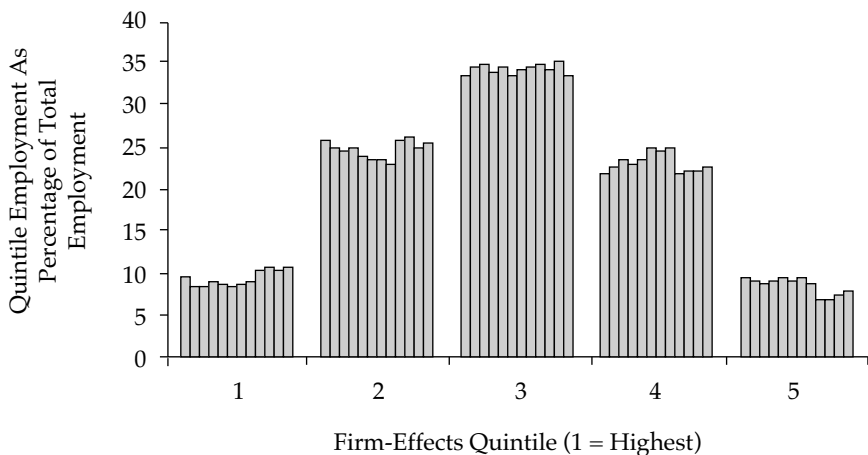
Source: Authors' tabulations using microdata from U.S. Bureau of the Census (1992–2003).

Figure 2.5 Employment over Time Within Person-Effects Quintile 2, 1992 to 2003



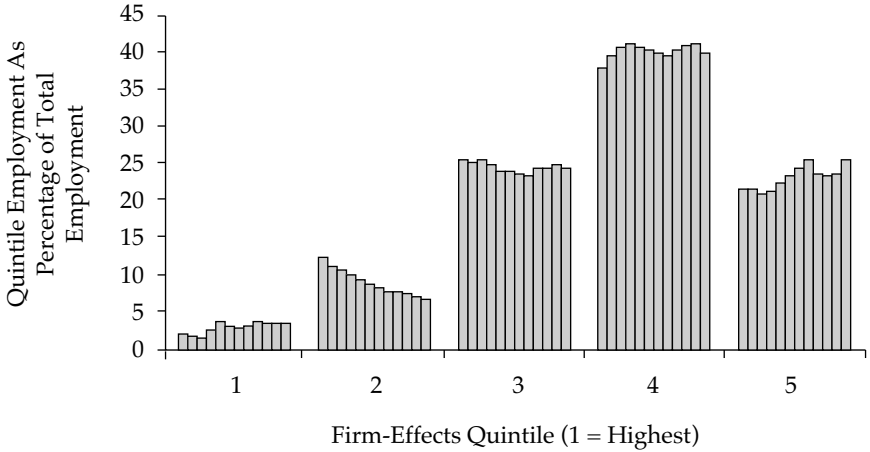
Source: Authors' tabulations using microdata from U.S. Bureau of the Census (1992–2003).

Figure 2.6 Employment over Time Within Person-Effects Quintile 3, 1992 to 2003



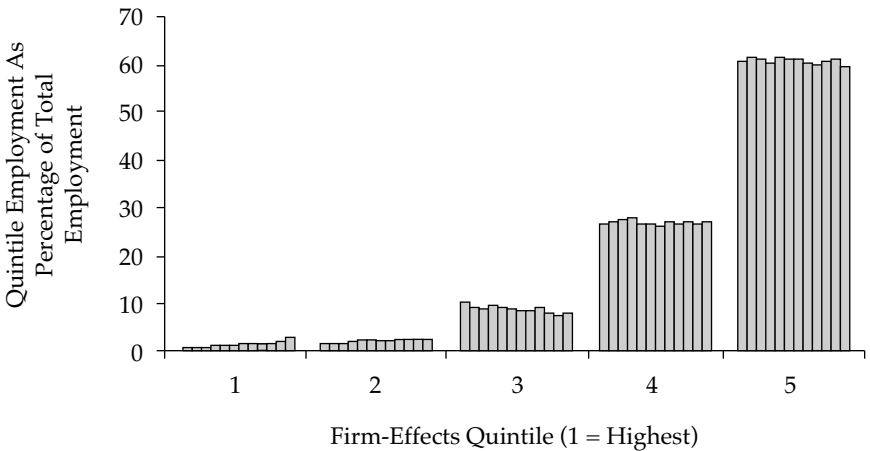
Source: Authors' tabulations using microdata from U.S. Bureau of the Census (1992–2003).

Figure 2.7 Employment over Time Within Person-Effects Quintile 4, 1992 to 2003



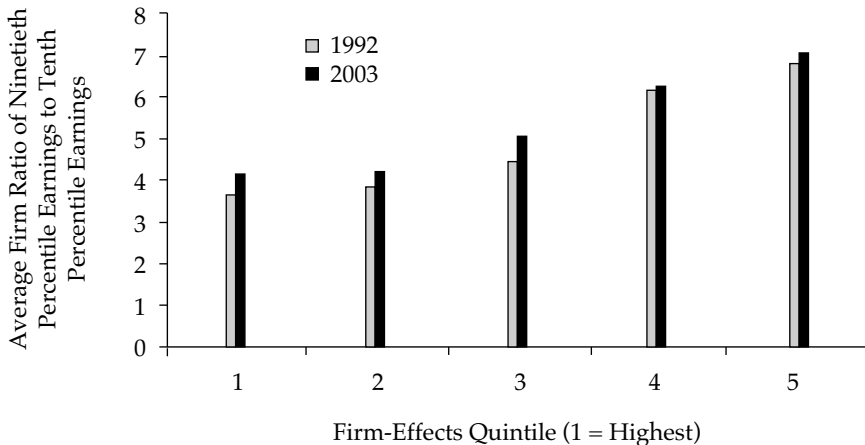
Source: Authors' tabulations using microdata from U.S. Bureau of the Census (1992–2003).

Figure 2.8 Employment over Time Within Person-Effects Quintile 5, 1992 to 2003



Source: Authors' tabulations using microdata from U.S. Bureau of the Census (1992–2003).

Figure 2.9 Average Earnings Differential by Firm-Effects Quintile, 1992 Versus 2003



Source: Authors' tabulations using microdata from U.S. Bureau of the Census (1992–2003).

Table 2.1 Distribution of Employment and Turnover Across Firm-Effects Quintiles, 1992 to 2003

	Firm-Effects Quintile (1 = Highest)				
	1	2	3	4	5
Industry					
Agriculture	2.4%	6.5%	10.2%	14.5%	66.4%
Mining	54.3	20.4	11.7	9.6	3.9
Utilities	65.4	25.9	5.3	2.2	1.2
Construction	33.7	26.9	18.0	13.5	8.0
Nondurable					
manufacturing	28.4	28.7	19.2	12.8	10.9
Durable manufacturing	43.6	24.5	15.5	10.9	5.4
Wholesale trade	34.6	25.3	20.1	11.9	8.2
Retail trade	8.9	8.8	22.8	37.2	22.3
Transportation	14.5	26.3	24.0	20.1	15.0
Services					
Information	52.6	16.8	10.8	10.5	9.3
Finance	29.1	37.2	20.8	10.9	2.0
Real estate	20.6	16.6	20.5	19.3	22.9
Professional	57.5	16.0	8.6	6.6	11.3
Management	43.1	32.1	11.9	7.9	5.1
Administrative	10.6	8.8	14.2	27.3	39.0
Education	0.8	5.9	27.5	42.2	23.6
Health care	7.6	29.1	33.9	16.2	13.1
Entertainment	7.0	10.5	13.1	27.3	42.0
Accommodation and food	2.7	4.1	9.8	28.1	55.3
Other services	16.8	14.5	15.7	20.8	32.2
Public administration	16.6	38.1	27.7	10.9	6.7
Firm size (number of employees)					
25 to 49	19.2	13.3	16.2	18.8	32.4
50 to 99	21.3	14.5	16.8	19.1	28.3
100 to 999	20.9	19.2	20.0	19.7	20.2
1,000 to 9,999	20.6	24.8	22.0	20.7	11.9
10,000 or more	24.6	18.7	23.3	28.0	5.4
Average annual turnover and churning					
Turnover	22.3%	21.5%	23.9%	29.4%	36.6%
Churning	13.8	14.8	17.7	22.8	28.2

Source: Authors' tabulations using microdata from U.S. Bureau of the Census (1992–2003).

Note: For employment distribution, rows sum to 100 percent. Annual turnover of a firm is defined as the number of job accessions and job separations between two consecutive years divided by the total firm employment in those two years. Annual churning is defined as the number of job accessions and job separations minus the absolute change in firm employment divided by the total firm employment. Turnover and churning are calculated for jobs with full-quarter employment only.

Table 2.2 Distribution of Employment Across Person-Effects Quintiles, 1992 to 2003

	Person-Effects Quintile (1 = Highest)				
	1	2	3	4	5
Age					
Eighteen to thirty-four	19.0%	18.4%	20.4%	20.9%	21.3%
Thirty-five to forty-four	22.5	21.2	21.7	19.0	15.6
Forty-five to sixty-four	20.8	20.8	21.8	19.5	17.2
Race					
White	22.0	20.7	21.6	19.6	16.2
Black	15.8	18.4	20.6	21.6	23.6
Hispanic	8.5	13.7	19.8	24.6	33.5
Asian-Pacific Islander	26.4	19.5	18.7	18.3	17.1
Native American	11.2	15.1	23.0	25.9	24.8
Gender					
Female	14.9	16.6	21.7	23.7	23.1
Male	24.9	22.1	20.2	17.0	15.8
Foreign-born					
No	20.5	20.0	21.3	20.0	18.3
Yes	17.6	16.2	18.8	21.7	25.7
Educational attainment					
Less than high school	7.8	14.4	20.7	24.4	32.7
High school	15.6	20.5	22.6	20.7	20.7
Some college	19.8	20.1	21.5	20.0	18.6
Associate's degree	22.0	22.0	23.8	18.4	13.7
Bachelor's degree	32.1	19.3	19.5	18.2	10.9
Master's degree	30.7	15.2	21.3	23.5	9.3
Professional degree	33.4	24.8	20.9	13.2	7.7
Doctoral degree	33.1	25.0	23.8	12.5	5.5

Source: Authors' tabulations using microdata from U.S. Bureau of the Census (1992–2003).

Note: Rows sum to 100 percent. Data on education come from the long form of the 2000 Decennial Census of Population, which includes approximately one-sixth of the workers in our data. Education results are calculated solely for these workers and solely for the year 2000.

Table 2.3 Distribution of Employment Across Firm-Effects Quintiles, 1992 to 2003

	Firm-Effects Quintile (1 = Highest)				
	1	2	3	4	5
Person-effects quintile					
Quintile 1	66.8%	24.2%	7.0%	1.7%	0.4%
Quintile 2	24.9	37.4	24.7	10.5	2.4
Quintile 3	9.2	24.7	34.5	23.2	8.5
Quintile 4	3.2	9.0	24.4	40.1	23.2
Quintile 5	1.0	2.1	8.7	27.0	61.2
Age					
Eighteen to thirty-four	20.4	18.7	19.7	21.1	20.1
Thirty-five to forty-four	22.7	21.2	20.6	19.3	16.1
Forty-five to sixty-four	20.7	20.2	20.5	20.5	18.0
Race					
White	22.0	20.1	20.5	20.4	17.0
Black	18.0	20.0	20.2	20.6	21.2
Hispanic	14.6	16.1	19.0	23.3	27.0
Asian-Pacific Islander	27.7	20.1	18.3	18.2	15.7
Native American	16.0	19.1	21.3	21.5	22.2
Gender					
Female	15.8	18.5	21.3	23.1	21.3
Male	25.9	20.5	18.9	18.1	16.6
Foreign-born					
No	21.1	19.8	20.3	20.5	18.3
Yes	20.5	17.8	18.7	20.6	22.4
Educational attainment					
Less than high school	12.3	16.3	19.8	23.6	28.0
High school	18.1	20.3	21.0	21.8	18.8
Some college	21.9	20.0	20.3	20.3	17.5
Associate's degree	23.2	22.9	23.0	17.5	13.4
Bachelor's degree	30.6	20.6	19.3	17.6	11.8
Master's degree	28.8	16.2	20.2	22.4	12.3
Professional degree	30.4	23.8	24.7	12.7	8.5
Doctoral degree	26.8	13.4	25.4	22.5	11.9

Source: Authors' tabulations using microdata from U.S. Bureau of the Census (1992–2003).
Note: Rows sum to 100 percent. Data on education come from the long form of the 2000 Decennial Census of Population, which includes approximately one-sixth of the workers in our data. Education results are calculated solely for these workers and solely for the year 2000.

Table 2.4 Distribution of Employment Within Firm-Effects Quintiles, 1992 Versus 2003

Industry	1992					2003				
	Firm-Effects Quintile (1 = Highest)					Firm-Effects Quintile (1 = Highest)				
	1	2	3	4	5	1	2	3	4	5
Agriculture	0.2%	0.6%	0.8%	1.2%	6.0%	0.2%	0.5%	0.7%	1.1%	5.2%
Mining	0.9	0.3	0.2	0.2	0.1	0.5	0.2	0.1	0.1	0.0
Utilities	3.2	1.4	0.3	0.1	0.0	2.3	1.0	0.2	0.1	0.1
Construction	5.9	4.9	3.1	2.2	1.7	6.7	5.6	3.9	2.7	1.7
Nondurable manufacturing	12.5	13.7	9.4	5.9	6.4	9.2	9.9	6.3	4.1	3.2
Durable manufacturing	24.0	12.6	7.7	5.5	3.4	15.2	9.3	6.0	4.1	2.1
Wholesale trade	7.0	5.6	4.4	2.7	2.1	7.8	5.7	4.8	2.6	2.0
Retail trade	4.3	4.7	12.4	21.4	15.5	5.8	5.8	14.7	21.4	13.6
Transportation	2.4	4.9	4.2	3.3	3.1	2.6	4.5	4.2	3.5	2.8
Services										
Information	7.9	2.4	1.7	1.6	1.6	7.8	3.1	1.4	1.2	1.5
Finance	6.2	9.6	6.3	3.2	0.5	8.1	9.6	4.4	2.4	0.5
Real estate	1.1	0.9	1.1	1.0	1.3	1.4	1.1	1.3	1.2	1.5
Professional services	11.0	3.5	2.1	1.2	2.1	13.5	3.8	2.1	1.5	3.2
Management	1.6	1.1	0.4	0.3	0.2	1.5	1.3	0.5	0.2	0.2
Administrative	2.5	2.2	3.3	6.9	10.3	4.2	3.6	4.8	9.0	13.8
Education	0.2	2.8	12.3	19.7	12.5	0.6	2.7	12.9	21.2	13.4
Health care	2.8	15.8	17.5	8.0	6.8	4.5	16.7	18.4	8.5	7.6
Entertainment	0.4	0.4	0.8	1.8	2.8	0.6	1.0	1.2	2.0	3.6
Accommodation and food	0.6	1.1	3.3	9.4	18.9	1.1	1.6	3.1	8.3	19.0
Other	1.5	1.3	1.4	2.0	3.0	1.5	1.5	1.6	1.8	3.4
Public administration	3.7	10.2	7.1	2.6	1.7	5.0	11.5	7.4	2.8	1.7

Source: Authors' tabulations using microdata from U.S. Bureau of the Census (1992–2003).

Note: Columns sum to 100 percent.

Table 2.5 Distribution of Employment Within Person-Effects Quintiles, 1992 Versus 2003

Industry	1992					2003				
	Person-Effects Quintile (1 = Highest)					Person-Effects Quintile (1 = Highest)				
	1	2	3	4	5	1	2	3	4	5
Agriculture	0.2%	0.2%	0.6%	1.5%	6.2%	0.2%	0.4%	0.6%	1.0%	5.4%
Mining	0.7	0.5	0.3	0.1	0.0	0.6	0.3	0.1	0.0	0.0
Utilities	4.2	0.7	0.2	0.0	0.0	3.2	0.6	0.1	0.0	0.0
Construction	6.5	5.6	3.1	1.6	1.1	8.7	6.1	3.0	1.9	1.5
Nondurable manufacturing	9.0	10.2	10.8	10.3	7.8	8.5	9.0	7.9	4.6	2.8
Durable manufacturing	18.6	14.2	11.1	7.4	2.3	16.3	9.4	7.2	3.7	1.2
Wholesale trade	6.6	6.0	4.8	2.7	1.7	7.7	6.1	4.4	3.2	1.8
Retail trade	3.7	5.8	15.1	18.7	14.9	4.6	6.6	10.7	18.4	20.6
Transportation	4.1	5.9	3.8	2.0	2.0	3.1	6.1	3.9	2.5	1.9
Services										
Information	6.6	3.7	2.1	1.5	1.3	8.5	3.0	1.9	1.1	1.3
Finance	8.7	9.5	4.6	2.5	0.6	9.6	8.5	5.8	1.5	0.4
Real estate	0.9	0.9	1.3	1.4	0.9	1.1	1.2	1.5	1.4	1.3
Professional services	11.8	2.8	2.0	1.4	2.1	14.9	3.6	2.2	2.2	2.5
Management	1.9	0.7	0.5	0.3	0.3	1.7	0.8	0.6	0.5	0.3
Administrative	1.6	2.6	3.0	5.0	12.9	2.9	3.9	4.8	7.7	16.0
Education	2.6	12.0	12.8	12.1	7.7	1.7	5.7	12.6	23.6	4.9
Health care	6.4	8.0	12.7	12.2	11.6	2.9	12.6	17.4	12.2	9.0
Entertainment	0.3	0.4	1.2	2.4	2.0	0.3	0.7	1.5	2.2	3.5
Accommodation and food	0.4	0.2	2.1	10.7	19.6	0.3	0.8	2.7	7.9	21.1
Other	0.9	1.2	1.5	2.5	3.0	1.0	1.6	1.8	1.9	3.5
Public administration	4.1	9.0	6.5	3.8	1.9	2.2	13.0	9.4	2.5	1.0

Source: Authors' tabulations using microdata from U.S. Bureau of the Census (1992–2003).

Note: Columns sum to 100 percent.

Table 2.6 Distribution of Employment by Industry Within Person-Effects Quintiles at Firms Where Firm Fixed-Effects Quintile Is Better Than Person Fixed-Effects Quintile

Industry	1992					2003				
	Person-Effects Quintile (2 = Highest)					Person-Effects Quintile (2 = Highest)				
	2	3	4	5	Total	2	3	4	5	Total
Agriculture	0.2%	0.5%	1.2%	2.8%	1.3%	0.2%	0.3%	0.9%	2.0%	0.9%
Mining	1.0	0.4	0.1	0.0	0.3	0.4	0.1	0.0	0.0	0.1
Utilities	1.3	0.2	0.0	0.0	0.3	1.0	0.1	0.0	0.0	0.2
Construction	6.5	3.8	1.7	0.9	2.9	7.6	3.7	3.1	2.0	3.8
Nondurable manufacturing	14.6	17.3	15.8	9.4	14.2	11.3	11.2	6.8	2.9	7.7
Durable manufacturing	24.1	16.8	10.0	2.8	12.4	10.8	7.7	5.1	1.5	5.8
Wholesale trade	6.2	5.4	2.5	1.3	3.6	6.3	5.5	5.5	1.9	4.7
Retail trade	4.7	5.4	9.0	15.6	9.1	5.2	7.0	19.2	30.3	16.6
Transportation	3.0	4.5	2.1	1.4	2.7	4.4	3.6	2.7	1.4	2.9
Services										
Information	7.1	2.9	1.1	0.8	2.6	4.3	2.5	1.0	0.8	1.9
Finance	6.1	6.1	4.0	0.9	4.1	10.3	5.7	2.1	0.5	4.0
Real estate	1.2	1.1	1.1	0.6	1.0	1.5	1.4	1.5	1.1	1.3
Professional services	4.2	2.0	1.4	1.2	2.0	7.7	2.9	2.1	1.7	3.2
Management	0.7	0.6	0.4	0.5	0.5	1.2	1.0	1.0	0.5	0.9
Administrative	3.2	3.4	3.2	10.9	5.3	4.3	4.1	5.9	15.8	7.9
Education	0.2	1.3	9.8	11.1	6.2	0.4	3.8	11.7	4.9	5.8
Health care	4.4	15.5	20.1	19.1	15.7	6.8	19.8	18.2	9.8	14.4
Entertainment	0.3	0.5	1.5	1.0	0.9	0.7	1.8	2.1	2.9	2.0
Accommodation and food	0.2	1.1	5.8	14.9	6.1	0.8	1.4	5.2	16.8	6.6
Other	2.1	1.7	2.4	2.4	2.2	1.9	1.9	1.9	2.7	2.1
Public administration	8.6	9.2	6.9	2.5	6.6	13.0	14.3	4.1	0.6	7.4

Source: Authors' tabulations using microdata from U.S. Bureau of the Census (1992–2003).

Note: Columns sum to 100 percent.

Table 2.7 Mean Firm Fixed Effects and Person Fixed Effects,
by Industry

Industry	Firm Fixed Effects		Person Fixed Effects	
	1992	2003	1992	2003
Agriculture	-0.30	-0.29	-0.29	-0.25
Mining	0.15	0.12	0.13	0.15
Utilities	0.18	0.17	0.20	0.22
Construction	0.07	0.07	0.05	0.08
Nondurable manufacturing	0.03	0.05	-0.02	0.03
Durable manufacturing	0.10	0.11	0.07	0.11
Wholesale trade	0.07	0.09	0.05	0.06
Retail trade	-0.07	-0.06	-0.10	-0.11
Transportation	-0.01	-0.01	0.02	0.01
Services				
Information	0.10	0.13	0.09	0.13
Finance	0.08	0.12	0.09	0.10
Real estate	-0.01	-0.01	-0.04	-0.04
Professional services	0.13	0.15	0.13	0.13
Management	0.11	0.11	0.11	0.08
Administrative	-0.12	-0.12	-0.16	-0.13
Education	-0.10	-0.10	-0.05	-0.08
Health care	-0.01	0.00	-0.06	-0.05
Entertainment	-0.14	-0.13	-0.12	-0.14
Accommodation and food	-0.18	-0.19	-0.22	-0.22
Other	-0.07	-0.07	-0.11	-0.10
Public administration	0.04	0.05	0.02	0.02

Source: Authors' tabulations using microdata from U.S. Bureau of the Census (1992-2003).

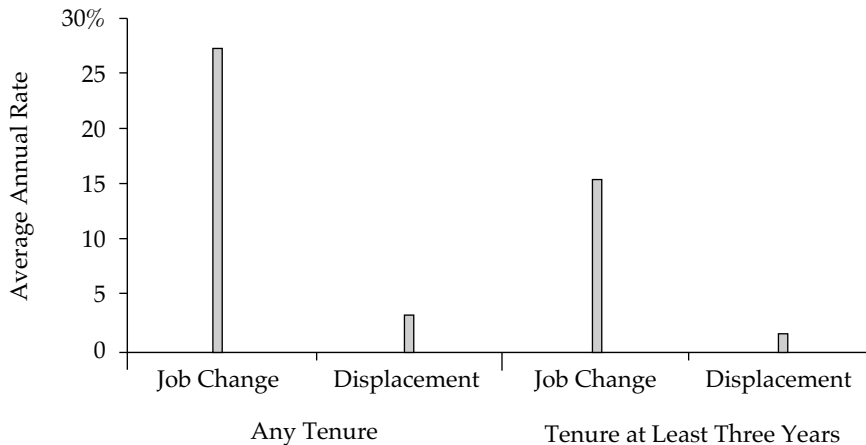
Table 2.8 Distribution of Employment Across Firm-Effects Quintiles, 1992 Versus 2003

Person-Effects Quintile	1992					2003				
	Firm-Effects Quintile (1 = Highest)					Firm-Effects Quintile (1 = Highest)				
	1	2	3	4	5	1	2	3	4	5
Quintile 1	63.6%	26.3%	8.0%	1.9%	0.3%	67.7%	22.4%	7.6%	1.8%	0.6%
Quintile 2	25.8	34.1	23.2	13.0	3.9	24.9	38.6	24.4	9.9	2.2
Quintile 3	9.3	25.7	33.7	21.9	9.4	10.5	25.6	33.7	22.4	7.8
Quintile 4	2.4	12.6	25.5	37.9	21.6	3.7	6.8	24.2	40.0	25.4
Quintile 5	0.2	1.6	10.2	26.8	61.1	2.4	2.5	7.8	27.2	60.1

Source: Authors' tabulations using microdata from U.S. Bureau of the Census (1992–2003).

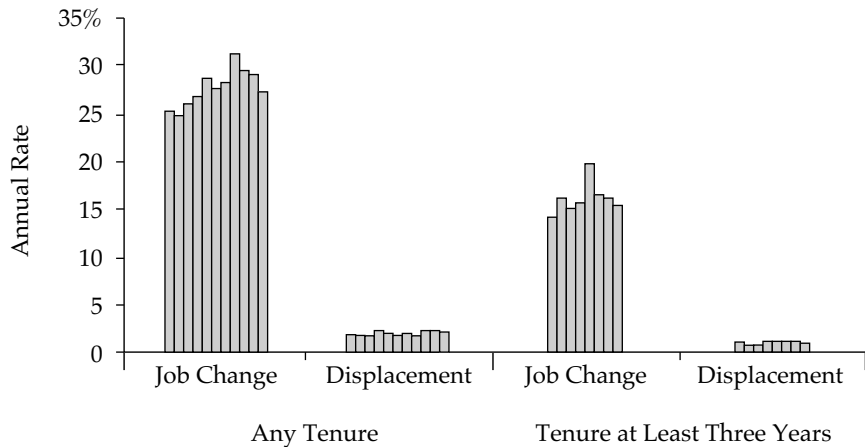
Note: Rows sum to 100 percent.

Figure 3.1 Rates of Job Change and Job Displacement, 1992 to 2003



Source: Authors' tabulations using microdata from U.S. Bureau of the Census (1992–2003).

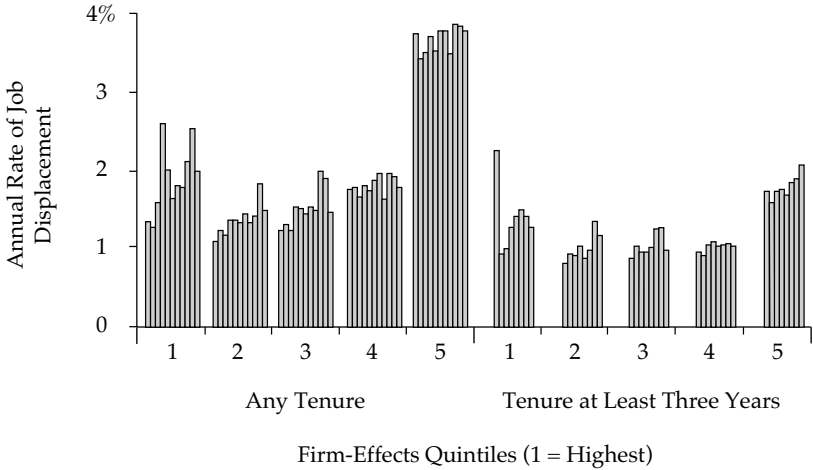
Figure 3.2 Rates of Job Change and Job Displacement over Time, 1992 to 2003



Source: Authors' tabulations using microdata from U.S. Bureau of the Census (1992–2003).

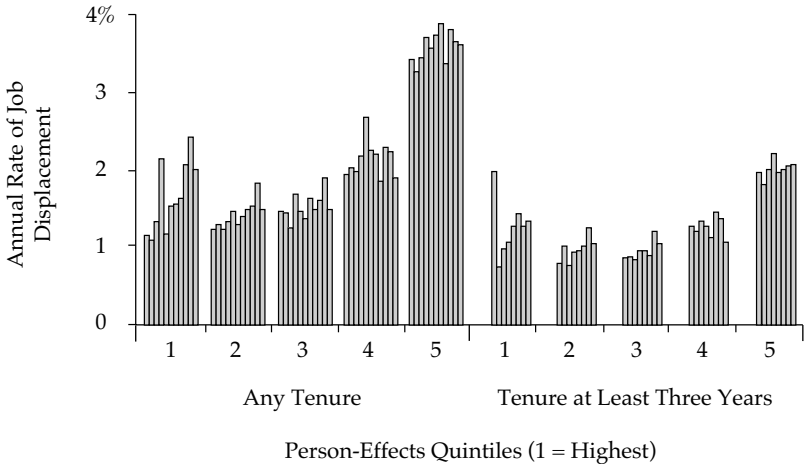
Note: Bars represent the rate of job change or displacement for each year from 1992 to 2002.

Figure 3.3 Rates of Job Displacement over Time by Firm-Effects Quintile, 1992 to 2003



Source: Authors' tabulations using microdata from U.S. Bureau of the Census (1992–2003).
 Note: Bars represent the rate of job displacement for each year from 1992 to 2002.

Figure 3.4 Rates of Job Displacement over Time by Person-Effects Quintile, 1992 to 2003



Source: Author's tabulations using microdata from U.S. Bureau of the Census (1992–2003).
 Note: Bars represent the rate of job displacement for each year from 1992 to 2002.

Table 3.1 Rates of Job Change and Job Displacement, 1992 to 2003

Industry	Any Tenure		Tenure at Least Three Years	
	Job Change	Displacement	Job Change	Displacement
Agriculture	38.3%	12.5%	18.5%	4.3%
Mining	22.3	2.7	17.2	2.2
Utilities	12.6	0.6	12.2	0.7
Construction	33.3	4.8	17.0	1.9
Nondurable manufacturing	24.0	2.1	16.9	1.8
Durable manufacturing	21.2	1.7	16.0	1.6
Wholesale trade	26.1	2.0	17.5	1.6
Retail trade	33.5	1.7	18.6	1.2
Transportation Services	25.6	1.8	14.8	1.2
Information	27.1	2.2	18.7	1.7
Finance	26.0	1.3	18.5	0.9
Real estate	35.1	2.3	20.7	1.6
Professional services	31.7	2.5	20.4	1.6
Management	23.2	1.1	17.0	0.9
Administrative	51.3	4.0	24.4	2.3
Education	15.1	0.5	9.8	0.3
Health care	26.1	1.1	16.8	0.8
Entertainment	35.6	5.4	19.1	2.0
Accommodation and food	44.5	2.8	24.7	2.0
Other services	31.8	2.1	18.3	1.3
Public administration	16.0	0.2	12.3	0.1
Firm-effects quintile				
Quintile 1	24.6	1.9	17.0	1.4
Quintile 2	23.5	1.4	16.1	1.0
Quintile 3	25.4	1.5	15.4	1.0
Quintile 4	30.0	1.8	15.2	1.0
Quintile 5	38.1	3.7	18.2	1.8
Firm size				
25 to 49	32.0	3.2	17.8	2.1
50 to 99	32.2	3.1	18.0	1.9
100 to 999	29.3	2.3	16.9	1.4
1,000 to 9,999	24.8	1.1	15.3	0.8
10,000 or more	20.5	0.3	13.4	0.2

Source: Authors' tabulations using microdata from U.S. Bureau of the Census (1992–2003).

Note: Job change is defined as a change in a worker's primary employer from year t to year $t + 1$ (including non-employment in year $t + 1$). Displacement is defined as a job change where a displacement event (a decline of 30 percent or more in quarterly employment) occurred at the firm that is the primary employer in year t , and additionally the worker had positive earnings at the firm in the quarter of the displacement event, had positive earnings at the firm for at least one quarter prior to the event, and had zero earnings at the firm for at least two quarters after the event.

Table 3.2 Rates of Job Change and Job Displacement, 1992 to 2003

	Any Tenure		Tenure at Least Three Years	
	Job Change	Displacement	Job Change	Displacement
Person-effects quintile				
Quintile 1	23.2%	1.7%	16.9%	1.3%
Quintile 2	22.9	1.4	15.2	1.0
Quintile 3	24.9	1.5	14.9	0.9
Quintile 4	30.7	2.1	15.8	1.3
Quintile 5	40.5	3.6	20.6	2.0
Age				
Eighteen to thirty-four	32.6	2.2	17.4	1.2
Thirty-five to forty-four	20.6	1.7	13.0	1.1
Forty-five to sixty-four	22.9	1.7	18.8	1.2
Race				
White	26.3	1.8	15.8	1.1
Black	33.1	2.0	17.8	1.2
Hispanic	32.6	3.2	17.7	1.7
Asian–Pacific Islander	28.3	2.0	17.5	1.3
Native American	37.6	2.5	20.4	1.3
Gender				
Female	28.0	1.8	16.4	1.1
Male	27.7	2.2	16.1	1.3
Educational attainment				
Less than high school	33.2	3.0	18.1	1.9
High school	27.1	2.1	15.8	1.5
Some college	29.4	2.0	16.4	1.2
Associate’s degree	25.2	1.8	15.4	1.2
Bachelor’s degree	25.0	1.7	15.6	1.0
Master’s degree	20.9	1.3	13.4	0.7
Professional degree	23.4	1.2	16.1	0.9
Doctoral degree	19.6	1.1	14.1	0.5

Source: Authors’ tabulations using microdata from U.S. Bureau of the Census (1992–2003).

Note: Data on education come from the long form of the 2000 Decennial Census of Population, which includes approximately one-sixth of the workers in our data. Education results are calculated solely for these workers and solely for the year 2000.

Table 3.3 Distribution of Displaced Workers Across New Firm-Effects Quintiles, 1992 to 2003 and 1995 to 2003

	Any Tenure, 1992 to 2003						Tenure at Least Three Years, 1992 to 2003					
	1	2	3	4	5	Total	1	2	3	4	5	Total
Original firm-effects quintile changed to a firm in . . .												
Quintile 1	47.2%	23.4%	20.5%	17.2%	13.5%	22.5%	N/A	N/A	N/A	N/A	N/A	N/A
Quintile 2	22.2	38.0	22.1	17.9	16.1	21.7	N/A	N/A	N/A	N/A	N/A	N/A
Quintile 3	13.7	17.6	29.3	20.7	19.0	19.8	N/A	N/A	N/A	N/A	N/A	N/A
Quintile 4	10.1	13.8	16.3	27.0	22.5	19.1	N/A	N/A	N/A	N/A	N/A	N/A
Quintile 5	6.9	7.2	11.9	17.1	28.8	17.0	N/A	N/A	N/A	N/A	N/A	N/A
	Any Tenure, 1995 to 2003						Tenure at Least Three Years, 1995 to 2003					
	1	2	3	4	5	Total	1	2	3	4	5	Total
Original firm-effects quintile changed to a firm in . . .												
Quintile 1	58.7	27.7	17.6	16.1	13.4	29.0	69.8%	23.8%	18.2%	16.1%	10.6%	38.2%
Quintile 2	18.1	30.9	24.7	16.8	14.8	20.1	13.7	34.4	19.2	15.4	13.3	18.2
Quintile 3	10.3	20.2	28.2	22.0	18.2	18.7	7.6	19.7	34.8	23.5	19.1	17.7
Quintile 4	7.5	14.1	17.6	25.3	22.3	16.8	5.5	16.5	17.2	26.3	23.6	14.6
Quintile 5	5.4	7.0	11.9	19.8	31.2	15.4	3.5	5.7	10.6	18.7	33.4	11.4

Source: Authors' tabulations using microdata from U.S. Bureau of the Census (1992–2003).

Note: Columns sum to 100 percent. The sample is restricted to workers employed at the beginning and end of each period. Displacements occurred in 1992 or 1995, while final job is observed in 2003. The table presents the distribution of workers across firm-effects quintiles in 2003 for each quintile in which workers started in 1992 or 1995.

Table 3.4 Earnings Growth of Workers by Displacement, Firm-Effects Quintile, and Tenure, 1992 to 2003 and 1995 to 2003

	Any Tenure, 1992 to 2003 Firm-Effects Quintile in 1992 (1 = Highest)						Tenure at Least Three Years, 1992 to 2003 Firm-Effects Quintile in 1992 (1 = Highest)					
	1	2	3	4	5	Total	1	2	3	4	5	Total
Workers who remained in the same firm	36.2%	28.7%	23.1%	29.3%	29.4%	29.7%	N/A	N/A	N/A	N/A	N/A	N/A
Workers who were displaced to a firm . . .												
In a better firm-effects quintile	N/A	53.5	49.8	71.3	106.6	77.3	N/A	N/A	N/A	N/A	N/A	N/A
In the same firm-effects quintile	48.1	38.7	31.5	40.9	33.7	40.6	N/A	N/A	N/A	N/A	N/A	N/A
In a worse firm-effects quintile	14.7	12.8	11.1	21.5	N/A	14.4	N/A	N/A	N/A	N/A	N/A	N/A
Total	32.6	33.9	34.5	54.9	85.2	46.8	N/A	N/A	N/A	N/A	N/A	N/A
	Any Tenure, 1995 to 2003 Firm-Effects Quintile in 1995 (1 = Highest)						Tenure at Least Three Years, 1995 to 2003 Firm-Effects Quintile in 1995 (1 = Highest)					
	1	2	3	4	5	Total	1	2	3	4	5	Total
Workers who remained in the same firm	30.0	23.7	21.2	24.1	25.3	25.2	24.5%	19.7%	16.7%	19.3%	20.1%	20.3%
Workers who were displaced to a firm . . .												
In a better firm-effects quintile	N/A	33.1	46.5	64.2	85.4	60.3	N/A	10.7	27.6	23.9	34.1	24.2
In the same firm-effects quintile	33.0	20.9	25.4	38.6	35.3	31.3	27.1	8.9	13.2	16.5	13.9	23.1
In a worse firm-effects quintile	-0.6	13.1	15.2	24.3	N/A	6.5	-17.1	1.7	2.9	9.6	N/A	-8.7
Total	21.5	22.1	32.4	50.4	70.4	32.4	15.7	6.9	16.4	19.6	27.6	15.5

Source: Authors' tabulations using microdata from U.S. Bureau of the Census (1992–2003).

Note: Columns sum to 100 percent. The sample is restricted to workers employed at the beginning and end of each period. Displacements occurred in 1992 or 1995, while final job is observed in 2003. The table presents the distribution of workers across firm-effects quintiles in 2003 for each quintile in which workers started in 1992 or 1995.

Table 3.5 Distribution of Displaced Workers Across New Firm-Effects Quintiles, Three Subperiods

	Any Tenure, 1992 to 1995						Tenure at Least Three Years, 1992 to 2003					
	1	2	3	4	5	Total	1	2	3	4	5	Total
Original firm-effects quintile changed to a firm in . . .												
Quintile 1	54.5%	22.2%	19.0%	11.9%	8.5%	20.6%	N/A	N/A	N/A	N/A	N/A	N/A
Quintile 2	20.5	43.5	21.9	16.1	13.2	20.9	N/A	N/A	N/A	N/A	N/A	N/A
Quintile 3	11.8	20.3	34.6	23.3	15.6	20.1	N/A	N/A	N/A	N/A	N/A	N/A
Quintile 4	8.1	9.0	16.3	31.7	22.6	18.9	N/A	N/A	N/A	N/A	N/A	N/A
Quintile 5	5.1	5.1	8.2	17.0	40.1	19.4	N/A	N/A	N/A	N/A	N/A	N/A
	Any Tenure, 1996 to 1999						Tenure at Least Three Years, 1996 to 1999					
	1	2	3	4	5	Total	1	2	3	4	5	Total
Original firm-effects quintile changed to a firm in . . .												
Quintile 1	47.9	25.2	13.7	12.1	9.8	21.4	53.3%	27.2%	11.6%	10.0%	7.7%	22.8%
Quintile 2	23.1	37.9	23.5	14.7	11.7	21.2	24.2	39.4	22.8	13.2	9.7	23.3
Quintile 3	13.7	18.5	34.4	21.5	16.5	20.5	13.1	19.5	41.9	21.5	16.9	23.4

Quintile 4	8.9	10.7	16.4	30.2	21.1	17.6	6.5	8.7	13.7	34.9	21.4	15.7
Quintile 5	6.4	7.6	12.1	21.4	40.9	19.3	2.9	5.3	10.0	20.4	44.3	14.8
	Any Tenure, 2000 to 2003						Tenure at Least Three Years, 2000 to 2003					
	1	2	3	4	5	Total	1	2	3	4	5	Total
Original firm-effects quintile changed to a firm in . . .												
Quintile 1	58.5	28.5	14.4	12.9	9.1	25.8	64.1	28.1	9.6	10.2	6.0	28.2
Quintile 2	19.3	31.1	21.6	15.2	12.2	19.1	16.7	31.7	21.6	13.2	9.8	19.2
Quintile 3	10.3	19.6	33.6	22.6	15.4	19.7	10.0	20.9	40.8	24.4	13.0	21.8
Quintile 4	7.1	12.8	19.7	28.3	22.6	17.7	5.5	12.5	20.1	31.4	24.9	16.9
Quintile 5	4.9	7.9	10.7	21.0	40.6	17.7	3.7	6.7	7.9	20.7	46.3	13.9

Source: Authors' tabulations using microdata from U.S. Bureau of the Census (1992–2003).

Note: Columns sum to 100 percent. The sample is restricted to workers employed at the beginning and end of each period. Displacements occurred in the first year of each subperiod, while the final job is observed in the last year. The table presents the distribution of workers across firm-effects quintiles in the last year for each quintile in which the workers started in the first year.

Table 3.6 Earnings Growth of Workers by Job Change, Firm-Effects Quintile, and Tenure, Three Subperiods

	Any Tenure Firm-Effects Quintile in 1992 (1 = Highest)						Tenure at Least Three Years Firm-Effects Quintile in 1992 (1 = Highest)					
	1	2	3	4	5	Total	1	2	3	4	5	Total
1992 to 1995												
Workers who remained in the same firm	9.2%	5.2%	4.8%	6.2%	5.6%	6.6%	N/A	N/A	N/A	N/A	N/A	N/A
Workers who were displaced to a firm . . .												
In a better firm-effects quintile	0.0	12.5	12.4	20.3	35.5	22.9	N/A	N/A	N/A	N/A	N/A	N/A
In the same firm-effects quintile	9.0	4.3	0.7	6.3	11.3	6.8	N/A	N/A	N/A	N/A	N/A	N/A
In a worse firm-effects quintile	-8.3	-8.6	-8.7	-4.0	N/A	-8.0	N/A	N/A	N/A	N/A	N/A	N/A
Total	2.2	2.5	3.4	12.3	26.2	8.6	N/A	N/A	N/A	N/A	N/A	N/A
	Any Tenure Firm-Effects Quintile in 1996 (1 = Highest)						Tenure at Least Three Years Firm-Effects Quintile in 1996 (1 = Highest)					
	1	2	3	4	5	Total	1	2	3	4	5	Total
1996 to 1999												
Workers who remained in the same firm	24.8	13.3	12.1	14.3	13.6	17.0	20.7%	10.9%	9.2%	11.5%	10.0%	13.6%
Workers who were displaced to a firm . . .												
In a better firm-effects quintile	N/A	23.1	21.9	34.7	58.3	35.7	N/A	13.8	12.6	10.7	18.9	13.9

In the same firm-effects quintile	24.5	16.2	12.0	18.7	18.3	19.6	14.0	12.3	5.8	6.3	4.3	10.4
In a worse firm-effects quintile	7.8	7.2	5.4	10.9	N/A	7.5	-0.6	-2.2	2.3	1.2	N/A	-0.4
Total	17.0	15.6	14.3	25.3	42.3	20.9	7.9	8.7	7.4	7.5	12.8	8.4
	Any Tenure Firm-Effects Quintile in 2000 (1 = Highest)						Tenure at Least 3 Years Firm-Effects Quintile in 2000 (1 = Highest)					
	1	2	3	4	5	Total	1	2	3	4	5	Total
2000 to 2003												
Workers who remained in the same firm	1.1	6.6	6.0	6.5	6.0	4.4	-2.9	4.3	3.6	4.1	3.3	1.5
Workers who were displaced to a firm . . .												
In a better firm-effects quintile	N/A	12.4	6.4	18.8	36.4	18.7	N/A	8.3	-2.2	4.2	11.1	4.7
In the same firm-effects quintile	-1.5	3.8	6.2	3.8	7.6	1.1	-4.7	4.1	3.1	-3.9	1.2	-2.2
In a worse firm-effects quintile	-12.0	-7.2	-5.4	-1.9	N/A	-9.0	-18.8	-10.1	-9.2	-7.7	N/A	-14.1
Total	-4.8	3.0	3.4	10.9	25.4	3.1	-8.6	0.5	-1.7	-0.4	6.8	-3.6

Source: Authors' tabulations using microdata from U.S. Bureau of the Census (1992–2003).

Appendix 3A.1 Distribution of Workers Who Changed Firms Across New Firm-Effects Quintiles, 1992 to 2003 and 1995 to 2003

	Any Tenure, 1992 to 2003						Tenure at Least Three Years, 1992 to 2003					
	1	2	3	4	5	Total	1	2	3	4	5	Total
Original firm-effects quintile changed to a firm in . . .												
Quintile 1	48.8%	25.5%	18.6%	17.7%	14.9%	24.0%	N/A	N/A	N/A	N/A	N/A	N/A
Quintile 2	20.3	33.1	22.4	18.9	17.3	21.9	N/A	N/A	N/A	N/A	N/A	N/A
Quintile 3	13.4	19.1	28.7	21.2	19.4	20.5	N/A	N/A	N/A	N/A	N/A	N/A
Quintile 4	10.3	13.7	18.4	26.1	23.0	19.0	N/A	N/A	N/A	N/A	N/A	N/A
Quintile 5	7.3	8.7	11.9	16.2	25.3	14.7	N/A	N/A	N/A	N/A	N/A	N/A
	Any Tenure, 1995 to 2003						Tenure at Least Three Years, 1995 to 2003					
	1	2	3	4	5	Total	1	2	3	4	5	Total
Original firm-effects quintile changed to a firm in . . .												
Quintile 1	51.6	26.8	18.4	17.9	14.5	25.5	59.6%	26.5%	16.1%	15.0%	11.3%	28.8%
Quintile 2	19.9	31.9	22.2	17.8	16.3	21.4	17.4	36.9	22.3	16.2	14.2	22.4
Quintile 3	12.8	19.6	29.7	20.8	19.0	20.4	11.1	18.4	36.5	22.3	18.3	21.1
Quintile 4	9.3	13.1	17.6	26.0	22.1	17.9	7.1	11.3	15.7	30.9	22.3	15.9
Quintile 5	6.5	8.6	12.0	17.4	28.0	14.7	4.8	6.8	9.4	15.6	33.8	11.9

Source: Authors' tabulations using microdata from U.S. Bureau of the Census (1992–2003).

Note: Columns sum to 100 percent. The sample is restricted to workers employed at the beginning and end of each period. Job changes occurred in 1992 or 1995, while the final job is observed in 2003. The table presents the distribution of workers across firm-effects quintiles in 2003 for each quintile in which workers started in 1992 or 1995.

Appendix 3A.2 Earnings Growth by Job Change, Firm-Effects Quintile, and Tenure, 1992 to 2003 and 1995 to 2003

	Any Tenure, 1992 to 2003 Firm-Effects Quintile in 1992 (1 = Highest)						Tenure at Least Three Years, 1992 to 2003 Firm-Effects Quintile in 1992 (1 = Highest)					
	1	2	3	4	5	Total	1	2	3	4	5	Total
Workers who remained in the same firm	36.2%	28.7%	23.1%	29.3%	29.4%	29.7%	N/A	N/A	N/A	N/A	N/A	N/A
Workers who changed to a firm . . .												
In a better firm-effects quintile	N/A	76.9	87.2	116.6	143.5	109.9	N/A	N/A	N/A	N/A	N/A	N/A
In the same firm-effects quintile	61.2	46.9	49.6	62.3	53.8	56.0	N/A	N/A	N/A	N/A	N/A	N/A
In a worse firm-effects quintile	23.1	23.7	30.2	40.6	N/A	26.0	N/A	N/A	N/A	N/A	N/A	N/A
Total	44.2	47.1	60.6	90.3	119.4	65.4	N/A	N/A	N/A	N/A	N/A	N/A
	Any Tenure, 1995 to 2003 Firm-Effects Quintile in 1995 (1 = Highest)						Tenure at Least Three Years, 1995 to 2003 Firm-Effects Quintile in 1995 (1 = Highest)					
	1	2	3	4	5	Total	1	2	3	4	5	Total
Workers who remained in the same firm	30.0	23.7	21.2	24.1	25.3	25.2	24.5%	19.7%	16.7%	19.3%	20.1%	20.3%
Workers who changed to a firm . . .												
In a better firm-effects quintile	N/A	63.0	74.5	99.4	123.6	90.9	N/A	39.9	43.8	48.4	54.8	45.9
In the same firm-effects quintile	49.7	40.1	41.8	54.3	49.5	47.2	34.8	24.3	24.0	26.3	24.0	30.0
In a worse firm-effects quintile	17.7	21.0	29.2	34.9	N/A	22.0	-0.9	4.6	7.7	13.3	N/A	2.9
Total	36.9	40.4	52.7	76.8	102.0	53.5	22.5	22.8	28.5	36.5	44.4	27.0

Source: Authors' tabulations using microdata from U.S. Bureau of the Census (1992–2003).

Note: Job changes occurred in 1992 or 1995. Tenure is measured as of the beginning of the period. "Better/same/worse" quintile represents a comparison of the quintile of the worker's primary employer in the end year to the quintile of the worker's primary employer in the start year.

Appendix 3A.3 Distribution of Workers Who Changed Firms Across New Firm-Effects Quintiles, Three Subperiods

	Any Tenure, 1992 to 1995						Tenure at Least Three Years, 1992 to 1995					
	1	2	3	4	5	Total	1	2	3	4	5	Total
All workers who changed firms												
Original firm-effects quintile changed to a firm in . . .												
Quintile 1	56.3%	25.1%	14.7%	12.9%	9.8%	22.5%	N/A	N/A	N/A	N/A	N/A	N/A
Quintile 2	18.9	38.7	22.9	16.7	14.1	21.6	N/A	N/A	N/A	N/A	N/A	N/A
Quintile 3	10.7	17.8	35.5	21.2	17.1	20.4	N/A	N/A	N/A	N/A	N/A	N/A
Quintile 4	8.6	11.1	16.3	33.0	24.6	19.5	N/A	N/A	N/A	N/A	N/A	N/A
Quintile 5	5.5	7.4	10.7	16.1	34.4	15.9	N/A	N/A	N/A	N/A	N/A	N/A
	Any Tenure, 1996 to 1999						Tenure at Least Three Years, 1996 to 1999					
	1	2	3	4	5	Total	1	2	3	4	5	Total
All workers who changed firms												
Original firm-effects quintile changed to a firm in . . .												
Quintile 1	54.0	30.8	16.2	14.7	11.5	25.2	62.4%	37.6%	14.3%	11.7%	9.3%	30.2%
Quintile 2	19.8	32.5	22.4	15.8	13.7	20.8	17.9	33.7	24.9	14.2	11.4	22.4

(Table continues on p. 88.)

Appendix 3A.3 (Continued)

	Any Tenure, 1992 to 1995						Tenure at Least Three Years, 1992 to 1995					
	1	2	3	4	5	Total	1	2	3	4	5	Total
Quintile 3	12.0	17.5	32.3	19.6	17.5	19.8	9.5	14.6	36.8	19.0	16.0	19.1
Quintile 4	8.3	11.9	17.2	32.2	23.1	18.8	6.2	9.8	15.5	40.6	24.3	17.3
Quintile 5	5.8	7.3	11.8	17.7	34.1	15.4	3.9	4.4	8.6	14.4	39.1	11.1
	Any Tenure, 2000 to 2003						Tenure at Least Three Years, 2000 to 2003					
	1	2	3	4	5	Total	1	2	3	4	5	Total
All workers who changed firms												
Original firm-effects quintile												
changed to a firm in . . .												
Quintile 1	52.6	24.6	15.6	14.0	10.4	24.0	58.5	24.0	13.5	11.5	8.1	26.4
Quintile 2	20.0	34.1	20.2	15.4	13.0	20.2	18.9	38.8	20.4	13.9	11.3	21.8
Quintile 3	12.0	19.2	31.8	20.5	17.2	19.9	10.4	19.1	37.7	22.2	15.7	21.1
Quintile 4	9.0	13.1	19.5	30.1	23.0	18.9	7.3	11.2	18.6	34.6	22.2	17.3
Quintile 5	6.4	9.0	12.8	20.1	36.4	16.9	4.8	6.8	9.8	17.8	42.7	13.4

Source: Authors' tabulations using microdata from U.S. Bureau of the Census (1992–2003).

Note: Columns sum to 100 percent. The sample is restricted to workers employed at the beginning and end of each period. Job changes occurred in the first year of each subperiod, while the final job is observed in the last year. The table presents the distribution of workers across firm effects quintiles in the last year for each quintile in which the workers started in the first year.

Appendix 3A.4 Earnings Growth by Job Change, Firm-Effects Quintile, and Tenure, Three Subperiods

	Any Tenure Firm-Effects Quintile in 1992 (1 = Highest)						Tenure at Least Three Years Firm-Effects Quintile in 1992 (1 = Highest)					
	1	2	3	4	5	Total	1	2	3	4	5	Total
1992 to 1995												
Workers who remained in the same firm	9.2%	5.2%	4.8%	6.2%	5.6%	6.6%	N/A	N/A	N/A	N/A	N/A	N/A
Workers who changed to a firm . . .												
In a better firm-effects quintile	N/A	20.0	27.3	42.1	55.6	37.6	N/A	N/A	N/A	N/A	N/A	N/A
In the same firm-effects quintile	13.6	10.6	9.7	14.6	14.2	12.6	N/A	N/A	N/A	N/A	N/A	N/A
In a worse firm-effects quintile	-8.7	-4.6	-0.5	3.3	0.0	-5.1	N/A	N/A	N/A	N/A	N/A	N/A
Total	5.3	8.7	14.6	27.3	41.3	15.9	N/A	N/A	N/A	N/A	N/A	N/A
	Any Tenure Firm-Effects Quintile in 1996 (1 = Highest)						Tenure at Least Three Years Firm-Effects Quintile in 1996 (1 = Highest)					
	1	2	3	4	5	Total	1	2	3	4	5	Total
1996 to 1999												
Workers who remained in the same firm . . .	24.8	13.3	12.1	14.3	13.6	17.0	20.7%	10.9%	9.2%	11.5%	10.0%	13.6%
Workers who changed to a firm . . .												
In a better firm-effects quintile	N/A	27.1	37.8	54.9	72.7	46.5	N/A	14.8	20.4	23.2	33.0	20.2

(Table continues on p. 90.)

Appendix 3A.4 (Continued)

	Any Tenure Firm-Effects Quintile in 1992 (1 = Highest)						Tenure at Least Three Years Firm-Effects Quintile in 1992 (1 = Highest)					
	1	2	3	4	5	Total	1	2	3	4	5	Total
In the same firm-effects quintile	34.8	19.4	21.1	26.1	25.8	28.3	24.0	11.1	9.5	12.1	8.5	17.0
In a worse firm-effects quintile	8.0	8.3	12.2	16.4	N/A	9.6	-4.2	-2.8	-1.2	0.9	N/A	-2.9
Total	24.8	18.9	26.0	39.5	56.8	29.1	14.9	9.3	11.8	16.0	23.4	13.3

	Any Tenure Firm-Effects Quintile in 2000 (1 = Highest)						Tenure at Least Three Years Firm-Effects Quintile in 2000 (1 = Highest)					
	1	2	3	4	5	Total	1	2	3	4	5	Total
2000 to 2003												
Workers who remained in the same firm	1.1	6.6	6.0	6.5	6.0	4.4	-2.9	4.3	3.6	4.1	3.3	1.5
Workers who changed to a firm . . .												
In a better firm-effects quintile	N/A	15.0	22.5	32.1	48.0	29.7	N/A	6.0	10.4	13.0	24.8	12.2
In the same firm-effects quintile	-4.0	9.5	11.3	12.9	11.9	2.5	-13.0	3.7	3.1	0.7	4.5	-6.2
In a worse firm-effects quintile	-8.4	-3.2	0.1	3.6	N/A	-4.7	-17.4	-9.5	-7.7	-4.5	N/A	-12.9
Total	-5.6	6.9	12.8	21.5	35.2	7.7	-14.4	0.3	3.2	6.1	16.4	-3.8

Source: Authors' tabulations using microdata from U.S. Bureau of the Census (1992-2003).

Note: Job change occurs at beginning of the period. Tenure is measured as of the beginning of the period. "Better/same/worse" quintile represents a comparison of the quintile of the worker's primary employer in the end year to the quintile of the worker's primary employer in the start year.

Appendix 3A.5 Regressions on Log Change in Earnings

	Model 1		Model 2		Model 3	
	Coefficient	t-Value	Coefficient	t-Value	Coefficient	t-Value
1992 to 2003, all workers						
Intercept	1.100	1449	1.003	1382	0.961	1327
Displaced	0.143	98	0.071	51	0.104	76
Changed jobs, not displaced	0.232	511	0.196	455	0.231	532
Age in 1992	-0.024	-1206	-0.022	-1141	-0.024	-1225
Person effect	0.156	251	0.152	256	0.121	205
Change in firm effect			1.117	1207	1.117	1217
Change in tenure					0.019	490
R-squared	0.137		0.221		0.234	
1995 to 2003, all workers						
Intercept	0.906	1569	0.846	1382	0.809	1463
Displaced	0.087	77	0.030	51	0.074	69
Changed jobs, not displaced	0.190	502	0.162	455	0.198	542
Age in 1992	-0.020	-1277	-0.019	-1141	-0.020	-1308
Person effect	-0.031	-59	-0.026	256	-0.042	-85
Change in firm effect			1.026	1207	1.021	1241
Change in tenure					0.020	564
R-squared	0.121		0.197		0.212	
1995 to 2003, tenure at least three years						
Intercept	0.612	754	0.578	737	0.554	715
Displaced	-0.015	-9	-0.079	-50	-0.009	-6
Changed jobs, not displaced	0.061	104	0.047	83	0.106	186
Age in 1992	-0.014	-650	-0.013	-630	-0.014	-702
Person effect	0.046	73	0.046	75	0.031	52
Change in firm effect			0.937	767	0.933	774
Change in tenure					0.018	491
R-squared	0.055		0.118		0.143	
1992 to 1995, all workers						
Intercept	0.332	848	0.295	785	0.247	622
Displaced	0.054	62	-0.008	-10	0.027	32
Changed jobs, not displaced	0.127	464	0.095	361	0.129	464
Age in 1992	-0.007	-750	-0.006	-692	-0.007	-748
Person effect	0.114	342	0.111	348	0.099	311
Change in firm effect			1.082	1318	1.098	1340
Change in tenure					0.031	363
R-squared	0.054		0.132		0.137	
1996 to 1999, all workers						
Intercept	0.458	1286	0.440	1273	0.416	1183
Displaced	0.089	111	0.070	89	0.104	132

(Table continues on p. 92.)

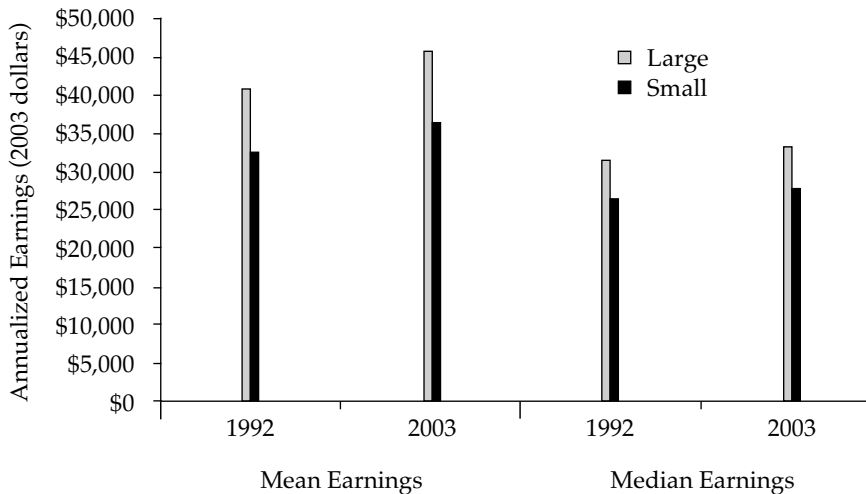
Appendix 3A.5 (Continued)

	Model 1		Model 2		Model 3	
	Coefficient	t-Value	Coefficient	t-Value	Coefficient	t-Value
Changed jobs, not displaced	0.135	542	0.116	477	0.147	571
Age in 1992	-0.009	-996	-0.009	-976	-0.009	-998
Person effect	0.022	65	0.023	72	0.021	64
Change in firm effect			0.818	1170	0.820	1175
Change in tenure					0.017	354
R-squared	0.069		0.124		0.129	
1996 to 1999, tenure at least three years						
Intercept	0.295	639	0.285	630	0.271	600
Displaced	-0.011	-10	-0.017	-15	0.037	32
Changed jobs, not displaced	0.017	49	0.006	17	0.056	149
Age in 1992	-0.006	-510	-0.006	-500	-0.006	-528
Person effect	0.049	129	0.049	133	0.045	123
Change in firm effect			0.783	697	0.793	708
Change in tenure					0.014	289
R-squared	0.028		0.069		0.076	
2000 to 2003, all workers						
Intercept	0.281	870	0.263	840	0.223	697
Displaced	0.011	14	-0.011	-14	0.040	54
Changed jobs, not displaced	0.076	297	0.063	252	0.107	409
Age in 1992	-0.007	-787	-0.007	-749	-0.007	-750
Person effect	-0.092	-270	-0.081	-245	-0.080	-243
Change in firm effect			0.791	1156	0.782	1149
Change in tenure					0.021	529
R-squared	0.039		0.095		0.106	
2000 to 2003, tenure at least three years						
Intercept	0.203	436	0.193	423	0.167	206
Displaced	-0.051	-44	-0.053	-47	0.044	156
Changed jobs, not displaced	-0.010	-25	-0.010	-27	0.077	209
Age in 1992	-0.005	-422	-0.005	-406	-0.005	-398
Person effect	-0.077	-186	-0.072	-178	-0.072	-173
Change in firm effect			0.805	673	0.784	662
Change in tenure					0.018	342
R-squared	0.018		0.059		0.076	

Source: Authors' tabulations using microdata from U.S. Bureau of the Census (1992–2003).

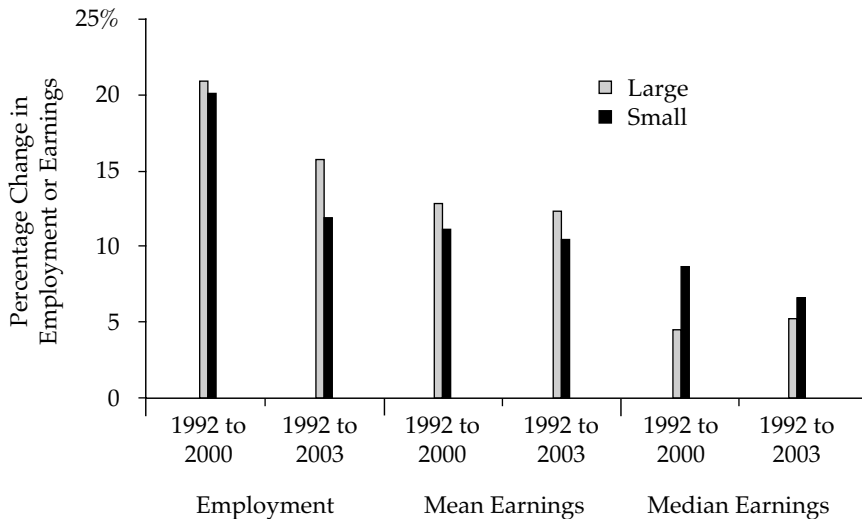
Note: Control variables used in all three models are the worker's age in years as of the beginning of 1992 and the worker's person fixed effect calculated over the period 1992 to 2003. Models 2 and 3 include an additional variable for the change in the firm fixed effect from the worker's employer in the start year to the employer in the end year. Model 3 includes an additional variable for change in the worker's tenure from the start year to the end year.

Figure 4.1 Earnings, Large Versus Small MSAs



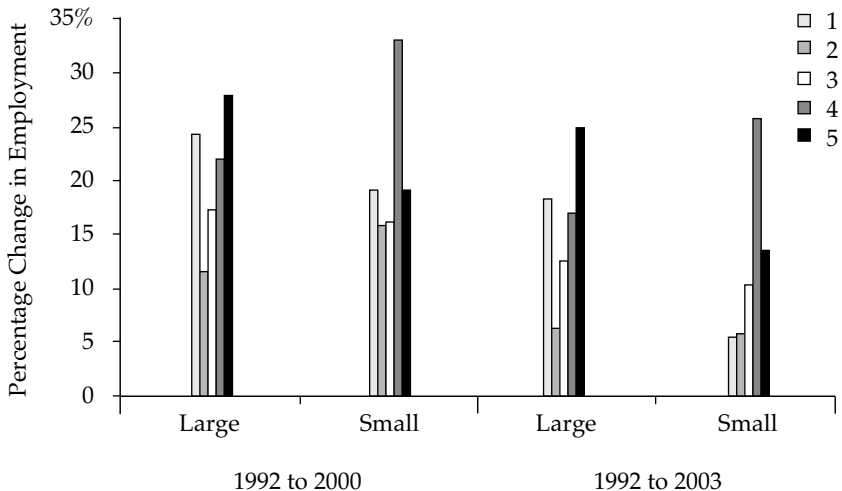
Source: Authors' tabulations using microdata from U.S. Bureau of the Census (1992–2003).

Figure 4.2 Employment and Earnings Change, Large Versus Small MSAs



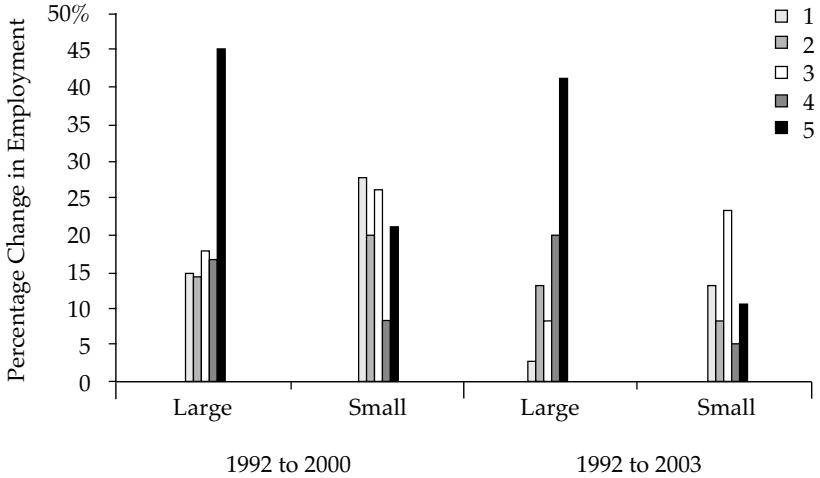
Source: Authors' tabulations using microdata from U.S. Bureau of the Census (1992–2003).

Figure 4.3 Employment Change by Firm-Effects Quintile, Large Versus Small MSAs



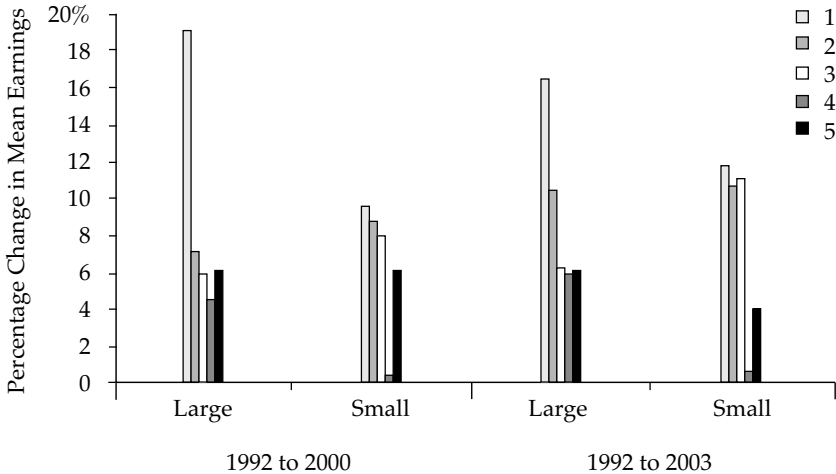
Source: Authors' tabulations using microdata from U.S. Bureau of the Census (1992–2003).

Figure 4.4 Employment Change by Person-Effects Quintile, Large Versus Small MSAs



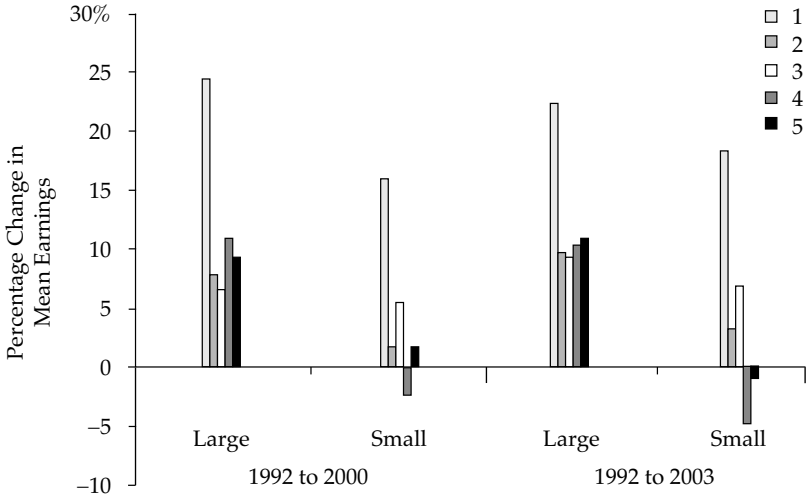
Source: Authors' tabulations using microdata from U.S. Bureau of the Census (1992–2003).

Figure 4.5 Mean Earnings Change by Firm-Effects Quintile, Large Versus Small MSAs



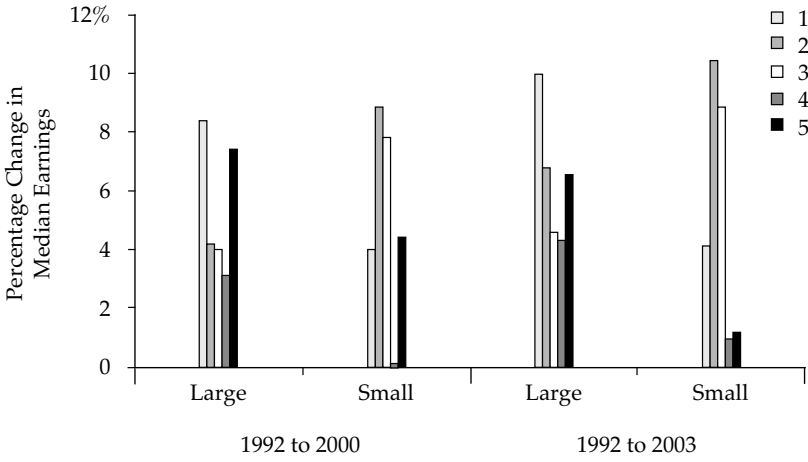
Source: Authors' tabulations using microdata from U.S. Bureau of the Census (1992–2003).

Figure 4.6 Mean Earnings Change by Person-Effects Quintile, Large Versus Small MSAs



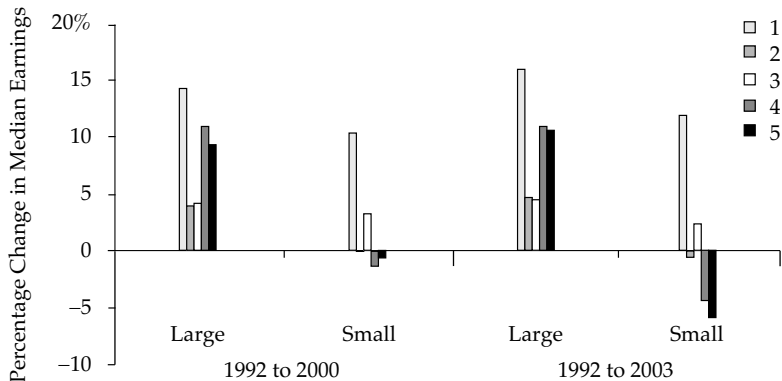
Source: Authors' tabulations using microdata from U.S. Bureau of the Census (1992–2003).

Figure 4.7 Median Earnings Change by Firm-Effects Quintile, Large Versus Small MSAs



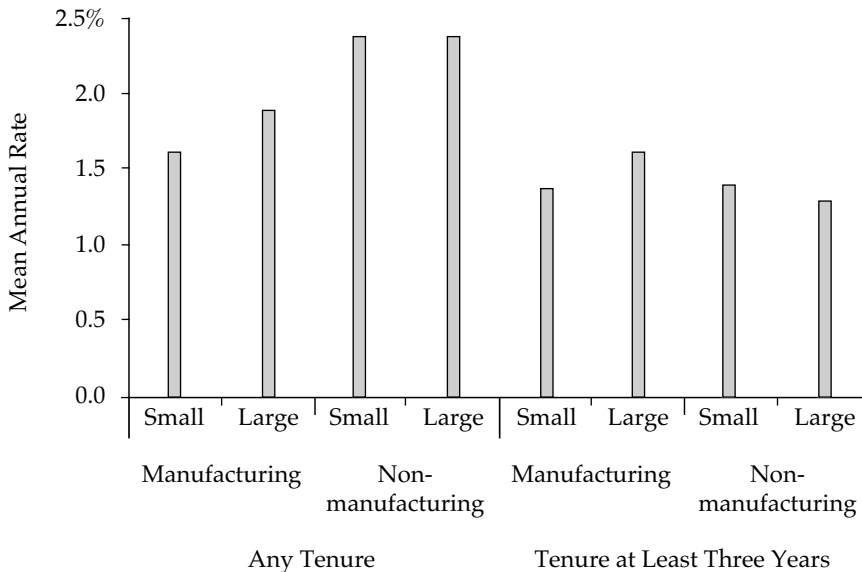
Source: Authors' tabulations using microdata from U.S. Bureau of the Census (1992–2003).

Figure 4.8 Median Earnings Change by Person-Effects Quintile, Large Versus Small MSAs



Source: Authors' tabulations using microdata from U.S. Bureau of the Census (1992–2003).

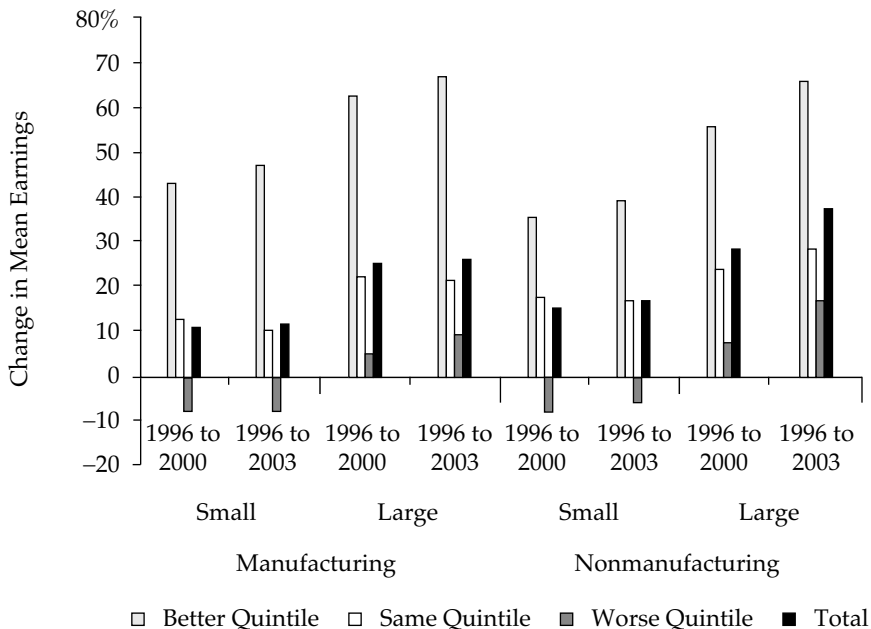
Figure 4.9 Rates of Job Displacement, 1992 to 2003, Large Versus Small MSAs



Source: Authors' tabulations using microdata from U.S. Bureau of the Census (1992–2003).

Note: Job change is defined as a change in a worker's primary employer from year t to year $t + 1$ (including non-employment in year $t + 1$). Displacement is defined as a job change where a displacement event (a decline of 30 percent or more in quarterly employment) occurred at the firm that is the primary employer in year t , and additionally the worker had positive earnings at the firm in the quarter of the displacement event, had positive earnings at the firm for at least one quarter prior to the event, and had zero earnings at the firm for at least two quarters after the event. For workers with tenure of at least three years, the period is 1995 to 2003.

Figure 4.10 Change in Mean Earnings of Displaced Workers by MSA Group, Starting Industry, Period, and Change in Firm-Effects Quintile



Source: Authors' tabulations using microdata from U.S. Bureau of the Census (1992–2003).

Note: Workers are those with at least three years of tenure as of 1996.

Table 4.1 Employment Shares by MSA Group and Industry

	Small MSAs			Large MSAs		
	1992	2000	2003	1992	2000	2003
Construction	3.01%	3.77%	3.71%	3.38%	4.36%	4.35%
Nondurable manufacturing	16.85	13.14	11.91	8.21	6.77	5.88
Durable manufacturing	18.94	17.62	14.38	12.42	10.74	8.34
Wholesale trade	3.89	3.24	3.91	5.36	4.56	4.65
Retail trade	13.36	14.37	14.89	13.68	13.81	14.37
Transportation	3.43	3.80	3.65	4.65	4.50	4.43
Information	2.63	2.98	2.80	4.13	5.07	4.68
Finance	4.45	4.49	4.70	7.16	6.41	6.53
Professional services	2.09	2.47	2.49	5.60	6.60	6.14
Administrative	4.53	6.89	6.55	6.11	8.92	8.39
Health care	12.46	13.08	15.35	11.99	11.50	13.25
Entertainment	1.05	1.27	1.38	1.76	2.12	2.46
Accommodation and food	7.88	7.95	8.78	8.44	8.43	8.99
Other services	1.57	1.72	1.84	2.29	2.29	2.37
Other industries	3.85	3.20	3.68	4.81	3.93	5.18

Source: Authors' tabulations using microdata from U.S. Bureau of the Census (1992–2003).

Note: "Other industries" includes agriculture, mining, utilities, real estate and leasing, management of companies, and the remainder of education.

Table 4.2 Correlations Between Earnings and Employment Growth Across MSAs, 1992 to 2000: Correlations with Overall Employment Growth, Earnings Growth, and Job Creation/Destruction

	All MSAs	Small MSAs	Large MSAs
Mean earnings growth and . . .			
Employment growth	0.502	0.588	0.457
Median earnings growth	0.876	0.904	0.886
Job creation	0.212	0.451	0.052
Job destruction	-0.027	-0.292	0.174
Median earnings growth and . . .			
Employment growth	0.412	0.494	0.272
Mean earnings growth	0.876	0.904	0.886
Job creation	0.300	0.524	0.011
Job destruction	-0.177	-0.414	0.130

Source: Authors' tabulations using microdata from U.S. Bureau of the Census (1992–2003).

Table 4.3 Correlations Between Earnings and Employment Growth Across MSAs, 1992 to 2000: Correlations with Employment Growth by Firm-Effects Quintile

	All MSAs	Small MSAs	Large MSAs
Mean earnings growth and . . .			
Firm-effects quintile 1 employment growth	0.528	0.533	0.424
Firm-effects quintile 2 employment growth	0.129	0.030	0.203
Firm-effects quintile 3 employment growth	0.132	-0.175	0.496
Firm-effects quintile 4 employment growth	-0.164	0.131	-0.286
Firm-effects quintile 5 employment growth	0.219	0.432	0.144
Median earnings growth and . . .			
Firm-effects quintile 1 employment growth	0.461	0.446	0.247
Firm-effects quintile 2 employment growth	0.138	0.133	0.096
Firm-effects quintile 3 employment growth	-0.080	-0.319	0.323
Firm-effects quintile 4 employment growth	-0.188	0.028	-0.375
Firm-effects quintile 5 employment growth	0.379	0.596	0.081

Source: Authors' tabulations using microdata from U.S. Bureau of the Census (1992–2003).

Table 4.4 Correlations Between Earnings and Employment Growth Across MSAs, 1992 to 2000: Correlations with Employment Growth by Industry

	All MSAs	Small MSAs	Large MSAs
Mean earnings growth and . . .			
Agriculture employment growth	-0.269	-0.330	-0.206
Mining employment growth	0.304	0.250	0.155
Utilities employment growth	-0.197	0.099	-0.335
Construction employment growth	0.560	0.804	0.429
Manufacturing employment growth	0.154	0.186	-0.045
Wholesale employment growth	0.251	0.672	0.275
Retail employment growth	-0.143	0.161	-0.076
Transportation employment growth	-0.152	0.006	-0.265
Information employment growth	0.027	0.204	0.485
Finance employment growth	-0.125	0.055	-0.296
Real estate employment growth	-0.079	0.102	0.171
Professional employment growth	0.699	0.584	0.767
Management employment growth	0.200	0.681	-0.116
Administrative employment growth	-0.192	-0.097	0.017
Education employment growth	0.185	0.377	0.304
Health care employment growth	-0.179	-0.178	-0.122
Entertainment employment growth	-0.268	0.161	-0.589
Food and hotels employment growth	-0.129	-0.057	-0.150
Other services employment growth	0.100	0.248	0.154
Median earnings growth and . . .			
Agriculture employment growth	-0.278	-0.387	-0.122
Mining employment growth	0.208	0.232	0.001
Utilities employment growth	-0.006	0.275	-0.145
Construction employment growth	0.662	0.809	0.467
Manufacturing employment growth	0.159	0.122	-0.005
Wholesale employment growth	0.457	0.782	0.232
Retail employment growth	-0.050	0.241	-0.127
Transportation employment growth	-0.161	-0.067	-0.240
Information employment growth	0.066	0.203	0.449
Finance employment growth	-0.194	-0.118	-0.222
Real estate employment growth	0.023	0.177	0.290
Professional employment growth	0.683	0.610	0.699
Management employment growth	0.371	0.689	-0.227
Administrative employment growth	-0.103	0.168	-0.295
Education employment growth	0.110	0.157	0.233
Health care employment growth	-0.243	-0.209	-0.215
Entertainment employment growth	-0.276	0.021	-0.657
Food and hotels employment growth	-0.078	-0.026	-0.058
Other services employment growth	0.156	0.385	0.104

Source: Authors' tabulations using microdata from U.S. Bureau of the Census (1992–2003).

Table 4.5 Industry Distribution of 2003 Employment for Workers Displaced in 1996

New Industry	Original Industry			
	Small MSAs		Large MSAs	
	Manufacturing	Other	Manufacturing	Other
Construction	1.9	3.3	1.4	6.9
Nondurable manufacturing	46.4	4.5	12.8	3.4
Durable manufacturing	30.1	5.9	67.3	4.4
Wholesale trade	2.7	4.5	3.0	8.0
Retail trade	4.7	15.6	2.5	16.1
Transportation	1.1	3.4	1.3	3.7
Information	0.9	8.3	0.9	5.4
Finance	0.6	10.0	0.7	7.4
Professional services	1.3	3.5	2.6	6.5
Administrative	3.4	7.5	3.1	7.8
Health care	4.3	21.4	1.4	14.7
Entertainment	0.1	2.7	0.3	1.8
Accommodation and food	0.8	3.5	0.5	7.3
Other services	0.5	0.9	0.5	1.6
Other industries	1.1	4.9	1.7	5.0

Source: Authors' tabulations using microdata from U.S. Bureau of the Census (1992–2003).

Note: Columns sum to 100 percent. "Other" industries includes agriculture, mining, utilities, real estate and leasing, management of companies, and the remainder of education. Workers are those with at least three years of tenure as of 1996.

Table 4.6 Fraction of Displaced Workers Who Moved into Jobs of Similar or Changing Quality

	Original Industry							
	Manufacturing				Non-Manufacturing			
	1996 to 2000		1996 to 2003		1996 to 2000		1996 to 2003	
	Small MSA	Large MSA	Small MSA	Large MSA	Small MSA	Large MSA	Small MSA	Large MSA
Better	23.3%	14.3%	22.9%	15.2%	30.4%	30.0%	33.4%	33.1%
Same	34.6	71.8	38.8	70.9	39.2	41.2	35.2	38.9
Worse	42.1	13.9	38.3	13.9	30.3	28.8	31.4	28.0

Source: Authors' tabulations using microdata from U.S. Bureau of the Census (1992–2003).

Note: Workers are those with at least three years of tenure as of 1996. "Better/same/worse" quintile represents a comparison of the quintile of the worker's primary employer in the end year to the quintile of the worker's primary employer in the start year.

Table 4A.1 Percentage Change in Employment or Earnings by MSA and by Period

	Small MSAs			Large MSAs		
	1992 to 1996	1996 to 2000	2000 to 2003	1992 to 1996	1996 to 2000	2000 to 2003
Change in employment						
Total	10.8%	8.6%	-7.0%	9.4%	10.5%	-4.2%
Firm-effects quintile						
1	11.0	7.4	-9.7	9.5	16.8	-7.3
2	10.2	5.4	-8.8	6.9	5.8	-5.9
3	10.9	4.5	-5.2	8.0	9.0	-4.7
4	17.4	12.1	-5.6	13.0	7.7	-4.5
5	5.9	11.7	-5.4	9.5	16.4	-3.8
Person-effects quintile						
1	16.2	9.9	-11.2	7.8	6.1	-10.1
2	15.4	3.7	-9.7	6.7	7.1	-1.1
3	11.8	12.7	-2.0	10.0	7.0	-8.0
4	7.8	0.5	-3.1	5.5	10.4	3.0
5	4.1	16.5	-9.1	18.0	23.0	-2.3
Change in mean earnings						
Total	3.4	7.4	-0.4	0.4	12.2	-0.4
Firm-effects quintile						
1	1.6	7.9	2.0	2.2	16.5	-2.1
2	0.5	8.2	1.7	-0.8	8.0	3.1
3	-2.2	10.5	2.8	-1.6	7.6	0.4
4	-4.9	5.7	0.2	-3.7	8.6	1.3
5	-1.5	7.9	-2.0	-4.6	11.2	0.0
Person-effects quintile						
1	4.6	10.8	2.0	5.0	18.5	-1.8
2	-1.5	3.2	1.6	-0.6	8.5	1.8
3	-2.9	8.7	1.4	-1.8	8.5	2.5
4	-7.8	5.9	-2.5	-3.3	14.8	-0.4
5	-4.7	6.9	-2.5	-4.1	13.9	1.6
Change in median earnings						
Total	0.8	7.9	-1.8	-2.9	7.6	0.7
Firm-effects quintile						
1	-1.3	5.4	0.1	-1.3	9.9	1.4
2	-0.2	9.1	1.5	-1.7	6.0	2.5
3	-4.1	12.4	1.0	-3.2	7.4	0.7
4	-6.9	7.5	0.8	-6.1	9.9	1.2
5	-4.3	9.1	-3.1	-5.9	14.1	-0.8
Person-effects quintile						
1	1.2	9.0	1.4	1.9	12.1	1.6
2	-4.4	4.5	-0.5	-2.1	6.1	0.5
3	-4.9	8.7	-0.9	-3.1	7.3	0.4
4	-6.9	5.9	-3.3	-3.0	14.4	-0.2
5	-5.9	5.7	-5.8	-5.1	15.3	1.2

Source: Authors' tabulations using microdata from U.S. Bureau of the Census (1992-2003).

Table 4A.2 Correlations Between Earnings and Employment Growth Across MSAs, 1992 to 2003: Correlations with Overall Employment Growth, Earnings Growth, and Job Creation and Destruction

	All MSAs	Small MSAs	Large MSAs
Mean earnings growth and . . .			
Employment growth	0.249	0.492	-0.147
Median earnings growth	0.907	0.935	0.834
Job creation	0.208	0.370	-0.058
Job destruction	-0.148	-0.234	0.017
Median earnings growth and . . .			
Employment growth	0.195	0.348	-0.274
Mean earnings growth	0.907	0.935	0.834
Job creation	0.211	0.380	-0.161
Job destruction	-0.171	-0.295	0.093

Source: Authors' tabulations using microdata from U.S. Bureau of the Census (1992–2003).

Table 4A.3 Correlations Between Earnings and Employment Growth Across MSAs, 1992 to 2003: Correlations with Employment Growth by Firm-Effects Quintile

	All MSAs	Small MSAs	Large MSAs
Mean earnings growth and . . .			
Firm-effects quintile 1 employment growth	0.510	0.545	0.045
Firm-effects quintile 2 employment growth	0.011	0.059	-0.347
Firm-effects quintile 3 employment growth	0.014	0.038	0.052
Firm-effects quintile 4 employment growth	-0.322	-0.078	-0.567
Firm-effects quintile 5 employment growth	0.321	0.603	0.120
Median earnings growth and . . .			
Firm-effects quintile 1 employment growth	0.412	0.339	-0.081
Firm-effects quintile 2 employment growth	0.060	0.194	-0.477
Firm-effects quintile 3 employment growth	-0.044	-0.059	0.012
Firm-effects quintile 4 employment growth	-0.374	-0.226	-0.551
Firm-effects quintile 5 employment growth	0.451	0.703	0.158

Source: Authors' tabulations using microdata from U.S. Bureau of the Census (1992–2003).

Table 4A.4 Correlations Between Earnings and Employment Growth Across MSAs, 1992 to 2003: Correlations with Employment Growth by Industry

	All MSAs	Small MSAs	Large MSAs
Mean earnings growth and . . .			
Agriculture employment growth	-0.384	-0.370	-0.328
Mining employment growth	0.042	-0.036	0.205
Utilities employment growth	-0.124	0.191	-0.246
Construction employment growth	0.393	0.594	0.133
Manufacturing employment growth	0.130	0.211	-0.226
Wholesale employment growth	0.039	0.606	-0.153
Retail employment growth	-0.183	0.225	-0.316
Transportation employment growth	-0.145	0.046	-0.274
Information employment growth	-0.043	0.254	0.227
Finance employment growth	-0.177	0.101	-0.446
Real estate employment growth	-0.121	0.227	-0.196
Professional employment growth	0.348	0.407	0.362
Management employment growth	0.089	0.665	-0.219
Administrative employment growth	-0.201	0.138	-0.342
Education employment growth	0.093	0.158	0.243
Health care employment growth	-0.325	-0.240	-0.287
Entertainment employment growth	-0.153	-0.248	-0.321
Food and hotels employment growth	-0.257	-0.112	-0.518
Other services employment growth	0.152	0.316	0.117
Median earnings growth and . . .			
Agriculture employment growth	-0.421	-0.435	-0.314
Mining employment growth	-0.047	-0.099	0.037
Utilities employment growth	-0.015	0.269	-0.070
Construction employment growth	0.452	0.559	0.241
Manufacturing employment growth	0.174	0.071	0.013
Wholesale employment growth	0.186	0.673	-0.181
Retail employment growth	-0.118	0.226	-0.328
Transportation employment growth	-0.142	0.012	-0.303
Information employment growth	0.012	0.278	0.108
Finance employment growth	-0.203	-0.001	-0.511
Real estate employment growth	-0.019	0.221	0.048
Professional employment growth	0.351	0.408	0.262
Management employment growth	0.177	0.639	-0.371
Administrative employment growth	-0.119	0.273	-0.493
Education employment growth	-0.002	-0.007	0.124
Health care employment growth	-0.391	-0.240	-0.479
Entertainment employment growth	-0.199	-0.286	-0.371
Food and hotels employment growth	-0.203	-0.086	-0.402
Other services employment growth	0.149	0.317	0.026

Source: Authors' tabulations using microdata from U.S. Bureau of the Census (1992–2003).

Table 4A.5 Regressions on Log Change in Earnings for Workers with Tenure at Least Three Years

	Model 1		Model 2		Model 3	
	Coefficient	t-Value	Coefficient	t-Value	Coefficient	t-Value
1996 to 2000, small MSAs, non-manufacturing workers						
Intercept	0.355	84.3	0.327	68.0	0.331	67.7
Displaced	0.020	2.13	0.019	2.08	-0.102	-4.89
Changed jobs, not displaced	0.051	16.7	0.051	16.9	0.035	4.78
Age in 1992 (years)	-0.007	-64.1	-0.007	-63.9	-0.007	-63.9
Person fixed effect	0.046	13.7	0.046	13.5	0.046	13.5
MSA employment change (per 100 percent change)			0.124	11.8	0.105	9.22
Displaced*employment change					0.552	6.48
Job change*employment change					0.079	2.54
R-squared	0.021		0.021		0.021	
1996 to 2000, small MSAs, manufacturing workers						
Intercept	0.311	74.4	0.247	53.3	0.245	52.1
Displaced	-0.257	-24.6	-0.274	-26.2	-0.335	-13.8
Changed jobs, not displaced	-0.005	-1.66	-0.005	-1.70	0.026	3.35
Age in 1992 (years)	-0.007	-68.7	-0.007	-68.8	-0.007	-68.7
Person fixed effect	0.092	24.2	0.079	20.8	0.079	20.8
MSA employment change (per 100 percent change)			0.311	30.9	0.322	30.3
Displaced*employment change					0.231	2.73
Job change*employment change					-0.155	-4.41
R-squared	0.029		0.033		0.033	
1996 to 2000, large MSAs, non-manufacturing workers						
Intercept	0.434	329.4	0.410	286.1	0.416	286.8
Displaced	-0.058	-19.2	-0.058	-19.1	-0.072	-11.9
Changed jobs, not displaced	0.000	0.29	0.001	0.78	-0.045	-23.4
Age in 1992 (years)	-0.009	-260.3	-0.009	-260.6	-0.009	-260.5
Person fixed effect	0.089	84.2	0.089	84.5	0.089	84.5
MSA employment change (per 100 percent change)			0.110	41.9	0.081	28.7
Displaced*employment change					0.063	2.61
Job change*employment change					0.212	27.2
R-squared	0.028		0.028		0.028	
1996 to 2000, large MSAs, manufacturing workers						
Intercept	0.339	176.4	0.312	151.4	0.311	148.9
Displaced	0.239	80.1	0.236	79.3	0.232	36.8

(Table continues on p. 126.)

Table 4A.5 (Continued)

	Model 1		Model 2		Model 3	
	Coefficient	t-Value	Coefficient	t-Value	Coefficient	t-Value
Changed jobs, not displaced	-0.033	-23.1	-0.034	-23.6	-0.016	-5.51
Age in 1992 (years)	-0.007	-150.5	-0.007	-150.7	-0.007	-150.7
Person fixed effect	0.200	120.5	0.195	117.3	0.195	117.3
MSA employment change (per 100 percent change)			0.127	34.9	0.135	34.6
Displaced*employment change					0.018	0.77
Job change*employment change					-0.081	-6.84
R-squared	0.041		0.042		0.042	
1996 to 2003, small MSAs, non-manufacturing workers						
Intercept	0.517	93.8	0.487	84.9	0.486	84.3
Displaced	-0.020	-1.77	-0.022	-1.86	-0.011	-0.57
Changed jobs, not displaced	0.065	18.1	0.066	18.4	0.075	13.2
Age in 1992 (years)	-0.011	-73.7	-0.011	-73.5	-0.011	-73.5
Person fixed effect	-0.013	-2.88	-0.010	-2.30	-0.010	-2.28
MSA employment change (per 100 percent change)			0.213	18.7	0.222	18.2
Displaced*employment change					-0.075	-0.66
Job change*employment change					-0.068	-1.97
R-squared	0.028		0.030		0.030	
1996 to 2003, small MSAs, manufacturing workers						
Intercept	0.372	65.2	0.350	60.4	0.350	60.1
Displaced	-0.262	-19.5	-0.268	-19.9	-0.404	-18.5
Changed jobs, not displaced	-0.010	-2.50	-0.010	-2.38	0.003	0.50
Age in 1992 (years)	-0.010	-69.3	-0.010	-69.7	-0.010	-69.6
Person fixed effect	0.169	33.2	0.159	31.1	0.159	31.1
MSA employment change (per 100 percent change)			0.217	20.0	0.219	19.3
Displaced*employment change					1.006	7.88
Job change*employment change					-0.115	-3.01
R-squared	0.037		0.039		0.040	
1996 to 2003, large MSAs, non-manufacturing workers						
Intercept	0.616	372.9	0.603	350.7	0.605	349.7
Displaced	-0.058	-15.9	-0.059	-16.1	-0.072	-13.3
Changed jobs, not displaced	0.049	47.5	0.050	48.8	0.043	28.2
Age in 1992 (years)	-0.014	-307.3	-0.014	-306.8	-0.014	-306.6
Person fixed effect	0.014	10.7	0.015	11.8	0.016	11.9
MSA employment change (per 100 percent change)			0.070	26.0	0.062	21.2

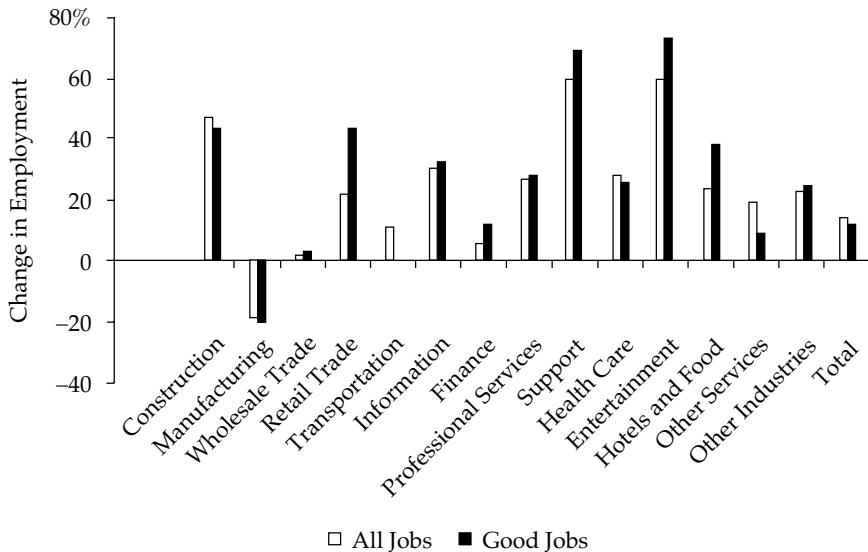
Table 4A.5 (Continued)

	Model 1		Model 2		Model 3	
	Coefficient	t-Value	Coefficient	t-Value	Coefficient	t-Value
Displaced*employment change					0.077	3.36
Job change*employment change					0.046	6.04
R-squared	0.039		0.039		0.039	
1996 to 2003, large MSAs, manufacturing workers						
Intercept	0.441	165.5	0.447	162.0	0.446	160.8
Displaced	0.223	57.0	0.222	56.8	0.345	50.6
Changed jobs, not displaced	-0.028	-15.0	-0.028	-15.1	-0.023	-7.83
Age in 1992 (years)	-0.011	-156.4	-0.011	-156.5	-0.011	-156.7
Person fixed effect	0.217	96.7	0.217	96.6	0.216	96.4
MSA employment change (per 100 percent change)			-0.040	-9.01	-0.026	-5.46
Displaced*employment change					-0.886	-22.0
Job change*employment change					-0.032	-2.19
R-squared	0.042		0.042		0.042	

Source: Authors' tabulations using microdata from U.S. Bureau of the Census (1992–2003).

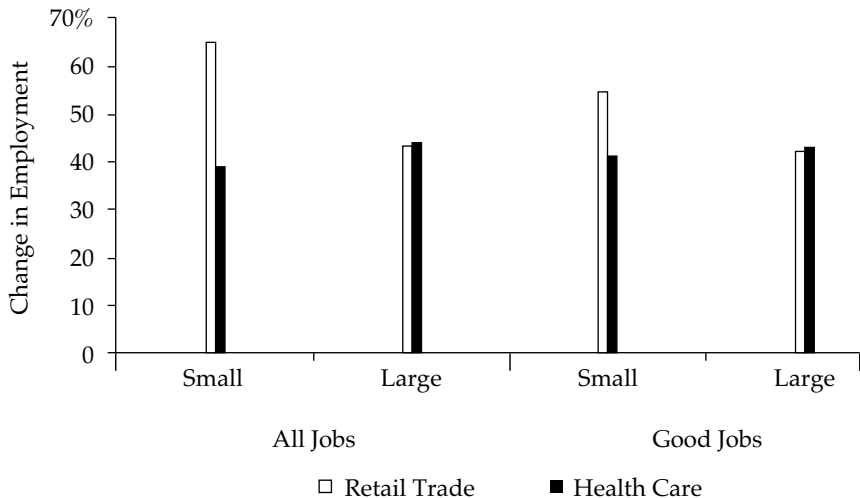
Note: Control variables used in all three models are the worker's age in years as of the beginning of 1992 and the worker's person fixed effect calculated over the period of 1992 to 2003. Models 2 and 3 include a control variable for the percentage change in employment at the worker's MSA. Model 3 includes interaction variables for MSA employment change with dummies representing whether a worker was displaced or changed jobs without being displaced, from the start year to the employer in the end year. Model 3 includes an additional variable for change in the worker's tenure from the start year to the end year.

Figure 5.1 Employment Change Between 1992 and 2003



Source: Authors' tabulations using microdata from U.S. Bureau of the Census (1992–2003).

Figure 5.2 The Contribution of Firm Entry to 2003 Employment in Key Industries by MSA Size



Source: Authors' tabulations using microdata from U.S. Bureau of the Census (1992–2003).

Table 5.1 Employment Dynamics, Worker Retention, and Firm Entry and Exit

Industry	Retention Rate	Contribution of Employers to Net Job Change			Number of Employers		
		Exit	Entry	Continuing	Exiting	Entering	Continuing
All jobs							
Agriculture	22.12%	-1.62%	1.52%	0.04%	647	602	597
Mining	31.69	-0.72	0.47	-0.16	228	183	125
Utilities	59.23	-1.08	1.67	-2.80	135	237	289
Construction	47.59	-9.73	15.85	4.25	4,099	6,715	5,101
Manufacturing	42.14	-69.85	51.32	-10.16	13,898	12,652	13,252
Wholesale	42.04	-19.55	18.54	1.55	7,744	7,797	5,555
Retail	36.24	-42.83	49.93	12.38	11,084	12,357	8,535
Transportation	52.09	-12.17	15.14	0.32	3,265	3,675	2,475
Information	63.85	-11.70	19.35	0.17	2,387	3,511	1,344
Finance	51.68	-22.93	23.65	2.22	5,036	5,229	3,570
Real estate	40.60	-5.09	7.22	0.92	2,177	3,007	1,527
Professional	45.38	-19.14	26.31	2.06	5,506	8,555	4,395
Management	85.03	-3.68	9.33	0.06	740	1,793	639
Support	41.46	-23.16	43.61	2.38	5,389	9,136	3,451
Education	41.01	-0.99	1.85	0.12	471	744	296
Health care	55.95	-32.77	43.70	11.87	5,326	8,601	5,908
Entertainment	42.38	-4.48	9.76	1.32	1,281	2,099	1,741
Hotels and food	25.59	-28.35	40.61	0.53	8,906	13,639	6,483
Other services	33.75	-6.80	8.02	1.72	2,835	3,562	2,789

Good jobs

Agriculture	22.65	-0.77	0.45	-0.01	108	84	54
Mining	33.72	-1.42	0.88	-0.34	172	141	90
Utilities	60.77	-2.34	3.59	-6.40	113	210	250
Construction	51.77	-15.01	23.74	7.70	2,643	4,380	3,905
Manufacturing	46.54	-114.09	83.73	-20.88	7,173	6,953	7,164
Wholesale	46.27	-31.81	30.51	2.79	5,329	5,356	4,034
Retail	50.35	-22.09	33.68	12.46	4,111	4,474	3,627
Transportation	56.88	-13.52	14.77	-1.12	1,564	1,767	1,300
Information	66.06	-19.99	34.00	0.06	1,751	2,775	832
Finance	55.84	-44.83	47.53	7.11	4,123	4,419	2,865
Real estate	45.75	-6.17	8.13	1.67	1,113	1,460	691
Professional	48.07	-34.17	47.60	4.32	4,229	6,843	3,797
Management	91.91	-6.83	17.83	0.26	560	1,332	488
Support	62.87	-15.13	29.42	2.13	2,065	3,144	1,136
Education	50.38	-0.77	1.76	0.14	164	274	115
Health care	62.06	-48.37	62.00	18.16	2,422	3,836	2,388
Entertainment	47.56	-2.40	5.42	0.64	314	439	243
Hotels and food	30.61	-8.31	12.09	1.10	909	1,837	644
Other services	37.38	-6.32	6.72	0.69	1,142	1,289	1,076

Source: Authors' tabulations using microdata from U.S. Bureau of the Census (1992–2003).

Table 5.2 Firm Entry and Firm Exit, 1992 to 2003

	The Contribution of Firm Entry and Exit to Net Employment Change							
	Large MSAs				Small MSAs			
	Exit	Entry	Continuing	Net Change	Exit	Entry	Continuing	Net Change
Construction	-9.8%	15.9%	4.3%	10.4%	-9.5%	15.7%	3.3%	9.5%
Manufacturing	-63.4	45.7	-8.5	-26.3	-136.4	110.0	-27.1	-53.5
Wholesale	-19.4	18.2	1.5	0.2	-20.6	22.2	2.5	4.1
Retail	-40.4	46.0	13.1	18.7	-68.1	91.0	4.8	27.7
Transportation	-11.9	14.9	0.1	3.1	-15.1	17.5	3.1	5.5
Information	-11.6	19.7	0.1	8.2	-12.9	15.9	1.2	4.2
Finance	-22.9	23.5	2.1	2.6	-22.8	25.6	3.9	6.8
Professional	-19.9	27.3	2.2	9.5	-11.1	16.3	0.7	5.9
Support	-23.4	43.3	2.9	22.8	-20.7	46.8	-2.6	23.5
Health care	-32.4	42.5	11.1	21.2	-36.7	56.0	20.3	39.6
Entertainment	-4.6	10.2	1.3	6.8	-2.7	5.5	1.2	4.1
Hotels and food	-27.2	39.1	0.5	12.4	-40.5	55.8	0.9	16.3
Other services	-6.9	7.9	1.7	2.8	-6.1	8.8	1.4	4.1
Other industries	-12.9	22.0	-1.5	7.6	-16.3	23.1	-4.5	2.2
Total	-306.7	376.0	30.7	100.0	-419.4	510.3	9.1	100.0

Source: Authors' tabulations using microdata from U.S. Bureau of the Census (1992–2003).

Table 5.3 Number of “Good” Firms in 2003

	Small		Large	
	Total	Entering	Total	Entering
Construction	815	427	7,470	3,953
Manufacturing	2,404	1,284	11,713	5,669
Wholesale	1,276	853	8,114	4,503
Retail	1,273	812	6,828	3,662
Transportation	471	307	2,596	1,460
Information	434	349	3,173	2,426
Finance	1,251	883	6,033	3,536
Professional	802	542	9,838	6,301
Support	499	378	3,781	2,766
Health care	982	629	5,242	3,207
Entertainment	50	25	632	414
Hotels and food	275	212	2,206	1,625
Other services	275	182	2,090	1,107
Other industries	689	510	4,500	2,991
Total	11,496	7,393	74,216	43,620

Source: Authors' tabulations using microdata from U.S. Bureau of the Census (1992–2003).