ONLINE APPENDIX

A Individual Earnings Inequality, Dynamics, and Mobility

A.1 Data and background

Figure A1: T1PMF coverage rates for 25- to 55-year-old Canadians, 1983–2016

Notes: Figure reports the ratio of T1PMF filers (in %) to annual population estimates based on Canadian Censuses (from Statistics Canada Table 17-10-0005-01).

Source: Employment and Social Development Canada (2014)

Figure A2: Real minimum wages in Canada, 1983–2016
## A.2 Earnings inequality

Table A1: Percentiles of $\epsilon_{i,t}$ and $\epsilon_{i,t}^P$ for Men and Women, 1985 and 2015

<table>
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<tr>
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<th>$\epsilon_{i,t}$</th>
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<th>$\epsilon_{i,t}^P$</th>
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<td>1.28</td>
<td>1.20</td>
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Notes: This table reports percentiles and percentile differences for the distributions of log earnings residuals, $\epsilon_{i,t}$, and residualized permanent earnings, $\epsilon_{i,t}^P$, by gender and year.
Figure A3: Changes in percentiles of $\varepsilon_{i,t}^P$ (1985=0)

Figure A4: Changes in percentiles of $\varepsilon_{i,t}$ (1983=0)
Figure A5: 90–10 percentile difference and $2.56 \times$ standard deviation of $e_{it}^P$

Figure A6: 90–10 percentile difference and $2.56 \times$ standard deviation of $e_{it}$
Figure A7: 90–50 and 50–10 percentile differences for $\varepsilon_{i,t}^P$

Figure A8: 90–50 and 50–10 percentile differences for $\varepsilon_{i,t}$
Figure A9: Distribution of $\log(y_{i,t})$ for men and women combined
Figure A10: Distribution of $\varepsilon_{i,t}$ for men and women combined
(a) Changes in percentiles (1985=0)
(b) Changes in top percentiles (1985=0)
(c) 90–10 percentile difference and 2.56 × standard deviation
(d) 90–50 and 50–10 percentile differences

Figure A11: Distribution of $\varepsilon_{it}^p$ for men and women combined

Figure A12: Gini coefficient for $y_{it}$ (men and women combined)
Figure A13: Changes in percentiles of $e_{i,t}$ over 1995–2005 and 2007–2016 by residualized permanent earnings quartile in 1994 or 2006, respectively.
Figure A14: Changes in earnings shares going to different top earnings ranges (1983=0)

Figure A15: Top earnings inequality for men and women combined
A.3 Earnings growth and volatility

Figure A16: Dispersion in $\Delta^5 \varepsilon_{t,t}$

Figure A17: 90–50 and 50–10 percentile differences for $\Delta^5 \varepsilon_{t,t}$
(a) Coefficient of skewness

(b) Coefficient of excess kurtosis

Figure A18: Central moment-based skewness and excess kurtosis of $\Delta^1 \varepsilon_{i,t}$

(a) Kelley skewness

(b) Excess Crow-Siddiqui kurtosis

Figure A19: Quantile-based skewness and excess kurtosis of $\Delta^5 \varepsilon_{i,t}$

(a) Coefficient of skewness

(b) Coefficient of excess kurtosis

Figure A20: Central moment-based skewness and excess kurtosis of $\Delta^5 \varepsilon_{i,t}$
Figure A21: Empirical densities of $\Delta^1 \varepsilon_{l,t}$ for 2005

Figure A22: Empirical densities of $\Delta^5 \varepsilon_{l,t}$ for 2005
Figure A23: Empirical log-density of $\Delta_1^{e_{t,t}}$ in 2005

(a) Men

(b) Women

Figure A24: Empirical log-density of $\Delta_5^{e_{t,t}}$ in 2005

(a) Men

(b) Women
Figure A25: Central moment-based measures of dispersion, skewness, and excess kurtosis of $\Delta^1 \varepsilon_{i,t}$ by permanent earnings and age group.
Figure A26: Quantile-based measures of dispersion, skewness, and excess kurtosis of $\Delta^5 \epsilon_{i,t}$ by permanent earnings and age group
Figure A27: Central moment-based measures of dispersion, skewness, and excess kurtosis of $\Delta^5 \varepsilon_{i,t}$ by permanent earnings and age group
A.4 Mobility

Figure A28: Evolution of 5-year mobility of residuals $\varepsilon_{i,t}$ over time

Figure A29: Five-year mobility in alternative permanent earnings, $\tilde{P}_{i,t}$, by age

Figure A30: Evolution of 5-year mobility in alternative permanent earnings, $\tilde{P}_{i,t}$, over time
Table A2: Transitions across Deciles for $\tilde{P}_{t,t}$ over 5 and 10 Years Starting in 1985

(A) Five-year mobility

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<th>decile 4</th>
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(B) Ten-year mobility

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Notes: Each entry reflects the probability of moving from the decile reported for that row to the decile reported for the column.
A.5 Inequality by age and cohort

Figure A31: Percentiles of $\log(y_{i,t})$ for workers by age
Figure A32: Changes in percentiles of $\log(y_{i,t})$ for workers by age (1983=0)
B Worker and firm dynamics

Figure B1: Average residual earnings by firm size groups

Figure B2: Residual earnings growth dispersion by initial firm size groups and mobility status
Figure B3: Average log change in firm size by initial firm size groups and mobility status

![Graph showing average log change in firm size](image)

Figure B4: Average earnings growth by employment growth groups: including exiting firms

Notes: Connected dots represent individuals whose employer is in the sample in both periods $t$ and $t+1$ (i.e., same as Figure 23). Unconnected dots represent individuals whose employer exits from the sample between periods $t$ and $t+1$. Because log change in the number of employees between periods $t$ and $t+1$ is not defined for firms with zero employment in period $t+1$, a value of -1 is assigned to the employment growth of exiting firms.
Figure B5: Residual earnings growth dispersion by employment growth groups: including exiting firms

Notes: Connected dots represent individuals whose employer is in the sample in both periods $t$ and $t+1$ (i.e., same as Figure 25). Unconnected dots represent individuals whose employer exits from the sample between periods $t$ and $t+1$. Because log change in the number of employees between periods $t$ and $t+1$ is not defined for firms with zero employment in period $t+1$, a value of -1 is assigned to the employment growth of exiting firms.