This document provides variable descriptions for the 2 data sets with the “sep\_rates\_w\_pooled\_20180509.sas” code file. The first quartile data set is not necessarily a balanced panel at the firm—tax\_yr—quartile level. A set of observations (e.g. firm 100's year 2000 quartiles) can be missing because there were fewer than 4 employees in that year at that firm.

quartile\_sep\_rate.csv

(unit of obs: payer\_tin\_w2\_max BY tax\_yr BY quartile)

* + **payer\_tin\_w2\_max**: Firm TIN
  + **tax\_yr**: Year of W2 observations, ranges from 1996 to 2014
  + **quartile**: The wage quartile of the firm, ranges from 1 to 4
  + **quartile\_entrants**: This is the number of people at the firm in the given tax year and quartile whole were not working at the same firm the year prior.
  + **quartile\_mean\_entrantwages**: These are the mean wages of entrants – as defined in "quartile\_entrants" – at the firm in the given year. So for example of firm 1, year 2004, quartile 3 this would measure the mean 2004 wages of all workers who were not working at firm 1 in 2003, but are now working at firm 1 in quartile 3 in 2004.
  + **quartile\_mean\_entrantlagwages**: These are the mean wages in the year before the entrants – as defined in "quartile\_entrants" – moved to the given firm. So for example if a worker moved from firm 1 in 2002 to firm 2 (into quartile 3) in 2003 then their 2002 wages at firm 1 would contribute to the mean you have here associated with firm 2. Also as a note, if the person was unattached (no firm) then their lag wages are assumed to be 0 as per Pat's request.
  + **quartile\_separators**: This is the number of people at the firm in the given quartile who left the firm the previous year. So the observation for firm 1, tax year 2004, quartile 3 observation would show the number of people working at firm 1 in the third quartile who were employed at firm 1 in 2003 but not employed at firm 1 in 2004.
  + **quartile\_mean\_separatorwages**: These are the mean wages of separators – as defined in “quartile\_separators" – in their last year of working for the given firm before they left. So for the above example of firm 1, year 2004, quartile 3 this would measure the mean 2003 wages of all workers who were working at firm 1 in quartile 3 in 2003, but are not working at firm 1 in 2004.
  + **quartile\_mean\_separatorleadwages**: These are the mean wages of separators – as defined in “quartile\_separators" – in their first year after leaving. So for example for the firm 1, year 2004, quartile 3 observation this would measure the mean 2004 wages for workers employed at firm 1 in quartile 3 in 2003 but who left for a different firm in 2004. Also as a note, if the person becomes unattached (no firm) then their wages are assumed to be 0 as per Pat's request.
  + **quartile\_sep\_rate**: This is the number of separators divided by the number of workers in the previous year for a given firm, year, and quartile combination. So for the firm 1, year 2004, quartile 3 observation this would calculate the number of people who were employed at firm 1 in 2003 in quartile 3 who are no longer employed at firm 3 in 2004 divided by the total number of people working at firm 1 in 2003 in quartile 3.

separators\_pooled.csv

(unit of obs: payer\_tin\_w2\_max BY tax\_yr)

* + **payer\_tin\_w2\_max**: Firm TIN
  + **tax\_yr**: Year of W2 observations, ranges from 1996 to 2014
  + **separators**: This is the number of people who left the firm the previous year. So the observation for firm 1 and tax year 2004 observation would show the number of people working at firm 1 who were employed at firm 1 in 2003 but not employed at firm 1 in 2004.
  + **mean\_separatorwages**: These are the mean wages of separators – as defined in “separators" – in their last year of working for the given firm before they left. So for the above example of firm 1 in year 2004 this would measure the mean 2003 wages of all workers who were working at firm 1 in 2003, but are not working at firm 1 in 2004.
  + **mean\_separatorleadwages**: These are the mean wages of separators – as defined in “separators" – in their first year after leaving. So for example for the firm 1 and year 2004 observation this would measure the mean 2004 wages for workers employed at firm 1 in 2003 but who left for a different firm in 2004. Also as a note, if the person becomes unattached (no firm) then their wages are assumed to be 0 as per Pat's request.