

# Online Appendix for “Nominal Wage Adjustments During the Pandemic Recession”

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This online appendix presents two additional results. First, Figure A1 presents the time series of base wage increases for job-stayers. This figure complements Figure 1 in the main text which shows the time series of base wage cuts. Panel A shows that base wage increases exhibit substantial seasonality in both 2019 and 2020; however, increases in 2020 were lower than in 2019 in almost every month.

Panels B and C show the probability of a wage increase by initial wage quintile in 2020 and 2019, respectively. Both reveal differential seasonality for the different wage quintiles. Comparing the two panels shows that the reduced propensity of wage increases in 2020 held throughout the income distribution.

Figure A2 plots the relationship between firm employment growth and wage cuts of surviving employees in 2020. It does so separately for every quintile of the initial wage distribution. This figure is the analog of Figure 3 in the main text, only split across the different wage quintiles. The figure shows that wage adjustments of high wage workers were more responsive to their firm shrinking than were low wage workers. High wage workers were also more likely to get a wage cut even if their firm was growing, though this difference is small. Wage increases at growing firms were similar throughout the distribution.

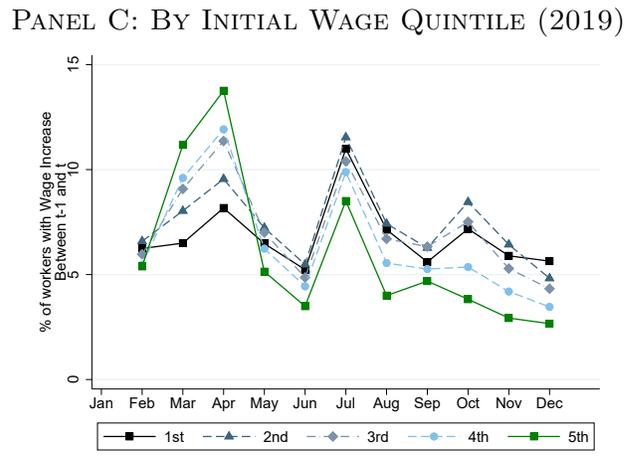
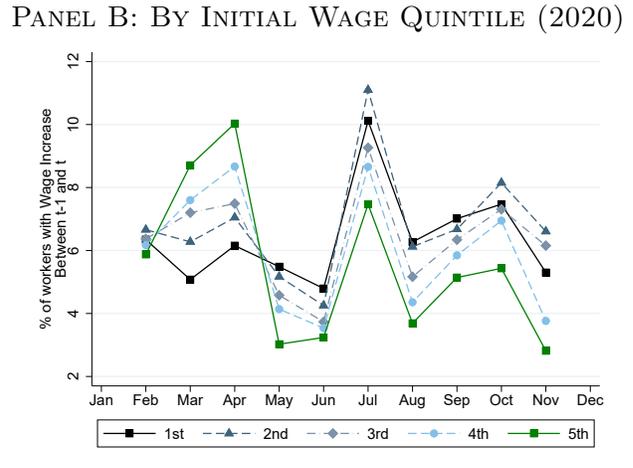
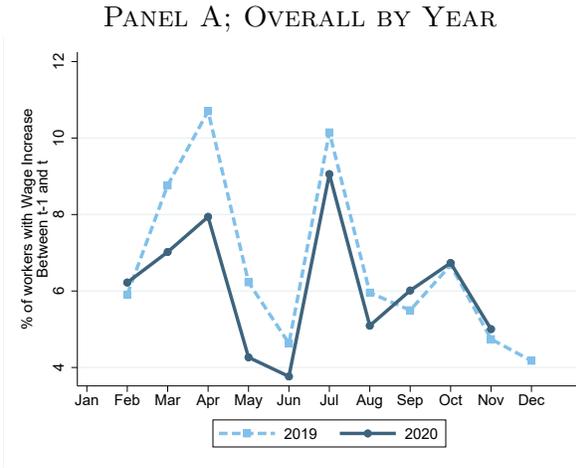


FIGURE A1: TIME SERIES OF MONTHLY NOMINAL BASE WAGE INCREASES

Notes: Figure shows the time series of the probability that a worker receives a nominal month-over-month base wage increase, conditional on staying at their firm. Panel A plots the overall time series for 2019 (light blue dashed) and 2020 (dark blue solid), separately. Panels B and C plot the time series across workers' initial wage quintile for 2020 and 2019, respectively. Wage quintiles defined using the distribution as of February 2020.

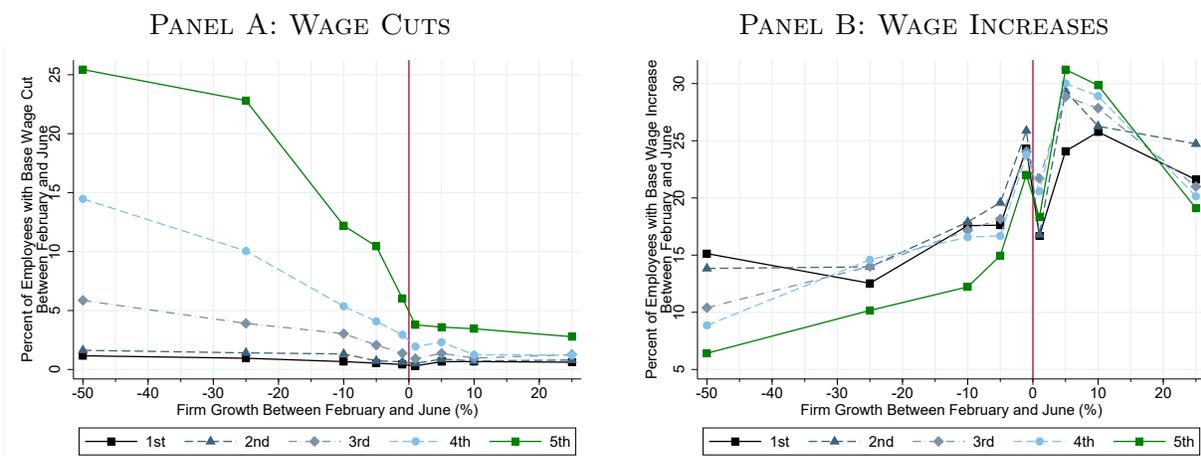


FIGURE A2: PROBABILITY OF WAGE CHANGE BY FIRM GROWTH RATE BIN AND INITIAL WAGE QUINTILE: 2020

*Notes:* Figure shows the probability that surviving workers' base wages are adjusted between February and June against their firm's employment change between February and June in 2020. Firm growth (shrinkage) is grouped into symmetric bins of 0%, 0-1%, 1-5%, 5-10%, 10-25%, 25-50%, and 50-75%. Markers correspond to the right end-point of a bin: for instance, the marker at -25 corresponds to firm a firm shrinking between 25 and 50 percent. Each line corresponds to a different initial wage quintile of the worker, defined as of February 2020. Panels A and B plot the propensity for wage cuts and increases, respectively.