

Example: Transferring a variable to the [0,1] range

Using a within-group maximum and minimum

```
gen norm_wage_f = (wage - min_wage_f) /  
                  (max_wage_f - min_wage_f)
```

```
egen min_wage_f = min(wage),  
      by(firm)
```

The denominator will be 0 if all
employees get the same wage

```
egen max_wage_f = max(wage),  
      by(firm)
```

```
replace norm_wage_f = .5  
      if norm_wage_f == .
```

employee firm wage max_w... min_w... norm_wage... (norm_wage... after replace)

| | | | | | | |
|-----|---|--------|--------|--------|------|------|
| ... | 1 | ... | ... | ... | ... | ... |
| 5 | 2 | 10,000 | 15,000 | 7,000 | .375 | .375 |
| 6 | 2 | 7,000 | 15,000 | 7,000 | 0 | 0 |
| 7 | 2 | 15,000 | 15,000 | 7,000 | 1 | 1 |
| 8 | 3 | 10,000 | 10,000 | 10,000 | . | .5 |
| 9 | 3 | 10,000 | 10,000 | 10,000 | . | .5 |
| 10 | 3 | 10,000 | 10,000 | 10,000 | . | .5 |
| ... | 4 | ... | ... | ... | ... | ... |