

Web Appendix – Not for Publication

Table 3: 2002 NAICS Sectors

Label	NAICS Codes	Name
1	11	Agriculture,Forestry,Fishing,Hunting
2	23	Mining
3	22	Utilities
4	23	Construction
5	31–33	Manufacturing
6	42	Wholesale
7	44–45	Retail
8	48–49	Transportation
9	51	Information
10	52	Finance
11	53	Real Estate
12	54	Professions
13	55	Management
14	56	Administration
15	61	Education
16	62	Health
17	71	Arts
18	72	Accomodation
19	81	Other Services
20	92	Public Administration

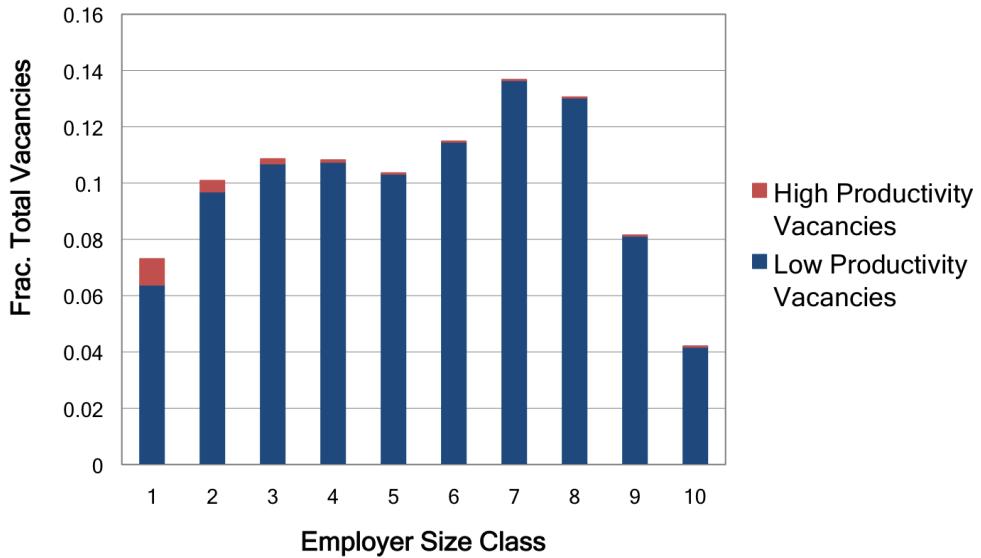
Numeric codes used in this paper to reference the twenty major NAICS sectors.

Table 4: Estimates of the Model Parameters

Sector	2	3	4	5	6	7	8	9	10
α	0.217	0.466	0.131	0.924	0.346	0.462	0.067	0.365	0.280
χ_1	1.872	1.425	2.307	0.767	0.950	1.299	2.986	1.399	1.825
χ_2	1.891	1.031	2.568	3.106	3.083	3.771	4.597	4.995	0.891
ϕ	-0.015	0.009	0.080	0.028	-0.016	0.042	0.041	0.022	-0.002
δ_0	0.496	3.555	2.278	0.358	2.216	2.772	2.667	2.198	-4.935
δ_1	1.038	-0.656	0.025	1.034	0.631	0.098	0.100	0.103	1.788
γ_0	-0.708	3.466	-0.275	-0.276	0.174	0.330	2.687	0.975	-0.056
γ_1	-0.251	-2.692	-2.353	-1.616	-1.493	-2.069	-2.518	-1.953	-2.782
ξ	0.126	0.623	0.211	0.999	0.706	0.521	0.092	0.526	0.835
Residual	0.095	0.328	0.050	0.090	0.074	0.059	0.042	0.346	0.042
Sector	11	12	13	14	16	17	18	19	20
α	0.944	0.139	0.072	0.375	0.075	0.099	0.233	0.182	0.772
χ_1	2.173	2.133	3.099	1.548	3.247	2.888	2.035	1.923	1.338
χ_2	0.918	3.829	4.678	4.954	2.886	4.913	3.845	4.794	2.843
ϕ	0.116	0.027	0.104	0.062	0.092	0.080	0.035	0.044	-0.026
δ_0	0.517	2.322	2.179	3.157	2.141	1.376	2.657	2.300	-0.424
δ_1	0.332	0.022	0.340	-0.042	0.207	0.283	0.107	0.132	1.412
γ_0	2.306	1.681	1.651	1.896	0.594	0.431	0.120	1.862	4.323
γ_1	-2.018	-2.216	-0.645	-2.457	-0.648	-2.830	-1.530	-2.766	-2.154
ξ	0.491	0.105	0.051	0.592	0.056	0.103	0.159	0.088	0.005
Residual	0.277	0.090	0.120	0.044	0.033	0.310	0.036	0.083	0.261

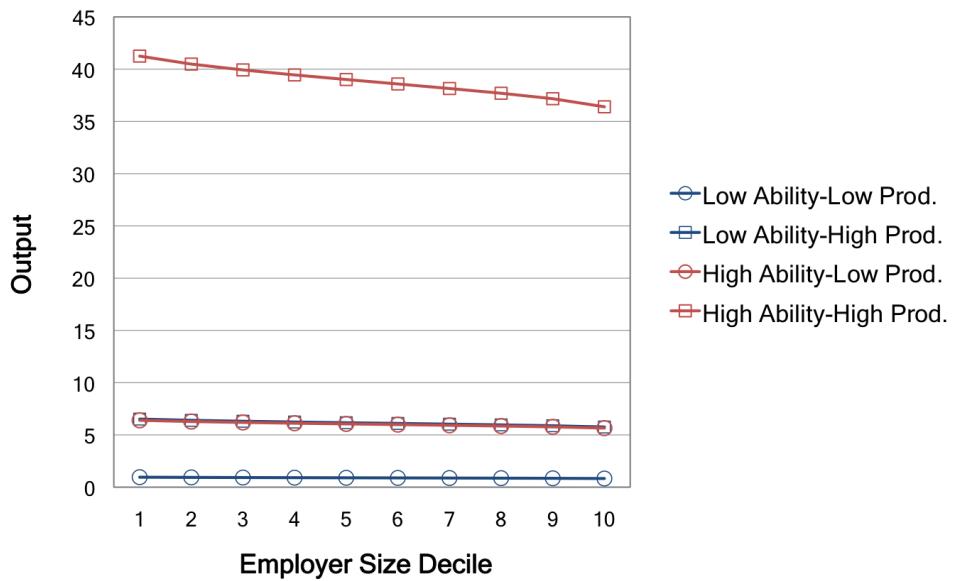
GMM parameter estimates for the nested model that mixes the two technologies according to the parameter ξ . See text for details. Standard errors in parentheses.

Distribution of Vacancies Across Employer Productive Type by Size Class



(a) Vacancies

Estimated Match Output



(b) Production

Figure 8: Estimated Model Primitives: Mining Sector

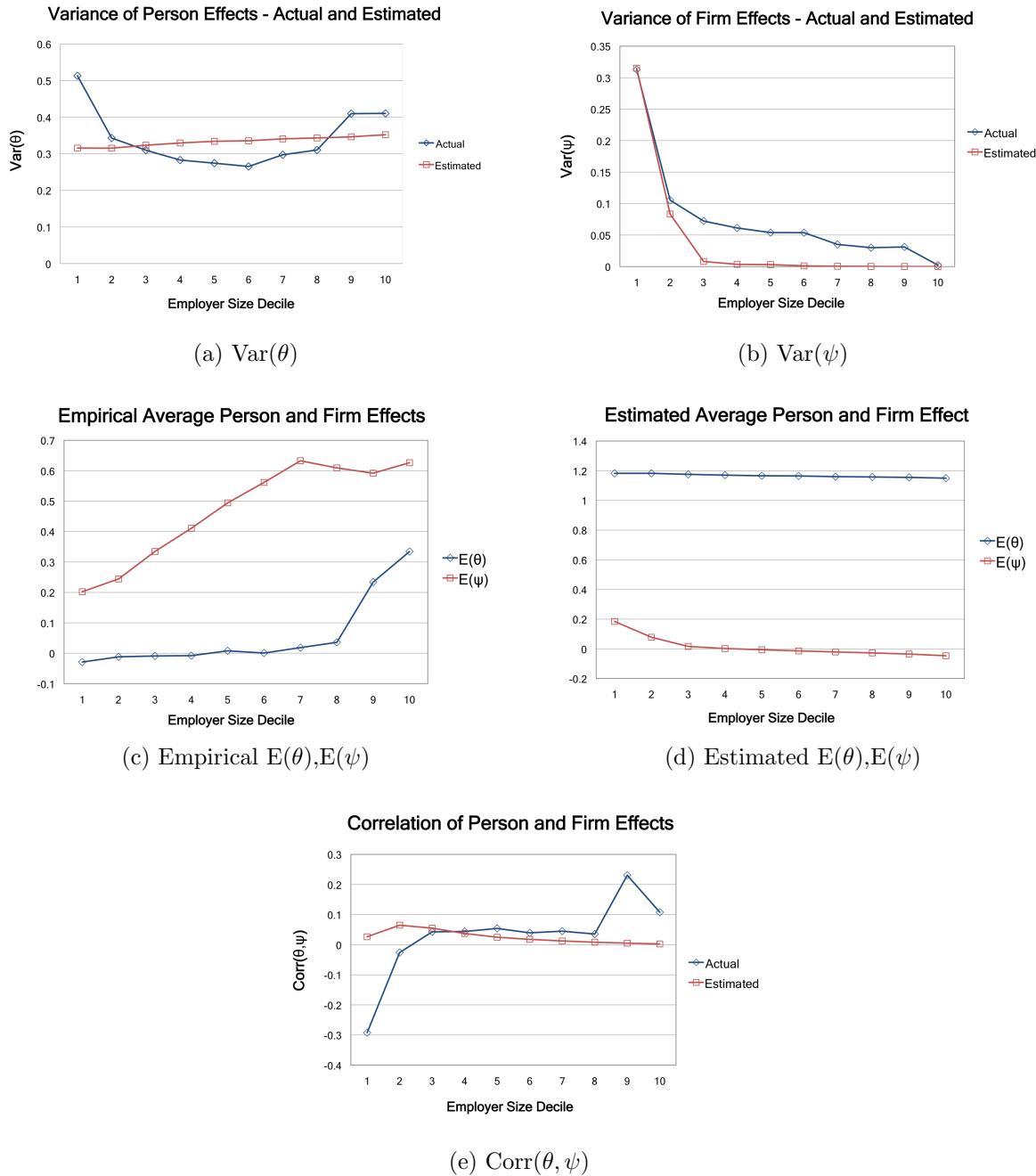
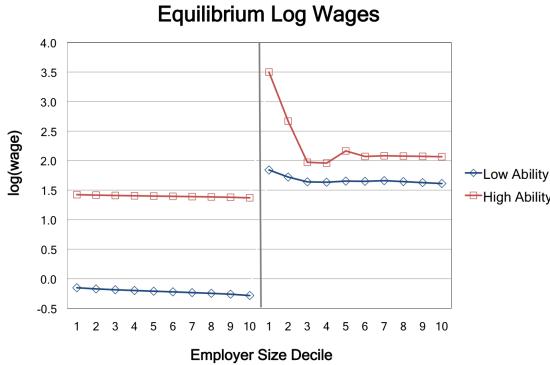
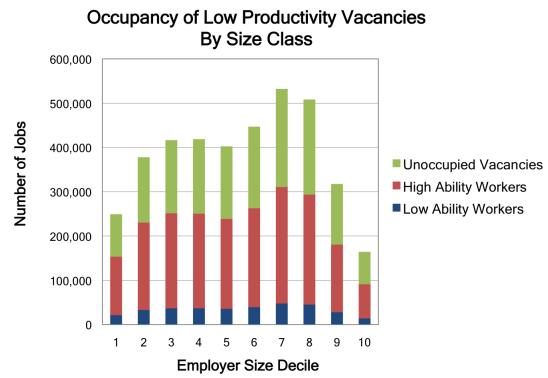


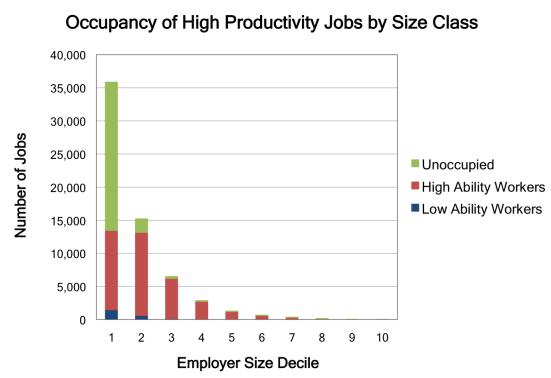
Figure 9: Data and Model Fit: Mining Sector



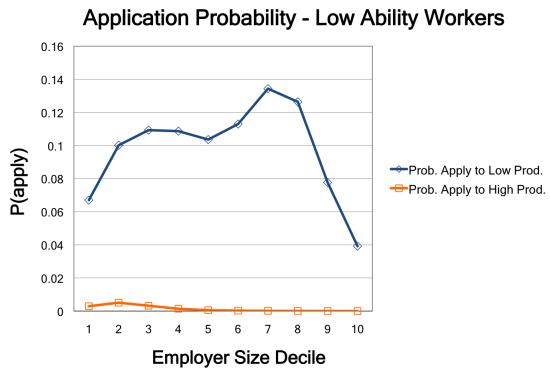
(a) Wages



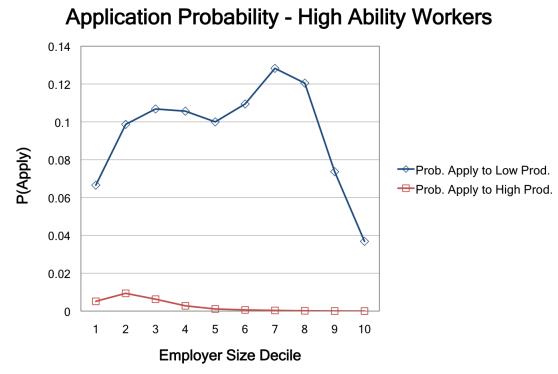
(b) Low Prod. Vacs.



(c) High Prod. Vacs.



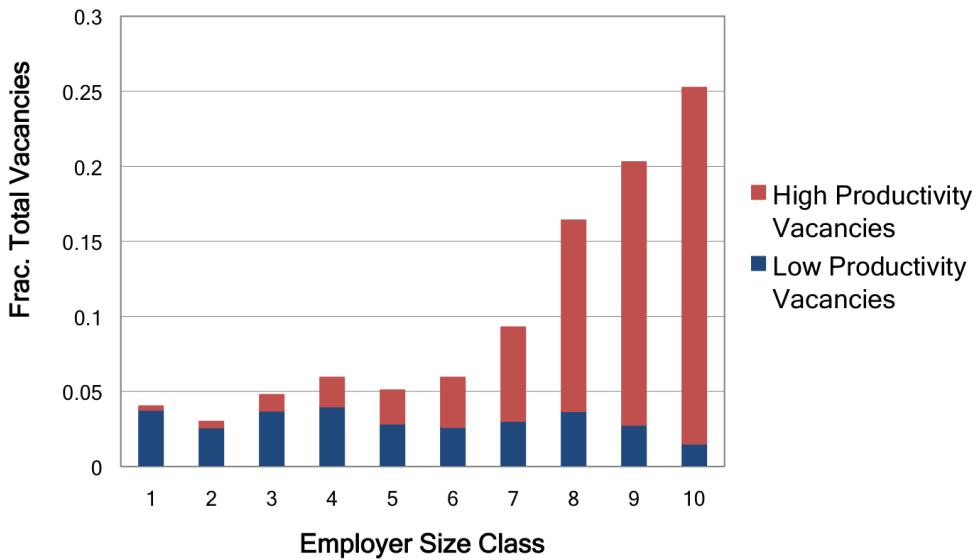
(d) App. Prob. Low Ability



(e) App. Prob. High Ability

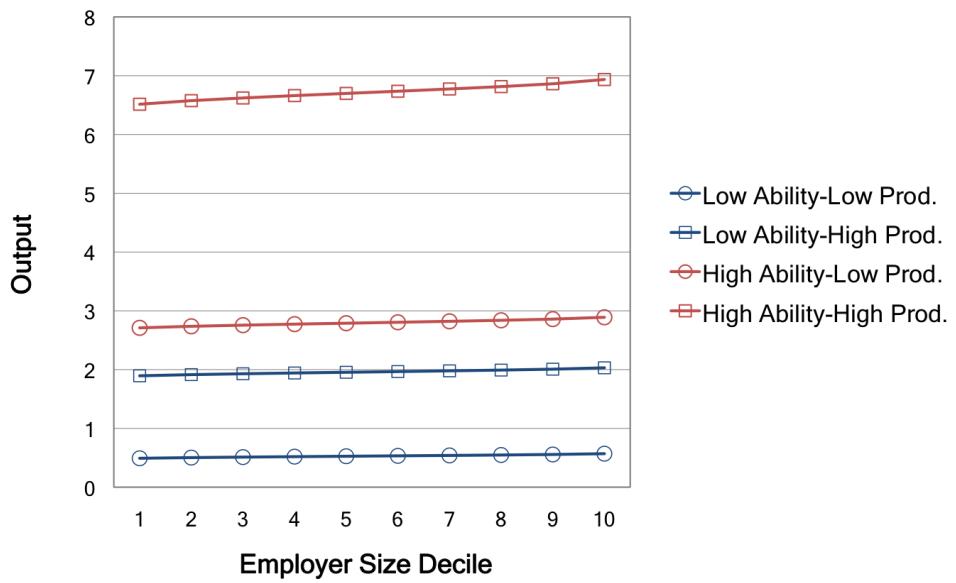
Figure 10: Estimated Equilibrium: Mining Sector

Distribution of Vacancies Across Employer Productive Type by Size Class



(a) Vacancies

Estimated Match Output



(b) Production

Figure 11: Estimated Model Primitives: Utilities Sector

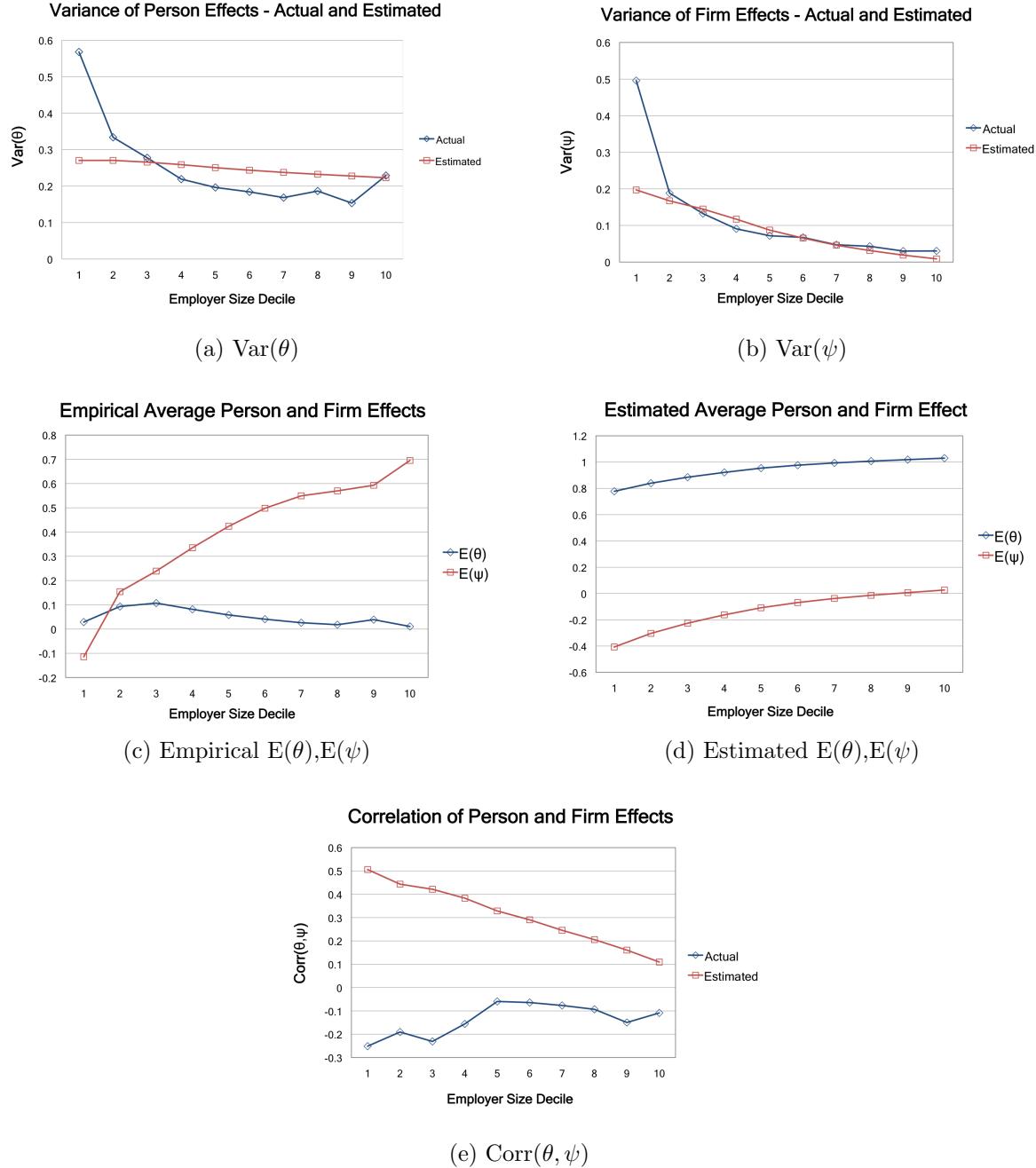
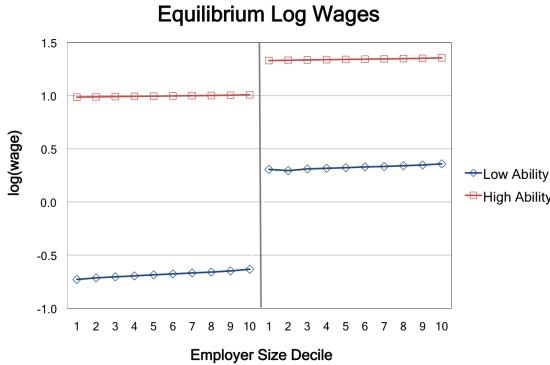
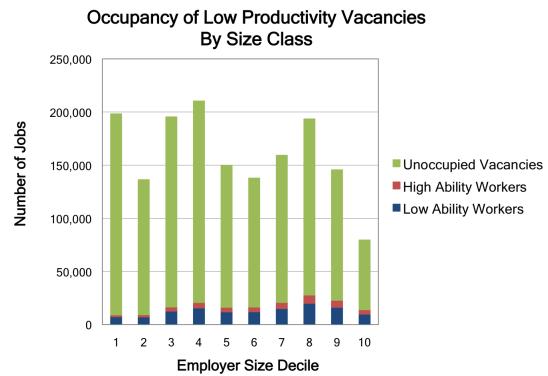


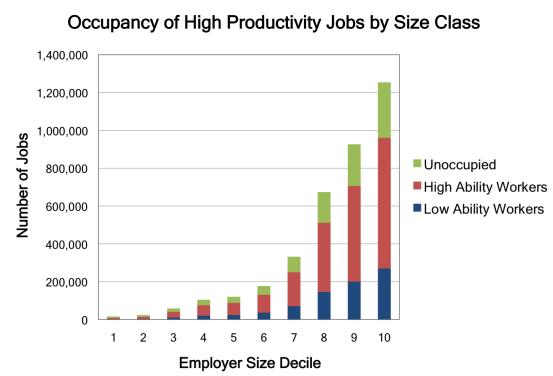
Figure 12: Data and Model Fit: Utilities Sector



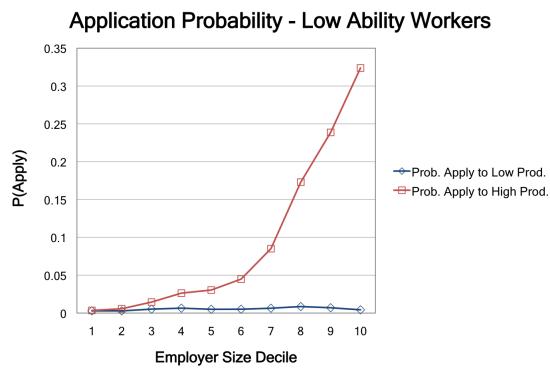
(a) Wages



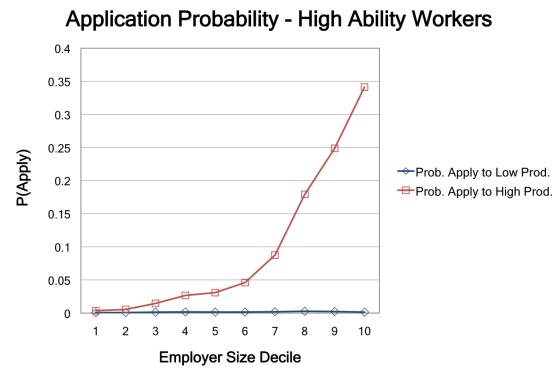
(b) Low Prod. Vacs.



(c) High Prod. Vacs.



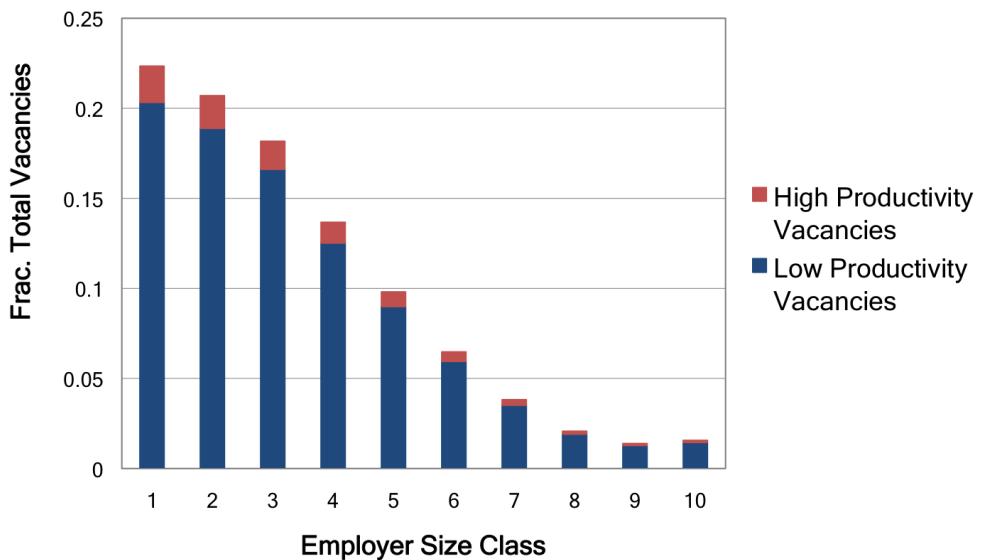
(d) App. Prob. Low Ability



(e) App. Prob. High Ability

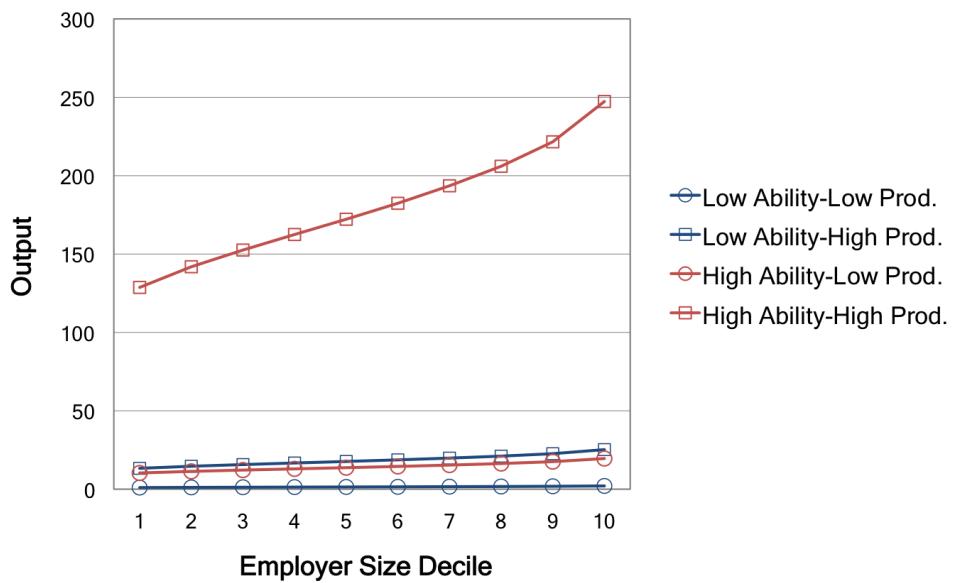
Figure 13: Estimated Equilibrium: Utilities Sector

Distribution of Vacancies Across Employer Productive Type by Size Class



(a) Vacancies

Estimated Match Output



(b) Production

Figure 14: Estimated Model Primitives: Construction Sector

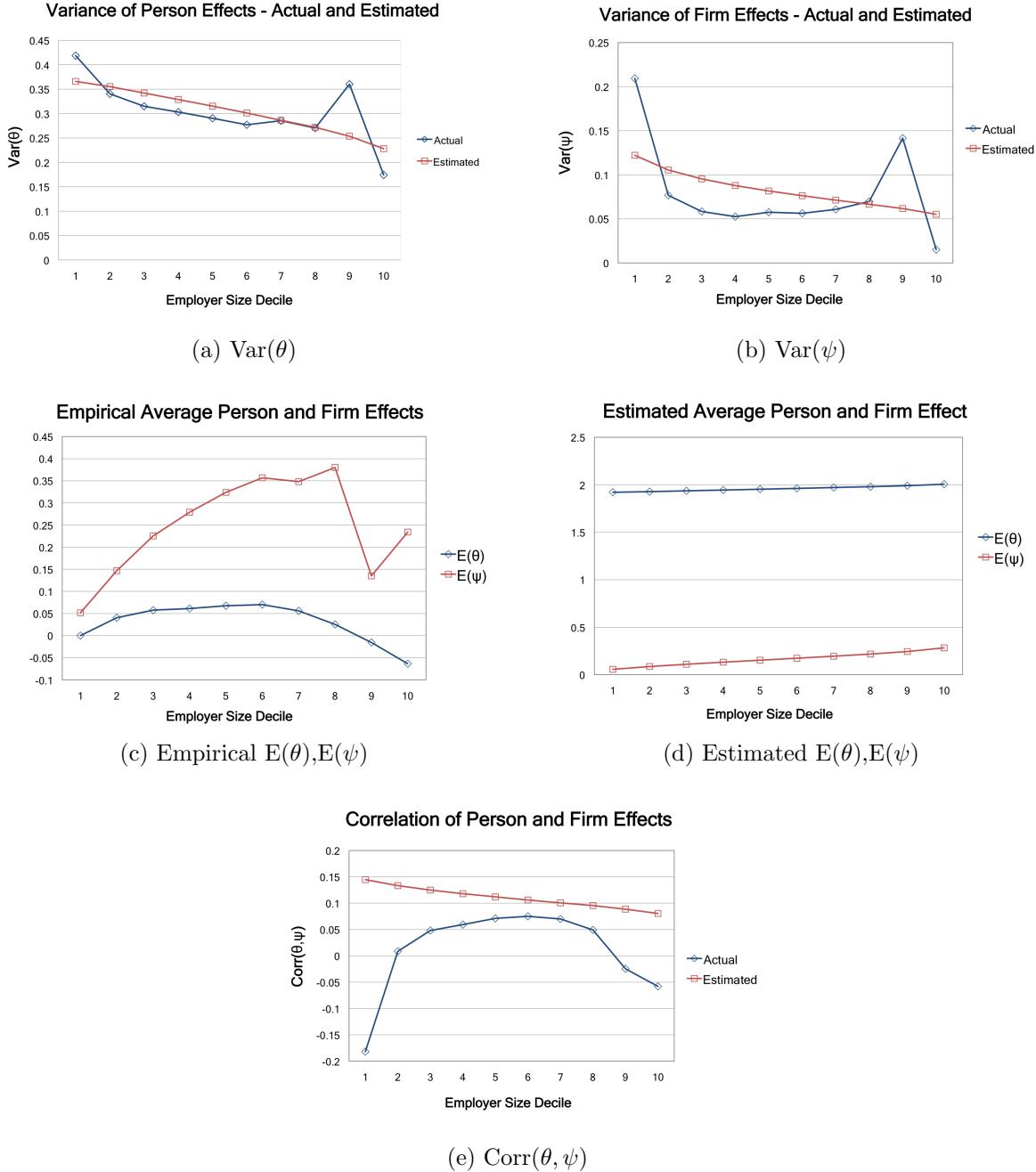
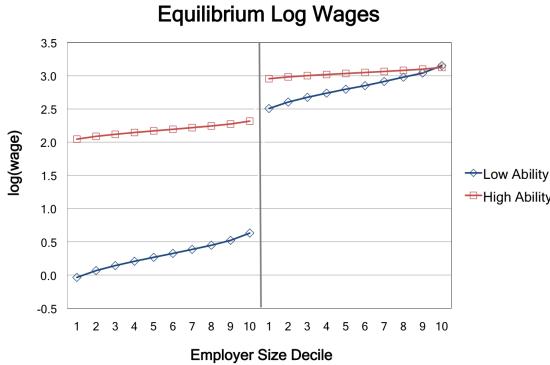
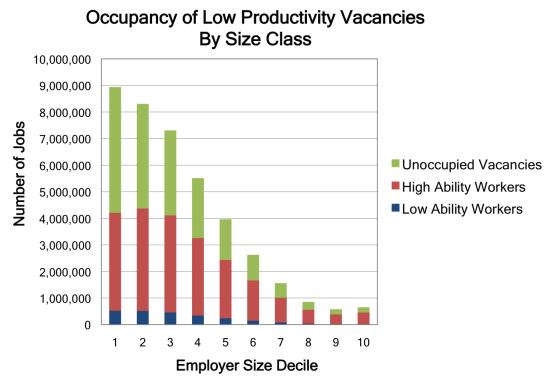


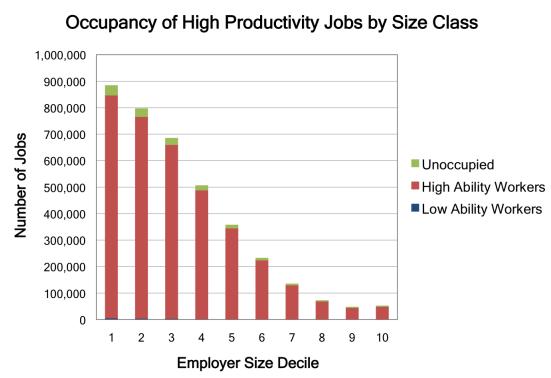
Figure 15: Data and Model Fit: Construction Sector



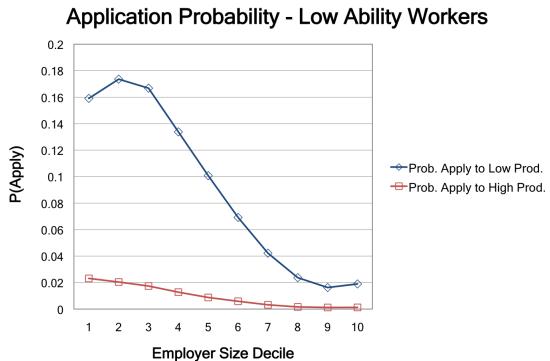
(a) Wages



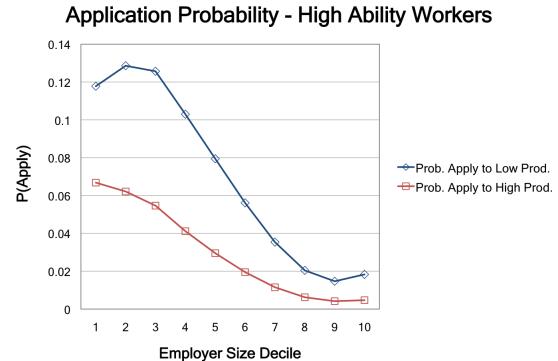
(b) Low Prod. Vacs.



(c) High Prod. Vacs.



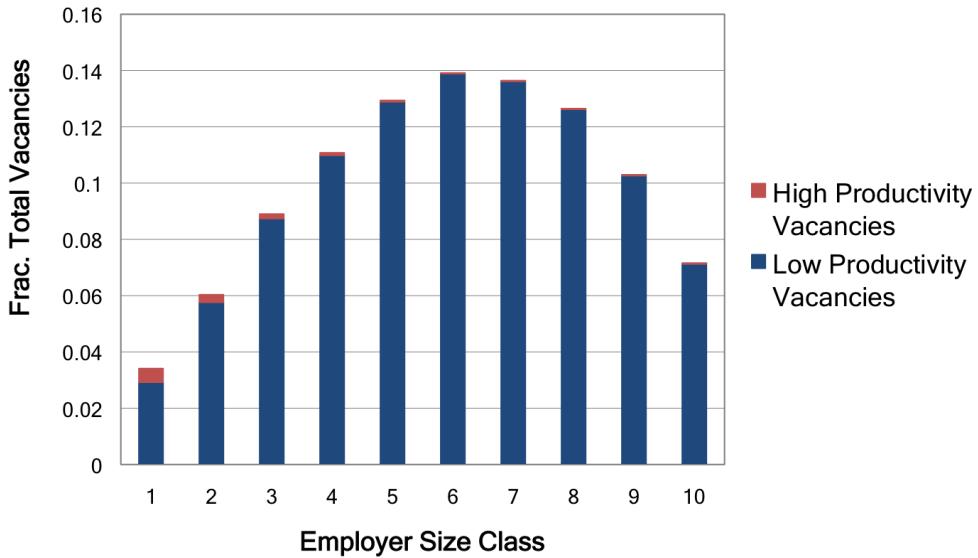
(d) App. Prob. Low Ability



(e) App. Prob. High Ability

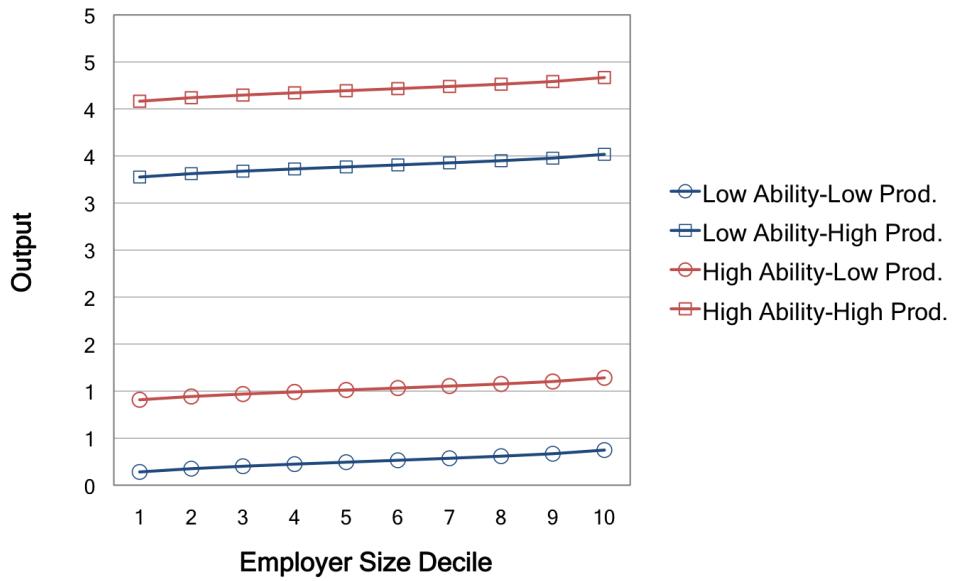
Figure 16: Estimated Equilibrium: Construction Sector

Distribution of Vacancies Across Employer Productive Type by Size Class



(a) Vacancies

Estimated Match Output



(b) Production

Figure 17: Estimated Model Primitives: Manufacturing Sector

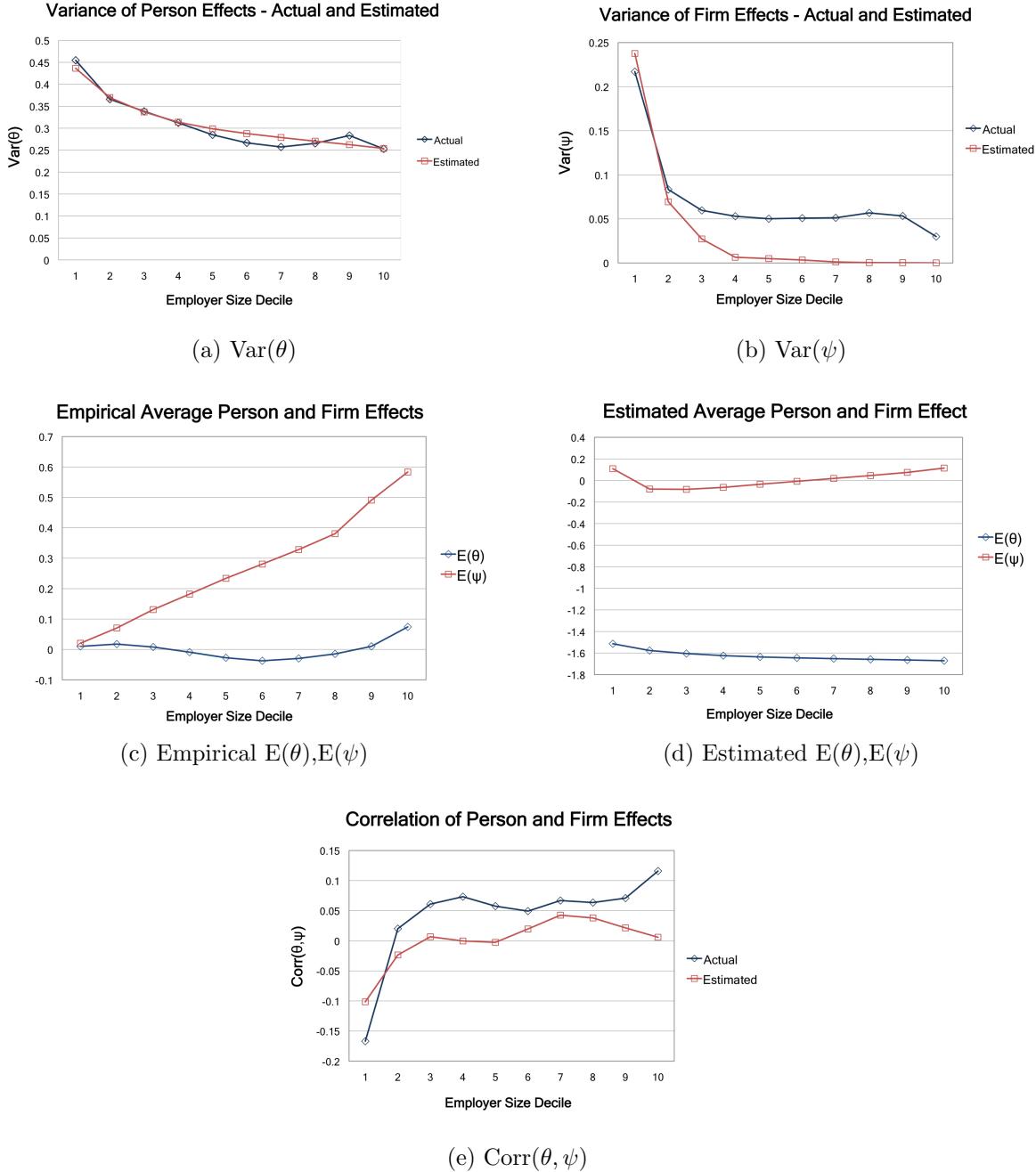
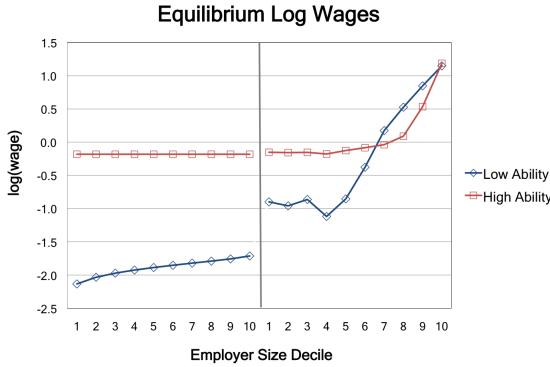
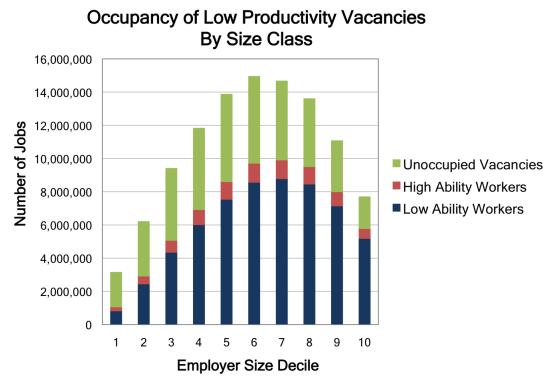


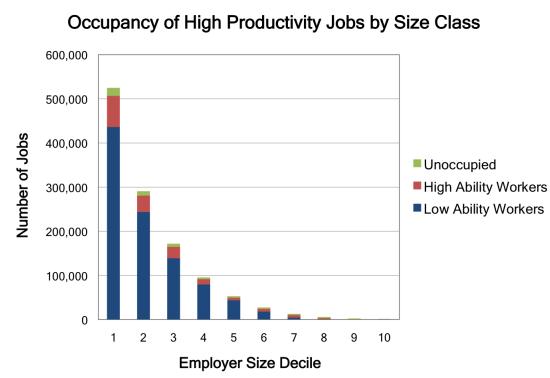
Figure 18: Data and Model Fit: Manufacturing Sector



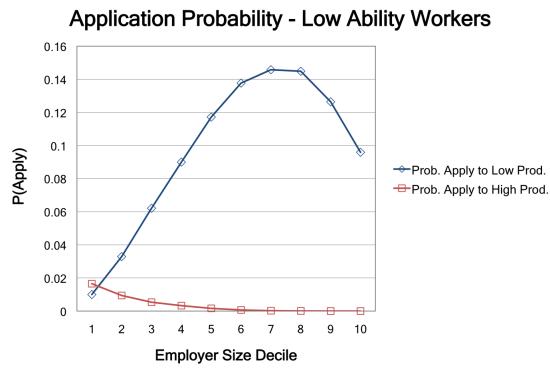
(a) Wages



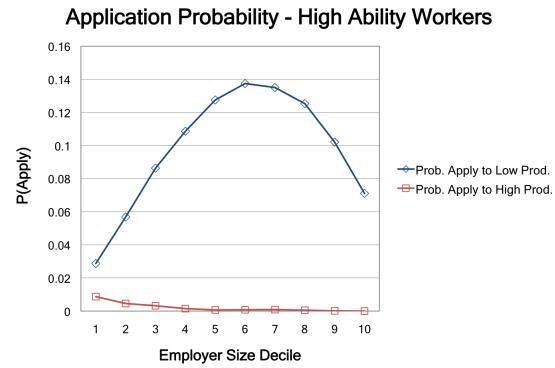
(b) Low Prod. Vacs.



(c) High Prod. Vacs.



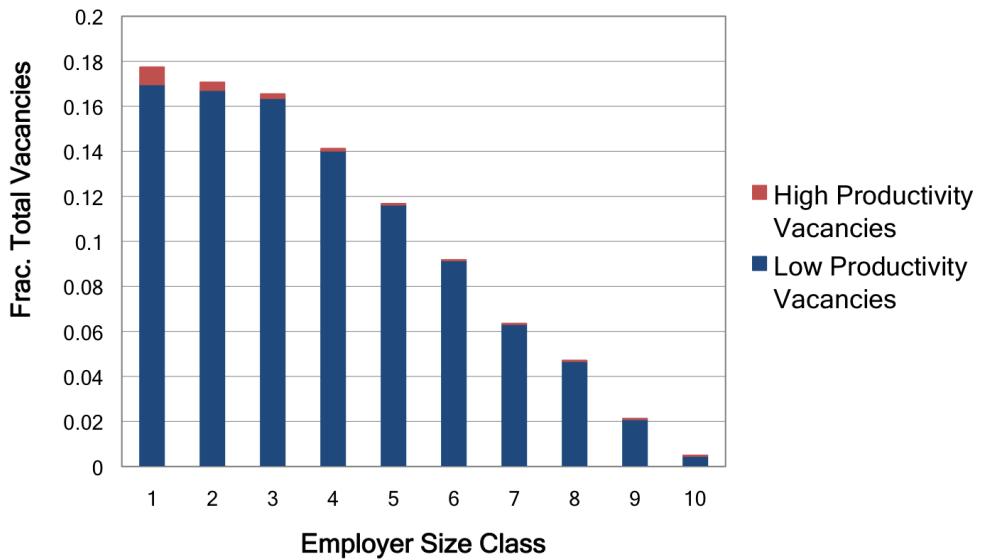
(d) App. Prob. Low Ability



(e) App. Prob. High Ability

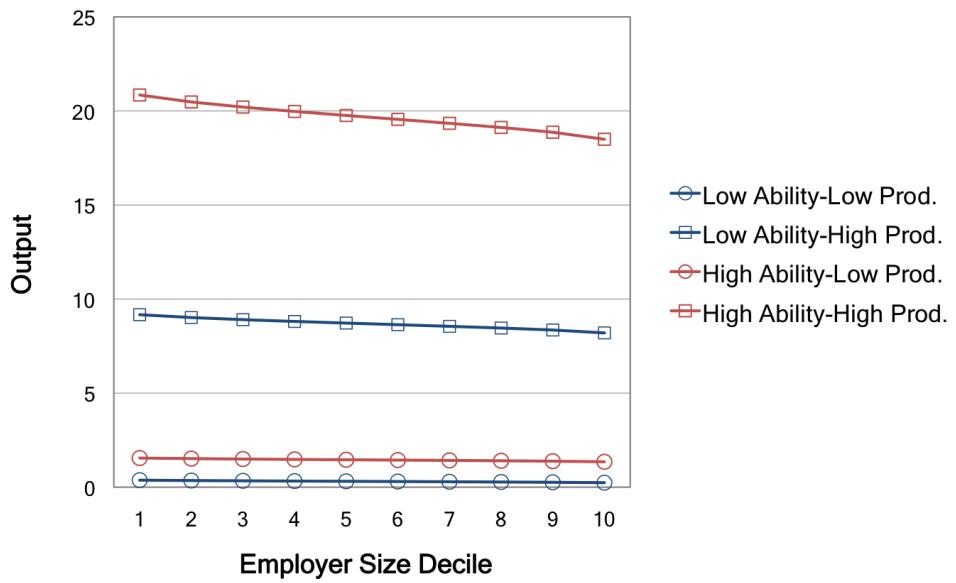
Figure 19: Estimated Equilibrium: Manufacturing Sector

Distribution of Vacancies Across Employer Productive Type by Size Class



(a) Vacancies

Estimated Match Output



(b) Production

Figure 20: Estimated Model Primitives: Wholesale Sector

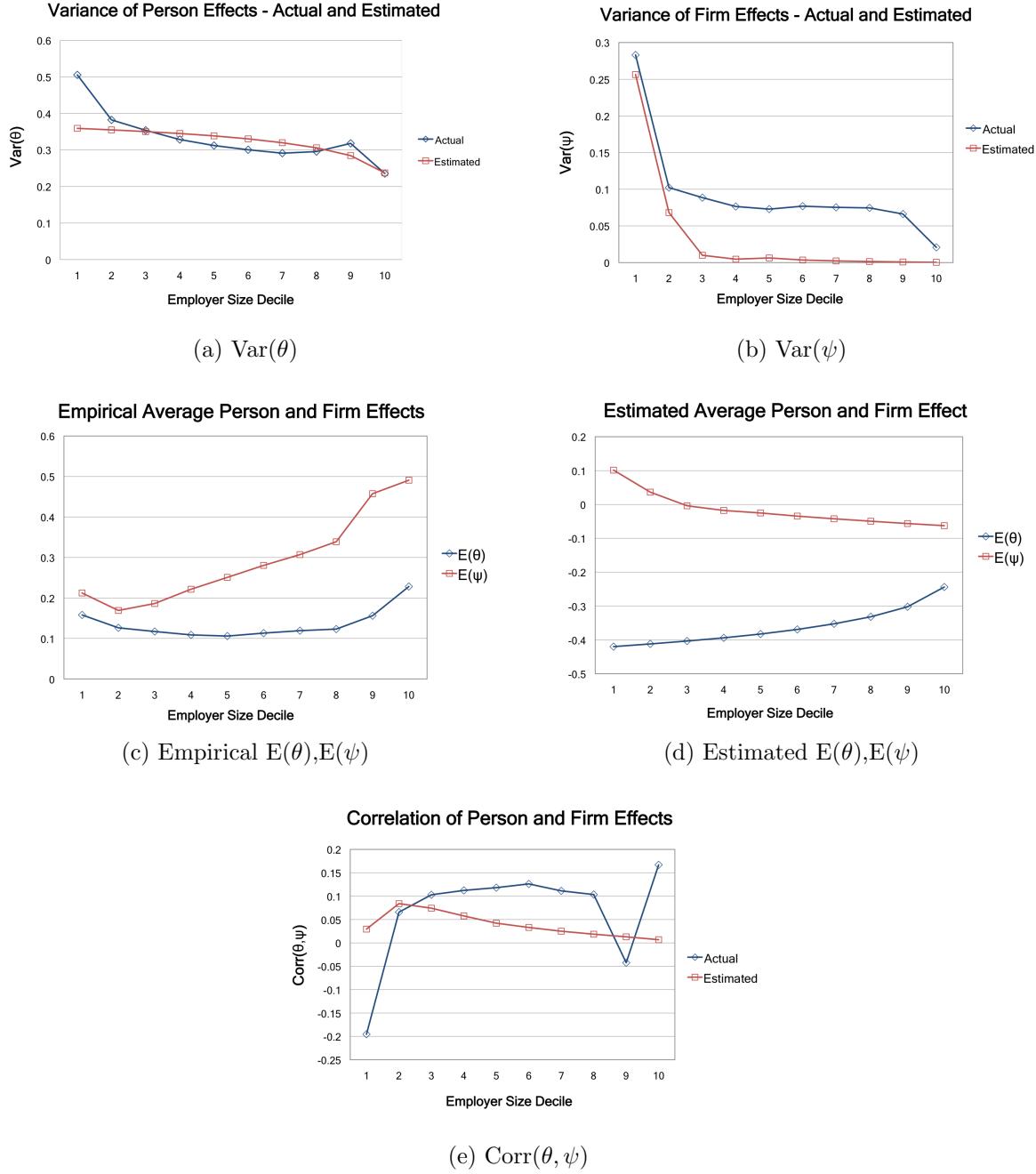
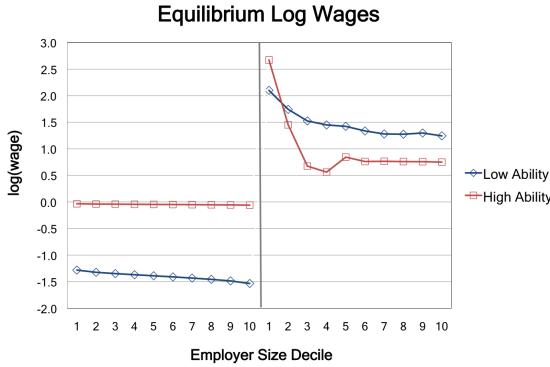
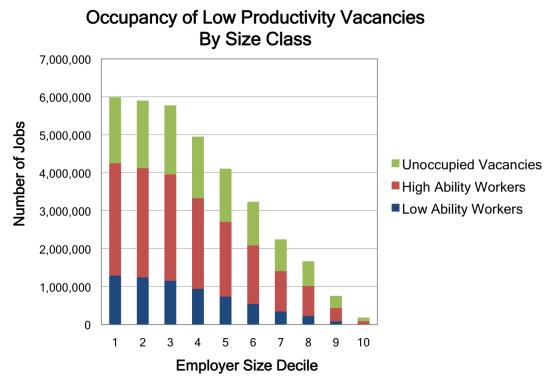


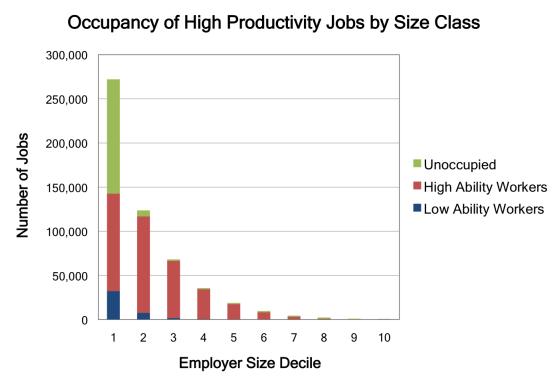
Figure 21: Data and Model Fit: Wholesale Sector



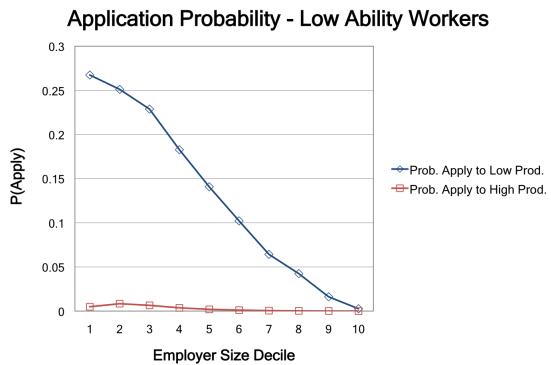
(a) Wages



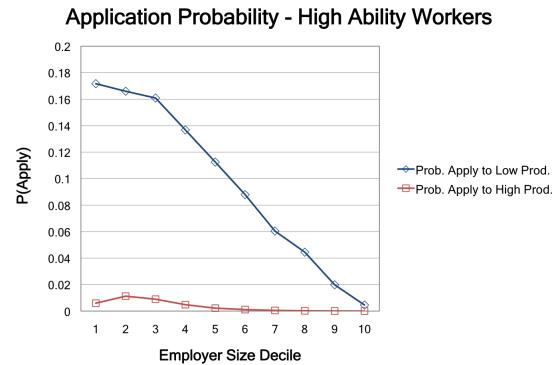
(b) Low Prod. Vacs.



(c) High Prod. Vacs.



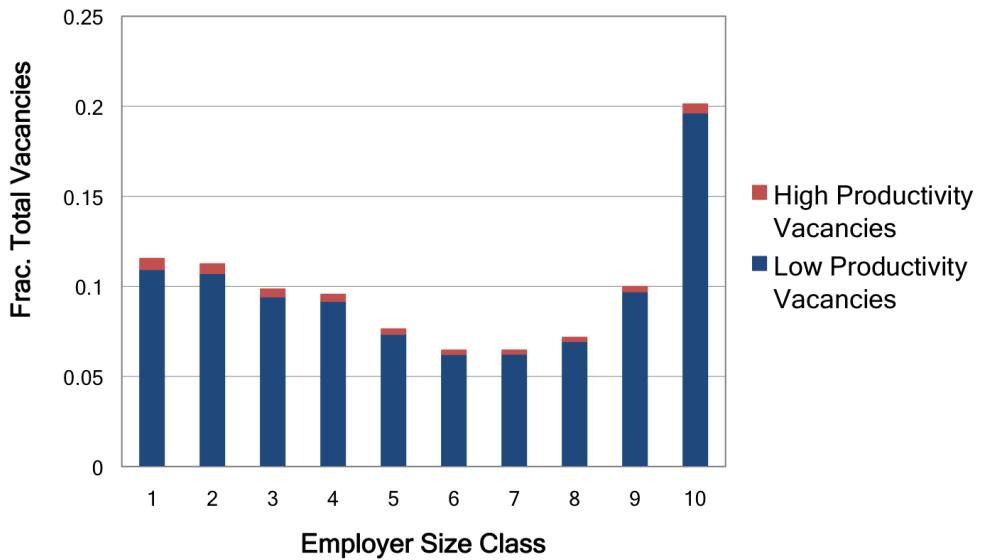
(d) App. Prob. Low Ability



(e) App. Prob. High Ability

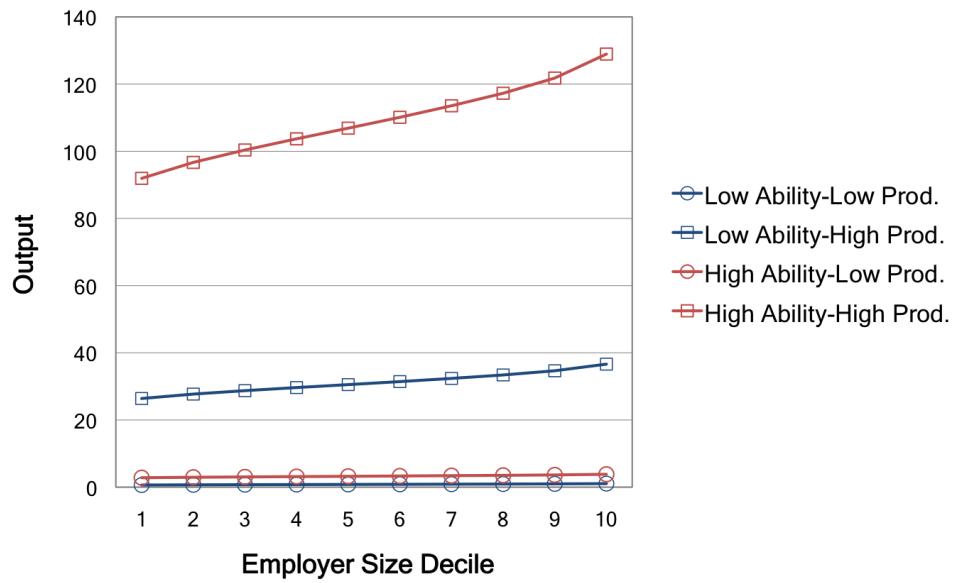
Figure 22: Estimated Equilibrium: Wholesale Sector

Distribution of Vacancies Across Employer Productive Type by Size Class



(a) Vacancies

Estimated Match Output



(b) Production

Figure 23: Estimated Model Primitives: Retail Sector

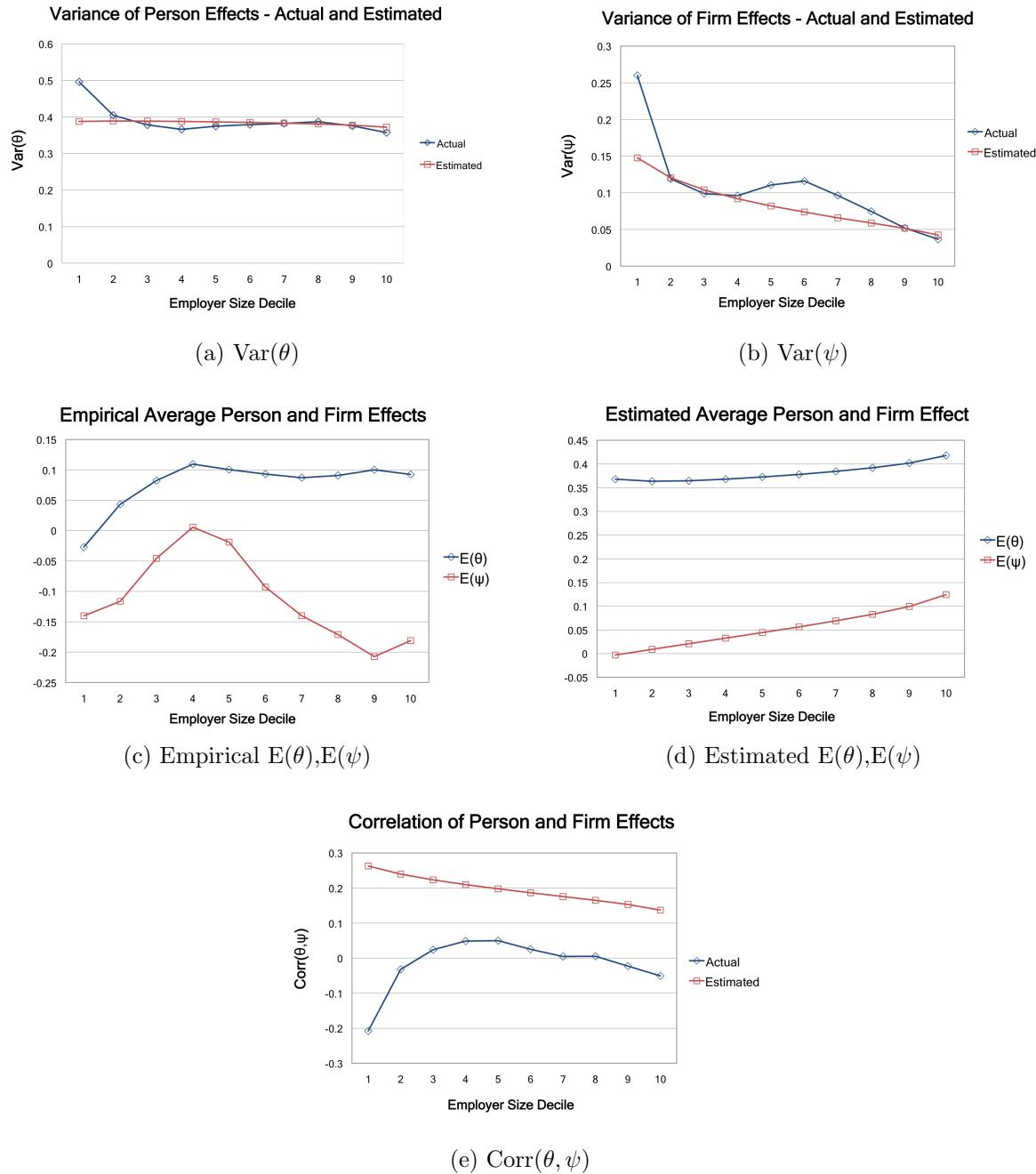
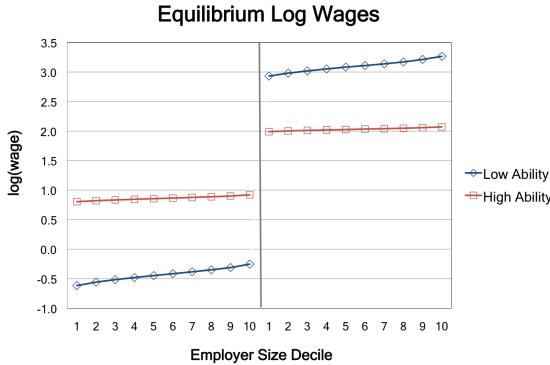
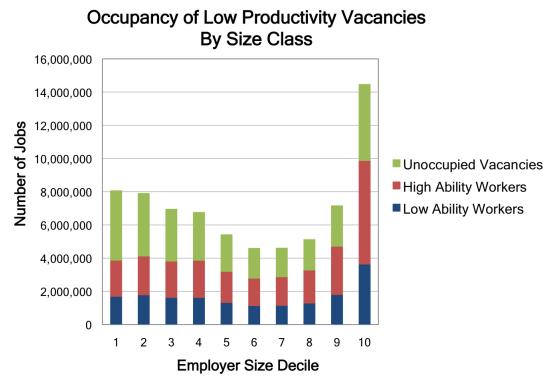


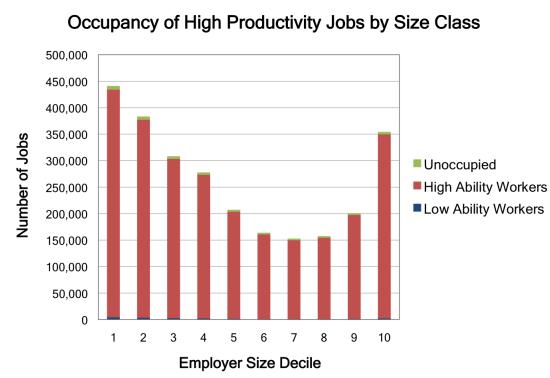
Figure 24: Data and Model Fit: Retail Sector



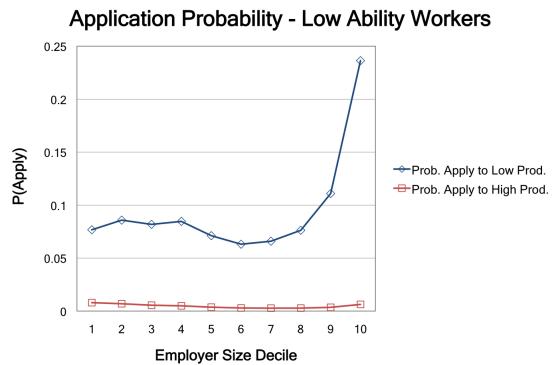
(a) Wages



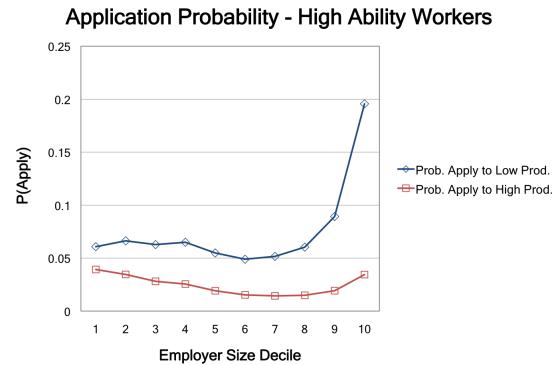
(b) Low Prod. Vacs.



(c) High Prod. Vacs.



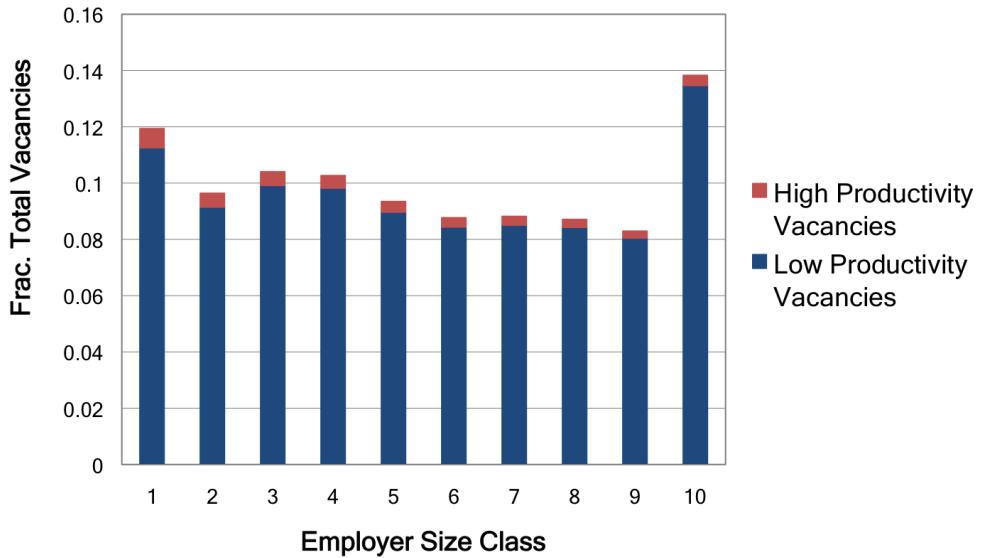
(d) App. Prob. Low Ability



(e) App. Prob. High Ability

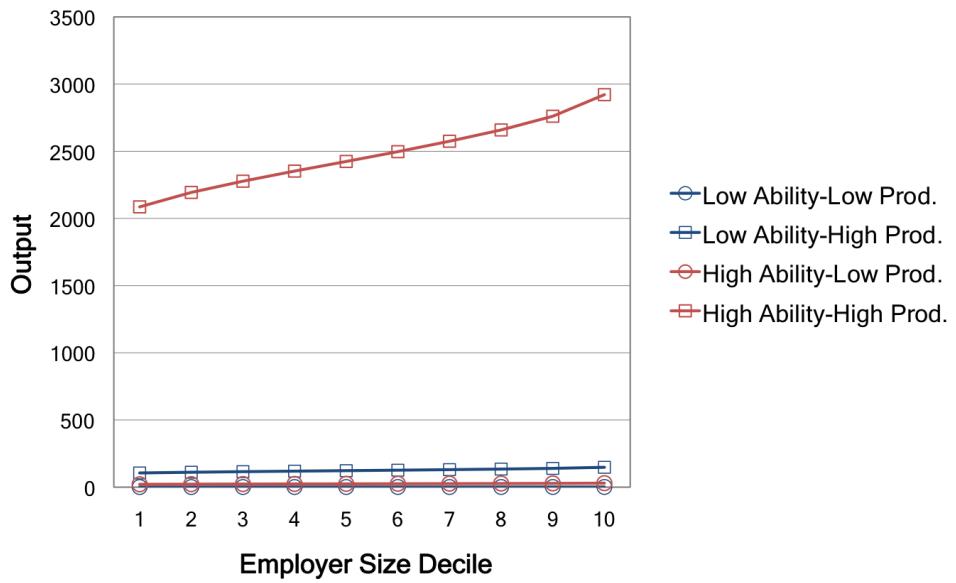
Figure 25: Estimated Equilibrium: Retail Sector

Distribution of Vacancies Across Employer Productive Type by Size Class



(a) Vacancies

Estimated Match Output



(b) Production

Figure 26: Estimated Model Primitives: Transportation Sector

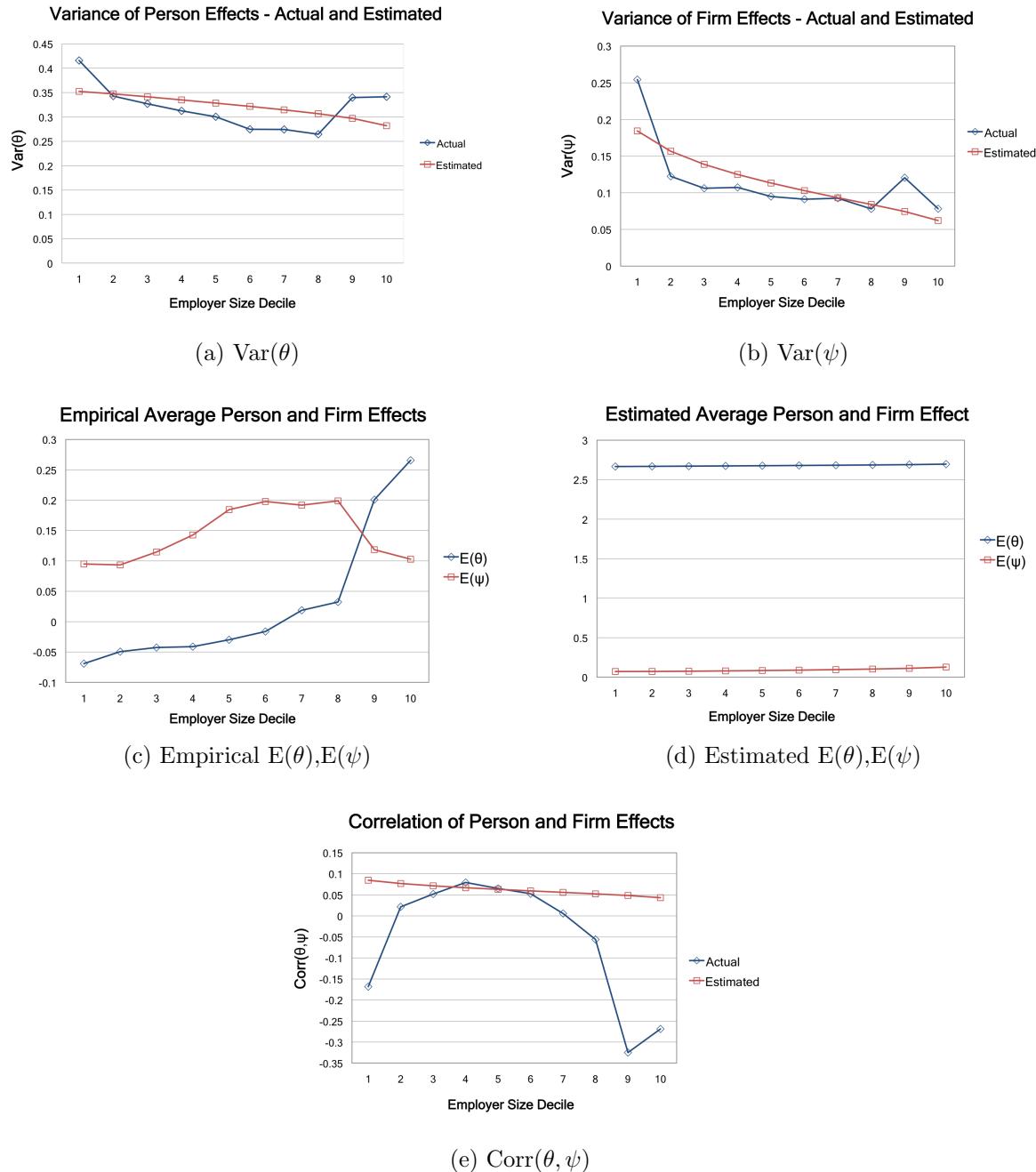
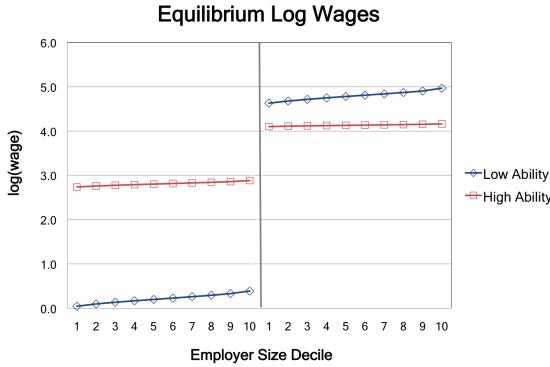
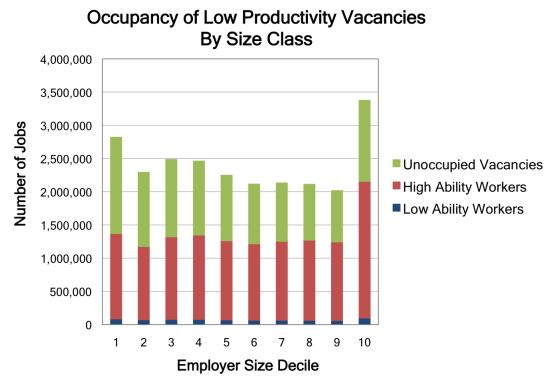


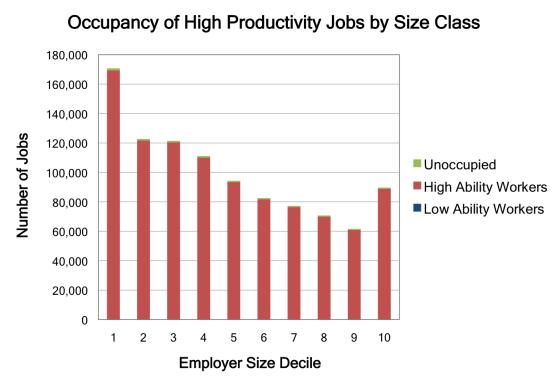
Figure 27: Data and Model Fit: Transportation Sector



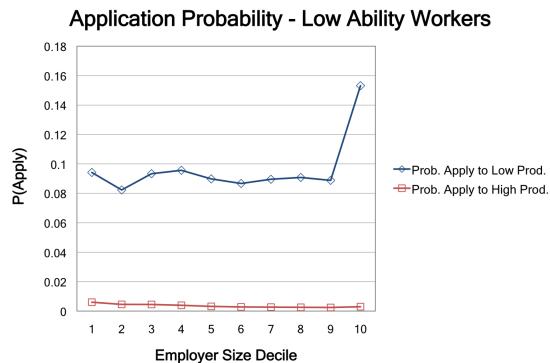
(a) Wages



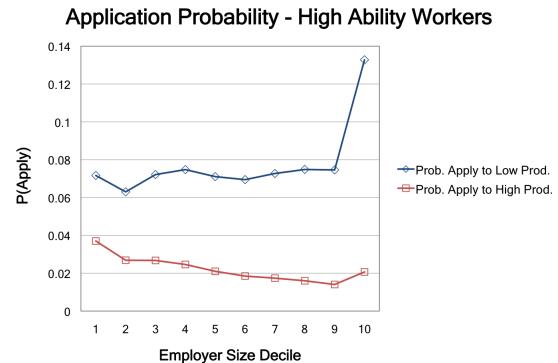
(b) Low Prod. Vacs.



(c) High Prod. Vacs.



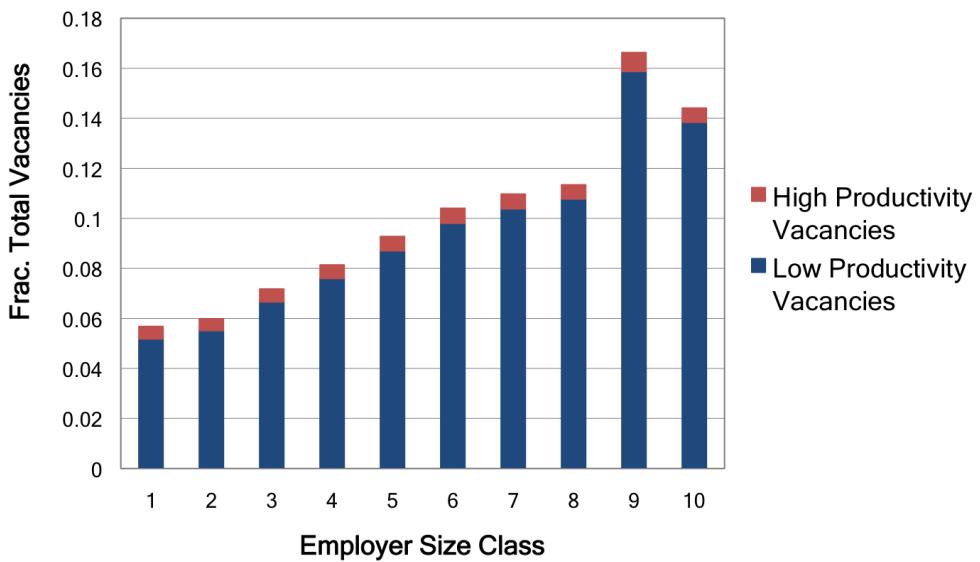
(d) App. Prob. Low Ability



(e) App. Prob. High Ability

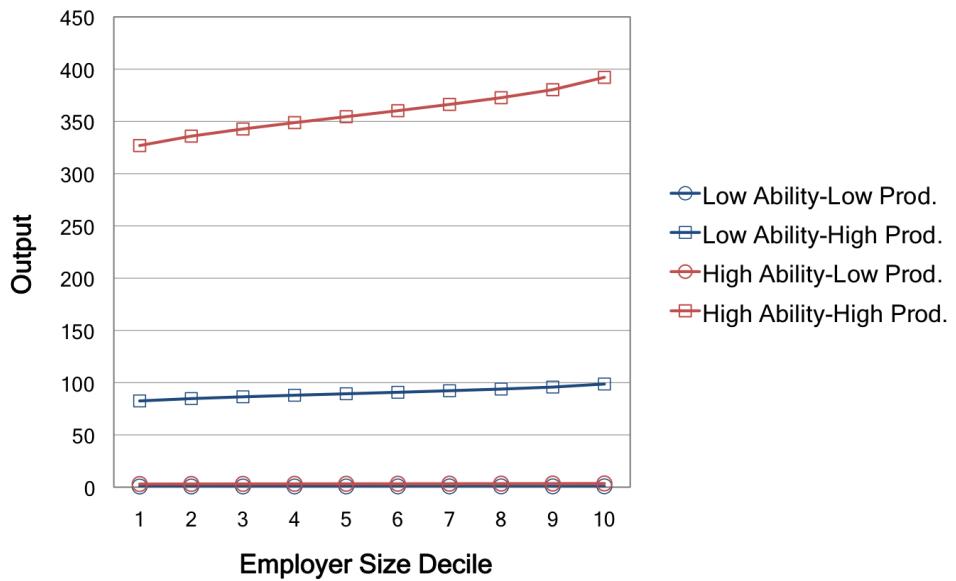
Figure 28: Estimated Equilibrium: Transportation Sector

Distribution of Vacancies Across Employer Productive Type by Size Class



(a) Vacancies

Estimated Match Output



(b) Production

Figure 29: Estimated Model Primitives: Information Sector

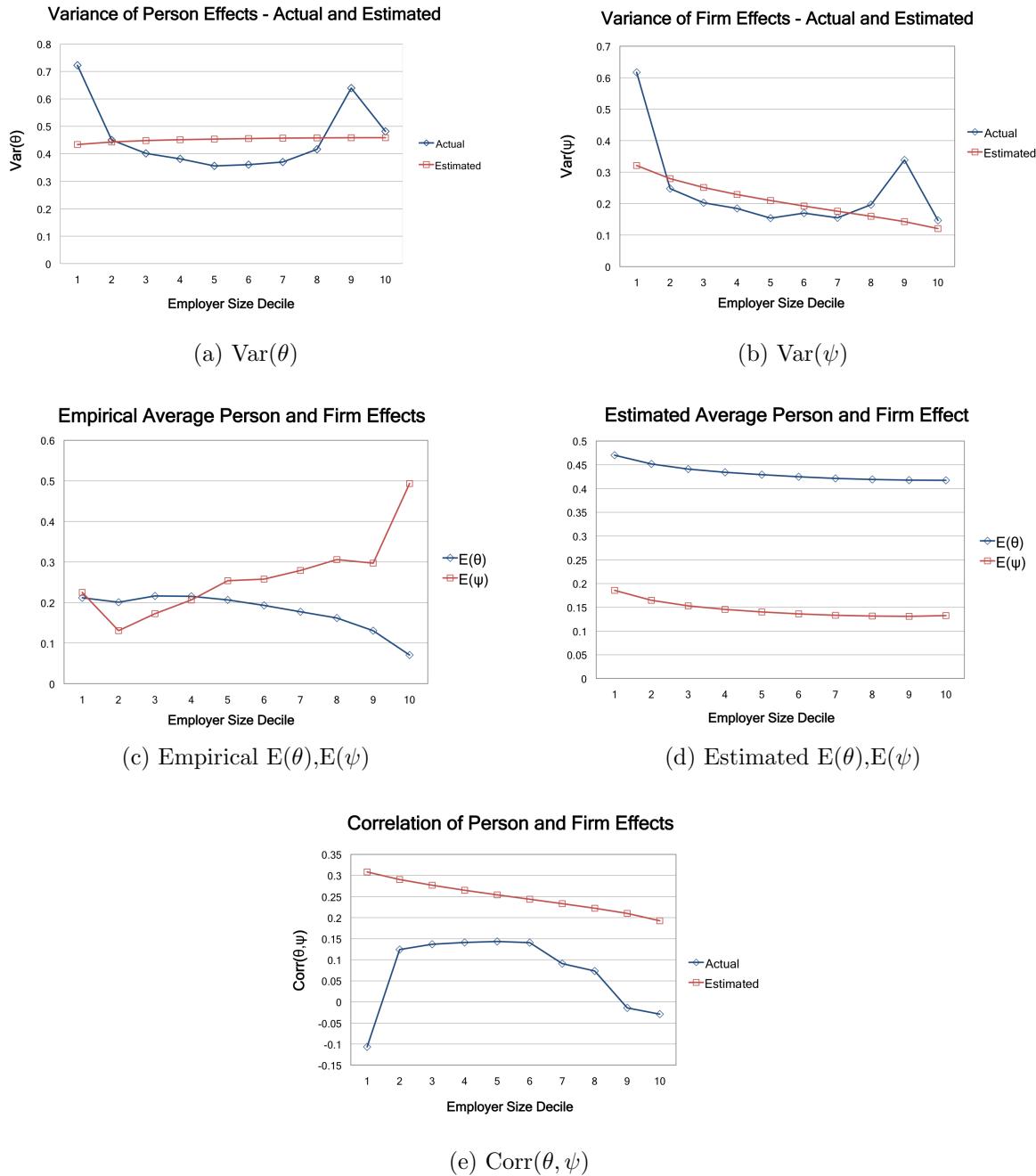
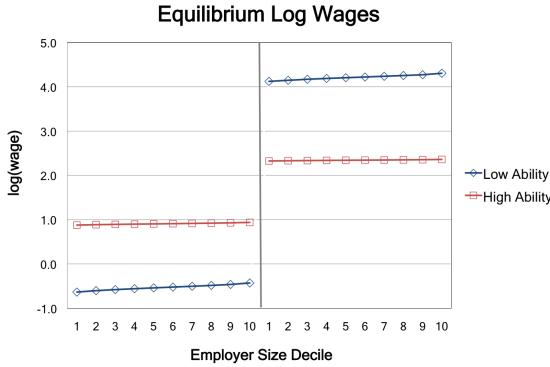
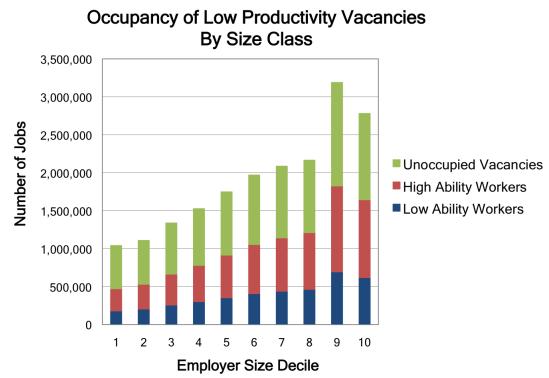


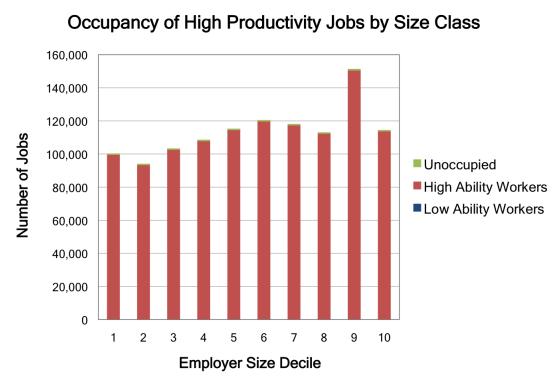
Figure 30: Data and Model Fit: Information Sector



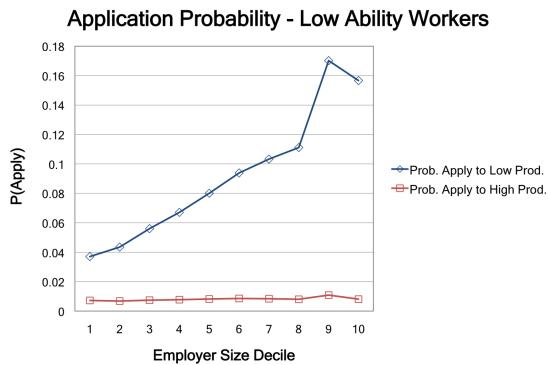
(a) Wages



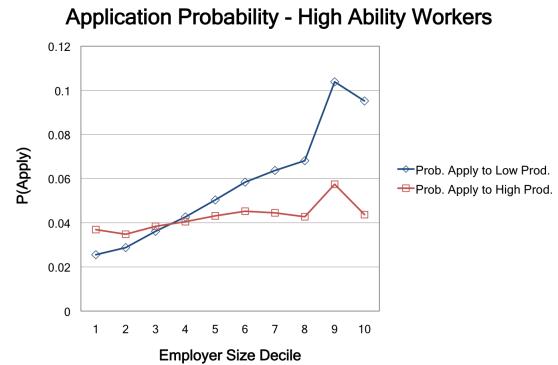
(b) Low Prod. Vacs.



(c) High Prod. Vacs.



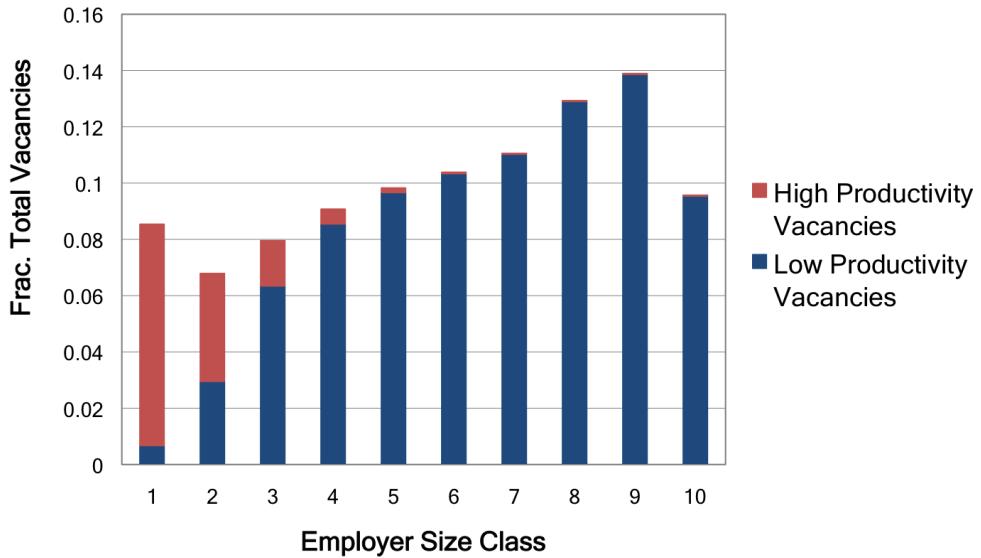
(d) App. Prob. Low Ability



(e) App. Prob. High Ability

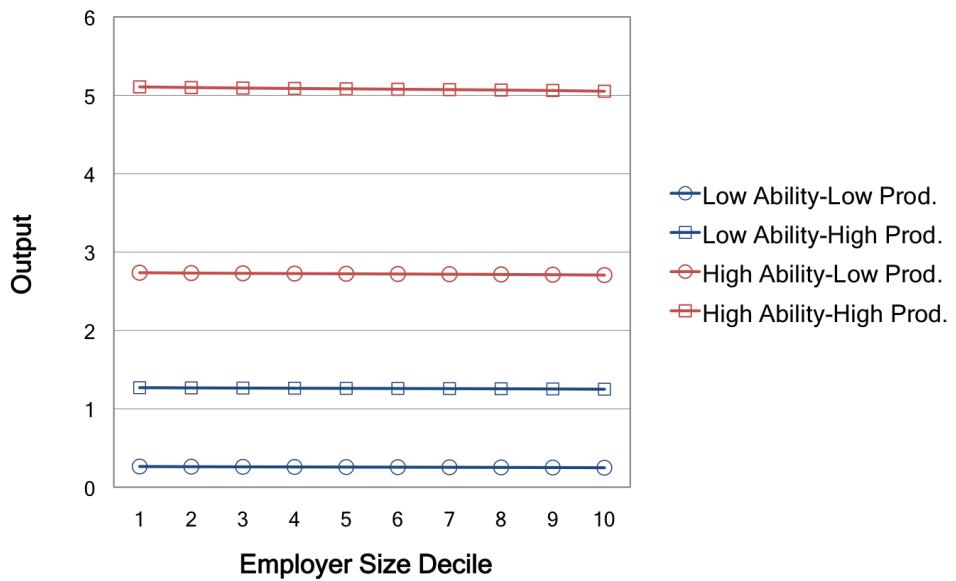
Figure 31: Estimated Equilibrium: Information Sector

Distribution of Vacancies Across Employer Productive Type by Size Class



(a) Vacancies

Estimated Match Output



(b) Production

Figure 32: Estimated Model Primitives: Finance Sector

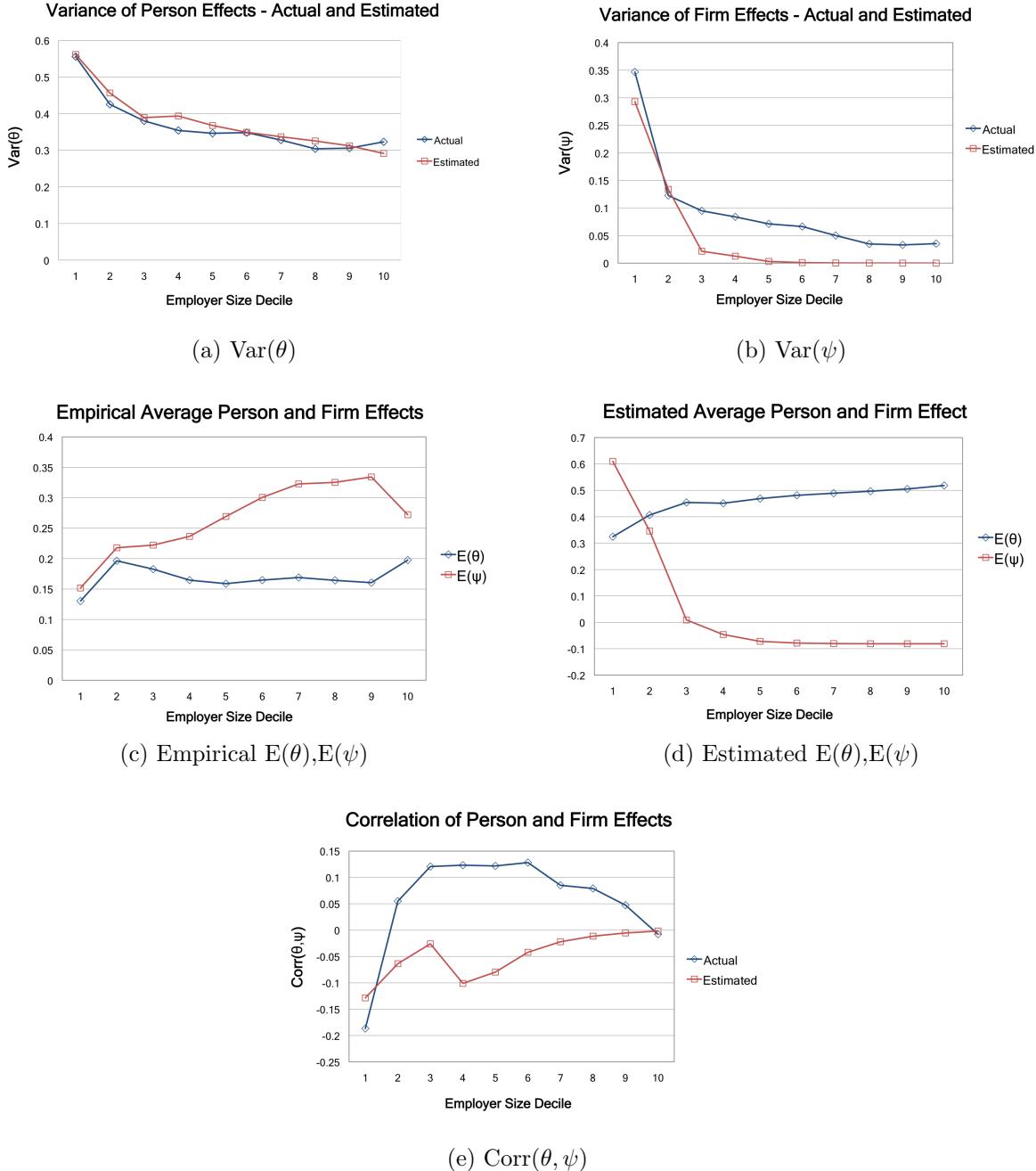
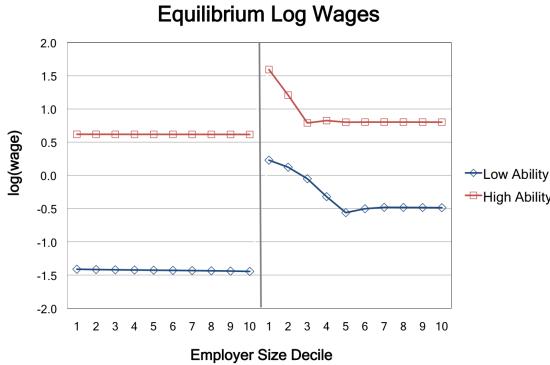
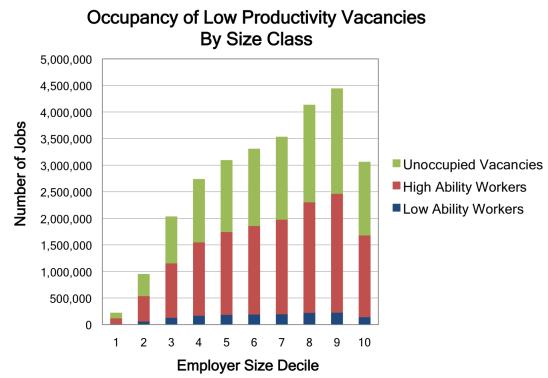


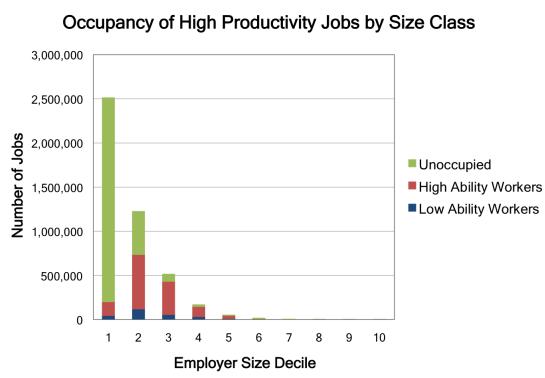
Figure 33: Data and Model Fit: Finance Sector



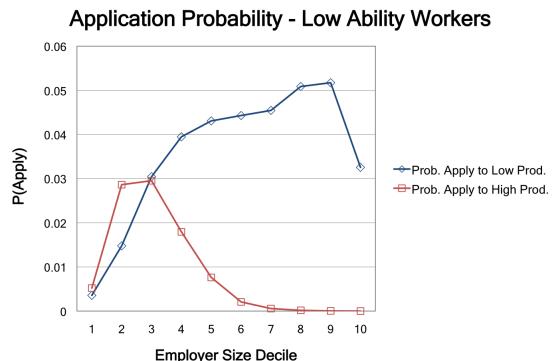
(a) Wages



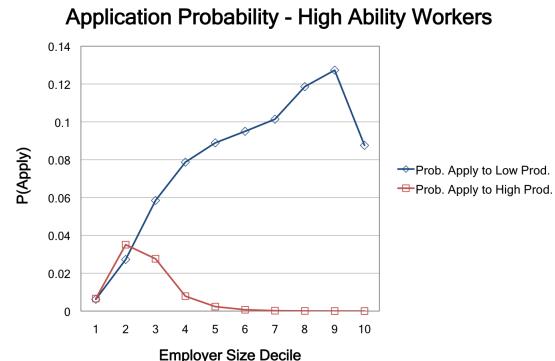
(b) Low Prod. Vacs.



(c) High Prod. Vacs.



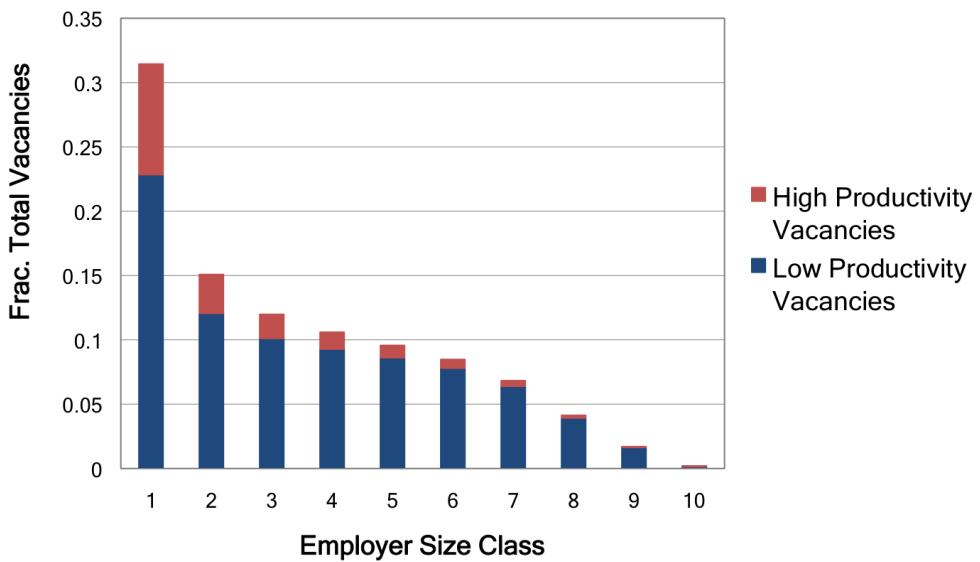
(d) App. Prob. Low Ability



(e) App. Prob. High Ability

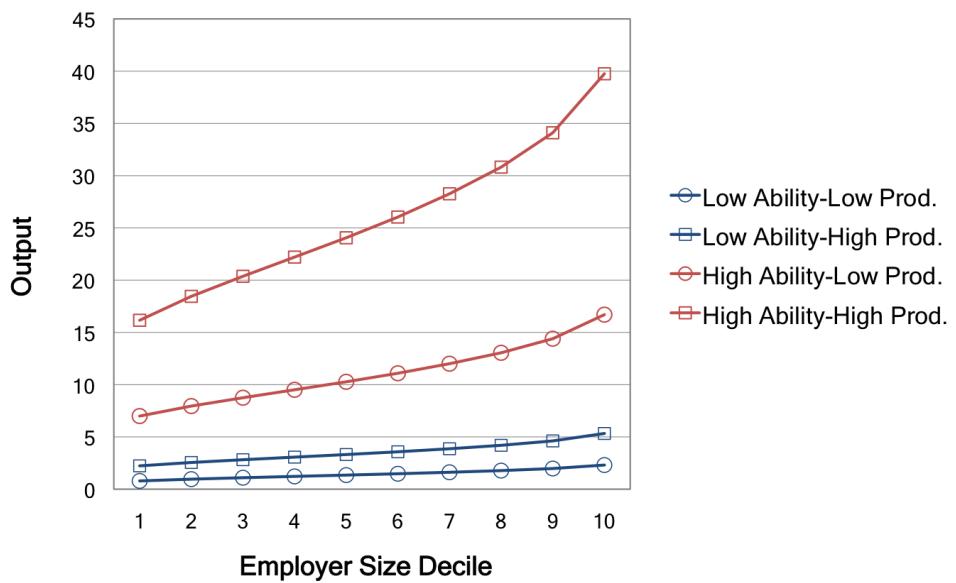
Figure 34: Estimated Equilibrium: Finance Sector

Distribution of Vacancies Across Employer Productive Type by Size Class



(a) Vacancies

Estimated Match Output



(b) Production

Figure 35: Estimated Model Primitives: Real Estate Sector

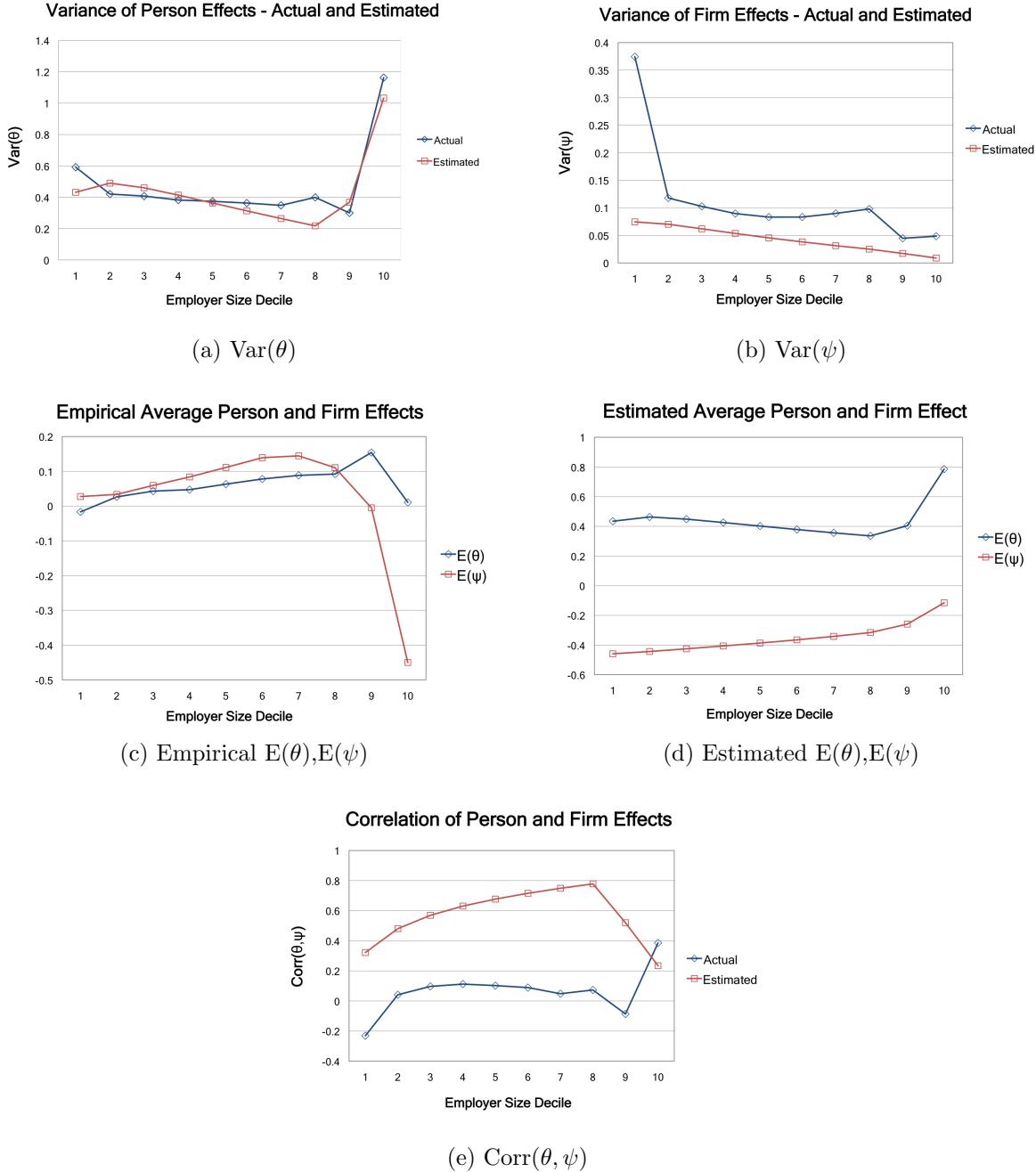
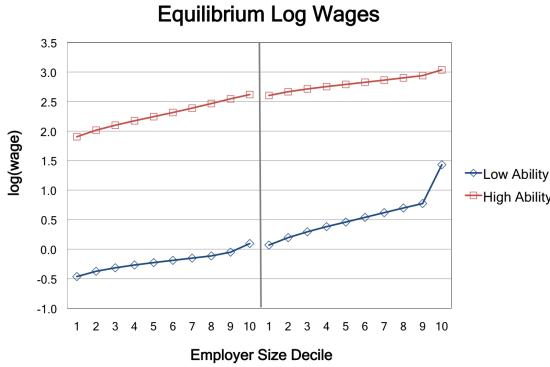
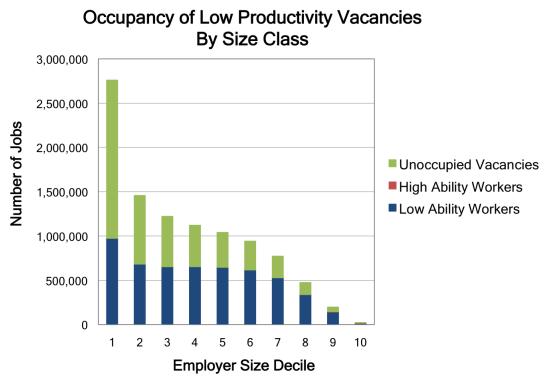


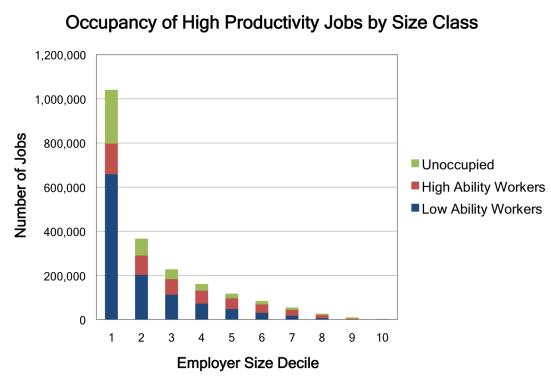
Figure 36: Data and Model Fit: Real Estate Sector



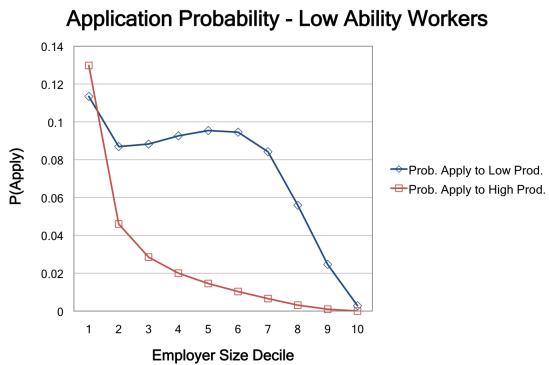
(a) Wages



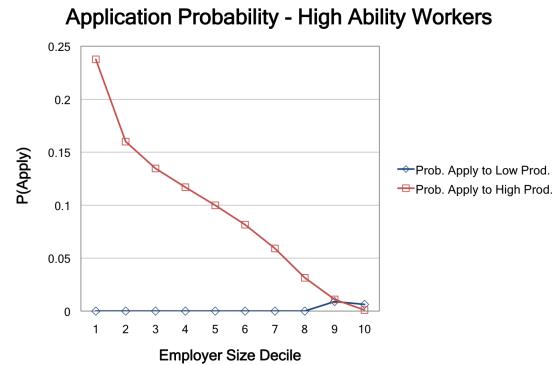
(b) Low Prod. Vacs.



(c) High Prod. Vacs.



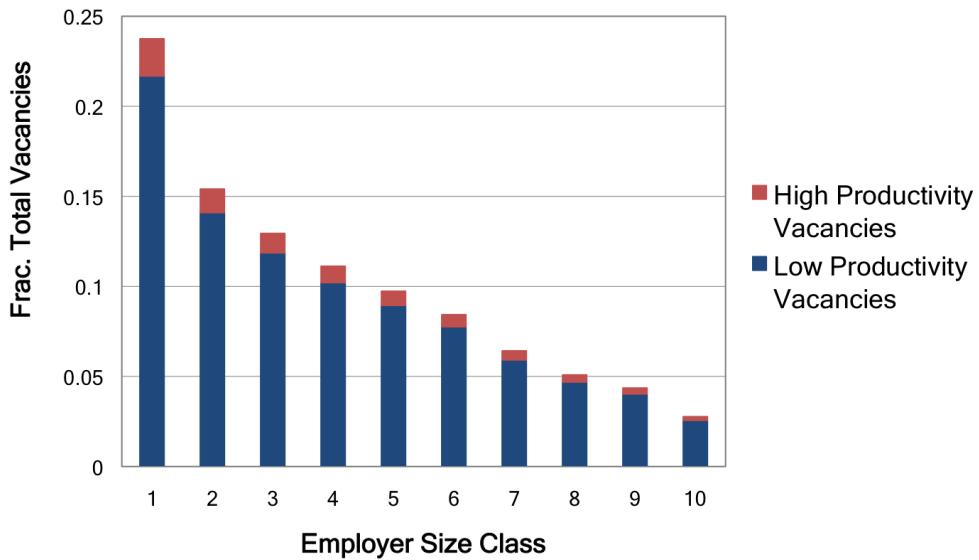
(d) App. Prob. Low Ability



(e) App. Prob. High Ability

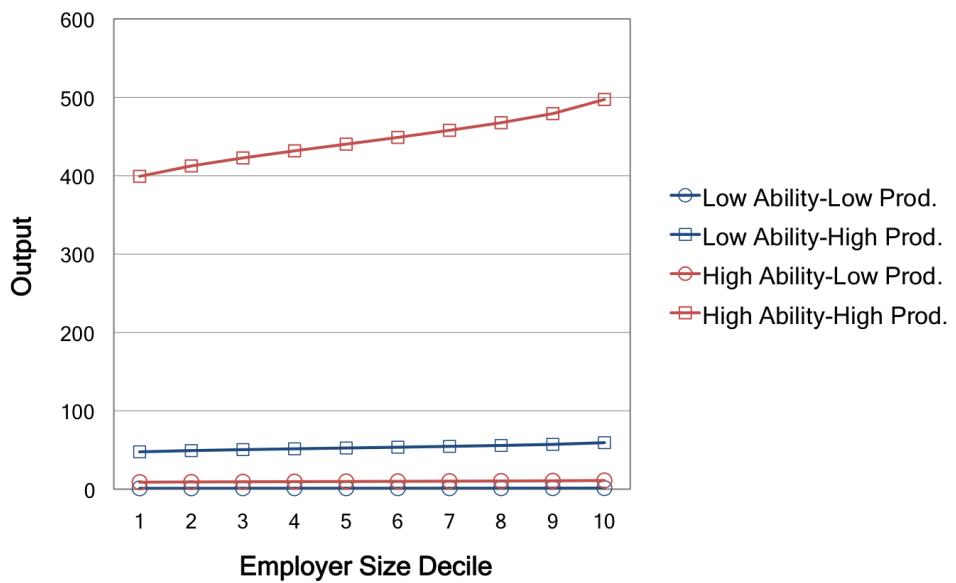
Figure 37: Estimated Equilibrium: Real Estate Sector

Distribution of Vacancies Across Employer Productive Type by Size Class



(a) Vacancies

Estimated Match Output



(b) Production

Figure 38: Estimated Model Primitives: Professional Services Sector

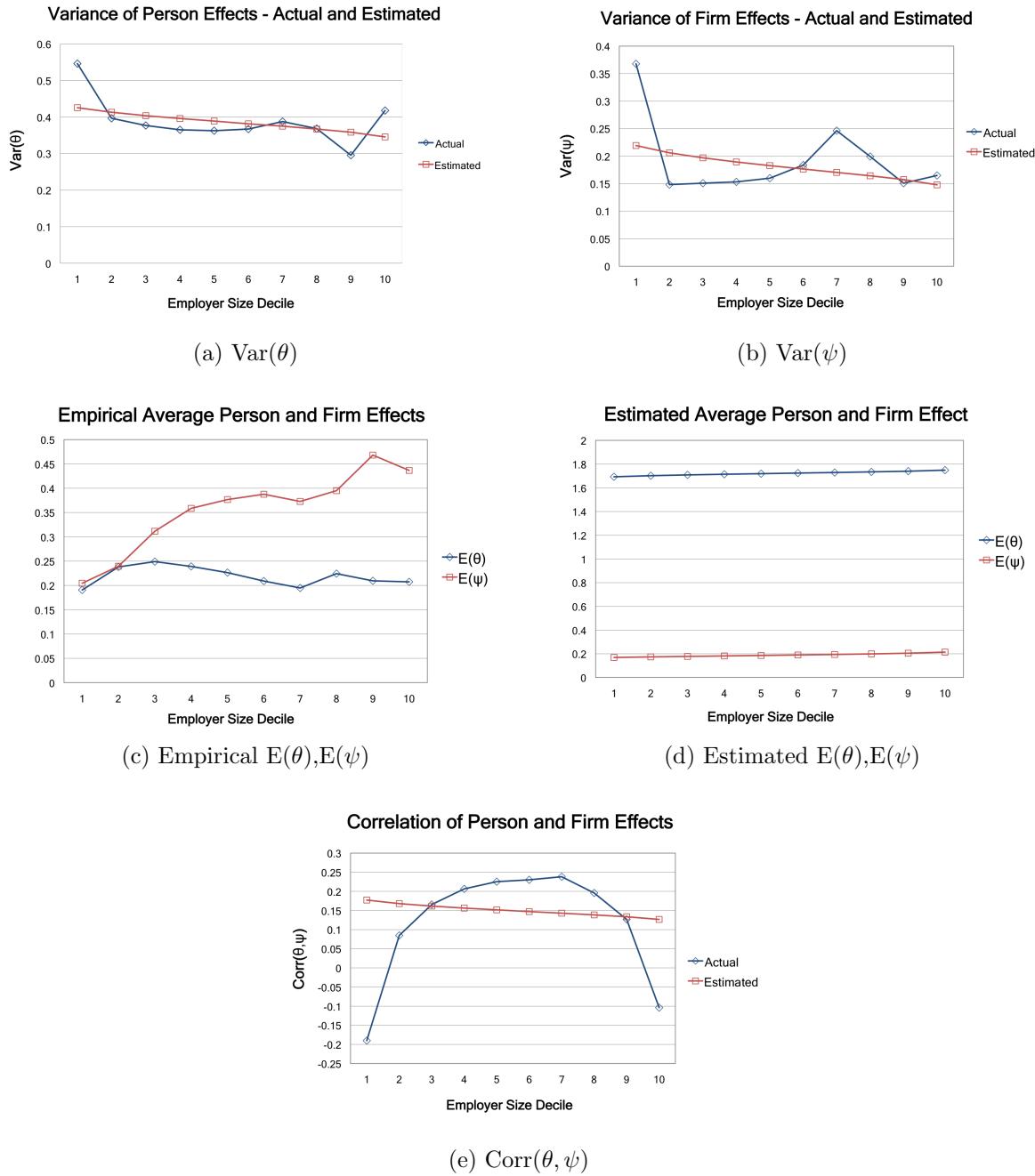
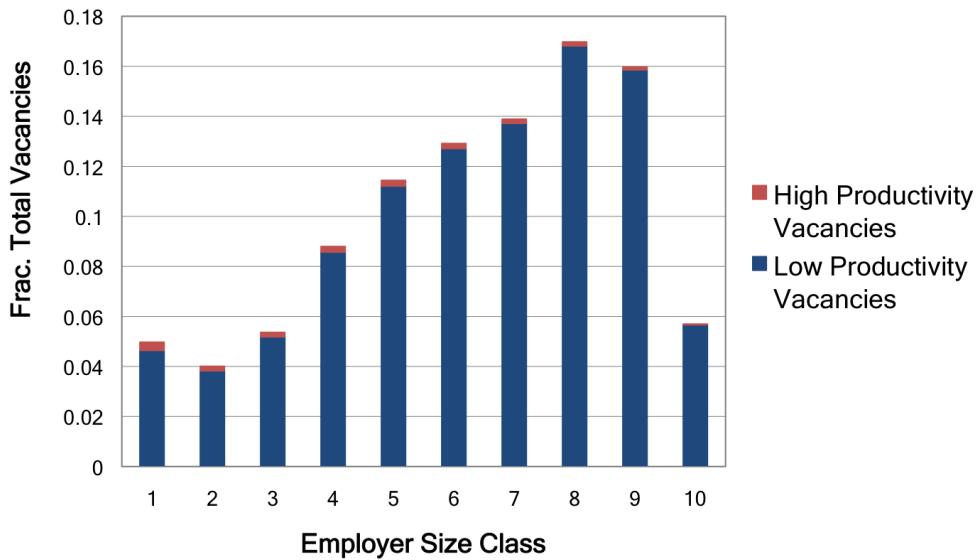


Figure 39: Data and Model Fit: Professional Services Sector



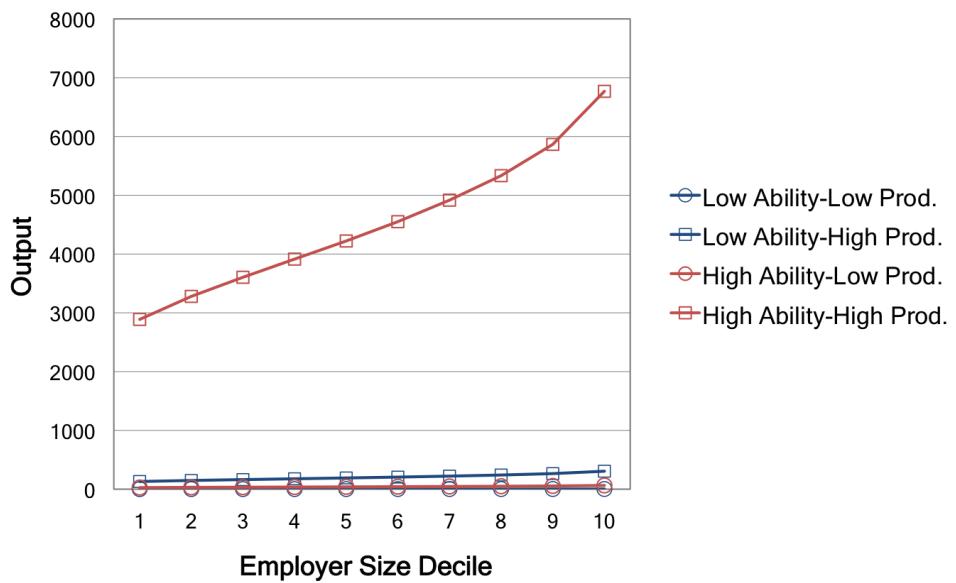
Figure 40: Estimated Equilibrium: Professional Services Sector

Distribution of Vacancies Across Employer Productive Type by Size Class



(a) Vacancies

Estimated Match Output



(b) Production

Figure 41: Estimated Model Primitives: Management Sector

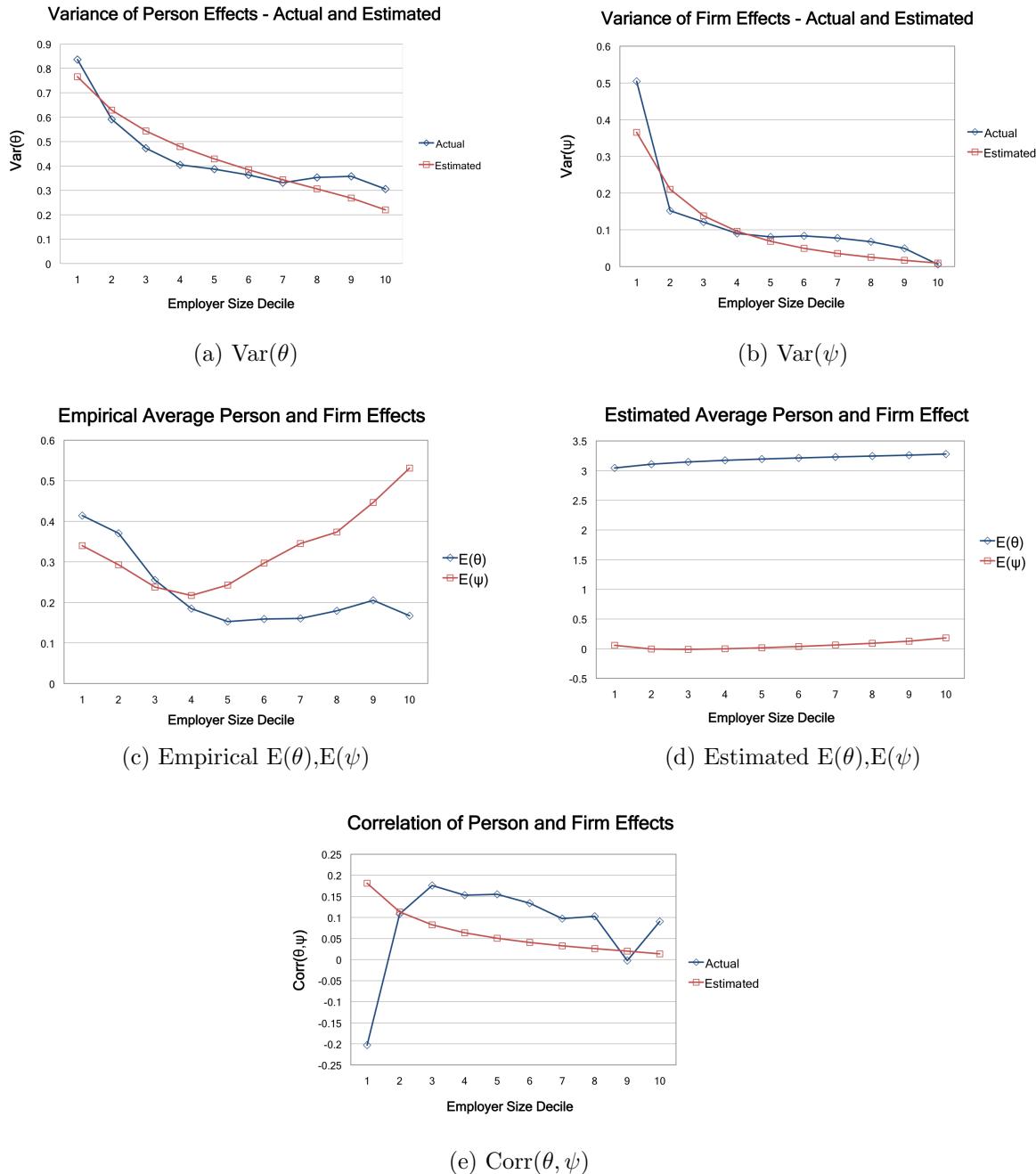
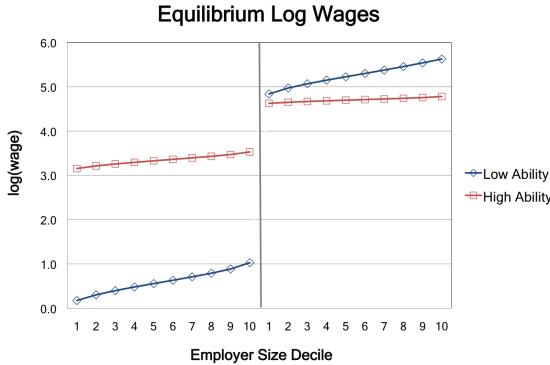
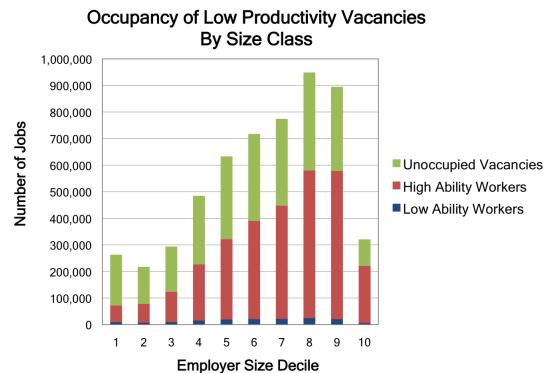


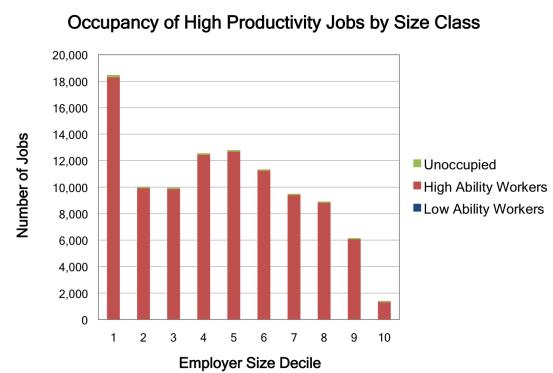
Figure 42: Data and Model Fit: Management Sector



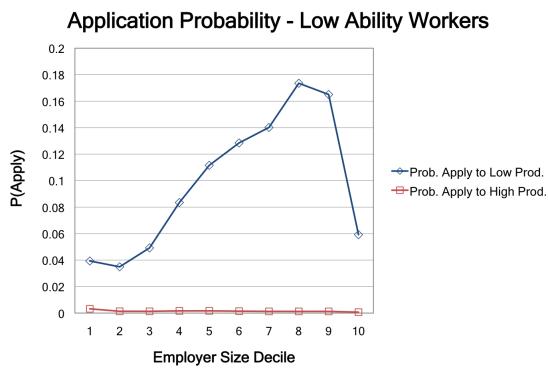
(a) Wages



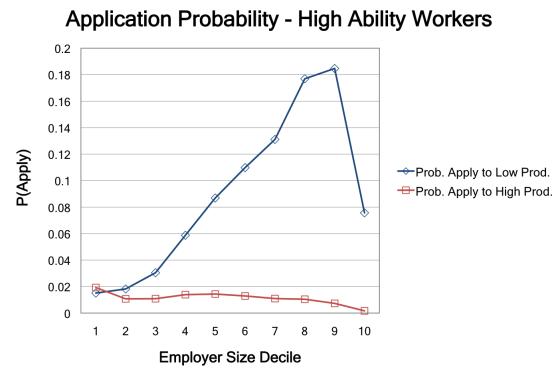
(b) Low Prod. Vacs.



(c) High Prod. Vacs.



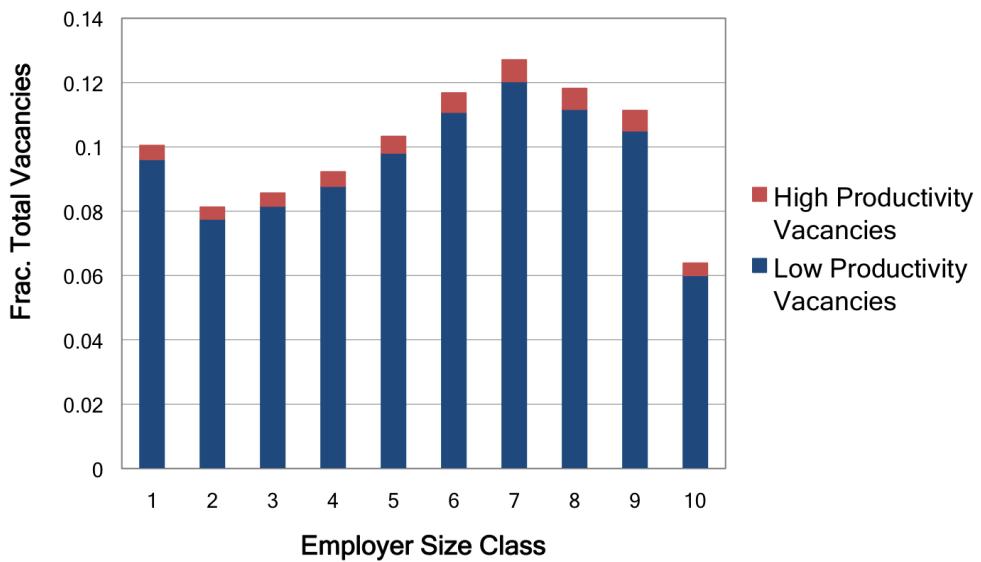
(d) App. Prob. Low Ability



(e) App. Prob. High Ability

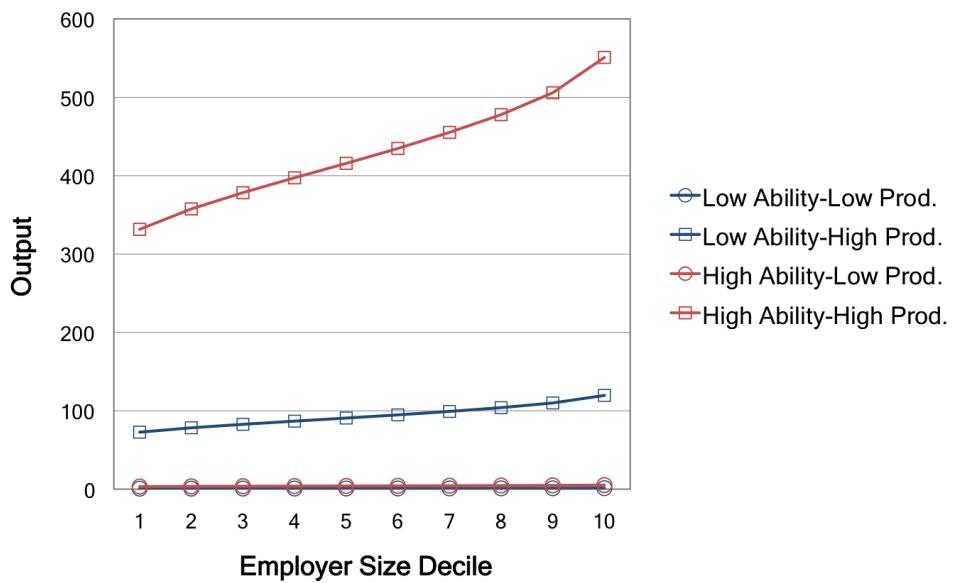
Figure 43: Estimated Equilibrium: Management Sector

Distribution of Vacancies Across Employer Productive Type by Size Class



(a) Vacancies

Estimated Match Output



(b) Production

Figure 44: Estimated Model Primitives: Administration Sector

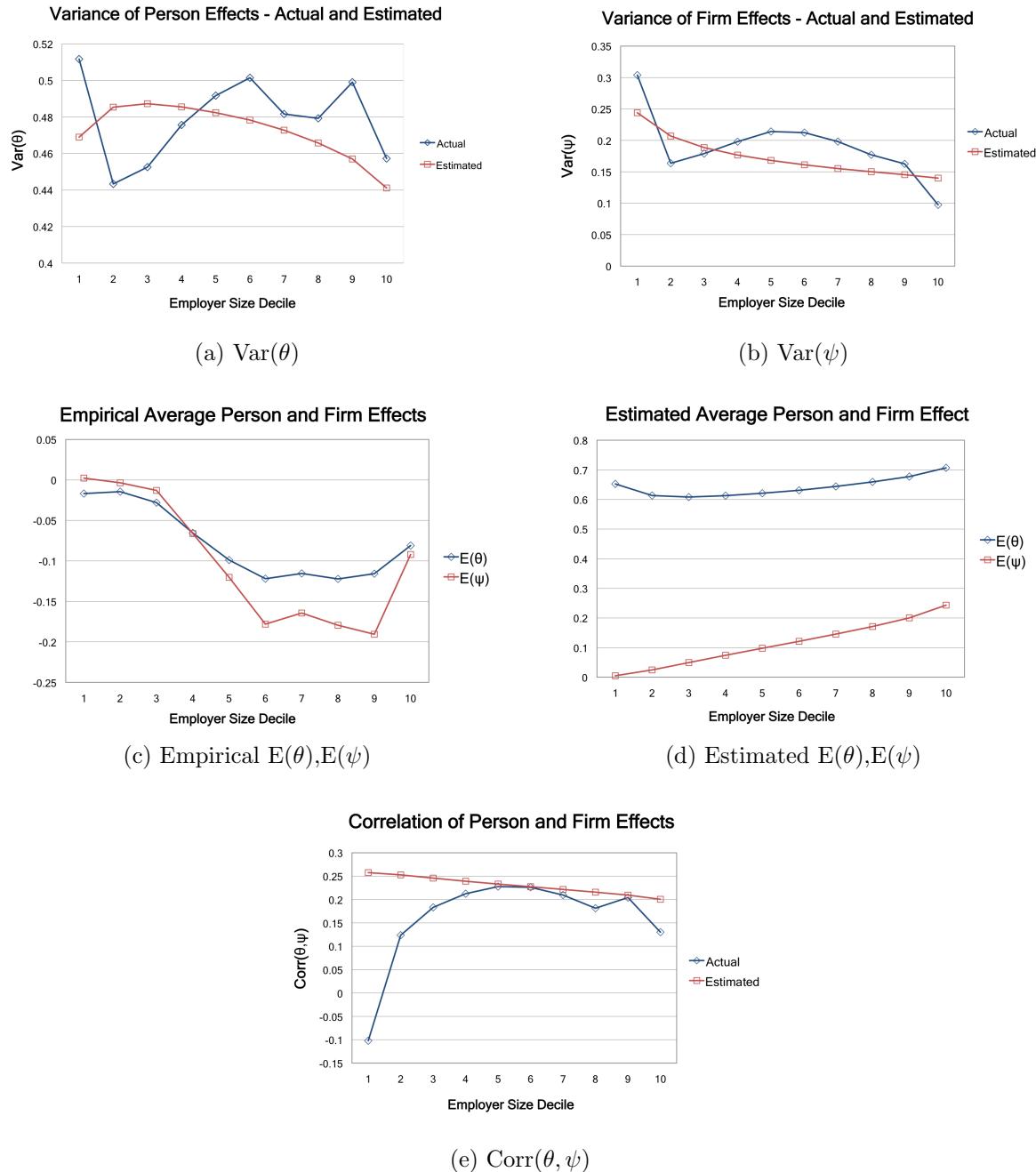
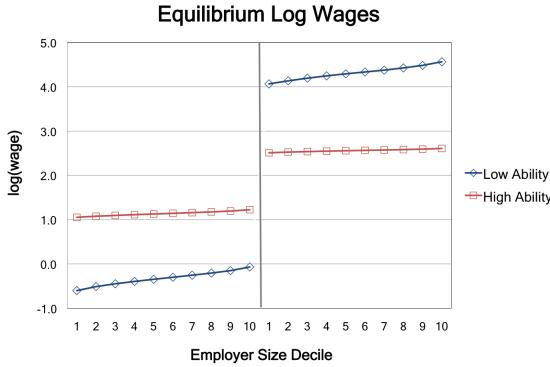
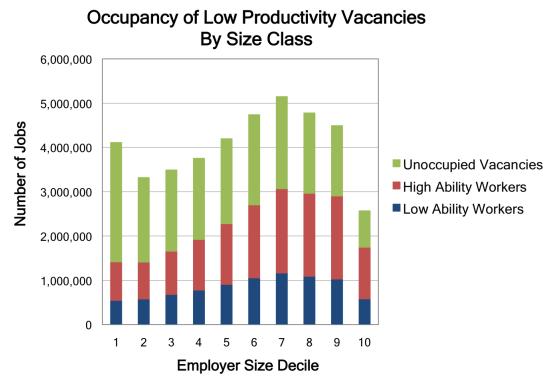


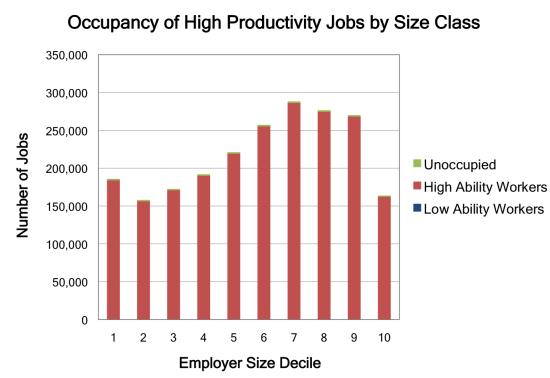
Figure 45: Data and Model Fit: Administration Sector



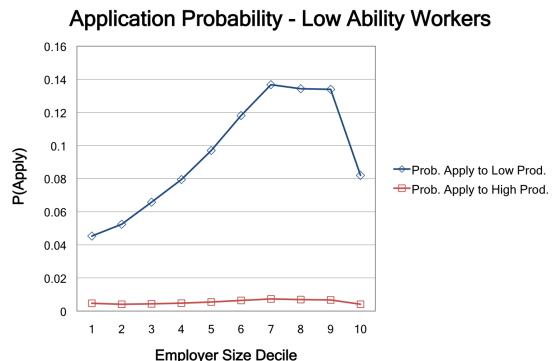
(a) Wages



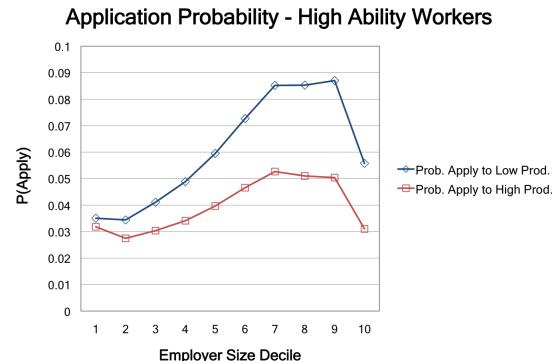
(b) Low Prod. Vacs.



(c) High Prod. Vacs.



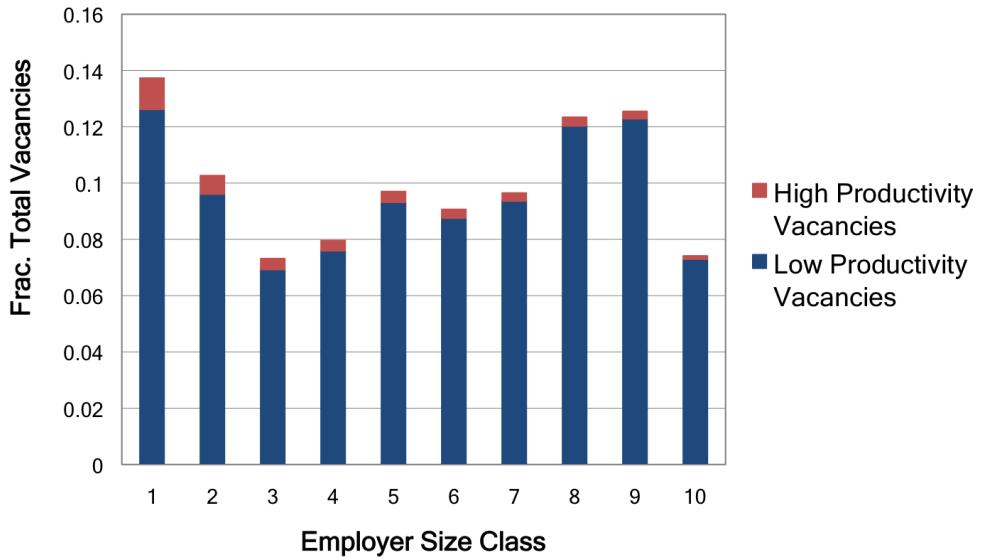
(d) App. Prob. Low Ability



(e) App. Prob. High Ability

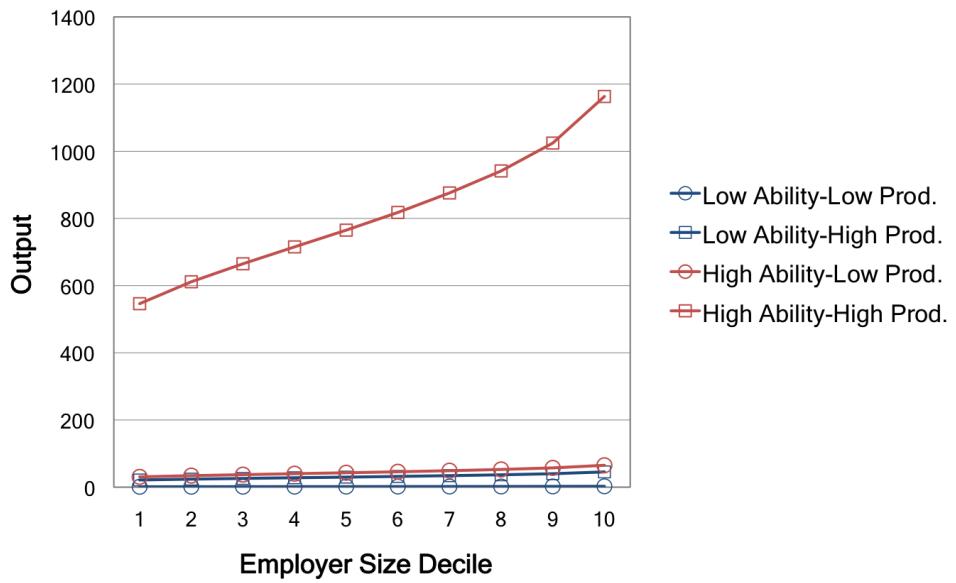
Figure 46: Estimated Equilibrium: Administration Sector

Distribution of Vacancies Across Employer Productive Type by Size Class



(a) Vacancies

Estimated Match Output



(b) Production

Figure 47: Estimated Model Primitives: Health Sector

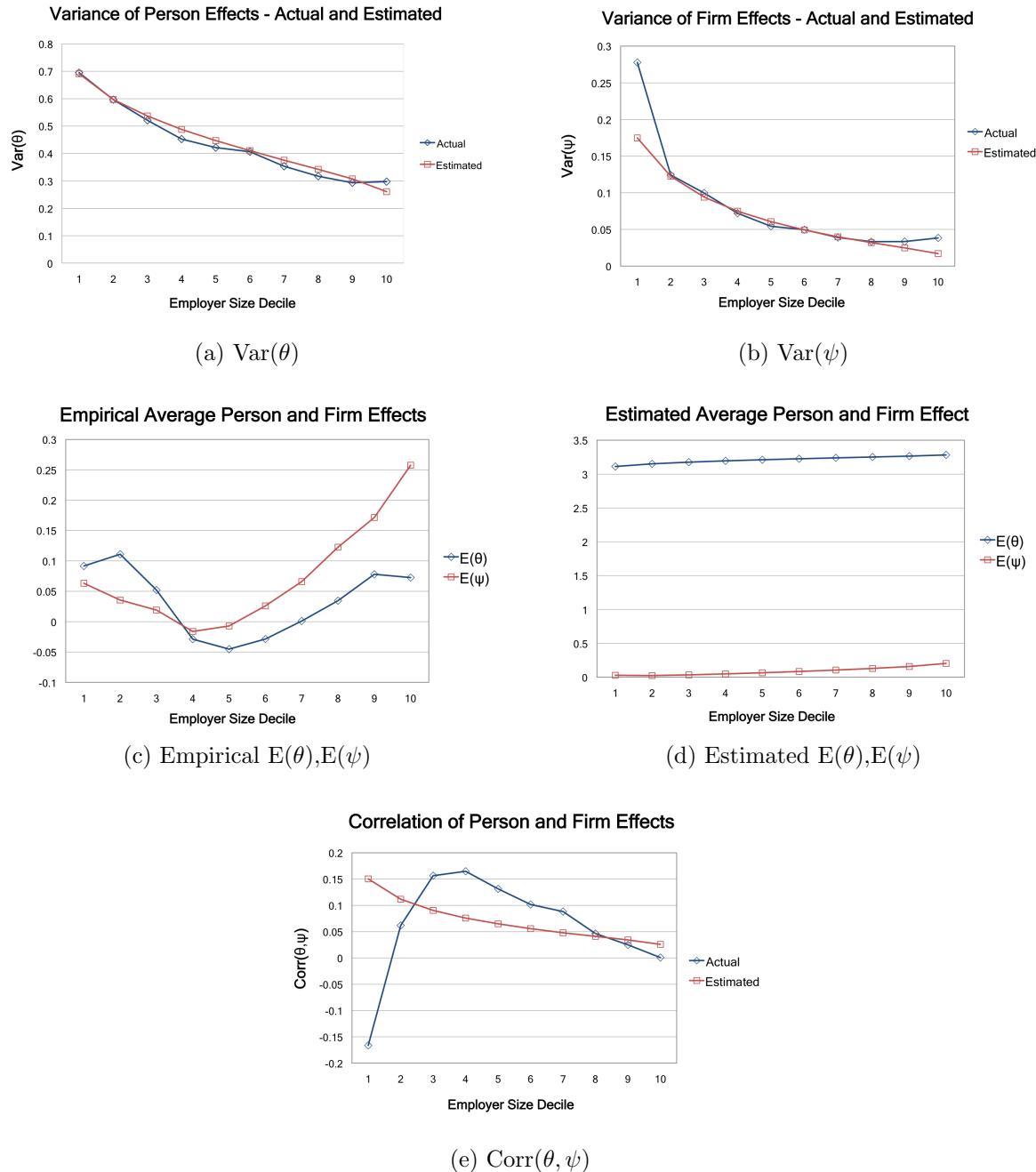
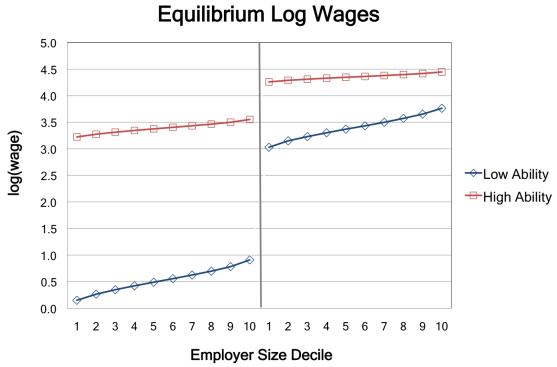
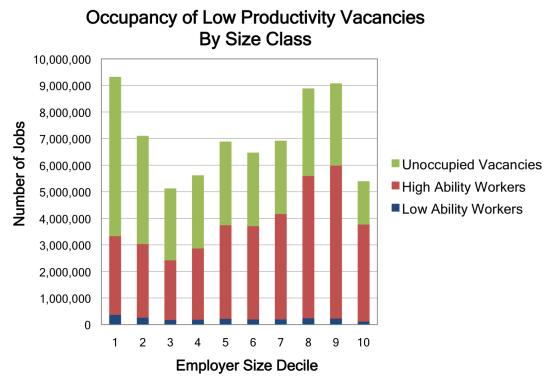


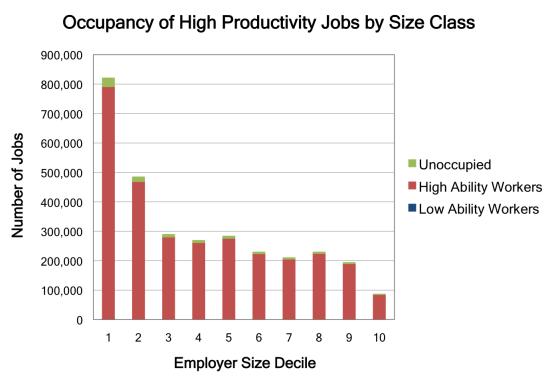
Figure 48: Data and Model Fit: Health Sector



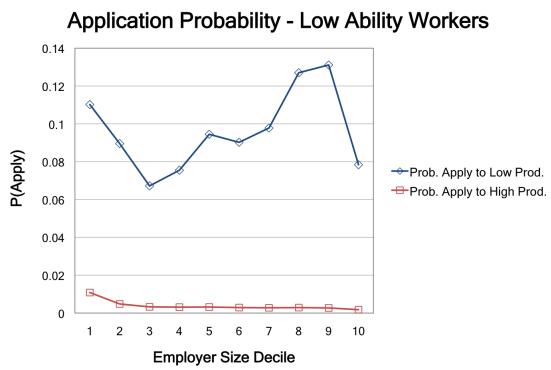
(a) Wages



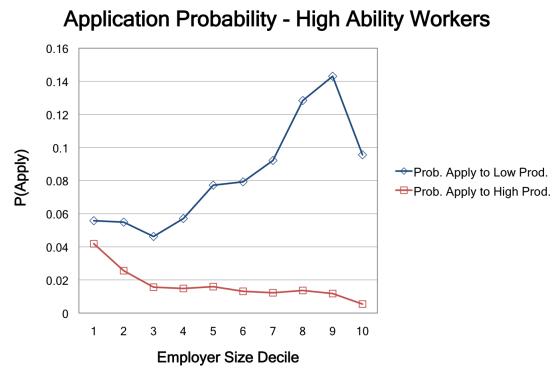
(b) Low Prod. Vacs.



(c) High Prod. Vacs.



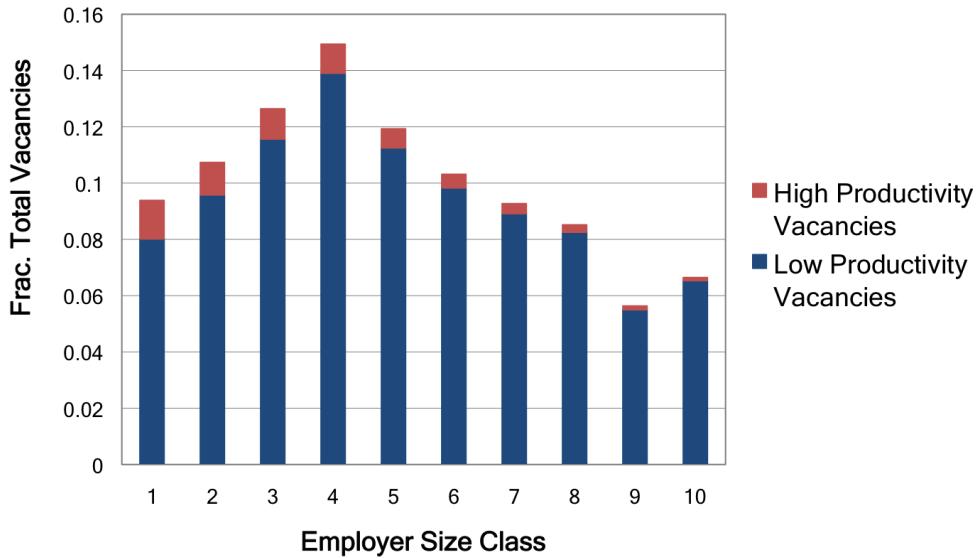
(d) App. Prob. Low Ability



(e) App. Prob. High Ability

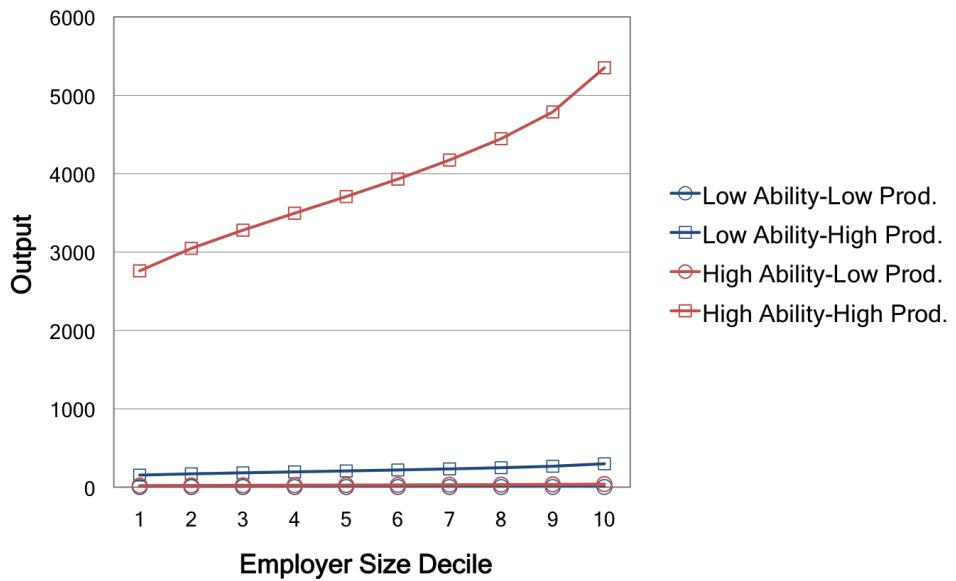
Figure 49: Estimated Equilibrium: Health Sector

Distribution of Vacancies Across Employer Productive Type by Size Class



(a) Vacancies

Estimated Match Output



(b) Production

Figure 50: Estimated Model Primitives: Arts Sector

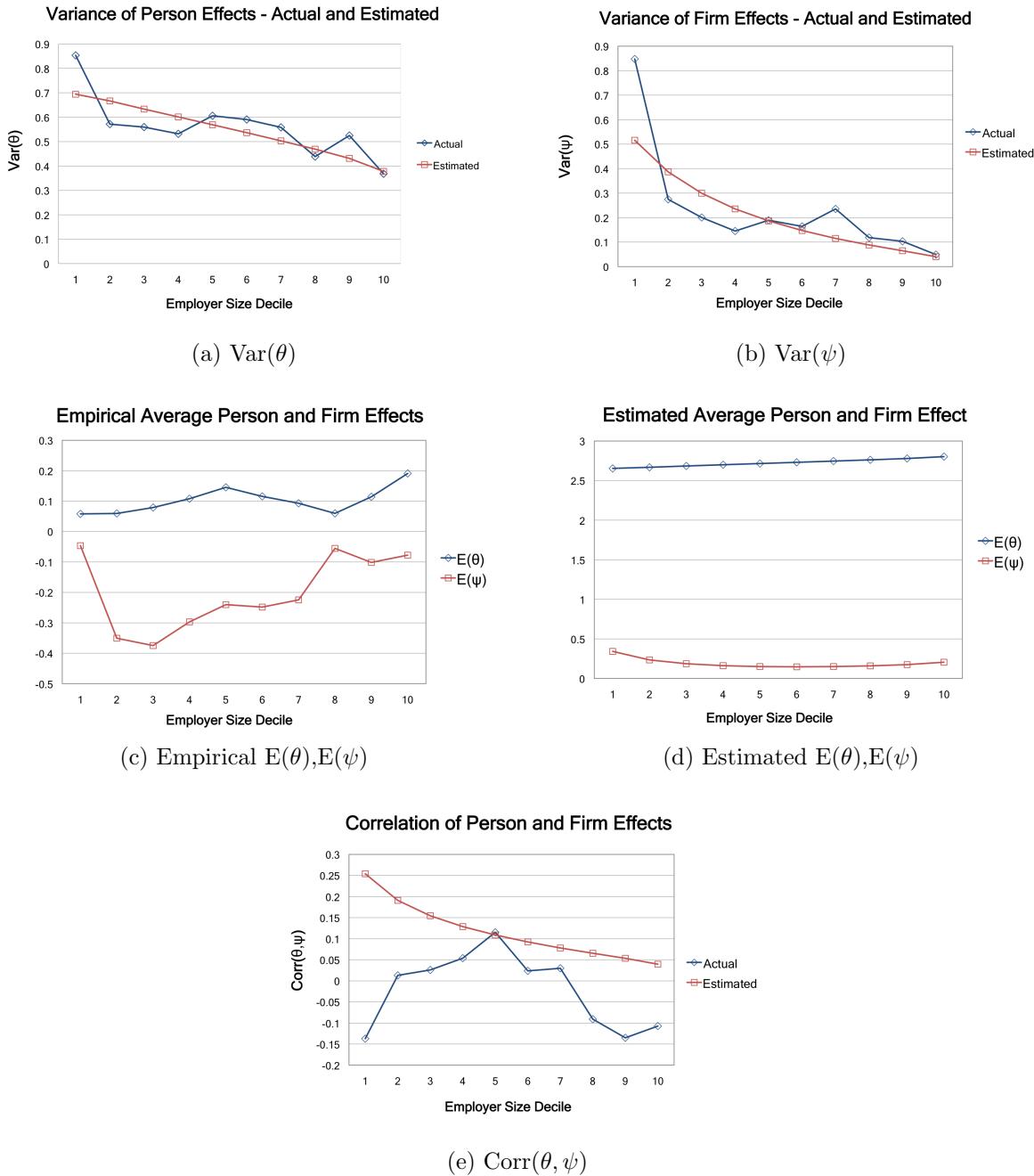
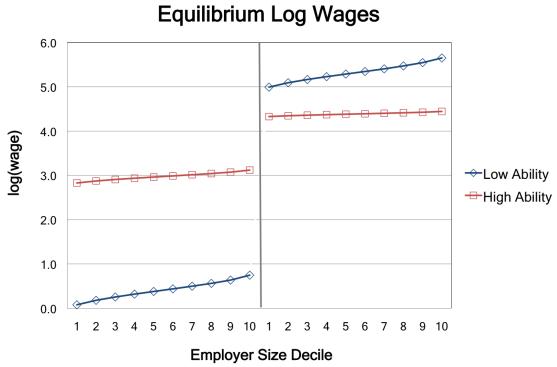
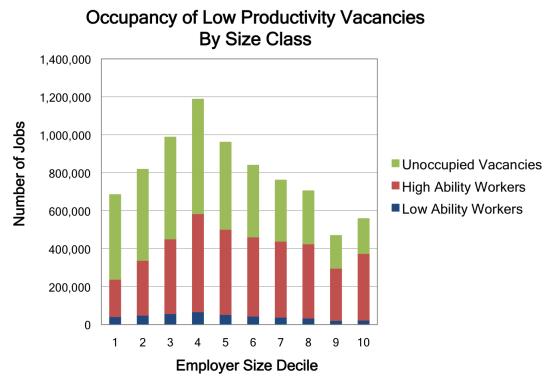


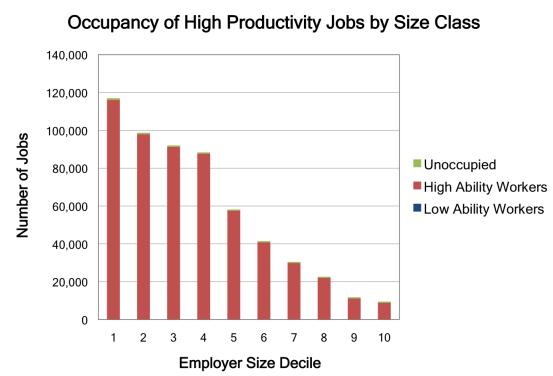
Figure 51: Data and Model Fit: Arts Sector



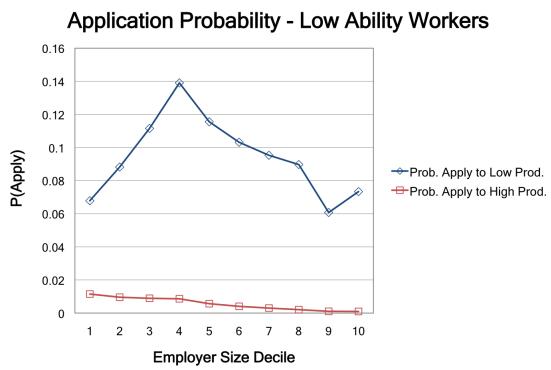
(a) Wages



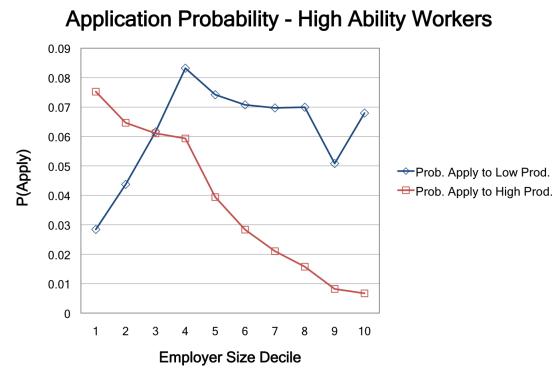
(b) Low Prod. Vacs.



(c) High Prod. Vacs.



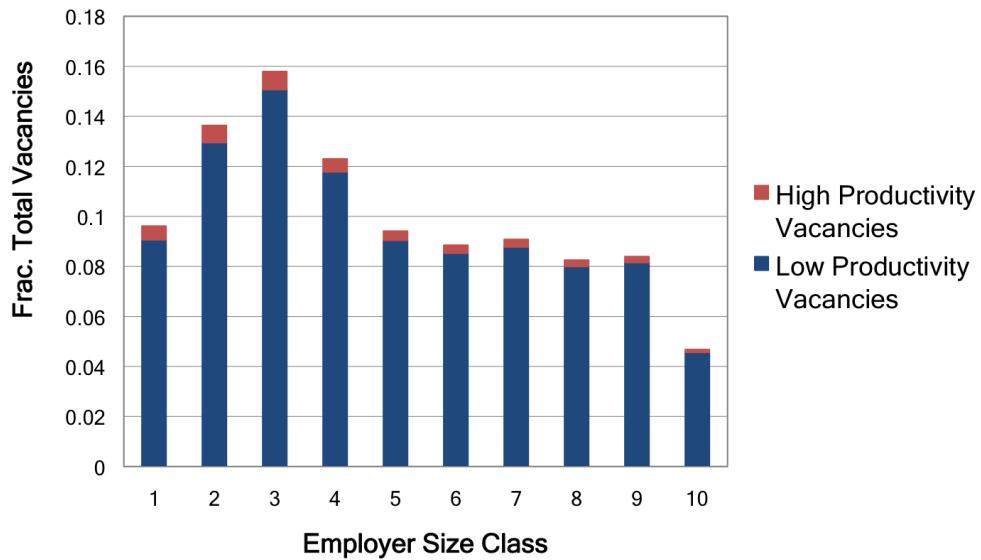
(d) App. Prob. Low Ability



(e) App. Prob. High Ability

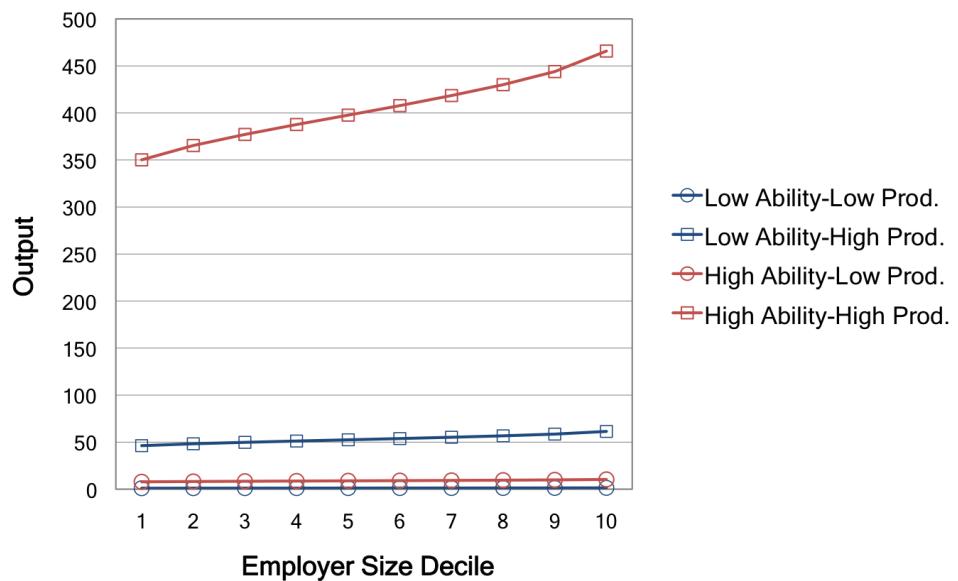
Figure 52: Estimated Equilibrium: Arts Sector

Distribution of Vacancies Across Employer Productive Type by Size Class



(a) Vacancies

Estimated Match Output



(b) Production

Figure 53: Estimated Model Primitives: Accommodation Sector

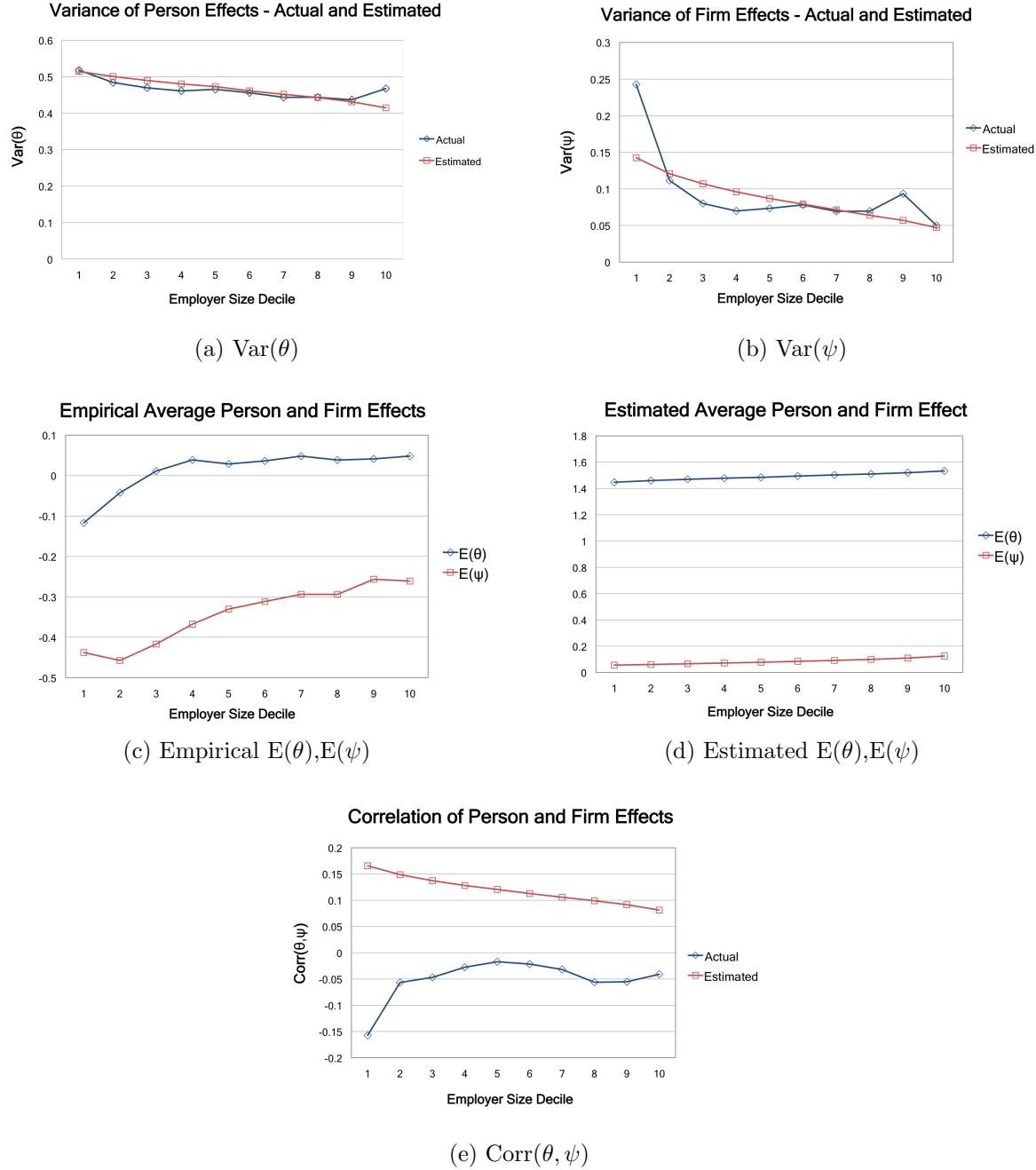
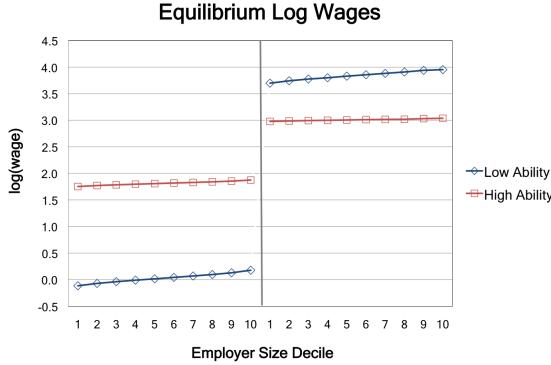
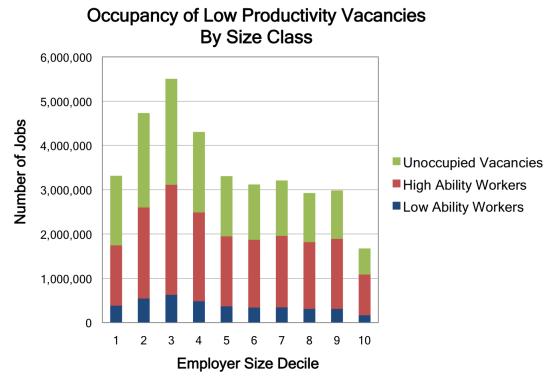


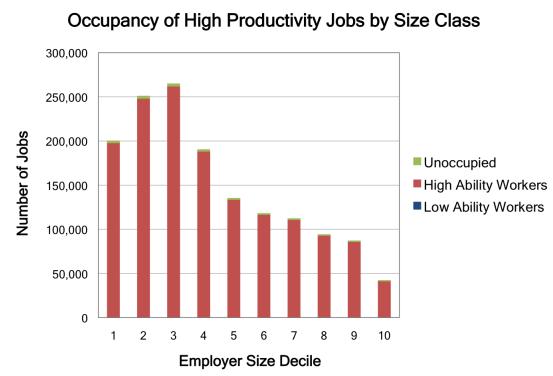
Figure 54: Data and Model Fit: Accommodation Sector



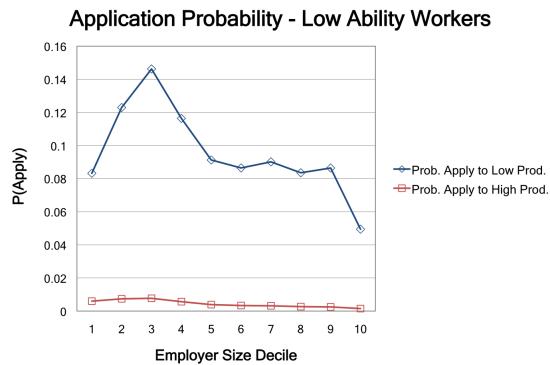
(a) Wages



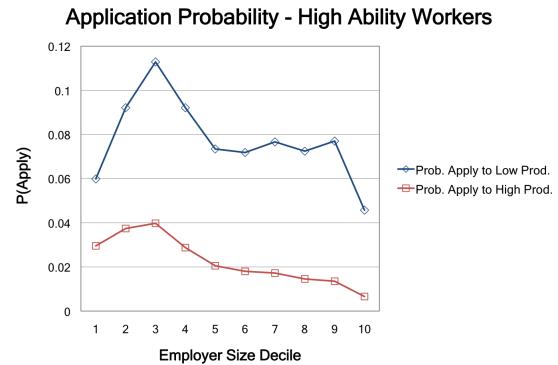
(b) Low Prod. Vacs.



(c) High Prod. Vacs.



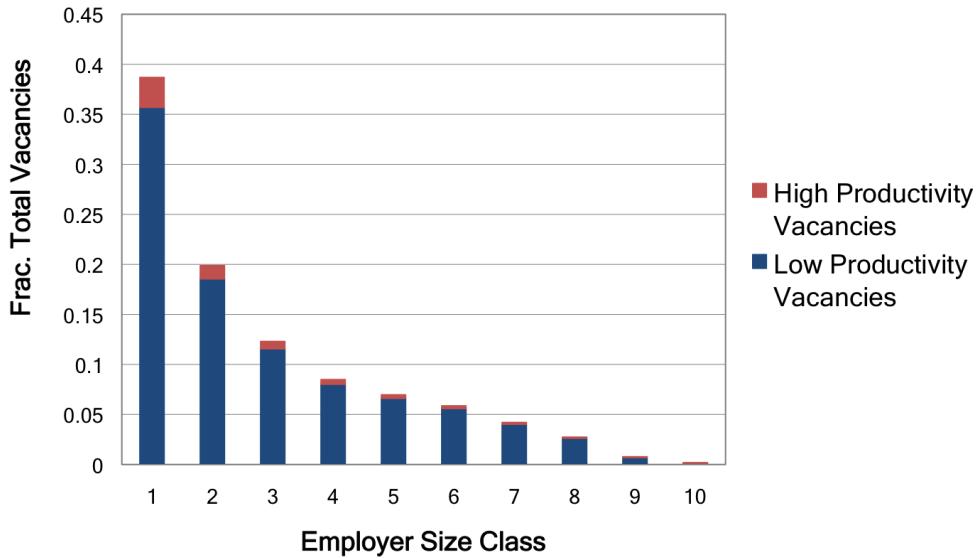
(d) App. Prob. Low Ability



(e) App. Prob. High Ability

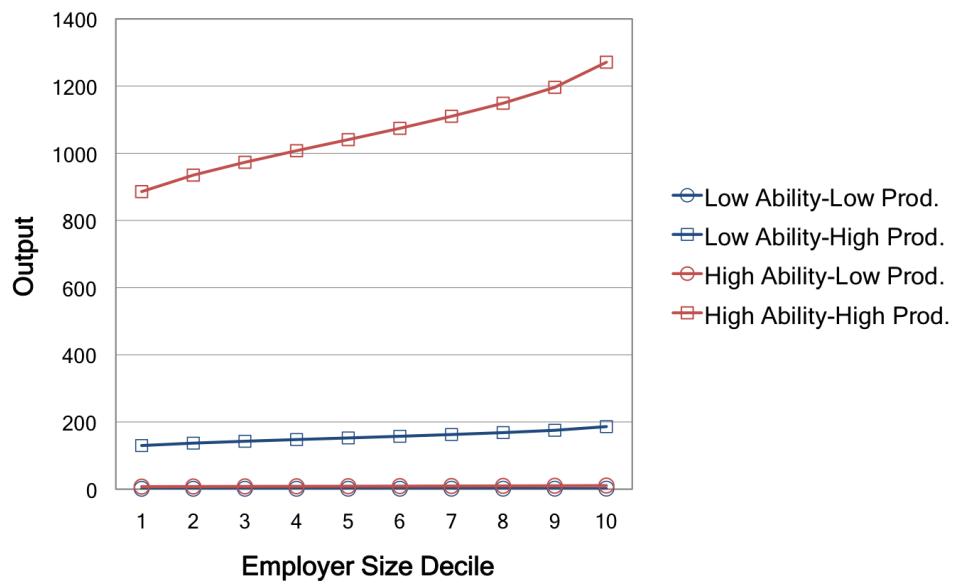
Figure 55: Estimated Equilibrium: Accommodation Sector

Distribution of Vacancies Across Employer Productive Type by Size Class



(a) Vacancies

Estimated Match Output



(b) Production

Figure 56: Estimated Model Primitives: Other Services Sector

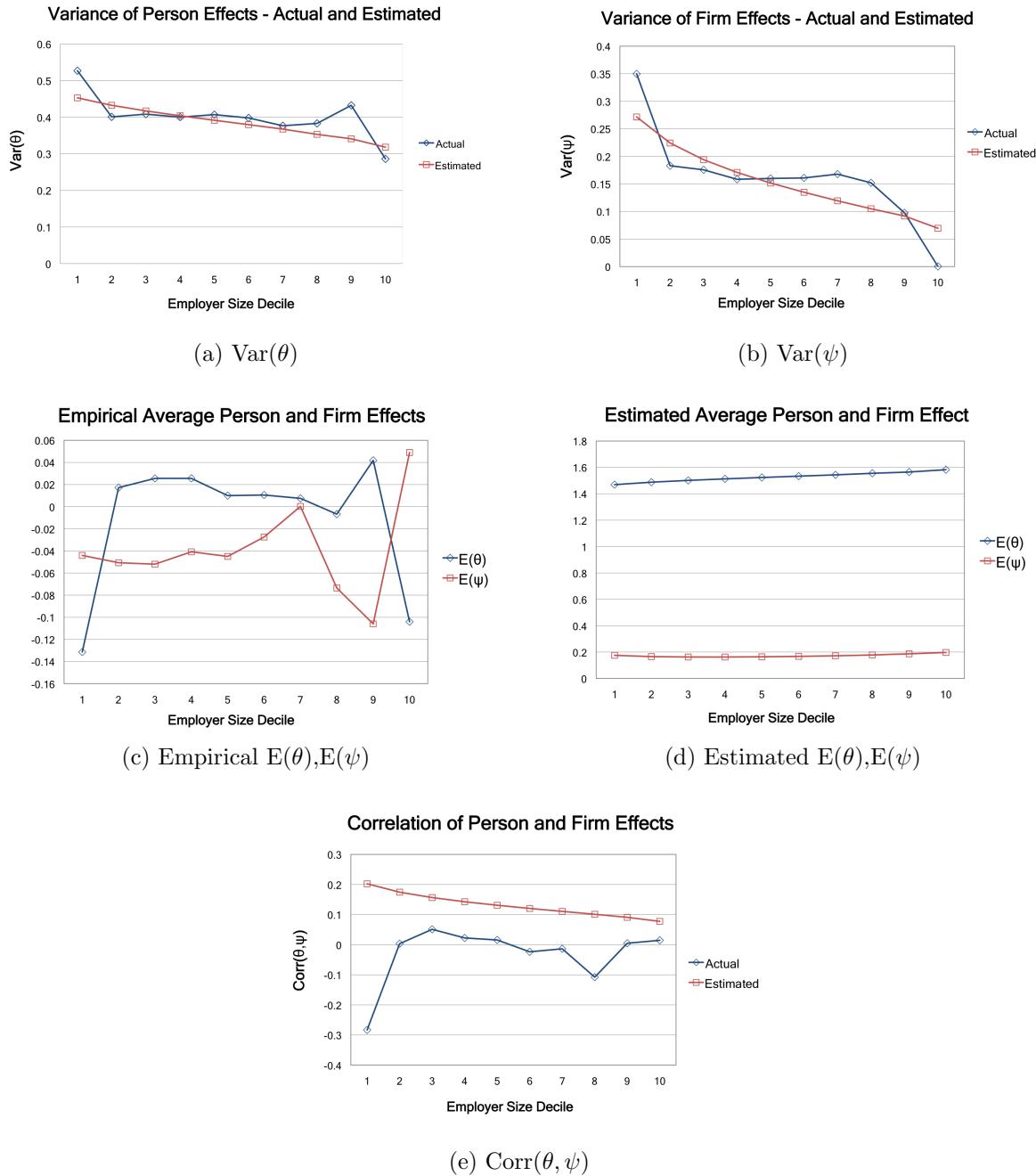
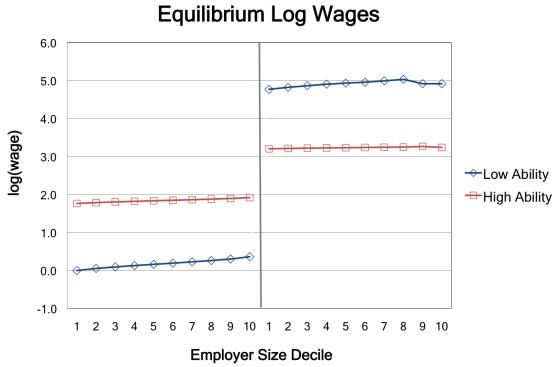
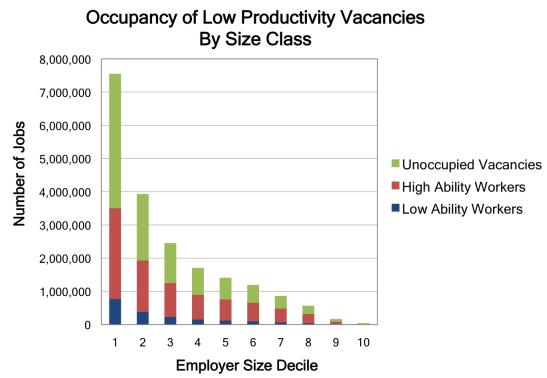


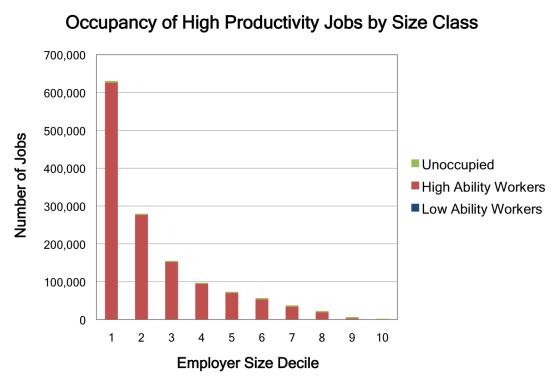
Figure 57: Data and Model Fit: Other Services Sector



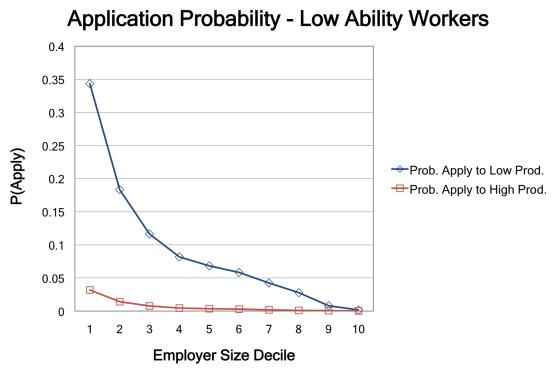
(a) Wages



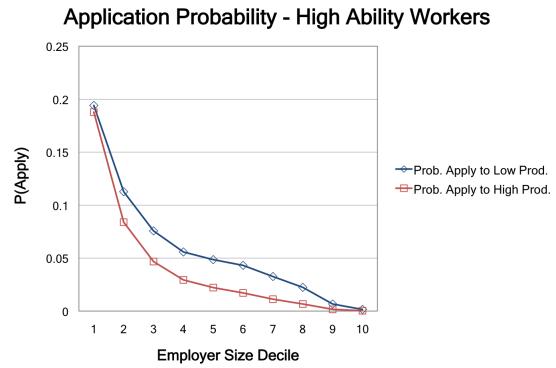
(b) Low Prod. Vacs.



(c) High Prod. Vacs.



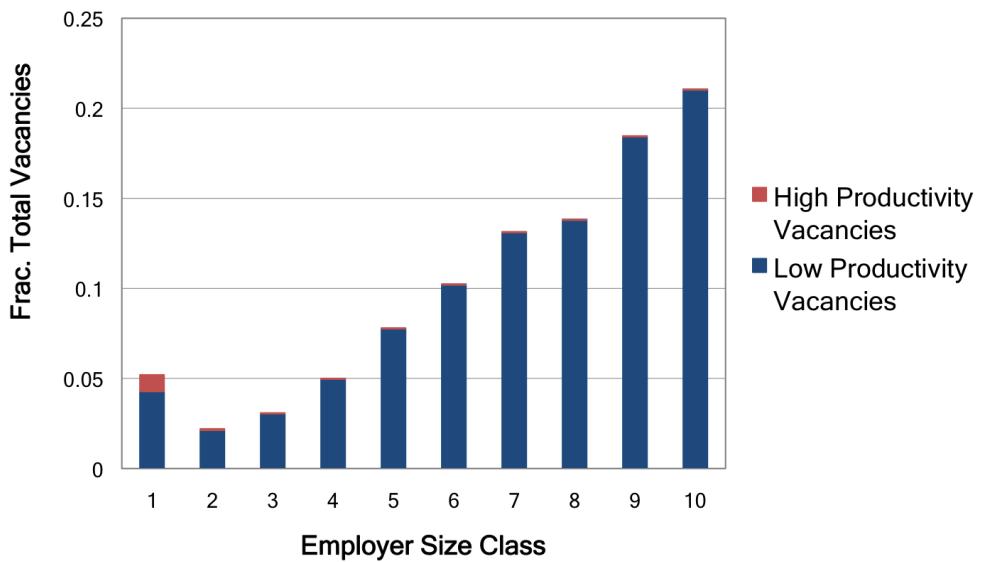
(d) App. Prob. Low Ability



(e) App. Prob. High Ability

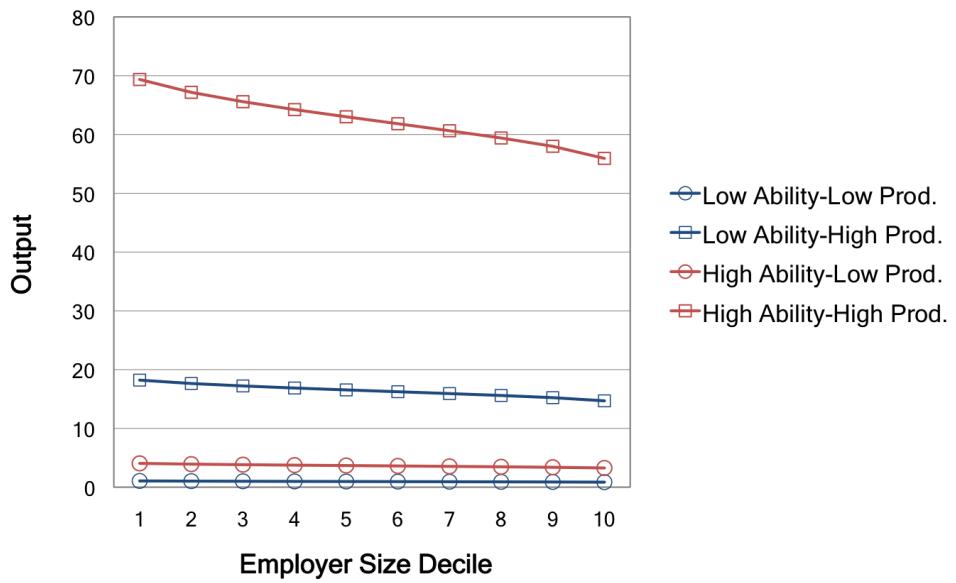
Figure 58: Estimated Equilibrium: Other Services Sector

Distribution of Vacancies Across Employer Productive Type by Size Class



(a) Vacancies

Estimated Match Output



(b) Production

Figure 59: Estimated Model Primitives: Public Administration Sector

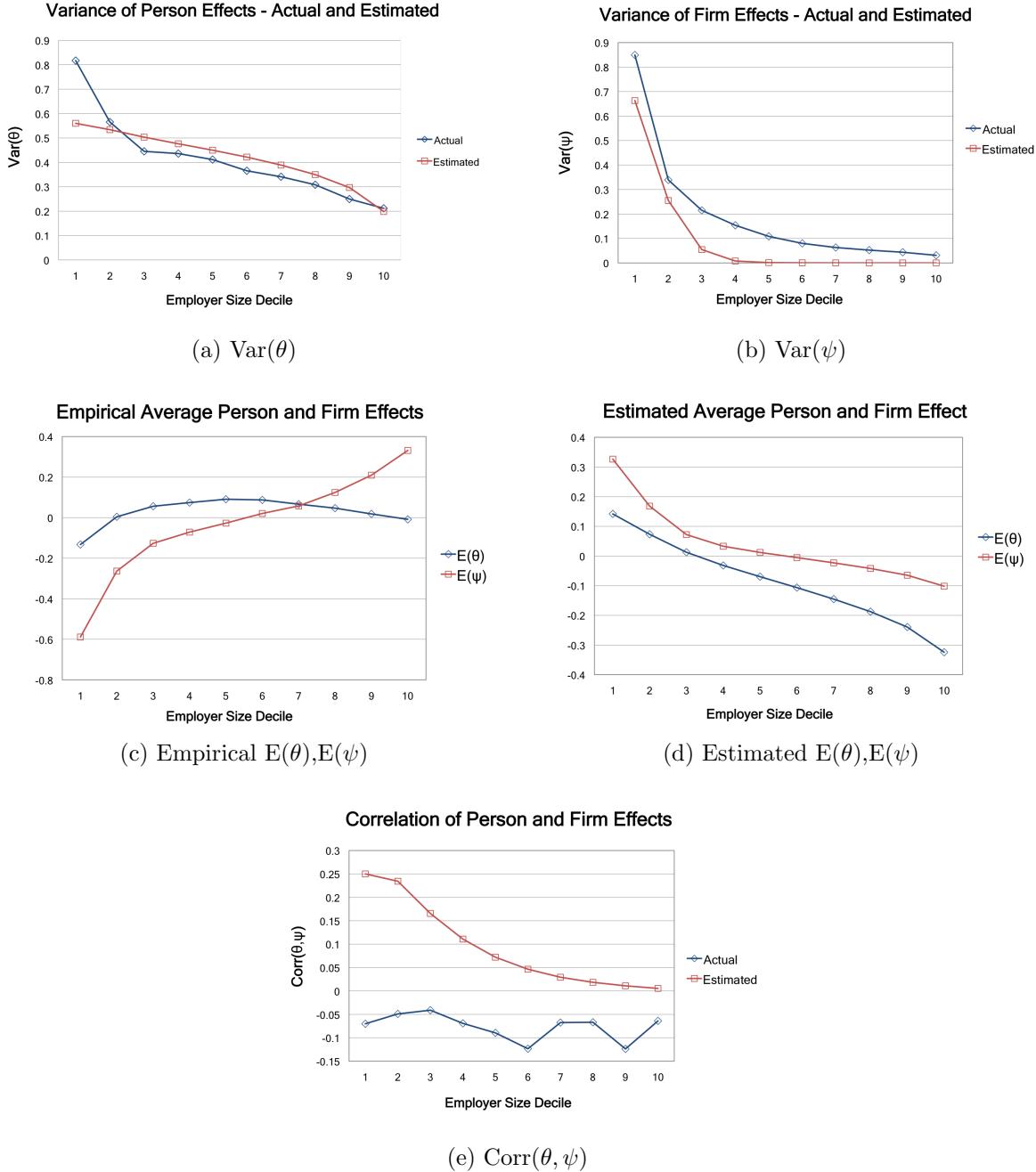
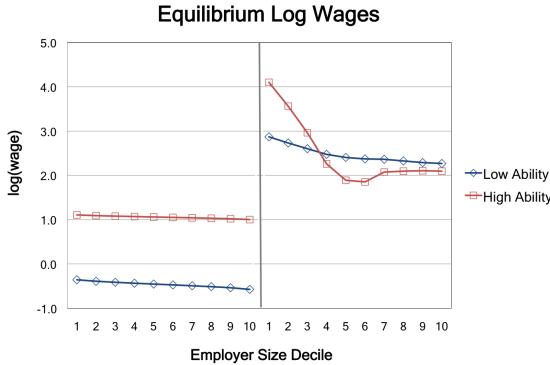
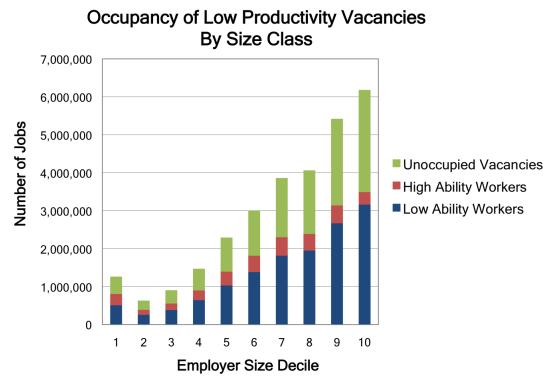


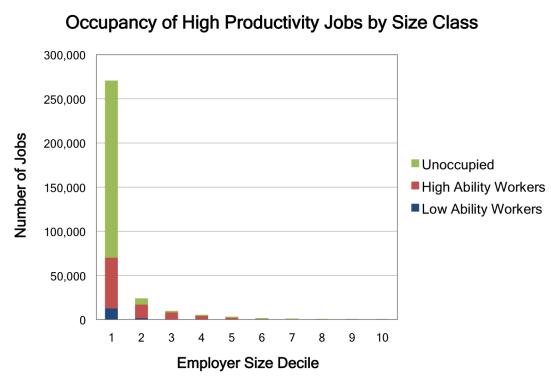
Figure 60: Data and Model Fit: Public Administration Sector



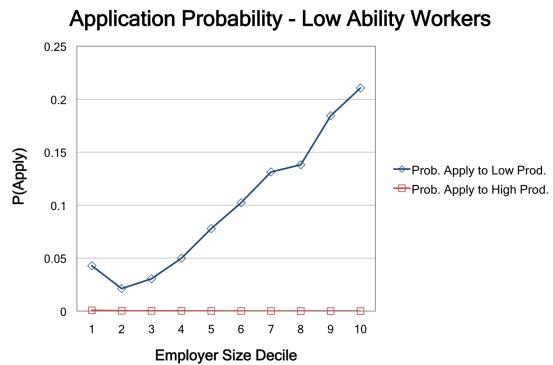
(a) Wages



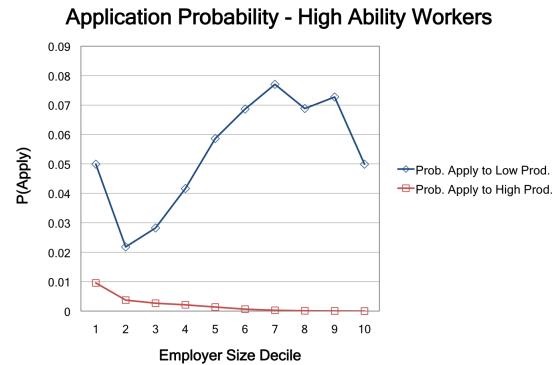
(b) Low Prod. Vacs.



(c) High Prod. Vacs.



(d) App. Prob. Low Ability



(e) App. Prob. High Ability

Figure 61: Estimated Equilibrium: Public Administration Sector