

TABLE 4—REDUCED-FORM MODELS FOR CHANGE IN EMPLOYMENT

Independent variable	Model				
	(i)	(ii)	(iii)	(iv)	(v)
1. New Jersey dummy	2.33 (1.19)	2.30 (1.20)	—	—	—
2. Initial wage gap <sup>a</sup>	—	—	15.65 (6.08)	14.92 (6.21)	11.91 (7.39)
3. Controls for chain and ownership <sup>b</sup>	no	yes	no	yes	yes
4. Controls for region <sup>c</sup>	no	no	no	no	yes
5. Standard error of regression	8.79	8.78	8.76	8.76	8.75
6. Probability value for controls <sup>d</sup>	—	0.34	—	0.44	0.40

*Notes:* Standard errors are given in parentheses. The sample consists of 357 stores with available data on employment and starting wages in waves 1 and 2. The dependent variable in all models is change in FTE employment. The mean and standard deviation of the dependent variable are  $-0.237$  and  $8.825$ , respectively. All models include an unrestricted constant (not reported).

<sup>a</sup>Proportional increase in starting wage necessary to raise starting wage to new minimum rate. For stores in Pennsylvania the wage gap is 0.

<sup>b</sup>Three dummy variables for chain type and whether or not the store is company-owned are included.

<sup>c</sup>Dummy variables for two regions of New Jersey and two regions of eastern Pennsylvania are included.

<sup>d</sup>Probability value of joint  $F$  test for exclusion of all control variables.