

Naive “robust” std err order of magnitude too small!

PROJECTING FIRM EFFECTS ONTO COVARIATES^a

	(1)	(2)
Older Worker	0.0272 (0.0009) [0.0003]	-0.0016 (0.0024) [0.0001]
Log Firm Size		0.0276 (0.0007) [0.0001]
Older Worker \times Log Firm Size		0.0028 (0.0005) [0.0002]
Predicted Gap in Firm Effects (Older vs. Younger Workers)	0.0272 (0.0009) [0.0003]	0.0054 (0.0019) [0.0008]
Number of Observations	1,319,972	1,319,972

^aThis table reports the coefficients from projections of firm effects onto worker and firm characteristics in the pooled leave-one-out sample. A constant is included in each model. Standard errors based on equation (7) reported in parentheses. Naive Eicker–White (HC1) standard errors shown in square brackets. “Predicted Gap in Firm Effects” reports the predicted difference in firm effects between older and younger workers according to either Column (1) or Column (2) evaluated at the median firm size of 12 workers.

Naive std error on old dummy off by a factor of 24 in Col 2! Leave out std error reveals that older workers no more likely to work at high paying firms after adjusting for firm size.