Figure I*: The Evolution of Log-Wages and Log-Wage Residuals: Alternative Imputation Methods

Panel A: Log–Wages, Men

Panel B: Log–Wage Residuals, Men

Panel C: Log–Wages, Women

Panel D: Log–Wage Residuals, Women

Legend (all panels):
- normal, some heterosked.
- normal, no heterosked.
- normal, full heterosked.
- Pareto
- 1.2 times censoring limit
- 1.5 times censoring limit
- dropped
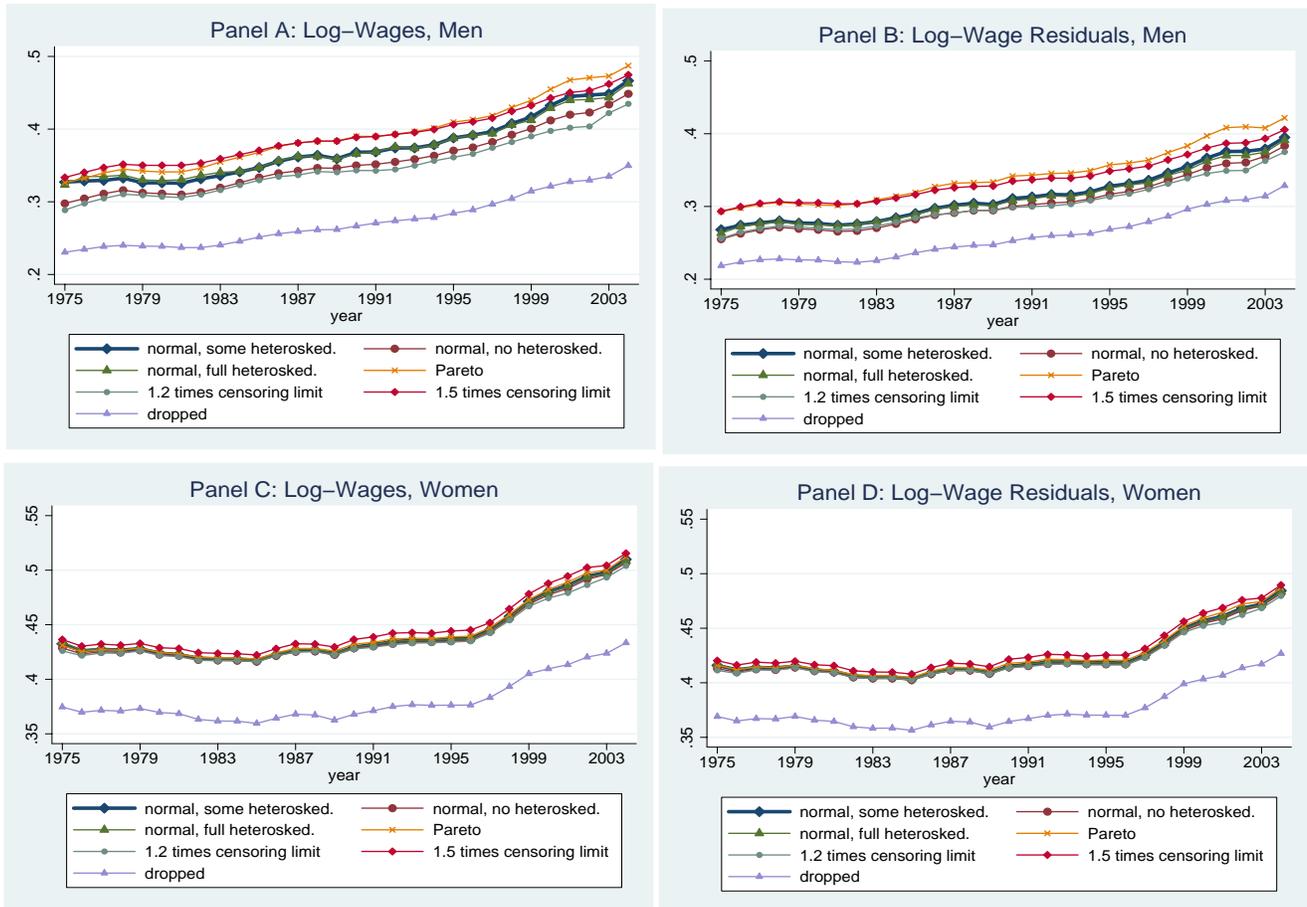
Note: The figures in the first column (Panels A and C) plot the evolution of log-wages, while the figures in the second column (Panels B and D) plot the evolution of log-wage residuals separately for men and women, using alternative imputation methods. Our baseline results assume that the error term in the wage regression is normally distributed, and allow for different variances by age and education group (normal, some heterosked.). As a robustness check, we also impute wages by restricting the variance to be the same for all age and education groups (normal, no heterosked.); by allowing variances to differ for each education and age cell (normal, full heterosked.); by assuming that the upper tail of the unconditional log-wage distribution follows a Pareto distribution (pareto); and by replacing censored observations with 1.2 or 1.5 times the censoring limit, respectively (1.2/1.5 times censoring limit). Finally, we drop the top 15% of observations from our sample (dropped).

Source: 2% IABS sample of full-time workers between 21 and 60 years of age.

Table II*: Observed versus Composition-Constant Residual Wage Inequality: Alternative Imputation Methods (Men)

	Normal, some hetero.		Normal, no hetero.	
	1980-1990	1990-2000	1980-1990	1990-2000
Panel A: Δ 85/50				
observed	.039	.041	.036	.037
1980 X's	.033	.026	.032	.027
1990 X's	.033	.028	.032	.029
2000 X's	.035	.027	.034	.029
Panel B: Δ 50/15				
observed	.026	.043	.024	.044
1980 X's	.023	.045	.024	.047
1990 X's	.023	.041	.024	.043
2000 X's	.023	.037	.025	.040
	Normal, full hetero.		**1.2 times censoring limit**	
	1980-1990	1990-2000	1980-1990	1990-2000
Panel A: Δ 85/50				
observed	.037	.040	.030	.023
1980 X's	.032	.027	.034	.024
1990 X's	.031	.029	.037	.027
2000 X's	.033	.028	.043	.027
Panel B: Δ 50/15				
observed	.024	.044	.023	.041
1980 X's	.021	.045	.021	.044
1990 X's	.021	.041	.020	.040
2000 X's	.022	.038	.019	.035
	1.5 times censoring limit		**pareto**	
	1980-1990	1990-2000	1980-1990	1990-2000
Panel A: Δ 85/50				
observed	.038	.034	.035	.037
1980 X's	.036	.028	.029	.026
1990 X's	.041	.030	.030	.027
2000 X's	.048	.028	.032	.025
Panel B: Δ 50/15				
observed	.026	.040	.026	.043
1980 X's	.022	.042	.025	.045
1990 X's	.020	.037	.027	.042
2000 X's	.018	.032	.030	.041

Note: In each panel, the first row reports the observed change in the difference between the 85th and 50th and the 50th and 15th percentile of the residual wage distribution. The next rows show the change that would have prevailed if the age and education distributions were the same as in 1980, 1990, or 2000, respectively. The residuals are obtained from an OLS regression on imputed wages that controls for three education and eight age groups as well as the interactions between these two variables. Wages are imputed in six different ways. Our baseline results assume that the error term in the wage regression is normally distributed and allow for different variances by age and by education (normal, some heterosked.). We also impute wages by restricting the variance to be the same for all age and education groups (normal, no heterosked.); by allowing variances to differ for each education and age cell (normal, full heterosked.); by assuming that the upper tail of the unconditional log-wage distribution follows a Pareto distribution (Pareto); and by replacing censored observations with 1.2 or 1.5 times the censoring limit, respectively.

Source: 2% IABS sample for men working full-time between 21 and 60 years of age.

Table IV*: Observed versus Composition-Constant Residual Inequality: The Role of Deunionisation, Alternative Imputation Methods (1995-2004, Men)

	Normal, some hetero.		Normal, no hetero.	
	Unionization only	All	Unionization only	All
		Panel A: Δ 85/50		
observed	.046	.046	.048	.048
1995 X's	.038	.026	.040	.029
2004 X's	.035	.020	.038	.026
		Panel B: Δ 50/15		
observed	.043	.043	.045	.045
1995 X's	.034	.032	.035	.032
2004 X's	.030	.022	.032	.026

	Normal, full hetero.		1.2 times censoring limit	
	Unionization only	All	Unionization only	All
		Panel A: Δ 85/50		
observed	.049	.049	.041	.041
1995 X's	.040	.026	.030	.029
2004 X's	.036	.019	.029	.025
		Panel B: Δ 50/15		
observed	.041	.041	.044	.044
1995 X's	.032	.028	.035	.032
2004 X's	.029	.020	.032	.023

	1.5 times censoring limit		Pareto	
	Unionization only	All	Unionization only	All
		Panel A: Δ 85/50		
observed	.048	.048	052	.052
1995 X's	.033	.028	.043	030
2004 X's	.032	.027	.039	.023
		Panel B: Δ 50/15		
observed	.041	.041	.040	.040
1995 X's	.032	.027	.032	.032
2004 X's	.028	.018	.028	.025

Note: In each panel, the first row reports the observed changes in the difference between the 85th and 50th (Panel A) and the 50th and 15th (Panel B) percentiles of the residual wage distribution. Column "Unionziation only" shows the changes that would have prevailed if the unionization were the same as in 1995 or 2004, respectively. Column "All" shows the corresponding changes that would have prevailed if unionization as well as the eduation and age distribution were the same as in 1995 or 2004. Wages are imputed in six different ways. Our baseline results assume that the error term in the wage regression is normally distributed, and allow for different variances by age and education (normal, some heterosked.). We also impute wages by restricting the variance to be the same for all age and education groups (normal, no heterosked.); by allowing variances to differ for each education and age cell (normal, full heterosked.); by assuming that the upper tail of the unconditional log-wage distribution follows a Pareto distribution (Pareto); and by replacing censored observations with 1.2 or 1.5 times the censoring limit.
Source: LIAB sample (1995-2004) for men working full-time between 21 and 60 years of age.

Figure V**: Education Wage Premiums: Alternative Imputation Methods (Men)
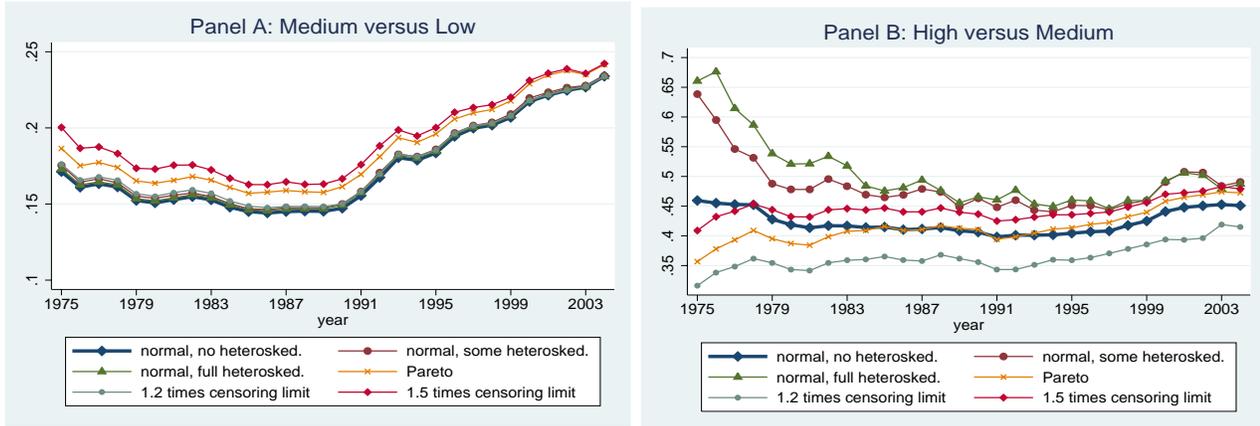
Note: Panel A plots the fixed-weighted wage ratios of the medium- and low-skilled, while Panel B plots the fixed weighted wage ratios of the high- and medium-skilled, using alternative imputation methods. Our baseline results assume that the error term is normally distributed and restricts the variance to be the same across all age and education groups (normal, no heterosked.). As a robustness check, we also impute wages by allowing variances to differ by age and education (normal, some heterosked.); by allowing variances to differ for each education and age cell (normal, full heterosked.); by assuming that the upper tail of the unconditional log-wage distribution follows a Pareto distribution (Pareto); and by replacing censored observations with 1.2 or 1.5 times the censoring limit, respectively (1.2/1.5 times censoring limit).
Source: 2% IABS sample for men working full-time between 21 and 60 years of age.

Table A.1: Share of (Potentially) Censored Observations in the GSES and IABS, 2001 (Men)

	IABS	GSES
Low		
< 35	1.30%	1.98%
35-44	1.85%	2.94%
>44	2.46%	3.37%
all	1.81%	2.75%
Medium		
<35	3.62%	4.74%
35-44	9.85%	12.43%
>44	14.62%	17.86%
all	9.06%	11.39%
High		
<35	33.41%	32.60%
35-44	58.57%	65.06%
>44	66.67%	74.19%
all	52.98%	56.93%

Note: The first column shows the shares of censored observations in the IABS. The second column shows the shares of observations above the IABS censoring limit in the GSES.

Source: 2% IABS sample for men working full-time between 21 and 60 years of age. GSES sample of men who are working full-time between 21 and 60 years of age.

Table A.2: Which Imputation Method Works Best? Evidence from the GSES
(Men)

	Standard Deviation		Residual Wage Gaps		Skill Premiums	
	(1)	(2)	(3)	(4)	(5)	(6)
	log-wages	log-wage residuals	85/50	50/15	medium/low	high/medium
true	.385	.325	.328	.275	.213	.472
normal distribution:						
no heteroskedatcisity	.364	.302	.330	.272	.206	.471
some heteroskedasticity	.367	.304	.331	.274	.207	.483
full heteroskedasticity	.318	.264	.271	.255	.168	.427
1.5 times censoring limit	.413	.348	.315	.290	.228	.515
1.2 times censoring limit	.354	.299	.297	.278	.209	.413
Pareto	.426	.367	.340	.275	.224	.496

Note: The first row compares the true standard deviations in log-wages and log-wage residuals, the true 85/50 and 50/15 residual wage gaps, and the true medium/low and high/medium skill premiums with the imputed ones. To this end, we replace all wage observations in the GSES above the 2001 censoring limit in the IABS with the censoring limit, and then impute censored wages in 6 different ways. We first assume that the error term is normally distributed, and allow for different variances for each age and education group (normal, some heterosked.). As a robustness check, we restrict the variance to be the same across all age and education groups (normal, no heterosked.). We also impute wages by allowing variances to differ for each education and age cell (normal, full heterosked.); by assuming that the upper tail of the unconditional log-wage distribution follows a Pareto distribution (Pareto); and by replacing censored observations with 1.2 or 1.5 times the censoring limit, respectively (1.2/1.5 times censoring limit).

Source: GSES sample for men working full-time between 21 and 60 years of age.

Table A.3: Comparison between the IABS and GSOEP: Upper versus Lower Tail Inequality, Men

	85/50				50/15			
	GSOEP			IABS		GSOEP		IABS
	full sample, no bonuses	IABS sample, no bonuses	IABS sample, plus bonuses		full sample, no bonuses	IABS sample, no bonuses	IABS sample, plus bonuses	
1984	.405	.360	.389	.365	.310	.275	.282	.249
	(.016)	(.018)	(.020)	(.001)	(.016)	(.019)	(.012)	(.001)
1985	.437	.405	.409	.375	.298	.266	.296	.257
	(.022)	(.018)	(.017)	(.001)	(.019)	(.016)	(.014)	(.001)
1986	.446	.416	.425	.380	.304	.256	.283	.261
	(.011)	(.025)	(.020)	(.001)	(.017)	(.014)	(.011)	(.001)
1987	.446	.405	.399	.385	.309	.288	.308	.263
	(.012)	(.031)	(.029)	(.002)	(.020)	(.015)	(.016)	(.001)
1988	.440	.416	.430	.391	.293	.278	.292	.267
	(.024)	(.017)	(.018)	(.001)	(.015)	(.013)	(.011)	(.001)
1989	.396	.357	.387	.395	.297	.297	.294	.269
	(.019)	(.018)	(.016)	(.001)	(.008)	(.013)	(.012)	(.001)
1990	.421	.405	.413	.393	.280	.255	.295	.272
	(.019)	(.019)	(.016)	(.001)	(.017)	(.017)	(.014)	(.001)
1991	.423	.370	.395	.388	.288	.270	.265	.277
	(.023)	(.017)	(.017)	(.001)	(.016)	(.018)	(.016)	(.001)
1992	.420	.405	.404	.386	.267	.255	.276	.279
	(.018)	(.019)	(.020)	(.001)	(.018)	(.014)	(.013)	(.001)
1993	.443	.437	.433	.399	.295	.272	.281	.278
	(.019)	(.020)	(.025)	(.001)	(.016)	(.014)	(.016)	(.001)
1994	.464	.430	.442	.406	.288	.248	.273	.281
	(.022)	(.030)	(.024)	(.001)	(.019)	(.018)	(.012)	(.001)
1995	.449	.435	.478	.410	.280	.261	.286	.289
	(.023)	(.030)	(.032)	(.001)	(.014)	(.018)	(.015)	(.001)
1996	.494	.462	.459	.415	.324	.302	.305	.292
	(.027)	(.033)	(.034)	(.001)	(.018)	(.016)	(.016)	(.001)
1997	.451	.448	.472	.424	.316	.302	.300	.296
	(.025)	(.030)	(.038)	(.001)	(.016)	(.019)	(.022)	(.001)
1998	.510	.463	.467	.433	.316	.307	.332	.304
	(.027)	(.030)	(.020)	(.001)	(.014)	(.016)	(.016)	(.001)
1999	.488	.467	.478	.443	.338	.324	.353	.315
	(.025)	(.027)	(.029)	(.001)	(.017)	(.019)	(.017)	(.001)
2000	.482	.470	.501	.445	.357	.357	.343	.328
	(.019)	(.020)	(.019)	(.001)	(.011)	(.013)	(.016)	(.001)
2001	.480	.470	.463	.451	.338	.329	.337	.334
	(.021)	(.026)	(.025)	(.001)	(.019)	(.011)	(.014)	(.001)
2002	.474	.454	.465	.452	.388	.381	.380	.337
	(.023)	(.029)	(.030)	(.001)	(.021)	(.023)	(.020)	(.001)

Note: The table compares the 85/50 and 50/15 wage gaps in the GSOEP and IABS. The first set of columns (full sample, no bonuses) includes the self-employed and the civil servants. The wage measure is the gross monthly wage, and does not include bonuses, holiday or Christmas money. The second set of columns (IABS sample, no bonuses) drops the self-employed and civil servants from the sample and uses the same wage measure. The third set of columns (IABS sample, plus bonuses) is based on the same sample, but includes bonuses, Christmas and holiday money in the wage measure. This sample and wage measure is most similar to those in the IABS. The fourth set of columns refers to our IABS sample. Standard errors in parentheses are bootstrapped with 100 replications.

Source: GSOEP sample for men working full-time between 21 and 60 years of age. 2% IABS sample for men working full-time between 21 and 60 years of age.

Table A.4: Comparison between the IABS and GSOEP: Upper versus Lower Tail Inequality, Women

| | 85/50 | | | | 50/15 | | | |
| | GSOEP | | | IABS | | GSOEP | | IABS |
	full sample, no bonuses	IABS sample, no bonuses	IABS sample, plus bonuses		full sample, no bonuses	IABS sample, no bonuses	IABS sample, plus bonuses	
1984	.383	.310	.339	.337	.383	.318	.330	.448
	(.028)	(.025)	(.021)	(.001)	(.028)	(.029)	(.024)	(.003)
1985	.353	.330	.343	.338	.353	.363	.360	.446
	(.028)	(.027)	(.025)	(.001)	(.028)	(.029)	(.021)	(.002)
1986	.324	.361	.361	.342	.324	.302	.349	.452
	(.026)	(.024)	(.023)	(.002)	(.026)	(.027)	(.019)	(.002)
1987	.336	.377	.377	.343	.336	.288	.343	.454
	(.027)	(.024)	(.024)	(.002)	(.027)	(.025)	(.022)	(.002)
1988	.310	.336	.340	.347	.310	.310	.327	.448
	(.025)	(.020)	(.029)	(.001)	(.025)	(.026)	(.024)	(.002)
1989	.348	.347	.336	.351	.348	.332	.342	.439
	(.026)	(.018)	(.023)	(.002)	(.026)	(.022)	(.022)	(.002)
1990	.336	.326	.333	.354	.336	.300	.344	.446
	(.021)	(.025)	(.025)	(.002)	(.021)	(.029)	(.026)	(.002)
1991	.336	.328	.313	.353	.336	.336	.357	.453
	(.025)	(.023)	(.022)	(.002)	(.025)	(.019)	(.018)	(.002)
1992	.327	.334	.332	.351	.327	.310	.333	.457
	(.024)	(.022)	(.023)	(.001)	(.024)	(.023)	(.025)	(.002)
1993	.330	.363	.346	.351	.330	.330	.323	.459
	(.021)	(.021)	(.026)	(.002)	(.021)	(.026)	(.024)	(.003)
1994	.298	.310	.350	.350	.298	.302	.304	.456
	(.023)	(.021)	(.019)	(.002)	(.023)	(.021)	(.021)	(.002)
1995	.336	.309	.328	.351	.336	.322	.349	.459
	(.022)	(.020)	(.023)	(.002)	(.022)	(.027)	(.028)	(.003)
1996	.325	.319	.340	.354	.325	.315	.321	.461
	(.022)	(.026)	(.029)	(.002)	(.022)	(.024)	(.026)	(.003)
1997	.353	.321	.342	.359	.353	.315	.333	.473
	(.026)	(.030)	(.027)	(.002)	(.026)	(.028)	(.022)	(.003)
1998	.342	.336	.363	.366	.342	.336	.342	.486
	(.034)	(.032)	(.033)	(.002)	(.034)	(.033)	(.027)	(.003)
1999	.331	.370	.360	.378	.331	.309	.354	.505
	.031	.027	.026	.002	.031	.032	.028	.003
2000	.357	.361	.364	.388	.357	.333	.361	.516
	(.020)	(.028)	(.025)	(.002)	(.020)	(.018)	(.020)	(.003)
2001	.393	.360	.357	.397	.393	.357	.356	.523
	(.021)	(.027)	(.025)	(.002)	(.021)	(.021)	(.020)	(.002)
2002	.360	.357	.353	.400	.360	.336	.375	.538
	(.025)	(.023)	(.020)	(.002)	(.025)	(.016)	(.025)	(.003)

Note: The table compares the 85/50 and 50/15 wage gaps in the GSOEP and IABS. The first set of columns (full sample, no bonuses) includes the self-employed and the civil servants. The wage measure is the gross monthly wage, and does not include bonuses, holiday or Christmas money. The second set of columns (IABS sample, no bonuses) drops the self-employed and civil servants from the sample and uses the same wage measure. The third set of columns (IABS sample, plus bonuses) is based on the same sample, but includes bonuses, Christmas and holiday money in the wage measure. This sample and wage measure is most similar to those in the IABS. The fourth set of columns refers to our IABS sample. Standard errors in parentheses are bootstrapped with 100 replications.

Source: GSOEP sample for women working full-time between 21 and 60 years of age. 2% IABS sample for women working full-time between 21 and 60 years of age.

Table A.5: Comparison between the IABS and GSOEP: Standard Deviation and Education Wage Premiums, Men

	A: Standard Deviation Log-Wages				B: Standard Deviation Log-Wage Residuals			
	GSOEP			IABS	GSOEP			IABS
	full sample, no bonuses	IABS sample, no bonuses	IABS sample, plus bonuses		full sample, no bonuses	IABS sample, no bonuses	IABS sample, plus bonuses	
1984	.384	.345	.354	.341	.312	.277	.283	.285
	(.011)	(.009)	(.009)	(.001)	(.009)	(.007)	(.008)	(.001)
1985	.386	.360	.367	.347	.320	.295	.296	.290
	(.008)	(.009)	(.010)	(.001)	(.010)	(.009)	(.010)	(.001)
1986	.387	.354	.367	.356	.310	.282	.292	.298
	(.009)	(.010)	(.010)	(.001)	(.008)	(.007)	(.009)	(.001)
1987	.395	.369	.374	.362	.323	.299	.301	.302
	(.010)	(.012)	(.009)	(.001)	(.009)	(.009)	(.008)	(.001)
1988	.386	.366	.374	.364	.307	.295	.299	.304
	(.010)	(.010)	(.011)	(.001)	(.007)	(.009)	(.009)	(.001)
1989	.379	.348	.355	.359	.311	.288	.290	.303
	(.010)	(.010)	(.009)	(.001)	(.010)	(.009)	(.008)	(.001)
1990	.384	.348	.362	.368	.310	.280	.290	.311
	(.018)	(.013)	(.015)	(.001)	(.015)	(.008)	(.009)	(.001)
1991	.372	.347	.354	.369	.301	.282	.284	.313
	(.008)	(.009)	(.011)	(.001)	(.007)	(.006)	(.007)	(.001)
1992	.369	.338	.344	.374	.299	.268	.275	.316
	(.014)	(.011)	(.011)	(.001)	(.017)	(.008)	(.007)	(.001)
1993	.387	.362	.364	.374	.314	.290	.283	.316
	(.011)	(.010)	(.010)	(.001)	(.009)	(.009)	(.010)	(.001)
1994	.381	.359	.372	.378	.312	.286	.293	.320
	(.014)	(.014)	(.012)	(.001)	(.011)	(.012)	(.010)	(.001)
1995	.386	.361	.378	.388	.324	.297	.309	.328
	(.013)	(.011)	(.011)	(.001)	(.012)	(.012)	(.012)	(.001)
1996	.407	.383	.388	.392	.341	.311	.319	.331
	(.013)	(.012)	(.012)	(.001)	(.015)	(.012)	(.014)	(.001)
1997	.390	.379	.388	.397	.314	.300	.307	.336
	(.010)	(.011)	(.012)	(.001)	(.009)	(.010)	(.010)	(.001)
1998	.406	.387	.395	.408	.335	.317	.325	.346
	(.009)	(.011)	(.012)	(.001)	(.009)	(.011)	(.010)	(.001)
1999	.423	.399	.411	.417	.353	.329	.335	.355
	(.014)	(.011)	(.012)	(.001)	(.012)	(.010)	(.011)	(.001)
2000	.428	.412	.420	.433	.365	.343	.348	.367
	(.009)	(.010)	(.012)	(.001)	(.008)	(.009)	(.009)	(.001)
2001	.429	.408	.406	.445	.366	.343	.344	.376
	(.009)	(.010)	(.012)	(.001)	(.009)	(.009)	(.010)	(.001)
2002	.436	.412	.417	.447	.378	.352	.359	.376
	(.009)	(.009)	(.010)	(.001)	(.008)	(.008)	(.009)	(.001)

	C: Education Wage Premiums: Medium versus Low				D: Education Wage Premiums: High versus Medium			
	GSOEP			IABS	GSOEP			IABS
	full sample, no bonuses	IABS sample, no bonuses	IABS sample, plus bonuses		full sample, no bonuses	IABS sample, no bonuses	IABS sample, plus bonuses	
1984	.246	.190	.178	.148	.357	.418	.441	.414
	(.026)	(.016)	(.016)	(.002)	(.040)	(.041)	(.045)	(.003)
1985	.203	.187	.176	.145	.329	.410	.411	.415
	(.026)	(.026)	(.018)	(.002)	(.037)	(.044)	(.047)	(.003)
1986	.201	.177	.186	.144	.356	.398	.413	.410
	(.022)	(.019)	(.017)	(.002)	(.022)	(.033)	(.036)	(.003)
1987	.167	.154	.155	.145	.393	.413	.431	.412
	(.019)	(.022)	(.021)	(.002)	(.049)	(.038)	(.054)	(.003)
1988	.183	.158	.160	.145	.356	.389	.409	.414
	(.017)	(.017)	(.021)	(.002)	(.028)	(.038)	(.049)	(.003)
1989	.149	.148	.159	.145	.390	.415	.439	.409
	(.018)	(.019)	(.020)	(.002)	(.024)	(.032)	(.035)	(.003)
1990	.185	.194	.209	.147	.402	.415	.415	.406
	(.033)	(.031)	(.033)	(.002)	(.046)	(.054)	(.067)	(.003)
1991	.156	.179	.174	.156	.384	.418	.509	.398
	(.025)	(.022)	(.024)	(.002)	(.035)	(.051)	(.054)	(.003)
1992	.133	.146	.137	.167	.367	.390	.394	.401
	(.020)	(.017)	(.022)	(.002)	(.047)	(.055)	(.058)	(.003)
1993	.138	.145	.130	.180	.412	.452	.513	.401
	(.022)	(.023)	(.021)	(.002)	(.028)	(.044)	(.034)	(.003)
1994	.135	.154	.159	.179	.392	.442	.463	.402
	(.023)	(.019)	(.023)	(.002)	(.025)	(.038)	(.043)	(.003)
1995	.144	.166	.176	.184	.363	.387	.393	.404
	(.022)	(.021)	(.024)	(.002)	(.032)	(.033)	(.037)	(.003)
1996	.205	.216	.209	.194	.356	.398	.411	.407
	(.023)	(.022)	(.025)	(.002)	(.029)	(.030)	(.038)	(.003)
1997	.151	.160	.165	.200	.356	.414	.424	.408
	(.021)	(.023)	(.026)	(.002)	(.031)	(.043)	(.040)	(.004)
1998	.161	.175	.183	.202	.297	.416	.426	.418
	(.023)	(.026)	(.025)	(.003)	(.038)	(.043)	(.043)	(.003)
1999	.183	.188	.198	.207	.363	.435	.465	.425
	(.026)	(.027)	(.032)	(.002)	(.048)	(.038)	(.045)	(.004)
2000	.161	.160	.145	.217	.304	.348	.351	.441
	(.020)	(.021)	(.018)	(.002)	(.034)	(.039)	(.041)	(.003)
2001	.147	.150	.146	.221	.292	.305	.279	.448
	(.022)	(.023)	(.020)	(.002)	(.032)	(.037)	(.040)	(.003)
2002	.155	.156	.151	.225	.341	.371	.372	.451
	(.025)	(.023)	(.027)	(.003)	(.028)	(.031)	(.037)	(.003)

Note: The table compares the standard deviation of log-wages, the standard deviation of log-wage residuals, the medium/low wage premium and the high/medium wage premium in the GSOEP and IABS. The first set of columns (full sample, no bonuses) includes the self-employed and the civil servants. The wage measure is the gross monthly wage, and does not include bonuses, holiday or Christmas money. The second set of columns (IABS sample, no bonuses) drops the self-employed and civil servants from the sample and uses the same wage measure. The third set of columns (IABS sample, plus bonuses) is based on the same sample, but includes bonuses, Christmas and holiday money in the wage measure. This sample and wage measure is most similar to those in the IABS. The fourth set of columns refers to our IABS sample. Standard errors in parentheses are bootstrapped with 100 replications.
Source: GSOEP sample for men working full-time between 21 and 60 years of age. 2% IABS sample for men working full-time between 21 and 60 years of age.

Table A.6: Comparison between the IABS and GSOEP: Standard Deviation and Education Wage Premiums, Women

| | A: Standard Deviation Log-Wages | | | | B: Standard Deviation Log-Wage Residuals | | | |
| | GSOEP | | | IABS | GSOEP | | | IABS |
Year	full sample, no bonuses	IABS sample, no bonuses	IABS sample, plus bonuses		full sample, no bonuses	IABS sample, no bonuses	IABS sample, plus bonuses	
1984	.373	.340	.351	.419	.324	.299	.310	.405
	(.011)	(.011)	(.011)	(.001)	(.010)	(.010)	(.011)	(.001)
1985	.368	.340	.358	.417	.320	.300	.315	.404
	(.012)	(.012)	(.011)	(.001)	(.015)	(.011)	(.012)	(.001)
1986	.384	.349	.364	.423	.337	.304	.314	.409
	(.018)	(.013)	(.012)	(.001)	(.021)	(.010)	(.011)	(.001)
1987	.378	.344	.369	.427	.325	.296	.320	.413
	(.014)	(.013)	(.014)	(.001)	(.013)	(.012)	(.013)	(.001)
1988	.364	.348	.351	.427	.304	.299	.306	.412
	(.014)	(.013)	(.013)	(.001)	(.013)	(.013)	(.012)	(.001)
1989	.360	.341	.353	.424	.301	.297	.302	.409
	(.012)	(.013)	(.012)	(.001)	(.010)	(.011)	(.012)	(.001)
1990	.359	.350	.357	.429	.302	.301	.309	.415
	(.014)	(.016)	(.014)	(.001)	(.012)	(.010)	(.013)	(.001)
1991	.373	.351	.353	.432	.315	.303	.308	.417
	(.015)	(.016)	(.015)	(.001)	(.013)	(.015)	(.011)	(.001)
1992	.383	.356	.373	.435	.337	.319	.335	.419
	(.019)	(.019)	(.020)	(.001)	(.016)	(.015)	(.014)	(.001)
1993	.371	.359	.356	.436	.328	.323	.323	.419
	(.014)	(.015)	(.014)	(.001)	(.013)	(.014)	(.013)	(.001)
1994	.355	.338	.359	.436	.312	.305	.323	.418
	(.015)	(.014)	(.017)	(.001)	(.012)	(.015)	(.014)	(.001)
1995	.371	.354	.375	.437	.327	.319	.336	.419
	(.017)	(.020)	(.023)	(.001)	(.014)	(.015)	(.018)	(.001)
1996	.363	.341	.357	.437	.317	.298	.319	.418
	(.014)	(.014)	(.015)	(.001)	(.012)	(.011)	(.014)	(.001)
1997	.389	.356	.362	.445	.340	.309	.313	.425
	(.014)	(.016)	(.017)	(.001)	(.014)	(.013)	(.012)	(.001)
1998	.376	.354	.374	.457	.336	.325	.339	.437
	(.014)	(.016)	(.013)	(.001)	(.016)	(.016)	(.019)	(.001)
1999	.369	.354	.363	.471	.323	.309	.320	.450
	(.011)	(.014)	(.012)	(.001)	(.013)	(.013)	(.013)	(.001)
2000	.394	.364	.378	.480	.346	.326	.344	.457
	(.010)	(.011)	(.013)	(.001)	(.012)	(.010)	(.013)	(.001)
2001	.420	.399	.404	.486	.381	.372	.369	.461
	(.015)	(.018)	(.020)	(.001)	(.017)	(.018)	(.017)	(.001)
2002	.383	.358	.364	.494	.338	.323	.325	.468
	(.009)	(.010)	(.008)	(.001)	(.008)	(.010)	(.007)	(.001)

| | C: Education Wage Premiums: Medium versus Low | | | | D: Education Wage Premiums: High versus Medium | | | |
| | GSOEP | | | IABS | GSOEP | | | IABS |
Year	full sample no bonuses	IABS sample, no bonuses	IABS sample, plus bonuses		full sample, no bonuses	IABS sample, no bonuses	IABS sample, plus bonuses	
1984	.232	.223	.240	.144	.315	.237	.235	.381
	(.028)	(.026)	(.031)	(.003)	(.057)	(.073)	(.093)	(.010)
1985	.217	.232	.230	.144	.366	.320	.344	.370
	(.035)	(.033)	(.032)	(.003)	(.047)	(.065)	(.067)	(.009)
1986	.198	.213	.240	.136	.343	.272	.313	.372
	(.032)	(.032)	(.037)	(.004)	(.047)	(.059)	(.060)	(.008)
1987	.177	.202	.196	.141	.391	.323	.361	.365
	(.032)	(.032)	(.035)	(.003)	(.045)	(.041)	(.050)	(.009)
1988	.210	.202	.218	.141	.348	.309	.298	.367
	(.030)	(.031)	(.030)	(.003)	(.037)	(.060)	(.068)	(.008)
1989	.180	.169	.204	.143	.376	.342	.364	.360
	(.034)	(.030)	(.033)	(.003)	(.051)	(.046)	(.056)	(.008)
1990	.216	.213	.223	.150	.378	.370	.354	.360
	(.036)	(.034)	(.041)	(.003)	(.047)	(.057)	(.058)	(.008)
1991	.195	.201	.206	.157	.405	.408	.412	.363
	(.032)	(.031)	(.031)	(.003)	(.046)	(.071)	(.069)	(.007)
1992	.179	.173	.190	.163	.222	.241	.251	.360
	(.040)	(.037)	(.038)	(.003)	(.061)	(.088)	(.089)	(.007)
1993	.204	.198	.187	.172	.274	.291	.306	.355
	(.039)	(.038)	(.039)	(.003)	(.050)	(.076)	(.094)	(.007)
1994	.151	.145	.152	.179	.330	.300	.270	.353
	(.034)	(.034)	(.042)	(.003)	(.061)	(.067)	(.084)	(.007)
1995	.160	.156	.172	.185	.246	.241	.259	.353
	(.040)	(.039)	(.043)	(.003)	(.063)	(.069)	(.084)	(.006)
1996	.214	.210	.200	.193	.278	.310	.301	.350
	(.034)	(.034)	(.046)	(.004)	(.055)	(.073)	(.094)	(.006)
1997	.160	.157	.142	.198	.315	.357	.362	.352
	(.035)	(.039)	(.038)	(.003)	(.051)	(.071)	(.088)	(.005)
1998	.112	.100	.123	.199	.258	.278	.230	.354
	(.040)	(.034)	(.042)	(.004)	(.062)	(.053)	(.071)	(.006)
1999	.139	.155	.144	.205	.263	.292	.247	.367
	(.040)	(.038)	(.047)	(.004)	(.037)	(.052)	(.055)	(.005)
2000	.183	.185	.180	.211	.297	.249	.229	.377
	(.051)	(.045)	(.049)	(.004)	(.026)	(.030)	(.036)	(.006)
2001	.244	.241	.276	.218	.268	.227	.256	.386
	(.050)	(.050)	(.062)	(.005)	(.040)	(.047)	(.041)	(.005)
2002	.199	.205	.244	.228	.252	.264	.264	.390
	(.037)	(.036)	(.039)	(.005)	(.032)	(.032)	(.037)	(.006)

Note: The table compares the standard deviations of log-wages, the standard deviation of log-wage residuals, the medium/low wage premium and the high/medium wage premium in the GSOEP and IABS. The first set of columns (full sample, no bonuses) includes the self-employed and the civil servants. The wage measure is the gross monthly wage, and does not include bonuses, holiday or Christmas money. The second set of columns (IABS sample, no bonuses) drops the self-employed and civil servants from the sample and uses the same wage measure. The third set of columns (IABS sample, plus bonuses) is based on the same sample, but includes bonuses, Christmas and holiday money in the wage measure. This sample and wage measure is most similar to those in the IABS. The fourth set of columns refers to our IABS sample. Standard errors in parentheses are bootstrapped with 100 replications.
Source: GSOEP sample for women working full-time between 21 and 60 years of age. 2% IABS sample for women working full-time between 21 and 60 years of age.

Table A.7: Hourly Wage versus Earnings Inequality

Panel A: Men, GSOEP

	Wage Gaps								Variance							
	85/50				50/15											
	Earnings		Hourly Wage		Earnings		Hourly Wage		Earnings		Hourly Wage		Hours		Cov(Hours, Hourly Wage)	
1984	.389	(.020)	.371	(.016)	.282	(.012)	.305	(.014)	.125	(.007)	.119	(.007)	.018	(.001)	-.006	(.001)
1985	.409	(.017)	.390	(.020)	.296	(.014)	.314	(.017)	.135	(.006)	.129	(.006)	.017	(.001)	-.006	(.002)
1986	.425	(.020)	.391	(.022)	.283	(.011)	.310	(.014)	.135	(.007)	.126	(.007)	.018	(.001)	-.005	(.002)
1987	.399	(.029)	.365	(.023)	.308	(.015)	.322	(.012)	.140	(.007)	.133	(.007)	.017	(.001)	-.005	(.002)
1988	.430	(.017)	.361	(.019)	.292	(.011)	.314	(.017)	.140	(.008)	.131	(.008)	.017	(.001)	-.004	(.002)
1989	.387	(.016)	.365	(.018)	.294	(.012)	.292	(.010)	.126	(.007)	.115	(.006)	.019	(.001)	-.004	(.002)
1990	.413	(.016)	.382	(.019)	.295	(.014)	.296	(.014)	.131	(.010)	.135	(.019)	.021	(.002)	-.012	(.006)
1991	.395	(.017)	.370	(.015)	.265	(.016)	.304	(.013)	.125	(.007)	.124	(.009)	.022	(.002)	-.010	(.003)
1992	.404	(.020)	.360	(.017)	.276	(.013)	.303	(.013)	.118	(.006)	.112	(.006)	.019	(.001)	-.006	(.002)
1993	.433	(.025)	.398	(.019)	.281	(.016)	.285	(.011)	.132	(.007)	.122	(.007)	.019	(.001)	-.004	(.002)
1994	.442	(.024)	.389	(.017)	.273	(.012)	.307	(.013)	.139	(.009)	.128	(.007)	.022	(.002)	-.006	(.003)
1995	.478	(.032)	.403	(.025)	.286	(.015)	.296	(.016)	.143	(.009)	.133	(.010)	.021	(.001)	-.006	(.003)
1996	.459	(.034)	.415	(.023)	.305	(.016)	.339	(.019)	.150	(.009)	.145	(.009)	.022	(.002)	-.008	(.002)
1997	.472	(.038)	.385	(.023)	.300	(.022)	.343	(.017)	.150	(.009)	.140	(.008)	.022	(.001)	-.006	(.002)
1998	.467	(.020)	.399	(.021)	.332	(.016)	.338	(.015)	.156	(.009)	.142	(.009)	.024	(.002)	-.005	(.002)
1999	.478	(.029)	.416	(.025)	.353	(.017)	.363	(.022)	.169	(.009)	.154	(.011)	.022	(.001)	-.004	(.003)
2000	.501	(.019)	.424	(.019)	.343	(.016)	.364	(.015)	.176	(.008)	.162	(.008)	.023	(.002)	-.004	(.003)
2001	.463	(.025)	.396	(.018)	.337	(.014)	.362	(.014)	.165	(.008)	.155	(.008)	.022	(.001)	-.004	(.003)
2002	.465	(.030)	.389	(.021)	.380	(.020)	.415	(.019)	.174	(.007)	.164	(.008)	.022	(.001)	-.007	(.003)

Panel B: Women, GSOEP

	Wage Gaps								Variance							
	85/50				50/15											
	Earnings		Hourly Wage		Earnings		Hourly Wage		Earnings		Hourly Wage		Hours		Cov(Hours, Hourly Wage)	
1984	.339	(.025)	.356	(.016)	.330	(.029)	.362	(.024)	.123	(.008)	.126	(.008)	.013	(.002)	-.008	(.002)
1985	.343	(.027)	.343	(.021)	.360	(.029)	.390	(.027)	.128	(.009)	.126	(.008)	.010	(.001)	-.004	(.002)
1986	.361	(.024)	.368	(.023)	.349	(.027)	.350	(.020)	.132	(.009)	.128	(.010)	.011	(.001)	-.003	(.002)
1987	.377	(.024)	.331	(.026)	.343	(.025)	.362	(.026)	.136	(.009)	.132	(.012)	.011	(.001)	-.003	(.004)
1988	.340	(.020)	.337	(.022)	.327	(.026)	.311	(.023)	.123	(.010)	.123	(.010)	.013	(.002)	-.006	(.003)
1989	.336	(.018)	.337	(.020)	.343	(.022)	.345	(.020)	.124	(.008)	.122	(.011)	.012	(.001)	-.005	(.004)
1990	.333	(.025)	.349	(.026)	.344	(.029)	.341	(.028)	.127	(.011)	.131	(.011)	.011	(.001)	-.007	(.002)
1991	.313	(.023)	.309	(.019)	.357	(.019)	.353	(.019)	.125	(.012)	.129	(.017)	.013	(.003)	-.008	(.006)
1992	.332	(.022)	.310	(.025)	.333	(.023)	.344	(.026)	.139	(.013)	.142	(.015)	.012	(.002)	-.007	(.003)
1993	.346	(.021)	.344	(.024)	.323	(.026)	.330	(.027)	.127	(.011)	.124	(.012)	.009	(.001)	-.004	(.003)
1994	.350	(.021)	.309	(.020)	.304	(.021)	.323	(.021)	.129	(.014)	.134	(.019)	.011	(.002)	-.008	(.006)
1995	.328	(.020)	.322	(.021)	.349	(.027)	.340	(.025)	.141	(.013)	.152	(.020)	.013	(.002)	-.012	(.006)
1996	.340	(.026)	.331	(.026)	.321	(.024)	.324	(.025)	.128	(.012)	.123	(.012)	.012	(.001)	-.003	(.003)
1997	.342	(.030)	.352	(.023)	.333	(.028)	.329	(.031)	.131	(.013)	.129	(.012)	.014	(.002)	-.006	(.003)
1998	.363	(.032)	.345	(.018)	.342	(.033)	.361	(.025)	.140	(.012)	.135	(.011)	.014	(.001)	-.005	(.003)
1999	.360	(.027)	.349	(.025)	.354	(.032)	.354	(.024)	.131	(.010)	.128	(.011)	.014	(.002)	-.005	(.003)
2000	.364	(.028)	.348	(.014)	.361	(.018)	.371	(.018)	.143	(.009)	.140	(.009)	.016	(.002)	-.006	(.003)
2001	.357	(.027)	.360	(.018)	.356	(.021)	.388	(.026)	.163	(.016)	.152	(.014)	.015	(.001)	-.002	(.002)
2002	.353	(.023)	.354	(.024)	.375	(.016)	.362	(.029)	.132	(.007)	.125	(.006)	.015	(.002)	-.004	(.002)

Note: The table compares trends in hourly wage and earnings inequality in the GSOEP, for men (Panel A) and women (Panel B). Our sample excludes the self-employed and the civil servants, and our wage measure includes bonuses, holiday and Christmas money, etc. The first four columns compare the 85/50 and 50/15 earnings (i.e. the monthly wage) and hourly wage gaps (in logs). The remaining columns decmpose the variance of log-earnings into three components: the variance of the log hourly wage, the variance of hours, and the covariance between hours and the hourly wage. Standard errors in parentheses are bootstrapped with 100 replications.
*Source*: GSOEP sample of full-time workers between 21 and 60 years of age.

Figure A.1: Inequality Trends in the IABS and GSOEP, Men
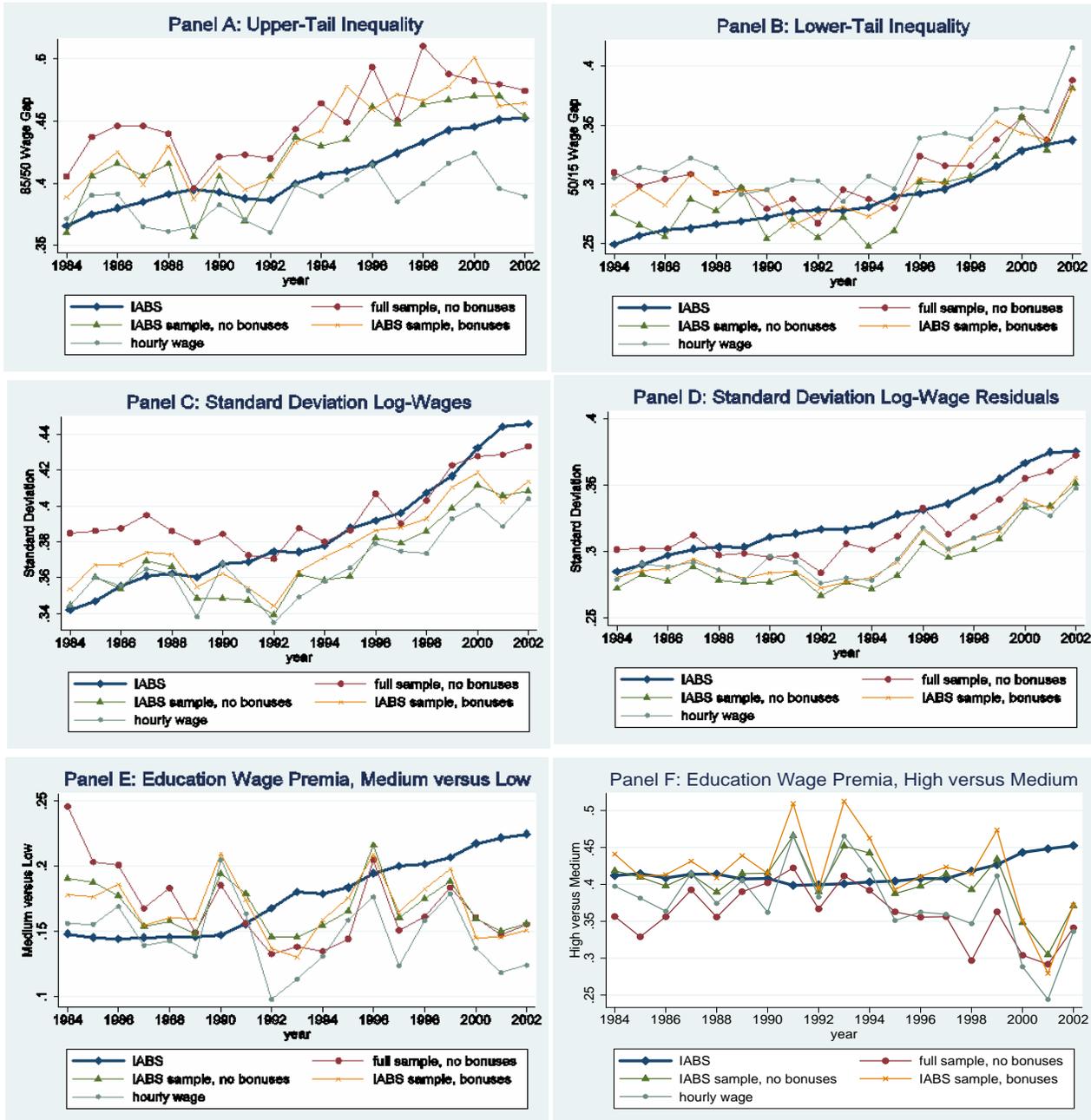
Note: The figure compares inequality trends in the GSOEP and IABS. Panels A and B plot the 85/50 and 50/15 wage gaps in the two data sets. Panel C and D show the evolution of the standard deviation of log-wages and log-wage residuals in the IABS and GSOEP. Panels E and F display the age-constant medium/low and high/medium wage premiums in the two data sets. In the GSOEP, we report findings for four samples: "Full sample, no bonuses" includes the civil servants and self-employed in the sample. The wage measure is the monthly wage excluding bonuses, holiday and Christmas money. "IABS sample, no bonuses" excludes the civil servants and self-employed from the analysis. "IABS sample, bonuses" is based on the same sample, but includes bonuses, holiday and Christmas money in the wage measure. This specification is most similar to the one in the IABS. "Hourly wage" also excludes the self-employed and civil servants. The wage measure is the hourly wage including bonuses, holiday and Christmas money.
Source: GSOEP sample for men working full-time between 21 and 60 years of age. 2% IABS sample for men working full-time between 21 and 60 years of age.

Figure A.2: Inequality Trends in the IABS and GSOEP, Women
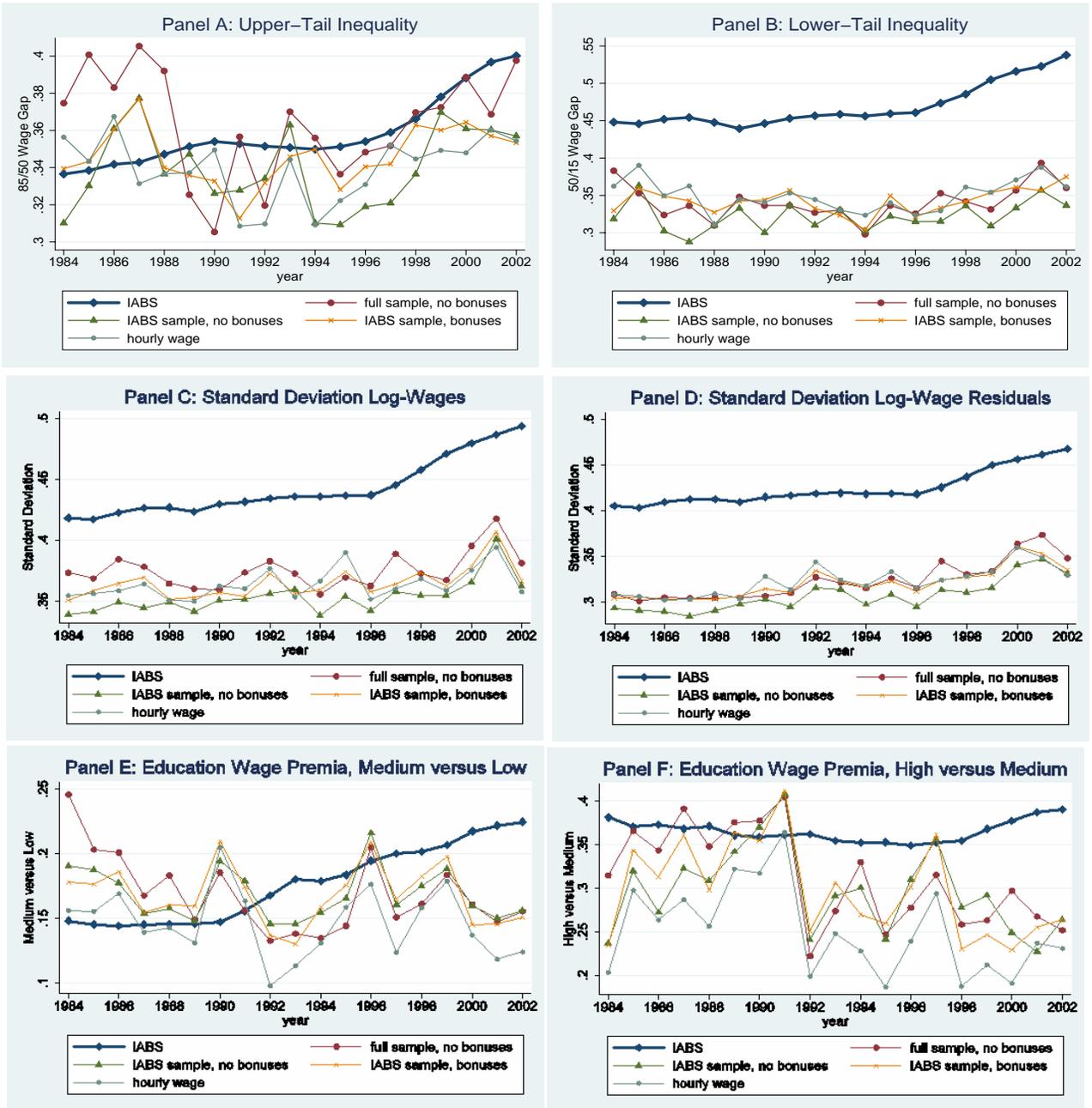
Panel A: Upper–Tail Inequality

Panel B: Lower–Tail Inequality

Panel C: Standard Deviation Log-Wages

Panel D: Standard Deviation Log-Wage Residuals

Panel E: Education Wage Premia, Medium versus Low

Panel F: Education Wage Premia, High versus Medium

Note: The figure compares inequality trends in the GSOEP and IABS. Panels A and B plot the 85/50 and 50/15 wage gap in the two data sets. Panels C and D show the evolution of the standard deviation of log-wages and log-wage residuals in the IABS and GSOEP. Panel E and F display the age-constant medium/low and high/medium wage premium in the two data sets. In the GSOEP, we report findings for four samples: "Full sample, no bonuses" includes the civil servants and self-employed in the sample. The wage measure is the monthly wage excluding bonuses, holdiay and Christmas money. "IABS sample, no bonuses" excludes the civil servants and self-employed from the analysis. "IABS sample, bonuses" is based on the same sample, but includes bonuses, holiday and Christmas money in the wage measure. This specification is most similar to the one in the IABS. "Hourly wage" also excludes the self-employed and civil servants. The wage measure is the hourly wage including bonuses, holiday and Christmas money.
Source: GSOEP sample for women working full-time between 21 and 60 years of age. 2% IABS sample for women working full-time between 21 and 60 years of age.

Table A.8 Comparison Between LIAB And The IABS

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
					median					
LIAB	5.075	5.074	5.061	5.066	5.079	5.087	5.088	5.088	5.092	5.097
IABS	5.084	5.082	5.071	5.080	5.092	5.096	5.095	5.102	5.108	5.097
					85-50					
LIAB	.395	.399	.410	.417	.418	.426	.435	.441	.459	.462
IABS	.409	.414	.423	.431	.441	.443	.451	.452	.472	.477
					50-15					
LIAB	.280	.277	.291	.285	.291	.316	.313	.323	.325	.344
IABS	.287	.289	.293	.301	.311	.324	.329	.334	.342	.360

Note : The table compares the median and the 85-50 and 50-15 wage gap in the LIAB and the IABS. Wages in the LIAB data refer to the 1st of July. To facilitate the comparison between the two data sets, wages in the IABS refer to the same date.
Source : 2% IABS Sample (1995-2004) for men working full-time between 21 and 60 years of age. LIAB (1995-2004) for men working full-time men between 21 and 60 years of age.