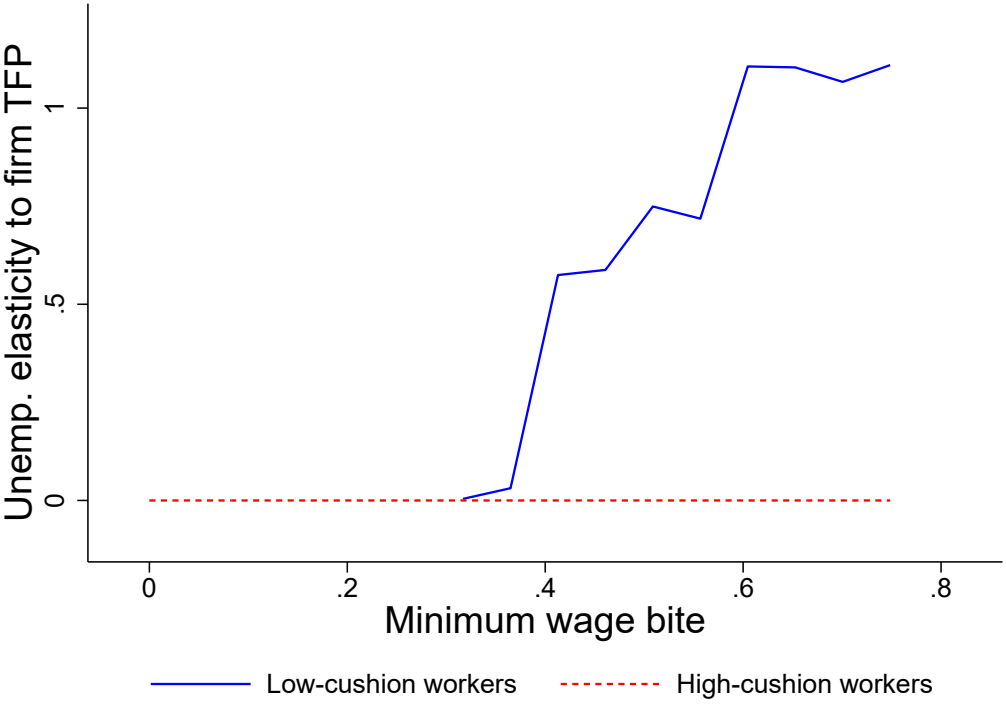
Unemp. elasticity to firm TFP
0
.5
1
0
.2
.4
.6
.8
Minimum wage bite
Low-cushion workers
High-cushion workers