Readme Replication File for "Sorting with Teams"

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The replication package consists of two folders:

1) data: Includes datasets for the replication of results.
2) codes: Includes codes for the replication of results.

Data

Data on worker earnings for 1981 and 2013 from the US Social Security Administration are due to Song et al. (2019). Their data is contained in firm_inequality.xlsx.

1. Earnings by percentile are obtained from rows 3 and 5 in the tab by_earnings_percentile.
2. The variance decomposition comes from rows 4 and 5 in the tab variance_decomp.
3. The average coworker earnings is from rows 20 and 148 in the tab by_earnings_percentile.

Codes

1. ***teams.m***: Generates for 2 workers per team (nw = 2):
    a. Baseline results (Table 1, Table 2, Figure 3):
        - 1980 by selecting "1981/1981/1981" for workers, firms, target
        - 2013 by selecting "2013/2013/2013" for workers, firms, target
        - Figure 3 is generated
    b. Counterfactuals (Table 3)
        - Worker effect by selecting "2013/1981/2013"
        - Firm effect by selecting "1981/2013/1981"

2. ***teams.m***: Generates the baseline and counterfactual tables in the Supplementary Materials Appendix 3**.**
    a. nw = 3: Table A.1
    b. nw = 4: Table A.2
    c. nw = 5: Table A.3