

Table 1 Impacts on Type j firms

	$y_j^*(z)^{13}$	$k_j^*(z)$	$m_j^*(z)$	\hat{c}	$v_j^*(z)$	$u_j^*(z)$	$\frac{v_j^*(z)}{u_j^*(z)}$
∂q^c	+	+	+	+	+	+	-
∂q^s	-	-	-	-	-	-	+
∂p^j	-	-	-	-	-	-	-
∂p^s	+	+	+	+	+	+	-
∂d	-	-	-	-	+	+	-
$\partial \varepsilon$	+	+	+	+	+	+	-
$\partial \delta_j$	-	-	-	-	+	+	-
$\partial \delta_s$	+	+	+	+	+	+	-

Table 2 Impacts on Type s Sector

	y_s^*	k_s^*	m_s^*	v_s^*	u_s^*	$\frac{v_s^*}{u_s^*}$
∂q^c	+	-	-	-	-	± 0
∂q^s	+	+	+	+	+	+
∂p^j	+	+	+	+	+	± 0
∂p^s	-	-	-	-	-	-
∂d	+	+	+	+	+	-
$\partial \varepsilon$	-	-	-	-	-	± 0
$\partial \delta_j$	+	+	+	+	+	± 0
$\partial \delta_s$	-	-	-	-	-	-

Table 3 Impact on the Entire Economy¹⁴

	y^*	k^*	m^*	v^*	u^*	$\frac{v^*}{u^*}$
∂q^c	+	-	+	-	-	-
∂q^s	+	+	-	+	-	+
∂p^j	-	-	-	-	+	-
∂p^s	-	-	+	-	-	-
∂d	-	+	-	+	+	+
$\partial \varepsilon$	+	-	+	-	-	-
$\partial \delta_j$	-	+	-	+	+	+
$\partial \delta_s$	-	-	\pm	-	\mp	-

¹³Gross output inclusive of capital costs. This applies also to two other tables on comparative statics

¹⁴Based upon numerical solutions of equilibrium around the benchmark equilibrium. They may not hold globally.

Table 4 Parameter Values

Parameter	q^e	q^s	δ^j	δ^s	d	ε	p^j	p^s	$Mean(c)^*$	σ
Benchmark	1.3	1	.02	.15	.03	.3	.3	.05	.573	.25

*Set at .7 x threshold value of c, .819 at benchmark equilibrium.

Table 5 Benchmark Equilibrium

Total output	1.028
Share of type j sector employment	.858
Threshold value of c	.819
Vacancy rate	.154
Unemployment rate	.084
Output per employment at j sector*	.916
Capital share of output	.261

*net of training cost

Table 6 Impacts of an Increase in Dispersion of Returns to capital

Total output	.997 (-3.0%)
Share of type j sector employment	.745 (-13.2%)
Threshold value of c	.765 (-6.6%)
Vacancy rate	.207 (+33.7%)
Unemployment rate	.097 (+15.8%)
Output per employment at j sector	.903 (-1.5%)
Capital share of output	.239 (-8.7%)

The figures above show % change from the benchmark case when the dispersion in returns to capital is increased from zero to .05

Figure 1 Rising Share of Part time / Temporary Employees

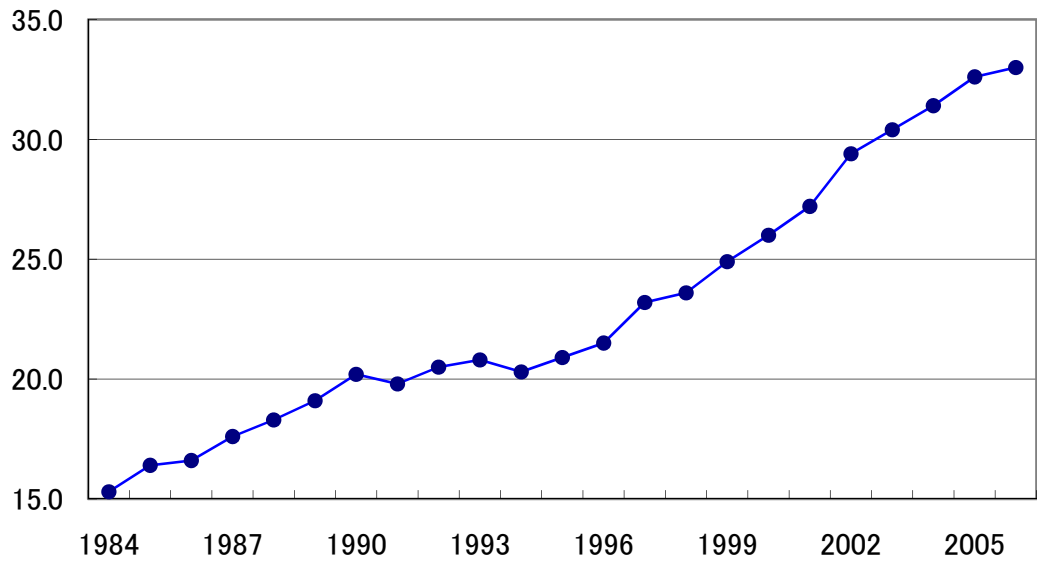


Figure 2 Job Accessions and Separations (triangle marker) Full time employees

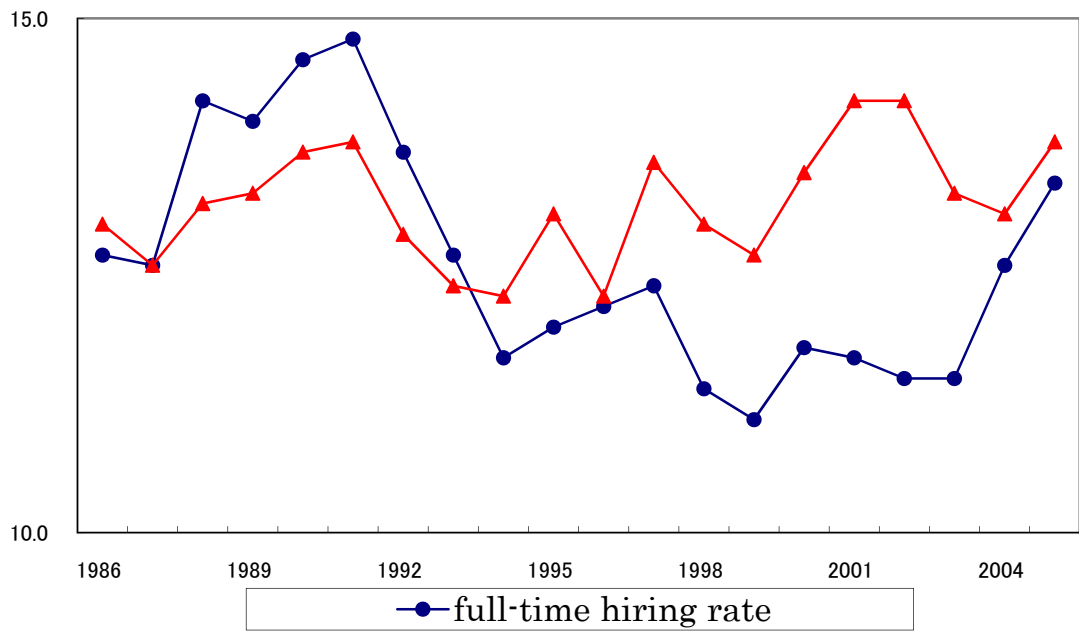


Figure 3 Job Accessions and Separations (triangle marker) Part time employees

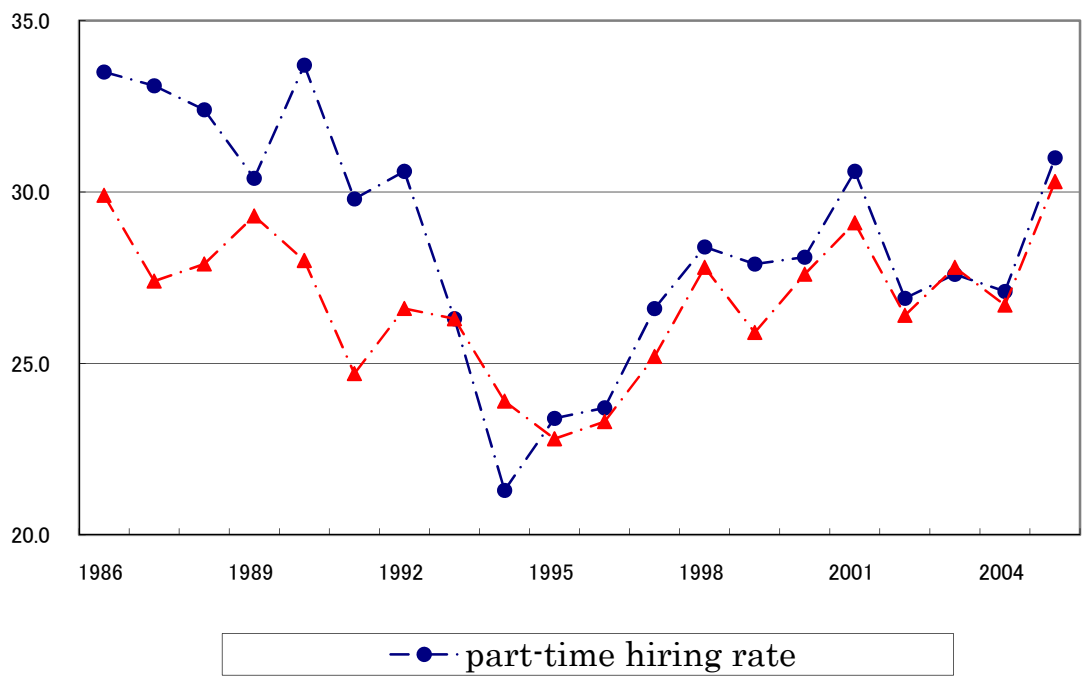


Figure 4 Beveridge Curve

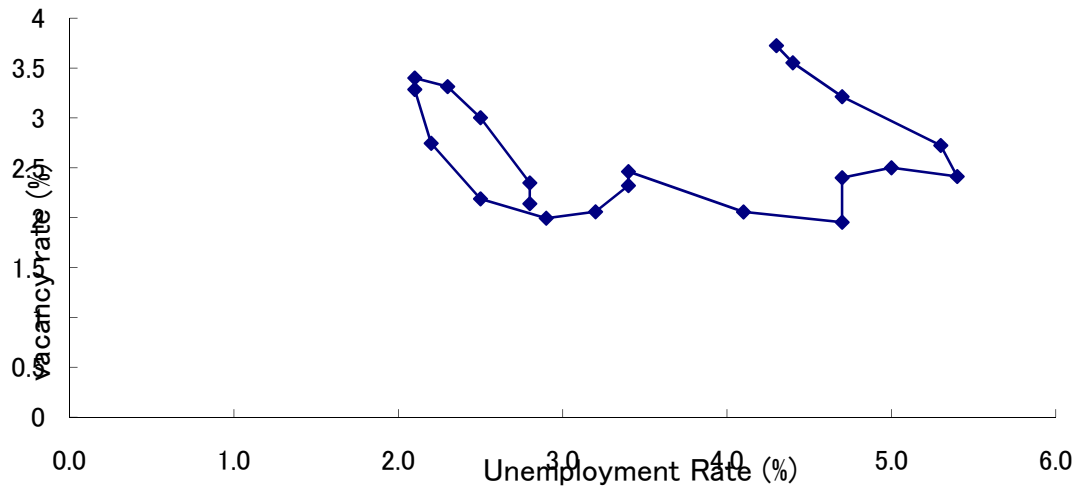


Figure 5 Beveridge Curve and Market Equilibria

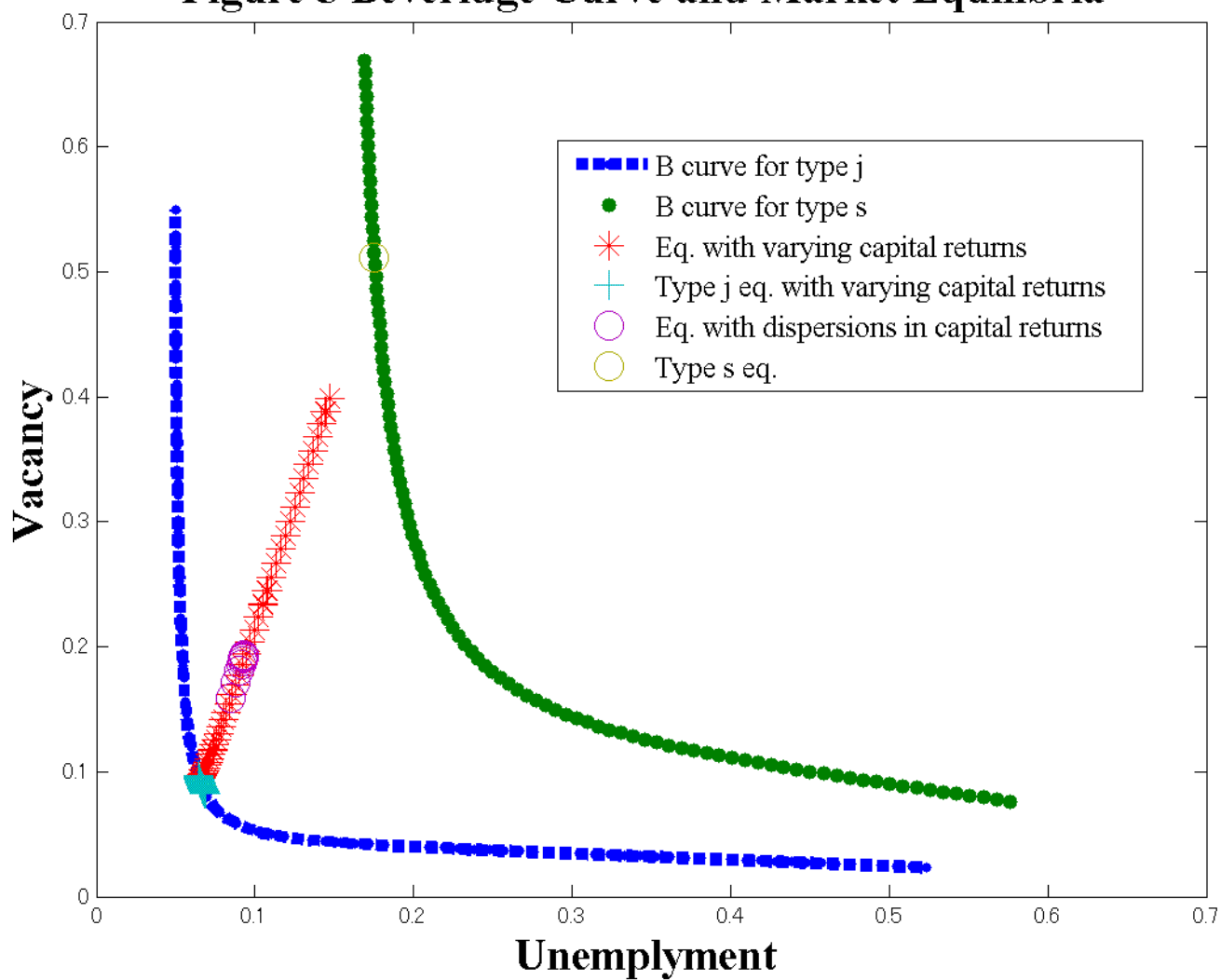


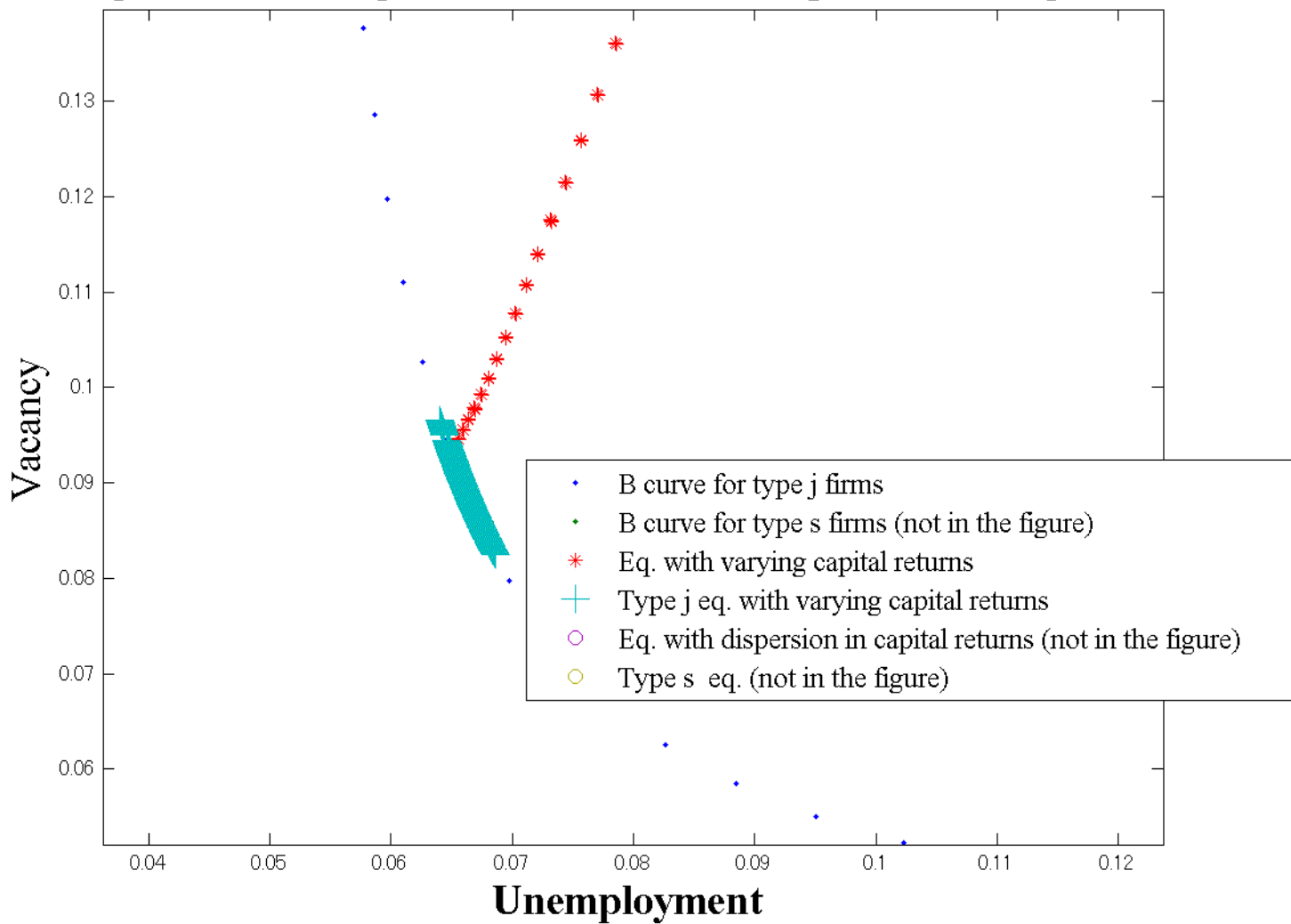
Figure 6 Beveridge Curve and Market Equilibria (Magnified)

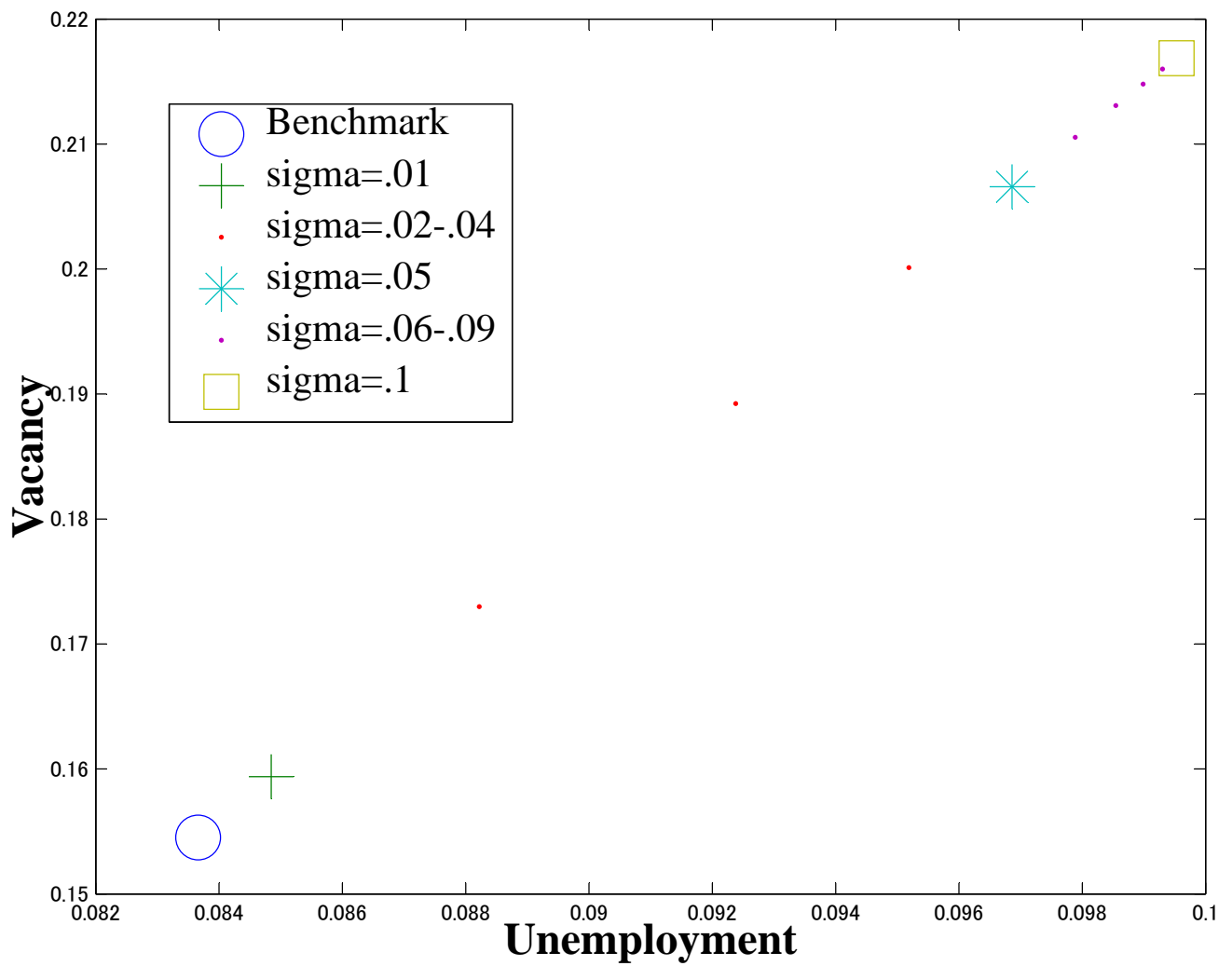
Figure 7 The Impact of Capital Mobility on Vacancy and Unemployment

Figure 8 The Impact of Capital Immobility