# Affect-Cued Selective Recall:
# Evidence from Employee Retrospective Wage Evaluation Under Inflation*

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**Abstract**

We study people's recall and retrospective evaluation of past experiences under affect-cued selective recall. Specifically, contexts with negative affective valence cue negative recollections, which then lead to negative retrospective evaluations. Using 1 million Glassdoor reviews from over 4,000 U.S. firms, we find that exposure to high inflation at the time of review, as the retrieval context, negatively affects employees' retrospective wage evaluations. Meanwhile, inflation experienced prior to the review establishes an affective norm that mitigates the negative affective impact of high inflation exposure. For former employees, higher inflation experienced post employment lowers their retrospective wage evaluations, consistent with recent experiences interfering with accurate recall of earlier ones. Open-ended review texts support the mechanism of affect-cued selective recall. Finally, these crowdsourced employee evaluations enter market-wide information aggregation and influence firm-level outcomes such as employee productivity and labor flows.

*Keywords:* memory, affect, selective recall, experience effects, inflation, job reviews, retrospective evaluations, information aggregation

*JEL Codes:* E24, E31, E70, G30, G40, J30

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# 1 Introduction

Individuals' beliefs are shaped not merely by objective experiences, but also by how these experiences are encoded, emotionally processed, and reconstructed during recall (Laudenbach et al., 2025).[1] Two complementary perspectives inform how contextual cues shape the retrieval of experiences and, consequently, influence evaluations and decisions. First, memory-based frameworks emphasize that choices and evaluations arise from the interaction between contextual cues and the memory database (Bordalo et al., 2020, 2022; Malmendier and Wachter, 2024). In response to the retrieval context, a biased set of past experiences is selectively retrieved and further distorts subjective evaluations, leading to the attribution bias.[2] Second, the psychology and neuroscience literature establishes that memory retrieval is closely linked to emotional states—individuals tend to recall memories that are affectively congruent with their current emotional state; as a result, emotional contexts can systematically shape which past experiences come to mind (Teasdale and Fogarty, 1979; Matt et al., 1992; Eich, 1995; Siddiqui and Unsworth, 2011; Kahana, 2012).

While a growing literature has documented the influence of affective states on individuals' preferences and belief formation in the financial domain (Kuhnen and Knutson, 2011; Cohn et al., 2015; Guiso et al., 2018; Goetzmann et al., 2024; Wachter and Kahana, 2024), existing work largely focuses on forward-looking decisions, with limited evidence on how affect embedded in contextual cues directly shapes memory recall. One exception is Taubinsky et al. (2025), who show that negative household events (e.g., emergency room visits) increase individuals' inflation backcasts more than forecasts, consistent with affect influencing beliefs through memory. This mechanism is particularly relevant for retrospective evaluations, where individuals assess past experiences based on the specific memories retrieved at the time of judgment. In such settings, the affective valence embedded in the retrieval context acts as a cue that selectively activates memories with similar valence, thereby shaping recall and evaluations (Taubinsky et al., 2025). These effects are economically important because retrospective evaluations influence individuals' experienced utility, subsequent decisions, and others' choices through information transmission.

In this paper, we provide large-scale field evidence from the labor market, showing how workers retrieve memories related to past wages in response to the retrieval context as well as their prior and subsequent experiences with respect to inflation. Our empirical setting leverages a unique feature of the online

[1] In her Presidential Address at the American Finance Association 2026 Annual Meeting, Ulrike Malmendier calls for a "human finance" paradigm that integrates insights from psychology, neuroscience, and other life sciences into the study of economic decision-making, emphasizing the importance of stress, emotions, and memory in belief formation.

[2] For example, a person who visited an amusement park during bad weather may value a subsequent visit less than those who visited under favorable weather conditions (Haggag et al., 2019).

employer review platform, *Glassdoor.com*, where both current and former employees evaluate their job experiences at employers retrospectively. These retrospective evaluations provide a natural real-life setting for us to study memory recall directly.

Our dataset contains more than one million employee job reviews covering over 4,000 U.S. firms from Glassdoor since its inception from January 2008 to December 2024. Each review typically includes a structured one-to-five star ratings of wage (compensation and benefits) and other job dimensions as well as unstructured, open-ended textual comments about their working experiences. The data allows us to observe both current and former employees evaluating their past wages under different inflation contexts and personal inflation experiences. Importantly, the timing of the review provides a clear measure of the retrieval context, while the employment history and inflation conditions experienced during and post employment allow us to track how encoding and ex-post experiences shape memory retrieval. This setting is therefore particularly well suited to study affect-cued selective recall in a real-world economic environment.

Our results reveal a systematic relationship between inflation exposure and retrospective wage evaluations. Specifically, individuals' evaluations of past wages depend not only on the wages they actually received, but also on the affective valence carried by the retrieval context, in which memories of past experiences are triggered and recalled. Inflation, which is widely perceived as negative and salient in daily life (Afrouzi et al., 2024a,b; Binetti et al., 2024; Stantcheva, 2024), serves as a powerful contextual cue with negative affective valence that shapes which wage-related experiences come to mind at the time of evaluation.

We document three main empirical findings. First, consistent with affect-cued selective recall, higher inflation at the time of review leads employees to report significantly lower retrospective wage evaluations. Specifically, exposure to high inflation carries a negative affective valence, thereby activating memories of past wage experiences associated with financial strain and similar negative affective valence, and thus leading to lower evaluations in retrospect. This effect emerges for both current and former employees and is robust to a rich set of controls for firm characteristics, macroeconomic conditions, and granular fixed effects, with which we compare employees who are otherwise virtually identical, except for their inflation exposure. Specifically, we compare individuals within the same firm-occupation cell and job location who submitted evaluations in different months of the same year (and for former employees with matching tenure profiles and industry environments in both departure and review year), ensuring our estimates

reflect effects of retrieval contexts rather than compositional or macroeconomic differences. We also show that the effect is unlikely to be driven by similarity-based imperfect recall of inflation conditions during employment, contemporaneous dissatisfaction with current wages, or transient attention to inflation news around CPI releases.

Second, the magnitude of this dampening effect depends on individuals' prior inflation experiences, consistent with the formation of affective norms and adaptation through experiences. Employees who experienced persistently high inflation prior to the review exhibit a significantly attenuated response to current high-inflation exposure. In other words, the emotional benchmark formed by past inflation experiences mitigates the negative affective impact of adverse retrieval contexts at present. This pattern is consistent with evidence that emotional responses depend on relative deviations from experienced norms rather than absolute levels (Bordalo et al., 2020).

Third, among former employees, we find that inflation experienced after leaving the firm also exerts a significant downward pressure on their evaluation of past wages. The result is consistent with the interference from subsequent experiences in memory retrieval: more recent experiences may crowd out or distort earlier memories, leading individuals to reinterpret past experiences through the lens of their recent contexts. Specifically, higher inflation experienced after leaving the firm leads former employees to implicitly scale their past wages using more recent inflation as the benchmark, which makes their past wages appear less favorable and results in lower retrospective evaluations.

To further corroborate affect-cued selective recall as the underlying mechanism, we analyze the unstructured review texts submitted by reviewers. With textual analysis of wage-related narratives and their tones, we directly test whether inflation exposure influences the recall of past wage experiences, and if so, which ones to be top-of-mind. Consistent with the affect-cued selective recall mechanism, we find that employees exposed to higher inflation at the time of review are more likely to mention wage in their open-ended written comments, suggesting that wage experiences are indeed top of mind in face of the retrieval context. Moreover, conditional on mentioning wage-related aspects, their tones are more negative. We show that these results are not simply driven by attention to inflation under high-inflation exposure. These patterns provide direct evidence that high-inflation context influences which wage-related memories are retrieved and how they are interpreted during the retrospective evaluation process.

Importantly, these subjective retrospective evaluations of employees do have real economic consequences. Employee reviews on platforms such as Glassdoor serve as widely accessible signals about firm

quality and workplace conditions. We show that firms receiving more negative retrospective wage evaluations subsequently experience lower employee inflows, higher employee outflows and weaker labor productivity. These findings highlight that retrospective evaluations influence labor market outcomes not only through individual career decisions but also through information aggregation on crowdsourced review platforms. As generative AI tools increasingly synthesize large volumes of online information, such aggregated opinions may play an even larger role in shaping firm reputation and labor flows.

Finally, we conduct a battery of tests to rule out alternative explanations for our results. First, we address concerns about reviewer composition and self-selection on online platforms. Although less satisfied employees may be more likely to post reviews, the negative effect of inflation exposure on retrospective wage evaluations appears across the entire distribution of ratings rather than being concentrated in the lower tail. Quantile regression results show that the effect operates broadly among employees with different baseline satisfaction levels. We also document that inflation increases review activity—particularly among current employees and among former employees who left their former employers longer ago—suggesting that inflationary environments not only shape how individuals recall past wage experiences but also when they choose to express them. Second, we rule out several alternative mechanisms related to salient inflation shocks and relative temporal comparisons. The negative effect of high-inflation exposure persists after accounting for whether current inflation exceeds individuals' historically experienced inflation levels, indicating that reviewers are not merely reacting to unusually high inflation at the time of review. Among former employees, the negative impact of post-employment inflation remains robust after controlling for potential contrast effect between on-job and post-employment inflation, differences in time since leaving the firm, and the unusual inflation dynamics during the COVID period. Taken together, these tests support the interpretation that our findings reflect memory-based mechanisms, i.e., affect-cued selective recall, adaptation to prior experiences, and interference from subsequent experiences, rather than reviewer composition, salient shocks, or simple relative comparisons.

Our paper contributes to several strands of literature. First, we contribute to the growing literature on memory-based decision-making and context-dependent recall. Theoretical work emphasizes that decisions arise from the interaction between contextual cues and memory retrieval (Bordalo et al., 2020, 2022; Wachter and Kahana, 2024; Bordalo et al., 2025). A related body of research in psychology and neuroscience shows that memory retrieval is closely linked to individuals' emotional states: affective contexts can act as retrieval cues that selectively activate memories with similar emotional valence, thereby shaping the ex-

periences individuals recall and the judgments they form (Teasdale and Fogarty, 1979; Eich, 1995; Finucane et al., 2000; Slovic et al., 2007; Siddiqui and Unsworth, 2011; Kahana, 2012). Recent work in economics also provides supporting evidence that affective cues can influence beliefs through this memory-recall channel (Taubinsky et al., 2025). While recent empirical studies has documented memory-based distortions in financial markets (Gödker et al., 2025; Jiang et al., 2025; Charles and Sui, 2026), our evidence extends this framework to the labor market and demonstrates how emotional elements embedded in retrieval contexts may shape recall and retrospective evaluations of past real-life experiences other than investments. Moreover, we document that subsequent experiences can interfere with memory retrieval, influencing how individuals recall and reinterpret similar shared experiences.

Second, we contribute to the literature on experience effects. Prior work shows that individuals' beliefs and preferences are shaped by personal experiences with macroeconomic events, such as inflation, unemployment, or financial crises (Kuchler and Zafar, 2019; Malmendier, 2021; Malmendier and Wachter, 2024). These experiences influence a wide range of economic outcomes, including inflation expectations, housing and mortgage decisions, and monetary policy preferences (Malmendier and Nagel, 2016; Malmendier et al., 2021; Cenzon and Szabó, 2024; Malmendier and Wellsjo, 2024; Nagel and Malmendier, 2026). Our results highlight a new channel through which experiences operate: not only do experiences shape beliefs and preferences, but they also influence how past outcomes are remembered and evaluated. Specifically, we show that prior experiences can establish an affective benchmark that moderates individuals' responses to current adverse emotional shocks, consistent with adaptation and learning through past experiences (Nagel and Malmendier, 2026).

Third, our study contributes to the literature on public perceptions of inflation. A large body of research documents that households perceive inflation as highly salient and strongly negative, often associating it with economic hardship, increased inequality, and mental struggle (Coibion et al., 2018; Afrouzi et al., 2024a,b; Binetti et al., 2024; Stantcheva, 2024; Jain et al., 2024; Guerreiro et al., 2026). We provide large-scale empirical evidence consistent with this view and complementary to recent survey-based evidence: employees exposed to higher inflation report lower evaluation of their (past) wages, reflecting the emotional responses associated with rising prices.

Finally, we contribute to the literature on information aggregation and the "wisdom of crowds", particularly in the context of online review platforms. Prior studies show that crowdsourced information can provide valuable signals for markets and firms—for example, online investor discussions improve in-

vestment recommendations and earnings forecasts (Chen et al., 2014; Jame et al., 2016), customer reviews predict firm performance (Huang, 2018), and employee reviews predict firm fundamentals and future stock returns (Green et al., 2019; Sheng, 2025). Our findings highlight an important potential limitation of such aggregation mechanisms: when individual evaluations are systematically distorted by common macroeconomic experiences, aggregation may not fully eliminate biases. As a result, online platforms may reflect context-dependent perceptions in addition to firm fundamentals.

The rest of the paper is organized as follows. Section 2 discusses the data and measures. Section 3 presents the main empirical results. Section 4 explores the heterogeneity. Section 5 discusses the mechanism and section 6 discusses the real effects of employee evaluations on firms. Section 7 includes further analysis and robustness. Section 8 concludes.

## 2 Data and Measures

In this section, we first describe the data we use, and then move on to elaborate the measures of employees' inflation exposure at the time of review as the retrieval context as well as their inflation experiences accumulated by the time of review. We also discuss the construction of several key control variables. Finally, we provide the summary statistics of our sample.

### 2.1 Data

#### 2.1.1 Glassdoor employee job review data

Our comprehensive employee job review data is collected from the online platform *Glassdoor.com* by *Revelio Labs*, covering the period from Glassdoor's inception in January 2008 to December 2024. Glassdoor is an employer review and recruiting website launched in 2008, where current and former employees can voluntarily and anonymously review their companies. It is the world's largest career community where employees and job seekers come together to share an inside view of employers.[3]

Glassdoor maintains a give-to-get mechanism where users must first submit their own job reviews to acquire access to reviews provided by others, which reduces the selection bias among reviewers (Marinescu et al., 2021). Every review on Glassdoor goes through a moderation process before it is approved to be published on the website, which includes a combination of tech filters, algorithms, and human moder-

[3]Glassdoor employee review data is widely used and validated in literature. See Green et al. (2019), Campbell and Shang (2022), Gornall et al. (2025), and Sheng (2025) for example.

ation to identify possible fraudulent content.[4] Glassdoor also takes initiatives to prevent employers from manipulating reviews, [5] and encourages crowdsourced detection by maintaining community flagging.[6]

A typical Glassdoor review contains employee's one-to-five star overall evaluation of her employer, as well as detailed evaluations for different job dimensions including *Career Opportunities*, *Compensation & Benefits*, *Work/Life Balance*, *Senior Management*, *Culture & Values* etc. In addition, employees can also choose to submit textual reviews for employers in terms of *Pros*, *Cons*, and *Advice*, where they can share the advantages and downsides, as well as their suggestions to improve working at the employers. Figure A1 shows the interface of Glassdoor review submission page.

For each reviewing employee, we have information of her employment relationship with the employer (*Current* or *Former*), employment type (*freelance*, *intern*, *contract*, *part-time*, or *regular full-time*), job title, occupation (O*NET title and code), seniority,[7] length of employment, joining year (first year at the employer) and leaving year (final year at the employer, for former employees only), as well as her job location.

We restrict our sample to reviews submitted by reviewers (once) working at a US-headquartered Compustat firm and based in the U.S. at the time of review. The final sample includes around 2.18 million reviews for 5,308 unique Compustat firms, among which around 1.22 million are submitted by current employees, and the other 0.96 million by former employees.[8]

### 2.1.2 Other data sources

We incorporate data from several additional sources. We retrieve data on firm fundamentals from Compustat Fundamentals Annual, with which we construct measures of firm's operating performance and other characteristics as controls. For each review, we assign firm fundamentals in the corresponding fiscal year based on the review date and related firm's fiscal year-end. For reviews submitted by former employees, we additionally assign firm fundamentals when they left their former firms (still measured in the corresponding fiscal year according to employee's departure date and related firm's fiscal year-end), taking into

[4]Glassdoor allows each user to post one review per company per year. Evidence of multiple reviews for a same company through different accounts by a same user will result in removal of all contributions of that user.

[5]Glassdoor requires email verification to control company self-promotion (Green et al., 2019), and will remove reviews of a company with evidence that employees were compensated and/or coerced into leaving a review.

[6]Every review has a flag icon, allowing users (and employers) to report a review as "suspicious" or "false". However, Glassdoor requires significant proof to remove a review to prevent companies from censoring negative feedback.

[7]Seniority ranges from 1 to 7. 1 denotes entry level and 7 denotes senior-executive level. The other five levels from 2 to 5 are in turn: junior, associate, manager, director, and executive level. The seniority of each employee is predicted based on her job title, company, industry, age, previous seniority, and position history. See Revelio Labs Methodologies–Seniority for more details.

[8]See Table A1 for more detailed sample decomposition.

account that former employees may have limited information about their former firms' current conditions at the time of review.

We obtain occupation-level data from O*NET, which we use together with reviewer's job title and O*NET occupation code to infer their labor characteristics such as education level and working experience. We obtain monthly inflation data from the U.S. Bureau of Labor Statistics (BLS), measured by 12-month percentage change in nationwide CPI (all items). Data on other macroeconomic variables, such as CPI and monthly unemployment rate, is from the Federal Reserve Bank of St. Louis (FRED). We complement our dataset with employee-level job history data from LinkedIn, as well as aggregate-level expectations for inflation and earnings growth by demographics from Survey of Consumer Expectations (SCE) conducted by the Federal Reserve Bank of New York (FRBNY). Firm corporate culture data is from Li et al. (2021).

## 2.2 Measure of inflation exposure and experiences

### 2.2.1 Inflation exposure as the retrieval context

We first construct a measure of each reviewing employee's inflation exposure at the time of review as their retrieval contexts. Specifically, we define a dummy variable $HighInflation_{i,j,t}$, which indicates whether employee $i$ from firm $j$ is exposed to monthly inflation rate (12-month percentage change in nationwide CPI) higher than 3% (annualized) at the time of review.[9] We set the high-inflation threshold at 3% following evidence from literature that people's attention to inflation increases as inflation increases, and surges beyond a threshold (Coibion et al., 2020; Bracha, 2025; Pfauti, 2025; Weber et al., 2025). For example, Korenok et al. (2023) identify an attention threshold of around 3% for the U.S. population using a threshold regression framework.[10] We also define a dummy variable $Deflation_{i,j,t}$ indicating whether a month is with negative inflation as a control. This allows us to use moderate inflation (0%-3%) which aligns with the Fed's long-run target as the benchmark retrieval context in our analysis.

[9] Although official CPI and inflation data are released with a one-month lag, this measure captures the contemporaneous inflationary environment directly experienced by the reviewer at the time of review, and we show in Table A2 that the negative effect of high-inflation exposure as the retrieval context is not due to reviewer's reaction to CPI releases. Moreover, we construct alternative measures of employees' inflation exposure (and corresponding inflation experiences) using month-over-month and quarter-over-quarter CPI growth rates (Gennaioli et al., 2024). Our results remain robust to these measures.

[10] Robustness checks using alternative thresholds (e.g., 3.5% or 4%) yield qualitatively and quantitatively similar results.

### 2.2.2 Inflation experiences prior to the review

Following Malmendier et al. (2020), Cenzon and Szabó (2024) and Malmendier and Wellsjo (2024), we construct measures of inflation experiences for each reviewing employee by calculating a weighted average of experienced monthly inflation rates (annualized) by the time of review.

Specifically, for current employees, we construct a measure of their inflation experiences during employment (*ExpInf On-Job*), by calculating a weighted average of experienced monthly inflation rates from the month of hire until the last month preceding the review submission. The upper panel of Figure 1 illustrates current employees' inflation experiences during employment (*ExpInf On-Job*).

The inflation experiences of current employee $i$, working at firm $j$, and reviewing in calendar year-month $t$ is then defined as

$$\pi_{i,j,t} = \frac{\sum_{s=0}^{\textit{length of employment}_{i,j,t}-1} \omega_{i,t}(s,\lambda)\pi_{t-s}}{\sum_{s=0}^{\textit{length of employment}_{i,j,,t}-1} \omega_{i,t}(s,\lambda)} \tag{1}$$

where $\omega_{i,t}(s,\lambda) = (\frac{\textit{length of employment}_{i,j,t}-s}{\textit{length of employment}_{i,j,t}})^{\lambda}$ are weights from the last year-month preceding the review submission year-month $t$ to the month of hire, i.e., the very first year-month when employee $i$ joins the firm, $\pi_{t-s}$ are nationwide monthly inflation rates in year-month $t-s$, and $\textit{length of employment}_{i,j,t}$ measures the total number of months employee $i$ has worked in firm $j$ (excluding the reviewing year-month).

Consistent with existing literature on experience effects related to inflation (Malmendier and Nagel, 2016; Cenzon and Szabó, 2024), we set the value of $\lambda$ as 1 in our analysis.[11] The corresponding linearly-decaying weighting function then captures employees' recency bias that more recent experiences receive higher weights in recall, while earlier experiences still matter, thereby retaining important heterogeneity due to variations in historically experienced inflation.[12]

Similar as current employees, we construct measures of former employees' inflation experiences. The only difference is that apart from constructing their overall inflation experiences (*ExpInf Overall*) from the month of hire, i.e., when they join their former firms, to the last month preceding their review submission,

[11] In robustness checks, we consider alternative weighting functions by changing the value of $\lambda$ to 0 (non-decaying equal weights), 3, 5, as well as -0.2 ("impressionable early years hypothesis") to ensure our findings are not driven by assumed degree of recency bias in calculating reviewing employees' inflation experiences. Our results stay robust to these alternative weighting specifications.

[12] The recency effect is one of the most fundamental laws of memory (Kahana, 2012), and has been well documented in literature (Malmendier and Nagel, 2011; Greenwood and Shleifer, 2014; Barberis et al., 2015; Cassella and Gulen, 2018; Nagel and Xu, 2022; Charles and Sui, 2026).

we also divide their inflation experiences into two sub-periods, the *Employment Period* (*ExpInf On-Job*) from the month of hire to the last month preceding the month of departure, as well as the *Post-Employment Period* (*ExpInf Post-Employment*) from the month of departure to the last month preceding the month of review. The lower panel of Figure 1 illustrates the inflation experiences accumulated by former employees by the time of review.

Specifically, the overall inflation experiences (*ExpInf Overall*) of former employee $i$ previously working at firm $j$ and reviewing in calendar year-month $t$ is defined as

$$\pi_{i,j,t} = \frac{\sum_{s=0}^{\textit{join-to-review length}_{i,j,t}-1} \omega_{i,t}(s,\lambda)\pi_{t-s}}{\sum_{s=0}^{\textit{join-to-review length}_{i,j,,t}-1} \omega_{i,t}(s,\lambda)} \tag{2}$$

where $\omega_{i,t}(s,\lambda) = \left(\frac{\textit{join-to-review length}_{i,j,t}-s}{\textit{join-to-review length}_{i,j,t}}\right)^{\lambda}$ are weights from the last year-month preceding the review submission year-month $t$ to the month of hire, i.e., the very first year-month when employee $i$ joined her former firm, and $\textit{join-to-review length}_{i,j,t}$ measures the total number of months between this period (excluding the reviewing year-month).

The overall inflation experiences of former employee $i$ can be further divided into inflation experiences during the two aforementioned sub-periods, i.e. the *Employment* period and the *Post-Employment* period. Specifically, we construct the following two additional measures of inflation experiences for former employees, where $\pi_{i,j,t}^{\textit{On-Job}}$ denotes inflation experiences during the *Employment Period*, and $\pi_{i,j,t}^{\textit{Post-Employment}}$ denotes inflation experiences during the *Post-Employment period*.

$$\pi_{i,j,t}^{\textit{On-Job}} = \frac{\sum_{s=\textit{post-employment length}_{i,j,t}-1}^{\textit{join-to-review length}_{i,j,t}-1} \omega_{i,t}(s,\lambda)\pi_{t-s}}{\sum_{s=\textit{post-employment length}_{i,j,t}}^{\textit{join-to-review length}_{i,j,,t}-1} \omega_{i,t}(s,\lambda)} \tag{3}$$

$$\pi_{i,j,t}^{\textit{Post-Employment}} = \frac{\sum_{s=0}^{\textit{post-employment length}_{i,j,t}-1} \omega_{i,t}(s,\lambda)\pi_{t-s}}{\sum_{s=0}^{\textit{post-employment length}_{i,j,t}-1} \omega_{i,t}(s,\lambda)} \tag{4}$$

where $\omega_{i,t}(s,\lambda) = \left(\frac{\textit{join-to-review length}_{i,j,t}-s}{\textit{join-to-review length}_{i,j,t}}\right)^{\lambda}$ are weights allocated to each months between the month of hire and the last month preceding the review submission. Similar as before, we set the value of $\lambda$ to 1 to capture former employee's recency bias using the corresponding linearly decaying weighting functions, and save the alternative values of $\lambda$ for robustness checks. Our results stay robust to these alternative

weightings.

### 2.3 Other explanatory variables

In addition to our key explanatory variables measuring employees' inflation exposure as their retrieval contexts as well as their inflation experiences prior to the review, we also include other variables in our regressions as controls. Some of these variables are also used to generate interactions with the key explanatory variables to explore the potential heterogeneity in effect strengths.

*Average staff expense per employee as a proxy for employee wage.* Wage is the most decisive factor determining employee's wage evaluation. However, due to data limitation, we can not directly observe and control for the exact wage of each reviewing employee. To circumvent this limitation, following Bacchetta et al. (2019), Donangelo et al. (2019), and Hartman-Glaser et al. (2019), we use *staff expense (XLR)* and *number of employees (EMP)* variables from Compustat to compute *average staff expense per employee* and use it as a proxy for employee wages at each firm in each fiscal year.[13]

To address the weakness that *XLR* in Compustat is only reported for fewer than 20% of firm-(fiscal) year observations, following the method of Donangelo et al. (2019) and Hartman-Glaser et al. (2019), we construct *extended XLR per employee* for firms that do not report *XLR*, and then use the corresponding *extended XLR per employee* as a proxy for employee wages at these firms as well. Specifically, for each fiscal year, we classify firms into 20 industries based on the first two digits of their NAICS code, and sort them into 20 size groups within each industry based on their total assets, thus obtaining 400 industry-size cells. We then estimate the mean *staff expense per employee* (*XLR/EMP*) within each industry-size cell using the available *XLR* observations, and use this estimate to substitute for the *average staff expense per employee* for firms missing *XLR* data in the same industry-size cell during that fiscal year. We then match the computed *average staff expense per employee* to each reviewer according to her review year-month and the fiscal year of her firm at that calendar month.

One limitation of this proxy worth noting is that it only reflects a general wage level within firms and does not capture the wage distribution or variation in wages across employees within the same firm. To address this limitation, we control for *Seniority* fixed effects in regressions as well as including the (*Review Year* $\times$) *Firm* $\times$ *Occupation* fixed effects, which absorb the systematic differences in pay levels

[13] *Staff expense (XLR)* includes salaries, wages, pension costs, profit sharing and incentive compensation, payroll taxes, and other employee benefits.

and structures across occupations within firms for former employees (and over time as well for current employees). Moreover, for each reviewing employee, we control for her actual wage experiences, proxied by the mean of annual *average staff expense per employee* during her employment.

*Other firm-level controls.* We also control for several other firm-level characteristics that may affect employees' wage evaluation. Specifically, we control for firm's size (measured by the logarithm of total assets), leverage ratio, and return on assets (ROA). Firm size captures the potential differences in wage levels as well as organizational structures that may shape wage policies and employees' perceptions of wages. Leverage ratio accounts for firm's capital structure as well as financial constraints that could limit a firm's ability to adjust wages or provide non-pecuniary benefits during inflationary periods. ROA controls for contemporaneous firm performance, which may influence both firms' wage-setting capacity and employees' expectations regarding wage adjustments and bonus payments. Including these firm-level variables mitigates the concern that our results are confounded by underlying firm fundamentals, and ensures that the estimated effects of inflation exposure as the retrieval context and experiences are not simply reflecting cross-sectional differences in firm financial conditions, profitability, or growth prospects.

### 2.4 Summary statistics

Table 1 presents the summary statistics for current employee sample and former employee sample respectively, including employee-level, macro-level, and firm-level key variables. Among current employees, the average wage evaluation is 3.57 stars, higher than that of 3.25 stars among former employees. Reviewers are generally at the junior level, with 16.3% of current employees and 6.7% of former employees holding managerial positions or above. Most reviewers are full-time employees. The average length of employment is around 59 months for current employees and 54 months for former employees, with average annual wage during employment being approximately $113k and $105k respectively. For former employees, the time interval between leaving the former employer and submitting a review is approximately 17 months on average. At the macroeconomic level, roughly 41% of current employees and 38% of former employees are exposed to high-inflation context at the time of review. Firm-level characteristics indicate that the composition of reviewed firms for current employee sample and former employee sample is similar.

### 2.5 Stylized facts

Figure 2 shows the relationships between inflation exposure in a calendar year-month and average wage evaluations among current and former employees respectively across all sample firms in that month. One pattern emerges immediately: at the aggregate level, employee wage evaluations tend to be lower in months with higher inflation rates.

## 3 Main Results

In this section, we examine the role of affective valence embedded in retrieval contexts in shaping employees' selective recall and retrospective evaluation of past experiences, as well as the modulating effect of affective norm established by adaptation through experiences. In addition, we investigate how ex-post experiences interfere with the recall of prior ones and assess how such interference may influence peoples' subjective reconstruction and interpretation of objectively similar shared experiences.

### 3.1 Retrieval context and affect-cued recall

We first investigate how affective valence carried by inflation exposure at the time of review, as the retrieval context, determines employees' recall and retrospective evaluation of past wage experiences. Taubinsky et al. (2025) document that, consistent with affect heuristic in psychology (Finucane et al., 2000; Slovic et al., 2007), affect plays an important role in determining people's memory recall and belief formation. They show with model and empirical evidence that emotionally charged household experiences act as cues that increase the likelihood of recalling past events with similar affective valence, and that the recalled experiences further shape peoples' beliefs. Specifically, they show that emergency room visits in the survey month, as negative household shocks, carry negative affect and lead individuals to report both higher past and expected inflation, as large price increases generally carry negative affect for most people. Importantly, these effects operate through imperfect memory recall: affective cues selectively activate congruent experiences, which are then used to form judgements.

In our setting, we focus on the affective valence carried by employees' inflation exposure at the time of review, which serves as their retrieval contexts. This choice is based on the evidence from a large literature that people as employees strongly dislike inflation, with inflation causing stress, strong emotional reactions, and a sense of inequality, apart from affecting their daily lives (Afrouzi et al., 2024a,b; Binetti

et al., 2024; Stantcheva, 2024).[14]

In an ideal experiment, we would compare a same employee's evaluation of her past wages under two identical circumstances, except for her inflation exposure at the time of review, thereby isolating the causal effect of inflation exposure as the retrieval context on recall and retrospective evaluation of wages. However, this ideal setting is not feasible because we cannot have a same employee review twice simultaneously and under different inflation exposures. Moreover, since reviews on Glassdoor are anonymous, neither can we identify reviewers who have reviewed more than once. To circumvent these limitations and approximate the ideal counterfactual setting, we adopt a stringent identification strategy that leverages rigid and granular fixed effects to absorb potential confounding variations and compare retrospective wage evaluations of employees who are as similar as possible, except for their inflation exposure at the time of review.

Specifically, for current employees, we employ the following identification strategy:

$$\begin{aligned} WageEvaluation_{i,j,t} = \beta_0 + \beta_1 HighInflation_{i,j,t} + \text{Controls} + \sigma_{\text{Year} \times \text{MSA}} \\ + \sigma_{\text{Year} \times \text{Firm} \times \text{Occupation}} + \sigma_{\text{Length Of Employment}} + \sigma_{\text{Seniority}} + \varepsilon_{i,j,t} \end{aligned} \tag{5}$$

where $WageEvaluation_{i,j,t}$ denotes employee $i$ 's one-to-five star evaluation of her wage at firm $j$, submitted in year-month $t$. $HighInflation_{i,j,t}$ is a dummy variable equal to one if employee $i$ faces monthly inflation rate higher than 3% (annualized) in the review month $t$, and 0 otherwise. We include a comprehensive set of employee-, macro-, and firm-level controls. At the employee level, we control for the reviewing employee $i$ 's average wage received during employment at firm $j$. At the macro level, we include a deflation indicator $Deflation_{i,j,t}$, the monthly nationwide unemployment rate, and a recession dummy equal to one if review month $t$ falls within an NBER recession period. At the firm level, we control for employee $i$'s contemporaneous annual wage in her review year, proxied by *average staff expense per employee* of firm $j$ in the corresponding fiscal year, as well as standard measures of firm characteristics, including size (logarithm of total assets), leverage ratio and return on assets (ROA).

Our empirical specification also incorporates a set of granular fixed effects. We first include *Review Year*

[14] See Stantcheva (2024) and Binetti et al. (2024) for survey evidence and detailed discussion. Through an online survey of a large and representative group of U.S. individuals, they document that "inflation is perceived as an unambiguously negative phenomenon without any potential positive economic correlates", and that the predominant reason for people's aversion to inflation is the widespread belief that inflation diminishes their purchasing power as neither personal nor general wage increases match the pace of price rising (Coibion et al., 2018; Jain et al., 2024).

$\times$ *MSA* fixed effects to absorb time-varying local conditions that are common to all reviewing employees within a same metropolitan statistical area (MSA), such as local price dynamics, cost-of-living changes, tax and utility adjustments, and labor market conditions. As a result, our identification does not rely on cross-region or cross-year difference in local economic environments. We further include either (i) *Review Year* $\times$ *Industry* fixed effects or (ii) the more saturated *Review Year* $\times$ *Firm*$\times$ *Occupation* fixed effects. The former absorbs contemporaneous shocks at the industry level such as demand fluctuations, commodity price cycles, regulatory reforms or technology disruption that may simultaneously affect wage-setting norms and employee wage satisfaction benchmarks. The latter is substantially more restrictive, confining identification to variations across employees within the same firm–occupation cell in the same review year, thereby purging the estimates of firm-specific compensation policies, occupation-specific pay norms, and contemporaneous shocks common to that cell. Finally, we include *Length of Employment* and *Seniority* fixed effects to account for tenure and career stage related heterogeneity in wage evaluation.

Taken together, the set of fixed effects provides a parsimonious identification that absorbs confounding factors across time, regions, industries, firms, occupations, and employee career stages, ensuring our estimate of the coefficient on high-inflation exposure as the retrieval context is identified from variations within narrowly defined comparison groups, thereby strengthening the causal interpretation of our results. Specifically, our identification relies on comparing employees within the exact same firm-occupation cell and the same MSA who submitted evaluations in different months of the same year, thereby exposing them to different inflation contexts at review.

Similarly, we employ the following identification strategy for former employees:

$$\begin{aligned} WageEvaluation_{i,j,t} = \beta_0 + \beta_1 HighInflation_{i,j,t} + \text{Controls} + \sigma_{\text{Year} \times \text{MSA}} + \sigma_{\text{Review Year} \times \text{Industry}} \\ + \sigma_{\text{Departure Year} \times \text{Industry}} + \sigma_{\text{Firm} \times \text{Occupation}} + \sigma_{\text{Length Of Employment}} + \sigma_{\text{Seniority}} + \varepsilon_{i,j,t} \end{aligned} \tag{6}$$

All variable definitions follow those for current employees. The key difference between this identification and that for current employees lies in firm-level controls and the structure of fixed effects. Because former employees are no longer employed by at the time of review, we also include a set of firm-level controls in the corresponding fiscal year at the time of their departure, ensuring former employees' retrospective wage evaluations are also benchmarked against firm's economic conditions prevailing when the employee exited, apart from conditions at the time of review.

We further incorporate a set of granular fixed effects to isolate variation in inflation exposure within narrowly defined comparison groups. First, we include *Review Year* × *MSA* fixed effects to absorb time-varying local economic environments similar as in equation (5). Second, we include both *Review Year* × *Industry* and *Departure Year* × *Industry* fixed effects. The former controls for contemporaneous industry-wide shocks and wage-setting norms at the time of review, while the latter absorbs systematic differences in labor market conditions and industry dynamics prevailing when employees exited from former firms. We also include *Firm* × *Occupation* fixed effects, which capture persistent firm-level compensation policies and occupation-specific wage ladders, ensuring that identification is drawn from comparisons among employees with similar structural pay benchmarks. Finally, *Length of Employment* and *Seniority* fixed effects flexibly absorb heterogeneity related to tenure and career stage, which may systematically influence retrospective wage evaluation.

Taken together, the set of controls and fixed effects for former employees ensures that our estimates are identified from variation in inflation exposure across former employees who are comparable in terms of firm–occupation affiliation, industry environment at departure and review, regional conditions at review, and tenure profiles. Consequently, the estimated effect of high-inflation exposure reflects differences in retrieval contexts rather than cross-cohort, cross-industry, or cross-firm compositional differences, thereby strengthening the causal interpretation of our results.

We present the results for estimation of equation (5) and equation (6) in Table 2. We find that high-inflation exposure at the time of review, as the retrieval context, negatively affects employees' retrospective evaluation of past wages. Panel A presents the results for current employees. In all columns, we include *Seniority* fixed effects and *Review Year* × *MSA* fixed effects. In columns (1) and (2), we include all types of employees and control for *Employee Type* fixed effects. In columns (3) and (4), we further confine our sample to full-time employees only. In columns (1) and (3), we include less parsimonious *Review Year* × *Industry* fixed effects, and in columns (2) and (4), we replace it with more granular *Review Year* × *Firm* × *Occupation* fixed effects and *Length of Employment* fixed effects, confining identification to variations across employees within the same firm–occupation cell in the same review year, greatly enhancing the causal interpretation of our results. According to results in column (4), which is our preferred specification, the coefficient on *HighInflation* implies that high-inflation exposure at the time of review leads to decrease in retrospective wage evaluation by 0.023 points among current employees.[15]

[15]For comparison, Gornall et al. (2025) document that employee wage evaluation declines by around 0.08 points after LBO

Panel B of Table 2 presents the results for affect-cued recall among former employees. Similar as in Panel A, in all columns, we include *Seniority* fixed effects and *Review Year* × *MSA* fixed effects, and additionally incorporate *Review Year* × *Industry* and *Departure Year* × *Industry* fixed effects. In columns (1) and (2), we include all types of employees and control for *Employee Type* fixed effects, and we further confine the sample to full-time employees in the other two columns. In columns (2) and (4), we include more granular *Firm* × *Occupation* fixed effects and *Length of Employment* fixed effects, enhancing the causal interpretation of our results. According to results in column (4), which is our preferred specification, the coefficient on *HighInflation* implies that high-inflation exposure, as the retrieval context, decreases retrospective wage evaluation by 0.03 points among former employees.

In particular, one may argue that the negative effect of high-inflation exposure, as the retrieval context, can arise from two conceptually distinct channels. First, consistent with affect-cued selective recall, high inflation carries a negative affective valence. When employees submit reviews under such circumstances, the negative affect carried by high-inflation contexts increases the likelihood that they retrieve adverse wage experiences encoded with similar negative valence. In other words, inflation operates as an affect cue that selectively activates negatively tagged wage memories, and thus leading to lower retrospective evaluations.

Second, one could also posit a purely imperfect recall channel unrelated to affect. Under this interpretation, high inflation at the time of review may trigger the recall of prior high-inflation episodes through similarity-based associative recall (Kahana, 2012) . If employees correctly remember their nominal wages but mis-reconstruct the relevant price level, i.e., effectively recalling the wrong "denominator" against which wages are evaluated, retrospective wage evaluations would also be mechanically biased downward. This mechanism implies imperfect recall based on similarity rather than affect.

Our evidence, however, suggests that the affective channel plays a central role. In Table A3, we show that high-inflation exposure at the time of review also lowers retrospective evaluations of other job dimensions that are less directly tied to inflation, including career opportunities, culture and values, senior management, and work–life balance, as well as overall job evaluations, especially among former employees who rely more on recalling to derive an evaluation. Such spillovers are difficult to reconcile with a pure imperfect recollection of inflation conditions due to similarity-based recall, but are naturally consis-

and that wage evaluation gap between jobs typically requiring a college degree and those requiring only high school completion is around 0.05.

tent with affect-cued recall, whereby a negatively valenced retrieval context broadly shapes the recall and evaluations of past experiences.

It is also worth noting that the negative effect is unlikely to be driven merely by contemporaneous dissatisfaction with current pay in the review month. If that were the case, the effect should be confined to current employees and to wage-related evaluations. Instead, we observe similar and even stronger patterns among former employees and across non-wage job dimensions, consistent with an affect-cued selective recall explanation.

We also rule out the possibility that the negative effect is driven by reviewers' transient attention or reactions to inflation information around CPI releases. Table A2 shows that wage evaluations do not differ within a $\pm$10-day window around CPI release dates.

Overall, the takeaway from Table 2 is that high-inflation exposure at the time of review, as a retrieval context carrying negative affective valence, triggers reviewer's recollections of past wage experiences tagged with similar negative valence, and thus leading to their lower retrospective evaluations.

### 3.2 Affective norm and adaptation through experiences

A large literature on experience effects has shown that past experiences can shape people's beliefs, preferences and decision-making.[16] In terms of inflation experiences, existing research has shown that experienced inflation not only affects people's expectations for future inflation (Malmendier and Nagel, 2016; D'Acunto et al., 2021; Nagel and Malmendier, 2026), but also influences people's financial decisions such as mortgage choice (Cenzon and Szabó, 2024) and house purchasing versus renting decisions (Malmendier and Wellsjo, 2024). Moreover, the impact of inflation experiences is also found in highly educated and professional individuals such as FOMC members (Malmendier et al., 2021).

Another strand of literature documents the habituation through past experiences, whereby individuals become accustomed to a certain kind and level of stimulus, so that its impact on their attentions, perceptions, or responsiveness diminishes. For example, Clark (1999) show that employee wage satisfaction responds primarily to changes in pay rather than to its absolute level, consistent with individuals becoming accustomed to past income levels and evaluating current outcomes relative to those established benchmarks. In housing markets, Simonsohn and Loewenstein (2006) show that households moving from

[16]For example, Malmendier and Nagel (2011) show that experiences of macroeconomic shocks can affect people's financial risk taking such as stock market participation and investments. See Malmendier (2021) for a detailed discussion.

high-rent to low-rent cities initially rent more expensive apartments relative to local benchmarks, while movers in the opposite direction rent less expensive ones, and that these effects attenuate over time. Bordalo et al. (2019) explain this pattern through memory-based reference norms: current prices cue recall of past rents, and the resulting comparison distorts attention and choice until new experiences update the norm. Moreover, Bordalo et al. (2025) document that elder individuals are less pessimistic about COVID's lethality than younger ones, consistent with memory-based experience effects that accumulated life experiences, even though non-domain specific (NDS), attenuate responses to new risks.

In terms of inflation, Korenok et al. (2023) show that experienced inflation in the past can adjust individuals' attention threshold for inflation. For example, a 4-5% inflation may seem salient to individuals who have never experienced inflation above 2%, while usual to those routinely experiencing inflation at this level, without triggering any attention. Building on the concept of experience-driven adaptation, Nagel and Malmendier (2026) further demonstrate that the seemingly "anchored" long-run inflation expectations of recent decades are actually an illusion created by experience-based learning. Because individuals continuously update their beliefs based solely on their lifetime history of realized inflation, prolonged exposure to low-persistence inflation mechanically desensitizes them to new inflation surprises. Consequently, this cognitive adaptation mimics well-anchored expectations but is highly fragile; it relies entirely on the memory of stable past data rather than central bank credibility, and would rapidly unravel if individuals were exposed to a new era of persistent inflation.

Built on the above discussion, in this section, we further investigate how inflation experienced by the time of review establishes an affective norm which modulates the affective impact of high-inflation retrieval context on employees' recall and retrospective evaluation. Specifically, we hypothesize that higher inflation experienced prior to the review habituates reviewers to inflation and dampens the negative affective impact of high-inflation context, thereby attenuating its downward effect on retrospective evaluations.

Table 3 reports the results, with Panel A presenting results among current employees and Panel B among former employees. The control variables and fixed effects in each column for Panel A and B follow those in column (2) and (4) of Table 2 respectively. According to our preferred specification in column (4) of each panel, one percentage point increase in experienced inflation prior to the review translates into 0.017 points and 0.020 points attenuation in the negative effect of high-inflation exposure for current and former employees respectively, consistent with our conjecture. Thereby, for a reviewing current employee with average inflation experiences of 3% during employment, high-inflation exposure at the time of review

depresses her wage evaluation by around 0.033 points, and for a reviewing former employee with average inflation experiences of 2.9% prior to the review, the negative effect is larger at 0.048 points. Importantly, the modulating effect of inflation experiences arises only when reviewers face a high-inflation context at the time of review. In other words, the affective adaptation gained through inflation experiences operates conditionally on the presence of high-inflation exposure as the adverse retrieval context, instead of a standalone influence.

One alternative explanation is that the attenuation reflects firms' nominal wage adjustments during periods of high inflation. However, this interpretation is unlikely to account for the patterns in the data. First, the moderating effect of experienced inflation appears only under high-inflation retrieval contexts, rather than as an unconditional shift in evaluations, which is more consistent with affective adaptation than with wage adjustments. Second, according to Table A4, the same conditional attenuation emerges not only for wage evaluation, but also for other job dimensions, which are not directly related to inflation or wage adjustments. The presence of similar effect across these dimensions suggests that the mechanism operates through reviewers' affective adaptation through past experiences rather than through changes in economic fundamentals.

### 3.3 Interference from ex-post experiences

In associative memory models, retrieving a particular item from the memory database involves competition with related ones: items that are more similar to the current context are more likely to be retrieved, yet they also interfere with one another, reducing the likelihood that any specific item is recalled. This phenomenon, known as *interference*, implies that subsequent experiences can interfere with the recall of earlier ones, even in the absence of explicit misinformation. Moreover, memory literature shows that memory recall is not a perfect playback of past experiences, but an active process recreating the past, filling in gaps or altering details based on subsequent information (Loftus, 2007; Schacter et al., 2011; Shao et al., 2023).

Consistent with the above mechanism, we examine whether ex-post experiences shape retrospective evaluations. Specifically, we divide former employees' inflation experiences into two sub-periods: the *Employment* period, from joining the former employer until departure, and the *Post-Employment* period, from departure to the time of review. We then investigate how inflation experienced post employment, as ex-post experiences, affects former employees' recall and retrospective evaluation of past wages.

Results are reported in Table 4. In Panel A, we use the same set of control variables and fixed effects for each column as those in Panel B of Table 2. According to the results, the coefficient on post-employment inflation experiences (*ExpInf Post-Employment*) is always negative and statistically significant at 1% level, indicating that higher inflation experienced after leaving the former employer is associated with lower retrospective wage evaluations among former employees. In our preferred specification in column (4), ceteris paribus, one percentage point increase in experienced inflation post employment translates into 0.018 points decrease in retrospective wage evaluation.

In Panel B, we further strengthen our identification by introducing *Cohort* fixed effects in column (1) and (2), which allows us to compare retrospective wage evaluations among former employees who joined the same firm, in the same city branch, at the same time, as well as with the same job title and employment duration. As a result, individuals within a job cohort share nearly identical employment histories, including their wage and broader job experiences during employment. Moreover, we always incorporate *Seniority* fixed effects, and in column (3) and (4), we interact them with *Cohort* fixed effects, i.e., controlling for *Cohort* $\times$ *Seniority* fixed effects. The specification therefore holds constant the on-job experiences that could shape employees' retrospective evaluations, allowing the identification to rely solely on variation in inflation experiences post employment. In other words, the estimates isolate the effect of post-employment inflation experiences on retrospective wage evaluations while netting out differences in employment conditions across workers. Panel (a) of Figure 3 illustrates the job cohort among former employees with an example. In the example, Alice and Bob both joined Microsoft in its Seattle branch as software developers in January 2014 and left in June 2019, thus they belong to a same job cohort, sharing largely identical employment-period experiences at the firm. However, after their departure, Alice wrote a review about Microsoft in March 2022, while Bob wrote one in October 2023. Our specification then compares their retrospective wage evaluations controlling for their inflation exposure at the time of review, so that our identification comes from differences in their post-employment inflation experiences.[17]

We also control for firm-level characteristics to account for time-varying firm conditions that may affect employees' wage evaluations. Columns (1) and (3) include firm fundamentals in levels, including

[17]Ideally, we would also control for reviewers' post-employment experiences beyond inflation, particularly wages at subsequent employers. However, the anonymous nature of Glassdoor reviews prevents us from observing reviewers' employment or wage information post departure. This concern is partly mitigated by our specification. *Cohort* and *Seniority* fixed effects hold constant employment histories and career stages, while *Review Year* $\times$ *MSA*, *Review Year* $\times$ *Industry*, *Departure Year* $\times$ *Industry*, and *Length of Post-Employment Period* fixed effects absorb local labor market conditions, industry shocks, and differences in post-employment horizons.

average staff expense per employee, firm size, leverage, and profitability, while columns (2) and (4) instead control for changes in these variables. This approach ensures that our results are not driven by cross-sectional differences in firm quality or by changes in firm performance that may influence employees' wage perceptions.

The results in Panel B show that the coefficient on *ExpInf Post-Employment* is consistently negative and statistically significant, indicating that higher inflation experienced after leaving the firm leads former employees to evaluate their past wages less favorably. The magnitude is economically meaningful—one percentage point increase in post-employment inflation experiences is associated with roughly 0.044 to 0.066 points decline in wage evaluations. This pattern remains stable across specifications that control for firm characteristics in levels (columns (1) and (3)) or in changes (columns (2) and (4)), and when we impose more stringent *Cohort* $\times$ *Seniority* fixed effects in columns (3) and (4).

Taken together, these results suggest the mechanism of interference, where inflation experienced post employment blurs reviewers' precise recollection of the inflation conditions prevailing during their employment, which serve as the implicit benchmark against which wages are retrospectively evaluated. As more recent inflation experiences are more accessible at the time of recall, they may crowd out or contaminate memories of earlier macroeconomic conditions, leading reviewers to discount their past wages more heavily and thus reporting lower wage evaluations.

Notably, this effect differs from the affect-cued recall mechanism discussed earlier. Whereas the affect channel operates through the emotional valence of the retrieval context, the interference mechanism arises from the cognitive competition between memories formed at different points in time. Consistent with this interpretation, the negative effect of post-employment inflation experiences is primarily concentrated in wage evaluations and exhibits only very limited spillovers to other job dimensions that are less directly tied to inflation, as shown in Table A5, suggesting that the effect operates through distorted recall of inflation conditions rather than through generalized mood effect.[18]

[18]We find that the marginal negative effect on employees' overall job evaluation and work/life balance evaluation disappears when we add wage evaluation as a control, while the negative effect on wage evaluation persist even if we add evaluations of all other job dimensions as controls. This is consistent with literature findings that memory "knows", albeit imperfect, what information is most relevant to bring forward to attention at any given time (Azeredo Da Silveira and Woodford, 2019).

### 3.4 Dynamics of memory

A limitation of much of the existing memory literature is that they typically capture only a single "snapshot" of individuals' recollections at a given point in time. Consequently, empirical evidence on how memories continuously evolve as individuals accumulate new experiences remains scarce. While recent experimental work, such as Gödker et al. (2025), advances our understanding by contrasting individuals' immediate recall against delayed recall to document systematic memory biases, it still primarily observes recall at a single, predetermined delay, and without much emphasis on individuals' experiences during the time interval.

Our setting, however, allows us to study the dynamics of memory in a real-world, out-of-lab environment. Specifically, we can track how reviewers recall similar employment experiences at different times after exposure to varying post-employment inflation. This design isolates how ex-post experiences reshape recollections of earlier ones, in particular whether inflation experiences after leaving a firm alter how former employees evaluate wages compared to their colleagues from a same job cohort who review about the same experiences earlier.

In particular, we compare employees from the same job cohort who review about similar wage experiences from the same employment period, but at different points in time. Specifically, current employees evaluate their wage experiences during employment without delay, whereas former employees submit reviews after leaving the firm and being exposed to varying post-employment inflation experiences. Panel (b) of Figure 3 illustrates this comparison with an example. In this job cohort, Alice, Bob, and Charlie worked as software developers at the Seattle branch of Microsoft and evaluate wage experiences from a common employment period from January 2014 to June 2019. The key difference lies in the timing of their reviews: Alice submitted her review immediately in June 2019, whereas Bob and Charlie reviewed in March 2022 and October 2023 respectively. Because Bob and Charlie wrote their reviews after leaving the firm, they accumulate additional inflation experiences that serve as ex-post experiences and shape how they reconstruct their earlier wage experiences.

Results are reported in Table 5, which captures the dynamic reconstruction of similar shared experiences. Column (1) and (2) include *Cohort* fixed effects and *Seniority* fixed effects separately, and column (3) and (4) introduce *Cohort* $\times$ *Seniority* fixed effects, allowing comparisons among employees who are within a same job cohort and sharing a same seniority level. These specifications ensure that the identifi-

cation comes from variation in post-employment inflation experiences among employees who experienced highly comparable wages during employment. In addition, we always include *Review Year* × *Industry* fixed effects to absorb common shocks at the industry-year level, as well as *Length of Post-Employment Period* fixed effects to account for systematic differences in recall timing.

The coefficient on *Former* × *ExpInf Post-Employment* is consistently negative and statistically significant, indicating that higher inflation experienced after leaving a firm leads to systematically lower retrospective wage evaluations among former employees compared with their colleagues who review about the same wage experience immediately without accumulation of ex-post experiences. This pattern holds across specifications with *Cohort* or *Cohort* × *Seniority* fixed effects, as well as controlling for firm characteristics, industry shocks, and the length of the post-employment period. The effect is also economically meaningful: one percentage point increase in post-employment inflation experiences translates into around 0.036 to 0.051 points decrease in retrospective wage evaluations.[19]

In essence, these results highlight the dynamic nature of memory: the same wage experience is remembered differently depending on subsequent experiences and when it is recalled.

# 4 Heterogeneity

In this section, we examine how employee-, firm-, and macro-level characteristics influence the intensity of reviewers' responses to retrieval contexts as well as the strength of interference from subsequent experiences in recall.

## 4.1 Heterogeneity in affect-cued selective recall

We first examine how the strength of affect-cued selective recall varies across employees, organizational characteristics, and macroeconomic conditions.

We divide employees into different subgroups based on their seniority, education level, relevant work experience, and work location (headquarters versus non-headquarters).[20] We also classify firms by their culture strengths (measured following Li et al. (2021)) and sizes, which proxy for wage-setting norms and organizational practices. Finally, we capture macroeconomic conditions with monthly unemployment rate,

[19]One alternative explanation is that former employees discount their past wages with higher inflation post employment compared to that during employment, and thereby perceiving them as less sufficient. However, as we show in Table 12, the effect cannot be explained by such comparisons of inflation across periods.

[20]Employees' education level and relevant work experience are inferred from the typical requirements associated with their O*NET occupation codes.

which proxies for employees' outside options and the ease of being employed.

According to Panel A of Table 6, for current employees, the negative affective impact of high-inflation exposure on retrospective wage evaluation is stronger among more senior, better educated, and more experienced, employees. Moreover, employees from firms with stronger cultures also show slightly stronger responses, while a weaker labor market at review attenuates the negative effect. These patterns are consistent with high-inflation exposure being emotionally more salient for employees with stronger earnings growth expectations and lower inflation expectations,[21] employees with stronger awareness of wage-setting practices or stronger attachment to firm norms,[22] and employees reviewing under tighter labor market conditions.[23]

By contrast, according to results among former employees in Panel B of Table 6, almost all interaction terms are insignificant, while the coefficient on *HighInflation* remains consistently negative and highly significant, suggesting that for former employees who recall experiences further in the past, affect-cued selective recall is widespread and largely universal across individuals, and that external labor market conditions have little moderation effect. The only exception is for firm size: former employees who departed from larger firms (measured by firm assets in the departure year) exhibit a stronger affect-cued recall effect, consistent with the explanation that larger firms, with more structured pay system and less wage sensitivity to local price changes (Hazell et al., 2025), leave a more persistent impression on employees' retrospective evaluations.

Overall, heterogeneity in affect-cued selective recall is more pronounced while employees remain in the firm, whereas after departure, differences across employee or firm characteristics largely attenuate, with firm size being the main remaining factor.[24]

## 4.2 Heterogeneity in interference from ex-post experiences

We next investigate whether interference from ex-post experiences in recall is universal across individuals. Table 7 presents the results. Consistent with our baseline results in Table 4, post-employment infla-

[21] Figure A2 suggests that more senior, better educated, and more experienced employees tend to have higher earnings growth expectations and lower inflation expectations, which likely amplifies the emotional salience of high-inflation exposure, intensifying their response to the negative affective valence embedded in the high-inflation retrieval context.

[22] Employees from firms with stronger cultures may also be more aware of firms' wage-setting policies and frictions, which enhances their emotional sensitivity to inflation.

[23] For current employees, a tighter labor market at the time of review amplifies the negative effect, likely because more outside options heighten the emotional salience of perceived wage inadequacy.

[24] According to the results, employees also exhibit universal conditional affective adaptation to inflation through inflation experiences by the time of recall.

tion experiences (*ExpInf Post-Employment*) are negatively related to former employees' retrospective wage evaluations, suggesting that more recent experiences interfering with the retrieval of former ones.

Our heterogeneity analysis reveals that the interference effect is pervasive, though its magnitude varies across specific groups. Specifically, post-employment inflation experiences more strongly affects the retrospective wage evaluations of former employees with more relevant work experience, those stationed at corporate headquarters, and those departing from larger firms.[25]

A plausible explanation for these heterogeneous effects lies in the interplay between the memory interference and the resolution of information frictions. Specifically, employees with higher human capital, such as those with extensive experience or from corporate headquarters, are often shielded from external market signals by firm-specific compensation structures. Upon leaving, their sudden exposure to true outside options serves as a highly salient new reference point. This abrupt informational shock magnifies the baseline inflation-driven interference and further lowering their retrospective wage evaluations.

Overall, while retrospective wage distortion is a generalized phenomenon, it is more pronounced among employees possessing more human capital, more closely tied to the organizational core, or associated with larger firms.

# 5 Evidence of affect-cued selective recall from review texts

In this section, we investigate and provide evidence for the affect-cued selective recall as the underlying mechanism that drives the negative effect of high-inflation exposure on employees' retrospective wage evaluations. Specifically, we examine the unstructured review texts submitted by employees and argue that the negative affective valence carried by high-inflation exposure at the time of review, as the retrieval context, cues their selective recall of adverse wage-related experiences during employment, and thus leading to their lower wage evaluations.

## 5.1 Methodology

As mentioned earlier, apart from the one-to-five star evaluations of different job dimensions, reviewers on Glassdoor can also submit open-ended texts about their employers in terms of *Headline* (summary about working at the employer), *Pros* (good reasons to work at the employer), *Cons* (downsides of working at the

[25] We also observe directionally similar, albeit statistically insignificant, effects for better educated, more senior employees, and those from firms with stronger corporate cultures.

employer), and *Advice* (suggestions about how management can improve working at the employer). Based on these review texts, we construct context-specific measures of employee recollection and sentiment using methods from natural language processing (NLP). Following recent advances in computational linguistics for financial economics (Li et al., 2021) , we train a neural word embedding model on the complete corpus of review texts using the Word2Vec framework. Specifically, we employ a skip-gram architecture with a 300-dimensional vector space and a context window of eight words. This allows us to map the semantic relationships between words based on their localized context within the specific setting of employee reviews.

Starting with predefined sets of anchor words for the inflation lexicon ("inflation", "cost_living" and "higher_prices") and the "wage" lexicon ("wage", "salary", "compensation"),[26] we extract the most semantically similar terms from the trained embedding space using cosine similarity. This procedure expands the initial seed words into comprehensive, corpus-specific dictionaries that capture colloquial expressions and context-dependent terminology commonly used in employee reviews.[27] Using these dictionaries, We then construct two dummy variables variables, $\mathbb{1}$(Mention Wage) and $\mathbb{1}$(Mention Inflation), which equal to one if any term from the respective dictionary appears in a reviewer's text.

To capture the emotional valence of employees' recalled experiences, we isolate the specific sentences containing wage-related terms using the sentence tokenizer from the *Natural Language Toolkit*. We then evaluate the sentiment of these extracted sentences using a transformer-based neural network model based on the *RoBERTa* architecture. In particular, we employ the pretrained *twitter-roberta-base-sentiment-latest* model available through the *Hugging Face Transformers* framework. This model is trained on a large corpus of social-media text and is therefore well suited to capturing the informal and colloquial language characteristic of online employee reviews. The classifier assigns each input sentence a sentiment label (positive, neutral, or negative) and a confidence score. We transform these outputs into a continuous sentiment measure by assigning positive scores to positive predictions and negative scores to negative predictions, with the magnitude equal to the model's predicted probability. Neutral predictions are assigned a value of zero. The resulting variable, *Wage Tone*, within the range of -1 to 1, precisely quantifies the affective

[26] The review texts are preprocessed following standard NLP procedures. Specifically, we convert text to lowercase, normalize contractions and common internet abbreviations, and apply tokenization and lemmatization using the *spaCy* pipeline. Common stopwords (e.g., "of", "the", and "and") are removed, and multi-word expressions are concatenated with underscores so they are treated as single tokens in the embedding model (e.g., "cost of living" is transformed in to "cost_living").

[27] See Table A6 for the detailed word dictionaries.

valence of employees' statement of their wage experiences.[28]

### 5.2 Results

Table 8 presents the results of our mechanism tests, separating the sample into current employees (Panel A) and former employees (Panel B). Regression specifications include stringent fixed effects consistent with the baseline models. We identify three patterns that robustly support the affect-cued selective recall mechanism.

*Top-of-mind recall.* Exposure to high inflation substantially increases the salience of past wage experiences and employees' tendency to recall them. In column (1) of both panels, the coefficient on *HighInflation* is positive and highly significant, indicating that wage-related topics are top of mind when the retrieval context is characterized by elevated inflation. Exposure to high inflation corresponds to a 1.1 percentage point increase in the probability of recalling and mentioning wage experiences during employment among current employees and a 1.2 percentage point increase among former employees.

*Affective valence of recalled experiences.* Conditional on wages being recalled and mentioned, the memory is inherently more negative. In column (3) of both panels, *HighInflation* has a significantly negative effect on *Wage Tone* (-0.013 for current employees and -0.018 for former employees), suggesting that the retrieval context not only prompts employees to think about their past wage experiences, but specifically triggers the recollection of adverse ones.

*Disentangling the cognitive channel.* To isolate the cognitive channel from a mechanical effect of attention to inflation, we interact *HighInflation* with the $\mathbb{1}$ *(Mention Inflation)* indicator in columns (2) and (4) of each panel. While explicitly mentioning inflation does lower wage tone, the baseline negative effect of the high-inflation exposure as the retrieval context remains negative and significant. This indicates that high-inflation context cues adverse wage memories even without conscious attribution. Moreover, the negative interaction in column (4) shows that when inflation is also top of mind, the affect-cued recall of negative wage experiences is amplified.

Taken together, these patterns demonstrate that the negative affective valence carried by high-inflation exposure as the retrieval context structurally alters how employees retrieve and evaluate past wage experiences, thus directly leading to their dampened retrospective evaluation of past wages.

[28] For example, the sentence "*Raises have never met inflation*" receives a sentiment score of –0.493, indicating a strongly negative tone reflecting dissatisfaction with wage adjustments relative to inflation.

# 6 Real Effects on Employee Mobility and Productivity

In previous sections, we have documented the negative effect of high-inflation exposure, as the retrieval context, on employees' retrospective wage evaluations, and explored the underlying mechanism of affect-cued selective recall. A very natural follow-up question would be: why do these evaluations matter? In this section, we show that, when aggregated, employees' retrospective wage evaluations have tangible effects on firm-level outcomes, including labor flows and employee productivity.[29]

To investigate the real effects of employees' retrospective wage evaluations, we estimate a panel regression model at the firm-year level. Our dependent variables encompass *employee inflow*, *employee outflow*, and *average labor productivity*. To construct firm-year level measures of labor flows, we leverage *LinkedIn* employee job history data, which allow us to track individual employment spells at a high level of temporal and firm-specific granularity. For each firm-year, we define *employee inflow* as the number of employees who start a new position at the firm after leaving a previous employer, scaled by the total number of employees at the firm at the end of the prior year. Similarly, *employee outflow* is defined as the number of employees who leave the firm in a given year, scaled by the prior-year employee number. To implement this, we organize employees' job histories by start and end dates, identify transitions between firms, and aggregate these flows at the firm-year level.[30] These measures provide a detailed and comparable picture of labor mobility across firms, complementing traditional firm-level data from Compustat. *Average labor productivity* is measured by the logarithm of sales per employee.

For specifications related to employee flows, we absorb time-invariant firm unobservables and time-varying shocks by including firm and year fixed effects. For the productivity specifications, we employ a stringent fixed-effect structure by incorporating *Year* $\times$ *Industry* and *Year* $\times$ *City* fixed effects to account for time-varying, sector-specific, and local productivity shocks. We also control for key firm characteristics including size, leverage ratio, employment base, and firm age.

Table 9 presents the results. Higher aggregate wage evaluations from current employees serve as a strong signal that meaningfully influences labor mobility. In the fully controlled specifications in columns (2) and (4), a one-point increase in the lagged average current employee wage evaluation raises firm-level employee inflow by 0.447 percentage points and reduces outflow by 0.15 percentage points. By contrast,

[29] In Table A7, we show that employee overall job evaluations have similar effects.

[30] We also construct alternative measures of employee flows using the average of current and previous-year employment to smooth year-to-year fluctuations. Our results are robust to these alternative measures.

wage evaluations from former employees have a weaker and statistically insignificant effect, suggesting that the labor market places greater weight on the assessments of individuals embedded within the firm.

Beyond labor mobility, retrospective wage evaluations also predict employee productivity. In column (6), controlling for firm characteristics and absorbing granular time-varying unobservables, a one-unit increase in lagged wage evaluations among current and former employees is associated with an 8.3% and 13.3% increase in subsequent labor productivity, respectively, both statistically significant at the 1% level.[31]

In sum, the above results show that understanding how employees form and share retrospective evaluations of their jobs is important as crowdsourced reviews enter market-wide information aggregation. Employee retrospective wage evaluations matter not only for their own labor-market decisions, but more importantly, serve as an information source shaping other labor-market participants' perceptions and expectations. Crowdsourced information platforms, consequently, will propagate the potentially distorted retrospective evaluations and exert influence on firm-level outcomes including labor productivity and employee flows, amplifying the effects of macroeconomic contexts at scale.

# 7 Further Analysis and Robustness

Finally, in this section, we conduct additional tests to corroborate the robustness of our findings by discussing and ruling out potential alternative explanations that could confound our results.

## 7.1 Composition of reviewers: effects driven by less satisfied employees?

A common concern with survey- or review-based data, such as ours, is self-selection bias—that is, who chooses to write a review in the first place. If more dissatisfied employees are systematically more likely to post reviews, the resulting evaluations may not fully represent the average experiences of the workforce. In our setting, this concern implies that the estimated relationship between high-inflation exposure and retrospective wage evaluations should be interpreted as the effect conditional on contributing a review. To the extent that negative experiences motivate review activity, the observed estimates may therefore represent an upper bound of the negative affective impact of high-inflation exposure on employees' evaluations.

Nevertheless, the selection patterns themselves are economically meaningful. Platforms such as Glassdoor are designed to capture individuals' subjective assessments shaped by their emotions, experiences,

[31] Percentage changes are computed as $100 \times (e^{\beta} - 1)$ from the log-linear coefficient $\beta$.

and memory. In this sense, the very feature often viewed as limitation—that more dissatisfied individuals may be more likely to express their opinions—instead makes the data particularly suitable for studying how affective valence carried by retrieval contexts shape individuals' retrospective evaluations.

To examine this issue directly, we explicitly document the composition of reviewers on Glassdoor. Table 10 shows how inflation contexts affect the composition of reviewers. Several patterns emerge. First, higher inflation is associated with a significant increase in overall review activity, particularly among current employees. A one-percentage-point increase in the annual inflation rate is associated with 4.878 additional reviews for a firm, among which 4.209 are contributed by current employees. This pattern suggests that inflationary environments stimulate expressive activity among employees who remain embedded in the firm, possibly because rising prices make salary and workplace conditions more salient. The effect is visible across overall job evaluations, wage evaluations, and evaluations of other job dimensions, indicating a general increase in the motivation to narrate workplace experiences when inflation and embedded negative affective valence is salient.

Second, among current employees, review participation varies with their length of employment. As shown in Panel (a) of Figure 4, current employees with longer tenure are more likely to contribute job-related reviews during high-inflation periods, while their propensity to provide wage evaluations decreases. In contrast, employees with very short tenure (less than 1 year) respond more weakly. One possible explanation is that workers who have experienced multiple inflationary cycles may become partially habituated to price changes, shifting their attention toward other aspects of the workplace environment rather than wage itself. More broadly, this tenure heterogeneity suggests that the responsiveness of employee narratives to external retrieval contexts depends on the depth and persistence of their employment experiences within the firm.

Third, inflation also affects which former employees choose to contribute reviews. Panel (b) of Figure 4 shows that individuals who left the firm more than one year earlier become significantly more likely to post reviews and wage evaluations during high-inflation periods, whereas the response among very recent leavers (those leaving within 1 year) is considerably weaker. Because distant former employees have detached from their former employers for longer periods, their reviews are less likely to reflect immediate reactions and more likely to rely on retrospective recollections. This pattern is consistent with the idea that retrieval contexts can activate stored memories, prompting individuals to reinterpret past experiences in light of current contextual cues.

Importantly, we show that our main results are not driven solely by the most dissatisfied reviewers. Figure 5 reports the quantile regression estimates across the distribution of employee evaluations. The effect of high-inflation exposure on retrospective wage evaluations appears throughout the distribution rather than being concentrated in the lower tail. In other words, the negative affective impact of high-inflation exposure is not limited to individuals who already hold extremely negative views; instead, it operates broadly across employees with varying levels of baseline satisfaction. This pattern reinforces the interpretation that inflation shapes memory retrieval and evaluation processes, rather than simply amplifying the voices of the most dissatisfied reviewers. Similarly, we show that both adaptation to inflation through prior inflation experiences and the interference from ex-post experiences in recall are prevalent and broadly present across the entire distribution.

Taken together, these findings suggest that high-inflation exposure as retrieval contexts affect not only how employees evaluate their past wages, but also who chooses to express those evaluations. Rather than undermining the empirical analysis, these composition patterns help illuminate the psychological channels through which external inflation contexts shape retrospective judgements. They show that contextual cues influence both the activation of memories and the motivation to articulate them, providing additional evidence consistent with affect-cued selective recall.

## 7.2 Confounding explanations

### 7.2.1 Salient high-inflation shock at review

A potential confounding factor for the negative effect of high-inflation exposure is that reviewers may simply respond to the salience of current inflation: unusually high inflation in the review month could draw attention and signal a decline in real wages or wealth, and thus leading to lower retrospective wage evaluations. To rule this out, we compare the inflation rate in the review month with each employee's historically experienced inflation, constructing two dummy variables indicating whether current inflation exceeds the employee's historically-experienced highest (*Ref_Highest*) or average (*Ref_Average*) inflation.[32] This approach allows us to distinguish the effect of salient current shock from the affective valence embedded in the retrieval context.

As shown in Table 11, high-inflation exposure continues to reduce retrospective wage evaluations

[32] Average inflation experienced is calculated with a linearly decaying weight, i.e., $\lambda = 1$, in equation (1) and equation (2). The results are robust to alternative weights.

significantly for both current and former employees. By contrast, the indicators capturing whether current inflation exceeds historically experienced levels are mostly small and insignificant. For former employees, exceeding the historically highest inflation (Ref_Highest) does have a negative effect, but it does not absorb or explain the overall effect of high-inflation exposure. In other words, reviewers are not merely reacting to record-high inflation at the time of review. Rather, the evidence indicates that wage evaluations reflect the retrieval of prior negative experiences under high-inflation conditions, consistent with a context-cued recall mechanism. This finding highlights that the effect of inflation operates through memory of past wages rather than immediate attention to current macroeconomic conditions.

#### 7.2.2 Contrast between on-job and post-employment inflation

We next examine the robustness of the interference effect and rule out potential confounding explanations. One concern is that the negative effect of post-employment inflation experiences on former employees' retrospective wage evaluations may reflect a simple contrast effect: reviewers might perceive past wages as inadequate when post-employment inflation exceeds on-job inflation. To test this, we construct a dummy (*Contrast High*) equal to one if experienced inflation after leaving the firm exceeds inflation during employment. We also restrict the sample to reviewers whose post-employment inflation is not substantially higher than on-job inflation,[33] effectively excluding extreme cases.

Columns (1) and (2) of Table 12 show that while a modest contrast effect does exist—higher post-employment inflation compared to on-job slightly reduces former employees' wage evaluations—it does not absorb the interference effect. In fact, the interference effect remains robust even among reviewers without post-employment inflation increases, confirming that the observed negative impact is not driven by relative inflation comparisons.

#### 7.2.3 Time effect and noise in recall

We next examine whether the interference effect varies with the time elapsed since departure, addressing concerns that memory decay or noise in retrospective recall could drive the results. We divide former employees into three groups based on the length of their post-employment period: ≤1 year, 1–2 years, and >2 years. Column (3) of Table 12 shows that the interaction between post-employment inflation ex-

[33] With difference ≤ 2%, corresponding to the 80th percentile of the distribution. See Figure A3 for the histogram of the distribution.

periences and these time groups is not statistically significant. In other words, the interference effect of ex-post inflation experiences persists across former employees with different post-employment durations, indicating that the interference effect is not a byproduct of recall noise or time decay.

#### 7.2.4 Covid-era inflation dynamics

Finally, we investigate whether the interference effect is driven by unusual inflation dynamics during the COVID era. We construct indicators for whether the review or departure occurs post-2021 (after the COVID) and interact them with post-employment and on-job inflation experiences. Columns (4) and (5) of Table 12 show that these interactions do not materially alter the negative effect of ex-post inflation experiences. The interference effect remains robust, confirming that our results are not solely driven by the exceptional macroeconomic conditions during the pandemic.

Together, results from these three sections indicate that the negative impact of post-employment inflation experiences on retrospective wage evaluations reflects a genuine interference effect, rather than simple contrast, memory decay due to time elapses, or exceptional period shocks.

## 8 Conclusion

This paper studies how individuals recall and evaluate past experiences under affect-cued selective recall. Using over one million employee job reviews from Glassdoor across more than 4,000 U.S. firms, we provide large-scale field evidence from the labor market, showing how employees retrieve memories related to past wages in response to the retrieval context as well as prior and ex-post experiences in terms of inflation. We demonstrate that exposure to high inflation at the time of review triggers the selective recall of negative wage-related experiences, thereby depressing employees' retrospective evaluations. However, this negative affective impact is mitigated by the affective norm established by inflation experienced prior to the review. Among former employees, post-employment inflation experiences also exert a significant downward pressure on their wage evaluations, consistent with recent experiences interfering with the retrieval of earlier ones. Textual analysis of employees' open-ended narratives about their job experiences corroborates the affect-cued selective recall mechanism. Crucially, we document that reviewers' memory-based subjective evaluations have real economic consequences by altering firm's labor flows and employee productivity.

Our findings contribute to the growing literature on memory and economic decision-making by demon-

strating how emotionally cued recall operates in real-world settings. Existing research has highlighted the role of memory recall among investors in financial markets (Wachter and Kahana, 2024; Gödker et al., 2025; Jiang et al., 2025; Charles and Sui, 2026). Our results extend this framework to employees in the labor market. In particular, we show that employees' retrospective evaluations of past job experiences are not merely objective summaries, but are instead systematically shaped by the retrieval context and subsequent life experiences.

More broadly, our findings highlight a novel channel through which macroeconomic conditions propagate into real labor-market outcomes. Subjective, context-dependent retrospective evaluations matter not only for individual career decisions, but also serve as publicly observable signals on crowdsourced platforms. As aggregated employee reviews increasingly enter market-wide information aggregation, particularly with the rise of generative AI tools that synthesize large volumes of online information, cognitive biases rooted in memory retrieval may amplify the real effects of macroeconomic fluctuations, shaping firm reputation, labor mobility, and broader labor-market dynamics.

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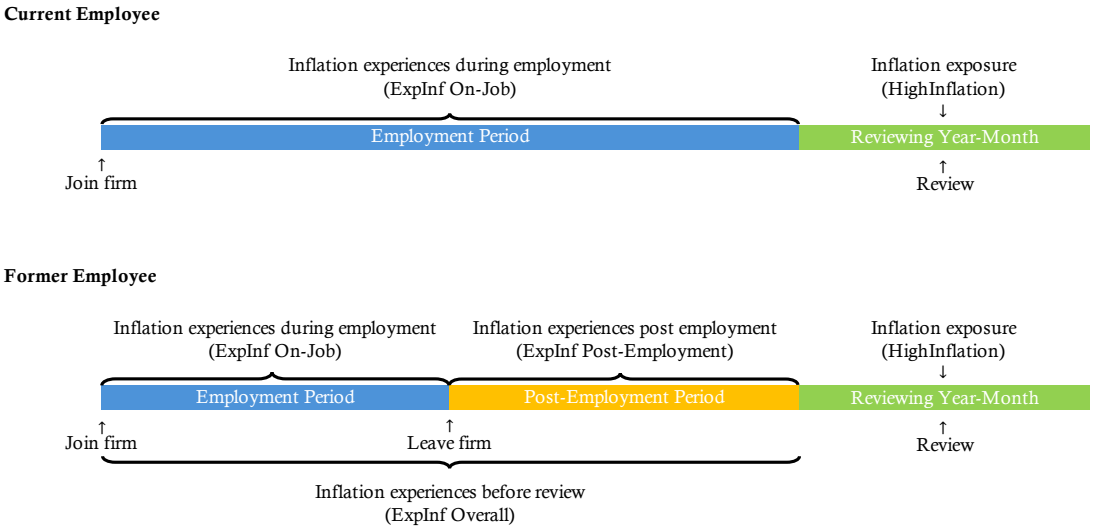
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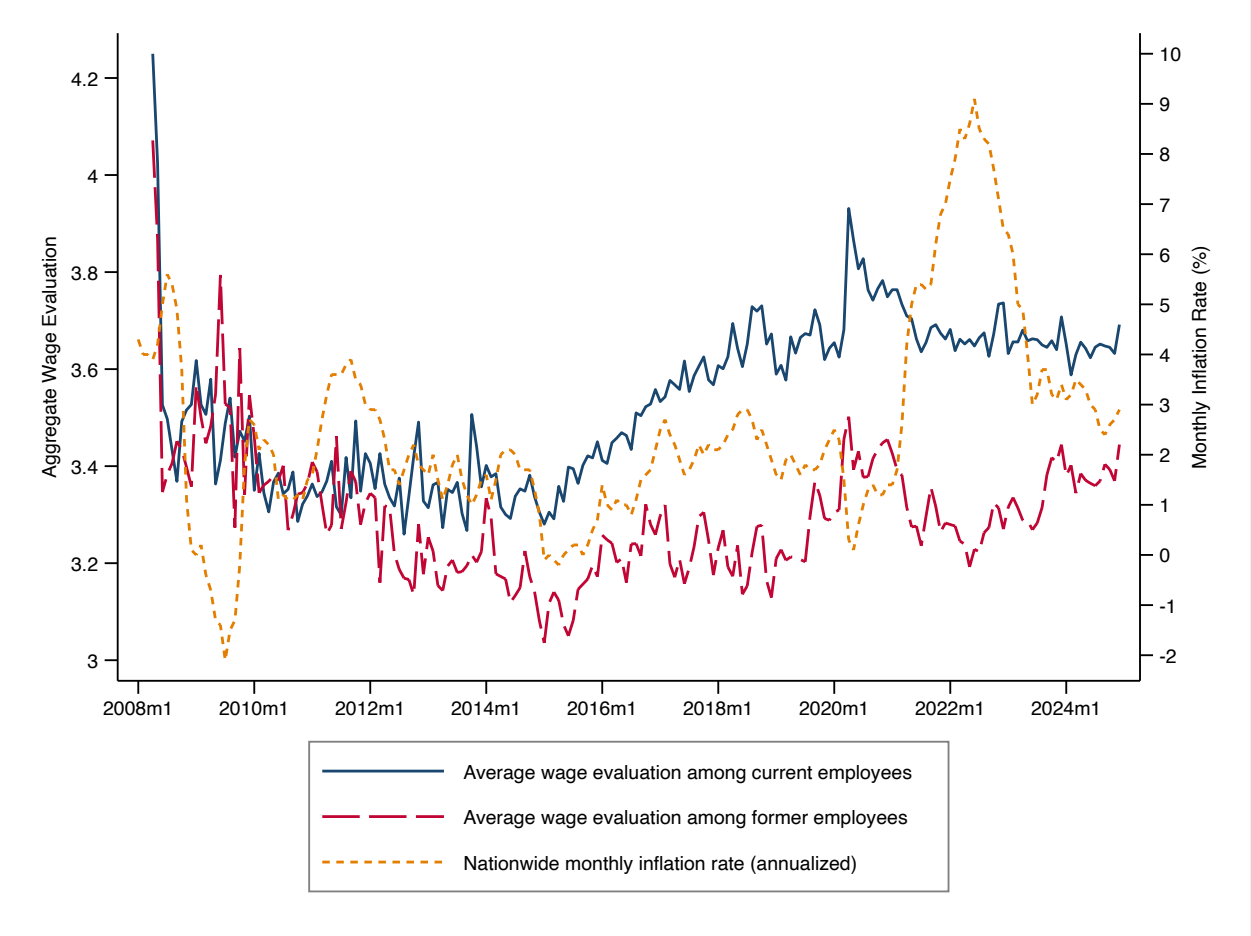
## Figure 1: Setting illustration—inflation exposure and experiences

*Note:* This figure illustrates the inflation experiences of current and former employees respectively. For current employees, inflation experiences are accumulated during employment, from the time of joining the firm until the reviewing year-month. For former employees, inflation experiences consist of two components: on-job inflation experiences, measured from joining their former firms until departure, as well as post-employment inflation experiences, measured from departure until their reviewing year-month.



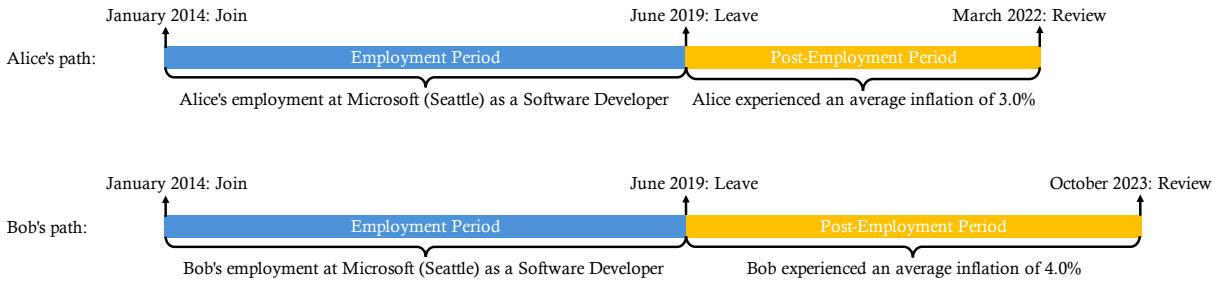
## Figure 2: Relationships between inflation exposure and employee wage evaluations at the aggregate level

*Note:* This figure plots the time-series of aggregate employee wage evaluations and inflation exposure for each calendar year-month. For each firm-month, we compute the average wage evaluation among current and former employees respectively, restricting the number of reviews to be no less than 5 per group and 10 in total. The series shown are the cross-firm means of these firm-month level averages.

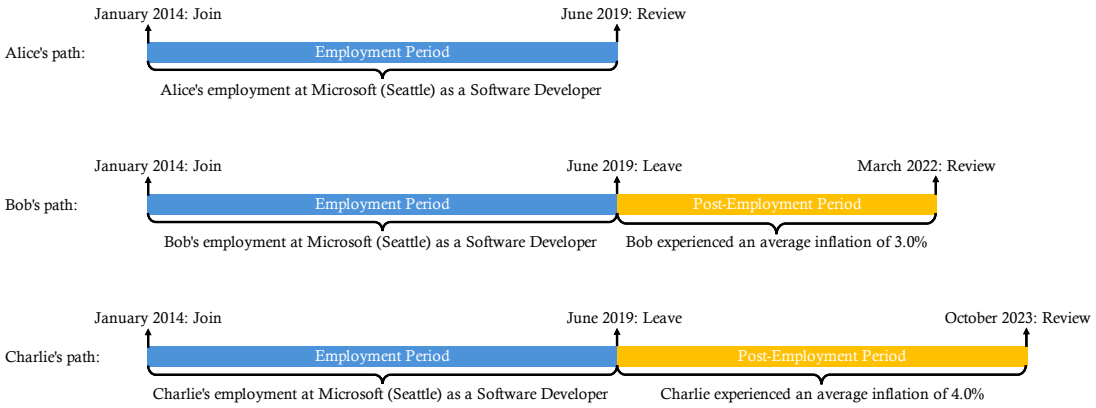


## Figure 3: Illustration of job cohorts

*Note:* This figure illustrates the *Cohort* fixed effects. Panel (a) shows the job cohort structure used in Table 4, which focuses on former employees. In particular, former employees within a same job cohort share similar employment experiences at the same firm, but have different review times and different levels of post-employment inflation experiences before submitting reviews. Panel (b) shows the job cohort structure used in Table 5, which pools current and former employees. Within each job cohort, employees evaluate similar wage experiences from the same employment period, but write reviews at different times. Current employees review immediately during employment, without delay, while former employees review after leaving the firm and accumulating post-employment inflation experiences.



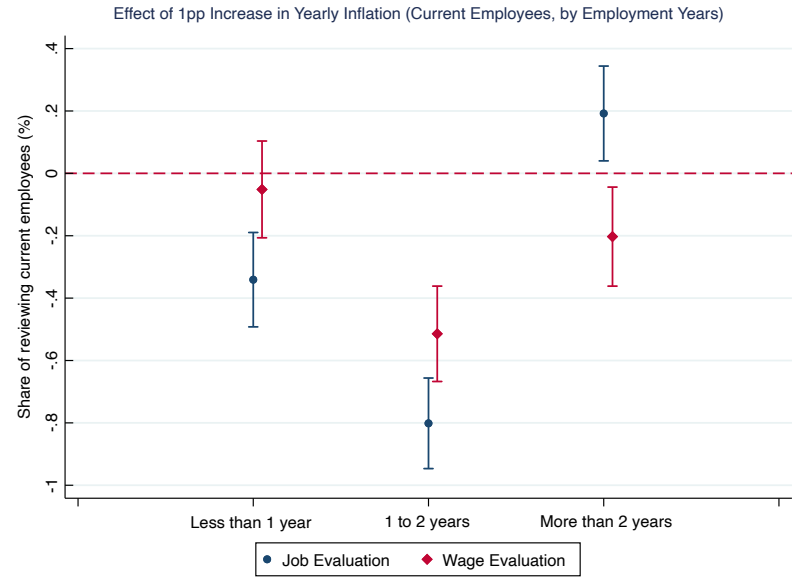

(a) A job cohort among former employees



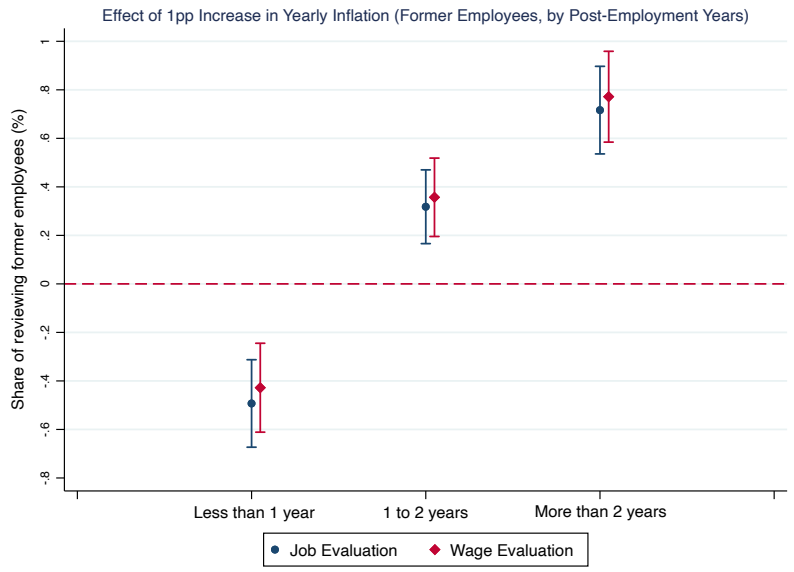

(b) A job cohort across current and former employees

# Figure 4: Composition of reviewers

*Note:* This figure examines how inflation contexts affect the composition of employees who contribute reviews on Glassdoor. Panel A plots the estimated effect of inflation on the likelihood that current employees with different tenure lengths submit job and wage evaluations. Panel B reports analogous estimates for former employees by time since leaving the firm. The coefficients are obtained from regressions of review contributions on the annual inflation rate with firm fixed effects and the same set of macroeconomic and firm-level controls used in the specifications of Table 10. The horizontal axis indicates employee tenure (for current employees) or time since departure (for former employees). Error bars represent 95% confidence intervals. The figure illustrates how inflation contexts influence which employees choose to contribute evaluations.



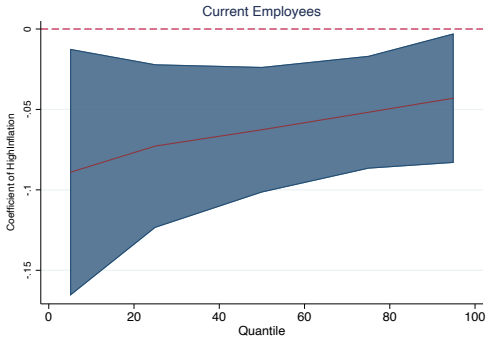

(a) Composition of current employees by employment length



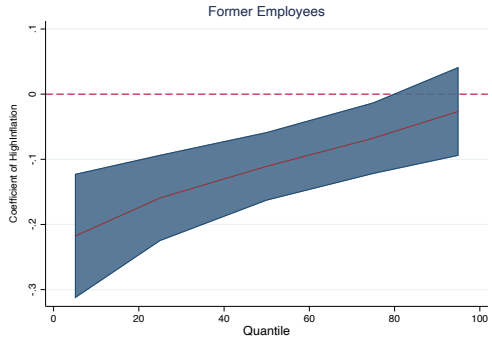

(b) Composition of former employees by post-employment length

# Figure 5: Quantile regression results

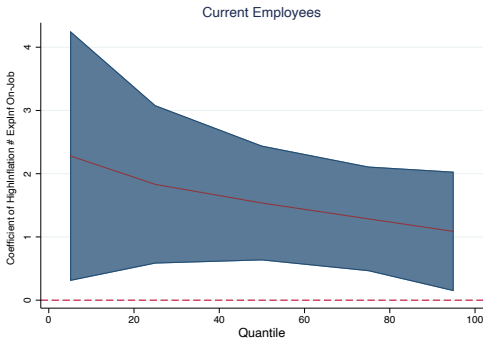
*Note:* This figure reports quantile regression estimates of the effects of high-inflation exposure, prior inflation experiences, and ex-post inflation experiences on retrospective wage evaluations across the distribution of employee ratings. The horizontal axis denotes the evaluation quantiles (5th, 25th, 50th, 75th, and 95th), while the vertical axis reports the estimated coefficients. Panel (a) and (b) plots the coefficients on *HighInflation*, capturing the affect-cued selective recall channel. Panel (c) and (d) reports the coefficients on the interaction between *HighInflation* and prior inflation experiences, reflecting affective norms and adaptation effect. Panel (e) presents the coefficients capturing the interference of ex-post experiences in recall. All specifications include the same controls and fixed effects as in the baseline regressions and are estimated separately for current and former employees where applicable. Shaded areas represent 95% confidence intervals. The results show that the effects are present across the distribution of evaluations, indicating that the findings are not driven solely by the most dissatisfied reviewers.



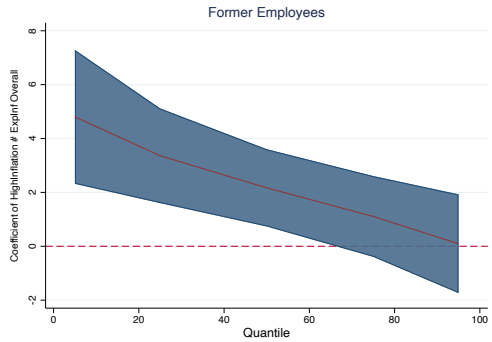

(a) Affect-cued recall among current employees



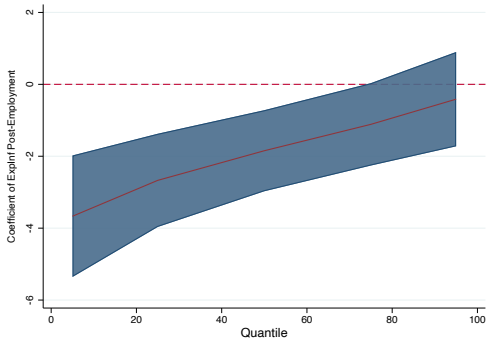

(b) Affect-cued recall among former employees




(c) Affective norm and adaptation among current employees




(d) Affective norm and adaptation among former employees




(e) Interference from ex-post experiences among former employees

# Table 1: Summary statistics

*Notes:* This table reports the summary statistics for current employee sample and former employee sample during the sample period from January 2008 to December 2024 respectively. Panel A presents statistics for current employees and Panel B for former employees. Variables are grouped into employee-level, macroeconomic-level, and firm-level categories. *Wage evaluation* is employee's one-to-five star evaluations of compensation and benefits. *Seniority* is a categorical variable from 1 to 7, indicating the seniority of the reviewing employee, which in turn denotes for entry level, junior level, associate level, manager level, director level, executive level and senior-executive level. *Experienced inflation* related variables indicate employees' inflation experiences prior to the review, including inflation experiences during employment for current employees, overall inflation experiences from the month of hire to the last month preceding the month of review submission for former employees, as well as their inflation experiences decomposed into two sub-periods, i.e., on-job inflation experiences during the Employment period and post-employment inflation experiences during the Post-Employment period. *Average wage on-job* indicates the average of reviewing employee's annual wage at her employer during employment. *HighInflation* is a dummy variable which equals 1 if the reviewing employee faces monthly inflation rate higher than 3% (annualized) at the time of review, and *Inflation rate* indicates the exact level of this inflation exposure. *Recession* is a dummy variable that equals 1 if employees are reviewing in an NBER recession period and 0 otherwise. *Unemployment rate* is the monthly nationwide unemployment rate faced by employees in the reviewing month. *Annual wage* is the average staff expense per employee at the reviewed firm in the fiscal year corresponding to the reviewer's review date, serving as a proxy for employee wages at the time of review. To mitigate the outlier effect, we winsorize the firm-level controls and wage proxy measures at the 1 and 99 percentiles.

| | Panel A: Current Employees | | | | | |
|---|---|---|---|---|---|---|
| | N | Mean | Median | Min | Max | SD |
| ***Employee level*** | | | | | | |
| Wage evaluation | 569011 | 3.570 | 4 | 1 | 5 | 1.222 |
| Seniority | 569011 | 2.221 | 2 | 1 | 7 | 1.263 |
| Full-time (=1) | 569011 | 0.739 | 1 | 0 | 1 | 0.439 |
| Manager and above (=1) | 569011 | 0.163 | 0 | 0 | 1 | 0.370 |
| Employment length (months) | 442488 | 58.826 | 24 | 12 | 240 | 63.432 |
| Experienced inflation on-job | 439575 | 0.030 | 0.022 | 0.001 | 0.083 | 0.019 |
| Average wage on-job (annual, thousand dollar) | 332547 | 113.476 | 97.241 | 10.640 | 437.996 | 79.911 |
| Real average wage on-job (annual, thousand dollar) | 332547 | 109.909 | 93.825 | 10.420 | 425.447 | 77.143 |
| ***Macroeconomic level*** | | | | | | |
| HighInflation (=1) | 569011 | 0.414 | 0 | 0 | 1 | 0.493 |
| Inflation rate | 569011 | 0.033 | 0.026 | -0.021 | 0.091 | 0.025 |
| Recession (=1) | 569011 | 0.024 | 0 | 0 | 1 | 0.153 |
| Unemployment rate | 569011 | 0.050 | 0.043 | 0.034 | 0.148 | 0.017 |
| ***Firm level*** | | | | | | |
| Annual wage (thousand dollar) | 569011 | 130.126 | 99.942 | 10.640 | 561.820 | 114.890 |
| Real annual wage (thousand dollar) | 569011 | 125.714 | 96.247 | 10.598 | 541.982 | 110.262 |
| Real monthly wage (thousand dollar) | 568999 | 10.812 | 8.299 | 0.886 | 46.690 | 9.540 |
| ROA | 568787 | 0.036 | 0.037 | -0.311 | 0.257 | 0.087 |
| Leverage ratio | 567415 | 0.667 | 0.684 | 0.169 | 0.986 | 0.206 |
| Total assets (million) | 569011 | 246931 | 17852 | 182 | 3051375 | 610371 |
| log(Assets) | 569011 | 10.053 | 9.790 | 5.203 | 14.931 | 2.379 |
| Number of employee (thousand) | 561483 | 155.110 | 40 | 0.354 | 2100 | 328.095 |
| | Panel B: Former Employees | | | | | |
| | N | Mean | Median | Min | Max | SD |
| ***Employee level*** | | | | | | |
| Wage evaluation | 434587 | 3.253 | 3 | 1 | 5 | 1.291 |
| Seniority | 434587 | 2.027 | 2 | 1 | 7 | 1.215 |
| Full-time (=1) | 434587 | 0.649 | 1 | 0 | 1 | 0.477 |
| Manager and above (=1) | 434587 | 0.067 | 0 | 0 | 1 | 0.251 |
| Employment length (months) | 354891 | 53.659 | 24 | 12 | 240 | 61.082 |
| Post-Employment length (months) | 433983 | 16.535 | 10 | 0 | 54 | 16.181 |
| Experienced inflation on-job | 354244 | 0.026 | 0.020 | 0.005 | 0.075 | 0.017 |
| Experienced inflation post-employment | 433896 | 0.030 | 0.021 | -0.019 | 0.091 | 0.021 |
| Experienced inflation overall | 433896 | 0.029 | 0.021 | -0.019 | 0.091 | 0.018 |
| Average wage on-job (annual, thousand dollar) | 246557 | 104.776 | 91.276 | 10.640 | 437.996 | 75.419 |
| Real average wage on-job (annual, thousand dollar) | 246557 | 101.704 | 88.909 | 10.420 | 425.447 | 72.974 |
| ***Macroeconomic level*** | | | | | | |
| HighInflation (=1) | 434587 | 0.379 | 0 | 0 | 1 | 0.485 |
| Inflation rate | 434587 | 0.030 | 0.024 | -0.021 | 0.091 | 0.023 |
| Recession (=1) | 434587 | 0.017 | 0 | 0 | 1 | 0.129 |
| Unemployment rate | 434587 | 0.050 | 0.042 | 0.034 | 0.148 | 0.017 |
| ***Firm level*** | | | | | | |
| Annual wage (thousand dollar) | 434587 | 124.194 | 94.876 | 10.640 | 561.820 | 116.127 |
| Real annual wage (thousand dollar) | 434587 | 120.326 | 93.727 | 10.598 | 541.982 | 111.833 |
| Real monthly wage (thousand dollar) | 434581 | 10.322 | 7.903 | 0.886 | 46.690 | 9.646 |
| ROA | 434340 | 0.037 | 0.037 | -0.311 | 0.257 | 0.085 |
| Leverage ratio | 432920 | 0.677 | 0.693 | 0.169 | 0.986 | 0.199 |
| Total assets (million) | 434587 | 237579 | 15216 | 182 | 3051375 | 591795 |
| log(Assets) | 434587 | 9.942 | 9.630 | 5.203 | 14.931 | 2.407 |
| Number of employee (thousand) | 428980 | 159.825 | 42 | 0.354 | 2100 | 341.441 |

# Table 2: Affect-cued selective recall: effect of the retrieval context

*Notes:* This table shows the effect of high-inflation exposure as the retrieval context on employees' retrospective wage evaluations. In all columns, the dependent variable is the one-to-five star wage evaluation, and the key explanatory variable is a dummy variable *HighInflation* which indicates whether a reviewing employee faces monthly inflation higher than 3% (annualized) at the time of review. Panel A presents the results for the current employee sample. In all columns, we include *Seniority* fixed effects and *Review Year* × *MSA* fixed effects. In columns (1) and (2), we include all types of employees and control for *Employee Type* fixed effects. In columns (3) and (4), we further confine our sample to full-time employees only. In columns (1) and (3), we include less parsimonious *Review Year* × *Industry* fixed effects, and in columns (2) and (4), we replace it with more granular *Review Year* × *Firm* × *Occupation* fixed effects and *Length of Employment* fixed effects. Panel B presents the results among former employees. In all columns, we include *Seniority* fixed effects and *Review Year* × *MSA* fixed effects, and additionally incorporate *Review Year* × *Industry* and *Departure Year* × *Industry* fixed effects. In columns (1) and (2), we include all types of employees and control for *Employee Type* fixed effects, and we further confine the sample to full-time employees in the other two columns. In columns (2) and (4), we include more granular *Firm* × *Occupation* fixed effects and *Length of Employment* fixed effects. Standard errors are clustered at firm level and reported in parentheses. ***, **, and * indicate statistical significance at the 1%, 5%, and 10% levels respectively.

Panel A: Current Employee Sample

| | DepVar: Wage Evaluation | | | |
|---|---|---|---|---|
| | (1) | (2) | (3) | (4) |
| HighInflation | -0.026** | -0.021* | -0.028** | -0.023* |
| | (0.011) | (0.011) | (0.011) | (0.013) |
| Deflation | -0.042 | -0.036 | -0.050* | -0.054 |
| | (0.026) | (0.028) | (0.029) | (0.033) |
| Unemployment rate | 1.956*** | 1.521*** | 1.908*** | 1.282*** |
| | (0.314) | (0.335) | (0.344) | (0.370) |
| Recession | 0.014 | -0.064* | 0.032 | -0.048 |
| | (0.035) | (0.035) | (0.038) | (0.037) |
| Annual wage | 0.000 | -0.001 | -0.000 | 0.001 |
| | (0.001) | (0.003) | (0.001) | (0.004) |
| Average wage on-job | 0.004*** | 0.003* | 0.005*** | 0.003 |
| | (0.001) | (0.002) | (0.001) | (0.002) |
| log(Asset) | 0.016* | -0.150 | 0.016* | -0.247** |
| | (0.010) | (0.112) | (0.010) | (0.124) |
| Leverage ratio | -0.059 | -0.806*** | -0.150 | -0.822** |
| | (0.092) | (0.265) | (0.095) | (0.346) |
| ROA | 0.098 | -0.282 | -0.111 | -0.644 |
| | (0.139) | (0.379) | (0.143) | (0.471) |
| Seniority FE | Yes | Yes | Yes | Yes |
| Review Year x MSA FE | Yes | Yes | Yes | Yes |
| Review Year x Industry FE | Yes | No | Yes | No |
| Review Year x Firm x Occupation FE | No | Yes | No | Yes |
| Length of Employment FE | No | Yes | No | Yes |
| Employee Type FE | Yes | Yes | No | No |
| Full-time Only | No | No | Yes | Yes |
| Adj. $R^2$ | 0.0587 | 0.187 | 0.0443 | 0.182 |
| N | 321,140 | 209,290 | 270,632 | 167,562 |

Panel B: Former Employee Sample

| | DepVar: Wage Evaluation | | | |
|---|---|---|---|---|
| | (1) | (2) | (3) | (4) |
| HighInflation | -0.036*** | -0.027** | -0.036*** | -0.030** |
| | (0.011) | (0.011) | (0.013) | (0.013) |
| Deflation | -0.021 | -0.023 | -0.009 | -0.036 |
| | (0.029) | (0.036) | (0.033) | (0.037) |
| Unemployment rate | 0.498 | 0.379 | 0.640* | 0.576 |
| | (0.340) | (0.384) | (0.360) | (0.427) |
| Recession | -0.043 | -0.005 | -0.070** | -0.037 |
| | (0.030) | (0.032) | (0.034) | (0.038) |
| Annual wage | 0.001 | -0.001 | 0.001 | -0.002 |
| | (0.001) | (0.001) | (0.001) | (0.001) |
| Average wage on-job | 0.001 | 0.001 | 0.001 | 0.001 |
| | (0.001) | (0.001) | (0.001) | (0.002) |
| log(Asset) | 0.110*** | 0.020 | 0.100*** | 0.039 |
| | (0.032) | (0.030) | (0.034) | (0.032) |
| Leverage ratio | -0.235*** | -0.029 | -0.221** | -0.024 |
| | (0.089) | (0.081) | (0.101) | (0.106) |
| ROA | 0.231* | -0.089 | 0.233* | 0.020 |
| | (0.120) | (0.094) | (0.140) | (0.116) |
| Annual wage: departure year | 0.002 | 0.002 | 0.001 | 0.002 |
| | (0.001) | (0.001) | (0.001) | (0.001) |
| log(Asset): departure year | -0.019 | 0.005 | -0.003 | -0.000 |
| | (0.031) | (0.028) | (0.033) | (0.030) |
| Leverage ratio: departure year | 0.174* | 0.159** | 0.114 | 0.158* |
| | (0.090) | (0.070) | (0.096) | (0.084) |
| ROA: departure year | -0.080 | -0.002 | -0.220* | 0.043 |
| | (0.114) | (0.089) | (0.121) | (0.114) |
| Seniority FE | Yes | Yes | Yes | Yes |
| Review Year x MSA FE | Yes | Yes | Yes | Yes |
| Review Year x Industry FE | Yes | Yes | Yes | Yes |
| Departure Year x Industry FE | Yes | Yes | Yes | Yes |
| Firm x Occupation FE | No | Yes | No | Yes |
| Length of Employment FE | No | Yes | No | Yes |
| Employee Type FE | Yes | Yes | No | No |
| Full-time Only | No | No | Yes | Yes |
| Adj. $R^2$ | 0.0777 | 0.161 | 0.0548 | 0.144 |
| N | 218,618 | 170,463 | 166,008 | 123,811 |

# Table 3: Affective norm and adaptation through experiences

*Notes:* This table examines whether inflation experiences prior to the review attenuate the negative effect of high-inflation exposure on employees' retrospective wage evaluations. The dependent variable is the one-to-five star wage evaluation. The key explanatory variable is the interaction between *HighInflation*, an indicator for monthly inflation above 3% (annualized) at the time of review, and experienced inflation prior to the review, i.e., *ExpInf On-Job* for current employees indicating their inflation experiences during employment and *ExpInf Overall* for former employees indicating their inflation experiences from joining the former firms to reviewing. Panel A reports results for current employees and Panel B for former employees. The control variables and fixed effects in each column follow those most stringent ones in column (2) and (4) of Table 2. Standard errors are clustered at the firm level and reported in parentheses. ***, **, and * denote significance at the 1%, 5%, and 10% levels respectively.

| Panel A: Current Employee Sample | | | | |
|---|---|---|---|---|
| | DepVar: Wage Evaluation | | | |
| | (1) | (2) | (3) | (4) |
| HighInflation | -0.023** | -0.070*** | -0.026** | -0.083*** |
| | (0.011) | (0.025) | (0.013) | (0.026) |
| ExpInf On-Job | 0.575 | -0.523 | 0.671 | -0.672 |
| | (0.404) | (0.523) | (0.500) | (0.653) |
| HighInflation x ExpInf On-Job | | 1.369** | | 1.674*** |
| | | (0.601) | | (0.619) |
| Controls | Yes | Yes | Yes | Yes |
| Seniority FE | Yes | Yes | Yes | Yes |
| Review Year x MSA FE | Yes | Yes | Yes | Yes |
| Review Year x Firm x Occupation FE | Yes | Yes | Yes | Yes |
| Length of Employment FE | Yes | Yes | Yes | Yes |
| Employee Type FE | Yes | Yes | No | No |
| Full-time Only | No | No | Yes | Yes |
| Adj. $R^2$ | 0.187 | 0.187 | 0.182 | 0.182 |
| N | 208,923 | 208,923 | 167,314 | 167,314 |
| Panel B: Former Employee Sample | | | | |
| | DepVar: Wage Evaluation | | | |
| | (1) | (2) | (3) | (4) |
| HighInflation | -0.034*** | -0.077*** | -0.037*** | -0.107*** |
| | (0.012) | (0.025) | (0.014) | (0.031) |
| ExpInf Overall | 2.286*** | 1.326* | 2.636*** | 1.069 |
| | (0.671) | (0.793) | (0.714) | (0.939) |
| HighInflation x ExpInf Overall | | 1.239* | | 2.022** |
| | | (0.676) | | (0.848) |
| Controls | Yes | Yes | Yes | Yes |
| Seniority FE | Yes | Yes | Yes | Yes |
| Review Year x MSA FE | Yes | Yes | Yes | Yes |
| Review Year x Industry FE | Yes | Yes | Yes | Yes |
| Departure Year x Industry FE | Yes | Yes | Yes | Yes |
| Firm x Occupation FE | Yes | Yes | Yes | Yes |
| Length of Employment FE | Yes | Yes | Yes | Yes |
| Employee Type FE | Yes | Yes | No | No |
| Full-time Only | No | No | Yes | Yes |
| Adj. $R^2$ | 0.161 | 0.161 | 0.144 | 0.144 |
| N | 170,463 | 170,463 | 123,811 | 123,811 |

# Table 4: Interference from ex-post experiences in recall

*Notes:* This table examines whether inflation experienced post employment affects former employees' retrospective wage evaluations. The dependent variable is the one-to-five star wage evaluation. The key explanatory variable is *ExpInf Post-Employment*, measuring inflation experienced between departure and the time of review. Panel A reports baseline specifications using the same controls and fixed effects as Panel B of Table 2. Panel B introduces cohort-related fixed effects that compare former employees with nearly identical employment histories at the focal firm. Columns (1) and (3) include firm characteristics in levels, while columns (2) and (4) control for changes in these variables. Standard errors are clustered at the firm level and reported in parentheses. ***, **, and * denote significance at the 1%, 5%, and 10% levels.

Panel A: Baseline Fixed Effects

| | DepVar: Wage Evaluation | | | |
|---|---|---|---|---|
| | (1) | (2) | (3) | (4) |
| HighInflation | -0.023** | -0.016 | -0.023* | -0.020 |
| | (0.011) | (0.011) | (0.012) | (0.013) |
| ExpInf Post-Employment | -2.218*** | -1.910*** | -2.155*** | -1.771*** |
| | (0.494) | (0.533) | (0.588) | (0.653) |
| ExpInf On-Job | 4.004*** | 4.046*** | 3.695*** | 4.003*** |
| | (0.540) | (0.590) | (0.604) | (0.643) |
| Controls | Yes | Yes | Yes | Yes |
| Seniority FE | Yes | Yes | Yes | Yes |
| Review Year x MSA FE | Yes | Yes | Yes | Yes |
| Review Year x Industry FE | Yes | Yes | Yes | Yes |
| Departure Year x Industry FE | Yes | Yes | Yes | Yes |
| Firm x Occupation FE | No | Yes | No | Yes |
| Length of Employment FE | No | Yes | No | Yes |
| Employee Type FE | Yes | Yes | No | No |
| Full-time Only | No | No | Yes | Yes |
| Adj. $R^2$ | 0.0782 | 0.161 | 0.0552 | 0.144 |
| N | 218,618 | 170,463 | 166,008 | 123,811 |

Panel B: More Rigid Cohort FE

| | DepVar: Wage Evaluation | | | |
|---|---|---|---|---|
| | (1) | (2) | (3) | (4) |
| HighInflation | 0.022 | 0.052 | 0.042 | 0.083 |
| | (0.054) | (0.052) | (0.064) | (0.064) |
| ExpInf Post-Employment | -4.365* | -5.469** | -4.753* | -6.621** |
| | (2.367) | (2.461) | (2.822) | (3.043) |
| Firm-level and other controls | Yes | No | Yes | No |
| $\Delta$ Firm-level and other controls | No | Yes | No | Yes |
| Cohort FE | Yes | Yes | No | No |
| Seniority FE | Yes | Yes | No | No |
| Cohort x Seniority FE | No | No | Yes | Yes |
| Review Year x MSA FE | Yes | Yes | Yes | Yes |
| Review Year x Industry FE | Yes | Yes | Yes | Yes |
| Departure Year x Industry FE | Yes | Yes | Yes | Yes |
| Length of Post-Employment Period FE | Yes | Yes | Yes | Yes |
| Full-time Only | Yes | Yes | Yes | Yes |
| Adj. $R^2$ | 0.272 | 0.277 | 0.271 | 0.272 |
| # Unique firms | 552 | 572 | 531 | 550 |
| N | 6,899 | 7,396 | 6,286 | 6,707 |

# Table 5: Subjective reconstruction of objectively similar shared experiences

*Notes:* This table examines whether inflation experienced post employment affects former employees' retrospective wage evaluations relative to colleagues from the same job cohort who review about the same employment experiences without delay. The dependent variable is the one-to-five star wage evaluation. The key explanatory variable is *Former* × *ExpInf Post-Employment*, which captures former employees' inflation experienced after leaving the firm prior to writing the review. All specifications compare reviewers who evaluate similar wage experiences from the same employment period but submit their reviews at different points in time. Columns (1) and (3) include *Cohort* fixed effects that compare employees from the same job cohort, defined by job title, job location, joining year, and employment duration. Columns (2) and (4) further introduce *Cohort* × *Seniority* fixed effects, restricting comparisons to employees within the same cohort and seniority level. All regressions control for firm characteristics, macroeconomic conditions and inflation exposure at the time of review. We also include *Review Year* × *Industry* fixed effects and fixed effects for the length of the post-employment period. Columns (1) and (2) additionally control for reviewer employment type, while Columns (3) and (4) restrict the sample to full-time (regular) employees. Standard errors are clustered at the firm level and reported in parentheses. ***, **, and * denote significance at the 1%, 5%, and 10% levels.

| | DepVar: Wage Evaluation | | | |
|---|---|---|---|---|
| | (1) | (2) | (3) | (4) |
| HighInflation | 0.072 | 0.058 | 0.045 | 0.069 |
| | (0.049) | (0.058) | (0.051) | (0.059) |
| Former x ExpInf Post-Employment | -4.051** | -3.633 | -5.119** | -5.045* |
| | (1.864) | (2.222) | (2.244) | (2.598) |
| Deflation | -0.010 | 0.003 | -0.070 | -0.048 |
| | (0.169) | (0.168) | (0.186) | (0.182) |
| Unemployment rate | -0.943 | -0.739 | -1.420 | -1.279 |
| | (1.192) | (1.229) | (1.180) | (1.209) |
| Recession | 0.054 | 0.052 | 0.025 | 0.029 |
| | (0.160) | (0.167) | (0.209) | (0.217) |
| Annual wage | -0.008 | -0.006 | -0.012* | -0.009 |
| | (0.006) | (0.006) | (0.007) | (0.008) |
| log(Asset) | 0.094 | 0.181 | 0.095 | 0.150 |
| | (0.124) | (0.129) | (0.150) | (0.156) |
| Leverage ratio | -0.538 | -0.593 | -0.577 | -0.631 |
| | (0.371) | (0.414) | (0.557) | (0.601) |
| ROA | -0.168 | 0.240 | 0.699 | 0.593 |
| | (0.480) | (0.526) | (0.607) | (0.653) |
| Controls | Yes | Yes | Yes | Yes |
| Cohort FE | Yes | No | Yes | No |
| Seniority FE | Yes | No | Yes | No |
| Cohort x Seniority FE | No | Yes | No | Yes |
| Review Year x Industry FE | Yes | Yes | Yes | Yes |
| Length of Post-Employment Period FE | Yes | Yes | Yes | Yes |
| Employee Type FE | Yes | Yes | No | No |
| Full-time Only | No | No | Yes | Yes |
| Adj. $R^2$ | 0.322 | 0.323 | 0.295 | 0.295 |
| # Unique firms | 698 | 670 | 565 | 542 |
| N | 10,035 | 9,221 | 7,044 | 6,410 |

# Table 6: Heterogeneity in affect-cued selective recall

*Notes:* This table shows how the negative effect of high-inflation exposure on retrospective wage evaluations varies across employee characteristics, firm attributes, and macroeconomic conditions. Panel A focuses on current employees, showing stronger affective responses among more senior, better educated, more experienced employees, as well as employees at firms with stronger culture. Panel B focuses on former employees, where most interactions are insignificant, indicating broadly uniform affect-cued recall; the only notable exception is for former employees from larger firms, who exhibit stronger responses. A weaker labor market at the time of review, presumably indicating worse outside options, seems to attenuate the negative affective impact of high-inflation exposure. All specifications include extensive controls and fixed effects, detailed in the table. Standard errors are clustered at the firm level and reported in parentheses. ***, **, and * denote significance at the 1%, 5%, and 10% levels.

| Panel A: Current Employee Sample | | | | | | | |
|---|---|---|---|---|---|---|---|
| | DepVar: Wage Evaluation | | | | | | |
| | (1) | (2) | (3) | (4) | (5) | (6) | (7) |
| | Seniority | Education | Work Experience | Headquarter | Firm Culture | Firm Size | Unemployment |
| HighInflation | -0.003 | 0.038 | -0.003 | -0.071** | -0.047 | -0.079*** | -0.229*** |
| | (0.039) | (0.089) | (0.059) | (0.028) | (0.031) | (0.029) | (0.087) |
| ExpInf On-Job | -0.595 | 1.549 | 0.273 | -0.336 | -0.222 | -0.980 | -1.295* |
| | (1.009) | (1.699) | (1.419) | (0.659) | (0.734) | (0.706) | (0.748) |
| HighInflation x ExpInf On-Job | 0.033 | -2.192 | 0.021 | 1.236* | 1.147 | 1.443* | 2.627*** |
| | (1.001) | (1.856) | (1.368) | (0.680) | (0.726) | (0.739) | (0.835) |
| HighInflation x More senior | -0.121*** | | | | | | |
| | (0.045) | | | | | | |
| HighInflation x Better educated | | -0.156* | | | | | |
| | | (0.094) | | | | | |
| HighInflation x More experienced | | | -0.123* | | | | |
| | | | (0.065) | | | | |
| HighInflation x HQ employee | | | | -0.061 | | | |
| | | | | (0.043) | | | |
| HighInflation x Strong culture | | | | | -0.127* | | |
| | | | | | (0.077) | | |
| HighInflation x Large firm | | | | | | -0.009 | |
| | | | | | | (0.077) | |
| HighInflation x Unemployment rate | | | | | | | 2.604* |
| | | | | | | | (1.450) |
| Controls | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Seniority FE | No | Yes | Yes | Yes | Yes | Yes | Yes |
| Review Year x MSA FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Review Year x Firm x Occupation FE | Yes | No | No | Yes | Yes | Yes | Yes |
| Review Year x Firm x Job Title FE | No | Yes | Yes | No | No | No | No |
| Length of Employment FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Full-time Only | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Adj. $R^2$ | 0.182 | 0.199 | 0.199 | 0.182 | 0.176 | 0.182 | 0.182 |
| N | 167,314 | 100,054 | 100,054 | 167,314 | 147,091 | 167,314 | 167,314 |

Panel B: Former Employee Sample

| | DepVar: Wage Evaluation | | | | | | |
|---|---|---|---|---|---|---|---|
| | (1) Seniority | (2) Education | (3) Work Experience | (4) Headquarter | (5) Firm Culture | (6) Firm Size | (7) Unemployment |
| HighInflation | -0.085** | -0.124** | -0.124** | -0.095*** | -0.087** | -0.086** | -0.186* |
| | (0.042) | (0.061) | (0.053) | (0.032) | (0.036) | (0.034) | (0.100) |
| ExpInf Overall | -0.308 | -1.424 | -1.210 | 1.178 | 0.453 | 1.358 | 0.732 |
| | (1.096) | (1.646) | (1.389) | (0.987) | (1.044) | (1.002) | (0.977) |
| HighInflation x ExpInf Overall | 2.183* | 3.394* | 3.375** | 1.953** | 1.950* | 1.615* | 2.542** |
| | (1.119) | (1.735) | (1.457) | (0.889) | (0.996) | (0.934) | (1.084) |
| HighInflation x More senior | -0.037 | | | | | | |
| | (0.053) | | | | | | |
| HighInflation x Better educated | | -0.015 | | | | | |
| | | (0.064) | | | | | |
| HighInflation x More experienced | | | -0.017 | | | | |
| | | | (0.059) | | | | |
| HighInflation x HQ employee | | | | -0.061 | | | |
| | | | | (0.054) | | | |
| HighInflation x Strong culture | | | | | 0.018 | | |
| | | | | | (0.067) | | |
| HighInflation x Large firm | | | | | | -0.127* | |
| | | | | | | (0.065) | |
| HighInflation x Unemployment rate | | | | | | | 1.415 |
| | | | | | | | (1.635) |
| Controls | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Seniority FE | No | Yes | Yes | Yes | Yes | Yes | Yes |
| Review Year x MSA FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Review Year x Industry FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Departure Year x Industry FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Firm x Occupation FE | Yes | No | No | Yes | Yes | Yes | Yes |
| Firm x Job Title FE | No | Yes | Yes | No | No | No | No |
| Length of Employment FE | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Full-time Only | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Adj. $R^2$ | 0.144 | 0.162 | 0.162 | 0.144 | 0.142 | 0.144 | 0.144 |
| N | 123,811 | 81,514 | 81,514 | 123,811 | 105,684 | 123,811 | 123,811 |

# Table 7: Heterogeneity in interference from ex-post experiences

*Notes:* This table examines whether the interference effect from post-employment inflation experiences varies across employees and firm characteristics. The dependent variable is the one-to-five star wage evaluation by former employees. *ExpInf Post-Employment* captures their inflation experiences after leaving the firm. Columns (1)–(6) interact post-employment inflation exposure with indicators for employee seniority, education, relevant work experience, headquarters status, firm culture strength, and firm size. All specifications include the controls and fixed effects listed in the table. Standard errors are clustered at the firm level and reported in parentheses. ***, **, and * denote significance at the 1%, 5%, and 10% levels.

| | DepVar: Wage Evaluation | | | | | |
|---|---|---|---|---|---|---|
| | (1) | (2) | (3) | (4) | (5) | (6) |
| | Seniority | Education | Work Experience | Headquarter | Firm Culture | Firm Size |
| HighInflation | -0.022 | -0.016 | -0.016 | -0.020 | -0.015 | -0.020 |
| | (0.013) | (0.017) | (0.017) | (0.013) | (0.014) | (0.013) |
| ExpInf On-Job | 2.753*** | 1.867* | 2.081** | 4.125*** | 3.070*** | 3.985*** |
| | (0.683) | (0.982) | (0.895) | (0.665) | (0.717) | (0.649) |
| ExpInf Post-Employment | -1.462** | -1.148 | -1.164 | -1.576** | -1.195 | -1.465** |
| | (0.678) | (1.027) | (0.905) | (0.664) | (0.732) | (0.659) |
| More senior x ExpInf Post-Employment | -0.589 | | | | | |
| | (0.483) | | | | | |
| Better educated x ExpInf Post-Employment | | -0.949 | | | | |
| | | (0.798) | | | | |
| More experienced x ExpInf Post-Employment | | | -1.243* | | | |
| | | | (0.683) | | | |
| HQ employee x ExpInf Post-Employment | | | | -1.166** | | |
| | | | | (0.587) | | |
| Strong culture x ExpInf Post-Employment | | | | | -0.672 | |
| | | | | | (0.642) | |
| Large firm x ExpInf Post-Employment | | | | | | -1.717** |
| | | | | | | (0.758) |
| Controls | Yes | Yes | Yes | Yes | Yes | Yes |
| Seniority FE | No | Yes | Yes | Yes | Yes | Yes |
| Review Year x Industry FE | Yes | Yes | Yes | Yes | Yes | Yes |
| Departure Year x Industry FE | Yes | Yes | Yes | Yes | Yes | Yes |
| Review Year x MSA FE | Yes | Yes | Yes | Yes | Yes | Yes |
| Firm x Occupation FE | Yes | No | No | Yes | Yes | Yes |
| Firm x Job Title FE | No | Yes | Yes | No | No | No |
| Length of Employment FE | Yes | Yes | Yes | Yes | Yes | Yes |
| Full-time Only | Yes | Yes | Yes | Yes | Yes | Yes |
| Adj. $R^2$ | 0.144 | 0.162 | 0.162 | 0.145 | 0.143 | 0.145 |
| N | 123,811 | 81,514 | 81,514 | 123,811 | 105,684 | 123,811 |

# Table 8: Evidence of affect-cued selective recall from review texts

*Notes:* This table presents evidence for the affect-cued selective recall mechanism with analysis of employees' unstructured review texts. Panel A and Panel B report estimates for the current and former employee samples respectively. The dependent variable in columns (1) and (2) is $\mathbb{1}$*(Mention Wage)*, a dummy variable equal to one if any term from a corpus-specific wage dictionary (constructed via a Word2Vec neural embedding model) appears in the review text. The dependent variable in columns (3) and (4) is *Wage Tone*, a continuous sentiment measure within the range of -1 to 1 quantifying the affective valence of wage-related sentences, scored by a pre-trained RoBERTa neural network model. The primary independent variable is *HighInflation*, an indicator for high-inflation exposure in the reviewing month (the retrieval context). $\mathbb{1}$*(Mention Inflation)* is a dummy variable equal to one if the reviewer explicitly mentions inflation-related terms. All specifications include the full suite of baseline controls and the indicated fixed effects. Standard errors, clustered at the firm level, are reported in parentheses. ***, **, and * denote statistical significance at the 1%, 5%, and 10% levels, respectively.

| Panel A: Current Employee Sample | | | | |
|---|---|---|---|---|
| | $\mathbb{1}$(Mention Wage) | | Wage Tone | |
| | (1) | (2) | (3) | (4) |
| HighInflation | 0.011*** | 0.010*** | -0.013** | -0.010* |
| | (0.004) | (0.004) | (0.006) | (0.006) |
| $\mathbb{1}$(Mention Inflation) | | 0.297*** | | -0.291*** |
| | | (0.007) | | (0.011) |
| HighInflation x $\mathbb{1}$(Mention Inflation) | | 0.044*** | | -0.060*** |
| | | (0.009) | | (0.015) |
| Controls | Yes | Yes | Yes | Yes |
| Seniority FE | Yes | Yes | Yes | Yes |
| Review Year x MSA FE | Yes | Yes | Yes | Yes |
| Review Year x Industry FE | Yes | Yes | Yes | Yes |
| Firm FE | Yes | Yes | Yes | Yes |
| Occupation FE | Yes | Yes | Yes | Yes |
| Length of Employment FE | Yes | Yes | Yes | Yes |
| Full-time Only | Yes | Yes | Yes | Yes |
| Adj. $R^2$ | 0.0469 | 0.0546 | 0.0926 | 0.102 |
| N | 263,317 | 263,317 | 148,397 | 148,397 |
| Panel B: Former Employee Sample | | | | |
| | $\mathbb{1}$(Mention Wage) | | Wage Tone | |
| | (1) | (2) | (3) | (4) |
| HighInflation | 0.012*** | 0.011*** | -0.018*** | -0.015** |
| | (0.004) | (0.004) | (0.007) | (0.007) |
| $\mathbb{1}$(Mention Inflation) | | 0.305*** | | -0.310*** |
| | | (0.008) | | (0.012) |
| HighInflation x $\mathbb{1}$(Mention Inflation) | | 0.034*** | | -0.091*** |
| | | (0.012) | | (0.020) |
| Controls | Yes | Yes | Yes | Yes |
| Seniority FE | Yes | Yes | Yes | Yes |
| Review Year x MSA FE | Yes | Yes | Yes | Yes |
| Review Year x Industry FE | Yes | Yes | Yes | Yes |
| Departure Year x Industry FE | Yes | Yes | Yes | Yes |
| Firm FE | Yes | Yes | Yes | Yes |
| Occupation FE | Yes | Yes | Yes | Yes |
| Length of Employment FE | Yes | Yes | Yes | Yes |
| Full-time Only | Yes | Yes | Yes | Yes |
| Adj. $R^2$ | 0.0254 | 0.0322 | 0.0453 | 0.0537 |
| N | 177,835 | 177,835 | 99,739 | 99,739 |

# Table 9: Real effects of employee wage evaluations on firms' labor mobility and employee productivity

*Notes:* This table presents firm-year level panel regressions estimating the real effects of retrospective wage evaluations on labor mobility and employee productivity. The dependent variables are measured at year $t$. In columns (1) and (2), the dependent variable is *Employee Inflow*, defined as the number of newly hired employees transitioning from other employers scaled by the firm's total employment at the end of the prior year, expressed in percentage (%). In columns (3) and (4), the dependent variable is *Employee Outflow*, defined as the number of departing employees scaled by prior-year total employment, also expressed in percentage (%). In columns (5) and (6), the dependent variable is *Employee Productivity*, measured as the natural logarithm of sales per employee. The primary independent variables are the aggregated firm-level average wage evaluations (on a 1-to-5 scale) submitted by current and former employees, measured with a one-year lag (year $t-1$). Control variables include firm size (log assets), leverage ratio, log number of employees, and log firm age. Specifications for labor flows (columns (1)-(4)) absorb time-invariant firm-level and time-varying macroeconomic unobservables via firm and year fixed effects. Productivity specifications (columns (5)-(6)) include *Year* $\times$ *Industry* and *Year* $\times$ *City* fixed effects to account for time-varying, sector-specific, and local productivity shocks. Standard errors, clustered at the firm level, are reported in parentheses. ***, **, and * denote statistical significance at the 1%, 5%, and 10% levels, respectively.

| | Employee Inflow (Year t) | | Employee Outflow (Year t) | | Employee Productivity (Year t) | |
|---|---|---|---|---|---|---|
| | (1) | (2) | (3) | (4) | (5) | (6) |
| Avg wage evaluation: Current (Year t-1) | 0.626*** | 0.447** | -0.125** | -0.150*** | 0.240*** | 0.080*** |
| | (0.214) | (0.209) | (0.049) | (0.049) | (0.032) | (0.022) |
| Avg wage evaluation: Former (Year t-1) | -0.531* | -0.340 | -0.032 | -0.026 | 0.272*** | 0.125*** |
| | (0.288) | (0.279) | (0.040) | (0.040) | (0.032) | (0.022) |
| log(Asset) | | 0.522 | | 0.217** | | 0.471*** |
| | | (0.437) | | (0.092) | | (0.017) |
| Leverage ratio | | -6.069*** | | -0.097 | | -0.003 |
| | | (1.087) | | (0.250) | | (0.071) |
| log(#Employee) | | 1.073** | | 0.254** | | -0.523*** |
| | | (0.504) | | (0.104) | | (0.019) |
| log(Firm age) | | -20.708*** | | -0.621* | | 0.002 |
| | | (2.329) | | (0.334) | | (0.020) |
| Year FE | Yes | Yes | Yes | Yes | | |
| Firm FE | Yes | Yes | Yes | Yes | | |
| Year x Industry FE | | | | | Yes | Yes |
| Year x City FE | | | | | Yes | Yes |
| Adj. $R^2$ | 0.681 | 0.700 | 0.625 | 0.630 | 0.478 | 0.747 |
| N | 12,226 | 12,004 | 12,226 | 12,004 | 9,050 | 8,997 |

## Table 10: Inflation contexts and composition of reviewers

*Notes:* This table examines how inflation contexts affect the composition of employees who contribute reviews on Glassdoor. The unit of observation is at firm–year level. The dependent variables measure the number of reviews submitted for each firm in a given year, including the total number of reviews, the number of reviews submitted by current employees, the number of reviews submitted by former employees, and the share of reviews contributed by former employees. Panel A focuses on job evaluations, Panel B on wage evaluations, and Panel C on evaluations of other job dimensions. The main independent variable is the annual inflation rate. All specifications include firm fixed effects and control for unemployment rate, GDP growth, firm size (log assets), leverage ratio, firm employment base (log number of employees), and firm age. Standard errors are clustered at the firm level and reported in parentheses. ***, **, and * denote statistical significance at the 1%, 5%, and 10% levels, respectively.

| Panel A: Effect of inflation context on contributing job evaluations | | | | |
|---|---|---|---|---|
| | (1) | (2) | (3) | (4) |
| | # Total Reviews | # Current Reviews | # Former Reviews | Share of Former |
| Inflation (Yearly) | 4.878*** | 4.209*** | 0.669*** | -0.017*** |
| | (0.630) | (0.475) | (0.200) | (0.001) |
| Unemployment Rate | 1.114 | 1.613*** | -0.499* | -0.008*** |
| | (0.819) | (0.584) | (0.273) | (0.001) |
| GDP Growth | 3.691*** | 2.955*** | 0.735*** | -0.004*** |
| | (0.414) | (0.306) | (0.126) | (0.001) |
| log(Asset) | 35.500*** | 20.046*** | 15.454*** | -0.010 |
| | (4.461) | (2.728) | (1.879) | (0.006) |
| Leverage ratio | -7.767 | -10.266 | 2.499 | 0.064*** |
| | (29.009) | (17.982) | (11.133) | (0.016) |
| log(#Employee) | 22.310 | 20.351 | 1.959 | -0.038*** |
| | (27.524) | (18.391) | (9.196) | (0.008) |
| log(Firm age) | 75.429*** | 37.536*** | 37.893*** | 0.298*** |
| | (10.591) | (6.289) | (4.557) | (0.018) |
| Firm FE | Yes | Yes | Yes | Yes |
| Adj. $R^2$ | 0.555 | 0.526 | 0.565 | 0.244 |
| N | 25,797 | 25,797 | 25,797 | 25,797 |
| Panel B: Effect of inflation context on contributing wage evaluations | | | | |
| | (1) | (2) | (3) | (4) |
| | # Total Reviews | # Current Reviews | # Former Reviews | Share of Former |
| Inflation (Yearly) | 3.182*** | 2.816*** | 0.366** | -0.015*** |
| | (0.461) | (0.348) | (0.147) | (0.001) |
| Unemployment Rate | -0.047 | 0.535 | -0.583*** | -0.006*** |
| | (0.594) | (0.413) | (0.208) | (0.001) |
| GDP Growth | 2.491*** | 1.989*** | 0.503*** | -0.004*** |
| | (0.287) | (0.208) | (0.095) | (0.001) |
| log(Asset) | 25.502*** | 14.498*** | 11.003*** | -0.009 |
| | (3.159) | (1.965) | (1.312) | (0.007) |
| Leverage ratio | -6.986 | -9.268 | 2.282 | 0.063*** |
| | (20.984) | (13.144) | (7.944) | (0.017) |
| log(#Employee) | 19.603 | 17.030 | 2.573 | -0.038*** |
| | (20.766) | (13.978) | (6.836) | (0.008) |
| log(Firm age) | 51.990*** | 25.115*** | 26.875*** | 0.292*** |
| | (7.368) | (4.390) | (3.208) | (0.019) |
| Firm FE | Yes | Yes | Yes | Yes |
| Adj. $R^2$ | 0.622 | 0.588 | 0.644 | 0.220 |
| N | 25,566 | 25,566 | 25,566 | 25,566 |
| Panel C: Effect of inflation context on contributing evaluations of other job dimensions | | | | |
| | (1) | (2) | (3) | (4) |
| | # Total Reviews | # Current Reviews | # Former Reviews | Share of Former |
| Inflation (Yearly) | 1.986*** | 1.937*** | 0.049 | -0.017*** |
| | (0.321) | (0.248) | (0.101) | (0.001) |
| Unemployment Rate | 0.817* | 1.013*** | -0.196 | -0.008*** |
| | (0.445) | (0.319) | (0.146) | (0.001) |
| GDP Growth | 2.352*** | 1.889*** | 0.463*** | -0.005*** |
| | (0.247) | (0.184) | (0.076) | (0.001) |
| log(Asset) | 18.667*** | 11.341*** | 7.327*** | -0.017** |
| | (2.294) | (1.526) | (0.866) | (0.007) |
| Leverage ratio | -6.989 | -8.349 | 1.360 | 0.087*** |
| | (15.332) | (9.784) | (5.657) | (0.018) |
| log(#Employee) | 16.300 | 13.366 | 2.934 | -0.034*** |
| | (14.973) | (10.241) | (4.768) | (0.009) |
| log(Firm age) | 41.937*** | 21.930*** | 20.007*** | 0.256*** |
| | (5.675) | (3.516) | (2.367) | (0.021) |
| Firm FE | Yes | Yes | Yes | Yes |
| Adj. $R^2$ | 0.653 | 0.614 | 0.686 | 0.183 |
| N | 23,922 | 23,922 | 23,922 | 23,922 |

# Table 11: Salience effect versus affect-cued recall

*Notes:* This table tests whether the negative effect of high-inflation exposure on retrospective wage evaluations is driven by the salience of current inflation rather than affect-cued selective recall of past experiences. We construct two indicators, *Ref_Highest* and *Ref_Average*, to capture whether the current-month inflation exceeds the employee's historically experienced maximum or average inflation (weighted with $\lambda = 1$, robust to alternative weights). Columns (1)–(2) report results for current employees, and columns (3)–(4) for former employees. All specifications include macroeconomic and firm-level controls, and high-dimensional fixed effects similar as those in the baseline regressions. Standard errors are clustered at the firm level and reported in parentheses. ***, **, and * denote statistical significance at the 1%, 5%, and 10% levels, respectively.

| | DepVar: Wage Evaluation | | | |
|---|---|---|---|---|
| | Current E | | Former E | |
| | (1) | (2) | (3) | (4) |
| HighInflation | -0.025* | -0.023* | -0.024* | -0.028** |
| | (0.013) | (0.013) | (0.014) | (0.014) |
| Ref_Highest | 0.014 | | -0.031** | |
| | (0.013) | | (0.015) | |
| Ref_Average | | 0.004 | | -0.010 |
| | | (0.011) | | (0.010) |
| Controls | Yes | Yes | Yes | Yes |
| Seniority FE | Yes | Yes | Yes | Yes |
| Review Year x MSA FE | Yes | Yes | Yes | Yes |
| Review Year x Firm x Occupation FE | Yes | Yes | | |
| Review Year x Industry FE | | | Yes | Yes |
| Departure Year x Industry FE | | | Yes | Yes |
| Firm x Occupation FE | | | Yes | Yes |
| Length of Employment FE | Yes | Yes | Yes | Yes |
| Full-time Only | Yes | Yes | Yes | Yes |
| Adj. $R^2$ | 0.182 | 0.182 | 0.144 | 0.144 |
| N | 167,562 | 167,562 | 123,811 | 123,811 |

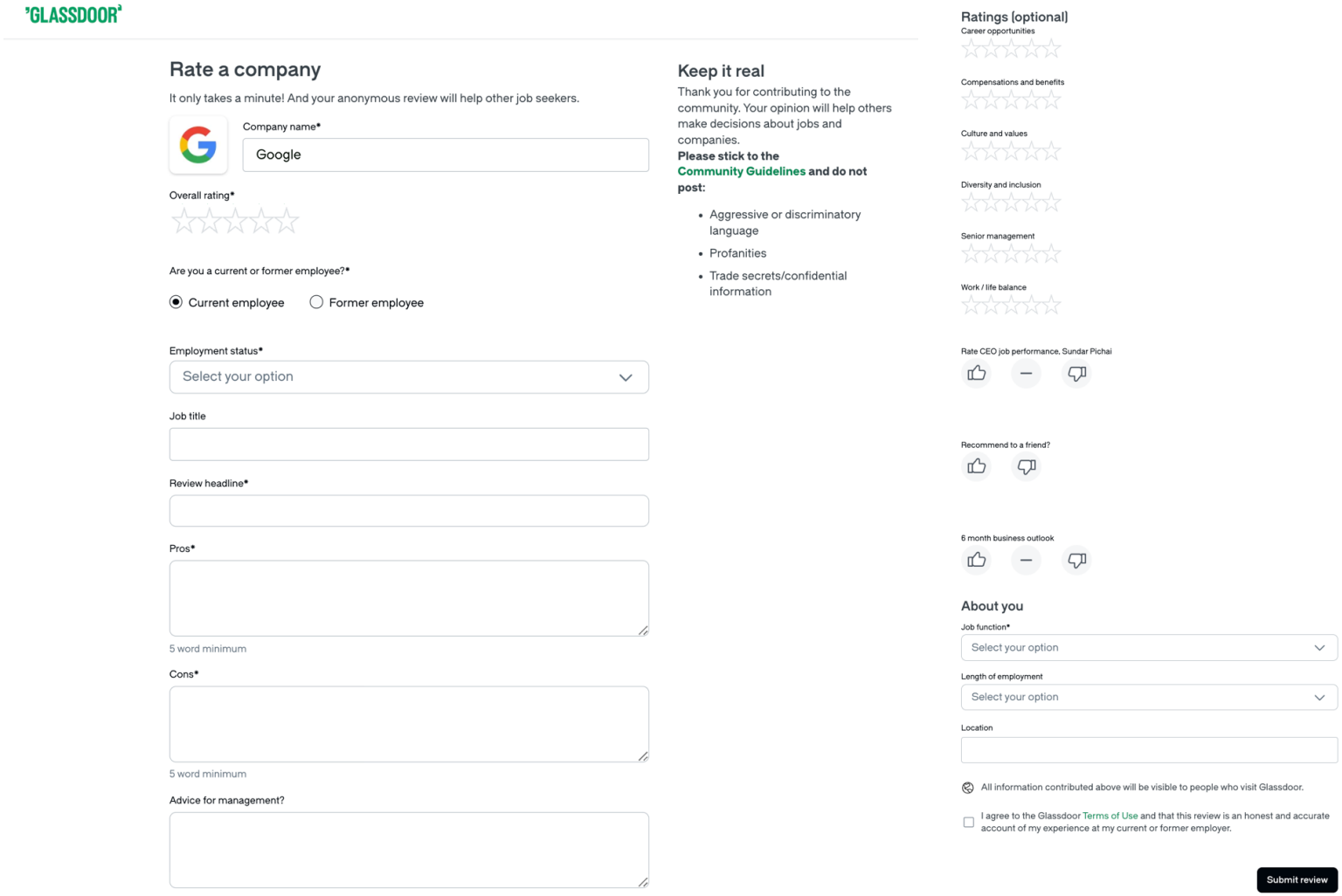
# Table 12: Confounding explanations for interference from ex-post experiences

*Notes:* This table presents robustness checks for the interference effect of ex-post experiences on former employees' retrospective wage evaluations. Columns (1)–(2) test for a contrast effect, where *Contrast High* in column (1) is a dummy variable indicating whether post-employment inflation is higher than on-job inflation, and column (2) restricts the sample to reviewers for whom the difference is less than 2% (up to the 80th percentile of the difference distribution), effectively excluding extreme cases. Column (3) examines whether the effect varies with the time elapsed since departure, where *Post-Employment Group (1-2 yr)* and *Post-Employment Group (1-2 yr)* indicate whether a former employee has left her former employer for 1 to 2 years or more than 2 years respectively. Columns (4)–(5) test whether the interference effect is influenced by COVID-era inflation dynamics, interacting post-employment and on-job inflation with indicators for reviews and departures occurring post-2021, where *Post-Covid (Review Time)* is a dummy variable equal to 1 if a former employee reviews after 2021 and 0 otherwise, and *Post-Covid (Departure Time)* is a dummy variable equal to 1 if a former employee separates from her former employer after 2021 and 0 otherwise. All regressions control for firm and macroeconomic variables, and include relevant fixed effects as indicated. Standard errors are clustered at the firm level and reported in parentheses. ***, **, and * denote statistical significance at the 1%, 5%, and 10% levels, respectively.

| | DepVar: Wage Evaluation | | | | |
|---|---|---|---|---|---|
| | Contrast Effect | | Time Effect | COVID Inflation | |
| | (1) | (2) (diff<= 2%) | (3) | (4) | (5) |
| HighInflation | -0.017 | -0.024 | -0.019 | -0.019* | -0.015 |
| | (0.014) | (0.016) | (0.014) | (0.012) | (0.012) |
| ExpInf Post-Employment | -1.261* | -2.170** | -1.719*** | -3.176** | -3.723*** |
| | (0.711) | (1.054) | (0.651) | (1.605) | (0.840) |
| ExpInf On-Job | 3.538*** | 4.833*** | 4.024*** | 3.992** | 3.452** |
| | (0.710) | (0.746) | (0.643) | (1.569) | (1.470) |
| Contrast High | -0.025* | | | | |
| | (0.013) | | | | |
| Post-Employment Group (1-2 yr) | | | 0.032 | | |
| | | | (0.024) | | |
| Post-Employment Group (> 2 yr) | | | -0.033 | | |
| | | | (0.037) | | |
| Post-Employment Group (1-2 yr) x ExpInf Post-Employment | | | -0.228 | | |
| | | | (0.663) | | |
| Post-Employment Group (> 2 yr) x ExpInf Post-Employment | | | 0.414 | | |
| | | | (0.959) | | |
| Post Covid (Review Time) x ExpInf Post-Employment | | | | 1.401 | |
| | | | | (1.657) | |
| Post Covid (Review Time) x ExpInf On-Job | | | | -0.047 | |
| | | | | (1.752) | |
| Post Covid (Departure Time) x ExpInf Post-Employment | | | | | 2.489*** |
| | | | | | (0.853) |
| Post Covid (Departure Time) x ExpInf On-Job | | | | | 0.589 |
| | | | | | (1.633) |
| Controls | Yes | Yes | Yes | Yes | Yes |
| Seniority FE | Yes | Yes | Yes | Yes | Yes |
| Review Year x MSA FE | Yes | Yes | Yes | Yes | Yes |
| Review Year x Industry FE | Yes | Yes | Yes | Yes | Yes |
| Departure Year x Industry FE | Yes | Yes | Yes | Yes | Yes |
| Firm x Occupation FE | Yes | Yes | Yes | No | No |
| Firm FE | No | No | No | Yes | Yes |
| Occupation FE | No | No | No | Yes | Yes |
| Length of Employment FE | Yes | Yes | Yes | Yes | Yes |
| Full-time Only | Yes | Yes | Yes | Yes | Yes |
| Adj. $R^2$ | 0.144 | 0.149 | 0.145 | 0.128 | 0.128 |
| N | 123,811 | 99,004 | 123,811 | 151,861 | 151,861 |

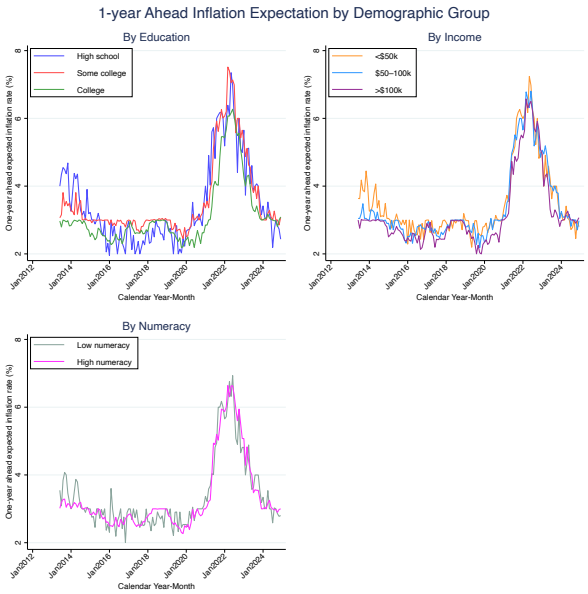
## Figure A1: Glassdoor review submission page

*Note:* This figure illustrates the standardized Glassdoor review submission interface. The platform collects a comprehensive set of metrics, including a one-to-five star overall rating and dimension-specific ratings for Career Opportunities, Compensation & Benefits, Culture & Values, Senior Management, and Work/Life Balance (Diversity and Inclusion rating is added after 2020). Employment status indicates the reviewer's employment type (i.e., regular full-time, part-time, freelance, contract, etc.). Job function indicates the reviewer's job role within the firm (e.g., Administrative, Legal, IT, etc.). In addition, users are prompted to provide textual responses in dedicated sections for "Pros", "Cons", and "Advice for Management".



# Figure A2: Individual expectations of inflation and earnings growth from SCE

*Note:* This figure presents the one-year ahead aggregate-level expectations for inflation and earnings growth by demographics from the Survey of Consumer Expectations (SCE) conducted by the Federal Reserve Bank of New York (FRBNY). Panel A illustrates the expected inflation rate across different groups, categorized by education, income, and numeracy. Panel B displays the corresponding expected earnings growth across the same demographic dimensions: education, income, and numeracy. The time series spans from January 2012 to December 2024. The data illustrates that individuals with higher education (e.g., college degrees) and higher income (e.g., >$100k) generally exhibit lower expectations for inflation but higher expectations for earnings growth.



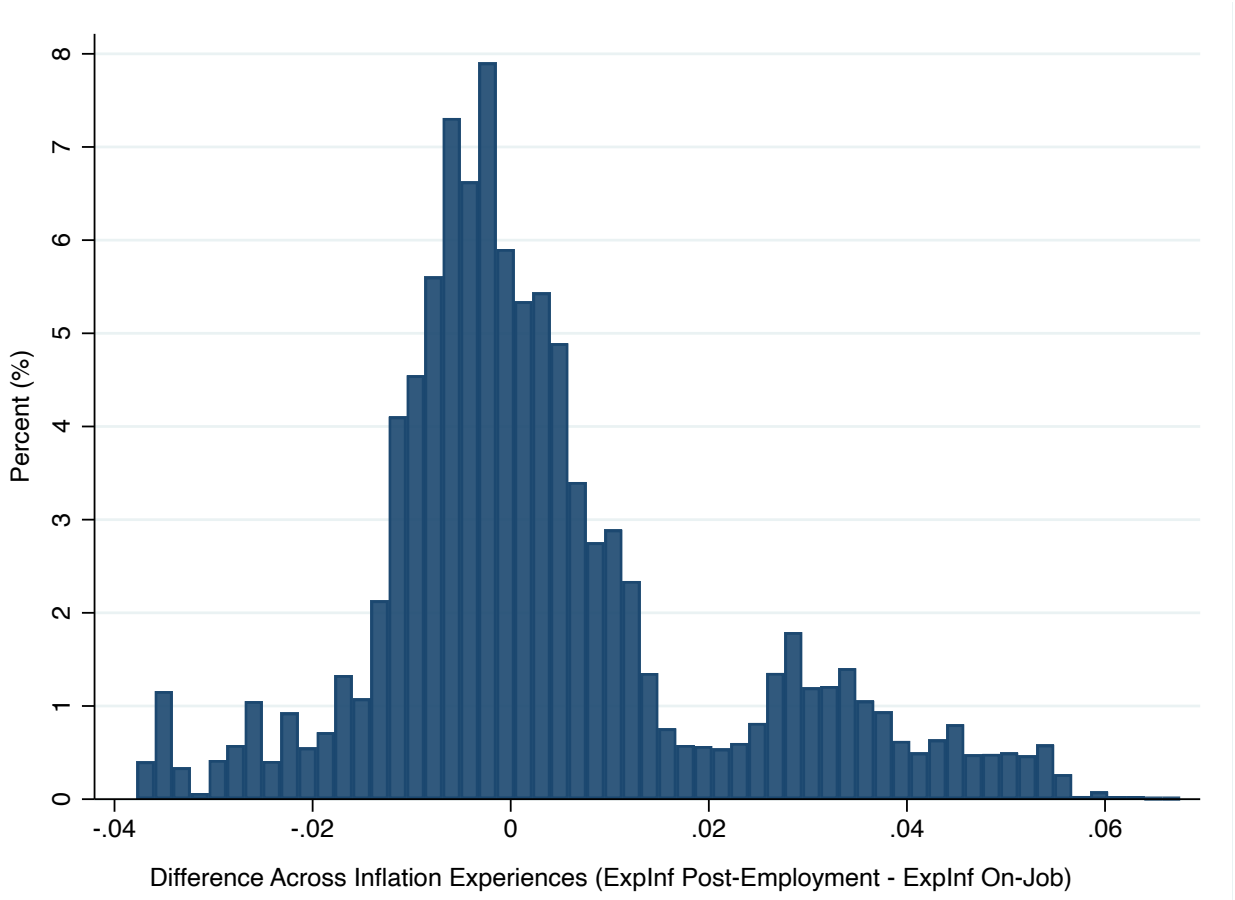

(a) Individual inflation expectation by demographics




(b) Individual earnings growth expectation by demographics

## Figure A3: Difference between post-employment and on-job inflation experiences among former employees

*Note:* This figure presents a histogram illustrating the distribution of the difference between post-employment and on-job inflation experiences. The horizontal axis measures this difference, calculated as the experienced inflation after leaving the firm minus the experienced inflation during employment (*ExpInf Post-Employment - ExpInf On-Job*). The vertical axis displays the relative frequency of these differences as a percent (%). As discussed in the paper, this distribution informs the sample restrictions used to test for the contrast effect, where a difference of 2% corresponds to the 80th percentile and serves as a threshold to exclude extreme cases.



# Table A1: Sample decomposition

*Notes:* This table presents the stepwise construction of our analysis sample. We restrict the sample to reviews submitted by reviewers working at U.S.-headquartered Compustat firms and based in the U.S. at the time of review, leaving us with approximately 2.18 million reviews for 5,308 unique Compustat firms, of which around 1.22 million are from current employees and 0.96 million from former employees. Intermediate rows show the impact of successive data restrictions, including availability of wage evaluations, firm-level average staff expense data as proxy for wages, and full-time employment status.

| | # reviews/firms |
|---|---|
| All job reviews on Glassdoor for U.S. firms from Jan 1, 2008 to Dec 31, 2024 | 10,851,889/**730,922** |
| Limiting to U.S. headquartered firms with matched fundamental information from Compustat | 2,117,648/**5,308** |
| Limiting to reviews with non-missing wage evaluation | 1,829,545/**5,232** |
| Limiting to firms with non-missing average staff expense | 1,003,598/**4,602** |
| Limiting to reviews submitted by full-time employees | 747,240/**4,494** |
| Full-time Current employee sample | 449,547/**4,072** |
| Full-time Former employee sample | 297,693/**4,049** |

# Table A2: Wage evaluations around CPI release days

*Notes:* This table examines whether the negative effect of high-inflation exposure on retrospective wage evaluations is driven by reviewers' transient attention or reactions to CPI releases. We estimate regressions using $\pm$10-day windows around each CPI release, for both current and former employees. The dependent variable is the one-to-five star wage evaluation. The key explanatory variable interacts a high-inflation indicator (based on the average of current and previous month inflation to better capture the perceived inflation environment by reviewers) with a post-CPI-release window dummy. Columns (1)–(2) present results for current employees, and columns (3)–(4) for former employees. All columns incorporate *Review Year* $\times$ *MSA*, *Length of Employment*, and *Day of Week* fixed effects. For current employees, we also include *Review Year* $\times$ *Firm* $\times$ *Occupation* and *Firm* $\times$ *Week of Month* fixed effects. For former employees, we additionally incorporate *Review Year* $\times$ *Industry*, *Departure Year* $\times$ *Industry*, *Firm* $\times$ *Occupation*, and *Week of Month* fixed effects. Column (2) and (4) include the same set of controls as in the baseline regressions. Standard errors are clustered at the firm level and reported in parentheses. ***, **, and * denote significance at the 1%, 5%, and 10% levels, respectively. Estimates show no systematic differences in wage evaluations around CPI release dates, ruling out short-term attention effects.

| | DepVar: Wage Evaluation | | | |
|---|---|---|---|---|
| | Current Employee | | Former Employee | |
| | (1) | (2) | (3) | (4) |
| HighInflation (t, t-1 avg.) | -0.032*** | -0.042** | -0.025** | -0.035* |
| | (0.011) | (0.020) | (0.012) | (0.020) |
| Post-CPI release ([0,10]days) | 0.004 | 0.009 | -0.005 | 0.019 |
| | (0.010) | (0.016) | (0.010) | (0.017) |
| Post-CPI release x HighInflation | -0.035*** | -0.025 | -0.022 | -0.004 |
| | (0.013) | (0.022) | (0.014) | (0.026) |
| Controls | No | Yes | No | Yes |
| Review Year x MSA FE | Yes | Yes | Yes | Yes |
| Review Year x Firm x Occupation FE | Yes | Yes | | |
| Review Year x Industry FE | | | Yes | Yes |
| Departure Year x Industry FE | | | Yes | Yes |
| Firm x Occupation FE | | | Yes | Yes |
| Firm x Week of Month FE | Yes | Yes | | |
| Week of Month FE | | | Yes | Yes |
| Length of Employment FE | Yes | Yes | Yes | Yes |
| Day of Week FE | Yes | Yes | Yes | Yes |
| Full-time Only | Yes | Yes | Yes | Yes |
| Adj. $R^2$ | 0.165 | 0.167 | 0.151 | 0.141 |
| N | 270,534 | 105,593 | 233,265 | 80,790 |

# Table A3: Affect-cued selective recall: evaluations of other job dimensions

*Notes:* This table presents the effect of high-inflation exposure (the retrieval context) on employees' retrospective evaluations of alternative job dimensions. The dependent variables in columns (1) through (5) are the one-to-five star ratings for Overall Satisfaction, Career Opportunities, Culture and Values, Senior Management, and Work/Life Balance, respectively. The key independent variable is *HighInflation*, a dummy indicating whether the annualized monthly inflation rate exceeds 3% at the time of the review. Panel A and Panel B restrict the sample to full-time current and former employees, respectively. Across all columns, the inclusion of baseline controls and fixed effects strictly follows the most stringent specifications in Table 2, corresponding to column (4) of Panel A and Panel B. Standard errors, clustered at the firm level, are reported in parentheses. ***, **, and * denote significance at the 1%, 5%, and 10% levels, respectively.

| Panel A: Current Employee Sample | | | | | |
|---|---|---|---|---|---|
| | DepVar: Evaluation of different job dimensions | | | | |
| | (1) Overall | (2) Career Opportunities | (3) Culture and Values | (4) Senior Management | (5) Work/Life Balance |
| HighInflation | -0.033** | 0.000 | -0.009 | -0.017 | -0.019 |
| | (0.013) | (0.014) | (0.014) | (0.016) | (0.015) |
| Controls | Yes | Yes | Yes | Yes | Yes |
| Seniority FE | Yes | Yes | Yes | Yes | Yes |
| Review Year x MSA FE | Yes | Yes | Yes | Yes | Yes |
| Review Year x Firm x Occupation FE | Yes | Yes | Yes | Yes | Yes |
| Length of Employment FE | Yes | Yes | Yes | Yes | Yes |
| Full-time Only | Yes | Yes | Yes | Yes | Yes |
| Adj. $R^2$ | 0.186 | 0.166 | 0.192 | 0.190 | 0.200 |
| N | 180,383 | 167,692 | 166,849 | 166,074 | 167,210 |
| Panel B: Former Employee Sample | | | | | |
| | DepVar: Evaluation of different job dimensions | | | | |
| | (1) Overall | (2) Career Opportunities | (3) Culture and Values | (4) Senior Management | (5) Work/Life Balance |
| HighInflation | -0.056*** | -0.030** | -0.054*** | -0.062*** | -0.064*** |
| | (0.014) | (0.015) | (0.015) | (0.015) | (0.015) |
| Controls | Yes | Yes | Yes | Yes | Yes |
| Seniority FE | Yes | Yes | Yes | Yes | Yes |
| Review Year x MSA FE | Yes | Yes | Yes | Yes | Yes |
| Review Year x Industry FE | Yes | Yes | Yes | Yes | Yes |
| Departure Year x Industry FE | Yes | Yes | Yes | Yes | Yes |
| Firm x Occupation FE | Yes | Yes | Yes | Yes | Yes |
| Length of Employment FE | Yes | Yes | Yes | Yes | Yes |
| Full-time Only | Yes | Yes | Yes | Yes | Yes |
| Adj. $R^2$ | 0.134 | 0.109 | 0.120 | 0.101 | 0.141 |
| N | 133,613 | 123,693 | 123,109 | 122,667 | 123,408 |

# Table A4: Affective norm and adaptation through experiences: evaluations of other job dimensions

*Notes:* This table examines whether inflation experiences prior to the review attenuate the effect of high-inflation exposure (the retrieval context) on employees' retrospective evaluations of alternative job dimensions. The dependent variables in columns (1) through (5) are the one-to-five star ratings for Overall Satisfaction, Career Opportunities, Culture and Values, Senior Management, and Work/Life Balance, respectively. The key explanatory variables are *HighInflation*, an indicator for annualized monthly inflation above 3% at the time of review, and its interaction with prior inflation experiences (*ExpInf On-Job* for current employees in Panel A, and *ExpInf Overall* for former employees in Panel B). Across all columns, the sample is restricted to full-time employees. The inclusion of baseline controls and fixed effects strictly follows the most stringent specifications in Table 3, corresponding to column (4) of Panel A and Panel B, respectively. Standard errors, clustered at the firm level, are reported in parentheses. ***, **, and * denote statistical significance at the 1%, 5%, and 10% levels, respectively.

| Panel A: Current Employee Sample | | | | | |
|---|---|---|---|---|---|
| | DepVar: Evaluation of different job dimensions | | | | |
| | (1) Overall | (2) Career Opportunities | (3) Culture and Values | (4) Senior Management | (5) Work/Life Balance |
| HighInflation | -0.143*** | -0.052* | -0.116*** | -0.133*** | -0.185*** |
| | (0.028) | (0.028) | (0.029) | (0.032) | (0.033) |
| ExpInf On-Job | -1.852** | -1.019 | -2.296*** | -2.756*** | -2.438*** |
| | (0.755) | (0.760) | (0.728) | (0.885) | (0.881) |
| HighInflation x ExpInf On-Job | 3.152*** | 1.506** | 3.107*** | 3.377*** | 4.693*** |
| | (0.731) | (0.711) | (0.698) | (0.782) | (0.855) |
| Controls | Yes | Yes | Yes | Yes | Yes |
| Seniority FE | Yes | Yes | Yes | Yes | Yes |
| Review Year x MSA FE | Yes | Yes | Yes | Yes | Yes |
| Review Year x Firm x Occupation FE | Yes | Yes | Yes | Yes | Yes |
| Length of Employment FE | Yes | Yes | Yes | Yes | Yes |
| Full-time Only | Yes | Yes | Yes | Yes | Yes |
| Adj. $R^2$ | 0.186 | 0.166 | 0.192 | 0.190 | 0.200 |
| N | 180,121 | 167,442 | 166,601 | 165,830 | 166,961 |
| Panel B: Former Employee Sample | | | | | |
| | DepVar: Evaluation of different job dimensions | | | | |
| | (1) Overall | (2) Career Opportunities | (3) Culture and Values | (4) Senior Management | (5) Work/Life Balance |
| HighInflation | -0.176*** | -0.063* | -0.131*** | -0.134*** | -0.161*** |
| | (0.032) | (0.033) | (0.036) | (0.033) | (0.033) |
| ExpInf Overall | 0.117 | 2.020** | 1.074 | 1.283 | 0.504 |
| | (1.056) | (0.953) | (1.170) | (1.057) | (1.101) |
| HighInflation x ExpInf Overall | 3.250*** | 0.776 | 2.028** | 1.879** | 2.599*** |
| | (0.878) | (0.880) | (0.990) | (0.921) | (0.912) |
| Controls | Yes | Yes | Yes | Yes | Yes |
| Seniority FE | Yes | Yes | Yes | Yes | Yes |
| Review Year x MSA FE | Yes | Yes | Yes | Yes | Yes |
| Review Year x Industry FE | Yes | Yes | Yes | Yes | Yes |
| Departure Year x Industry FE | Yes | Yes | Yes | Yes | Yes |
| Firm x Occupation FE | Yes | Yes | Yes | Yes | Yes |
| Length of Employment FE | Yes | Yes | Yes | Yes | Yes |
| Full-time Only | Yes | Yes | Yes | Yes | Yes |
| Adj. $R^2$ | 0.134 | 0.109 | 0.120 | 0.102 | 0.141 |
| N | 133,613 | 123,693 | 123,109 | 122,667 | 123,408 |

# Table A5: Interference from ex-post experiences: evaluations of other job dimensions

*Notes:* This table examines whether inflation experienced post-employment affects former employees' retrospective evaluations of other job dimensions. The dependent variables in columns (1) through (5) are the one-to-five star ratings for Overall Satisfaction, Career Opportunities, Culture and Values, Senior Management, and Work/Life Balance, respectively. The key explanatory variables are *HighInflation*, *ExpInf Post-Employment* (measuring inflation experienced between the employee's departure and the time of review), and *ExpInf On-Job* (measuring inflation experienced during employment). The sample is restricted to full-time former employees. The inclusion of firm-level controls and fixed effects strictly follows the most stringent baseline specification in Panel A of Table 4 (corresponding to column 4). Standard errors, clustered at the firm level, are reported in parentheses. ***, **, and * denote statistical significance at the 1%, 5%, and 10% levels, respectively.

| | DepVar: Evaluation of different job dimensions | | | | |
|---|---|---|---|---|---|
| | (1) Overall | (2) Career Opportunities | (3) Culture and Values | (4) Senior Management | (5) Work/Life Balance |
| HighInflation | -0.050*** | -0.032** | -0.053*** | -0.061*** | -0.057*** |
| | (0.014) | (0.015) | (0.016) | (0.015) | (0.015) |
| ExpInf Post-Employment | -1.048* | 0.308 | -0.332 | -0.108 | -1.243* |
| | (0.628) | (0.710) | (0.681) | (0.635) | (0.638) |
| ExpInf On-Job | 3.106*** | 2.628*** | 3.098*** | 3.251*** | 2.383*** |
| | (0.672) | (0.726) | (0.818) | (0.714) | (0.740) |
| Controls | Yes | Yes | Yes | Yes | Yes |
| Seniority FE | Yes | Yes | Yes | Yes | Yes |
| Review Year x MSA FE | Yes | Yes | Yes | Yes | Yes |
| Review Year x Industry FE | Yes | Yes | Yes | Yes | Yes |
| Departure Year x Industry FE | Yes | Yes | Yes | Yes | Yes |
| Firm x Occupation FE | Yes | Yes | Yes | Yes | Yes |
| Length of Employment FE | Yes | Yes | Yes | Yes | Yes |
| Full-time Only | Yes | Yes | Yes | Yes | Yes |
| Adj. $R^2$ | 0.134 | 0.109 | 0.120 | 0.102 | 0.141 |
| N | 133,613 | 123,693 | 123,109 | 122,667 | 123,408 |

# Table A6: Word dictionaries for Wage and Inflation

*Notes:* This table shows the word dictionaries for *Wage* and *Inflation* used to identify relevant terms in employee reviews. Dictionaries are constructed from predefined anchor words, i.e., "wage", "salary", and "compensation" for *Wage* and "inflation", "cost_living", and "higher_prices" for *Inflation*, and expanded using a word embedding model to capture semantically related terms. Terms are grouped by topic to reflect different dimensions of *Wage* and *Inflation* in employees' review texts.

| Dictionary | Topic | Example Terms |
|---|---|---|
| **Inflation** | Inflation Indicators | inflation, inflationary, inflation_rate, cpi, deflation, nominal |
| | Inflation Adjustment / Wage Dynamics | inflation_adjustment, adjust_inflation, adjustment_inflation, match_inflation, keep_inflation, outpace_inflation, pace_inflation |
| | Cost of Living | cola, col, hcol, lcol, col_adjustment, cost_living, cost_living_adjustment, cost_live, cost_live_adjustment, annual_cost_living, yearly_cost_living, living_cost, living_expense, living_increase, rise_cost_living, inflation_cost_living |
| | Purchasing Power / Affordability | buying_power, cover_cost_living, afford_live, afford |
| | Living Standards / Poverty | poverty_level, poverty_line, living_wage, livable_wage, live_wage, subsistence, unlivable, unliveable |
| | Price Increases | gas_price, gas_gallon, skyrocket, rocketing, rising_inflation, rise_inflation, expensive |
| **Wage** | Base Pay / Wage Level | wage, salary, pay, hourly_wage, hourly_rate, payrate, minimum_wage, min_wage, living_wage, livable_wage, live_wage, poverty_wage, starting_wage, lowpay, goodpay, underpaid |
| | Compensation (Total) | compensation, comp, total_comp, total_compensation, compensation_package, package, monetary_compensation, fairly_compensate, compensate, remuneration |
| | Income / Earnings | income, earnings, earning, earn, earn_potential, earning_potential, income_potential, source_income, income_stream, household_income, livable_income, residual_income, unlimited_income |
| | Supplemental Income | supplemental_income, supplementary_income, supplement_income, extra_income, extra_cash |
| | Raises / Pay Growth | raise, increase, yearly_raise, annual_increase, annual_increment, yearly_increment, merit_increase, annual_merit, salary_increment |
| | Bonuses / Variable Pay | bonus, annual_bonus, yearly_bonus, bonus_structure, commission, instant_payout, payout |
| | Benefits / Perks | benefit, perk, health_insurance, stock_option |

# Table A7: Real effects of employee overall job evaluations on firms' labor mobility and employee productivity

*Notes:* This table replicates the baseline firm-year panel regressions using overall job evaluations instead of wage evaluations as the key explanatory variable. The dependent variables are measured at year t. In columns (1) and (2), the dependent variable is Employee Inflow, defined as the number of newly hired employees transitioning from other employers scaled by the firm's total employment at the end of the prior year, expressed in percentage (%). In columns (3) and (4), the dependent variable is Employee Outflow, defined as the number of departing employees scaled by prior-year total employment, also expressed in percentage (%). In columns (5) and (6), the dependent variable is Employee Productivity, measured as the natural logarithm of sales per employee. The primary independent variables are the aggregated firm-level average overall job evaluations (on a 1-to-5 scale) submitted by current and former employees, measured with a one-year lag (t-1). Control variables and fixed effects follow the same specifications as in the baseline regressions. Standard errors, clustered at the firm level, are reported in parentheses. ***, **, and * denote statistical significance at the 1%, 5%, and 10% levels, respectively.

| | Employee Inflow (Year t) | | Employee Outflow (Year t) | | Employee Productivity (Year t) | |
|---|---|---|---|---|---|---|
| | (1) | (2) | (3) | (4) | (5) | (6) |
| Avg overall evaluation: Current (Year t-1) | 1.153*** | 0.933*** | -0.118*** | -0.141*** | 0.112*** | 0.021 |
| | (0.183) | (0.175) | (0.037) | (0.037) | (0.032) | (0.020) |
| Avg overall evaluation: Former (Year t-1) | -0.222 | -0.064 | -0.063 | -0.065 | 0.151*** | 0.072*** |
| | (0.210) | (0.194) | (0.040) | (0.040) | (0.030) | (0.021) |
| log(Asset) | | 0.566 | | 0.264*** | | 0.492*** |
| | | (0.424) | | (0.091) | | (0.016) |
| Leverage ratio | | -5.946*** | | -0.081 | | -0.036 |
| | | (1.049) | | (0.241) | | (0.072) |
| log(#Employee) | | 1.038** | | 0.195* | | -0.530*** |
| | | (0.487) | | (0.104) | | (0.018) |
| log(Firm age) | | -20.076*** | | -0.694** | | -0.007 |
| | | (2.236) | | (0.331) | | (0.020) |
| Year FE | Yes | Yes | Yes | Yes | | |
| Firm FE | Yes | Yes | Yes | Yes | | |
| Year x Industry FE | | | | | Yes | Yes |
| Year x City | | | | | Yes | Yes |
| Adj. $R^2$ | 0.675 | 0.693 | 0.616 | 0.621 | 0.434 | 0.736 |
| N | 12,754 | 12,529 | 12,754 | 12,529 | 9,533 | 9,476 |