1. IN-KIND BENEFITS IN HUNGARY

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This study looks at the role of in-kind benefits in total labour income in Hungary. These benefits include car and cellular phone usage, representation expenses, meals-, clothing- and transport subsidies, etc. The literature has paid less attention to these issues so far in Hungary, in part because of the lack of adequate data. In this study we use earnings and in-kind benefits data from a detailed (albeit relatively small) household survey, the Monitor survey of Tárki.

We raise two closely related questions in this study. The first question considers who receives in-kind benefits in Hungary, why, and of what kind. It is possible that, because of compensating differentials, those who earn more might expect less in-kind benefits. In this case, inequality measured solely by earnings would overestimate total labour income inequality. Compensating differentials may occur if, for exogenous reasons, in-kind benefits are higher in some occupations than in others, and employers use other earnings components (wages, bonuses) to compensate for the differential. Of course, a positive correlation is also possible, i.e. higher wages may coincide with higher in-kind benefits. In this latter case, inequality measured solely by earnings would underestimate total labour income inequality. This latter case may occur if the tax cost of in-kind benefits is smaller. Our results support the second case. Although on average the ratio of in-kind benefits to total labour income is small, there is a significant positive relationship between wages and in-kind benefits. Moreover, determinants of in-kind benefits match the determinants of earnings, indicating that overall, the role of in-kind benefits is very similar to that of other earnings components.

Our second question considers how total labour income is affected by the most commonly used covariates in earnings functions (gender, education, etc.). This question is rather technical and tries to examine whether conclusions drawn from those estimates can be extended to total labour incomes as well. Given our answer to the first question, it is not surprising that we find a strong confirmative answer. The estimated parameters of the standard Mincer type regressions are quite similar in both cases, with the notable exception of

the effect of education. Returns to education on total labour income are even larger than on earnings itself.

In-kind benefits

Since 1998, Tárki Social Research Inc.[1] has collected cross-sectional household surveys called Household Monitor, generally every two years. In 2003, 2335 households were successfully interviewed. The main advantage to us of this survey is that, in addition to the usual measures of wages, bonuses and other monetary premiums,[2] it contains detailed data on other sources of labour income: tips, secondary jobs, and in-kind benefits. The survey was carried out on a relatively small sample, and the data collection is based on self-assessment, which could affect reliability.

Table 1.1 contains simple descriptive statistics on the fraction of recipients of the different types of labour income. As far as in-kind benefits are concerned, the relevant information is given in monetary intervals (under 30,000 HUF, 30,000–60,000 HUF, etc.) For the descriptive statistics, we have simply assigned the midpoint of the category, but for the detailed analysis we shall allow for interval-coding.

Table 1.1: Partaking in the different income components (panel A) and the ratio of them to total income (panel B). Tárki Monitor 2003 (N=1752)

	Tips	Payments on invoice	Secondary jobs	In-kind benefits	Monetary earnings
A. What fraction receives it? (Per cent)					
Top managers	0.0	6.3	13.5	79.7	100.0
Middle managers	7.3	10.9	3.9	81.3	100.0
Junior managers	14.8	2.9	8.8	72.6	100.0
White-collar employees	2.8	9.7	7.5	77.9	100.0
Other white-collar workers	6.2	4.8	2.7	74.6	100.0
Skilled workers	6.4	1.6	1.9	61.4	100.0
Agricultural labourers	0.0	0.0	0.0	57.5	100.0
Semi-, unskilled workers	3.8	1.6	0.8	66.4	100.0
TOTAL:	5.5	3.7	3.1	66.4	100.0
B. What is the average fraction of the income component in total labour income? (Per cent)					
Top managers	0.0	0.4	4.3	4.9	90.3
Middle managers	0.1	5.0	2.1	4.4	88.4
Junior managers	0.9	0.1	3.4	4.4	91.2
White-collar employees	0.0	1.2	1.9	3.5	93.4
Other white-collar workers	1.1	4.9	1.0	4.6	88.4
Skilled workers	0.5	0.3	0.6	2.8	95.8
Agricultural labourers	0.0	0.0	0.0	2.0	98.1
Semi-, unskilled workers	0.7	0.6	0.5	2.4	95.9
Total:	0.5	1.6	1.3	3.5	93.1

1 www.tarki.hu/en
2 Earnings include bonuses and premiums. The exact definition is described below.

The most important message of Table 1.1 is that labour income is more than primary job monetary earnings for most Hungarians. Payment on invoice is most frequent for middle managers, junior managers get the most tips, and a non-negligible fraction of managers and other white-collar employees have second jobs. Two-thirds of Hungarian employees receive some in-kind benefits, the higher qualified the job is the more so. At the same time, based on our estimates from the Tárki Monitor survey, the fraction of these to total labour income seems to be quite small. The total income of blue-collar workers is nearly the same as their monetary earnings. It is possible that data on monetary earnings are more reliable than those other components and systematic underestimation is more pronounced there. As we have only self-reported data, we cannot check this potential bias.

The survey also has data, although without monetary equivalent, on different types of in-kind benefits. Table A1.1 (in the appendix) contains these by employment status. Among them, meal benefit is the most frequent one: 50 to 70 per cent of employees in all jobs receive it. Clothing is less frequent but is also *distributed rather homogenously (10–36 percent), and, excluding agricultural workers, the same is true for the transport benefit (11–25 percent). Car usage is mainly given to white-collar and to some extent to skilled workers.

In what follows, we look at the probability of receiving in-kind benefits in a more systematic way, by estimating probit probability models. For each type of benefit, we run two models. In the first model, we control for log wage, job characteristics and job tenure besides the usual Mincer-type explanatory variables (gender, potential experience, education, ownership of the firm, regional location and type of settlement). We address three questions in these models. (a) Is the (partial) correlation between wages and benefits positive or negative? (b) Are the effects of job characteristics and job tenure significant after controlling for wages? (c) Are the effects of the Mincer type variables significant after controlling for wages? The second type of model features the standard Mincer type variables only. We run those models in order to see whether the estimated effects are similar for different types of in-kind benefits. Table 1.2 shows the estimated effects of the most important variables. The table presents the average partial effects (average effect of different explanatory variables on the independent variables).

There is a significant positive link between wages and the probability of receiving in-kind benefits. The narrower models show that the effects of education on any type of in-kind benefits are always significant, positive, and substantial except for company car usage and transport benefits. Nevertheless, this relationship disappears or almost disappears if we control for wages. The complete models (not reported here) also show that while labour market experience is not significant, the gender effect on benefits is similar to the one on wages: women can expect less of both. These results suggest that in-kind

benefits supplement wages and move along with them. Our results therefore support the second possibility in the introduction: benefits are very much like monetary components of earnings and there is no evidence for compensating differentials.

Table 1.2: Probit models for the probability of receiving different kinds of in-kind benefits. Average partial effects on probabilities. Tárki Monitor 2003

	Company car		Cell phone		Mean benefits		Clothing benefits		Transport benefits	
log(wage)	0.053		(0.030)		0.106		0.113		0.104	
Manager	0.038		0.043		(–0.051)		–0.094		(–0.050)	
Blue-collar	–0.039		–0.044		–0.096		–0.114		(–0.048)	
Job tenure (years spent with firm)	(–0.000)		–0.002		0.004		(0.000)		(0.001)	
Education (years)	(0.003)	0.016	0.010	0.021	(0.004)	0.026	(0.003)	0.023	(–0.001)	0.013
Private firm	0.049	0.048	0.057	0.064	–0.227	–0.259	–0.181	–0.207	–0.083	–0.101
Foreign firm	–0.027	(–0.009)	(–0.005)	(0.007)	0.223	0.250	(–0.052)	(–0.024)	0.067	0.096

Note: Parameters in brackets are not significant at 5 percent.

Other results from the models are also interesting. First, the effect of job status and job tenure do not disappear completely even when we control for wages. This can reflect the nature of within-firm incentives, but it can also mean that, besides measured current wages, these variables can also predict long-term (permanent) wages. In the latter case, these variables are significant after controlling for current wages, but they would not be significant if we could control for permanent wages. Second, firm ownership matters. Our models suggest that domestic private firms give less meal and transport benefits to their employees than either foreign or public firms. It seems therefore that domestic private firms do not make use of the legal possibilities of giving such benefits. Furthermore, we can see that public firms give more clothing benefit and less car and cellular phone usage.

Recall from Table 1.1 that the share of in-kind benefits within total labour income is quite small. Therefore, we have estimated models that examine the amount of benefits together. Our main question is that if somebody gets any kind of benefits, what is their monetary equivalent. In addition, we have also examined the factors that can affect the probability of receiving any kind of benefits. Both questions refer to the benefits together, because the survey does not provide information about the amount of the benefits one by one. For the second question we have used probit models. These models estimate the relationship between the explanatory variables and the probability of receiving any kind of benefits. For the first question we have used ordered probit models, because the survey only provides data on the interval in which the monetary equivalents of the benefits are (0–30,000 HUF; 30,000–60,000 HUF; etc.) This latter method is also called interval regression because it is an ordered probit with known thresholds (see *Wooldridge*, 2002, pp. 508.)

For easier interpretations, we have used the logarithms of the category-margins. In this way the estimated parameters of the interval regressions can be directly interpreted: they show the percentage increase of the value of benefits (conditional on having received any) associated with a one unit change in the independent variable.

Just as in the previous case, we estimated two models for both the probability and the magnitude of benefits. The first one contains the standard Mincer type variables; the second one has the job description and job tenure (years spent with the firm) variables. The most important results are shown in Table 1.3 and the complete output is in Table A1.2 in the appendix. We show here models with education measured by completed school years; results from models with degrees of qualification are very similar.

Table 1.3: Probability of receiving any benefits (probit) and value of the benefits if any (interval regression). Tárki Monitor 2003, Hungary

	Probability of any benefits (average partial effects from probits)		Value of the benefits if any (elasticities from interval regressions)	
	(1)	(2)	(1)	(2)
Log(wage)		0.132		1.021
Manager		(–0.023)		(–0.001)
Blue-collar		–0.117		–0.447
Job tenure (years spent at firm)		0.004		(–0.007)
Women	–0.064	–0.062	(–0.131)	(–0.056)
Education (years)	0.037	(0.010)	0.128	(–0.019)
Private firm	–0.187	–0.149	(–0.019)	(0.036)
Foreign firm	0.195	0.162	(0.010)	(–0.178)

Note: Parameters in brackets are not significant at 5 percent.
For complete output see Table A1.2.

Women are 7 per cent less likely to receive in-kind benefits even if we control for job status, tenure and earnings. Domestic private enterprises are less likely to give in-kind benefits, by 20 per cent (16 per cent in model 2), than state-owned ones or foreign private firms (the latter two are about as likely to give). Model 2 implies that 1 per cent higher earnings are associated with 0.15 per cent more likely benefits. Blue-collar workers receive benefits with a 13 percent smaller probability, and each 2.5 years spent at the company increases the chance of benefits by 1 percentage point.

The value of benefits (if positive) does not correlate with ownership. Education matters more for benefits than for earnings: returns to education here are 13 per cent, compared to 9 per cent in the standard Mincer type regressions (see later) but conditional on earnings, it has no effect on benefits. Conditional on earnings and job characteristics, neither gender, nor education seems to matter. One per cent higher earnings are associated with benefits

higher by the very same 1 percent. Blue-collar workers, however, receive half as much even if they receive any.

These results suggest two important conclusions. First, blue-collar jobs are associated with significantly less likely and smaller benefits, even when we control for earnings and education. Second, earnings and benefits move closely together: benefits are related to the marginal product of work the very same way wages do, as a first approximation (that is to say, except that blue-collar jobs seem to have an extra penalty).

Mincer-type regressions for earnings and total labour income including in-kind benefits

Most studies on Hungarian earnings use the wage-tariff data surveys.[3] The first study using the data was *Kertesi and Köllő* (1997a). In the In Focus chapter of the present volume all studies are based on Wage-tariff surveys except for that of Péter Galasi.

Wage-tariff surveys were carried out in 1986, 1989 and yearly from 1992, they contain data on earnings and basic demographical information. The sample covers all public sector workers and a large representative sample of private sector workers at enterprises, together with some data on the plant and the enterprise. Earnings data contain wages and yearly bonuses and premiums. The remarkable value of the wage-tariff surveys is in their size (hundreds of thousands of employees each year) and the possibility to match them with employers' data (e.g. with balance sheets).

All data in the wage-tariff surveys are provided by the employer. Earnings are thus more precise than those gained from household surveys (*Kézdi*, 1998). At the same time, employer provided data have their drawbacks as well. For one thing, families and households are impossible to link. For another, we have the data from one single employer even if a worker has more jobs (or, to be more precise, each record is about one job, and employers are not possible to identify). In addition, wage-tariff does not have information on in-kind benefits.

Below, we compare the most important results of Mincer type regressions from the 2003 wage tariff survey and the 2003 Tárki Monitor survey.[4] First, for a benchmark comparison, we run standard Mincer-type regressions on earnings using variables that are available in both surveys. Average after tax earnings are about 15 percent lower in the self-reported data, which is very similar to the 20 per cent difference in the wage tariff – household survey comparison measured, for the 1980's, by *Kézdi* (1998). Table 1.4 shows the main results of the basic models that can be estimated from both surveys (for complete results, see Table A1.3 in the appendix).

3 The data-owner of the Wage-tariff surveys is the Employment Office (Foglalkoztatási Hivatal), and IE-HAS provided the yearly harmonized data suitable for analysis. The work was lead by János Köllő and the final harmonized version was put together by Mónika Bálint. Original data files can be analyzed according to the agreement with the Employment Office, while the cleared, harmonized, complete and re-weighted database can be analyzed in accordance with agreements with IE-HAS and the consent of the Employment Office. See more details at www.econ.core.hu

4 In the wage tariff survey, after-tax earnings mean the monthly wage in May, 2003 plus one twelfth of 2002 yearly bonuses and premiums, also after tax. In the Monitor survey, respondents report their average after-tax monthly wage between October 2002 and September 2003 and the after-tax value of bonuses and premiums received during the very same period (the latter we divided by twelve).

Table 1.4: Mincer-type earnings regressions, comparable samples of full-time workers. Wage-tariff 2003 and Tárki Monitor 2003

	Wage-tariff	Monitor	Wage-tariff	Monitor
Women	-0.159	-0.162	-0.176	-0.186
Potential experience	(0.006)	0.021	(0.008)	0.022
(Potential experience)^2/100	(0.002)	-0.039	(-0.003)	-0.041
Education (years)	0.086	0.089		
Vocational degree			0.128	0.148
Secondary degree			0.279	0.35
College or more			0.701	0.718

Notes: Linear regression models; the dependent variable is the logarithm of net monthly wage.
Parameters in brackets are not significant at 5 percent. Robust standard errors.
For complete output see Table A1.3.

The explanatory power of the models are of the usual order, though R-squares for Wage-tariff regressions are systematically lower. All coefficients are very close except for potential labour market experience, which is not significant in Wage-tariff-regressions.

If we change the logarithm of net monthly wages to the logarithm of net hourly wages as the dependent variable of the model, gender difference decreases considerably but still remains significant. The most important result for us, however, is that although the return to experience is different, gender wage difference and the return to education are nearly the same in the two samples. This is remarkable, especially if we take into account how different the circumstances of the two surveys are.[5]

After having established comparability, we can analyze what happens if we run regressions of total labour income on the left-hand side instead of monthly earnings. Full labour income consists of the monthly wage, yearly bonuses and premiums projected to one month, and tips, payment for invoice, income from second jobs, and the monetary value of in-kind benefits (recall that the latter include company car, cellular phone, meal, clothing, transport benefits). Table 1.5 shows the main results.

Returns to experience are the same in the two models, gender differences are a little bit greater (men may count on more benefits) but the difference is not significant. On the other hand, returns to education are significantly larger in terms of total labour income than earnings only. The coefficient on education is about 10 percent higher whether it is measured by completed years or degrees – in the latter case, in addition, the difference is nearly 10 percent in all categories. Table A4 also shows that full labour income is lower at Hungarian private companies than at foreign- or state-owned firms.

The results of Mincer type regressions run on the Monitor database are in line with those of the probit models described in the previous part. They report that if the left-hand-side variable contains all the benefits besides mon-

5 Regional differences, however, differ significantly in the two datasets. One important reason for that may be the fact that while Wage-tariff reports the place of employment Monitor reports the place where the individual lives. Henceforth, because of commuters the two variables might show significant deterioration (e.g. in Pest county). Differences between Hungarian and foreign firms are very much alike (they are a bit lower in Monitor), state- and private-owned differences, however, are much lower in Monitor. Ownership is defined differently in the two surveys, and in a household survey it is likely to be much noisier.

etary earnings, the results are basically the same, except for education, the returns of which are about 10 per cent stronger.

Table 1.5: Net monthly wages and net monthly total incomes. Results of Mincer type regressions. Tárki Monitor, 2003.

	Earnings	Total labour income (incl. benefits)	Earnings	Total labour income (incl. benefits)
Women	–0.162	–0.165	–0.186	–0.193
Potential experience	0.021	0.022	0.022	0.023
(Potential experience)^2/100	–0.039	–0.039	–0.041	–0.041
Education (years)	0.089	0.098		
Vocational degree			0.148	0.161
Secondary degree			0.350	0.385
College or more			0.718	0.796

Notes: Linear regression models; the dependent variables are the logarithms of earnings or total labour income.
Parameters in brackets are not significant at 5 percent. Robust standard errors.
For total output see Table A1.4.

Conclusion

Two questions were raised at the beginning of this chapter. The first asked who receives in-kind benefits in Hungary, why and of what type. We answered the question using the Monitor household survey of Tárki. The most important results are the following. The most frequent in-kind benefit is meals and clothing, though other benefits (e.g. company cars and cellular phones) may also be frequent depending on the type of job. Both the likelihood of receiving benefits and the amount received is strongly positively related to earnings, which implies that inequality in terms of total labour income is larger than in terms of earnings. Benefits are related to the marginal product of labour in the same way wages are, implying that firms do not use benefits for compensating lower earnings but rather treat them as similar parts of total remuneration. However we also found that blue-collar workers receive significantly less benefits than their white-collar colleagues with a similar level of earnings.

The second question was whether conclusions drawn from standard earnings regressions hold for more broadly defined labour income. The results here are in line with the ones seen before. Determinants of broad labour income are very similar to determinants of earnings, with one notable exception: returns to education are ten per cent larger if one looks at broad labour income.

Appendix

Table A1.1: Sharing in the different kinds of in-kind benefits. Tárki Monitor 2003, % (N=1752)

Job-status	Car usage	Mileage benefit	Cellular phone usage	Represen-tation expenses	Meal benefit	Clothing benefit	Transport benefit	Other expenses
Top-managers	38.1	21.6	38.8	10.7	60.9	21.7	12.4	8.4
Middle-managers	11.9	10.0	23.2	1.8	65.9	24.6	11.0	4.8
Junior-managers	6.1	3.5	12.5	0.5	66.1	17.8	16.9	1.5
White-collar employees	3.1	3.8	7.1	0.5	70.5	36.2	24.6	6.5
Other white-collar workers	4.5	5.6	6.3	1.3	64.2	28.5	19.0	3.9
Skilled workers	3.8	3.2	4.7	0.2	52.5	15.0	17.1	1.6
Agricultural labourers	0.0	12.2	3.5	0.0	63.0	10.0	0.0	0.0
Semi-, unskilled workers	0.0	0.1	1.3	0.0	53.3	13.3	14.0	2.0
Total:	3.9	3.7	6.3	0.6	58.4	19.9	16.9	2.9

Table A1.2: Models for the probabilities of getting any kinds of benefit and of their amount. Tárki Monitor 2003

	Is any kind of benefit received? (average partial effect on probabilities)				If received, then what is their monetary equivalent (elasticity)			
log(wage)		0.147		0.153		1.021		1.014
Manager		(–0.027)		(–0.026)		(0.001)		(0.015)
Blue-collar		–0.129		–0.145		–0.447		–0.345
Job tenure (Years spent at firm)		0.004		0.004		(–0.007)		(–0.007)
Women	–0.071	–0.069	–0.077	–0.065	(–0.131)	(–0.056)	–0.185	(–0.042)
Potential experience	(0.004)	(–0.002)	(0.004)	(–0.003)	(0.017)	(0.001)	(0.014)	(–0.002)
(Potential experience)^2/100	(0.003)	(0.012)	(0.003)	(0.014)	(–0.040)	(–0.006)	(–0.032)	(0.002)
Years spent in school	0.042	(0.011)			0.128	(–0.019)		
Vocational training school			0.099	(0.059)			(0.239)	(0.061)
Secondary school			0.171	(0.038)			0.850	(0.233)
Higher education			0.262	(0.070)			1.065	(0.018)
Central Hungary	–0.195	–0.241	–0.196	–0.243	0.883	0.577	0.840	0.579
Central Transdanubia	0.172	0.141	0.172	0.138	0.779	0.560	0.751	0.562
Western Transdanubia	0.225	0.198	0.226	0.197	0.558	0.413	0.534	0.416
Southern Transdanubia	(0.008)	(–0.017)	(0.006)	(–0.018)	0.577	0.409	0.544	0.410
Northern Hungary	(–0.003)	(–0.025)	(–0.004)	(–0.026)	0.477	0.419	0.485	0.432
Northern Great-Plain	0.086	(0.055)	0.086	(0.055)	0.470	0.381	0.464	0.390
City	(–0.050)	(–0.053)	(–0.050)	(–0.052)	–0.482	–0.502	–0.509	–0.511
County centre	–0.186	–0.204	–0.187	–0.199	–0.473	–0.561	–0.505	–0.573
Budapest	0.138	0.118	0.140	0.119	–0.756	–0.848	–0.782	–0.860
Private firm	–0.201	–0.163	–0.199	–0.165	(–0.019)	(0.036)	(0.006)	(0.031)
Foreign firm	0.207	0.174	0.206	0.174	(0.010)	(–0.178)	(–0.007)	(–0.181)
Constant					1.408	–7.604	2.423	–7.915
Observations	1652	1626	1652	1626	1135	1128	1135	1128

Notes: Column 2–5: probit models, average partial effects. Column 6–9: parameters of ordered probit models with known category-bounds (interval regressions).
Parameters in brackets are not significant at 5 percent.

Table A1.3: Models for the net monthly wages of full-time workers, and for net hourly wages. Wage-tariff 2003 and Tárki Monitor 2003

	Wage-tariff	Monitor	Wage-tariff	Monitor	Wage-tariff	Monitor	Wage-tariff	Monitor
	Net monthly wages, full-time workers				Net hourly wages			
Women	–0.159	–0.162	–0.176	–0.186	–0.099	–0.110	–0.115	–0.136
Potential experience	(0.006)	0.021	(0.008)	0.022	(0.012)	0.018	0.014	0.019
(Potential experience)^2/100	(0.002)	–0.039	(–0.003)	–0.041	(–0.009)	–0.031	(–0.014)	–0.035
Years spent in school	0.086	0.089			0.092	0.099		
Vocational training school			0.128	0.148			0.141	0.153
Secondary school			0.279	0.350			0.293	0.344
Higher education			0.701	0.718			0.755	0.802
Central Hungary	(0.065)	0.244	(0.065)	0.241	(0.022)	0.190	(0.019)	0.187
Central Transdanubia	(0.09)	0.165	(0.094)	0.164	(0.05)	0.141	(0.051)	0.142
Western Transdanubia	(0.048)	0.131	(0.051)	0.133	(0.096)	0.114	(0.097)	0.118
Southern Transdanubia	(0.021)	0.090	(0.023)	0.086	(–0.016)	0.109	(–0.016)	0.106
Northern Hungary	(–0.048)	(0.039)	(–0.045)	(0.037)	(–0.087)	(0.054)	(–0.087)	(0.052)
Northern Great-Plain	–0.085	0.090	–0.087	0.091	–0.123	0.091	–0.127	0.092
City	0.135	(0.077)	(0.123)	(0.067)	0.168	(0.069)	0.157	(0.066)
County centre	0.08	0.072	0.072	0.066	0.063	(0.016)	0.055	(0.013)
Budapest	(0.037)	(0.008)	(0.035)	(0.005)	(0.077)	(–0.017)	(0.076)	(–0.017)
Private firm	–0.195	–0.079	–0.194	–0.068	–0.189	–0.122	–0.19	–0.107
Foreign firm	0.221	0.200	0.222	0.189	0.173	0.213	0.172	0.201
Constant	10.088	9.823	10.839	10.599	6.301	4.650	7.109	5.518
Observations	121272	1417	121272	1417	129756	1512	129756	1512
R-squared	0.32	0.44	0.33	0.45	0.27	0.40	0.28	0.42

Notes: Linear regression models; the dependent variables are the logarithms of the different types of income. Parameters in brackets are not significant at 5 percent. Robust standard errors.

Table A1.4: Net monthly wages and net monthly total incomes. Results of Mincer-type regressions. Tárki Monitor, 2003

	Net monthly wages, full-time workers				Net hourly wages			
	Monetary earnings	Total income	Monetary earnings	Total income	Monetary earnings	Total income	Monetary earnings	Total income
Women	–0.162	–0.165	–0.186	–0.193	–0.110	–0.113	–0.136	–0.141
Potential experience	0.021	0.022	0.022	0.023	0.018	0.018	0.019	0.019
(Potential experience)2/100	–0.039	–0.039	–0.041	–0.041	–0.031	–0.030	–0.035	–0.034
Years spent in school	0.089	0.098			0.099	0.108		
Vocational training school			0.148	0.161			0.153	0.167
Secondary school			0.350	0.385			0.344	0.378
Higher education			0.718	0.796			0.802	0.879
Central Hungary	0.244	0.242	0.241	0.239	0.190	0.191	0.187	0.187
Central Transdanubia	0.165	0.207	0.164	0.206	0.141	0.178	0.142	0.179
Western Transdanubia	0.131	0.140	0.133	0.142	0.114	0.123	0.118	0.128
Southern Transdanubia	0.090	0.113	0.086	0.109	0.109	0.130	0.106	0.126
Northern Hungary	(0.039)	(0.040)	(0.037)	(0.037)	(0.054)	(0.054)	(0.052)	(0.052)
Northern Great-Plain	0.090	0.093	0.091	0.093	0.091	0.094	0.092	0.095
City	(0.077)	(0.079)	(0.067)	(0.068)	(0.069)	(0.071)	(0.066)	(0.066)
County centre	0.072	(0.041)	0.066	(0.033)	(0.016)	(–0.013)	(0.013)	(–0.017)
Budapest	(0.008)	(–0.001)	(0.005)	(–0.004)	(–0.017)	(–0.026)	(–0.017)	(–0.026)
Private firm	–0.079	–0.076	–0.068	–0.063	–0.122	–0.114	–0.107	–0.098
Foreign firm	0.200	0.209	0.189	0.197	0.213	0.224	0.201	0.212
Constant	9.823	9.757	10.599	10.613	4.650	4.579	5.518	5.527
Observations	1417	1417	1417	1417	1512	1512	1512	1512
R-squared	0.44	0.44	0.45	0.45	0.40	0.41	0.42	0.42

Notes: Linear regression models; the dependent variables are the logarithms of the different types of income. Parameters in brackets are not significant at 5 percent. Robust standard errors.