

# The Preston Curve Revisited

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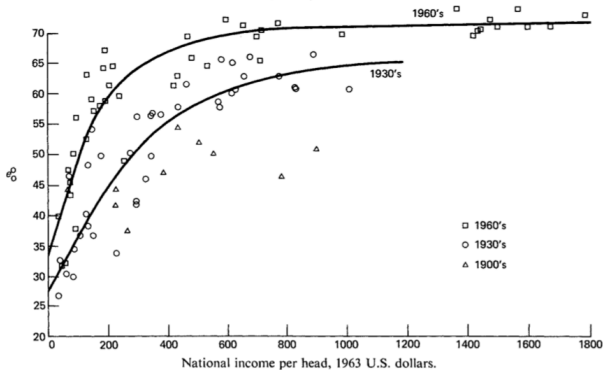
TRR 266 Accounting for Transparency

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# Motivation

# The Preston Curve

Scatter-diagram of relations between life expectancy at birth ( $e_0^o$ ) and national income per head for nations in the 1900s, 1930s, and 1960s.



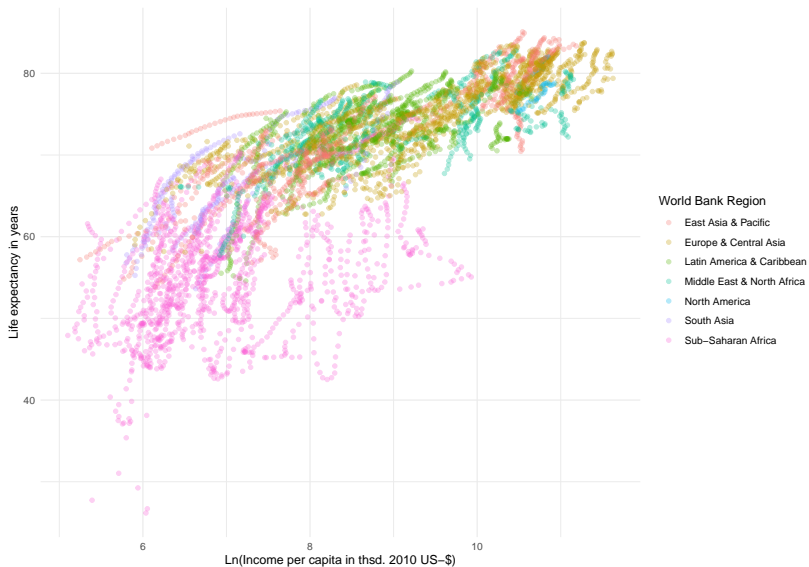
Preston (1975, p. 235)

# Data

	N	Mean	Std. dev.	Min.	25 %	Median	75 %	Max.
<i>National Income per Capita</i>	5,054	12,243.967	17,525.796	164.337	1,306.658	4,217.818	15,157.499	111,968.349
<i>Unemployment (in %)</i>	5,054	7.967	6.217	0.110	3.600	6.260	10.428	37.970
<i>Life Expectancy (in years)</i>	5,054	68.633	9.744	26.172	62.505	71.006	75.836	85.078

Note: The data is obtained from the World Bank. The sample covers 181 countries and the period 1991 to 2019. *National Income per capita* values are in constant 2010 thousand U.S. dollars.

# Life Expectancy by National Income



## No presentation without correlation table...

	A	B	C
A: Unemployment (in %)		<b>0.04</b>	<b>0.09</b>
B: Life Expectancy (in years)	<b>0.12</b>		<b>0.80</b>
C: ln(National Income per Capita)	<b>0.20</b>	<b>0.85</b>	

## ... and regression table

	<i>Dependent variable:</i>			
	Life Expectancy (in years)			
	(1)	(2)	(3)	(4)
ln(National Income per Capita)	5.151*** (0.055)	5.171*** (0.055)	5.034*** (0.070)	1.400*** (0.484)
Unemployment (in %)		-0.052*** (0.013)	-0.040** (0.017)	0.042 (0.042)
Constant	25.313*** (0.472)	25.559*** (0.475)		
Estimator	ols	ols	ols	ols
Fixed effects	None	None	year	country, year
Std. errors clustered	No	No	year	country, year
Observations	5,054	5,054	5,054	5,054
$R^2$	0.633	0.634	0.635	0.018
Adjusted $R^2$	0.633	0.634	0.633	-0.024

*Note:*

\* $p < 0.1$ ; \*\* $p < 0.05$ ; \*\*\* $p < 0.01$

# Conclusion

- ▶ The Preston Curve is alive and well!
- ▶ Have fun adjusting this template to fit your research needs
- ▶ Consider contributing to its repository and promote Open Science!