

This ReadMe file provides a description of the set of files for replication of the Monte Carlo (MC) simulations and the empirical application in "Heterogeneous Autoregressions in Short T Panel Data", written by M. Hashem Pesaran and Liying Yang, 2024.

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- Folder "MC" contains R and MATLAB codes and simulation results for the MC simulations.
- Folder "PSID_application" contains data files and associated R and MATLAB codes for the empirical application of heterogeneity in earnings dynamics in the paper based on a sample of the Panel Study of Income Dynamics (PSID) data.

Each of these folders contains its own ReadMe files. The MATLAB scripts were written and executed using the MATLAB version R2022b. The R scripts were written and executed using the Rstudio version 2023.12.0+369.

Please ensure that the path is correctly set in both MATLAB and R scripts to the directory containing the data files and the results of the estimations, and the packages loaded in the R scripts are installed on either local desktops or clusters.

We are grateful for helpful comments and suggestions offered by Hayun Song.