

\*Computer Project #3

\*Effect of the second child on female labor supply using twins as an instrument

\*(1) Read data in

Note that data are located on the course webpage:  
(On ELMS)

describe  
browse

\*(2) Fraction of women have a second child

gen second=(kids>=2)  
tabstat second, s(me)

\*(3)

\*Fraction of women who work  
tabstat worked, s(me)

\*Mean weeks worked among those who work  
tabstat weeks if worked==1, s(me)

\*Median labor earnings among those who work  
tabstat lincome if worked==1, s(med)

\*(4)

\*OLS weeks worked on second child  
reg weeks second

\* (5) Instrument "second child" with "twin 1st"  
ivregress 2sls weeks (second=twin1st) , first

\*(7) Test whether SECOND is endogenous  
estat endogenous

\*(8) Test of over-identifying restrictions

ivregress 2sls weeks (second=twin1st boy1st), first  
estat overid

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*(9) OLS for female labor force participation adding more  
* covariates
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```
reg weeks second educm agefst married _Irace_2 _Irace_3
```

```
*(10) 2SLS with more covariates
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```
ivregress 2sls weeks (second=twin1st) educm agefst married  
_Irace_2 _Irace_3, first
```