



Project: Salary Analysis

1 . reg lwage sibs

Source	SS	df	MS	Number of obs	=	935
Model	3.86818211	1	3.86818211	F(1, 933)	=	22.31
Residual	161.788112	933	.173406337	Prob > F	=	0.0000
				R-squared	=	0.0234
				Adj R-squared	=	0.0223
Total	165.656294	934	.177362199	Root MSE	=	.41642

lwage	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
sibs	-.0279044	.0059082	-4.72	0.000	-.0394992	-.0163096
_cons	6.861076	.0220776	310.77	0.000	6.817748	6.904403

2 . # Having siblings causes it to be more likely to have a negative impact on salary
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3 . correlate lwage sibs, covariance
(obs=935)

	lwage	sibs
lwage	.177362	
sibs	-.148418	5.31881

4 . correlate educ exper tenure age IQ, covariance
(obs=935)

	educ	exper	tenure	age	IQ
educ	4.82529				
exper	-4.37781	19.137			
tenure	-.403202	5.4096	25.7577		
age	-.083655	6.73418	4.26813	9.65844	
IQ	17.0517	-14.8103	3.22073	-2.04623	226.582

5 . ivregress 2sls lwage married exper urban (educ = sibs)

Instrumental variables (2SLS) regression	Number of obs	=	935
	Wald chi2(4)	=	93.46
	Prob > chi2	=	0.0000
	R-squared	=	0.1164
	Root MSE	=	.39566

lwage	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]	
educ	.1345113	.0281745	4.77	0.000	.0792902	.1897324
married	.0218666	.0421676	5.26	0.000	.1392197	.3045135
exper	.0318867	.0070583	4.52	0.000	.0180527	.0457207
urban	.1640385	.0296162	5.54	0.000	.1059918	.2220852
_cons	4.28276	.4533685	9.45	0.000	3.394174	5.171346

Instrumented: educ

Instruments: married exper urban sibs

6 . reg lwage educ married exper urban

Source	SS	df	MS	Number of obs	=	935
Model	31.5368615	4	7.88421538	F(4, 930)	=	54.67
Residual	134.119433	930	.144214444	Prob > F	=	0.0000
				R-squared	=	0.1904
				Adj R-squared	=	0.1869
Total	165.656294	934	.177362199	Root MSE	=	.37976

lwage	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
educ	.0758398	.0063651	11.91	0.000	.0633481	.0883314
married	.2183497	.0404417	5.40	0.000	.1389822	.2977172
exper	.0185617	.003204	5.79	0.000	.0122737	.0248497
urban	.1784549	.0276823	6.45	0.000	.1241278	.2327819
_cons	5.219855	.1146223	45.54	0.000	4.994906	5.444803

7 . # Via the comparison between 2SLS and OLS, the educ parameter displays disparate results, strong
> ly indicating endogeneity
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8 . reg married age black sibs meduc feduc, vce(robust)

Linear regression	Number of obs	=	722
	F(5, 716)	=	2.82
	Prob > F	=	0.0156
	R-squared	=	0.0181
	Root MSE	=	.31404

married	Coef.	Robust Std. Err.	t	P> t	[95% Conf. Interval]	
age	.0102375	.0035619	2.87	0.004	.0032445	.0172306
black	-.088297	.0543056	-1.63	0.104	-.1949143	.0183204
sibs	.0018156	.0048892	0.37	0.710	-.0077832	.0114145
meduc	-.0037291	.0047716	-0.78	0.435	-.013097	.0056389
feduc	-.0018073	.0043515	-0.42	0.678	-.0103506	.006736
_cons	.6125827	.1325136	4.62	0.000	.3524211	.8727444

9 . probit married meduc feduc black educ wage

Iteration 0: log likelihood = -253.46989
Iteration 1: log likelihood = -239.8312
Iteration 2: log likelihood = -239.5684
Iteration 3: log likelihood = -239.56819
Iteration 4: log likelihood = -239.56819

Probit regression	Number of obs	=	722
	LR chi2(5)	=	27.80
	Prob > chi2	=	0.0000
Log likelihood = -239.56819	Pseudo R2	=	0.0548

married	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]	
meduc	-.0195521	.0287381	-0.68	0.496	-.0758778	.0367737
feduc	-.0173289	.024234	-0.72	0.475	-.0648266	.0301688
black	-.3094681	.2070831	-1.49	0.135	-.7153436	.0964074
educ	-.0628024	.0321562	-1.95	0.051	-.1258275	.0002226
wage	.0008607	.000197	4.37	0.000	.0004745	.0012469
_cons	1.719931	.4243604	4.05	0.000	.8882003	2.551662

