

ECON 5336: Economic Data Analysis
Homework for Exam 3

1. (10 pts.)

Parts a. and b. are from HW7, #6.

a. Paste the Stata commands and output for the model regressing the log of wages on the dummy variables you created using *looks*, education, experience, and the square of experience (part I.).

-Ans. Commands for creating dummy variables of looks:

```
gen looks_1=1 if looks==1  
(1,187 missing values generated)
```

```
. replace looks_1=0 if looks!=1  
(1,187 real changes made)
```

```
. gen looks_2=1 if looks==2  
(1,064 missing values generated)
```

```
. replace looks_2=0 if looks!=2  
(1,064 real changes made)
```

```
. gen looks_3=1 if looks==3  
(519 missing values generated)
```

```
. replace looks_3=0 if looks!=3  
(519 real changes made)
```

```
. gen looks_4=1 if looks==4  
(848 missing values generated)
```

```
. replace looks_4=0 if looks!=4  
(848 real changes made)
```

```
. gen looks_5=1 if looks==5  
(1,182 missing values generated)
```

```
. replace looks_5=0 if looks!=5  
(1,182 real changes made)
```

Command to run the regression:

```
regress l wage looks_2 looks_3 looks_4 looks_5 educ exper expersq
```

Stata output:

Source	SS	df	MS	Number of obs = 1,200		
Model	105.082301	7	15.0117573	F(7, 1192)	=	56.00
Residual	319.551756	1,192	.268080333	Prob > F	=	0.0000
Total	424.634058	1,199	.354156845	R-squared	=	0.2475
				Adj R-squared	=	0.2430
				Root MSE	=	.51776

lwage	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
looks_2	.1680337	.1510679	1.11	0.266	-.1283549	.4644223
looks_3	.330405	.1458522	2.27	0.024	.0442494	.6165606
looks_4	.3120389	.1478377	2.11	0.035	.0219878	.6020899
looks_5	.5590603	.1902477	2.94	0.003	.1858027	.9323179
educ	.0689375	.0059573	11.57	0.000	.0572496	.0806254
exper	.0500662	.0048685	10.28	0.000	.0405144	.0596179
expersq	-.0007236	.0001096	-6.60	0.000	-.0009386	-.0005085
_cons	-.0810732	.1624609	-0.50	0.618	-.3998144	.237668

b. Interpret the coefficient on the dummy variable representing the category *looks* = 5.

Ans. looks_5 (hat) = 0.5590

Interpretation: People with looks of type looks_5 earn 56% more wages than people with looks of type looks_1

Parts c., d., and e. are from HW7, #7.

c. Paste the Stata commands and output for the probit model that predicts the probability of smoking as a function of years of education, age, and whether or not the person lives in a state where restaurant smoking restrictions exist (part a.).

Ans.

```
gen smoke= cigs>0
```

```
probit smoke age educ restaurn
```

```
Iteration 0: log likelihood = -537.50555
```

```
Iteration 1: log likelihood = -521.66224
```

```
Iteration 2: log likelihood = -521.62644
```

```
Iteration 3: log likelihood = -521.62644
```

Probit regression

Number of obs = 807

LR chi2(3) = 31.76

Prob > chi2 = 0.0000

Log likelihood = -521.62644

Pseudo R2 = 0.0295

	smoke	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]	
	age	-.0100854	.0027747	-3.63	0.000	-.0155236	-.0046472
	educ	-.0619906	.0155218	-3.99	0.000	-.0924128	-.0315685
	restaurn	-.2735998	.1076051	-2.54	0.011	-.4845019	-.0626976
	_cons	.9499866	.2465481	3.85	0.000	.4667612	1.433212

d. Calculate the marginal effect from multiple choice problem #3 on HW7.
Ans.

Command:

```
. display normal(0.9499866+(-0.0619906*12)+(-0.0100854*30)-0.2735998)-  
normal(0.9499+(-0.0619906*16)+(-0.0100854*30)-0.2735998)
```

Output:

.0873885

e. Calculate the marginal effect from multiple choice problem #4 on HW7.

Command:

```
. display normal(0.9499866+(-0.0619906*12)+(-0.0100854*35))*0.9499866
```

Output:

.41952318

2. (10 pts.) **Tableau Exercise to Upload**

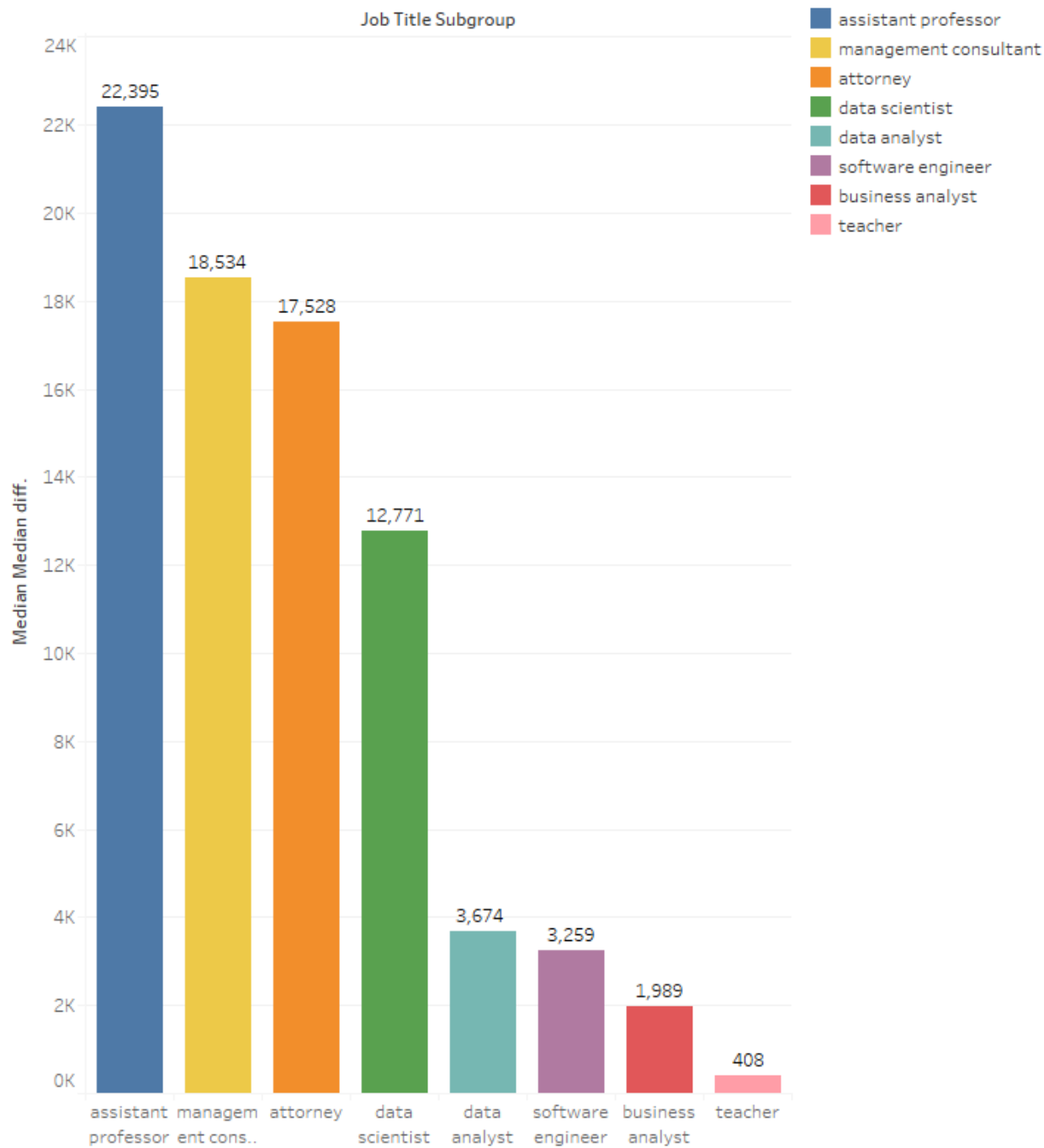
Using the same dataset used in class, answer the below questions. For each question, type or write in the answer and then paste a Tableau graph into this document that allowed you to answer the question.

a. Consider the difference between the paid wage and the prevailing wage by job title subgroup.

Which job title has the highest median difference (paid wage – prevailing wage)?

Ans. Assistant Professor: \$22,395

Sheet 2

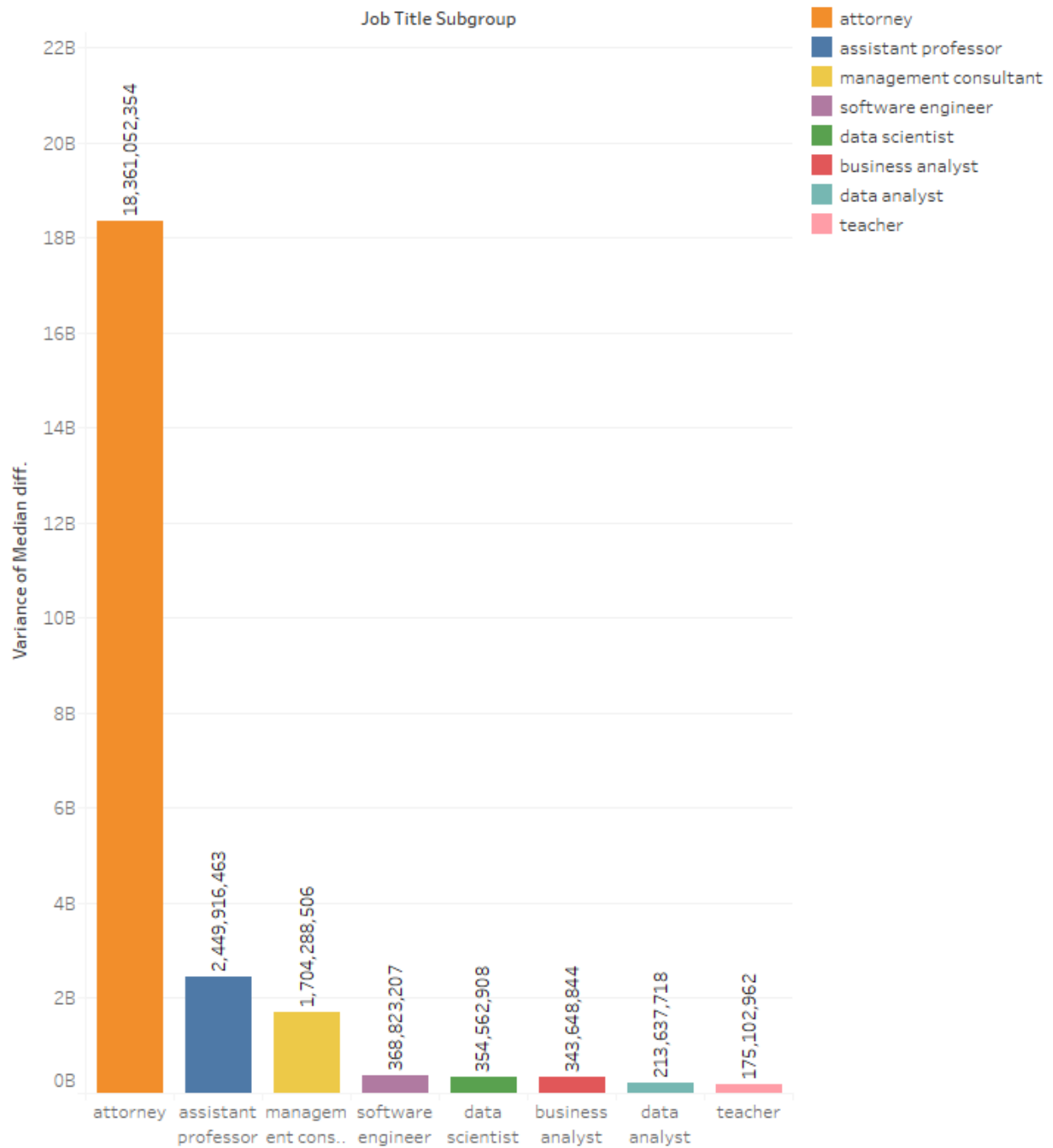


Median of Median diff. for each Job Title Subgroup. Color shows details about Job Title Subgroup. The marks are labeled by median of Median diff..

Which job title has the highest variance in the difference?

Ans. Attorney.

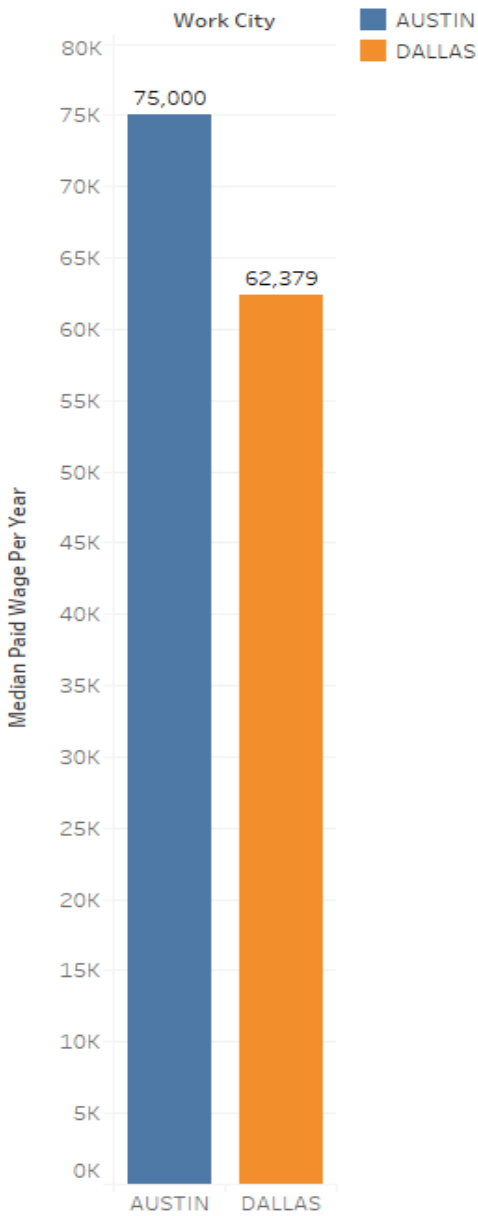
Sheet 2



Variance of Median diff. for each Job Title Subgroup. Color shows details about Job Title Subgroup. The marks are labeled by variance of Median diff..

b. Graph the median paid wage for Austin and Dallas.

Sheet 2



Median of Paid Wage Per Year for each Work City. Color shows details about Work City. The marks are labeled by median of Paid Wage Per Year. The view is filtered on Work City, which keeps AUSTIN and DALLAS.

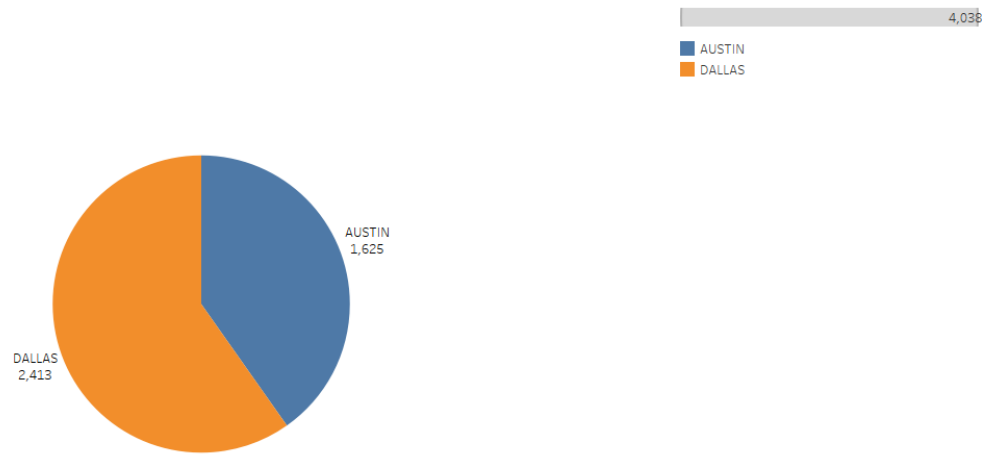
Which city has the highest median paid wage overall?

Ans. Austin

How many records are there for each city?

Ans. Austin: 1625, Dallas: 2413

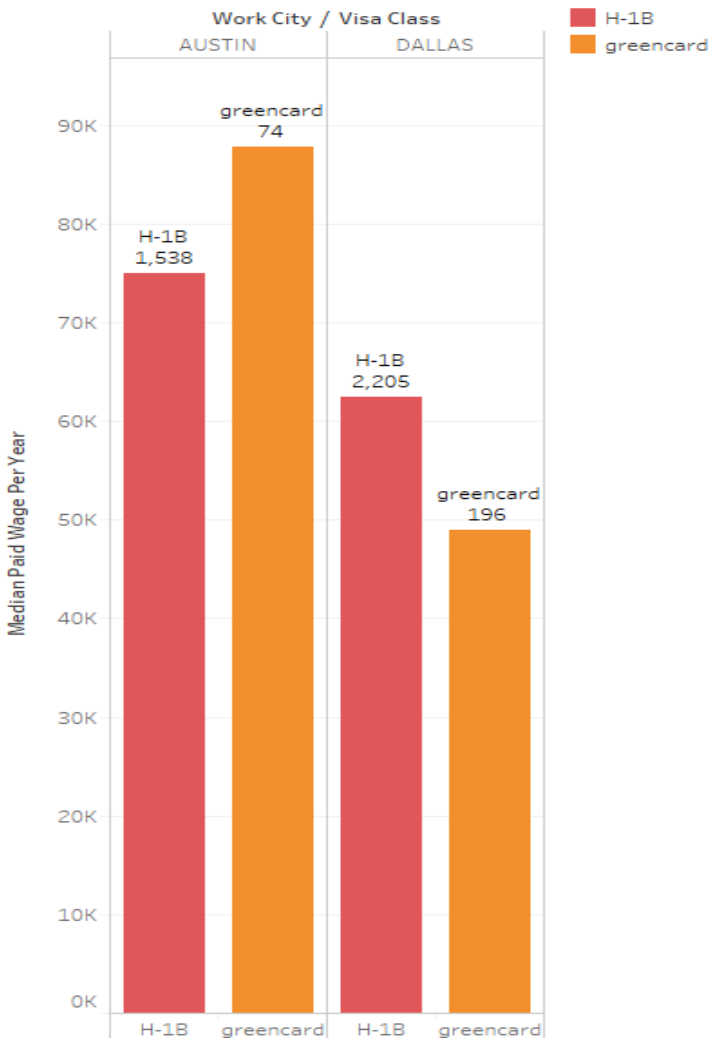
Sheet 1



Work City and sum of Number of Records. Color shows details about Work City. Size shows sum of Number of Records. The marks are labeled by Work City and sum of Number of Records. The view is filtered on Work City, which keeps AUSTIN and DALLAS.

c. Graph the median paid wage for Austin and Dallas by visa class. Filter the results so that only bar charts are shown for visa classes in which the number of records is at least 50.

Sheet 2



Median of Paid Wage Per Year for each Visa Class broken down by Work City. Color shows details about Visa Class. The marks are labeled by Visa Class and sum of Number of Records. The data is filtered on count of Number of Records, which includes values greater than or equal to 50. The view is filtered on Work City, which keeps AUSTIN and DALLAS.

Which visa classes have at least 50 records for Austin and Dallas?

Ans. H1-B and Greencard

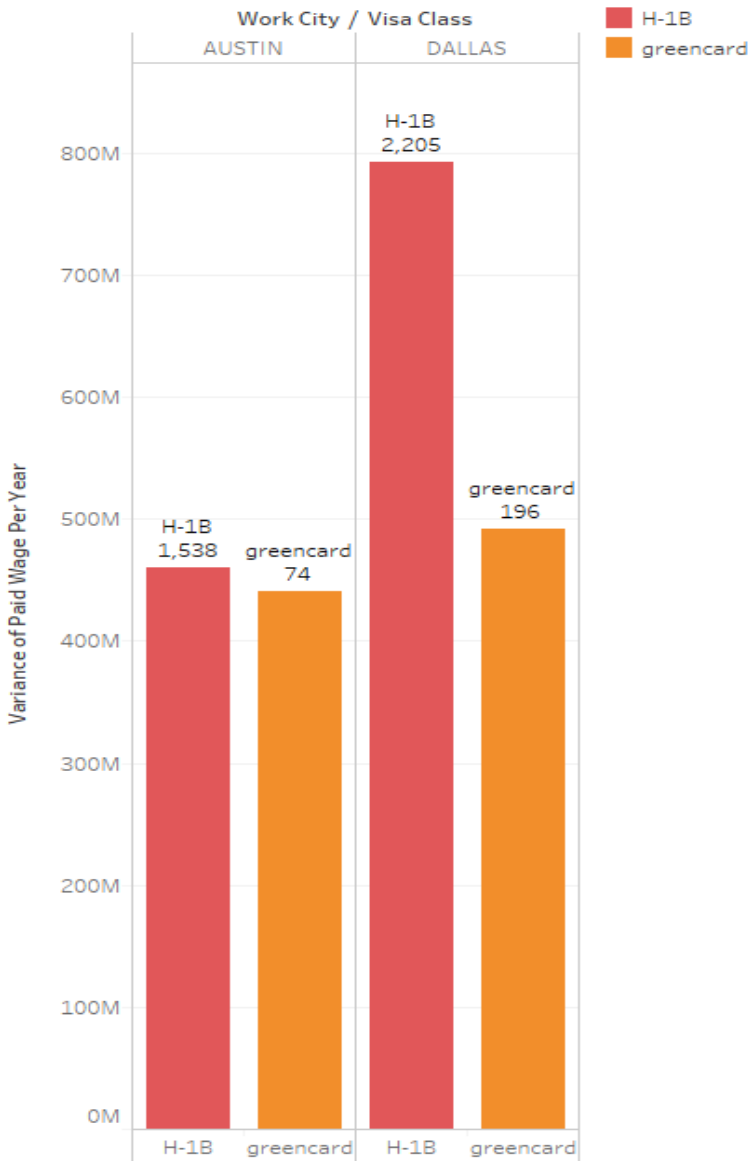
Which city has higher median wages in each of these visa categories?

Ans. Austin for both

Which city has higher variance in wages paid in each of these visa categories?

Ans. Dallas

Sheet 2



Variance of Paid Wage Per Year for each Visa Class broken down by Work City. Color shows details about Visa Class. The marks are labeled by Visa Class and sum of Number of Records. The data is filtered on count of Number of Records, which includes values greater than or equal to 50. The view is filtered on Work City, which keeps AUSTIN and DALLAS.

(IPUMS HW)

Preliminary Data Manipulation

First, remember to start a STATA log! You may do the following exercises interactively or by creating a do-file first. It's up to you. The codes for the variables of interest can be found here: <https://usa.ipums.org/usa-action/variables/group> by navigating to the variable of interest and clicking on "codes." Remember to consult the codes before creating any new variables.

Age:

Let's look at adults aged 18 – 60 for purposes of this exercise. To remove everyone else, type **drop if age<18 | age>60**

Year Dummy Variables:

Have a look at your data in the data browser. Note that IPUMS has created a year variable. Let's create dummy variable for each year:

gen byte yr10 = year == 2010

gen byte yr16 = year == 2016

(Note: To save memory, when creating dummy variables, type **gen byte**....instead of gen)

Cleaning Up the Wage Variable:

Let's focus on the wage variable INCWAGE, which is measured as dollars. This variable is collected for those who are 16 years or older, and since we now have only those 18+ in our dataset, we do not have missing values for INCWAGE.

Recall that we have two years' worth of data, and we must transform the income variables into real dollars. Let's convert everything to 2000 dollars, because IPUMS makes this easy for us to do: <https://usa.ipums.org/usa/cpi99.shtml>

gen realincwage = incwage*0.694 if yr16==1

replace realincwage = incwage*0.764 if yr10==1

Questions

1. Create dummy variables for REGION (neast, mwest, south, west) based on these codes:
https://usa.ipums.org/usa-action/variables/REGION#codes_section

Find the *fraction of the population* that lived in each region in 2010 and 2016 using STATA descriptive commands and fill in the table below.

	2010	2016
Northeast	18.02%	17.96%
Midwest	21.78%	21.15%
South	36.87%	37.04%
West	23.33%	23.85%

2. Create dummy variables for SEX (female, male)
https://usa.ipums.org/usa-action/variables/SEX#codes_section

Create dummy variable for MARST (married, separated/divorced, never married, and widowed – name the variables whatever you'd like)

https://usa.ipums.org/usa-action/variables/MARST#codes_section

Create dummy variables for RACE (white, black, Asian other). Asian should include codes 4-6, while other should include codes 3, 7-9.

https://usa.ipums.org/usa-action/variables/RACE#codes_section

(Note: If you want to make sure we are covering all values of a variable when we create dummies, MARST, for example, type **inspect marst.**)

Find the *fraction of white and black women 18 and over* that are married, never married, separated or divorced, and widowed in 2010 and 2016 using STATA descriptive commands and fill in the table below.

	White Women		Black Women	
	2010	2016	2010	2016
Married	58.95%	56.23%	30.45%	28.99%
Never Married	24.54%	28.27%	47.10%	51.50%
Sep. or Div.	14.60%	13.68%	19.47%	17.05%
Widowed	1.92%	1.82%	2.98%	2.46%

3. Create dummy variable for EMPSTAT (employed, unemployed, not in labor force)
https://usa.ipums.org/usa-action/variables/EMPSTAT#codes_section

Fill in the following table with the fraction of women that fall into each category:

	Married Women		Never Married Women	
	2010	2016	2010	2016
Not in Labor Force	27.09%	27.54%	26.15%	27.255%
Employed	67.93%	69.95%	63.95%	66.90%
Unemployed	4.99%	2.51%	9.90%	5.84%

4. Notice that EDUC gives us highest educational attainment completed.
https://usa.ipums.org/usa-action/variables/EDUC#codes_section

Create the following dummy variables for the following categories:

lesshighschool (less than Grade 12 completed)

highschool (Grade 12 completed)

somecollege (1-3 years of college)

college (4 years of college, approximately bachelor's)

morecollege (5+ years of college, more than bachelor's)

Fill in the following table with the fraction of men and women in each educational category:

	Women		Men	
	2010	2016	2010	2016
Less than High School	8.93%	7.70%	11.68%	10.28%
High School	34.35%	32.32%	38.53%	38.30%
Some College	26.78%	26.77%	23.48%	23.53%
Bachelor's	19.60%	21.22%	17.12%	18.14%
More than Bachelor's	10.33%	11.98%	9.18%	9.76%

5. Time to run some regressions. First, create the following variable:

- `lnwage` – the natural logarithm of real wage income

Now run the following regression:

`reg lnwage highschool somecollege college morecollege male black white asian neast mwest west married age yr16, robust`

a. Report the results below (you can copy and paste the Stata output here):

`. reg lnwage highschool somecollege college morecollege male black white asian neast mwest west married age yr16, robust`

Linear regression Number of obs = 2,582,352
 F(14, 2582337) = 71136.84
 Prob > F = 0.0000
 R-squared = 0.3013
 Root MSE = 1.032

```
-----+-----
            |               Robust
lnwage |      Coef.  Std. Err.      t    P>|t|     [95% Conf. Interval]
-----+-----
highschool | .3606496   .0028625   125.99   0.000   .3550393   .36626
somecollege | .5595063   .0029367   190.52   0.000   .5537505   .565262
college | 1.073257   .0029819   359.92   0.000   1.067412   1.079101
morecollege | 1.372619   .0031772   432.02   0.000   1.366391   1.378846
male | .4219109   .0012992   324.75   0.000   .4193645   .4244572
black | -.0524983   .0033535   -15.65   0.000   -.059071   -.0459256
white | .0531982   .0026275   20.25   0.000   .0480484   .0583479
asian | -.0064639   .0037785   -1.71   0.087   -.0138696   .0009419
neast | .0469418   .0018591   25.25   0.000   .0432981   .0505855
mwest | -.0541772   .0017249   -31.41   0.000   -.057558   -.0507963
west | .0420956   .0017816   23.63   0.000   .0386037   .0455876
married | .3367172   .0013785   244.26   0.000   .3340153   .339419
age | .0298135   .0000593   502.63   0.000   .0296972   .0299297
yr16 | .1127745   .0012867   87.65   0.000   .1102527   .1152963
_cons | 7.826566   .0041781   1873.24   0.000   7.818377   7.834755
-----+-----
```

b. Interpret the coefficient on the college educational attainment variable.

Ans. `college(hat)` = 1.07.

People with 4 years of college education earn **107% more** than people with less than Grade 12 completed.

c. Based on the model above, is there a “marriage premium?” In other words, do married workers, all else constant, earn more than unmarried workers?

Ans. `married(hat)` = 0.3367

Married people earn **33.67% more** than unmarried people.

6. Now estimate the above model separately for men and women.

a. Report the results below.

For Male:

. reg lnwage highschool somecollege college morecollege male black white asian neast mwest
west married age yr16 if male == 1

note: male omitted because of collinearity

Source	SS	df	MS	Number of obs = 1,325,937
-----+----- F(13, 1325923) = 52822.68				
Model	678752.659	13	52211.743	Prob > F = 0.0000
Residual	1310587.7	1,325,923	.988434245	R-squared = 0.3412
-----+----- Adj R-squared = 0.3412				
Total	1989340.36	1,325,936	1.50032909	Root MSE = .9942

Inwage	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]
-----+-----					
highschool	.3481911	.0033726	103.24	0.000	.3415809 .3548012
somecollege	.5182328	.0035259	146.98	0.000	.5113221 .5251435
college	1.034814	.0036437	284.00	0.000	1.027672 1.041955
morecollege	1.295727	.0040774	317.78	0.000	1.287735 1.303718
male	0 (omitted)				
black	-.1768923	.0044172	-40.05	0.000	-.1855499 -.1682347
white	.0919797	.0033988	27.06	0.000	.0853182 .0986412
asian	-.0390203	.0049371	-7.90	0.000	-.0486968 -.0293438
neast	.0425777	.0025045	17.00	0.000	.037669 .0474864
mwest	-.0575763	.0023494	-24.51	0.000	-.062181 -.0529716
west	.0331819	.0023395	14.18	0.000	.0285966 .0377673
married	.5408533	.0019489	277.52	0.000	.5370335 .5446731
age	.0289404	.0000784	369.05	0.000	.0287867 .0290941
yr16	.1311076	.0017298	75.79	0.000	.1277172 .1344979
_cons	8.175908	.0050296	1625.56	0.000	8.166051 8.185766

For Female:

. reg lnwage highschool somecollege college morecollege male black white asian neast mwest
west married age yr16 if female == 1

Source	SS	df	MS	Number of obs = 1,256,415
-----+----- F(13, 1256401) = 30938.21				
Model	450592.613	13	34660.9703	Prob > F = 0.0000
Residual	1407582.15	1,256,401	1.12032874	R-squared = 0.2425
-----+----- Adj R-squared = 0.2425				
Total	1858174.77	1,256,414	1.47895102	Root MSE = 1.0585

Inwage	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]
-----+-----					
highschool	.3924307	.0045048	87.11	0.000	.3836015 .40126
somecollege	.6131415	.0045396	135.06	0.000	.6042439 .622039
college	1.123926	.0046395	242.25	0.000	1.114832 1.133019
morecollege	1.454171	.0049541	293.53	0.000	1.444461 1.463881

male	0 (omitted)					
black	.0321392	.0047491	6.77	0.000	.0228311	.0414473
white	.0164772	.0038863	4.24	0.000	.0088602	.0240941
asian	.0376231	.00543	6.93	0.000	.0269805	.0482658
neast	.0550506	.0027058	20.35	0.000	.0497473	.0603538
mwest	-.0435447	.0025619	-17.00	0.000	-.048566	-.0385235
west	.0543266	.0026173	20.76	0.000	.0491969	.0594563
married	.1378384	.0020474	67.32	0.000	.1338256	.1418513
age	.0298238	.0000814	366.49	0.000	.0296643	.0299833
yr16	.0957571	.0018924	50.60	0.000	.092048	.0994661
_cons	7.90227	.0061453	1285.89	0.000	7.890225	7.914314

b. Is there a marriage premium for men and women, and are they statistically significant? If so, interpret the coefficient(s).

Ans. Yes, since coefficients for married men and women are both positive. Also, since P value for married = 0 in both cases, it is statistically significant as well.

Married men earn 54.08% more than unmarried men.

Married women earn 13.78% more than unmarried women.

7. Estimate the following probit marginal effects separately for men and women:

dprobit employed married highschool somecollege college morecollege black white asian nchlt5 age yr16, robust

a. Report your results.

For men:

. dprobit emp married highschool somecollege college morecollege black white asian nchlt5 age yr16 if male == 1, robust

Iteration 0: log pseudolikelihood = -962997.77
 Iteration 1: log pseudolikelihood = -846517.25
 Iteration 2: log pseudolikelihood = -843825.1
 Iteration 3: log pseudolikelihood = -843810.58
 Iteration 4: log pseudolikelihood = -843810.58

Probit regression, reporting marginal effects Number of obs = 1704287
 Wald chi2(11) = 2.0e+05
 Prob > chi2 = 0.0000
 Log pseudolikelihood = -843810.58 Pseudo R2 = 0.1238

	Robust							
emp	dF/dx	Std. Err.	z	P> z	x-bar	[95% C.I.]
-----+								
married*	.190847	.0007434	252.70	0.000	.514134	.18939	.192304	
highsc~l*	.1185529	.0009341	121.77	0.000	.384158	.116722	.120384	
someco~e*	.1562339	.0008318	161.29	0.000	.23506	.154604	.157864	
college*	.2197569	.0006786	226.63	0.000	.176297	.218427	.221087	
moreco~e*	.2157866	.0006186	195.16	0.000	.094706	.214574	.216999	
black*	-.1297785	.0017662	-79.75	0.000	.105027	-.13324	-.126317	
white*	.0081183	.0012367	6.60	0.000	.763456	.005694	.010542	
asian*	-.0449383	.0020542	-22.84	0.000	.053939	-.048965	-.040912	
nchlt5	.0735034	.0010051	72.61	0.000	.156169	.071533	.075473	
age	-.0002204	.0000291	-7.59	0.000	39.6741	-.000277	-.000164	
yr16*	.0274234	.0006594	41.59	0.000	.502566	.026131	.028716	
-----+								
obs. P	.7475191							
pred. P	.778276	(at x-bar)						

(*) dF/dx is for discrete change of dummy variable from 0 to 1
 z and P>|z| correspond to the test of the underlying coefficient being 0

For women:

. dprobit emp married highschool somecollege college morecollege black white asian nchlt5 age yr16 if female == 1, robust

Iteration 0: log pseudolikelihood = -1092372
 Iteration 1: log pseudolikelihood = -1034841.6
 Iteration 2: log pseudolikelihood = -1034640.5

Iteration 3: log pseudolikelihood = -1034640.5

Probit regression, reporting marginal effects

Number of obs = 1745342

Wald chi2(11) = 1.1e+05

Prob > chi2 = 0.0000

Log pseudolikelihood = -1034640.5

Pseudo R2 = 0.0528

	Robust							
emp	dF/dx	Std. Err.	z	P> z	x-bar	[95% C.I.]
married*	-.0046299	.0007882	-5.87	0.000	.53956	-.006175	-.003085	
highsc~l*	.1736865	.0011801	138.23	0.000	.333406	.171374	.175999	
someco~e*	.2410333	.0010563	197.51	0.000	.267757	.238963	.243104	
college*	.2898352	.0009015	244.96	0.000	.204103	.288068	.291602	
moreco~e*	.3058415	.0007105	256.66	0.000	.111537	.304449	.307234	
black*	.0027258	.0016693	1.63	0.103	.110775	-.000546	.005998	
white*	.0229931	.0013905	16.66	0.000	.754994	.020268	.025718	
asian*	-.0490349	.0020772	-24.19	0.000	.060101	-.053106	-.044964	
nchlt5	-.0728054	.0007582	-96.03	0.000	.182918	-.074292	-.071319	
age	.000253	.0000321	7.89	0.000	40.164	.00019	.000316	
yr16*	.0121233	.0007146	16.96	0.000	.497585	.010723	.013524	
obs. P	.6813095							
pred. P	.6900532	(at x-bar)						

(*) dF/dx is for discrete change of dummy variable from 0 to 1

z and P>|z| correspond to the test of the underlying coefficient being 0

b. What differences do you notice between the men and women?

Ans.

- Married men are **19.08%** more likely to be employed than unmarried men whereas Married women are **0.4%** less likely to be employed than unmarried woman.
- Men with Grade 12 completed are **11.85%** more likely to be employed than Men with less than grade 12 completed whereas Women with grade 12 completed are **17.36%** more likely to be employed than women with less than grade 12 completed.
- Men with 1-3 yrs of college education are **15.62%** more likely to be employed than men with less than grade 12 completed whereas Women with 1-3 yrs of college education are **24.10%** more likely to be employed than women with less than grade 12 completed.
- Men with 4 yrs of college education are **22%** more likely to be employed than men with less than grade 12 completed whereas women with 4 yrs of college education are 29% more likely to be employed than women with less than grade 12 completed.
- Men with 5+ years yrs of education are **21.57%** more likely to be employed than men with less than grade 12 completed whereas Women with 5+ yrs of education are **30.58%** more likely to be employed than women with less than grade 12 completed.
- Black men are **12.9% less likely** to be employed than men with other races whereas Black women are **0.2% more likely** to be employed than women with other races.

- White men are **0.8% more likely** to be employed than men with other races whereas white women are **2.2% more likely** to be employed than women with other races.
- Asian men are **4.4% less likely** to be employed than men with other races whereas Asian women are **4.9% less likely** to be employed than women with other races.
- Men with more no. of children under age 5 are **7.3% more likely** to be employed than men with less no. of children under age 5 whereas women with more no. of children under age 5 are **7.2% less likely** to be employed than women with less no. of children under age 5.

STATA log file for IPUMS:

```

-----
name: <unnamed>
log: C:\Users\aso5400\Desktop\IPUMS hw.log
log type: text
opened on: 6 Dec 2017, 13:42:18

. use "C:\Users\aso5400\Desktop\usa_00001.dta", clear

. drop if age<18 | age>60
(2,768,550 observations deleted)

. gen byte yr10 = year == 2010

.
. gen byte yr16 = year == 2016

. gen realincwage = incwage*0.694 if yr16==1
(1,724,657 missing values generated)

.
. replace realincwage = incwage*0.764 if yr10=
>=1
(1,724,657 real changes made)

. *Q1

. gen neast = region == 11 | region == 12 | region == 13

. gen mwest = region == 21 | region == 22 | region == 23

. gen south = region == 31 | region == 32 | region == 33 | region == 34

. gen west = region == 41 | region == 42 | region == 43

. tabulate neast if yr10 == 1

```

neast	Freq.	Percent	Cum.
0	1,413,879	81.98	81.98
1	310,778	18.02	100.00
Total	1,724,657	100.00	

. tabulate mwest if yr10 == 1

mwest	Freq.	Percent	Cum.
0	1,348,991	78.22	78.22
1	375,666	21.78	100.00
Total	1,724,657	100.00	

. tabulate south if yr10 == 1

south	Freq.	Percent	Cum.
0	1,088,823	63.13	63.13
1	635,834	36.87	100.00
Total	1,724,657	100.00	

. tabulate west if yr10 == 1

west	Freq.	Percent	Cum.
0	1,322,278	76.67	76.67
1	402,379	23.33	100.00
Total	1,724,657	100.00	

. tabulate neast if yr16 == 1

neast	Freq.	Percent	Cum.
0	1,415,104	82.04	82.04
1	309,868	17.96	100.00
Total	1,724,972	100.00	

. tabulate mwest if yr16 == 1

mwest	Freq.	Percent	Cum.
0	1,360,123	78.85	78.85
1	364,849	21.15	100.00

Total | 1,724,972 100.00

. tabulate south if yr16 == 1

south	Freq.	Percent	Cum.
0	1,086,054	62.96	62.96
1	638,918	37.04	100.00

Total	1,724,972	100.00	

. tabulate west if yr16 == 1

west	Freq.	Percent	Cum.
0	1,313,635	76.15	76.15
1	411,337	23.85	100.00

Total	1,724,972	100.00	

. *Q2

. gen byte male = sex == 1

. gen byte female = sex == 2

. gen byte married = marst == 1 | marst == 2

. gen byte sep_div = marst == 3 | marst == 4

. gen byte nevmarried = marst == 6

. gen byte widwd = marst == 5

. gen byte white = race == 1

. gen byte black = race == 2

. gen byte asian = race == 4 | race == 5 | race == 6

. gen byte others = race == 3 | race == 7 | race == 8 | race == 9

. inspect marst

marst: marital status		Number of Observations		
		Total	Integers	Nonintegers
#	Negative	-	-	-
#	Zero	-	-	-
#	Positive	3,449,629	3,449,629	-
#		-----	-----	-----

```

| #          #      Total   3,449,629   3,449,629   -
| # . . # #      Missing      -
+-----+-----+
1          6          3,449,629
(6 unique values)

```

marst is labeled and all values are documented in the label.

```
. inspect race
```

```

race: race [general version]          Number of Observations
-----+-----+-----+-----+
| #          Negative      Total   Integers Nonintegers
| #          Zero          -       -         -
| #          Positive   3,449,629  3,449,629   -
| #          -----+-----+-----+
| #          Total     3,449,629  3,449,629   -
| # . . . . Missing      -
+-----+-----+
1          9          3,449,629
(9 unique values)

```

race is labeled and all values are documented in the label.

```
. tabulate married if female == 1 & race == 1 & yr10 == 1
```

```

married |   Freq.   Percent   Cum.
-----+-----+-----+
0 |  275,027   41.05   41.05
1 |  394,936   58.95  100.00
-----+-----+-----+
Total |  669,963  100.00

```

```
. tabulate nevmarried if female == 1 & race == 1 & yr10 == 1
```

```

nevmarried |   Freq.   Percent   Cum.
-----+-----+-----+
0 |  505,581   75.46   75.46
1 |  164,382   24.54  100.00
-----+-----+-----+
Total |  669,963  100.00

```

```
. tabulate sep_div if female == 1 & race == 1 & yr10 == 1
```

```

sep_div |   Freq.   Percent   Cum.
-----+-----+-----+
0 |  572,160   85.40   85.40
1 |   97,803   14.60  100.00
-----+-----+-----+
Total |  669,963  100.00

```

. tabulate widwd if female == 1 & race == 1 & yr10 == 1

widwd	Freq.	Percent	Cum.
0	657,121	98.08	98.08
1	12,842	1.92	100.00
Total	669,963	100.00	

. tabulate married if female == 1 & race == 1 & yr16 == 1

married	Freq.	Percent	Cum.
0	283,520	43.77	43.77
1	364,239	56.23	100.00
Total	647,759	100.00	

. tabulate nevmarried if female == 1 & race == 1 & yr16 == 1

nevmarried	Freq.	Percent	Cum.
0	464,638	71.73	71.73
1	183,121	28.27	100.00
Total	647,759	100.00	

. tabulate sep_div if female == 1 & race == 1 & yr16 == 1

sep_div	Freq.	Percent	Cum.
0	559,164	86.32	86.32
1	88,595	13.68	100.00
Total	647,759	100.00	

. tabulate widwd if female == 1 & race == 1 & yr16 == 1

widwd	Freq.	Percent	Cum.
0	635,955	98.18	98.18
1	11,804	1.82	100.00
Total	647,759	100.00	

. tabulate married if female == 1 & race == 2 & yr10 == 1

married	Freq.	Percent	Cum.
0	68,272	69.55	69.55

1	29,887	30.45	100.00
-----+-----			
Total	98,159	100.00	

. tabulate nevmarried if female == 1 & race == 2 & yr10 == 1

nevmarried	Freq.	Percent	Cum.
-----+-----			
0	51,926	52.90	52.90
1	46,233	47.10	100.00
-----+-----			
Total	98,159	100.00	

. tabulate sep_div if female == 1 & race == 2 & yr10 == 1

sep_div	Freq.	Percent	Cum.
-----+-----			
0	79,050	80.53	80.53
1	19,109	19.47	100.00
-----+-----			
Total	98,159	100.00	

. tabulate widwd if female == 1 & race == 2 & yr10 == 1

widwd	Freq.	Percent	Cum.
-----+-----			
0	95,229	97.02	97.02
1	2,930	2.98	100.00
-----+-----			
Total	98,159	100.00	

. tabulate married if female == 1 & race == 2 & yr16 == 1

married	Freq.	Percent	Cum.
-----+-----			
0	67,590	71.01	71.01
1	27,592	28.99	100.00
-----+-----			
Total	95,182	100.00	

. tabulate nevmarried if female == 1 & race == 2 & yr16 == 1

nevmarried	Freq.	Percent	Cum.
-----+-----			
0	46,160	48.50	48.50
1	49,022	51.50	100.00
-----+-----			
Total	95,182	100.00	

. tabulate sep_div if female == 1 & race == 2 & yr16 == 1

sep_div	Freq.	Percent	Cum.
0	78,951	82.95	82.95
1	16,231	17.05	100.00
Total	95,182	100.00	

. tabulate widwd if female == 1 & race == 2 & yr16 == 1

widwd	Freq.	Percent	Cum.
0	92,845	97.54	97.54
1	2,337	2.46	100.00
Total	95,182	100.00	

. *Q3

. gen byte emp = empstat == 1

. gen byte unemp = empstat == 2

. gen byte nilbf = empstat == 3

. tabulate nilbf if female == 1 & married == 1 & yr10 == 1

nilbf	Freq.	Percent	Cum.
0	353,314	72.91	72.91
1	131,247	27.09	100.00
Total	484,561	100.00	

. tabulate emp if female == 1 & married == 1 & yr10 == 1

emp	Freq.	Percent	Cum.
0	155,413	32.07	32.07
1	329,148	67.93	100.00
Total	484,561	100.00	

. tabulate unemp if female == 1 & married == 1 & yr10 == 1

unemp	Freq.	Percent	Cum.
0	460,395	95.01	95.01
1	24,166	4.99	100.00
Total	484,561	100.00	

. tabulate nilbf if female == 1 & married == 1 & yr16 == 1

nilbf	Freq.	Percent	Cum.
-----+-----			
0	331,248	72.46	72.46
1	125,907	27.54	100.00
-----+-----			
Total	457,155	100.00	

. tabulate emp if female == 1 & married == 1 & yr16 == 1

emp	Freq.	Percent	Cum.
-----+-----			
0	137,386	30.05	30.05
1	319,769	69.95	100.00
-----+-----			
Total	457,155	100.00	

. tabulate unemp if female == 1 & married == 1 & yr16 == 1

unemp	Freq.	Percent	Cum.
-----+-----			
0	445,676	97.49	97.49
1	11,479	2.51	100.00
-----+-----			
Total	457,155	100.00	

. tabulate nilbf if female == 1 & nevmarried == 1 & yr10 == 1

nilbf	Freq.	Percent	Cum.
-----+-----			
0	181,084	73.85	73.85
1	64,113	26.15	100.00
-----+-----			
Total	245,197	100.00	

. tabulate emp if female == 1 & nevmarried == 1 & yr10 == 1

emp	Freq.	Percent	Cum.
-----+-----			
0	88,395	36.05	36.05
1	156,802	63.95	100.00
-----+-----			
Total	245,197	100.00	

. tabulate unemp if female == 1 & nevmarried == 1 & yr10 == 1

unemp	Freq.	Percent	Cum.
-----+-----			
0	220,915	90.10	90.10
1	24,282	9.90	100.00

```
-----+-----
Total | 245,197 100.00
```

```
. tabulate nilbf if female == 1 & nevmarried == 1 & yr16 == 1
```

```
nilbf | Freq. Percent Cum.
-----+-----
0 | 201,774 72.75 72.75
1 | 75,588 27.25 100.00
-----+-----
Total | 277,362 100.00
```

```
. tabulate emp if female == 1 & nevmarried == 1 & yr16 == 1
```

```
emp | Freq. Percent Cum.
-----+-----
0 | 91,797 33.10 33.10
1 | 185,565 66.90 100.00
-----+-----
Total | 277,362 100.00
```

```
. tabulate unemp if female == 1 & nevmarried == 1 & yr16 == 1
```

```
unemp | Freq. Percent Cum.
-----+-----
0 | 261,153 94.16 94.16
1 | 16,209 5.84 100.00
-----+-----
Total | 277,362 100.00.
```

```
*Q4
```

```
. gen byte lesshighschool = educ == 00 | educ == 01 | educ == 02 | educ == 03 | educ == 04 |
educ == 05
```

```
. gen byte highschool = educ == 06
```

```
. gen byte somecollege = educ == 07 | educ == 08 | educ == 09
```

```
. gen byte college = educ == 10
```

```
. gen byte morecollege = educ == 11
```

```
. tabulate lesshighschool if female == 1 & yr10 == 1
```

```
lesshighsch |
ool | Freq. Percent Cum.
-----+-----
0 | 798,563 91.07 91.07
1 | 78,323 8.93 100.00
-----+-----
```

Total | 876,886 100.00

. tabulate highschool if female == 1 & yr10 == 1

highschool	Freq.	Percent	Cum.
0	575,692	65.65	65.65
1	301,194	34.35	100.00
Total	876,886	100.00	

. tabulate somecollege if female == 1 & yr10 == 1

somecollege	Freq.	Percent	Cum.
0	642,040	73.22	73.22
1	234,846	26.78	100.00
Total	876,886	100.00	

. tabulate college if female == 1 & yr10 == 1

college	Freq.	Percent	Cum.
0	704,979	80.40	80.40
1	171,907	19.60	100.00
Total	876,886	100.00	

. tabulate morecollege if female == 1 & yr10 == 1

morecollege	Freq.	Percent	Cum.
0	786,270	89.67	89.67
1	90,616	10.33	100.00
Total	876,886	100.00	

. tabulate lesshighschool if female == 1 & yr16 == 1

lesshighschool	Freq.	Percent	Cum.
0	801,572	92.30	92.30
1	66,884	7.70	100.00
Total	868,456	100.00	

. tabulate highschool if female == 1 & yr16 == 1

highschool	Freq.	Percent	Cum.
------------	-------	---------	------

-----+-----			
0	587,743	67.68	67.68
1	280,713	32.32	100.00
-----+-----			
Total	868,456	100.00	

. tabulate somecollege if female == 1 & yr16 == 1

somecollege Freq. Percent Cum.			
-----+-----			
0	635,974	73.23	73.23
1	232,482	26.77	100.00
-----+-----			
Total	868,456	100.00	

. tabulate college if female == 1 & yr16 == 1

college Freq. Percent Cum.			
-----+-----			
0	684,134	78.78	78.78
1	184,322	21.22	100.00
-----+-----			
Total	868,456	100.00	

. tabulate morecollege if female == 1 & yr16 == 1

morecollege Freq. Percent Cum.			
-----+-----			
0	764,401	88.02	88.02
1	104,055	11.98	100.00
-----+-----			
Total	868,456	100.00	

. tabulate lesshighschool if male == 1 & yr10 == 1

lesshighschool Freq. Percent Cum.			
-----+-----			
0	748,713	88.32	88.32
1	99,058	11.68	100.00
-----+-----			
Total	847,771	100.00	

. tabulate highschool if male == 1 & yr10 == 1

highschool Freq. Percent Cum.			
-----+-----			
0	521,104	61.47	61.47
1	326,667	38.53	100.00
-----+-----			
Total	847,771	100.00	

```
. tabulate somecollege if male == 1 & yr10 == 1
```

somecollege	Freq.	Percent	Cum.
-----+-----			
0	648,692	76.52	76.52
1	199,079	23.48	100.00
-----+-----			
Total	847,771	100.00	

```
. tabulate college if male == 1 & yr10 == 1
```

college	Freq.	Percent	Cum.
-----+-----			
0	702,649	82.88	82.88
1	145,122	17.12	100.00
-----+-----			
Total	847,771	100.00	

```
. tabulate morecollege if male == 1 & yr10 == 1
```

morecollege	Freq.	Percent	Cum.
-----+-----			
0	769,926	90.82	90.82
1	77,845	9.18	100.00
-----+-----			
Total	847,771	100.00	

```
. tabulate lesshighschool if male == 1 & yr16 == 1
```

lesshighschool	Freq.	Percent	Cum.
-----+-----			
0	768,479	89.72	89.72
1	88,037	10.28	100.00
-----+-----			
Total	856,516	100.00	

```
. tabulate highschool if male == 1 & yr16 == 1
```

highschool	Freq.	Percent	Cum.
-----+-----			
0	528,467	61.70	61.70
1	328,049	38.30	100.00
-----+-----			
Total	856,516	100.00	

```
. tabulate somecollege if male == 1 & yr16 == 1
```

somecollege	Freq.	Percent	Cum.
-----+-----			

	Robust						
In wage	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]		
highschool	.3606496	.0028625	125.99	0.000	.3550393	.36626	
somecollege	.5595063	.0029367	190.52	0.000	.5537505	.565262	
college	1.073257	.0029819	359.92	0.000	1.067412	1.079101	
morecollege	1.372619	.0031772	432.02	0.000	1.366391	1.378846	
male	.4219109	.0012992	324.75	0.000	.4193645	.4244572	
black	-.0524983	.0033535	-15.65	0.000	-.059071	-.0459256	
white	.0531982	.0026275	20.25	0.000	.0480484	.0583479	
asian	-.0064639	.0037785	-1.71	0.087	-.0138696	.0009419	

neast	.0469418	.0018591	25.25	0.000	.0432981	.0505855
mwest	-.0541772	.0017249	-31.41	0.000	-.057558	-.0507963
west	.0420956	.0017816	23.63	0.000	.0386037	.0455876
married	.3367172	.0013785	244.26	0.000	.3340153	.339419
age	.0298135	.0000593	502.63	0.000	.0296972	.0299297
yr16	.1127745	.0012867	87.65	0.000	.1102527	.1152963
_cons	7.826566	.0041781	1873.24	0.000	7.818377	7.834755

*Q6 a)

. reg lnwage highschool somecollege college morecollege male black white asian neast mwest
west married age yr16 if male == 1
note: male omitted because of collinearity

Source	SS	df	MS	Number of obs = 1,325,937
-----+----- F(13, 1325923) = 52822.68				
Model	678752.659	13	52211.743	Prob > F = 0.0000
Residual	1310587.7	1,325,923	.988434245	R-squared = 0.3412
-----+----- Adj R-squared = 0.3412				
Total	1989340.36	1,325,936	1.50032909	Root MSE = .9942

Inwage	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]
highschool	.3481911	.0033726	103.24	0.000	.3415809 .3548012
somecollege	.5182328	.0035259	146.98	0.000	.5113221 .5251435
college	1.034814	.0036437	284.00	0.000	1.027672 1.041955
morecollege	1.295727	.0040774	317.78	0.000	1.287735 1.303718
male	0 (omitted)				
black	-.1768923	.0044172	-40.05	0.000	-.1855499 -.1682347
white	.0919797	.0033988	27.06	0.000	.0853182 .0986412
asian	-.0390203	.0049371	-7.90	0.000	-.0486968 -.0293438
neast	.0425777	.0025045	17.00	0.000	.037669 .0474864
mwest	-.0575763	.0023494	-24.51	0.000	-.062181 -.0529716
west	.0331819	.0023395	14.18	0.000	.0285966 .0377673
married	.5408533	.0019489	277.52	0.000	.5370335 .5446731
age	.0289404	.0000784	369.05	0.000	.0287867 .0290941
yr16	.1311076	.0017298	75.79	0.000	.1277172 .1344979
_cons	8.175908	.0050296	1625.56	0.000	8.166051 8.185766

. reg lnwage highschool somecollege college morecollege male black white asian neast mwest
west married age yr16 if female == 1
note: male omitted because of collinearity

Source	SS	df	MS	Number of obs = 1,256,415
-----+----- F(13, 1256401) = 30938.21				
Model	450592.613	13	34660.9703	Prob > F = 0.0000
Residual	1407582.15	1,256,401	1.12032874	R-squared = 0.2425
-----+----- Adj R-squared = 0.2425				

Total | 1858174.77 1,256,414 1.47895102 Root MSE = 1.0585

Inwage	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
highschool	.3924307	.0045048	87.11	0.000	.3836015	.40126
somecollege	.6131415	.0045396	135.06	0.000	.6042439	.622039
college	1.123926	.0046395	242.25	0.000	1.114832	1.133019
morecollege	1.454171	.0049541	293.53	0.000	1.444461	1.463881
male	0 (omitted)					
black	.0321392	.0047491	6.77	0.000	.0228311	.0414473
white	.0164772	.0038863	4.24	0.000	.0088602	.0240941
asian	.0376231	.00543	6.93	0.000	.0269805	.0482658
neast	.0550506	.0027058	20.35	0.000	.0497473	.0603538
mwest	-.0435447	.0025619	-17.00	0.000	-.048566	-.0385235
west	.0543266	.0026173	20.76	0.000	.0491969	.0594563
married	.1378384	.0020474	67.32	0.000	.1338256	.1418513
age	.0298238	.0000814	366.49	0.000	.0296643	.0299833
yr16	.0957571	.0018924	50.60	0.000	.092048	.0994661
_cons	7.90227	.0061453	1285.89	0.000	7.890225	7.914314

.*Q7

. dprobit emp married highschool somecollege college morecollege black white asian nchlt5 age yr16 if male == 1, robust

Iteration 0: log pseudolikelihood = -962997.77
Iteration 1: log pseudolikelihood = -846517.25
Iteration 2: log pseudolikelihood = -843825.1
Iteration 3: log pseudolikelihood = -843810.58
Iteration 4: log pseudolikelihood = -843810.58

Probit regression, reporting marginal effects Number of obs = 1704287
Wald chi2(11) = 2.0e+05
Prob > chi2 = 0.0000
Log pseudolikelihood = -843810.58 Pseudo R2 = 0.1238

	Robust					
emp	dF/dx	Std. Err.	z	P> z	x-bar [95% C.I.]
married*	.190847	.0007434	252.70	0.000	.514134	.18939 .192304
highsc~l*	.1185529	.0009341	121.77	0.000	.384158	.116722 .120384
someco~e*	.1562339	.0008318	161.29	0.000	.23506	.154604 .157864
college*	.2197569	.0006786	226.63	0.000	.176297	.218427 .221087
moreco~e*	.2157866	.0006186	195.16	0.000	.094706	.214574 .216999
black*	-.1297785	.0017662	-79.75	0.000	.105027	-.13324 -.126317
white*	.0081183	.0012367	6.60	0.000	.763456	.005694 .010542
asian*	-.0449383	.0020542	-22.84	0.000	.053939	-.048965 -.040912

nchlt5	.0735034	.0010051	72.61	0.000	.156169	.071533	.075473
age	-.0002204	.0000291	-7.59	0.000	39.6741	-.000277	-.000164
yr16*	.0274234	.0006594	41.59	0.000	.502566	.026131	.028716

obs. P	.7475191
pred. P	.778276 (at x-bar)

(*) dF/dx is for discrete change of dummy variable from 0 to 1
z and P>|z| correspond to the test of the underlying coefficient being 0

. dprobit emp married highschool somecollege college morecollege black white asian nchlt5 age yr16 if female == 1, robust

Iteration 0: log pseudolikelihood = -1092372
Iteration 1: log pseudolikelihood = -1034841.6
Iteration 2: log pseudolikelihood = -1034640.5
Iteration 3: log pseudolikelihood = -1034640.5

Probit regression, reporting marginal effects Number of obs =1745342
Wald chi2(11) = 1.1e+05
Prob > chi2 = 0.0000
Log pseudolikelihood = -1034640.5 Pseudo R2 = 0.0528

		Robust						
emp	dF/dx	Std. Err.	z	P> z	x-bar [95% C.I.]	

married*	-.0046299	.0007882	-5.87	0.000	.53956	-.006175	-.003085
highsc~l	.1736865	.0011801	138.23	0.000	.333406	.171374	.175999
someco~e*	.2410333	.0010563	197.51	0.000	.267757	.238963	.243104
college*	.2898352	.0009015	244.96	0.000	.204103	.288068	.291602
moreco~e*	.3058415	.0007105	256.66	0.000	.111537	.304449	.307234
black*	.0027258	.0016693	1.63	0.103	.110775	-.000546	.005998
white*	.0229931	.0013905	16.66	0.000	.754994	.020268	.025718
asian*	-.0490349	.0020772	-24.19	0.000	.060101	-.053106	-.044964
nchlt5	-.0728054	.0007582	-96.03	0.000	.182918	-.074292	-.071319
age	.000253	.0000321	7.89	0.000	40.164	.00019	.000316
yr16*	.0121233	.0007146	16.96	0.000	.497585	.010723	.013524

obs. P	.6813095
pred. P	.6900532 (at x-bar)

(*) dF/dx is for discrete change of dummy variable from 0 to 1
z and P>|z| correspond to the test of the underlying coefficient being 0

. log close
name: <unnamed>
log: C:\Users\aso5400\Desktop\IPUMS hw.log
log type: text
closed on: 6 Dec 2017, 18:22:56
