Part 1 - Finite Sample Bias
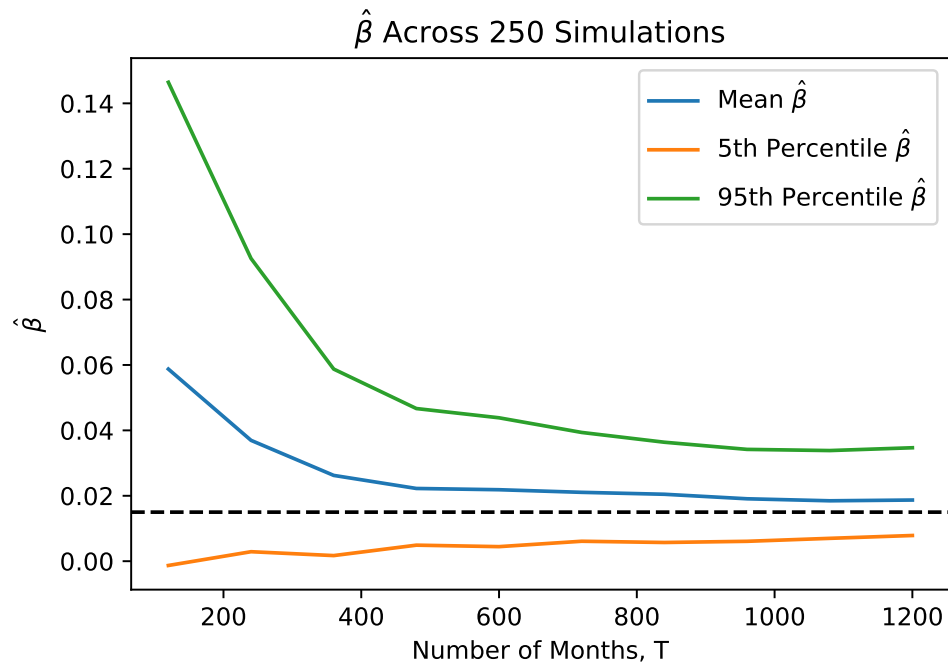
Figure 1 : The figure shows the mean, 5th percentile, and 95th percentile beta estimates across B=250 simulated samples, generated with $\rho_{uv} = -.8$. The true β is indicated with a dashed line.

$\hat{\beta}$ Across 250 Simulations

Part 2 - Effect of residual correlation

Figure 2 : The figure shows the mean, 5th percentile, and 95th percentile beta estimates across B=250 simulated samples, generated with $\rho_{uv} = -.8, -.5,$ or $-.2$. The true β is indicated with a dashed line.

$\hat{\beta}$ across 250 simulations, by ρ_{uv}