# Applied Microeconometrics - Assignment 4

Walter Verwer (589962) & Bas Machielsen (590049)

October 1, 2021

1. Describe the sickness spell data, i.e. do a simple listing of the survivor function and plot the hazard rate and the survivor function. Make separate plots for the first two weeks and for the first year. Also plot the hazard by different subgroups (for instance gender) and test whether the survival curves are the same for the different subgroups.

First, we plot the exit rates:
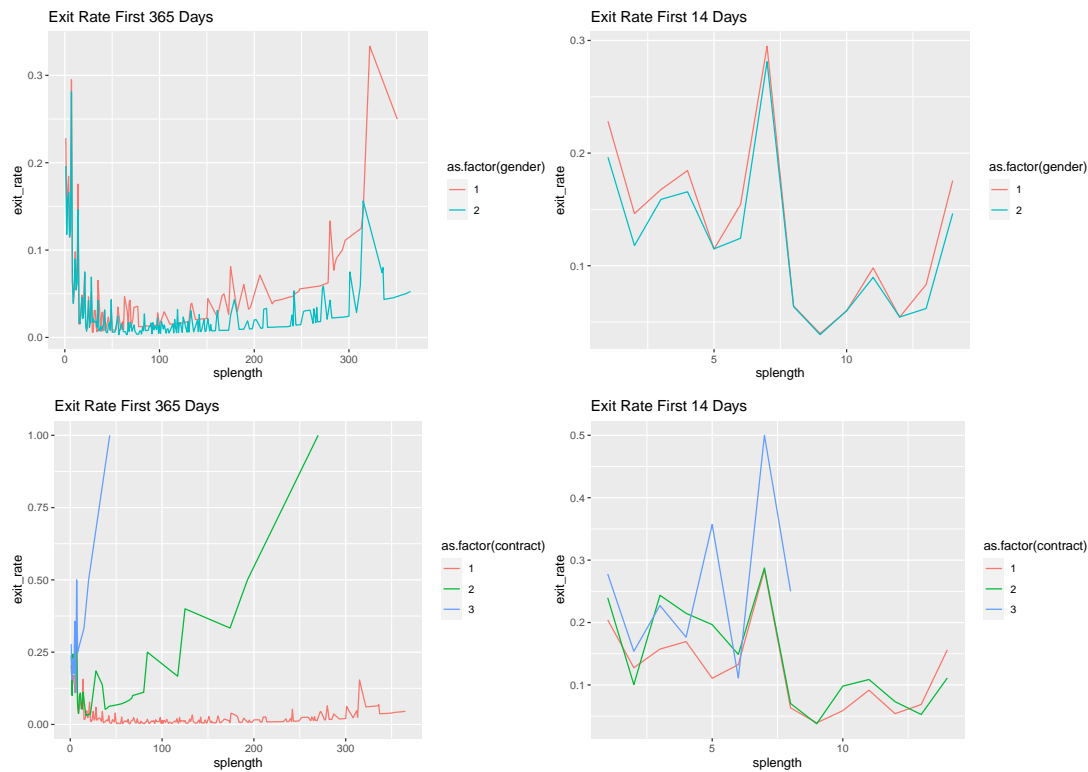
Then, we plot the survivor functions:

Survivor Function First 365 Days — Survivor Function First 14 Days — as.factor(gender) / as.factor(contract)
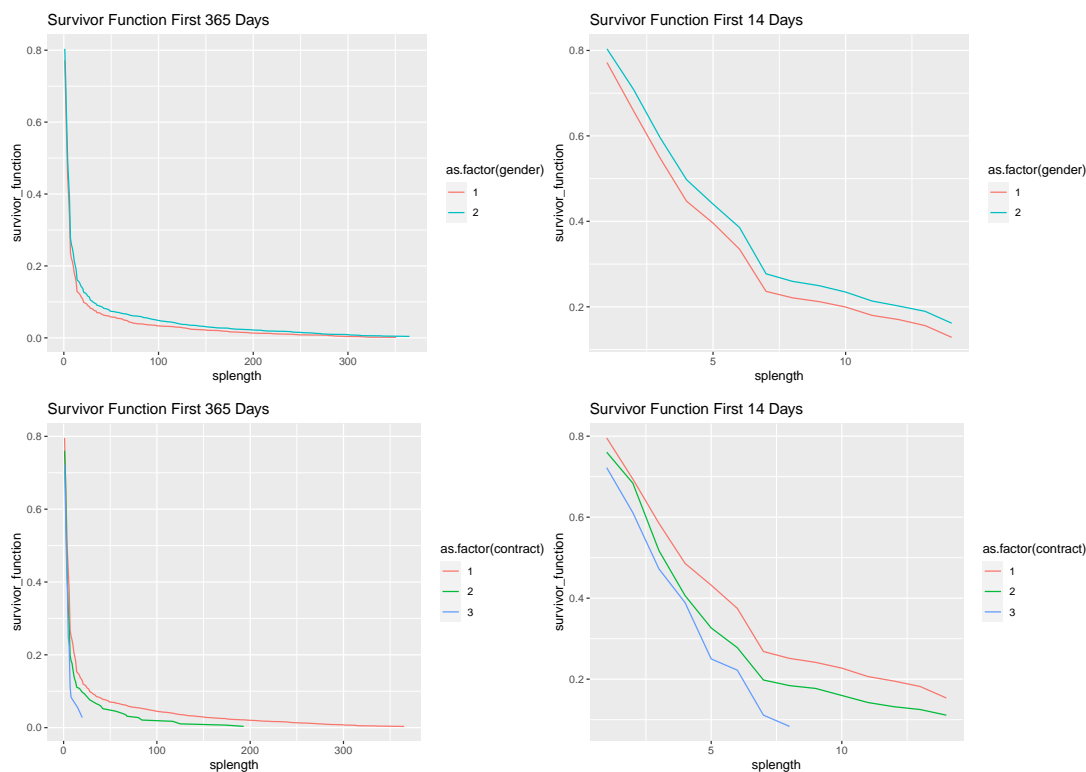
2.1 Estimate a Weibull and an Exponential model for sickness spells. Start with a very simple specification and you only include one regressor and subsequently add more regressors. Comment on the change in the Weibull parameters and the regression parameters when you add more variables to the model. Compare the estimates of both models.

2.2 Estimate separate Weibull models for males and females. Comment on the results (is it better to estimate separate models for males and females?) Estimate the Weibull duration model for other subgroups that may differ in their behavior and where the baseline hazard may differ.

First, we estimate a model for males:

Next, we estimate a model for females:

3.1 Estimate a Piece Wise Constant (PWC) model for the entire sample. Use the stsplit command to create multiple record data. You can have as many steps as the data allow you to take, but first start with only a few (3 or 4 steps). Next estimate a model with 15-20 steps, or even more. Plot de duration pattern implied by the estimates and comment on these and the regression parameters. How do the regression parameters (β) compare with those of the Weibull model?

3.2 Estimate separate models for males and females.

Table 1: Weibull Models

	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
(Intercept)	1.938***	1.795***	2.280***	2.279***	2.334***	0.979*
	(0.127)	(0.195)	(0.213)	(0.213)	(0.251)	(0.530)
gender	0.243***	0.254***	0.273***	0.274***	0.278***	0.319***
	(0.077)	(0.078)	(0.078)	(0.087)	(0.087)	(0.092)
Log(scale)	0.490***	0.490***	0.487***	0.487***	0.486***	0.483***
	(0.013)	(0.013)	(0.013)	(0.013)	(0.013)	(0.013)
marstat		0.069	0.055	0.055	0.049	0.031
		(0.066)	(0.066)	(0.066)	(0.066)	(0.068)
contract			-0.467***	-0.467***	-0.467***	-0.423***
			(0.093)	(0.093)	(0.094)	(0.093)
lowgroup				-0.004	-0.005	-0.020
				(0.079)	(0.079)	(0.080)
classize					0.002	0.002
					(0.005)	(0.005)
schsize					0.000	0.000
					(0.000)	(0.000)
public					-0.056	-0.048
					(0.091)	(0.089)
protest					-0.153	-0.078
					(0.106)	(0.108)
merged						0.005
						(0.013)
avgfem						-0.206
						(0.284)
avgage						0.034***
						(0.011)
avglowgr						0.122
						(0.259)
Num.Obs.	6520	6520	6520	6520	6520	6520
AIC	44 443.9	44 442.6	44 415.1	44 417.1	44 416.8	44 383.2
Log.Lik.	$-22\,218.934$	$-22\,217.295$	$-22\,202.540$	$-22\,202.537$	$-22\,198.402$	$-22\,177.593$

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Table 2: Exponential Models

	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
(Intercept)	2.435***	2.247***	2.852***	2.848***	2.909***	1.601**
	(0.164)	(0.236)	(0.255)	(0.254)	(0.290)	(0.633)
gender	0.267***	0.280***	0.303***	0.324***	0.332***	0.377***
	(0.097)	(0.098)	(0.097)	(0.104)	(0.103)	(0.108)
marstat		0.091	0.077	0.076	0.077	0.058
		(0.080)	(0.079)	(0.079)	(0.078)	(0.080)
contract			−0.594***	−0.595***	−0.600***	−0.537***
			(0.112)	(0.111)	(0.112)	(0.116)
lowgroup				−0.044	−0.043	−0.063
				(0.096)	(0.097)	(0.098)
classize					0.003	0.003
					(0.005)	(0.005)
schsize					0.000	0.000
					(0.000)	(0.000)
public					−0.116	−0.093
					(0.103)	(0.104)
protest					−0.160	−0.083
					(0.124)	(0.128)
merged						−0.004
						(0.015)
avgfem						−0.237
						(0.335)
avgage						0.033***
						(0.012)
avglowgr						0.091
						(0.297)
Num.Obs.	6520	6520	6520	6520	6520	6520
AIC	49 147.6	49 133.1	49 022.5	49 022.1	48 996.4	48 893.8
Log.Lik.	−24 571.812	−24 563.554	−24 507.235	−24 506.073	−24 489.220	−24 433.900

* $p < 0.1$, ** $p < 0.05$, *** $p < 0.01$

Table 3: Weibull Models - Males Only

	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
(Intercept)	2.204***	2.446***	3.162***	3.149***	3.363***	1.558*
	(0.048)	(0.329)	(0.394)	(0.394)	(0.419)	(0.904)
Log(scale)	0.461***	0.460***	0.458***	0.457***	0.456***	0.449***
	(0.024)	(0.024)	(0.024)	(0.024)	(0.024)	(0.024)
marstat		−0.125	−0.138	−0.138	−0.150	−0.149
		(0.168)	(0.165)	(0.166)	(0.161)	(0.157)
contract			−0.675***	−0.685***	−0.631***	−0.559***
			(0.169)	(0.174)	(0.179)	(0.188)
lowgroup				0.083	0.084	0.094
				(0.122)	(0.122)	(0.123)
classize					−0.009	−0.008
					(0.007)	(0.007)
schsize					0.000	0.000
					(0.000)	(0.000)
public					−0.073	−0.036
					(0.128)	(0.132)
protest					0.009	0.032
					(0.180)	(0.174)
merged						0.035
						(0.028)
avgfem						0.457
						(0.400)
avgage						0.041**
						(0.016)
avglowgr						−0.357
						(0.410)
Num.Obs.	2046	2046	2046	2046	2046	2046
AIC	13 422.3	13 422.4	13 416.2	13 417.1	13 421.4	13 405.4
Log.Lik.	−6709.152	−6708.217	−6704.101	−6703.534	−6701.689	−6689.697

* p < 0.1, ** p < 0.05, *** p < 0.01

Table 4: Weibull Models - Females Only

	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
(Intercept)	2.414***	2.228***	2.715***	2.755***	2.763***	1.729***
	(0.042)	(0.138)	(0.174)	(0.197)	(0.260)	(0.643)
Log(scale)	0.503***	0.502***	0.499***	0.499***	0.498***	0.494***
	(0.016)	(0.016)	(0.016)	(0.016)	(0.016)	(0.016)
marstat		0.106	0.093	0.092	0.076	0.058
		(0.074)	(0.074)	(0.074)	(0.073)	(0.076)
contract			−0.435***	−0.435***	−0.433***	−0.393***
			(0.103)	(0.102)	(0.106)	(0.103)
lowgroup				−0.048	−0.038	−0.081
				(0.099)	(0.099)	(0.103)
classize					0.005	0.006
					(0.006)	(0.006)
schsize					0.000	0.000
					(0.000)	(0.000)
public					−0.039	−0.030
					(0.116)	(0.114)
protest					−0.211*	−0.123
					(0.127)	(0.133)
merged						−0.008
						(0.014)
avgfem						−0.557
						(0.383)
avgage						0.030**
						(0.013)
avglowgr						0.403
						(0.334)
Num.Obs.	4474	4474	4474	4474	4474	4474
AIC	31 018.2	31 013.9	30 994.0	30 995.4	30 991.3	30 969.4
Log.Lik.	−15 507.109	−15 503.936	−15 493.017	−15 492.706	−15 486.663	−15 471.686

* p < 0.1, ** p < 0.05, *** p < 0.01