**Panel Econometrics**

Assignment #4

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**Question 1: Compute and report the descriptive statistics (means and standard deviations) for the twelve variables.**

Table 1: Summary Statistics

|  |  |  |
| --- | --- | --- |
|  | (1) |  |
|  | Total sample |  |
|  | mean | sd |
| exp | 19.85378 | 10.96637 |
| wks | 46.81152 | 5.129098 |
| occ | .5111645 | .4999354 |
| ind | .3954382 | .4890033 |
| south | .2902761 | .4539442 |
| smsa | .6537815 | .475821 |
| ms | .8144058 | .3888256 |
| fem | .112605 | .3161473 |
| union | .3639856 | .4812023 |
| ed | 12.84538 | 2.787995 |
| blk | .0722689 | .2589637 |
| lwage | 6.676346 | .4615122 |
| *N* | 4165 |  |

**Question 2: Replicate the results of Table 7.4 (you may use Stata’s built-in commands: xtreg and xthtaylor)**

**Question 3: How many instruments does each of the two HT regressions use, and thus what are the degrees of freedom of the test for overidentification?**

**Question 4: Compare the RE (or GLS), FE (or WE), and AM estimators: do the proper HT and Hausman tests to figure out your recommended estimator.**

**Appendix: STATA Codes**