CSUN Econ 433 Week 8 Problem Set

If you did Lab 7 correctly, you should have generated a chart like this.

A graph showing growth of a number of individuals

Description automatically generated with medium confidence

And you should have produced a regression table like this:

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| ================================================================================  Dependent variable:  -----------------------------------------------------------  OWNHOME  (1) (2) (3)  --------------------------------------------------------------------------------  log(HHINCOME) 0.138\*\*\* 0.115\*\*\* 0.111\*\*\*  (0.001) (0.001) (0.001)  AGE 0.023\*\*\* 0.022\*\*\*  (0.0004) (0.0004)  AGESQ -0.0001\*\*\* -0.0001\*\*\*  (0.00000) (0.00000)  MALE -0.021\*\*\* -0.019\*\*\*  (0.002) (0.003)  COLLEGE 0.037\*\*\* 0.042\*\*\*  (0.003) (0.003)  MARRIED 0.152\*\*\* 0.137\*\*\*  (0.003) (0.003)  as.factor(RACHSING)2 -0.130\*\*\* -0.112\*\*\*  (0.005) (0.005)  as.factor(RACHSING)3 0.019 0.006  (0.018) (0.018)  as.factor(RACHSING)4 -0.012\*\*\* 0.028\*\*\*  (0.004) (0.004)  as.factor(RACHSING)5 -0.063\*\*\* -0.038\*\*\*  (0.003) (0.003)  Constant -0.992\*\*\* -1.627\*\*\*  (0.014) (0.017)  COUNTY FE Y  INDUSTRY FE Y  OCCUPATION FE Y  --------------------------------------------------------------------------------  Observations 134,094 134,094 134,094  R2 0.084 0.254 0.297  Adjusted R2 0.084 0.254 0.292  Residual Std. Error 4.682 (df = 134092) 4.226 (df = 134083) 4.117 (df = 133252)  ================================================================================  Note: \*p<0.1; \*\*p<0.05; \*\*\*p<0.01 |
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1. Write a short description of the chart. What does it show about the relationship between homeownership and age?
2. Based on the results from regression 3, a college-educated household is \_\_\_\_\_\_\_\_\_\_\_\_\_% more likely to own their home than a non-college educated household.
3. Based on the results from regression 3, a married household is \_\_\_\_\_\_\_\_\_\_\_\_% more likely to own their home than a non-married household.
4. Based on the results from regression 3, a black household is \_\_\_\_\_\_\_\_\_\_\_% more likely to own their home than a \_\_\_\_\_\_\_\_\_\_\_\_ household.
5. Based on the results from regression 3, a household with 10% higher income is \_\_\_\_\_\_\_\_\_\_\_\_% more likely to own their home.
6. Calculate the p-value and the 95% confidence interval for the estimated coefficient on COLLEGE from regression 3.
7. Calculate the p-value and the 95% confidence interval for the estimated coefficient on RACHSING==3 (American Indian/Alaska Native).
8. Interpret the coefficient on RACHSING==3.