Table 6—Minimum-Distance Partial Insurance and Variance Estimates

		Whole sample	No college	College	Born 1940s	Born 1930s
σ^2_ζ	1979–81	0.0102	0.0067	0.0099	0.0074	0.0057
(Variance perm. shock)		(0.0035)	(0.0037)	(0.0053)	(0.0035)	(0.0072)
	1982	0.0207	0.0154	0.0252	0.0210	0.0166
		(0.0041)	(0.0053)	(0.0060)	(0.0061)	(0.0075)
	1983	0.0301	0.0317	0.0233	0.0184	0.0246
		(0.0057)	(0.0075)	(0.0089)	(0.0058)	(0.0086)
	1984	0.0274	0.0333	0.0176	0.0219	0.0224
		(0.0049)	(0.0074)	(0.0060)	(0.0077)	(0.0102)
	1985	0.0293	0.0287	0.0204	0.0187	0.0333
		(0.0096)	(0.0073)	(0.0151)	(0.0066)	(0.0225)
	1986	0.0222	0.0173	0.0312	0.0222	0.0111
		(0.0060)	(0.0068)	(0.0101)	(0.0077)	(0.0114)
	1987	0.0289	0.0202	0.0354	0.0307	0.0079
		(0.0063)	(0.0073)	(0.0098)	(0.0080)	(0.0111)
	1988	0.0157	0.0117	0.0183	0.0155	0.0007
		(0.0069)	(0.0079)	(0.0110)	(0.0076)	(0.0099)
	1989	0.0185	0.0107	0.0274	0.0176	0.0217
		(0.0059)	(0.0101)	(0.0061)	(0.0082)	(0.0182)
	1990–92	0.0134	0.0092	0.0216	0.0081	0.0063
		(0.0042)	(0.0045)	(0.0065)	(0.0059)	(0.0091)
σ^2_ε	1979	0.0415	0.0465	0.0302	0.0314	0.0342
(Variance trans. shock)		(0.0059)	(0.0096)	(0.0056)	(0.0054)	(0.0070)
	1980	0.0318	0.0330	0.0284	0.0269	0.0306
		(0.0039)	(0.0053)	(0.0059)	(0.0056)	(0.0072)
	1981	0.0372	0.0364	0.0253	0.0319	0.0267
		(0.0035)	(0.0053)	(0.0046)	(0.0058)	(0.0064)
	1982	0.0286	0.0376	0.0214	0.0264	0.0342
		(0.0039)	(0.0063)	(0.0042)	(0.0049)	(0.0078)
	1983	0.0286	0.0372	0.0186	0.0190	0.0284
		(0.0037)	(0.0063)	(0.0037)	(0.0045)	(0.0077)
	1984	0.0351	0.0405	0.0305	0.0223	0.0453
		(0.0039)	(0.0059)	(0.0051)	(0.0047)	(0.0100)
	1985	0.0380	0.0356	0.0496	0.0280	0.0504
		(0.0075)	(0.0056)	(0.0130)	(0.0062)	(0.0115)
	1986	0.0544	0.0474	0.0452	0.0261	0.0672
		(0.0058)	(0.0076)	(0.0085)	(0.0060)	(0.0153)
	1987	0.0480	0.0520	0.0421	0.0440	0.0499
		(0.0054)	(0.0082)	(0.0071)	(0.0093)	(0.0095)
	1988	0.0383	0.0472	0.0343	0.0386	0.0543
		(0.0047)	(0.0074)	(0.0060)	(0.0068)	(0.0148)
	1989	0.0369	0.0539	0.0219	0.0360	0.0493
		(0.0068)	(0.0126)	(0.0051)	(0.0070)	(0.0132)
	1990–92	0.0506	0.0536	0.0345	0.0429	0.0753
		(0.0040)	(0.0062)	(0.0049)	(0.0060)	(0.0127)
θ		0.1132	0.1268	0.1086	0.1324	0.1706
(Serial correl. trans. shock)		(0.0247)	(0.0318)	(0.0341)	(0.0442)	(0.0470)
σ^2_ξ		0.0105	0.0074	0.0141	0.0122	0.0001
(Variance unobs. slope heterog.)		(0.0041)	(0.0079)	(0.0040)	(0.0064)	(0.0090)
ϕ		0.6423	0.9439	0.4194	0.7928	0.6889
(Partial insurance perm. shock)		(0.0945)	(0.1783)	(0.0924)	(0.1848)	(0.2393)
ψ		0.0533	0.0768	0.0273	0.0675	−0.0381
(Partial insurance trans. shock)		(0.0435)	(0.0602)	(0.0550)	(0.0705)	(0.0737)
p-value test of equal ϕ		23%	99%	8%	81%	18%
p-value test of equal ψ		75%	33%	29%	76%	4%

Notes: This table reports DWMD results of the parameters of interest. We also estimate time-varying variances of measurement error in consumption (results not reported for brevity). See the main text for details. Standard errors in parentheses.