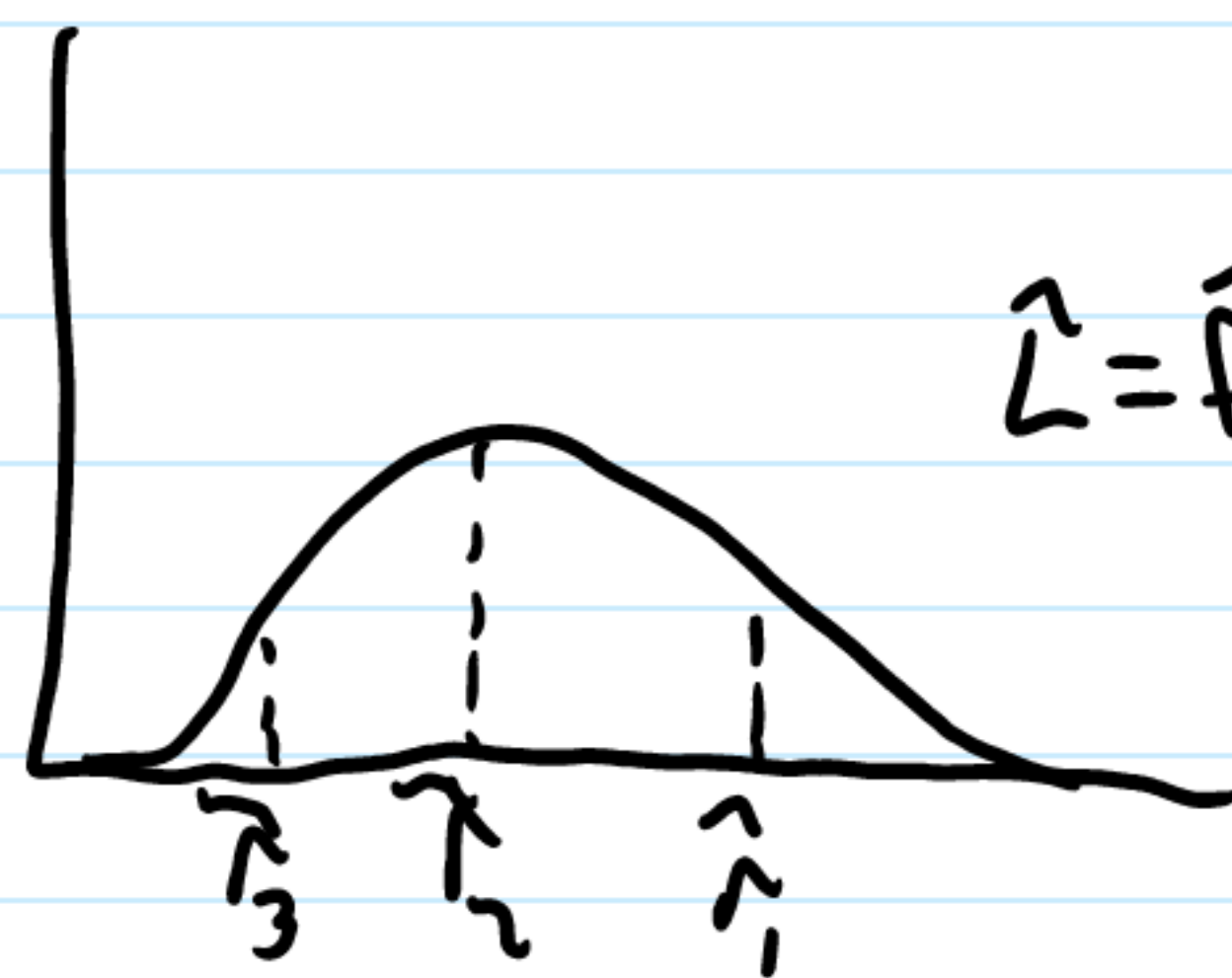1) Domain knowledge
   + Joint hypothesis tests
2) measures that guard against overfitting
   ↳ $AIC = 2k - 2\ln\hat{L}$ → good
              ↳ Bad   ↳ $\hat{L}$ = likelihood function
      ↳ smaller
         is better

$\hat{L} = \hat{f_1} \hat{f_2} \hat{f_3}$ → $\ln\hat{L} = \ln\hat{f_1} + \ln\hat{f_2} + \ln\hat{f_3}$

$\hfill ↳ \sum_{t=1}^{T} \ln(\hat{f_t} \mid model)$

   ↳ $BIC = \ln(T)k - 2\ln\hat{L}$

      ↳ smaller is better

      ↳ finite set of models
         ↳ tend to pick the right one at the limit

   AIC set of models grows w/ sample

3) Empirical Evidence on out of sample production