

# The Preston Curve Revisited

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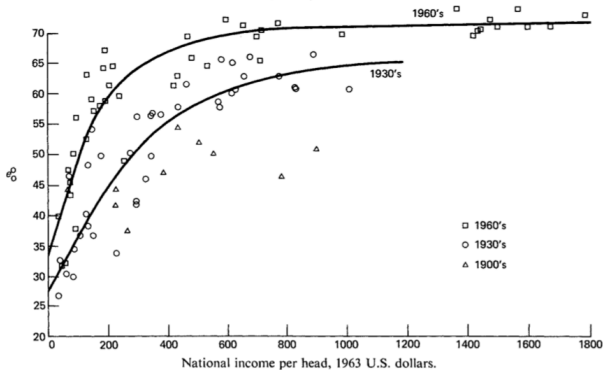
TRR 266 Accounting for Transparency

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# Motivation

# The Preston Curve

Scatter-diagram of relations between life expectancy at birth ( $e_0^o$ ) and national income per head for nations in the 1900s, 1930s, and 1960s.



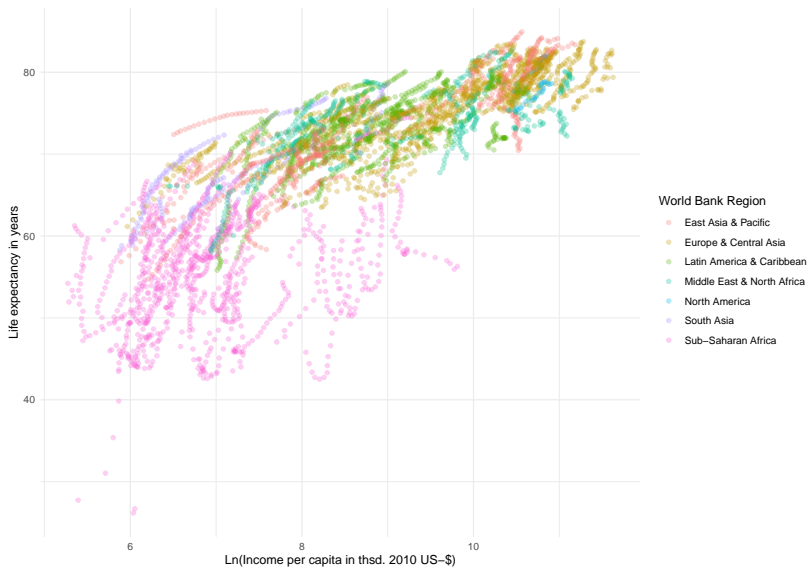
Preston (1975, p. 235)

# Data

	N	Mean	Std. dev.	Min.	25 %	Median	75 %	Max.
<i>Access Electricity</i>	4,215	77.611	31.483	0.010	57.369	98.251	100.000	100.000
<i>National Income per Capita</i>	4,215	13,588.712	18,287.616	194.873	1,438.064	4,855.262	19,394.754	111,968.349
<i>Unemployment (in %)</i>	4,215	7.800	5.772	0.110	3.710	6.250	10.295	36.030
<i>Life Expectancy (in years)</i>	4,215	69.420	9.517	26.172	63.843	71.781	76.514	84.934

Note: The data is obtained from the World Bank. The sample covers 181 countries and the period 1991 to 2018. *National Income per capita* values are in constant 2010 thousand U.S. dollars.

# Life Expectancy by National Income



## No presentation without correlation table...

Table 1: Correlations

	A	B	C	D
A: accesselectricity		<b>0.15</b>	<b>0.86</b>	<b>0.77</b>
B: Unemployment (in %)	<b>0.20</b>		0.02	<b>0.09</b>
C: Life Expectancy (in years)	<b>0.85</b>	<b>0.10</b>		<b>0.80</b>
D: ln(National Income per Capita)	<b>0.87</b>	<b>0.17</b>	<b>0.86</b>	

This table reports Pearson correlations above and Spearman correlations below the diagonal. Number of observations: 4215. Correlations with significance levels below 5% appear in bold print.

## ... and regression table

	<i>Dependent variable:</i>			
	Life Expectancy (in years)			
	(1)	(2)	(3)	(4)
ln(National Income per Capita)	5.041*** (0.058)	2.066*** (0.067)	2.161*** (0.063)	1.791** (0.697)
unemployment		-0.178*** (0.011)	-0.173*** (0.017)	0.033 (0.030)
accesselectricity		0.190*** (0.003)	0.183*** (0.005)	0.080*** (0.012)
Constant	26.350*** (0.503)	38.424*** (0.427)		
Estimator	ols	ols	ols	ols
Fixed effects	None	None	year	country, year
Std. errors clustered	No	No	year	country, year
Observations	4,215	4,215	4,215	4,215
$R^2$	0.642	0.804	0.810	0.114
Adjusted $R^2$	0.642	0.803	0.809	0.067

# Conclusion

- ▶ The Preston Curve is alive and well!
- ▶ Have fun adjusting this template to fit your research needs
- ▶ Consider contributing to its repository and promote Open Science!