**Data Generating Process for Simulation Study**

1. Initialize as a 2 × 2 matrix. The values depend on aspect a.
2. Initialize **Ζ** as the 2 × 2 matrix .
3. Initalize **μ** as the vector (5, 5).
4. For individuals, generate the *T* × 2 matrix of factor scores (aspects b and c).
   1. If there is inter-individual variation in the regression coefficients (aspect d), draw the entries of from truncated normal distributions, with means set to the respective entry in , *a* and *b* set to .-05 and .05, and *σ* set to .5. Otherwise, set to .
   2. If there is inter-individual variation in the innovation variances (aspect e), draw the entries of from truncated normal distributions, with means set to the respective entry in **Ζ**, *a* and *b* set to .-5 and .5 (-.25 and + .25 for the covariance), and *σ* set to .5. Otherwise, set to **Ζ**.
   3. If there is inter-individual variation in the latent means (aspect f), draw the entries of from truncated normal distributions, with means set to the respective entry in **μ**, *a* and *b* set to .-2 and .2, and *σ* set to 1. Otherwise, set to .
5. Transform the factor score matrix for all individuals, **Η**, into the observed item score matrix **Y** with four manifest variables.
   1. The indicator intercepts were set to 0.
   2. The loadings matrix followed a simple structure that is oftentimes found for positive and negative affect:

c. The diagonal of the residual covariance matrix **Θ** was chosen in such a way that *ρ* aligned with aspect g. The off-diagonal elements of **Θ** were set to 0