To be done:

1. Extend basic regressions in Table 10 to include inequality variable (INEQ), both by itself and interacted with per capita output gap, and analyze the relevance of INEQ
2. Extend basic regressions in Table 12 and 13, and analyze how LAC dummies are altered (same interaction as in 1, no interaction with LAC)
3. Analyze how LAC country dummies in Table 14 and 15 correlate with INEQ.
4. How to control for gini?
5. What variable covers best our current panel? All countries and year

Next

1. Check how different results are with smaller sample for each table
   1. Looks qualitatively consistent, but pre-1990 for LAC is probably only picking up debt crisis so I’m not sure it makes sense….
2. Check imputation method (impute gini using income per capita) – how unequal is LAC given its income?
   1. Might not get to this today.

Next 4/11

1. Check non-linear Gini specification in all regressions
2. Check market gini in all regs (appendix?)
   1. Relationship to age-time-cohort problem? Can only control for two of three: disposable gini, market gini, degree of redistribution (still need to think about this)
   2. If market Gini is very different, need to include both in regression
3. Check imputation method (impute gini using income per capita) – how unequal is LAC given its income (do we know this based on results already though? Still, shouldn’t be hard to do.)
   1. Maybe other variables will be better – income gap makes more sense actually, do this first (also need time dummies of course)

Next 4/21

1. Add only linear Gini spec with market
2. Add horse race with both Ginis (or think of better way to compare)
3. Imputation (hold off for now – need to decide how best to do it)
   1. Fixed effect (demeaning) vs first-differencing – why do one vs the other?
   2. What about first differencing, but with larger time periods (i.e. to accommodate for importance of time lags)

4/25

1. Imputation of Gini
   1. Core variable: income per capita, but allowing its effect to vary over time
   2. controlling for income per capita gap is a parametric way of doing this
   3. Country fixed effects
   4. Estimate using FE estimator or FD, but note all fixed effects end up being nuisance parameters – don’t need them for projection

5/19

1. Restricted sample (with Gini)
   1. Gini market alone (linear)
   2. Horse race: gini market vs gini disp (linear)
2. Imputation of Gini
   1. Are gaps continuous?
      1. If not just linearly interpolate
   2. Regressors
      1. Income per capita
      2. Income per capita gap relative to US
   3. Approach
      1. Estimate beta in first differences (or country dummies – think about which is more precise – also think about whether misspecification could make mixing them worse)
         1. If doing with country dummies, also include year (analogous to including constant in FD regression) or year dummies (even more flexibility, but more parameters to estimate).
      2. Construct residuals of levels regression with country dummies
      3. Estimate covariance of residual with its 1-year lag
      4. Construct projections by predicting rho differences (which now have uncorrelated noise)
      5. Or maybe US’s gini instead of time dummy
3. Now redo exercises with full sample

5/25

* Note: why do 7 year averages? To get rid of autocorrelation of errors? Then do we not need to cluster? Think about this. Check if have autocorrelation
* Extrapolation: just do constant from first point of data. Anything else too opaque.