

Example 8-5

September 11, 2020

```
[ ]: # install the following packages and libraries
install.packages("pder")
install.packages("plm")
install.packages("texreg")

library("plm")
library("texreg")

# import data
data("HousePricesUS", package = "pder")

# mean groups (MG) estimator
mgmod <- pmg(log(price) ~ log(income), data = HousePricesUS, model = "mg")
```

```
[3]: ##-----Block 1-----

#### Example 8-5 ####

## -----

# common correlated effects MG model
cmgmod <- pmg(log(price) ~ log(income), data = HousePricesUS, model = "cmg")

# table comparing the MG coefficient witht the CCEMG coefficient
screenreg(list(mg = mgmod, ccemg = cmgmod), digits = 3)
```

```
'\n=====
\n-----\n(Intercept) 3.850 *** -0.115 \n (0.204) (0.256) \nlog(income)
0.302 ** 1.135 ***\n (0.093) (0.195) \ny.bar 1.047 ***\n (0.058) \nlog(income).bar
-1.195 ***\n (0.199) \n-----\nNum. obs. 1421 1421
\n=====
\n*** p < 0.001;
** p < 0.01; * p < 0.05\n'
```