

Table 1: Association between automobile price and fuel efficiency

| | (1) | (2) | (3) | (4) |
|------------------|-------------------|-------------------|------------------|--------------------|
| | Domestic cars | | Foreign cars | |
| | Spec 1 | Spec 2 | Spec 1 | Spec 2 |
| Miles per gallon | -329*** (81.2) | 238 (203) | -250** (88.2) | -19.8 (51.7) |
| Weight (pounds) | | 4.42*** (1.34) | | 5.16*** (0.770) |
| N | 52 | 52 | 22 | 22 |
| R^2 | 0.254 | 0.483 | 0.399 | 0.785 |

Notes: Outcome variable is price (1978 dollars). Columns (1) and (2) report estimates of β from equation (??) for domestic automobiles. Columns (3) and (4) report estimates for foreign automobiles. Robust standard errors are reported in parentheses. A */**/** indicates significance at the 10/5/1% levels.