

Dis 3: Sampling (Cont'd); Stata Review

Relevant textbook chapter: 5

Stata handout offered by Dr. Pac can be accessed here: [Handout](#)

This handout reorganizes the official handout's information, and adds more Stata resources.

1 Sampling

- Recall from discussion 1 that a sample is a subset of data taken from the population. The action of taking this subset of data to construct your sample is called **sampling**.
- Eventually, our goal is to use the sample to draw conclusion about the population (inferential statistics), so it is important that our sample resembles the population.
- Different **sampling plans** are proposed to construct the sample, weighing the benefits of the plan against the costs:
 - Simple random sampling**: every possible sample entry has equal chance of being selected.
 - Stratified random sampling**: separate the population into mutually exclusive sets (i.e. strata), and then draw simple random samples from each stratum.
 - Cluster sampling**: population is first divided into groups, and then one uses simple random sampling to select groups; all observations within the selected groups thus enter the sample.

Exercise. Which sampling plan is used in each of the following examples?

- Categorize all Econ 310 students based on their class standing (freshman, sophomore, junior, senior, above senior), and then randomly selects 30 students from each class.
- Categorize all Econ 310 students based on their class standing (freshman, sophomore, junior, senior, above senior), and then randomly select 2 out of the 5 possible groups. The groups corresponding with the class standing selected are chosen as the sample.
- Number Econ 310 students sequentially from 1 to N . Draw 50 non-repeat random positive integers that are less than or equal to N . Select the students with the same numbers.

- As you can already see from the exercise, factoring in the specific steps taken when sampling, some sampling plan is expected to construct a sample that more closely resembles the population than the others.

To formally examine how far the samples are from the population, we look at two types of errors that occur:

- Sampling error**: difference between the sample and the population that exists only because the observations that happen to be included in the sample.
 \Rightarrow increasing the sample size reduces this error

2. **Nonsampling errors:** more serious type of error due to samples being selected improperly.
⇒ increasing the sample size will NOT reduce this type of error
Nonsampling errors can be divided into three categories:
- (a) **Errors in data acquisition:** the data is recorded wrong (due to incorrect measurement, mistake made during transcription, human errors)
 - (b) **Nonresponse errors:** responses are not obtained from certain people.
 - (c) **Selection bias:** some members from the target population cannot possibly be selected to be within the sample.

Exercise. Which type of error arises from the following examples?

1. You sent out a survey to all Econ 310 students via email, but some people quickly archived your email without filling out the survey.
2. You sent out a survey to all Econ 310 students via email, but some freshmen has yet to activate their UW email account, so the survey was not delivered to them.
3. You randomly selected 30 Econ 310 students to have them answer your survey questions. All 30 of them responded, and you did not make any mistake in recording the data. However, your result derived from the sample is still quite different from the parameter in the population.
4. You randomly selected 30 Econ 310 students to have them answer your survey questions. All 30 of them responded, but you messed up the order of items in two columns of the data recorded.

2 Stata Overview

- **What is Stata?**

- Stata is a software that allows you to analyze data statistically. You can think about it as the advanced version of Microsoft Excel.
- Some comparable software / programming languages out there that can do what Stata does (and maybe some more) include SAS, SPSS, R, Python, MATLAB, Julia.
 - * Because Stata is currently the most popular statistical package amongst economists, it is what we'll be learning and using for this class.
 - * If you go on to take Econ 400 or 410, you will continue to use Stata in that class as well.
 - * The Social Science Computing Cooperative (SSCC) here at UW-Madison offers some training classes in Stata, R, and Python. If you're interested in these classes, you can find more information on this website: https://sscc.wisc.edu/sscc_jsp/training/

- **How to access Stata?**

You can access Stata using either one of the two following methods:

- **Installing it onto your personal laptop (recommended):**

Visit UW Software Library (software.wisc.edu) for installation guide and license & activation key. The version of Stata to install is **Stata/SE**.

- **Logging into Winstat (i.e. a remote server; great alternative for people with Chromebook or using unsupported OS):**

Check out the following link for information on logging into Winstat: <https://kb.wisc.edu/sscc/using-winstat>

3 Get Started Using Stata

Let's go through the following steps to get you started on using Stata.

1. Launch Stata, and let's go through how the Stata program looks like. Specifically, identify
 - where results show up
 - where can you find the list of variables
 - where can you find more information about the variables
 - where to run your commands (via either the Command panel or the Do-file editor)
2. Before running any commands, let's set up the working directory to tell Stata which folder on your laptop should Stata read data and save graphs or results to. The easiest way to do so is to go to the menu bar, and select

File > Change working directory...

3. Just to make sure your name is somewhere in your results, use the display command to write your name in the log. For example, assuming you happen to be Lindsey Lohan, you would type the following command:

```
display "Lindsey Lohan"
```

4. Let's now load a set of data to do some simple statistical analysis. On your Stata problem set, we tell you exactly what command you should use to load the appropriate dataset. But for today, let's just load a sample dataset known as auto:

```
sysuse auto
```

5. Use the describe command to determine which variable in this dataset contains "Price" and which contains "Trunk space in cubic feet":

```
describe
```

6. Use the histogram command to graph a histogram of price and assess whether the distribution is symmetric or skewed:

```
histogram price
```

7. Save the histogram created by clicking on the “Save” button in the graph window. Make sure you save the graph as a .png file.
8. Use the summarize command to calculate the mean, median, and standard deviation of trunk space:

```
summarize trunk
```
9. Did the previous command have all the information you needed? If not, let’s now try the same command with the detail option:

```
summarize trunk, detail
```
10. Use the correlate command to calculate the correlation coefficient between price and trunk space:

```
correlate price trunk
```
11. Use the scatter command to graph a scatterplot of price (on the y-axis) and trunk space (on the x-axis) and assess the relationship between the two variables (note that the order of variables in the following command matters):

```
scatter price trunk
```
12. We’ve now finished running all practice commands. To save the output printed in the Results panel, go to

```
File > Print > Results
```


and then save your Stata output as a PDF document using your OS’s printing dialogue.

4 Some More Commands For Future Use

The previous section covered all the Stata commands for the statistical operations that we have learned so far in class. There are some other Stata commands that could be helpful for your Stata problem set due around the end of the semester (December 10 at 11pm). They are listed in here for you to reference to when doing your Stata problem set.

1. Use the ci command to calculate a 95% confidence interval for price:

```
ci means price, level(95)
```
2. Use the ttest command to test whether the population mean of trunk space is equal to 13 using a 10% size of test:

```
ttest trunk=13, level(90)
```
3. Use the ttest command to test whether the population mean of trunk space is greater than 13 using a 10% size of test. Note: Will this command differ from the one above? Why or why not?
4. Use the regress command to run a regression of price on trunk space (this language means price should be the dependent variable while trunk should be the explanatory variable, so the order of variables in the following command matters):

```
regress price trunk
```