

apc.indiv functions in the packageapc

Further examples

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1 Introduction

The purpose of this document is to provide some further examples for `apc.indiv` for `apc` where the run time is too long for packages.

2 Examples for the function `apc.indiv.est.model` and related functions

Repeated cross-sectional data

Get data

```
> library("ISLR")
> data("Wage")
> Wage2 <- Wage[Wage$age >= 25 & Wage$age <= 55, ]
> names(Wage2)[names(Wage2) %in% c("year", "age")] <- c("period", "age")
> cohort <- Wage2$period - Wage2$age
> indust_job <- ifelse(Wage2$jobclass=="1. Industrial", 1, 0)
> hasdegree <- ifelse(Wage2$education %in%
+   c("4. College Grad", "5. Advanced Degree"), 1, 0)
> married <- ifelse(Wage2$maritl == "2. Married", 1, 0)
> Wage3 <- cbind(Wage2, cohort, indust_job, hasdegree, married)
> rm(Wage, Wage2, cohort, indust_job, hasdegree, married)
```

Bare minimum

```
> library("plyr")
> library("apc")
> model1 <- apc.indiv.est.model(Wage3, dep.var="logwage")
> apc.plot.fit(model1)
```

WARNING apc.plot.fit: sdv large for plot 5 - possibly not plotted

Add covariates, use a binary outcome, specify model design

```
> model2 <- apc.indiv.est.model(Wage3, dep.var = "married",
+   covariates = c("logwage", "hasdegree"),
+   model.design = "AC",
+   model.family = "binomial")
> apc.plot.fit(model2)
```

WARNING apc.plot.fit: sdv large for plot 5 - possibly not plotted

```
> model2$coefficients.covariates
```

	Estimate	Std. Error	z value	Pr(> z)
logwage	1.4535291	0.1745708	8.326301	8.340768e-17
hasdegree	-0.2069537	0.1124355	-1.840644	6.567370e-02

use cohort-censored data (eliminates the cohort spike above)

```
> Wage3_cc <- Wage3[Wage3$cohort>1950 & Wage3$cohort<1982, ]
> model3 <- apc.indiv.est.model(Wage3_cc, dep.var = "married",
+                               covariates = c("logwage", "hasdegree"),
+                               model.design = "AC",
+                               model.family = "binomial",
+                               n.coh.excl.end = 3,
+                               n.coh.excl.start = 3)
> apc.plot.fit(model3)
```

WARNING apc.plot.fit: sdv large for plot 5 - possibly not plotted

```
> model3$coefficients.covariates
```

	Estimate	Std. Error	z value	Pr(> z)
logwage	1.408956	0.1772899	7.947183	1.907997e-15
hasdegree	-0.172659	0.1146910	-1.505428	1.322142e-01

standard hypothesis tests tools can be used

```
> library("car")
> linearHypothesis(model3$fit, "logwage = hasdegree", test="F")
```

Linear hypothesis test

Hypothesis:

logwage - hasdegree = 0

Model 1: restricted model

Model 2: married ~ logwage + hasdegree + age_slope + cohort_slope + DD_age_27 +
 DD_age_28 + DD_age_29 + DD_age_30 + DD_age_31 + DD_age_32 +
 DD_age_33 + DD_age_34 + DD_age_35 + DD_age_36 + DD_age_37 +
 DD_age_38 + DD_age_39 + DD_age_40 + DD_age_41 + DD_age_42 +
 DD_age_43 + DD_age_44 + DD_age_45 + DD_age_46 + DD_age_47 +
 DD_age_48 + DD_age_49 + DD_age_50 + DD_age_51 + DD_age_52 +
 DD_age_53 + DD_age_54 + DD_age_55 + DD_cohort_1953 + DD_cohort_1954 +
 DD_cohort_1955 + DD_cohort_1956 + DD_cohort_1957 + DD_cohort_1958 +
 DD_cohort_1959 + DD_cohort_1960 + DD_cohort_1961 + DD_cohort_1962 +
 DD_cohort_1963 + DD_cohort_1964 + DD_cohort_1965 + DD_cohort_1966 +
 DD_cohort_1967 + DD_cohort_1968 + DD_cohort_1969 + DD_cohort_1970 +
 DD_cohort_1971 + DD_cohort_1972 + DD_cohort_1973 + DD_cohort_1974 +
 DD_cohort_1975 + DD_cohort_1976 + DD_cohort_1977 + DD_cohort_1978 +
 DD_cohort_1979 + DD_cohort_1980 + DD_cohort_1981

Res.Df	Df	F	Pr(>F)
1	2254		

```
2 2253 1 40.848 1.993e-10 ***
```

```
---
```

```
Signif. codes: 0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1
```

use a binomial time-saturated model with optional specification of parameters

```
> model4 <- apc.indiv.est.model(Wage3_cc, dep.var = "hasdegree",
+                               model.family = "binomial",
+                               covariates = "logwage",
+                               model.design = "TS",
+                               n.coh.excl.start = 3,
+                               n.coh.excl.end = 3)
```

```
[1] "max iterations exceeded, did not converge at first derivative"
```

```
> model4$result
```

```
[1] "exceed d1 tolerance, re-enter loop"
```

change the parameters of the Newton-Rhapson iteration to ensure convergence (only maxit.loop changed, others are default values)

```
> myspec2 <- list(20,30,.002,"ols",.Machine$double.eps,.002,NULL,NULL)
> names(myspec2) <- c("maxit.loop", "maxit.linesearch", "tolerance",
+                   "init", "inv.tol", "d1.tol", "custom.kappa", "custom.zeta")
> model4b <- apc.indiv.est.model(Wage3_cc, dep.var = "hasdegree",
+                               model.family = "binomial",
+                               covariates = "logwage",
+                               model.design = "TS",
+                               n.coh.excl.start = 3,
+                               n.coh.excl.end = 3,
+                               NR.controls = myspec2)
```

```
[1] "converged after 11 iterations"
```

```
> model4b$result
```

```
[1] "converge"
```

run a model with invented survey weights

```
> library("survey")
> inv_wt <- runif(nrow(Wage3), 0, 1)
> Wage_wt <- cbind(Wage3, inv_wt)
> model5 <- apc.indiv.est.model(Wage_wt, dep.var = "logwage",
+                               wt.var= "inv_wt")
> apc.plot.fit(model5)
```

```
WARNING apc.plot.fit: sdv large for plot 5 - possibly not plotted
```

compare to model1

Panel data

```
> library("AER")
> data("PSID7682")
> period <- as.numeric(PSID7682$year) + 1975
> entry <- period - PSID7682$experience
> logwage <- log(PSID7682$wage)
> inunion <- ifelse(PSID7682$union == "yes", 1, 0)
> insouth <- ifelse(PSID7682$south == "yes", 1, 0)
> psid2 <- cbind(PSID7682, period, entry, logwage, inunion, insouth)
> names(psid2)[names(psid2) %in% c("experience", "entry")] <-
+                                     c("age", "cohort")
> psid3 <- psid2[psid2$cohort >=1939, ]
> rm(PSID7682, period, entry, logwage, inunion, insouth, psid2)
```

run a panel data model with fixed effects

```
> library("plm")
> model6 <- apc.indiv.est.model(psid3, dep.var = "logwage",
+                               covariates = c("inunion", "insouth"),
+                               plmmodel = "within", id.var = "id",
+                               model.design = "FAP")
> apc.plot.fit(model6)
> model6$coefficients.covariates
```

	Estimate	Std. Error	t-value	Pr(> t)
inunion	0.025568738	0.01501287	1.7031212	0.0886358
insouth	0.006450151	0.03393061	0.1900983	0.8492434

existing hypothesis test tools can be used to compare models

```
> model6b <- apc.indiv.est.model(psid3, dep.var = "logwage",
+                               plmmodel = "within", id.var = "id",
+                               model.design = "FAP")
> waldtest(model6$fit, model6b$fit)
```

Wald test

```
Model 1: logwage ~ inunion + insouth + age_slope + DD_age_3 + DD_age_4 +
  DD_age_5 + DD_age_6 + DD_age_7 + DD_age_8 + DD_age_9 + DD_age_10 +
  DD_age_11 + DD_age_12 + DD_age_13 + DD_age_14 + DD_age_15 +
  DD_age_16 + DD_age_17 + DD_age_18 + DD_age_19 + DD_age_20 +
  DD_age_21 + DD_age_22 + DD_age_23 + DD_age_24 + DD_age_25 +
  DD_age_26 + DD_age_27 + DD_age_28 + DD_age_29 + DD_age_30 +
  DD_age_31 + DD_age_32 + DD_age_33 + DD_age_34 + DD_age_35 +
  DD_age_36 + DD_age_37 + DD_age_38 + DD_age_39 + DD_age_40 +
  DD_age_41 + DD_age_42 + DD_age_43 + DD_period_1978 + DD_period_1979 +
```

```

DD_period_1980 + DD_period_1981 + DD_period_1982
Model 2: logwage ~ age_slope + DD_age_3 + DD_age_4 + DD_age_5 + DD_age_6 +
DD_age_7 + DD_age_8 + DD_age_9 + DD_age_10 + DD_age_11 +
DD_age_12 + DD_age_13 + DD_age_14 + DD_age_15 + DD_age_16 +
DD_age_17 + DD_age_18 + DD_age_19 + DD_age_20 + DD_age_21 +
DD_age_22 + DD_age_23 + DD_age_24 + DD_age_25 + DD_age_26 +
DD_age_27 + DD_age_28 + DD_age_29 + DD_age_30 + DD_age_31 +
DD_age_32 + DD_age_33 + DD_age_34 + DD_age_35 + DD_age_36 +
DD_age_37 + DD_age_38 + DD_age_39 + DD_age_40 + DD_age_41 +
DD_age_42 + DD_age_43 + DD_period_1978 + DD_period_1979 +
DD_period_1980 + DD_period_1981 + DD_period_1982
Res.Df Df Chisq Pr(>Chisq)
1 3437
2 3439 -2 2.9468 0.2291

```

Illustrate the use of the underlying functions

```

> collinear_1 <- apc.indiv.design.collinear(psid3)
> design_1 <- apc.indiv.design.model(collinear_1, dep.var = "logwage",
+ covariates = c("inunion", "insouth"),
+ plmmodel = "random", id.var = "id")
> plm_1 <- plm(design_1$model.formula,
+ data = collinear_1$full.design.collinear,
+ index = c("id", "period"), model = "random")
> design_2 <- apc.indiv.design.model(collinear_1, dep.var = "logwage",
+ plmmodel = "random", id.var = "id")
> fit_2 <- apc.indiv.fit.model(design_2)
> waldtest(plm_1, fit_2$fit, test="F")

```

Wald test

```

Model 1: logwage ~ inunion + insouth + age_slope + cohort_slope + DD_age_3 +
DD_age_4 + DD_age_5 + DD_age_6 + DD_age_7 + DD_age_8 + DD_age_9 +
DD_age_10 + DD_age_11 + DD_age_12 + DD_age_13 + DD_age_14 +
DD_age_15 + DD_age_16 + DD_age_17 + DD_age_18 + DD_age_19 +
DD_age_20 + DD_age_21 + DD_age_22 + DD_age_23 + DD_age_24 +
DD_age_25 + DD_age_26 + DD_age_27 + DD_age_28 + DD_age_29 +
DD_age_30 + DD_age_31 + DD_age_32 + DD_age_33 + DD_age_34 +
DD_age_35 + DD_age_36 + DD_age_37 + DD_age_38 + DD_age_39 +
DD_age_40 + DD_age_41 + DD_age_42 + DD_age_43 + DD_period_1978 +
DD_period_1979 + DD_period_1980 + DD_period_1981 + DD_period_1982 +
DD_cohort_1941 + DD_cohort_1942 + DD_cohort_1943 + DD_cohort_1944 +
DD_cohort_1945 + DD_cohort_1946 + DD_cohort_1947 + DD_cohort_1948 +
DD_cohort_1949 + DD_cohort_1950 + DD_cohort_1951 + DD_cohort_1952 +
DD_cohort_1953 + DD_cohort_1954 + DD_cohort_1955 + DD_cohort_1956 +
DD_cohort_1957 + DD_cohort_1958 + DD_cohort_1959 + DD_cohort_1960 +

```

```

DD_cohort_1961 + DD_cohort_1962 + DD_cohort_1963 + DD_cohort_1964 +
DD_cohort_1965 + DD_cohort_1966 + DD_cohort_1967 + DD_cohort_1968 +
DD_cohort_1969 + DD_cohort_1970 + DD_cohort_1971 + DD_cohort_1972 +
DD_cohort_1973 + DD_cohort_1974 + DD_cohort_1975
Model 2: logwage ~ age_slope + cohort_slope + DD_age_3 + DD_age_4 + DD_age_5 +
DD_age_6 + DD_age_7 + DD_age_8 + DD_age_9 + DD_age_10 + DD_age_11 +
DD_age_12 + DD_age_13 + DD_age_14 + DD_age_15 + DD_age_16 +
DD_age_17 + DD_age_18 + DD_age_19 + DD_age_20 + DD_age_21 +
DD_age_22 + DD_age_23 + DD_age_24 + DD_age_25 + DD_age_26 +
DD_age_27 + DD_age_28 + DD_age_29 + DD_age_30 + DD_age_31 +
DD_age_32 + DD_age_33 + DD_age_34 + DD_age_35 + DD_age_36 +
DD_age_37 + DD_age_38 + DD_age_39 + DD_age_40 + DD_age_41 +
DD_age_42 + DD_age_43 + DD_period_1978 + DD_period_1979 +
DD_period_1980 + DD_period_1981 + DD_period_1982 + DD_cohort_1941 +
DD_cohort_1942 + DD_cohort_1943 + DD_cohort_1944 + DD_cohort_1945 +
DD_cohort_1946 + DD_cohort_1947 + DD_cohort_1948 + DD_cohort_1949 +
DD_cohort_1950 + DD_cohort_1951 + DD_cohort_1952 + DD_cohort_1953 +
DD_cohort_1954 + DD_cohort_1955 + DD_cohort_1956 + DD_cohort_1957 +
DD_cohort_1958 + DD_cohort_1959 + DD_cohort_1960 + DD_cohort_1961 +
DD_cohort_1962 + DD_cohort_1963 + DD_cohort_1964 + DD_cohort_1965 +
DD_cohort_1966 + DD_cohort_1967 + DD_cohort_1968 + DD_cohort_1969 +
DD_cohort_1970 + DD_cohort_1971 + DD_cohort_1972 + DD_cohort_1973 +
DD_cohort_1974 + DD_cohort_1975
Res.Df Df      F Pr(>F)
1    3981
2    3983 -2 6.2547 0.00194 **
---
Signif. codes:  0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1

```

3 Examples for the function `apc.indiv.model.table` and related functions

Repeated cross-sectional data

```

> library("ISLR")
> data("Wage")
> Wage2 <- Wage[Wage$age >= 25 & Wage$age <= 55, ]
> names(Wage2)[names(Wage2) %in% c("year", "age")] <- c("period", "age")
> cohort <- Wage2$period - Wage2$age
> indust_job <- ifelse(Wage2$jobclass=="1. Industrial", 1, 0)
> hasdegree <- ifelse(Wage2$education %in%
+                   c("4. College Grad", "5. Advanced Degree"), 1, 0)
> married <- ifelse(Wage2$maritl == "2. Married", 1, 0)
> Wage3 <- cbind(Wage2, cohort, indust_job, hasdegree, married)

```



```
> rm(Wage, Wage2, cohort, indust_job, hasdegree, married)
```

Gaussian outcome variable, no covariates

```
> test1 <- apc.indiv.model.table(Wage3, dep.var="logwage",
+                               test= "Wald", dist="F",
+                               model.family="gaussian",
+                               TS=TRUE)
> test1$table
```

	Wald (F) vs TS DF (* , 2198)			p-value	Wald (F) vs APC DF (* , 2343)		
TS	NA	NA	NA		NA	NA	NA
APC	1.122	145	0.159		NA	NA	NA
AP	1.114	180	0.152		1.072		35
AC	1.104	150	0.190		0.591		5
PC	1.196	174	0.047		1.551		29
Ad	1.098	185	0.183		1.003		40
Pd	1.291	209	0.005		1.661		64
Cd	1.174	179	0.064		1.387		34
A	1.187	186	0.049		1.406		41
P	1.588	210	0.000		2.609		65
C	1.391	180	0.001		2.485		35
t	1.271	214	0.007		1.572		69
tA	1.333	215	0.001		1.756		70
tP	1.561	215	0.000		2.452		70
tC	1.412	215	0.000		1.998		70
1	1.629	216	0.000		2.645		71

	p-value	AIC	lik
TS	NA	1644.926	-604.463
APC	NA	1527.376	-690.688
AP	0.356	1495.743	-709.872
AC	0.707	1520.417	-692.209
PC	0.031	1515.312	-713.656
Ad	0.466	1488.378	-711.189
Pd	0.001	1506.552	-744.276
Cd	0.068	1507.494	-714.747
A	0.046	1504.082	-720.041
P	0.000	1566.115	-775.058
C	0.000	1545.412	-734.706
t	0.002	1498.697	-745.348
tA	0.000	1510.864	-752.432
tP	0.000	1558.132	-776.066
tC	0.000	1527.363	-760.682
1	0.000	1571.551	-783.776

Binomial outcome variable, one covariate

```
> test2 <- apc.indiv.model.table(Wage3, dep.var="married",
+                               covariates = "hasdegree",
+                               test="LR", dist="Chisq",
+                               TS=TRUE, model.family="binomial")
```

```
[1] "converged after 10 iterations"
```

```
> test2$table
```

	LR-test vs TS	df	p-value	LR-test vs APC	df	p-value	AIC	Loglikelihood
TS	NA	NA	NA	NA	NA	NA	2900.951	-1232.475
APC	162.954	145	0.146	NA	NA	NA	2773.905	-1313.952
AP	208.609	180	0.071	45.655	35	0.107	2749.560	-1336.780
AC	167.492	150	0.156	4.538	5	0.475	2768.442	-1316.221
PC	201.305	174	0.077	38.352	29	0.115	2754.256	-1333.128
Ad	213.932	185	0.071	50.978	40	0.114	2744.882	-1339.441
Pd	281.728	209	0.001	118.774	64	0.000	2764.679	-1373.339
Cd	205.734	179	0.083	42.780	34	0.144	2748.685	-1335.342
A	216.313	186	0.063	53.359	41	0.093	2745.263	-1340.632
P	413.110	210	0.000	250.156	65	0.000	2894.061	-1439.030
C	209.321	180	0.066	46.367	35	0.095	2750.272	-1337.136
t	287.589	214	0.001	124.635	69	0.000	2760.539	-1376.270
tA	290.673	215	0.000	127.719	70	0.000	2761.623	-1377.812
tP	420.025	215	0.000	257.071	70	0.000	2890.976	-1442.488
tC	288.592	215	0.001	125.638	70	0.000	2759.542	-1376.771
1	422.209	216	0.000	259.255	71	0.000	2891.160	-1443.580

```
> test2$NR.report
```

```
$result
```

```
[1] "converge"
```

```
$n.loop.iterations
```

```
[1] 13
```

```
$n.linesearch.iterations
```

```
[1] 0
```

```
$d1_new
```

```
[1] 0.000000e+00 2.220446e-16 0.000000e+00 -8.881784e-16 -9.564670e-05
[6] 2.220446e-16 -5.467878e-05 -2.220446e-16 -4.099880e-05 0.000000e+00
[11] 0.000000e+00 0.000000e+00 0.000000e+00 -1.229964e-04 0.000000e+00
[16] 0.000000e+00 0.000000e+00 4.440892e-16 1.110223e-16 0.000000e+00
[21] 0.000000e+00 0.000000e+00 0.000000e+00 0.000000e+00 -9.544344e-05
[26] 0.000000e+00 0.000000e+00 0.000000e+00 0.000000e+00 0.000000e+00
[31] -8.881784e-16 0.000000e+00 8.881784e-16 8.881784e-16 0.000000e+00
```

```

[36] 0.000000e+00 0.000000e+00 1.776357e-15 0.000000e+00 0.000000e+00
[41] 0.000000e+00 0.000000e+00 0.000000e+00 0.000000e+00 0.000000e+00
[46] -8.881784e-16 0.000000e+00 4.440892e-16 -8.881784e-16 0.000000e+00
[51] 0.000000e+00 1.776357e-15 0.000000e+00 0.000000e+00 0.000000e+00
[56] 0.000000e+00 -1.776357e-15 0.000000e+00 4.440892e-16 0.000000e+00
[61] 0.000000e+00 1.776357e-15 -8.881784e-16 0.000000e+00 1.776357e-15
[66] -1.776357e-15 0.000000e+00 0.000000e+00 0.000000e+00 0.000000e+00
[71] 0.000000e+00 0.000000e+00 0.000000e+00 0.000000e+00 5.020369e-05
[76] 0.000000e+00 0.000000e+00 0.000000e+00 0.000000e+00 8.881784e-16
[81] 0.000000e+00 8.881784e-16 1.776357e-15 0.000000e+00 0.000000e+00
[86] 1.776357e-15 0.000000e+00 1.776357e-15 0.000000e+00 0.000000e+00
[91] 0.000000e+00 1.776357e-15 0.000000e+00 0.000000e+00 0.000000e+00
[96] 0.000000e+00 0.000000e+00 0.000000e+00 -1.776357e-15 1.776357e-15
[101] 0.000000e+00 1.104785e-04 0.000000e+00 0.000000e+00 5.024000e-05
[106] -3.552714e-15 0.000000e+00 -3.552714e-15 0.000000e+00 0.000000e+00
[111] 9.036774e-05 0.000000e+00 0.000000e+00 -3.552714e-15 0.000000e+00
[116] 0.000000e+00 0.000000e+00 0.000000e+00 -8.881784e-16 0.000000e+00
[121] -3.552714e-15 1.776357e-15 0.000000e+00 -1.776357e-15 0.000000e+00
[126] 0.000000e+00 0.000000e+00 0.000000e+00 0.000000e+00 0.000000e+00
[131] 0.000000e+00 0.000000e+00 -8.881784e-16 0.000000e+00 0.000000e+00
[136] 0.000000e+00 0.000000e+00 0.000000e+00 0.000000e+00 0.000000e+00
[141] 0.000000e+00 1.776357e-15 0.000000e+00 1.776357e-15 0.000000e+00
[146] -1.776357e-15 8.881784e-16 0.000000e+00 0.000000e+00 -1.776357e-15
[151] 0.000000e+00 1.104785e-04 0.000000e+00 0.000000e+00 0.000000e+00
[156] 1.105386e-04 0.000000e+00 0.000000e+00 -1.776357e-15 0.000000e+00
[161] 0.000000e+00 0.000000e+00 0.000000e+00 1.776357e-15 0.000000e+00
[166] 1.776357e-15 0.000000e+00 0.000000e+00 0.000000e+00 8.881784e-16
[171] 0.000000e+00 0.000000e+00 0.000000e+00 0.000000e+00 0.000000e+00
[176] 0.000000e+00 1.105386e-04 1.776357e-15 0.000000e+00 0.000000e+00
[181] -1.776357e-15 8.881784e-16 0.000000e+00 0.000000e+00 8.881784e-16
[186] 0.000000e+00 0.000000e+00 0.000000e+00 0.000000e+00 0.000000e+00
[191] 0.000000e+00 0.000000e+00 0.000000e+00 8.881784e-16 1.776357e-15
[196] 8.881784e-16 0.000000e+00 1.776357e-15 4.009518e-05 0.000000e+00
[201] -1.776357e-15 0.000000e+00 0.000000e+00 0.000000e+00 0.000000e+00
[206] 0.000000e+00 0.000000e+00 0.000000e+00 8.881784e-16 8.881784e-16
[211] 0.000000e+00 0.000000e+00 8.881784e-16 0.000000e+00 0.000000e+00
[216] 8.881784e-16 0.000000e+00 8.248124e-05

```

```
$norm.d1
```

```
[1] 0.0003294338
```

Add hypothetical survey weights to the data, investigate models for a binomial outcome with one covariate

```

> inv_wt <- runif(nrow(Wage3), 0, 1)
> Wage_wt <- cbind(Wage3, inv_wt)

```



```
+                               test="Wald", dist="Chisq")
> test4$table
```

	Wald (Chisq)	vs APC	Df	p-value
AP	71.585		35	0
AC	30.906		5	0
PC	105.265		41	0
Ad	102.323		40	0
Pd	182.937		76	0
Cd	148.776		46	0
A	2021.784		41	0
P	209.184		77	0
C	6877.904		47	0
t	226.445		81	0
tA	2500.351		82	0
tP	252.651		82	0
tC	6955.568		82	0
1	6981.699		83	0

Gaussian outcome variable, no covariates, fixed effects

```
> test5 <- apc.indiv.model.table(psid3, dep.var="logwage",
+                               plmmmodel="within", id.var="id",
+                               model.family="gaussian",
+                               test="Wald", dist="Chisq")
> test5$table
```

	Wald (Chisq)	vs FAP	Df	p-value
FA	31.499		5	0
FP	106.314		41	0
Ft	150.797		46	0

4 Examples for the function `apc.indiv.compare.direct` and related functions

Repeated cross-sectional data

Get data

```
> library("ISLR")
> data("Wage")
> Wage2 <- Wage[Wage$age >= 25 & Wage$age <= 55, ]
> names(Wage2)[names(Wage2) %in% c("year", "age")] <- c("period", "age")
> cohort <- Wage2$period - Wage2$age
> indust_job <- ifelse(Wage2$jobclass=="1. Industrial", 1, 0)
```

```
> hasdegree <- ifelse(Wage2$education %in%
+   c("4. College Grad", "5. Advanced Degree"), 1, 0)
> married <- ifelse(Wage2$maritl == "2. Married", 1, 0)
> Wage3 <- cbind(Wage2, cohort, indust_job, hasdegree, married)
> rm(Wage, Wage2, cohort, indust_job, hasdegree, married)
```

Use an F-test to compare an AP model to a tP model

```
> test1 <- apc.indiv.compare.direct(Wage3, big.model="AP",
+   small.model="tP",
+   dep.var="logwage", model.family="gaussian",
+   test="Wald", dist="F")
> test1
```

```
$test.type
[1] "Wald"
```

```
$dist.type
[1] "F"
```

```
$test.stat
[1] 3.828554
```

```
$df
[1] "(35, 2378)"
```

```
$df.num
[1] 35
```

```
$df.denom
[1] 2378
```

```
$p.value
[1] 4.675724e-13
```

```
$aic.big
[1] 1495.743
```

```
$aic.small
[1] 1558.132
```

```
$lik.big
[1] -709.8717
```

```
$lik.small
[1] -776.0659
```



```
$test.type
[1] "Wald"

$dist.type
[1] "Chisq"

$test.stat
[1] 138.465

$df
[1] 65

$df.num
[1] 65

$df.denom
[1] 2341

$p.value
[1] 3.100534e-07

$aic.big
[1] 1763.791

$aic.small
[1] 1756.529

$lik.big
NULL

$lik.small
NULL
```

Panel data

Get data

```
> library("AER")
> data("PSID7682")
> period <- as.numeric(PSID7682$year) + 1975
> entry <- period - PSID7682$experience
> logwage <- log(PSID7682$wage)
> inunion <- ifelse(PSID7682$union == "yes", 1, 0)
> insouth <- ifelse(PSID7682$south == "yes", 1, 0)
> psid2 <- cbind(PSID7682, period, entry, logwage, inunion, insouth)
```



```
> names(psid2)[names(psid2) %in% c("experience", "entry")] <-  
+                                     c("age", "cohort")  
> psid3 <- psid2[psid2$cohort >=1939, ]
```

Compare a random effects Pd model to a t model

```
> test4 <- apc.indiv.compare.direct(psid3, big.model="Pd",  
+                                 small.model="t",  
+                                 dep.var="logwage", covariates="insouth",  
+                                 plmmodel="random", id.var="id",  
+                                 model.family="gaussian", test="Wald", dist="F")
```

```
> test4
```

```
$test.type  
[1] "Wald"
```

```
$dist.type  
[1] "F"
```

```
$test.stat  
[1] 8.549621
```

```
$df  
[1] "(5, 4058)"
```

```
$df.num  
[1] 5
```

```
$df.denom  
[1] 4058
```

```
$p.value  
[1] 4.5791e-08
```

```
$aic.big  
NULL
```

```
$aic.small  
NULL
```

```
$lik.big  
NULL
```

```
$lik.small  
NULL
```

Compare a fixed effects FAP model to an FP model

```
> test5 <- apc.indiv.compare.direct(psid3, big.model="FAP",
+                                 small.model="FP",
+                                 dep.var="logwage",
+                                 plmmodel="within", id.var="id",
+                                 model.family="gaussian", test="Wald",
+                                 dist="Chisq")
> test5
```

```
$test.type
```

```
[1] "Wald"
```

```
$dist.type
```

```
[1] "Chisq"
```

```
$test.stat
```

```
[1] 106.3142
```

```
$df
```

```
[1] 41
```

```
$df.num
```

```
[1] 41
```

```
$df.denom
```

```
[1] 3439
```

```
$p.value
```

```
[1] 1.050458e-07
```

```
$aic.big
```

```
NULL
```

```
$aic.small
```

```
NULL
```

```
$lik.big
```

```
NULL
```

```
$lik.small
```

```
NULL
```

5 Examples for the function `apc.plot.fit`

Get repeated cross-sectional data

```
> library("ISLR")
> data("Wage")
> Wage2 <- Wage[Wage$age >= 25 & Wage$age <= 55, ]
> names(Wage2)[names(Wage2) %in% c("year", "age")] <- c("period", "age")
> cohort <- Wage2$period - Wage2$age
> indust_job <- ifelse(Wage2$jobclass=="1. Industrial", 1, 0)
> hasdegree <- ifelse(Wage2$education %in%
+                     c("4. College Grad", "5. Advanced Degree"), 1, 0)
> married <- ifelse(Wage2$maritl == "2. Married", 1, 0)
> Wage3 <- cbind(Wage2, cohort, indust_job, hasdegree, married)
> rm(Wage, Wage2, cohort, indust_job, hasdegree, married)
```

Estimate and plot a model

```
> library("plyr")
> library("apc")
> model1 <- apc.indiv.est.model(Wage3, dep.var="logwage")
> apc.plot.fit(model1)
```

WARNING apc.plot.fit: sdv large for plot 5 - possibly not plotted