Package ‘PanelCount’

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PanelCount

Panel Count Models with Random Effects and/or Sample Selection

Description

A high performance package for estimating panel count models with random effects and/or sample selection.

Functions

ProbitRE: Probit model with random effects on individuals

PoissonRE: Poisson model with random effects on individuals

PLN_RE: Poisson Lognormal model with random effects on individuals

ProbitRE_PoissonRE: PoissonRE and ProbitRE model with correlated random effects on individuals

ProbitRE_PLNRE: PLN_RE and ProbitRE model with correlated random effects on individual level and correlated error terms on individual-time level

References


**PLN_RE**  

---

**Description**

Estimate a Poisson model with random effects at the individual and individual-time levels.

\[
E[y_{it}|x_{it}, v_i, \epsilon_{it}] = \exp(\beta x_{it} + \sigma v_i + \gamma \epsilon_{it})
\]

Notations:

- \( x_{it} \): variables influencing the selection decision \( y_{it} \), which could be a mixture of time-variant variables, time-invariant variables, and time dummies
- \( v_i \): individual level random effect
- \( \epsilon_{it} \): individual-time level random effect

\( v_i \) and \( \epsilon_{it} \) can both account for overdispersion.

**Usage**

```r
PLN_RE(
  formula,  # Formula of the model
  data,     # Input data, a data.frame object
  id.name,  # The name of the column representing id. Data will be sorted by id to improve estimation speed.
  par = NULL, # Starting values for estimates. Default to estimates of Poisson RE model.
  sigma = NULL, # Starting value for sigma. Defaults to 1 and will be ignored if par is provided.
  gamma = NULL, # Starting value for gamma. Defaults to 1 and will be ignored if par is provided.
  method = "BFGS", # Optimization method
  adaptiveLL = TRUE, # Adaptive Newton-Raphson
  stopUpdate = FALSE, # Stop update if the optimization stops
  se_type = c("BHHH", "Hessian")[1], # Type of standard error
  H = 12, # Number of Hessian calculations
  psnH = 12, # Number of psnH calculations
  reltol = sqrt(.Machine$double.eps), # Relative tolerance
  verbose = 0 # Verbosity level
)
```

**Arguments**

- **formula**: Formula of the model
- **data**: Input data, a data.frame object
- **id.name**: The name of the column representing id. Data will be sorted by id to improve estimation speed.
- **par**: Starting values for estimates. Default to estimates of Poisson RE model.
- **sigma**: Starting value for sigma. Defaults to 1 and will be ignored if par is provided.
- **gamma**: Starting value for gamma. Defaults to 1 and will be ignored if par is provided.
method

Optimization method used by optim. Defaults to 'BFGS'.

adaptiveLL

Whether to use Adaptive Gaussian Quadrature. Defaults to TRUE because it is more reliable (though slower) for long panels.

stopUpdate

Whether to disable update of Adaptive Gaussian Quadrature parameters. Defaults to FALSE.

se_type

Report Hessian or BHHH standard errors. Defaults to BHHH.

H

Number of Quadrature points used for numerical integration using the Gaussian-Hermite Quadrature method. Defaults to 20.

psnH

Number of Quadrature points for Poisson RE model

reltol

Relative convergence tolerance. The algorithm stops if it is unable to reduce the value by a factor of reltol * (abs(val) + reltol) at a step. Defaults to sqrt(.Machine$double.eps), typically about 1e-8.

verbose

A integer indicating how much output to display during the estimation process.
  • <0 - No output
  • 0 - Basic output (model estimates)
  • 1 - Moderate output, basic output + parameter and likelihood in each iteration
  • 2 - Extensive output, moderate output + gradient values on each call

Value

A list containing the results of the estimated model, some of which are inherited from the return of optim

  • estimates: Model estimates with 95% confidence intervals
  • par: Point estimates
  • var_bhhh: BHHH covariance matrix, inverse of the outer product of gradient at the maximum
  • var_hessian: Inverse of negative Hessian matrix (the second order derivative of likelihood at the maximum)
  • se_bhhh: BHHH standard errors
  • g: Gradient function at maximum
  • gtHg: $g'H^{-1}g$, where $H^{-1}$ is approximated by var_bhhh. A value close to zero (e.g., <1e-3 or 1e-6) indicates good convergence.
  • LL: Likelihood
  • AIC: AIC
  • BIC: BIC
  • n_obs: Number of observations
  • time: Time takes to estimate the model
  • partial: Average partial effect at the population level
  • partialAvgObs: Partial effect for an individual with average characteristics
  • predict: A list with predicted participation probability (prob), predicted potential outcome (outcome), and predicted actual outcome (actual_outcome).
PoissonRE

A Poisson Model with Random Effects

Description

Estimate a Poisson model with random effects at the individual level.

\[ E[y_{it} | x_{it}, v_i] = exp(\beta x_{it}' + \sigma v_i) \]

Notations:

- \( x_{it} \): variables influencing the outcome \( y_{it} \), which could be a mixture of time-variant variables, time-invariant variables, and time dummies
- \( v_i \): individual level random effect

References


See Also

Other PanelCount: PoissonRE(), ProbitRE_PLNRE(), ProbitRE_PoissonRE(), ProbitRE()

Examples

# Use the simulated dataset, in which the true coefficient of x is 1.
# Estimated coefficient is biased due to omission of self-selection
data(sim)
res = PLN_RE(y~x, data=sim[!is.na(sim$y), ], id.name='id', verbose=-1)
res$estimates
Usage

PoissonRE(
  formula,
  data,
  id.name,
  par = NULL,
  sigma = NULL,
  method = "BFGS",
  stopUpdate = FALSE,
  se_type = c("Hessian", "BHHH")[1],
  H = 20,
  reltol = sqrt(.Machine$double.eps),
  verbose = 0
)

Arguments

  formula  Formula of the model
  data     Input data, a data.frame object
  id.name  The name of the column representing id. Data will be sorted by id to improve estimation speed.
  par      Starting values for estimates. Default to estimates of Poisson Model
  sigma    Starting value for sigma. Defaults to 1 and will be ignored if par is provided.
  method   Optimization method used by optim. Defaults to 'BFGS'.
  stopUpdate    Whether to disable update of Adaptive Gaussian Quadrature parameters. Defaults to FALSE.
  se_type  Report Hessian or BHHH standard errors. Defaults to Hessian.
  H        Number of Quadrature points used for numerical integration using the Gaussian-Hermite Quadrature method. Defaults to 20.
  reltol   Relative convergence tolerance. The algorithm stops if it is unable to reduce the value by a factor of reltol * (abs(val) + reltol) at a step. Defaults to sqrt(.Machine$double.eps), typically about 1e-8.
  verbose  A integer indicating how much output to display during the estimation process.
            • <0 - No output
            • 0 - Basic output (model estimates)
            • 1 - Moderate output, basic output + parameter and likelihood in each iteration
            • 2 - Extensive output, moderate output + gradient values on each call

Value

A list containing the results of the estimated model, some of which are inherited from the return of optim

  • estimates: Model estimates with 95% confidence intervals
• par: Point estimates
• var_bhhh: BHHH covariance matrix, inverse of the outer product of gradient at the maximum
• var_hessian: Inverse of negative Hessian matrix (the second order derivative of likelihood at the maximum)
• se_bhhh: BHHH standard errors
• g: Gradient function at maximum
• gtHg: $g'H^{-1}g$, where $H^{-1}$ is approximated by var_bhhh. A value close to zero (e.g., <1e-3 or 1e-6) indicates good convergence.
• LL: Likelihood
• AIC: AIC
• BIC: BIC
• n_obs: Number of observations
• time: Time takes to estimate the model
• partial: Average partial effect at the population level
• partialAvgObs: Partial effect for an individual with average characteristics
• predict: A list with predicted participation probability (prob), predicted potential outcome (outcome), and predicted actual outcome (actual_outcome).
• counts: From optim. A two-element integer vector giving the number of calls to fn and gr respectively. This excludes those calls needed to compute the Hessian, if requested, and any calls to fn to compute a finite-difference approximation to the gradient.
• message: From optim. A character string giving any additional information returned by the optimizer, or NULL.
• convergence: From optim. An integer code. 0 indicates successful completion. Note that the list inherits all the complements in the output of optim. See the documentation of optim for more details.

References


See Also

Other PanelCount: PLN_RE(), ProbitRE_PLNRE(), ProbitRE_PoissonRE(), ProbitRE()

Examples

# Use the simulated dataset, in which the true coefficient of x is 1.
# Estimated coefficient is biased primarily due to omission of self-selection
data(sim)
res = PoissonRE(y~x, data=sim[!is.na(sim$y), ], id.name='id', verbose=-1)
res$estimates
predict_ProbitRE_PLNRE

Predictions of ProbitRE_PLNRE model on new sample

Description

Predictions of ProbitRE_PLNRE model on new sample. Please make sure the factor variables in the test data do not have levels not shown in the training data.

Usage

```r
predict_ProbitRE_PLNRE(
  par,
  sel_form,
  out_form,
  data,
  offset_w_name = NULL,
  offset_x_name = NULL
)
```

Arguments

- `par`  Model estimates
- `sel_form`  Formula for selection equation, a Probit model with random effects
- `out_form`  Formula for outcome equation, a Poisson Lognormal model with random effects
- `data`  Input data, a data.frame object
- `offset_w_name`  Offset variables in selection equation, if any.
- `offset_x_name`  Offset variables in outcome equation, if any.

Value

A list with three sets of predictions

- `prob`: Predicted probability to participate
- `outcome`: Predicted potential outcome
- `actual_outcome`: Predicted actual outcome
**predict_ProbitRE_PoissonRE**

*Predictions of ProbitRE_PoissonRE model on new sample*

**Description**

Predictions of ProbitRE_PoissonRE model on new sample. Please make sure the factor variables in the test data do not have levels not shown in the training data.

**Usage**

```r
predict_ProbitRE_PoissonRE(
  par, 
  sel_form, 
  out_form, 
  data, 
  offset_w_name = NULL, 
  offset_x_name = NULL 
)
```

**Arguments**

- **par**: Model estimates
- **sel_form**: Formula for selection equation, a Probit model with random effects
- **out_form**: Formula for outcome equation, a Poisson Lognormal model with random effects
- **data**: Input data, a data.frame object
- **offset_w_name**: Offset variables in selection equation, if any.
- **offset_x_name**: Offset variables in outcome equation, if any.

**Value**

A list with three sets of predictions

- **prob**: Predicted probability to participate
- **outcome**: Predicted potential outcome
- **actual_outcome**: Predicted actual outcome
**ProbitRE**  
*A Probit Model with Random Effects*

**Description**

Estimate a Probit model with random effects at the individual level.

\[
  z_{it} = 1(\alpha w_{it} + \delta u_i + \xi_{it} > 0)
\]

Notations:

- \(w_{it}\): variables influencing the selection decision \(z_{it}\), which could be a mixture of time-variant variables, time-invariant variables, and time dummies
- \(u_i\): individual level random effect
- \(\xi_{it}\): error term

**Usage**

```r
ProbitRE(
  formula,  
data,  
  id.name, 
  par = NULL, 
  delta = NULL, 
  method = "BFGS", 
  se_type = c("Hessian", "BHHH")[1], 
  H = 20,
  reltol = sqrt(.Machine$double.eps),
  verbose = 0
)
```

**Arguments**

- `formula`: Formula of the model
- `data`: Input data, a data.frame object
- `id.name`: The name of the column representing id. Data will be sorted by id to improve estimation speed.
- `par`: Starting values for estimates. Default to estimates of Probit model.
- `delta`: Starting value for delta. Defaults to 1 and will be ignored if par is provided.
- `method`: Optimization method used by optim. Defaults to 'BFGS'.
- `se_type`: Report Hessian or BHHH standard errors. Defaults to Hessian.
- `H`: Number of Quadrature points used for numerical integration using the Gaussian-Hermite Quadrature method. Defaults to 20.
**ProbitRE**

**reltol** 
Relative convergence tolerance. The algorithm stops if it is unable to reduce the value by a factor of reltol \* (abs(val) + reltol) at a step. Defaults to sqrt(.Machine$double.eps), typically about 1e-8.

**verbose** 
A integer indicating how much output to display during the estimation process.
- `<0` - No output
- `0` - Basic output (model estimates)
- `1` - Moderate output, basic output + parameter and likelihood in each iteration
- `2` - Extensive output, moderate output + gradient values on each call

**Value**

A list containing the results of the estimated model, some of which are inherited from the return of optim
- **estimates**: Model estimates with 95% confidence intervals
- **par**: Point estimates
- **var_bhhh**: BHHH covariance matrix, inverse of the outer product of gradient at the maximum
- **var_hessian**: Inverse of negative Hessian matrix (the second order derivative of likelihood at the maximum)
- **se_bhhh**: BHHH standard errors
- **g**: Gradient function at maximum
- **gtHg**: `g′H^{-1}g`, where `H^{-1}` is approximated by `var_bhhh`. A value close to zero (e.g., <1e-3 or 1e-6) indicates good convergence.
- **LL**: Likelihood
- **AIC**: AIC
- **BIC**: BIC
- **n_obs**: Number of observations
- **time**: Time takes to estimate the model
- **partial**: Average partial effect at the population level
- **partialAvgObs**: Partial effect for an individual with average characteristics
- **predict**: A list with predicted participation probability (prob), predicted potential outcome (outcome), and predicted actual outcome (actual_outcome).
- **counts**: From optim. A two-element integer vector giving the number of calls to fn and gr respectively. This excludes those calls needed to compute the Hessian, if requested, and any calls to fn to compute a finite-difference approximation to the gradient.
- **message**: From optim. A character string giving any additional information returned by the optimizer, or NULL.
- **convergence**: From optim. An integer code. 0 indicates successful completion. Note that the list inherits all the complements in the output of optim. See the documentation of optim for more details.
- **estimates model estimates with 95% confidence intervals**
ProbitRE

- par point estimates
- var_bhhh BHHH covariance matrix, inverse of the outer product of gradient at the maximum
- var_hessian Inverse of negative Hessian matrix (the second order derivative of likelihood at the maximum)
- se_bhhh BHHH standard errors
- g gradient function at maximum
- LL likelihood
- AIC AIC
- BIC BIC
- n_obs Number of observations
- counts A two-element integer vector giving the number of calls to fn and gr respectively. This excludes those calls needed to compute the Hessian, if requested, and any calls to fn to compute a finite-difference approximation to the gradient.
- time Time takes to estimate the model
- message A character string giving any additional information returned by the optimizer, or NULL.

- convergence An integer code. 0 indicates successful completion. Note that the list inherits all the complements in the output of optim. See the documentation of optim for more details.

References


See Also

Other PanelCount: PLN_RE(), PoissonRE(), ProbitRE_PLNRE(), ProbitRE_PoissonRE()

Examples

# Use the simulated dataset, in which the true coefficients of x and w are 1.
data(sim)
res = ProbitRE(z~x+w, data=sim, id.name='id', verbose=-1)
res$estimates
Description

Estimates the following two-stage model:

Selection equation (ProbitRE - Probit model with individual level random effects):

\[ z_{it} = 1(\alpha w_{it} + \delta u_i + \xi_{it} > 0) \]

Outcome Equation (PLN_RE - Poisson Lognormal model with individual-time level random effects):

\[ E[y_{it}|x_{it}, v_i, \epsilon_{it}] = \exp(\beta x_{it}' + \sigma v_i + \gamma \epsilon_{it}) \]

Correlation (self-selection at both individual and individual-time level):
- \( u_i \) and \( v_i \) are bivariate normally distributed with a correlation of \( \rho \).
- \( \xi_{it} \) and \( \epsilon_{it} \) are bivariate normally distributed with a correlation of \( \tau \).

Notations:
- \( w_{it} \): variables influencing the selection decision \( z_{it} \), which could be a mixture of time-variant variables, time-invariant variables, and time dummies
- \( x_{it} \): variables influencing the outcome \( y_{it} \), which could be a mixture of time-variant variables, time-invariant variables, and time dummies
- \( u_i \): individual level random effect in the selection equation
- \( v_i \): individual level random effect in the outcome equation
- \( \xi_{it} \): error term in the selection equation
- \( \epsilon_{it} \): individual-time level random effect in the outcome equation

Usage

ProbitRE_PLNRE(
    sel_form,
    out_form,
    data,
    id.name,
    testData = NULL,
    par = NULL,
    disable_rho = FALSE,
    disable_tau = FALSE,
    delta = NULL,
    sigma = NULL,
    gamma = NULL,
    rho = NULL,
    tau = NULL,
method = "BFGS",
se_type = c("BHHH", "Hessian")[1],
H = c(10, 10),
psnH = 20,
prbH = 20,
plnreH = 20,
reltol = sqrt(.Machine$double.eps),
factr = 1e+07,
verbose = 1,
offset_w_name = NULL,
offset_x_name = NULL
)

Arguments

sel_form           Formula for selection equation, a Probit model with random effects
out_form           Formula for outcome equation, a Poisson Lognormal model with random effects
data               Input data, a data.frame object
id.name            The name of the column representing id. Data will be sorted by id to improve estimation speed.
testData           Test data for prediction, a data.frame object
par                Starting values for estimates. Default to estimates of standalone selection and outcome models.
disable_rho       Whether to disable correlation at the individual level random effect. Defaults to FALSE.
disable_tau       Whether to disable correlation at the individual-time level random effect / error term. Defaults to FALSE.
delta              Starting value for delta. Will be ignored if par is provided.
sigma             Starting value for sigma. Will be ignored if par is provided.
gamma             Starting value for gamma. Will be ignored if par is provided.
rho               Starting value for rho. Defaults to 0 and will be ignored if par is provided.
tau               Starting value for tau. Defaults to 0 and will be ignored if par is provided.
method            Optimization method used by optim. Defaults to 'BFGS'.
se_type            Report Hessian or BHHH standard errors. Defaults to BHHH. Hessian matrix is extremely time-consuming to calculate numerically for large datasets.
H                  A integer vector of length 2, specifying the number of points for inner and outer Quadratures
psnH               Number of Quadrature points for Poisson RE model
prbH               Number of Quadrature points for Probit RE model
plnreH             Number of Quadrature points for PLN_RE model
reltol             Relative convergence tolerance. The algorithm stops if it is unable to reduce the value by a factor of reltol * (abs(val) + reltol) at a step. Defaults to sqrt(.Machine$double.eps), typically about 1e-8.
**factr**
L-BFGS-B method uses factr instead of reltol to control for precision. Default is 1e7, that is a tolerance of about 1e-8.

**verbose**
A integer indicating how much output to display during the estimation process.
- <0 - No output
- 0 - Basic output (model estimates)
- 1 - Moderate output, basic output + parameter and likelihood in each iteration
- 2 - Extensive output, moderate output + gradient values on each call

**offset_w_name**
An offset variable whose coefficient is assumed to be 1 in the selection equation

**offset_x_name**
An offset variable whose coefficient is assumed to be 1 in the outcome equation

**Value**
A list containing the results of the estimated model, some of which are inherited from the return of optim
- estimates: Model estimates with 95% confidence intervals
- par: Point estimates
- var_bhhh: BHHH covariance matrix, inverse of the outer product of gradient at the maximum
- se_bhhh: BHHH standard errors
- g: Gradient function at maximum
- gtHg: $g' H^{-1} g$, where $H^{-1}$ is approximated by var_bhhh. A value close to zero (e.g., <1e-3 or 1e-6) indicates good convergence.
- LL: Likelihood
- AIC: AIC
- BIC: BIC
- n_obs: Number of observations
- time: Time takes to estimate the model
- partial: Average partial effect at the population level
- partialAvgObs: Partial effect for an individual with average characteristics
- predict: A list with predicted participation probability (prob), predicted potential outcome (outcome), and predicted actual outcome (actual_outcome).
- counts: From optim. A two-element integer vector giving the number of calls to fn and gr respectively. This excludes those calls needed to compute the Hessian, if requested, and any calls to fn to compute a finite-difference approximation to the gradient.
- message: From optim. A character string giving any additional information returned by the optimizer, or NULL.
- convergence: From optim. An integer code. 0 indicates successful completion. Note that the list inherits all the complements in the output of optim. See the documentation of optim for more details.
References


See Also

Other PanelCount: PLN_RE(), PoissonRE(), ProbitRE_PoissonRE(), ProbitRE()

Examples

# Use the simulated dataset, in which the true coefficients of x and w are 1 in both stages.
# The model can recover the true parameters very well
data(sim)
res = ProbitRE_PLNRE(z~x+w, y~x, data=sim, id.name='id')
res$estimates

ProbitRE_PoissonRE

Poisson RE model with Sample Selection

Description

Estimates the following two-stage model

Selection equation (ProbitRE - Probit model with individual level random effects):

\[ z_{it} = 1(\alpha w_{it} + \delta u_i + \xi_{it} > 0) \]

Outcome Equation (PoissonRE - Poisson with individual level random effects):

\[ E[y_{it}|x_{it}, v_i] = \exp(\beta x_{it} + \sigma v_i) \]

Correlation (self-selection at individual level):

- \( u_i \) and \( v_i \) are bivariate normally distributed with a correlation of \( \rho \).

Notations:

- \( w_{it} \): variables influencing the selection decision \( z_{it} \), which could be a mixture of time-variant variables, time-invariant variables, and time dummies
- \( x_{it} \): variables influencing the outcome \( y_{it} \), which could be a mixture of time-variant variables, time-invariant variables, and time dummies
- \( u_i \): individual level random effect in the selection equation
- \( v_i \): individual level random effect in the outcome equation
- \( \xi_{it} \): error term in the selection equation
Usage

ProbitRE_PoissonRE(
  sel_form,
  out_form,
  data,
  id.name,
  testData = NULL,
  par = NULL,
  delta = NULL,
  sigma = NULL,
  rho = NULL,
  method = "BFGS",
  se_type = c("BHHH", "Hessian")[1],
  H = c(10, 10),
  psnH = 20,
  prbH = 20,
  reltol = sqrt(.Machine$double.eps),
  verbose = 1,
  offset_w_name = NULL,
  offset_x_name = NULL
)

Arguments

sel_form Formula for selection equation, a Probit model with random effects
out_form Formula for outcome equation, a Poisson model with random effects
data Input data, a data.frame object
id.name The name of the column representing id. Data will be sorted by id to improve estimation speed.
testData Test data for prediction, a data.frame object
par Starting values for estimates. Default to estimates of standalone selection and outcome models.
delta Starting value for delta. Will be ignored if par is provided.
sigma Starting value for sigma. Will be ignored if par is provided.
rho Starting value for rho. Defaults to 0 and will be ignored if par is provided.
method Optimization method used by optim. Defaults to 'BFGS'.
se_type Report Hessian or BHHH standard errors. Defaults to BHHH.
H A integer vector of length 2, specifying the number of points for inner and outer Quadratures
psnH Number of Quadrature points for Poisson RE model
prbH Number of Quddrature points for Probit RE model
reltol Relative convergence tolerance. The algorithm stops if it is unable to reduce the value by a factor of reltol * (abs(val) + reltol) at a step. Defaults to sqrt(.Machine$double.eps), typically about 1e-8.
verbose

A integer indicating how much output to display during the estimation process.

- <0 - No output
- 0 - Basic output (model estimates)
- 1 - Moderate output, basic output + parameter and likelihood in each iteration
- 2 - Extensive output, moderate output + gradient values on each call

offset_w_name

An offset variable whose coefficient is assumed to be 1 in the selection equation

offset_x_name

An offset variable whose coefficient is assumed to be 1 in the outcome equation

Value

A list containing the results of the estimated model, some of which are inherited from the return of optim

- estimates: Model estimates with 95% confidence intervals
- par: Point estimates
- var_bhhh: BHHH covariance matrix, inverse of the outer product of gradient at the maximum
- se_bhhh: BHHH standard errors
- g: Gradient function at maximum
- gtHg: \( g' H^{-1} g \), where \( H^{-1} \) is approximated by var_bhhh. A value close to zero (e.g., <1e-3 or 1e-6) indicates good convergence.
- LL: Likelihood
- AIC: AIC
- BIC: BIC
- n_obs: Number of observations
- time: Time takes to estimate the model
- partial: Average partial effect at the population level
- partialAvgObs: Partial effect for an individual with average characteristics
- predict: A list with predicted participation probability (prob), predicted potential outcome (outcome), and predicted actual outcome (actual_outcome).
- counts: From optim. A two-element integer vector giving the number of calls to fn and gr respectively. This excludes those calls needed to compute the Hessian, if requested, and any calls to fn to compute a finite-difference approximation to the gradient.
- message: From optim. A character string giving any additional information returned by the optimizer, or NULL.
- convergence: From optim. An integer code. 0 indicates successful completion. Note that the list inherits all the complements in the output of optim. See the documentation of optim for more details.
References


See Also

Other PanelCount: PLN_RE(), PoissonRE(), ProbitRE_PLNRE(), ProbitRE()

Examples

# Use the simulated dataset, in which the true coefficients of x and w are 1 in both stages.
# The simulated dataset includes self-selection at both individual and individual-time level,
# but this model only considers self-selection at the individual level.

data(sim)
res = ProbitRE_PoissonRE(z~x+w, y~x, data=sim, id.name='id')
res$estimates

| sim | Simulated dataset with self-selection at both individual and individual-time level |

Description

A simulated dataset with 200 individuals and 10 periods. The true data generating process is the following:

Selection equation (ProbitRE - Probit model with individual level random effects):

\[ z_{it} = 1(1 + x_{it} + w_{it} + u_i + \xi_{it} > 0 \]

Outcome Equation (PLN_RE - Poisson Lognormal model with individual-time level random effects):

\[ E[y_{it}|x_{it}, v_i, \epsilon_{it}] = \exp(-1 + x_{it} + v_i + \epsilon_{it}) \]

Correlation (self-selection at both individual and individual-time level):

- \( u_i \) and \( v_i \) are bivariate normally distributed with a correlation of 0.25.
- \( \xi_{it} \) and \( \epsilon_{it} \) are bivariate normally distributed with a correlation of 0.5.

Usage

sim
**Format**

A simulated dataset with 200 individuals and 10 periods.

- **id** id, from 1-200
- **time** Time periods, from 1-10
- **z** Whether an individual is selected in a given period. Outcome is observed only when z=1
- **y** The outcome of an individual in a given period
- **x** A covariate influencing both z and y, with true effects being 1
- **w** A covariate influencing only z, with true effect being 1
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