SABRE

EXERCISE 1 Pooled (Cross-Sectional) Logit Answers

5. Note the deviance and the degrees of freedom of this model.

Deviance = 1970; df = 1579

6.Compute a simple Z score for the variable mune.

-1.8518 / 0.22117 = -8.37

7.Compute a Wald test for the variable mune.

$(-1.8518 / 0.22117)^2 = 70.06$

8. Construct a 95% confidence interval for the estimate of mune.

$-1.8518 \pm (1.96 * 0.22117) = -2.29, -1.42$

9. Estimate the probability of a wife being employed (y=1) if her husband is employed (mune=0).

0.74174
antilog (0.74174) = 2.10
2.10 / 3.10 = .677

10. Estimate the probability of a wife being employed (y=1) if her husband is unemployed (mune=1).

0.74174 + -1.8518 = -1.11006;
antilog (-1.11006) = 0.33
.33 / 1.33 = .248

11. What does this suggest about the effects of husband's employment status on a wife's labour market participation?

A woman with an unemployed husband has a lower probability of being employed.

13. Which variables are significant?

mune, und1 and und5;

14. Which model is most appropriate?

The model with mune, und1 and und5 included. Deviance = 1741, df = 1576.