The following program replicates the basic commands we reviewed in class (after finding out the lab was closed)

```
smpl 1 753;
```

The "read" command is used to read the data into TSP, in this case using an EXCEL spreadsheet as the data source. In the case
below, we are reading in three variables:

\[\text{inlf} (\text{a dummy variable indicating that the person in question is in the labor force} (1) \text{ or not} )\];
\[\text{educ} = \text{the number of years of education the person has completed}\];
\[\text{exper} = \text{the number of years of experience the person has}\];

\begin{verbatim}
read (file='c:\temp\mroz.xls') inlf educ exper;
msd inlf educ exper;
\end{verbatim}

This next section shows how to estimate the Linear Probability Model using the OLSQ command. Notice that the first variable indicates the dependent variable (the variable we are trying to model, followed by a list of the explanatory variables we wish to include in the model. Also note that we have included the variable "c", which is allowing for a constant in our model.

\begin{verbatim}
olsq inlf c educ exper;
\end{verbatim}
Finally, note that all commands are ended with a semi-colon and that all comments are started with a question mark.

EXECUTION
EXECUTION

Current sample: 1 to 753

Univariate statistics

Number of Observations: 753

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>Std Dev</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>INLF</td>
<td>0.56839</td>
<td>0.49563</td>
<td>0.00000</td>
<td>1.00000</td>
</tr>
<tr>
<td>EDUC</td>
<td>12.28685</td>
<td>2.28025</td>
<td>5.00000</td>
<td>17.00000</td>
</tr>
<tr>
<td>EXPER</td>
<td>10.63081</td>
<td>8.06913</td>
<td>0.00000</td>
<td>45.00000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Sum</th>
<th>Variance</th>
<th>Skewness</th>
<th>Kurtosis</th>
</tr>
</thead>
<tbody>
<tr>
<td>INLF</td>
<td>428.00000</td>
<td>0.24565</td>
<td>-0.27672</td>
<td>-1.92856</td>
</tr>
<tr>
<td>EDUC</td>
<td>9252.00000</td>
<td>5.19952</td>
<td>0.021076</td>
<td>0.75706</td>
</tr>
<tr>
<td>EXPER</td>
<td>8005.00000</td>
<td>65.11086</td>
<td>0.96243</td>
<td>0.71406</td>
</tr>
</tbody>
</table>

Equation 1

Method of estimation = Ordinary Least Squares

Dependent variable: INLF
Current sample: 1 to 753
Number of observations: 753

Mean of dep. var. = .568393  LM het. test = 8.30320 [.004]
Std. dev. of dep. var. = .495630  Durbin-Watson = .276294 [<.000]
Sum of squared residuals = 158.029  Jarque-Bera test = 66.3238 [.000]
Variance of residuals = .210706  Ramsey's RESET2 = 11.9220 [.001]
Std. error of regression = .459027  F (zero slopes) = 63.3548 [.000]
R-squared = .144529  Schwarz B.I.C. = 490.573
Adjusted R-squared = .142247  Log likelihood = -480.637

Estimated  Standard
Variable    Coefficient    Error  t-statistic  P-value
C   -.089777   .093139   -.963904   [.335]
EDUC .035948   .735704E-02   4.88624   [.000]
EXPER .020363   .207902E-02   9.79470   [.000]

******************************************************************************
END OF OUTPUT.

MEMORY USAGE:     ITEM: DATA ARRAY TOTAL MEMORY
UNITS: (4-BYTE WORDS) (MEGABYTES)
MEMORY ALLOCATED  :  500000   4.0
MEMORY ACTUALLY REQUIRED :  17688   2.2
CURRENT VARIABLE STORAGE :   4111