

Ch:13 Pooling Cross-sections over time

Pooling Indep. Cross-sections over time

Data: random samples from a pop.
at diff. pts. of time

time pts.: 1, 2, ..., T

$$y = \beta_0 + \delta_0 d_2 + \delta_1 d_3 + \dots + \delta_{T-2} d_T + \beta_1 x_1 + \dots + \beta_k x_k + u$$

$d_2 \dots d_T$: dummy vars for
pts. 2 through T

Note: may have to convert nominal variables
to real values.