

THE STATA NEWS

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STATA[®]

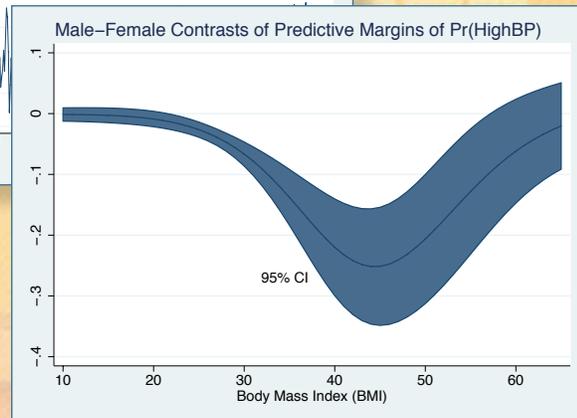
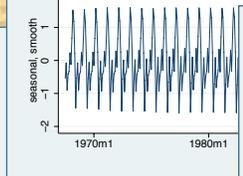
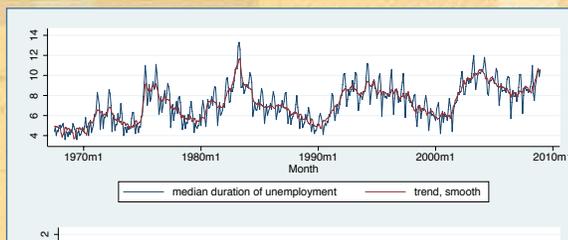
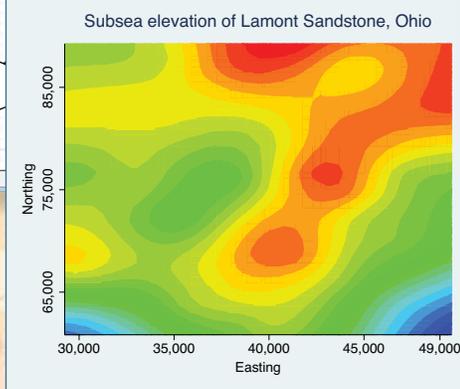
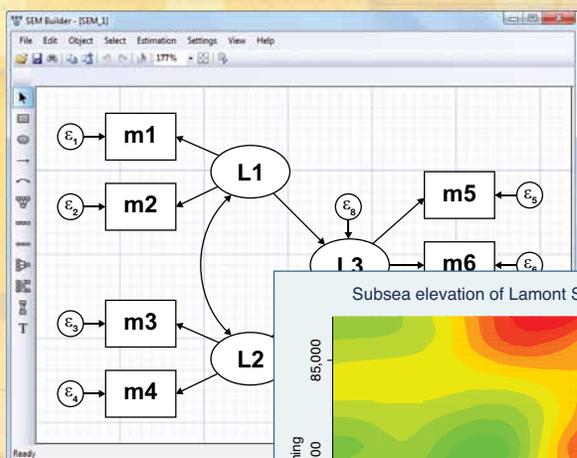
RELEASE

12

Have you upgraded yet?

Stata 12 is now shipping. If you haven't upgraded, you are missing exciting new statistics and a host of new features.

- SEM (structural equation modeling)
- Chained equations in MI
- Survey support for mixed models
- Contour plots
- Contrasts
- Pairwise comparisons
- ARFIMA
- Multivariate GARCH
- UCM (unobserved components model)
- Time-series filters
- Business calendars
- Margins plots
- ROC analysis
- Automatic memory management
- Excel import/export
- Installation Qualification
- More ...



Upgrade today! www.stata.com

Spotlight on SEM for economists (and others who think they don't care)

This article is for those who are unfamiliar with SEM, who do not see publications using SEM in their field, or who otherwise think they don't care about SEM.

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New public training courses and dates

Intensive, in-depth courses taught by StataCorp around the country.

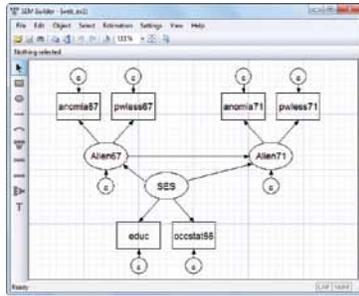
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The Stata News: Executive Editor: Karen Strope
Production Supervisor: ... Annette Fett

SEM (structural equation modeling)

SEM has something for nearly every researcher in nearly every discipline.

Those of you who have been asking for SEM know why you want it: confirmatory factor analysis, measurement-error models, path analysis models, multiple-factor measurement models, MIMIC models, latent growth models, correlated uniqueness models, standardized and unstandardized estimates, modification indices.



If you are not familiar with SEM, you should consider that it can elegantly handle endogenous variables, confounding variables, mediating variables, moderated effects, observed and latent variables, univariate outcomes, and multivariate outcomes. Aside from standard linear models such as regression, multivariate regression, and seemingly unrelated regression, here are some of the models you can fit with **sem**: simultaneous systems with all observed variables or with observed and latent variables; random-effects models with latent (unobserved) dependent variables or with endogenous variables; random-effects models with autocorrelated errors; or any combination of the preceding. In all cases, **sem** can easily estimate direct, indirect, and total effects of covariates.

SEM is a framework that encompasses most univariate and multivariate linear models and also provides for latent (unobserved) variables and for dependent variables that simultaneously affect each other. It also supports correlations of errors, including autocorrelation in panel data.

Stata 12's new **sem** command provides an intuitive syntax for specifying models.

```
sem y <- x1 x2 x3
```

specifies a linear regression model of **y** on **x1**, **x2**, and **x3**. We might also say it creates three paths, one from each **x** to **y**.

```
sem (x1 -> y) (x2 -> y) (x3 -> y)
```

is an equivalent specification.

```
sem y1 y2 <- x1 x2 x3
```

specifies a multivariate regression of **y1** and **y2** on **x1**, **x2**, and **x3**.

```
sem (y1 <- y2 x1) (y2 <- y1 x2)
```

specifies a simultaneous system where the dependent variables **y1** and **y2** are affected by each other.

```
sem L -> m1 m2 m3
```

specifies a measurement model where the latent variable **L** is measured by the observed measurement variables **m1**, **m2**, and **m3**.

All the above may be combined in **sem** to create complex structural models.

If you prefer to build models graphically, the SEM Builder is integrated into Stata 12 and provides all the tools you need to graphically create and estimate SEMs.

Missing data: Chained equations (and more) in MI

New features in Stata 12's MI (multiple imputation) facilities dramatically expand your options in handling missing data.

Chained equations let you handle arbitrary missing-data patterns in continuous, ordinal, cardinal, and count variables. This method is also known as sequential regression multivariate imputation (SRMI). It supports imputation via linear, truncated, interval censored, logit/logistic, ordered logit, multinomial logit, Poisson, and negative binomial regressions.

Conditional imputation lets you customize imputation within groups, even when the group identifier itself is missing.

Simulation error can now be estimated.

Panel and multilevel data are now supported.

Predictions, both linear and nonlinear, can now be performed.

Contrasts and pairwise comparisons

The new **contrast** command makes it simple to compare and contrast the effects of categorical and indicator covariates, whether the estimator is ANOVA, linear regression, logistic regression, or virtually any of Stata's 140 estimators. Named contrasts let you automatically compare against reference categories, adjacent categories, the grand mean, or all prior categories. It can also perform orthogonal polynomial contrasts and handle multiway interactions.

Beyond the named contrasts, you can create any custom contrast. The interaction operator works with custom contrasts, saving you the tedium of creating tables that perform inner products of multiway contrasts.

contrast also performs ANOVA-style tests of main effects, interaction effects, simple effects, and nested effects after any estimator.

Moreover, the **margins** command now supports contrast operators so that contrasts can be obtained for any results from **margins**—from estimated marginal means and conditional probabilities to marginal effects and population-averaged probabilities.

The new **pwmean** command performs all pairwise comparisons of the means across groups or interactions of multiple groups.

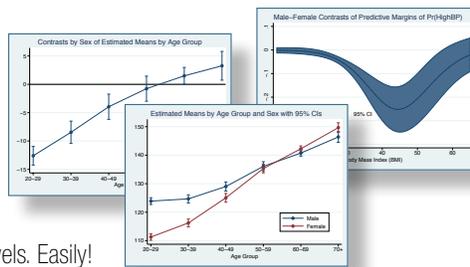
The new **pwcompare** command performs pairwise comparisons of estimated means and estimated marginal means after fitting a model with almost any estimator.

Pairwise comparisons of nonlinear responses and their margins are now supported by the **margins** command.

The **contrast**, **pwmean**, **pwcompare**, and **margins** commands all provide adjustments for multiple comparisons using Bonferroni, Šidák, Scheffé, Tukey, SNK, Duncan, and Dunnett methods.

Margins plots

Graph anything that **margins** can compute—estimated means, marginal probabilities, conditional or population-averaged effects, marginal effects, contrasts, and more. Graph within or across one or more groups or factor-variable levels. Easily!



Survey-data support for multilevel mixed models

Linear mixed models estimated via **xtmixed** now support sampling weights; robust and cluster-robust standard errors; and, for survey data, standard errors adjusted for the first level of sampling (primary sampling units, PSUs).

Time-series: Multivariate GARCH, ARFIMA, UCM, filters

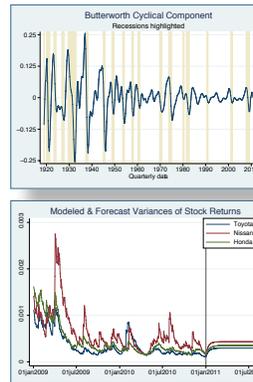
Stata 12 has a phalanx of new time-series estimators and filters.

A full suite of multivariate GARCH models joins the diagonal vech estimator that was previously available. Advanced conditional correlation structures are now supported with the CCC (constant conditional correlation), DCC (dynamic conditional correlation), and VCC (varying conditional correlation) estimators. In- and out-of-sample predictions of the conditional variance are available after all models.

ARFIMA (autoregressive fractionally integrated moving average) is now available to estimate long-memory processes that reside in the middle ground between short-memory (ARMA) process and fully integrated (ARIMA) models.

Stata 12 has time-series filters to decompose a series into trend and cyclic components. Four filters are available: the Baxter–King and Christiano–Fitzgerald band-pass filters, and the Butterworth and Hodrick–Prescott high-pass filters.

The new UCM (unobserved components model) estimator provides a flexible, modern, and formal framework for decomposing a series into trend, seasonal, cyclic, and idiosyncratic components. A major advantage of the UCM framework is the ease of interpretation and the direct relevance of the trend, cyclic, and spectral components.



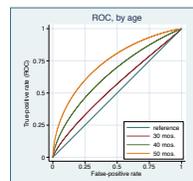
Business dates

Stata 12 handles business dates—dates that exclude Saturday and Sunday.

What's more, you can define your own business dates using business calendars. Create dates for the New York, London, Tokyo, Shanghai, Deutsche Börse, or other stock exchanges. Or, create a calendar for your own institution.

ROC analysis

Stata 12 can model ROC curves that control for covariates. Think of it as regression for ROC. It can also test whether ROC curves differ or the areas under the curve (AUC) differ across groups, adjusting for covariates.



Excel import/export

Stata 12 can now directly import data from and export data to Microsoft Excel files.

On Windows, Mac, or Linux, you can import any worksheet or partial worksheet from multisheet workbooks. You can export Stata data to create a new workbook, replace or add a worksheet in an existing workbook, or modify a subset of cells. Stata variable and value labels are supported, as is automatic conversion of dates.

Automatic memory management

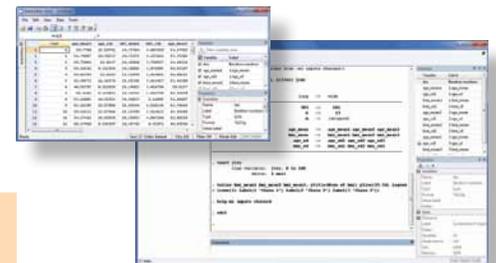
You no longer have to tell Stata how much memory to use.

Stata 12 automatically adjusts its memory according to the size of your dataset, even as you create new variables or merge and append datasets.

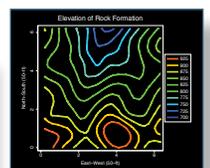
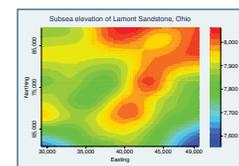
As a side benefit, Stata 12 often can access more of the memory available on 32-bit Windows computers.

Interface enhancements

The Stata 12 window is laid out to better take advantage of wide computer monitors. Better yet, you can manage your variables—including the labels, value labels, notes, formats, and types—directly from the new Properties window on the main Stata 12 interface. You can do the same in the Data Editor. You can also now filter your commands and variables to show only what you are interested in. The new version of the Viewer is tabbed and has direct links to dialog boxes, also sees, and sections of the help files (Options, Examples, etc.).



Contour plots



And more

There are too many new features to list here. We have not discussed spectral density plots, functions for Tukey's Studentized range and Dunnett's multiple range, or new estimators for truncated count-data regressions.

www.stata.com/stata12

Spotlight on SEM for economists (and others who think they don't care)

This article is not for those who know about SEM (structural equation modeling). Those who want measurement models, path analysis, confirmatory factor analysis, MIMIC models, latent growth models, and general structural relations among unobserved (latent) regressors and outcomes. Those who want all the above with simple and elegant handling of missing data. This article is for those who are unfamiliar with SEM, who do not see publications using SEM in their field, or who otherwise think they don't care about SEM.

I am not going to try to convince you that you want the things listed above (though there are likely some useful tools in that list for you). Rather, I am going to show you some cases where SEM can fit models that you know and use, and can fit them in more flexible ways and with extensions not available with your usual estimators.

Extensions to SUR

Let's start with seemingly unrelated regression (SUR), which is just an extension of multivariate regression wherein each dependent variable can depend on a different set of covariates, making the coefficient estimates themselves depend on the covariance of the disturbances and not just their standard errors. A simple three-equation model is

$$\begin{aligned} y_1 &= \beta_1 x_1 + \beta_2 x_2 + \varepsilon_1 & \varepsilon_1 &\sim \text{i.i.d. normal}(0, \sigma_1^2) \\ y_2 &= \beta_3 x_1 + \beta_4 x_3 + \varepsilon_2 & \varepsilon_2 &\sim \text{i.i.d. normal}(0, \sigma_2^2) \\ y_3 &= \beta_5 x_1 + \beta_6 x_2 + \beta_7 x_3 + \varepsilon_3 & \varepsilon_3 &\sim \text{i.i.d. normal}(0, \sigma_3^2) \end{aligned}$$

and ε_1 , ε_2 , and ε_3 are correlated.

Note that the normality assumption is not required for asymptotic inference.

We typically estimate such models in Stata by the method of generalized least squares (GLS) using `sureg`:

```
sureg (y1 x1 x2) (y2 x1 x3) (y3 x1 x2 x3)
```

In Stata 12, we can estimate that same model by maximum likelihood (ML) using `sem`:

```
sem (y1 <- x1 x2) (y2 <- x1 x3) (y3 <- x1 x2 x3),
    covstruct(e.oendogenous, unstructured)
```

One nice thing about the ML estimates is that their standard errors (SEs) do not assume we have perfectly estimated the correlations among the errors. Rather, those correlations are simply more free parameter estimates in the model.

Nicer still are the extensions we get from `sem`.

We can apply any constraints we wish to the covariance matrix of the errors. For example,

```
sem (y1 <- x1 x2) (y2 <- x1 x3) (y3 <- x1 x2 x3),
    covstruct(e.oendogenous, exchangeable)
```

makes all the ε 's homoskedastic ($\sigma_1 = \sigma_2 = \sigma_3$) and with a single shared correlation. `sem` supports several other identified covariance structures,

or you can supply a covariance pattern, a fixed covariance matrix, or apply individual constraints to the variances and covariance of the ε 's.

We can obtain SEs, confidence intervals (CIs), and associated tests that are robust to lack of independence within identified groups of observations:

```
sem (y1 <- x1 x2) (y2 <- x1 x3) (y3 <- x1 x2 x3),
    vce(cluster group)
```

And, we can do any of the above when the data are "unbalanced"—that is, when there is a different number of "observations" for y_1 , y_2 , or y_3 ,

```
sem (y1 <- x1 x2) (y2 <- x1 x3) (y3 <- x1 x2 x3),
    method(mlmv)
```

Put another way, values of y_1 , y_2 , and y_3 can be missing at random (MAR), and we can still use the information on the other variables. The MAR assumption, also called "selection on observables", stipulates that the missingness depends only on the values of y_1 , y_2 , y_3 , x_1 , x_2 , and x_3 and does not depend on variables that are not observed.

When only the y 's are missing, the `mlmv` estimation method adds no additional assumptions to the estimation. We can also estimate using `mlmv` when there are missing values in the x 's, but we must then make the much more binding assumption that the x 's are distributed multivariate normal.

Endogeneity

Endogeneity simply means that there is a correlation between a regressor and the error term in a regression. Endogeneity presents a fundamental problem for parameter estimation. If the endogeneity is not accounted for, then the parameter estimates will be biased and inconsistent—no amount of data is going to make the estimates less biased. Endogeneity arises in a number of situations: simultaneous systems, omitted variables/confounders, measurement error, correlated disturbances, and others. All these problems can be addressed with SEM. The approach is most direct for simultaneous systems.

Simultaneous systems arise when two or more dependent variables affect each other.

$$\begin{aligned} y_1 &= \beta_1 y_2 + \beta_2 x_1 + \beta_3 x_2 + \varepsilon_1 \\ y_2 &= \beta_4 y_1 + \beta_5 x_1 + \beta_6 x_3 + \varepsilon_2 \end{aligned}$$

We often make assumptions about the ε 's being normally distributed and correlated, though many estimators are robust to these assumptions.

The endogeneity is obvious: a function of y_1 , y_2 is clearly correlated with y_1 's disturbance. Why not just estimate the reduced-form equations that result from substituting the expression for y_1 into the equation for y_2 and vice versa? The structure of our original equations often arises from theory, and the parameters in the equations are themselves of primary interest. A classic example in economics would have y_1 be the quantity demanded of a product and y_2 be the price of the product. β_1 is clearly an important parameter, relating the quantity demanded to the offering price.

Such parameters are so important that economists have a name for them—structural parameters—and the equations are so important that we have a name for them—structural equations. It is the height of irony that you rarely, if ever, see the structural equations estimated by structural equation modeling (SEM), even though “structural” means the same thing in both parlances. Perhaps we are put off by the latent variables that can also appear in SEM, though that seems ironic too given the current popularity of dynamic-factor models (many of which can be estimated by Stata's `dfactor` command).

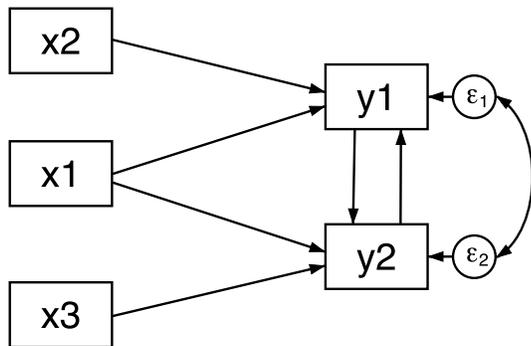
In Stata 11, you can estimate the above system with the method of three-stage least squares (3SLS) by typing

```
reg3 (y1 y2 x1 x2) (y2 y1 x1 x3)
```

In Stata 12, you can also estimate the system with the method of full-information maximum likelihood (FIML) by typing

```
sem (y1 <- y2 x1 x2) (y2 <- y1 x1 x3), cov(e.y1*e.y2)
```

For any true SEMers still reading, the path diagram for this model looks like



Like the ML estimator for SUR, the FIML estimator is not conditional on the estimated covariance of the errors (the 3SLS estimator is).

Also like the ML estimator for SUR, we get some handy extensions not available in `reg3`:

- We can control and constrain the structure of the error covariance matrix.
- We can obtain SEs, CIs, and associated tests that are robust to lack of independence within identified groups of observations—option `vce(cluster <group>)`.
- We can handle missing data in the dependent variables, so long as it is missing on observables.

We can also estimate via GMM (generalized method of moments), an estimator that makes fewer distributional assumptions—option `method(adf)`. ADF stands for asymptotic distribution free and is SEM-speak for GMM.

While the structural parameters (direct effects) are often of primary interest, we sometimes also want to know the indirect effect of a variable (its effect through other variables) or its total effect (the direct plus indirect effects). After estimation with `sem`, those effects, their SEs, and their CIs are a command away—`estat teffects`.

To the right is what those results might look like after fitting our notional model.

`sem` can also estimate our simultaneous system by limited-information maximum likelihood (LIML). This estimator requires that we know the form of only the structural equation of interest, and we handle the remaining endogenous variables using their reduced forms. We could also consider this estimation by instrumental variables.

For our current model, in Stata 11 we type

```
ivregress liml y1 x1 x2 (y2 = x1 x2 x3)
```

In Stata 12, we can also type

```
sem (y1 <- y2 x1 x2) (y2 <- x1 x2 x3),  
cov(e.y1*e.y2)
```

This will estimate the structural model for y_1 but only a reduced-form model for y_2 . The approach is appropriate for many forms of endogeneity beyond simultaneous systems. As with SUR and simultaneous systems, `sem` offers some flexibility that `ivregress` does not.

What else?

In all the models considered above, the exogenous or endogenous variables can represent latent unobservable quantities or quantities that are measured with error. But here we enter the true realm of SEM and I promised not to go there.

How about that, with a little effort, `sem` can extend all the models above into random-effects panel-data models or even multilevel random-effects models. Once in SEM form, other extensions also suggest themselves—correlations across the groups in a level (not possible in either `xtmixed` or `xtreg`), making the random effects conditional, and more. For an overview of this approach, see the Not Elsewhere Classified blog posting at www.stata.com/blog/xtsem.

If you have been dismissing SEM as “not for you”, you might want to take another look.

— Vince Wiggins, Vice President of
Scientific Development, StataCorp

Direct effects					
	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]
Structural					
y1 <-					
y1	0	(no path)			
y2	-1.408642	.5155236	-2.73	0.006	-2.41905 - .3982346
x1	.4343237	.2119229	1.95	0.051	-.0012571 .8295044
x2	.6581397	.2482494	2.63	0.008	-.173798 1.1447
x3	0	(no path)			
y2 <-					
y1	1.01398	.142732	7.10	0.000	.7341807 1.29368
y2	0	(no path)			
x1	.0080062	.0784168	0.10	0.919	-.145688 .1617003
x2	0	(no path)			
x3	1.03004	.1119191	9.20	0.000	.8106831 1.249398
Indirect effects					
	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]
Structural					
y1 <-					
y1	-.5881833	.0827992	-7.10	0.000	-.7504667 - .4259
y2	-.82854	.3032224	-2.73	0.006	-.234235 1.422845
x1	-.248225	.1546677	-1.60	0.109	-.5313681 .0549181
x2	-.3871068	.2057796	-1.88	0.060	-.7904275 .0162139
x3	-.5975289	.1001353	-5.97	0.000	-.7937906 -.4012672
y2 <-					
y1	-.5963769	.0839526	-7.10	0.000	-.7609209 -.4318328
y2	-.5881833	.2152586	-2.73	0.006	-1.010082 -.1662842
x1	-.1682096	.0918156	-1.83	0.067	-.0117456 .3481648
x2	-.2748085	.0719266	-3.82	0.000	-.3383449 -.415782
x3	-.6058526	.1518483	-3.99	0.000	-.9034697 -.3082355
Total effects					
	Coef.	Std. Err.	z	P> z	[95% Conf. Interval]
Structural					
y1 <-					
y1	-.5881833	.0827992	-7.10	0.000	-.7504667 -.4259
y2	-.5801024	.2123012	-2.73	0.006	-.9962051 -.1639996
x1	.1658986	.0873794	1.90	0.058	-.0053618 .337159
x2	-.2710329	.0666988	-4.05	0.000	-.3397745 -.4022913
x3	-.5975289	.1001353	-5.97	0.000	-.7937906 -.4012672
y2 <-					
y1	-.4175534	.0587794	-7.10	0.000	-.3023478 -.5327589
y2	-.5881833	.2152586	-2.73	0.006	-1.010082 -.1662842
x1	.1762158	.0827986	2.13	0.033	-.0139335 .3384981
x2	-.2748085	.0719266	-3.82	0.000	-.3383449 -.415782
x3	-.4241878	.1022556	-4.15	0.000	-.2237706 .624605

New public training courses and dates

Course	Dates	Location	Cost
Handling Missing Data Using Multiple Imputation	April 4–5, 2012	Washington, DC	\$1,295
Multilevel/Mixed Models Using Stata	February 9–10, 2012	Washington, DC	\$1,295
Panel-Data Analysis Using Stata	April 18–19, 2012	Washington, DC	\$1,295
Programming an Estimation Command in Stata	March 8–9, 2012	Washington, DC	\$1,295
Survey Data Analysis Using Stata	May 30–31, 2012	Washington, DC	\$1,295
Time-Series Analysis Using Stata	March 6–7, 2012	Washington, DC	\$1,295
Using Stata Effectively: Data Management, Analysis, and Graphics Fundamentals	November 3–4, 2011 February 7–8, 2012 March 6–7, 2012 April 4–5, 2012 May 9–10, 2012 June 19–20, 2012	New York City, NY Washington, DC New York City, NY San Francisco, CA Boston, MA Chicago, IL	\$950

Handling Missing Data Using Multiple Imputation

This course will interactively cover all aspects of multiple-imputation analysis, including creation of multiply imputed (MI) data using the multivariate normal and chained-equations (or fully conditional specification) imputation methods, manipulation of MI data, and analysis of MI data. The course will provide exercises to reinforce the presented material.

Multilevel/Mixed Models Using Stata

This course is an introduction to using Stata to fit multilevel/mixed models. The course will be interactive, use real data, and offer ample opportunity for specific research questions and for working exercises to enforce what you learn.

Panel-Data Analysis Using Stata NEW

This course provides an introduction to the theory and practice of panel-data analysis. After introducing the fixed-effects and random-effects approaches to unobserved individual-level heterogeneity, the course covers linear models with exogenous covariates, linear models with endogenous variables, dynamic linear models, and some nonlinear models. A quick introduction to the generalized-method-of-moments estimation technique is also included. The differences between the individual-specific and population-averaged interpretations are discussed throughout the

course. Exercises will supplement the lectures and Stata examples.

Programming an Estimation Command in Stata NEW

This course shows how to write an estimation command for Stata. No Stata or Mata programming experience is required, but it does help. After providing an introduction to basic Stata do-file programming, the course covers basic and advanced ado-file programming. Next, it provides an introduction to Mata, the byte-compiled matrix language that is part of Stata. Then, it shows how to implement linear and nonlinear statistical methods in Stata/Mata programs. Finally, it discusses using Monte Carlo simulations to test the implementation. Exercises will supplement the lectures and Stata examples.

Survey Data Analysis Using Stata NEW

This course covers how to use Stata for survey data analysis assuming a fixed population. It begins by reviewing the sampling methods used to collect survey data and how they affect the estimation of totals, ratios, and regression coefficients. The course will then cover the three variance estimators implemented in Stata's survey estimation commands. Strata with a single sampling unit, certainty sampling units, subpopulation estimation, and poststratification will be also covered in some detail. Each topic will be illustrated with one or more examples using Stata.

Time-Series Analysis Using Stata NEW

This course reviews methods for time-series analysis and shows how to perform the analysis using Stata. The course covers methods for data management, estimation, model selection, hypothesis testing, and interpretation. For univariate problems, the course covers autoregressive moving-average (ARMA) models, linear filters, long-memory models, unobserved components models, and generalized autoregressive conditionally heteroskedastic (GARCH) models. For multivariate problems, the course covers vector autoregressive (VAR) models, cointegrating VAR models, state-space models, dynamic factor models, and multivariate GARCH models. Exercises will supplement the lectures and Stata examples.

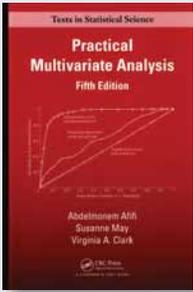
Using Stata Effectively: Data Management, Analysis, and Graphics Fundamentals

This course is aimed at both new Stata users and those who wish to learn techniques for efficient day-to-day use of Stata. You will be able to use Stata in a reproducible manner, making collaborative changes and follow-up analyses much simpler.

We offer a 15% discount for group enrollments of three or more participants. Contact us at training@stata.com for details. For course details, or to enroll, visit www.stata.com/public-training.

New from the Stata Bookstore

Practical Multivariate Analysis, Fifth Edition



Authors: Abdelmonem Afifi, Susanne May, and Virginia A. Clark

Publisher: Chapman & Hall/CRC

Copyright: 2011

ISBN-13: 978-1-4398-1680-6

Pages: 517; hardcover

Price: \$78.50

The fifth edition of *Practical Multivariate Analysis*, by Afifi, May, and Clark, provides an applied introduction to the analysis of multivariate data. The preface says:

"We wrote this book for investigators, specifically behavioral scientists, biomedical scientists, and industrial or academic researchers, who wish to perform multivariate statistical analyses and understand the results. We expect readers to be able to perform and understand the results, but also expect them to know when to ask for help from an expert on the subject. It can either be used as a self-guided textbook or as a text in an applied course in multivariate analysis."

Sections 1 and 2, the first half of the book, review the basics: understanding the different types of data, preparing your data, selecting appropriate statistical techniques, and using and understanding regression and correlation techniques.

Section 3, the second half of the book, covers canonical correlation, discriminant analysis, logistic regression, survival analysis, principal components, factor analysis, cluster analysis, log-linear analysis, and correlated outcomes regression (think `xtmixed` in Stata).

The applied introductory nature of the book can be seen in the table of contents. Most chapters include subsections titled "Chapter outline", "When is [this technique] used", "Data example", "Basic concepts", "Discussion of computer programs", "What to watch out for", "Summary", and "Problems".

The UCLA website,

www.ats.ucla.edu/stat/examples/cama4

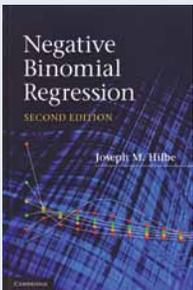
is another resource for readers of this book. Here many of the examples that were in the fourth edition of the book are demonstrated in Stata and in four other statistical packages.

The data for the fifth edition are available for download from within Stata so that you can practice applying the techniques as you read.

If you are looking for derivations and proofs, this book is not for you. If you are looking for guidance on techniques to use, when to use them, and how to interpret what they produce, this book will prove helpful.

You can find the table of contents and online ordering information at www.stata.com/bookstore/practical-multivariate-analysis.

Negative Binomial Regression, Second Edition



Author: Joseph M. Hilbe

Publisher: Cambridge University Press

Copyright: 2011

ISBN-13: 978-0-521-19815-8

Pages: 553; hardcover

Price: \$66.50

Negative Binomial Regression, Second Edition, by Joseph M. Hilbe, reviews the negative binomial model and its variations. Negative binomial regression—a recently popular alternative to Poisson regression—is used to account for overdispersion, which is often encountered in many real-world applications with count responses.

Negative Binomial Regression covers the count response models, their estimation methods, and the algorithms used to fit these models. Hilbe details the problem of overdispersion and ways to handle it. The book emphasizes the application of negative binomial models to various research problems involving overdispersed count data. Much of the book is devoted to discussing model-selection techniques, the interpretation of results,

regression diagnostics, and methods of assessing goodness of fit.

Hilbe uses Stata extensively throughout the book to display examples. He describes various extensions of the negative binomial model—those that handle excess zeros, censored and truncated data, panel and longitudinal data, and data from sample selection.

Negative Binomial Regression is aimed at those statisticians, econometricians, and practicing researchers analyzing count-response data. The book is written for a reader with a general background in maximum likelihood estimation and generalized linear models, but Hilbe includes enough mathematical details to satisfy the more theoretically minded reader.

This second edition includes added material on finite-mixture models; quantile-count models; bivariate negative binomial models; and various methods of handling endogeneity, including the generalized method of moments.

You can find the table of contents and online ordering information at www.stata.com/bookstore/negative-binomial-regression.



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Upcoming Stata Users Group meetings

Sweden

The meeting, organized jointly by Metrika Consulting, Stata's distributor in the Nordic and Baltic regions, and Karolinska Institutet is open to everyone. Personnel from StataCorp will attend, and there will be the usual "Wishes and grumbles" session at which you may air your thoughts to Stata developers. Attending from StataCorp are Yulia Marchenko, Associate Director, Biostatistics and Vince Wiggins, Vice President, Scientific Development. For details, visit www.stata.com/meeting/sweden11.

Date: November 11, 2011
 Venue: Unit of Biostatistics
 Institute of Environmental
 Medicine
 Karolinska Institutet
 Stockholm, Sweden
 Cost: Conference only: Free

Italy

The meeting, organized by TStat, Stata's distributor in Italy, provides Stata users working in different research areas with a unique opportunity to exchange ideas, experiences, and information on user-written routines and applications. Stata users interested in contributing to the meeting are encouraged to submit their proposals to the scientific committee. As in previous years, the emphasis will be on the development of new commands or procedures currently unavailable in Stata. For details, including a preliminary program, visit www.stata.com/meeting/italy11.

Date: November 17–18, 2011
 Venue: Isola di San Servolo
 Venice, Italy
 Cost: See website for pricing

Visit us at APHA 2011

Washington, DC, October 29–November 2

The American Public Health Association will have its annual meeting in Washington, DC from October 29 through November 2. For more information, go to www.apha.org/meetings/highlights.

Stata representatives, including Bill Rising, Director of Educational Services, and Theresa Boswell, Biostatistician and Software Developer, will be available at the Stata booth to answer your questions about all things Stata. Stop by booth #4001 to visit with the people who develop and support the software and to get 20% off your purchase of Stata Press books and *Stata Journal* subscriptions.