

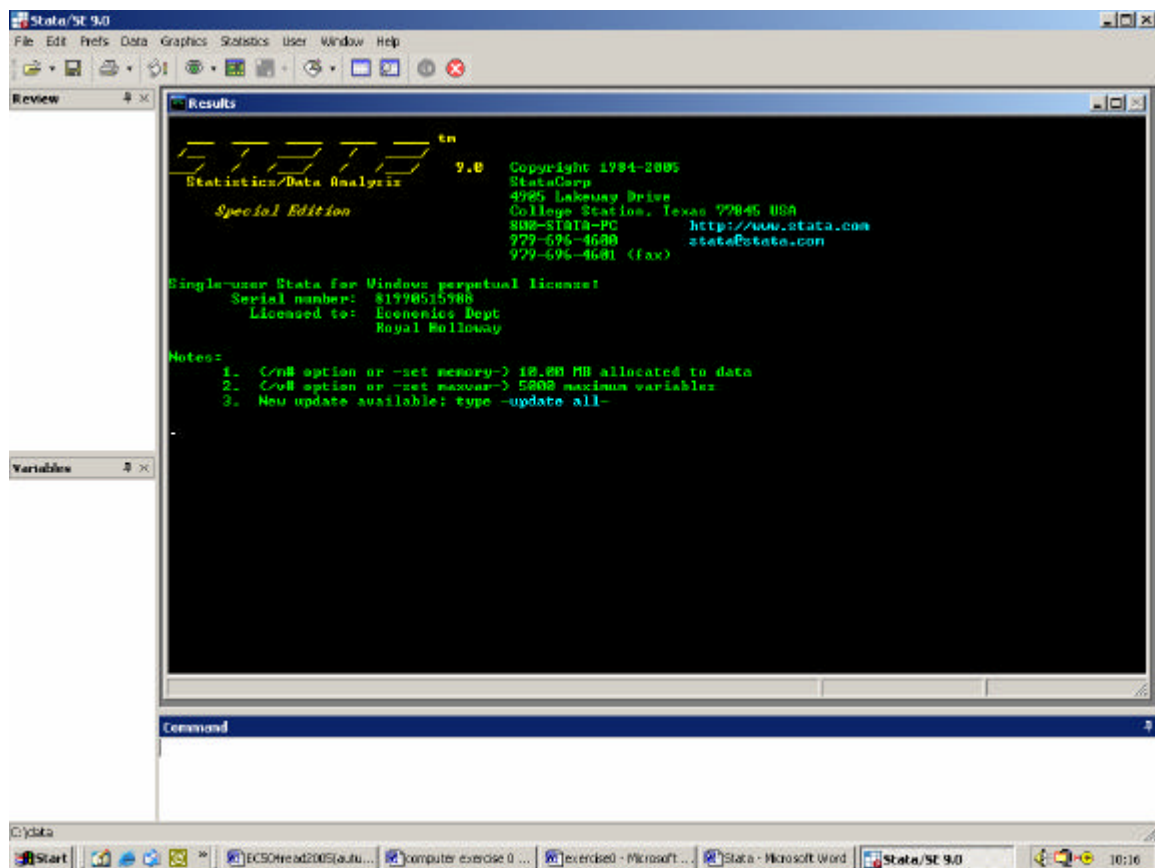
Using STATA

This document gives instructions for learning the basics of the Stata econometrics package used in the problem sets and for your dissertation.

Getting Started

To begin working with Stata, go to the Start icon at the bottom left hand corner of your screen. Left click on the icon, then left click on “Programs”, “academic applications”, “Economics”, “Stata” and finally “Intercooled Stata”

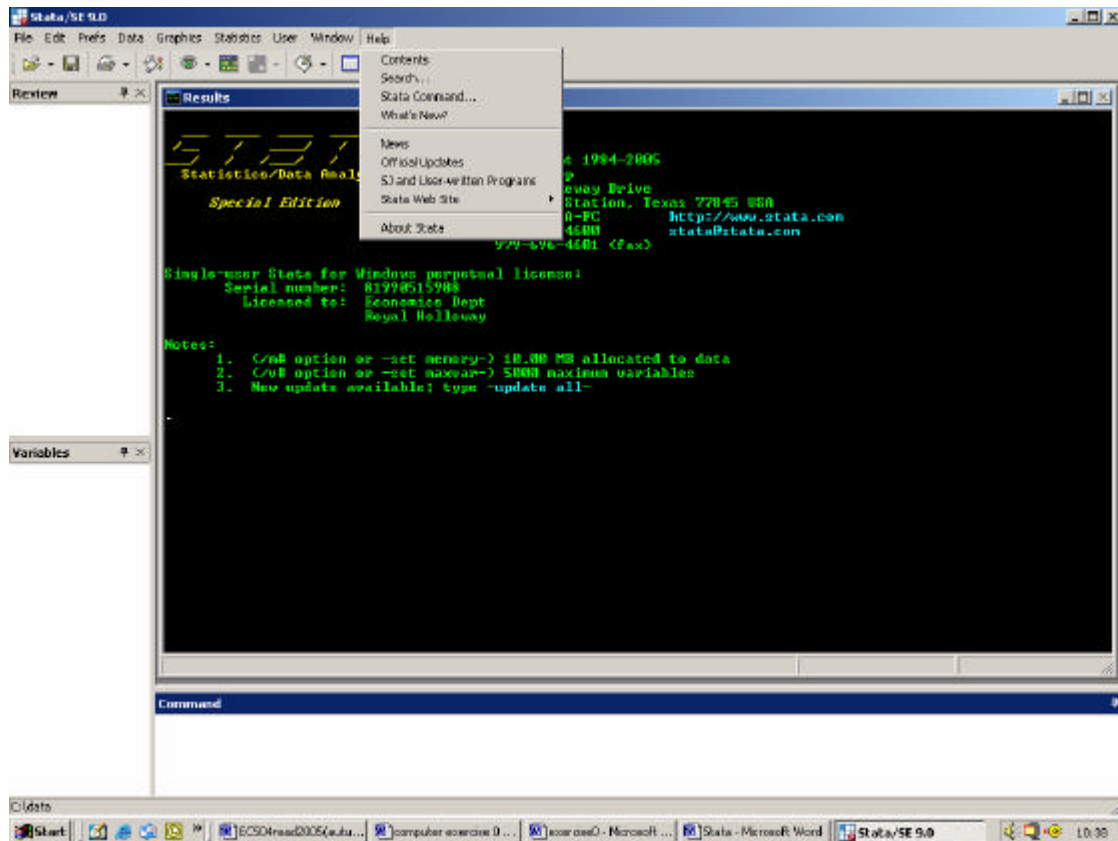
You should see a screen which has four windows; the main “Stata Results” window, where your commands and the resulting output appear; a “Stata command” window, where all commands, or instructions appear when typed; a “Review” window containing previous commands you have typed – which can be recalled into the command window by left-clicking on any line; and finally a “Variables” window containing the names of all the variables you have in your data set. In addition, if you click on the “Help” option an extra window appears.



The dot halfway down the Stata results screen is a prompt key, (the cursor will also be flashing in the command screen), which means that Stata is waiting for instructions.

At the top of the screen is a series of icons

There is a built-in help resource, just click on the “Help” bar at the top left of the screen. Stata also has its own web site and user network where you can post questions.



There are also several on-line tutorials which are worth pursuing. For example, just type

help graph intro

and follow the instructions given by the package.

There is also a useful website
<http://www.ats.ucla.edu/stat/stata/>

which has lots of Stata tutorials, worked examples and data

Can I change the size of the windows?

Yes. You can move and adjust the size of the Stata windows just as you would for any other windows. However, if you want these changes to be permanent, then choose **Prefs** then **Save Windowing Preferences**.

Log Files

It is always a good idea to keep a record of all your commands and resulting output. Stata does this by writing everything to a "log" file. To start this process, left click on the "Open Log" icon in the left-hand top corner of the screen. This will prompt you to give a name for this log file and a directory where you want the file kept. Usually this will be on your floppy disk, so you should specify the a: drive. They are ASCII (text) files and can be imported with no fuss into any word-processing package.

To close the log file at any time type
log off

To re-open the log file type
log on

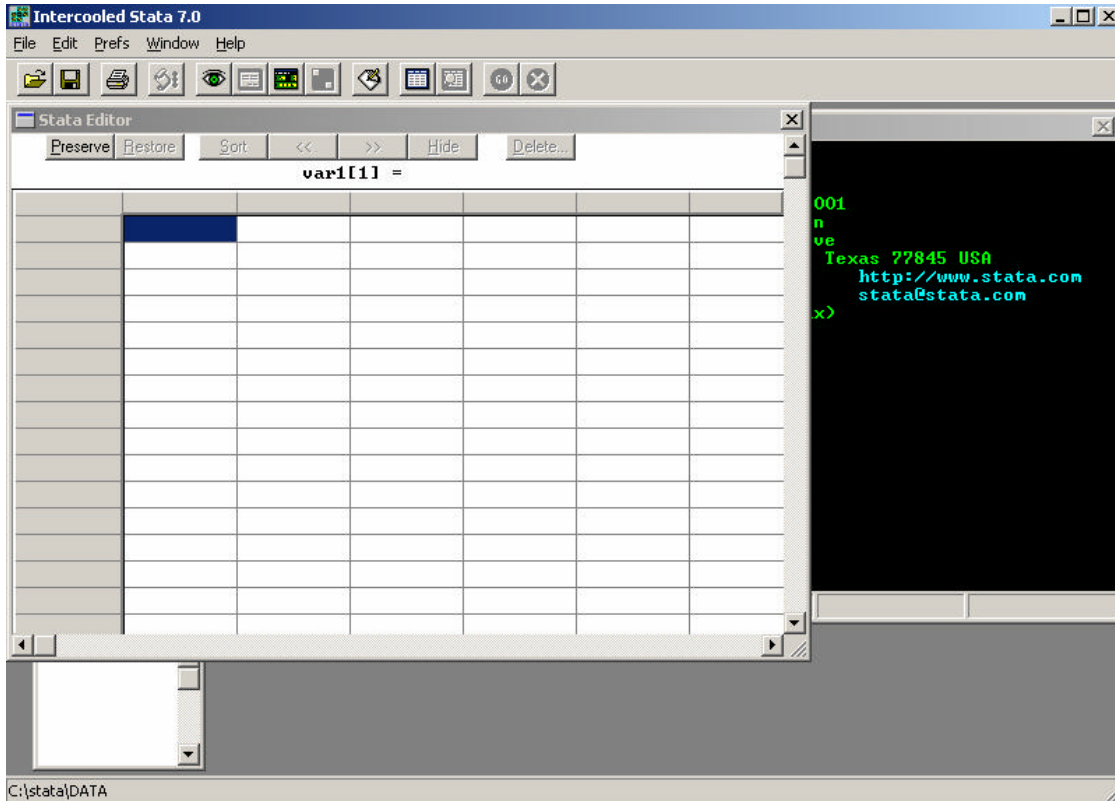
When you have finished everything type
log close

Inputting Data

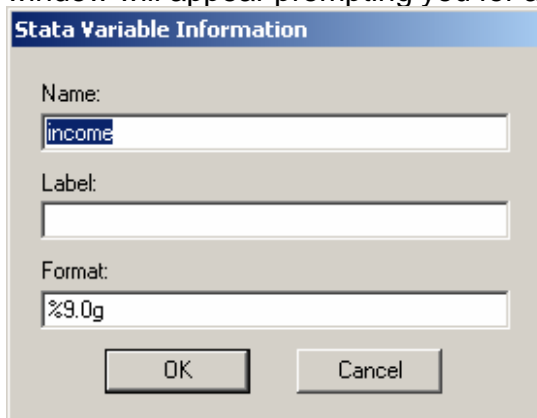
There are 2 ways to read raw data into Stata.

a) By Hand

Stata has an in-built Data Area where you can simply type in your data. To do this, left-click on the "Data Editor" icon at the top of the screen and you should see a spreadsheet type window appear. (Alternatively, just type **edit** at the Stata prompt and the spreadsheet will appear).



Only one cell is ever highlighted, (the current cell). Simply type in your data for the 1st observation and the 1st variable, press enter and the number should appear in the spreadsheet. Continue this until you have typed in all your data for the first variable, move across a column and type in the data for the second variable. To give a name to any variable, click twice on any non-empty cell and a window will appear prompting you for a variable name



Names must not exceed 8 characters in length and should begin with a letter. The label option allows you to attach more detail about the variable. You will see this information whenever you type the command **describe**. When you have finished left click on the icon at the top left hand corner of the edit window next to the words "Stata Editor" and choose the "Close" option.

b) From another package

If you prefer you can enter your data in a spreadsheet package like *EXCEL*, and copy the data directly into Stata. Assuming you also have a spreadsheet package open with the data and the variable name in the first row, simply highlight the data (and the variable names), click on the copy command, go into Stata and the Data Editor window, click on the “Edit” bar at the top left of the screen, click on the “Paste” command and the data should appear in the Data Editor Window, along with the variable names.

Saving and Reading Data

Once you have read in your data you then it is good practice to save it in a form that Stata can recognise immediately should you use the data again. To save a data set in Stata format, click on the “Save” icon at the top of the screen. You will be prompted for a name and a directory for your data set. Again the a:drive is probably the best place to save your data. All Stata files are given “.dta” as an extension, unless you say otherwise.

Should you wish to read this data in again, either
type

`use a:\filename`

at the Stata prompt, (assuming your file is on your a: drive)

or

click on the “file” label in the top left hand corner of the screen, then click on the “open” option and the package will prompt you for the location of your file.

How do I read in a large file?

Sometimes when you try to read in a file you may get an error message

“no room to add more observations”

If this happens you need to increase the amount of memory allocated to Stata. Just type

`set mem 10m`

(which gives 10 mega bytes of memory instead of the default 1 MB. If this doesn't work keep increasing by 10 until it does.)

As you do the exercises, your data may change and the file will increase in size because you will occasionally add new variables to it, but you will never need to

change its name. When you have added a new variable and wish to save the expanded file, do so with the existing name and overwrite the previous version.

The same effect will occur if you type

```
save filename, replace  
(or just  
save, replace  
if you are happy to overwrite the existing data)
```

You cannot print Stata files directly because it is in a special format that no printer can recognise. If you wish to print out some of the data, you have to do this from within Stata. If you wish to preserve the output for each exercise, you should give each file a different name.

If you have loaded a file, completed your analysis, and then wish to use a different data set, you simply clear the existing data set from memory:

```
clear
```

In doing this, it is important to know that any changes you made to the previous data set will be lost. If, for example, you created a bunch of new variables, and you would like to have these variables available the next time you use the data, you should save the data set before using the clear command.

Common diagnostic commands

Here are a few commands that will be useful in the exercises:

If you want to look at the first 20 observations on the variables *wage* and *educ* in a data set then type

```
list wage educ in 1/20
```

To look at the data on marital status and age for people with zero hours worked, type

```
list married age if hours == 0
```

Note how the double equals here is used by Stata to determine equivalence. The other relational operators in Stata are > (greater than), < (less than), >= (greater than or equal), <= (less than or equal), and, ~= (not equal) and is "&" and logical or is "|" in Stata.)

For example, to restrict attention to women type

```
list married age if ~male
```

or

list married age if male==0

The variable *male* is a binary indicator equal to unity for men and zero otherwise. The "~" is the logical "not" operator.

How to get summary statistics of variables

Type

sum followed by a list of variable names.

This produces a table giving the mean, standard deviation, maximum and minimum for each variable listed.

Eg

su age female union wkwage

Variable	Obs	Mean	Std. Dev.	Min	Max
age	12098	39.0996	11.19333	16	64
female	12098	.5019011	.5000171	0	1
union	12098	.3208795	.4668339	0	1
wkwage	12098	313.9068	240.1405	1	7788

Sometimes you may want to look at the range of values that a variable can take. To do this type

tab followed by one variable name.

This produces a frequency distribution for the variable

Eg

. tab marstt

marital status	Freq.	Percent	Cum.
single, never married	3354	27.72	27.72
married, living with husband/wife	7338	60.65	88.38
married, separated from husband/wife	348	2.88	91.25
divorced	929	7.68	98.93
widowed	129	1.07	100.00
Total	12098	100.00	

It is important to realise that Stata sometimes carries "value labels" which give more detail on what each of the categories stand for. The above example shows that the marital status variable "marstt" has 5 possible categories. However if you

want to refer to any specific category you must use the number which lies behind the value label.

Eg typing

```
keep if marstt== divorced
```

would lead to stata producing an error. What you should type is

```
keep if marstt== 4
```

(since divorce is the 4th category in the list). You can get a list of all the numbers that lie behind the labels if you type

```
tab variable name, nolabel
```

Eg

```
tab marstt, nolabel
```

marital status	Freq.	Percent	Cum.
1	3354	27.72	27.72
2	7338	60.65	88.38
3	348	2.88	91.25
4	929	7.68	98.93
5	129	1.07	100.00

Total	12098	100.00	

If you type

```
tab followed by two variable names.
```

This produces a cross-tabulation with the first-named variable providing the rows and the second-named one providing the columns

Eg

```
tab marstt female
```

marital status	female		Total
	0	1	
single, never married	1776	1578	3354
married, living with	3708	3630	7338

married, separated fr	144	204	348
divorced	360	569	929
widowed	38	91	129
-----+-----+-----			
Total	6026	6072	12098

How to create new variables

gen followed by an equation.

This creates a new variable defined as the dependent variable of the equation.

Example

```
gen degree=highqual<4
```

creates a variable with a value 1 if the condition on the right and side is satisfied and a value 0 if not.

Adding an if expression at the end of a command, for example

```
gen lwage=log(wage) if female==1
```

makes the command selective as indicated.

Graphing Data

It is always a good idea to graph the main dependent and explanatory variables in your data set.

The basic command is

```
Graph variable_name1
```

To graph 2 variables

```
Graph variable_name1 variable_name2
```

How do I Copy Stata Output and Stata Graphs into Word?

You can copy output, eg regression estimation, directly from the “results” window, by highlighting the area you wish to copy and then use the **Edit** option on the menu list and then **copy text**. (It will look better if you have Word set to “Courier” as the text type option).

To copy a graph into a Word document click on the Edit bar at the top of the screen. Click on **copy graph** and then go to Word and hit the “paste” option

The alternative is to save all your output in a log file and then read this file directly into word using the **file open** or **file insert** commands (the latter will insert your output into a word document that is already open. This is a good idea if you have a document that contains text and you wish to add regression output).

Estimation Commands

To produce OLS estimates, standard errors, t statistics, confidence intervals, and a variety of other statistics usually reported with OLS.

reg followed by a list of variable names.

The first variable is regressed on the rest.

An example is

```
reg lwage educ exper expersq married
```

Unless a specific range of observations or a logical statement is included, Stata uses all possible observations in obtaining estimates. It does not use observations for which data on the dependent variable or any of the independent variables is missing. Thus, you must be aware of the fact that adding another explanatory variable can result in fewer observations used in the regression if some observations do not contain a value for that variable.

To restrict our regression based on the size of one or more of the explanatory variables. In the regression

```
reg contribs mtchrate size sizesq if size <= 5000
```

where *size* is number of employees of a firm, the analysis is restricted to firms with no more than 5,000 employees.

Most if conditions are straightforward, but there is one that is not: a condition which uses an double = sign, like

```
reg wage age if female==1
```

(says regress wages on age if (and only if) the individual in the sample is female)

must repeat the = sign as shown. This is to distinguish between the use of = in equations defining variables and its use in tests for equality.

Remember if ever you get stuck, you can always type

help command or instruction

or

search command or instruction

and Stata should respond

Leaving Stata

If no changes are made to your data file, to leave Stata (after closing your log file, if opened), type

`exit`

Stata will not exit if new variables have been created, or if part of the sample has been dropped. If you do not wish to save any changes you have made then type

`exit, clear`

This is especially useful if, after reading in the initial file, you dropped some observations before undertaking your analysis. In most cases you do not want to save the smaller data set over the original one.