EEP/IAS 118
Andrew Dustan
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Contents of 9/21 announcements email:

Read on for various announcements:

- I am handing back the first problem set tomorrow at the end of section.
The key is posted for you to look at and (later) compare to your own
answers:
http://are.berkeley.edu/courses/EEP118/current/problemsets/
I also posted the Excel sheet I made for the calculations so you can see
how to do it, if you don't know already. The one place that people had the
most trouble on the problem set was interpreting estimated coefficients in
words. The solutions should clarify this and we'll also practice more
tomorrow.

- I posted some tips on the website for doing well on problem sets, most
of which don't apply much to the one you're getting back, but DO apply to
the one you're working on now. Check it out:
http://are.berkeley.edu/courses/EEP118/current/section/4/pstips.pdf

- The practice exercise posted today requires some skills we didn't cover
yet in lecture. So don't worry, just hold off a couple of days.

- If you're having troubles with Stata (minor or major), I will hold an
extra office hour this Friday from 1pm-2pm, for Stata questions only.
Start your problem set before Friday so you know if you are a good
candidate for attending!

- On the current homework assignment, you are asked to generate some new
variables in Stata. An astute student pointed out that it's not totally
clear how these new variables should be defined. Here is part of my
response to him:

Defining per capita expenditures:
"per capita expenditures" = "total expenditures by the household" / "number
of people in that household"

The per capita expenditures variable is useful because it allows us to look
at how much money a particular household is spending per member, which is a
good way to see how well-off each person in that household is.

After you've generated totexppc (so each household will have its own value
for this), you can summarize it by finding its range, mean, whatever.

Defining food or energy share:
"share of food expenditure in total expenditure" = "food expenditures by the
household" / "total expenditures by the household" (just the fraction of
expenditures that went to food)

So again, when you generate this, each household will have its own share.
Then you can summarize this share across the sample by finding the average,
range, etc. The definition is similar for energy share.

I think some of the confusion comes from us being so used to seeing "per capita" used to describe population-wide summary statistics like GDP/capita, not household-level variables like "household expenditure/capita" that vary from household to household.