

eteffects postestimation — Postestimation tools for eteffects

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Postestimation commands

The following postestimation command is of special interest after `eteffects`:

Command	Description
<code>estat endogenous</code>	perform tests of endogeneity

The following postestimation commands are available after `eteffects`:

Command	Description
<code>estat summarize</code>	summary statistics for the estimation sample
<code>estat vce</code>	variance–covariance matrix of the estimators (VCE)
<code>estimates</code>	cataloging estimation results
<code>hausman</code>	Hausman’s specification test
<code>lincom</code>	point estimates, standard errors, testing, and inference for linear combinations of coefficients
<code>nlcom</code>	point estimates, standard errors, testing, and inference for nonlinear combinations of coefficients
<code>predict</code>	predictions, residuals, influence statistics, and other diagnostic measures
<code>predictnl</code>	point estimates, standard errors, testing, and inference for generalized predictions
<code>test</code>	Wald tests of simple and composite linear hypotheses
<code>testnl</code>	Wald tests of nonlinear hypotheses

predict

Description for predict

`predict` creates a new variable containing predictions such as treatment effects, conditional means, propensity scores, and linear predictions.

Menu for predict

Statistics > Postestimation

Syntax for predict

```
predict [type] { stub* | newvar | newvarlist } [if] [in] [, statistic tlevel]
```

```
predict [type] { stub* | newvarlist } [if] [in], scores
```

<i>statistic</i>	Description
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Main

te	treatment effect; the default
cmean	conditional mean at treatment level
ps	propensity score
xb	linear prediction
psxb	linear prediction for propensity score
xbtotal	linear prediction, using residuals from treatment model

Specify one new variable with **te**; specify one or two new variables with **cmean**, **ps**, and **xb**.

Options for predict

Main

te, the default, calculates the treatment effect.

cmean calculates the conditional mean for the control group. To also obtain the conditional mean for the treatment group, specify two variables. If you want the conditional mean for only the treatment group, specify the **tlevel** option.

ps calculates the probability of being in the control group. To also obtain the probability of being in the treatment group, specify two variables. If you want the probability of being in the treatment group only, specify the **tlevel** option.

xb calculates the linear prediction for the control group. To also obtain the linear prediction for the treatment group, specify two variables. If you want the linear prediction for only the treatment group, specify the **tlevel** option.

psxb calculates the linear prediction for the propensity score.

xbtotal calculates the linear prediction for the control group, including the residuals from the treatment model as regressors. To also obtain the linear prediction for the treatment group, specify two variables. If you want the linear prediction, including the residuals from the treatment model as regressors, only for the treatment group, specify the **tlevel** option.

tlevel specifies that the statistic be calculated for the treatment group; the default is to calculate the statistic for the control group.

scores calculates the score variables. For **eteffects**, this is the same as the residuals in the moment conditions used by the generalized method of moments (see [R] **gmm**). For the average treatment effect, the average treatment effect on the treated, and the potential-outcome means, parameter-level scores are computed. For the auxiliary equations, equation-level scores are computed.

estat

Description for estat

`estat endogenous` performs a Wald test to determine whether the estimated correlations between the treatment-assignment and potential-outcome models are different from zero. The null hypothesis is that the correlations are jointly zero. Rejection of the null hypothesis suggests endogeneity.

Menu for estat

Statistics > Postestimation

Syntax for estat

```
estat endogenous
```

Remarks and examples

[stata.com](http://www.stata.com)

▶ Example 1: Testing for endogeneity

In [example 3](#) of [TE] [eteffects](#), endogeneity could arise if unobservable factors that determine wages are correlated with the decision to live in an urban area. If there is no endogeneity, we would prefer to use one of the `teffects` estimators because they will give us the correct standard errors. The control-function approach used by `eteffects` allows us to test for endogeneity.

The control-function approach estimates the correlation between the unobservables of the treatment-assignment and potential-outcome models. If there is no correlation between the unobservables, then there is no endogeneity. We test for correlation, and thus for endogeneity, by typing

```
. use http://www.stata-press.com/data/r14/nlsy80
. eteffects (wage exper iq i.college, exponential nocons)
> (urban i.college fcollege)
(output omitted)
. estat endogenous
Test of endogeneity
Ho: treatment and outcome unobservables are uncorrelated
      chi2( 2) = 275.36
Prob > chi2 = 0.0000
```

We reject the null hypothesis of no endogeneity. This suggests that unobservable factors that determine wages mediate the decision to live in an urban area.

◀

□ Technical note

The estimated correlations between the unobservables of the treatment-assignment and potential-outcome models are auxiliary parameters. They appear under the headings TE0M0 and TE0M1, which refer to treatment residuals (TE) for outcome model 0 (OM0) and outcome model 1 (OM1), when the option `aequations` is specified.

For the model in [example 3](#) of [TE] **eteffects** with the `aequations` option, the results are the following:

```
. eteffects (wage exper iq i.college, exponential nocons)
> (urban i.college fcollege), aequations
Iteration 0: EE criterion = 3.479e-11
Iteration 1: EE criterion = 2.432e-25
Endogenous treatment-effects estimation      Number of obs      =      935
Outcome model : exponential
Treatment model: probit
```

		Coef.	Robust Std. Err.	z	P> z	[95% Conf. Interval]	
ATE	urban (1 vs 0)	481.0465	31.74882	15.15	0.000	418.82	543.2731
POmean	urban 0	233.8083	13.51028	17.31	0.000	207.3286	260.288
TME1	college 1	.195811	.1012119	1.93	0.053	-.0025607	.3941827
	fcollege	.1069748	.0992075	1.08	0.281	-.0874683	.3014179
	_cons	.498012	.056408	8.83	0.000	.3874543	.6085698
OME0	exper	.0193244	.0085633	2.26	0.024	.0025405	.0361082
	iq	.0099473	.0036949	2.69	0.007	.0027053	.0171892
	college 1	-.3718598	.2678636	-1.39	0.165	-.8968629	.1531433
OME1	exper	.0238566	.017597	1.36	0.175	-.0106329	.058346
	iq	.0148581	.0113311	1.31	0.190	-.0073505	.0370667
	college 1	1.236947	.6401383	1.93	0.053	-.0177013	2.491595
TEOMO	_cons	-7.771932	.6406251	-12.13	0.000	-9.027534	-6.51633
TEOM1	_cons	16.7739	4.777519	3.51	0.000	7.410131	26.13766

Among other things, we can use these correlations to test the joint significance of the coefficients on the residuals from the treatment-assignment models. This is equivalent to the endogeneity test in [example 1](#). We type

```
. test [TEOMO]_cons [TEOM1]_cons
( 1) [TEOMO]_cons = 0
( 2) [TEOM1]_cons = 0
      chi2( 2) = 275.36
      Prob > chi2 = 0.0000
```



Also see

[TE] [eteffects](#) — Endogenous treatment-effects estimation

[U] [20 Estimation and postestimation commands](#)