Maximize — Details of iterative maximization

Description

All Stata commands maximize likelihood functions using \texttt{moptimize()} and \texttt{optimize()}; see \textit{Methods and formulas} below. Commands use the Newton–Raphson method with step halving and special fixups when they encounter nonconcave regions of the likelihood. For details, see \cite{moptimize} and \cite{optimize}. For more information about programming maximum likelihood estimators in ado-files and Mata, see \cite{ml} and Gould, Pitblado, and Poi (2010).

Syntax

\begin{verbatim}
mle\_cmd ... [, \textit{options}]
\end{verbatim}

\begin{table}[h]
\begin{tabular}{ll}
\hline
\textit{options} & Description \\
\hline
\texttt{difficult} & use a different stepping algorithm in nonconcave regions \\
\texttt{technique(algorithm\_spec)} & maximization technique \\
\texttt{iterate(\#)} & perform maximum of \# iterations; default is \texttt{iterate(16000)} \\
\texttt{[no]log} & display an iteration log of the log likelihood; typically, the default \\
\texttt{trace} & display current parameter vector in iteration log \\
\texttt{gradient} & display current gradient vector in iteration log \\
\texttt{showstep} & report steps within an iteration in iteration log \\
\texttt{hessian} & display current negative Hessian matrix in iteration log \\
\texttt{showtolerance} & report the calculated result that is compared to the effective \\
& convergence criterion \\
\texttt{tolerance(\#)} & tolerance for the coefficient vector; see \textit{Options} for the defaults \\
\texttt{ltolerance(\#)} & tolerance for the log likelihood; see \textit{Options} for the defaults \\
\texttt{nrtolerance(\#)} & tolerance for the scaled gradient; see \textit{Options} for the defaults \\
\texttt{qtolerance(\#)} & when specified with algorithms bhhh, dfp, or bfgs, the \(q - H\) \\
& matrix is used as the final check for convergence rather than \\
& \texttt{nrtolerance()} and the \(H\) matrix; seldom used \\
\texttt{nonrtolerance} & ignore the \texttt{nrtolerance()} option \\
\texttt{from(init\_specs)} & initial values for the coefficients \\
\hline
\end{tabular}
\end{table}
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algorithm_spec is

    algorithm [ # [ algorithm [#] ] ... ]

algorithm is \{ nr | bhhh | dfp | bfgs \}

init_specs is one of

    matname [... skip copy]

    \{ [ eqname: ] name = # | /eqname = # ] [...]

    # [ # ... ], copy

Maximization options

difficult specifies that the likelihood function is likely to be difficult to maximize because of nonconcave regions. When the message “not concave” appears repeatedly, ml’s standard stepping algorithm may not be working well. difficult specifies that a different stepping algorithm be used in nonconcave regions. There is no guarantee that difficult will work better than the default; sometimes it is better and sometimes it is worse. You should use the difficult option only when the default stepper declares convergence and the last iteration is “not concave” or when the default stepper is repeatedly issuing “not concave” messages and producing only tiny improvements in the log likelihood.

technique(algorithm_spec) specifies how the likelihood function is to be maximized. The following algorithms are allowed. For details, see Gould, Pitblado, and Poi (2010).

technique(nr) specifies Stata’s modified Newton–Raphson (NR) algorithm.

technique(bhhh) specifies the Berndt–Hall–Hall–Hausman (BHHH) algorithm.

technique(dfp) specifies the Davidon–Fletcher–Powell (DFP) algorithm.

technique(bfgs) specifies the Broyden–Fletcher–Goldfarb–Shanno (BFGS) algorithm.

The default is technique(nr).

You can switch between algorithms by specifying more than one in the technique() option. By default, an algorithm is used for five iterations before switching to the next algorithm. To specify a different number of iterations, include the number after the technique in the option. For example, specifying technique(bhhh 10 nr 1000) requests that ml perform 10 iterations with the BHHH algorithm followed by 1000 iterations with the NR algorithm, and then switch back to BHHH for 10 iterations, and so on. The process continues until convergence or until the maximum number of iterations is reached.

iterate(#) specifies the maximum number of iterations. When the number of iterations equals iterate(), the optimizer stops and presents the current results. If convergence is declared before this threshold is reached, it will stop when convergence is declared. Specifying iterate(0) is useful for viewing results evaluated at the initial value of the coefficient vector. Specifying iterate(0) and from() together allows you to view results evaluated at a specified coefficient vector; however, not all commands allow the from() option. The default value of iterate(#) for both estimators programmed internally and estimators programmed with ml is the current value of set maxiter ([R] set iter), which is iterate(16000) by default.
log and nolog specify whether an iteration log showing the progress of the log likelihood is to be displayed. For most commands, the log is displayed by default, and nolog suppresses it; see set iterlog in [R] set iter. For a few commands (such as the svy maximum likelihood estimators), you must specify log to see the log.

trace adds to the iteration log a display of the current parameter vector.

gradient adds to the iteration log a display of the current gradient vector.

showstep adds to the iteration log a report on the steps within an iteration. This option was added so that developers at StataCorp could view the stepping when they were improving the ml optimizer code. At this point, it mainly provides entertainment.

hessian adds to the iteration log a display of the current negative Hessian matrix.

showtolerance adds to the iteration log the calculated value that is compared with the effective convergence criterion at the end of each iteration. Until convergence is achieved, the smallest calculated value is reported.

shownrtolerance is a synonym of showtolerance.

Below we describe the three convergence tolerances. Convergence is declared when the nrtolerance() criterion is met and either the tolerance() or the ltolerance() criterion is also met.

tolerance(#) specifies the tolerance for the coefficient vector. When the relative change in the coefficient vector from one iteration to the next is less than or equal to tolerance(), the tolerance() convergence criterion is satisfied.

tolerance(1e-4) is the default for estimators programmed with ml.

tolerance(1e-6) is the default.

ltolerance(#) specifies the tolerance for the log likelihood. When the relative change in the log likelihood from one iteration to the next is less than or equal to ltolerance(), the ltolerance() convergence is satisfied.

ltolerance(0) is the default for estimators programmed with ml.

ltolerance(1e-7) is the default.

nrtolerance(#) specifies the tolerance for the scaled gradient. Convergence is declared when $gH^{-1}g' < nrtolerance()$. The default is nrtolerance(1e-5).

qtolerance(#) when specified with algorithms bhhh, dfp, or bfgs uses the $q - H$ matrix as the final check for convergence rather than nrtolerance() and the $H$ matrix.

Beginning with Stata 12, by default, Stata now computes the $H$ matrix when the $q - H$ matrix passes the convergence tolerance, and Stata requires that $H$ be concave and pass the nrtolerance() criterion before concluding convergence has occurred.

qtolerance() provides a way for the user to obtain Stata's earlier behavior.

nonrtolerance specifies that the default nrtolerance() criterion be turned off.

from() specifies initial values for the coefficients. Not all estimators in Stata support this option. You can specify the initial values in one of three ways: by specifying the name of a vector containing the initial values (for example, from(b0), where b0 is a properly labeled vector); by specifying coefficient names with the values (for example, from(age=2.1 /sigma=7.4)); or by specifying a list of values (for example, from(2.1 7.4, copy)). from() is intended for use when doing
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bootstraps (see [R] bootstrap) and in other special situations (for example, with iterate(0)). Even when the values specified in from( ) are close to the values that maximize the likelihood, only a few iterations may be saved. Poor values in from( ) may lead to convergence problems.

skip specifies that any parameters found in the specified initialization vector that are not also found in the model be ignored. The default action is to issue an error message.

copy specifies that the list of values or the initialization vector be copied into the initial-value vector by position rather than by name.

Remarks and examples

Only in rare circumstances would you ever need to specify any of these options, except nolog. The nolog option is useful for reducing the amount of output appearing in log files; also see set iterlog in [R] set iter.

The following is an example of an iteration log:

```
Iteration 0:  log likelihood = -3791.0251
Iteration 1:  log likelihood = -3761.738
Iteration 2:  log likelihood = -3758.0632  (not concave)
Iteration 3:  log likelihood = -3758.0447
Iteration 4:  log likelihood = -3757.5861
Iteration 5:  log likelihood = -3757.474
Iteration 6:  log likelihood = -3757.4613
Iteration 7:  log likelihood = -3757.4606
Iteration 8:  log likelihood = -3757.4606
(table of results omitted)
```

At iteration 8, the model converged. The message “not concave” at the second iteration is notable. This example was produced using the heckman command; its likelihood is not globally concave, so it is not surprising that this message sometimes appears. The other message that is occasionally seen is “backed up”. Neither of these messages should be of any concern unless they appear at the final iteration.

If a “not concave” message appears at the last step, there are two possibilities. One is that the result is valid, but there is collinearity in the model that the command did not otherwise catch. Stata checks for obvious collinearity among the independent variables before performing the maximization, but strange collinearities or near collinearities can sometimes arise between coefficients and ancillary parameters. The second, more likely cause for a “not concave” message at the final step is that the optimizer entered a flat region of the likelihood and prematurely declared convergence.

If a “backed up” message appears at the last step, there are also two possibilities. One is that Stata found a perfect maximum and could not step to a better point; if this is the case, all is fine, but this is a highly unlikely occurrence. The second is that the optimizer worked itself into a bad concave spot where the computed gradient and Hessian gave a bad direction for stepping.

If either of these messages appears at the last step, perform the maximization again with the gradient option. If the gradient goes to zero, the optimizer has found a maximum that may not be unique but is a maximum. From the standpoint of maximum likelihood estimation, this is a valid result. If the gradient is not zero, it is not a valid result, and you should try tightening up the convergence criterion, or try ltol(0) tol(1e7) to see if the optimizer can work its way out of the bad region.

If you get repeated “not concave” steps with little progress being made at each step, try specifying the difficult option. Sometimes difficult works wonderfully, reducing the number of iterations and producing convergence at a good (that is, concave) point. Other times, difficult works poorly, taking much longer to converge than the default stepper.
Stored results

Maximum likelihood estimators store the following in e():

Scalars
\( e(N) \), number of observations
always stored
\( e(k) \), number of parameters
always stored
\( e(k_{eq}) \), number of equations in \( e(b) \)
usually stored
\( e(k_{eq_model}) \), number of equations in overall
model test
usually stored
\( e(k_{dv}) \), number of dependent variables
usually stored
\( e(df_m) \), model degrees of freedom
always stored
\( e(r2_p) \), pseudo-\( R^2 \)-squared
sometimes stored
\( e(ll) \), log likelihood
always stored
\( e(ll_{0}) \), log likelihood, constant-only model
stored when constant-only model is fit
\( e(N_{clust}) \), number of clusters
stored when \( vce(cluster \ clustvar) \) is specified;
see [U] 20.22 Obtaining robust variance estimates
\( e(chi2) \), \( \chi^2 \)
usually stored
\( e(p) \), \( p \)-value for model test
usually stored
\( e(rank) \), rank of \( e(V) \)
always stored
\( e(rank0) \), rank of \( e(V) \) for constant-only model
stored when constant-only model is fit
\( e(ic) \), number of iterations
usually stored
\( e(rc) \), return code
usually stored
\( e(\text{converged}) \), 1 if converged, 0 otherwise
usually stored

Macros
\( e(cmd) \), name of command
always stored
\( e(cmdline) \), command as typed
always stored
\( e(depvar) \), names of dependent variables
always stored
\( e(wtype) \), weight type
stored when weights are specified or implied
\( e(wexp) \), weight expression
stored when weights are specified or implied
\( e(title) \), title in estimation output
usually stored by commands using ml
\( e(clustvar) \), name of cluster variable
stored when \( vce(cluster \ clustvar) \) is specified;
see [U] 20.22 Obtaining robust variance estimates
\( e(chi2type) \), Wald or LR; type of model \( \chi^2 \) test
usually stored
\( e(vce) \), vcetype specified in \( vce() \)
stored when command allows \( vce() \)
\( e(vctype) \), title used to label Std. Err.
sometimes stored
\( e(opt) \), type of optimization
always stored
\( e(which) \), max or min; whether optimizer is to
perform maximization or minimization
always stored
\( e(ml\_method) \), type of ml method
always stored by commands using ml
\( e(user) \), name of likelihood-evaluator program
always stored
\( e(technique) \), from technique() option
sometimes stored
\( e(singular\_method) \), m-marquardt or hybrid; method
used when Hessian is singular
sometimes stored
\( e(crittype) \), optimization criterion
always stored
\( e(properties) \), estimator properties
always stored
\( e(predict) \), program used to implement predict
usually stored
Matrices

- \( e(b) \): coefficient vector, always stored
- \( e(Cns) \): constraints matrix, sometimes stored
- \( e(iolog) \): iteration log (up to 20 iterations), usually stored
- \( e(gradient) \): gradient vector, usually stored
- \( e(V) \): variance–covariance matrix of the estimators, always stored
- \( e(V\_modelbased) \): model-based variance, only stored when \( e(V) \) is robust, cluster–robust, bootstrap, or jackknife variance

Functions

- \( e(sample) \): marks estimation sample, always stored

1. Type \texttt{ereturn list}, \texttt{all} to view these results; see \[P]\ return.

See Stored results in the manual entry for any maximum likelihood estimator for a list of returned results.

Methods and formulas

Optimization is currently performed by \texttt{moptimize()} and \texttt{optimize()}, with the former implemented in terms of the latter; see \[M-5]\ moptimize() and \[M-5]\ optimize(). Some estimators use \texttt{moptimize()} and \texttt{optimize()} directly, and others use the \texttt{ml} ado-file interface to \texttt{moptimize()}.

Prior to Stata 11, Stata had three separate optimization engines: an internal one used by estimation commands implemented in C code; \texttt{ml} implemented in ado-code separately from \texttt{moptimize()} and used by most estimators; and \texttt{moptimize()} and \texttt{optimize()} used by a few recently written estimators. These days, the internal optimizer and the old version of \texttt{ml} are used only under version control. In addition, \texttt{arch} and \texttt{arima} (see \[TS]\ arch and \[TS]\ arima) are currently implemented using the old \texttt{ml}.

Let \( L_1 \) be the log likelihood of the full model (that is, the log-likelihood value shown on the output), and let \( L_0 \) be the log likelihood of the “constant-only” model. The likelihood-ratio \( \chi^2 \) model test is defined as \( 2(L_1 - L_0) \). The pseudo-\( R^2 \) (McFadden 1974) is defined as \( 1 - L_1 / L_0 \). This is simply the log likelihood on a scale where 0 corresponds to the “constant-only” model and 1 corresponds to perfect prediction for a discrete model (in which case the overall log likelihood is 0).

Some maximum likelihood routines can report coefficients in an exponentiated form, for example, odds ratios in \texttt{logistic}. Let \( b \) be the unexponentiated coefficient, \( s \) its standard error, and \( b_0 \) and \( b_1 \) the reported confidence interval for \( b \). In exponentiated form, the point estimate is \( e^b \), the standard error \( e^b s \), and the confidence interval \( e^{b_0} \) and \( e^{b_1} \). The displayed \( Z \) (or \( t \)) statistics and \( p \)-values are the same as those for the unexponentiated results. This is justified because \( e^b = 1 \) and \( b = 0 \) are equivalent hypotheses, and normality is more likely to hold in the \( b \) metric.

References


Also see

[R] `ml` — Maximum likelihood estimation

[R] `set iter` — Control iteration settings

[SVY] `ml for svy` — Maximum pseudolikelihood estimation for survey data

[M-5] `moptimize()` — Model optimization

[M-5] `optimize()` — Function optimization