

14 - Dependent Data

Note Title

11/29/2011

Today:

- Time Series

- Cross-Sectional - Time Series

Thus far, our data has been random

that is:

- selection of entity is independent of all factors except being a member of the population of interest.

Cross Sectional Time Series data

- repeated measurements on several entities
- New hitch: Correlation structure
i.e. relationship in time

Good News: There are an infinite number of possible correlation structures.
⇒ customizable.

Better News: There are only a few
"popular" ones:

- Independence
- Exchangeable
- Autoregressive-1 (ar1)
- Unstructured

Independence: last year has no effect

Exchangeable: Each previous year has the same effect

AR-1 : Last year has an effect

Unstructured: Let the data determine it.