

ReadMe file for replication of

Frank M. Fossen and Daniela Glocker: “Stated and revealed heterogeneous risk preferences in educational choice”

How to obtain the SOEP raw data:

The replication do-files permit replication of the results reported in the paper (including the Appendix) starting from the raw data of the German Socio-economic Panel, version 27 (SOEPv27). The data are provided by the German Institute for Economic Research (DIW Berlin). The SOEP providers support and facilitate replication of research results. The raw data used in this analysis have been archived specifically for the purpose of replication of this paper using the “SOEP Re-Analysis” service of the SOEP providers. All researchers worldwide can access these data. Because the SOEP data are subject to data protection legislation, researchers have to sign a contract with the SOEP providers first (free of charge). Data access is usually established within three to five days.

You can find more information about the SOEP and data access here:

Research Data Center of the SOEP:

https://www.diw.de/en/diw_02.c.221180.en/research_data_center_soep.html

SOEP Re-analysis:

https://www.diw.de/en/diw_01.c.340858.en/soep_re_analyses.html

If you have questions, please contact the SOEPHotline (email: soepmail@diw.de, phone: +49 30 89789-292).

How to replicate the empirical results using Stata:

- Create a main folder.
- Copy the do-files and the folders “ado” and “taxsimulation” (with additional do-files and other files inside) into that folder.
- Start Stata.
- Switch to the main folder you created.
- In 00_master.do, specify your paths to the location of the SOEPv27 source data files (including bioedu). The paths must end with /.
- Start 00_master.
- Wait until all the data preparation and estimations are done (this may take a while).

Output:

A folder “results/Tables” will be created within your main folder. In this folder you will find (among other temporary files):

In Comma Separated Value Format (open with a spreadsheet program):

Table1.csv	Provides the results reported in Table 1 of the paper
Table2.csv	Provides the results reported in Table 2 of the paper. The coefficients of rho and rhob are also used to draw Figure 2 of the paper.
Table3.csv	Provides the results reported in Table 3 of the paper

In Rich Text Format (open with a word processing program):

selection0.rtf	Provides the results reported in Table A3 in the Appendix of the paper
earnest_heck0.rtf	Provides the results reported in Table A4 in the Appendix of the paper
variance_estim_r0_v1.rtf	Provides the results reported in Table A5 in the Appendix of the paper

A folder “results/Elasticities” will also be created. In this folder you will find:

Table4.csv	Provides the results reported in Table 4 of the paper
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In the folder “results” you will find the log-file 05_UniversityTransition.log (open with a text editor). In this file, search for:

Descriptives Table A.1	This table provides the results reported in Table A1 in the Appendix of the paper.
Numbers for Figure 1	This table provides the numbers used to draw Figure 1 of the paper.

In the folder “results” you will also find the log-file 03_EarningsEstimation.log (open with a text editor). In this file, search for:

Descriptives Table A.2	This table provides the results reported in Table A2 in the Appendix of the paper.
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Description of files provided (for your information):

In the main folder:

ReadMe.pdf	This file with information on how to replicate the results.
00_master.do	This Stata do-file defines the paths and starts the other do-files.
Other .do files	These Stata do-files are called by the 00_master.do file in the correct order to produce the results.

In the folder “taxsimulation”:

calc_net_mstsm.do	Stata do-file automatically called when 00_master.do is run.
EStParams10.xlsx	Excel-File containing parameters of the German Personal Income Tax code.
EStParams10.csv	CSV-File containing parameters of the German Personal Income Tax code. These parameters are automatically read in by calc_net_mstsm.do.

In the folder “ado”:

.ado files	Stata ado files are automatically called when 00_master.do is run. 00_master.do includes this folder in the ado path.
.hlp files	Stata help files for holrein and mkdat. These two ado programs were written by Ulrich Kohler and the original versions can be downloaded from the internet. Use the programs provided here because we adapted them to deal with “pequiv” and “page17” data from the SOEPv27.