

# Stata Code for OLS Estimation with Spatially Correlated Disturbances

---

Jordan Rappaport  
March 2019

FEDERAL RESERVE BANK *of* KANSAS CITY



## License

For research that uses this data, please cite:

Rappaport, Jordan. 2019. Stata Code for OLS Estimation with Spatially Correlated Disturbances. Available at <https://www.kansascityfed.org/people/jordanrappaport>

Copyright (c) 2019, Jordan Rappaport and the Federal Reserve Bank of Kansas City. All rights reserved.

Redistribution and use in source and binary forms, with or without modification, are permitted provided that the following conditions are met:

\* Redistributions of source code must retain the above copyright notice, this list of conditions and the following disclaimer.

\* Redistributions in binary form must reproduce the above copyright notice, this list of conditions and the following disclaimer in the documentation and/or other materials provided with the distribution.

\* Neither the name "Federal Reserve Bank of Kansas City" nor the names of its contributors may be used to endorse or promote products derived from this software without specific prior written permission.

\* Any data provided herein is provided pursuant to a license between the data provider and the Federal Reserve Bank of Kansas City, is proprietary, and may not be redistributed. The Federal Reserve Bank of Kansas City does not own the data and cannot authorize its redistribution to any other party. Please contact the data provider for any questions concerning redistribution of the included data.

THIS SOFTWARE IS PROVIDED BY THE COPYRIGHT HOLDERS AND CONTRIBUTORS "AS IS" AND ANY EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE ARE DISCLAIMED. IN NO EVENT SHALL THE COPYRIGHT HOLDER OR CONTRIBUTORS BE LIABLE FOR ANY DIRECT, INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, OR CONSEQUENTIAL DAMAGES (INCLUDING, BUT NOT LIMITED TO, PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES; LOSS OF USE, DATA, OR PROFITS; OR BUSINESS INTERRUPTION) HOWEVER CAUSED AND ON ANY THEORY OF LIABILITY, WHETHER IN CONTRACT, STRICT LIABILITY, OR TORT (INCLUDING NEGLIGENCE OR OTHERWISE) ARISING IN ANY WAY OUT OF THE USE OF THIS SOFTWARE, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGE.

## Manifest

Folder	File name	File type	Description
rappaport_stata-code-ols-estimation_20190213	ReadMe.pdf	PDF	License, file inventory and descriptions, and references
rappaport_stata-code-ols-estimation_20190213	reg_conley.ado	Stata Program	Stata Command for OLS estimation with standard errors robust to spatial correlation; Version 2019_03_19a

Note: Stata program includes code from Dube (1997). A revised version that does not substantively differ is available at [http://economics.uwo.ca/people/conley\\_docs/code\\_to\\_download\\_gmm.html](http://economics.uwo.ca/people/conley_docs/code_to_download_gmm.html)

## References

- [1] Conley, Timothy G. 1999. "GMM Estimation with Cross Sectional Dependence." *Journal of Econometrics* 92, no. 1: 1-45. Available at [https://doi.org/10.1016/S0304-4076\(98\)00084-0](https://doi.org/10.1016/S0304-4076(98)00084-0)
- [2] Conley, Timothy G. 2008. "Spatial Econometrics." *The New Palgrave Dictionary of Economics*, 2nd Edition. Steven N. Durlauf and Lawrence E. Blume, eds., Palgrave Macmillan. Available at [https://doi.org/10.1057/978-1-349-95121-5\\_2023-1](https://doi.org/10.1057/978-1-349-95121-5_2023-1)
- [3] Dube, Jean-Pierre. 1997. Stata v5.0 Code for OLS Estimation for X-Sectional Data with Location-Based Dependence.
- [4] Rappaport, Jordan. 2008. "Moving to Nice Weather." *Regional Science and Urban Economics*, vol. 37, no. 3: 375-398. Available at <https://doi.org/10.1016/j.regsciurbeco.2006.11.004>