

This file contains the Stata commands to estimate fractional logit models described in:

"Econometric Methods for Fractional Response Variables with an Application to 401(k) Plan Participation Rates" (with J.M. Wooldridge), Journal of Applied Econometrics 11, 619-632, November-December 1996.

In the paper we used Gauss code because it couldn't be done with a package, but now Stata 7 and higher does it. I don't know if it can be done in SAS - perhaps there are similar commands.

Here's the command for "flogit" with fully robust standard errors:

```
glm y x1 x2 ... xk, fam(bin) link(logit) robust
```

The "family" is the binomial, although we just use the Bernoulli special case.

To get the GLM standard errors, which are not fully robust, use  

```
glm y x1 x2 ... xk, fam(bin) link(logit) scale(x2)
```

Without "scale(x2)," which estimates a scale parameter out front, the standard errors are actually too big for fractional stuff.

Also, you can replace "logit" in link() with "probit," to get fprobit too. ☺