The Stata Journal (2007)
7, Number 2, pp. 167–182

Maximum likelihood and two-step estimation of an ordered-probit selection model

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Abstract. We discuss the estimation of a regression model with an ordered-probit selection rule. We have written a Stata command, `oheckman`, that computes two-step and full-information maximum-likelihood estimates of this model. Using Monte Carlo simulations, we compare the performances of these estimators under various conditions.

Keywords: st0123, oheckman, selection bias, ordered probit, maximum likelihood