

Package ‘ivmodel’

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Type Package

Title Statistical Inference and Sensitivity Analysis for Instrumental
Variables Model

Version 1.2

Date 2016-05-08

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Description Contains functions for carrying out instrumental variable
estimation of causal effects, including power analysis, sensitivity analysis,
and diagnostics.

Imports stats,Matrix,Formula

License GPL-2

LazyData true

RoxygenNote 5.0.1

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ivmodel-package	<i>Statistical Inference and Sensitivity Analysis for Instrumental Variables Model</i>
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Description

The package fits an instrumental variables (IV) model of the following type. Let Y , D , X , and Z represent the outcome, endogenous variable, p dimensional exogenous covariates, and L dimensional instruments, respectively; note that the intercept can be considered as a vector of ones and a part of the exogenous covariates X . The package assumes the following IV model

$$Y = X\alpha + D\beta + \epsilon, E(\epsilon|X, Z) = 0$$

It carries out several IV regressions, diagnostics, and tests associated with the parameter β in the IV model. Also, if there is only one instrument, the package runs a sensitivity analysis discussed in Jiang et al. (2015).

The package is robust to most data formats, including factor and character data, and can handle very large IV models efficiently using a sparse QR decomposition.

Details

Supply the outcome Y , the endogenous variable D , and a data frame and/or matrix of instruments Z , and a data frame and/or matrix of exogenous covariates X (optional) and run `ivmodel`. Alternatively, one can supply a formula. `ivmodel` will generate all the relevant statistics for the parameter β .

The DESCRIPTION file:

```
Package:      ivmodel
Type:        Package
Title:       Statistical Inference and Sensitivity Analysis for Instrumental Variables Model
Version:     1.2
Date:       2016-05-08
Author:     Yang Jiang, Hyunseung Kang, and Dylan Small
Maintainer: Hyunseung Kang <hskang@stanford.edu>
```

Description: Contains functions for carrying out instrumental variable estimation of causal effects, including power analysis
 Imports: stats,Matrix,Formula
 License: GPL-2
 LazyData: true
 RoxygenNote: 5.0.1

Index of help topics:

AR.power	Power of the Anderson-Rubin (1949) Test
AR.size	Sample Size Calculator for the Power of the Anderson-Rubin (1949) Test
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ARSens.power	Power of the Anderson-Rubin (1949) Test with Sensitivity Analysis
ARSens.size	Sample Size Calculator for the Power of the Anderson-Rubin (1949) Test with Sensitivity Analysis
ARSens.test	Sensitivity Analysis for the Anderson-Rubin (1949) Test
CLR	Conditional Likelihood Ratio Test
Fuller	Fuller-k Estimator
KClass	k-Class Estimator
LIML	Limited Information Maximum Likelihood Ratio (LIML) Estimator
TSLs.power	Power of TSLs Estimator
TSLs.size	Sample Size Calculator for the Power of Asymptotic T-test
card.data	Card (1995) Data
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confint.ivmodel	Confidence Intervals for the Fitted Model in 'ivmodel' Object
fitted.ivmodel	Extract Model Fitted values in the 'ivmodel' Object
ivmodel	Fitting Instrumental Variables (IV) Models
ivmodel-package	Statistical Inference and Sensitivity Analysis for Instrumental Variables Model
ivmodelFormula	Fitting Instrumental Variables (IV) Models
para	Parameter Estimation from Ivmodel
residuals.ivmodel	Residuals from the Fitted Model in the 'ivmodel' Object
summary.ivmodel	summary.ivmodel

Author(s)

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References

- Anderson, T. W. and Rubin, H. (1949). Estimation of the parameters of a single equation in a complete system of stochastic equations. *Annals of Mathematical Statistics* 20, 46-63.
- Andrews, D. W. K., Moreira, M. J., and Stock, J. H. (2006). Optimal two-side invariant similar tests for instrumental variables regression. *Econometrica* 74, 715-752.
- Card, D. Using Geographic Variation in College Proximity to Estimate the Return to Schooling. In *Aspects of Labor Market Behavior: Essays in Honor of John Vanderkamp*, eds. L.N. Christophides, E.K. Grant and R. Swidinsky. 201-222. National Longitudinal Survey of Young Men: <https://www.nlsinfo.org/investigator/pages/login.jsp>
- Fuller, W. (1977). Some properties of a modification of the limited information estimator. *Econometrica*, 45, 939-953.
- Moreira, M. J. (2003). A conditional likelihood ratio test for structural models. *Econometrica* 71, 1027-1048.
- Jiang, Y., Zhang, N and Small, D. (2015), Sensitivity analysis and power for instrumental variable studies, (under review of Biometrics).
- Sargan, J. D. (1958). The estimation of economic relationships using instrumental variables. *Econometrica* , 393-415.

Examples

```
data(card.data)
# One instrument #
Y=card.data[, "lwage"]
D=card.data[, "educ"]
Z=card.data[, "nearc4"]
Xname=c("exper", "expersq", "black", "south", "smsa", "reg661",
        "reg662", "reg663", "reg664", "reg665", "reg666", "reg667",
        "reg668", "smsa66")
X=card.data[, Xname]
card.model1IV = ivmodel(Y=Y,D=D,Z=Z,X=X)
card.model1IV

# Multiple instruments
Z = card.data[,c("nearc4", "nearc2")]
card.model2IV = ivmodel(Y=Y,D=D,Z=Z,X=X)
card.model2IV
```

Description

AR.power computes the power of Anderson-Rubin (1949) test based on the given values of parameters.

Usage

```
AR.power(n, k, l, beta, gamma, Zadj_sq,  
         sigmau, sigmav, rho, alpha = 0.05)
```

Arguments

n	Sample size.
k	Number of exogenous variables.
l	Number of instrumental variables.
beta	True causal effect minus null hypothesis causal effect.
gamma	Regression coefficient for effect of instruments on treatment.
Zadj_sq	Variance of instruments after regressed on the observed variables.
sigmau	Standard deviation of potential outcome under control. (structural error for y)
sigmav	Standard deviation of error from regressing treatment on instruments.
rho	Correlation between u (potential outcome under control) and v (error from regressing treatment on instrument).
alpha	Significance level.

Value

Power of the Anderson-Rubin test based on the given values of parameters.

Author(s)

Yang Jiang, Hyunseung Kang, and Dylan Small

References

Anderson, T.W. and Rubin, H. (1949). Estimation of the parameters of a single equation in a complete system of stochastic equations. *Annals of Mathematical Statistics*, 20, 46-63.

See Also

See also [ivmodel](#) for details on the instrumental variables model.

Examples

```
# Assume we calculate the power of AR test in a study with one IV (l=1)
# and the only one exogenous variable is the intercept (k=1).

# Suppose the difference between the null hypothesis and true causal
# effect is 1 (beta=1).
# The sample size is 250 (n=250), the IV variance is .25 (Zadj_sq =.25).
# The standard deviation of potential outcome is 1(sigmau= 1).
# The coefficient of regressing IV upon exposure is .5 (gamma= .5).
# The correlation between u and v is assumed to be .5 (rho=.5).
# The standard deviation of first stage error is .4 (sigmav=.4).
# The significance level for the study is alpha = .05.

# power of Anderson-Rubin test:
AR.power(n=250, k=1, l=1, beta=1, gamma=.5, Zadj_sq=.25,
         sigmau=1, sigmav=.4, rho=.5, alpha = 0.05)
```

AR.size

Sample Size Calculator for the Power of the Anderson-Rubin (1949) Test

Description

AR.size computes the minimum sample size required for achieving certain power of Anderson-Rubin (1949) test.

Usage

```
AR.size(power, k, l, beta, gamma, Zadj_sq,
        sigmau, sigmav, rho, alpha = 0.05)
```

Arguments

power	The desired power over a constant.
k	Number of exogenous variables.
l	Number of instrumental variables.
beta	True causal effect minus null hypothesis causal effect.
gamma	Regression coefficient for the effect of instrument on treatment.
Zadj_sq	Variance of instruments after regressed on the observed variables.
sigmau	Standard deviation of potential outcome under control (structural error for y).
sigmav	Standard deviation of error from regressing treatment on instruments
rho	Correlation between u (potential outcome under control) and v (error from regressing treatment on instrument).
alpha	Significance level.

Value

Minimum sample size required for achieving certain power of Anderson-Rubin (1949) test.

Author(s)

Yang Jiang, Hyunseung Kang, and Dylan Small

References

Anderson, T.W. and Rubin, H. (1949), Estimation of the parameters of a single equation in a complete system of stochastic equations, *Annals of Mathematical Statistics*, 20, 46-63.

See Also

See also [ivmodel](#) for details on the instrumental variables model.

Examples

```
# Assume we performed an AR test in a study with one IV (l=1) and the
# only one exogenous variable is the intercept (k=1). We want to know
# the minimum sample size for this test to have an at least 0.8 power.

# Suppose the difference between the null hypothesis and true causal
# effect is 1 (beta=1).
# The IV variance is .25 (Zadj_sq =.25).
# The standard deviation of potential outcome is 1(sigma_u= 1).
# The coefficient of regressing IV upon exposure is .5 (gamma= .5).
# The correlation between u and v is assumed to be .5 (rho=.5).
# The standard deviation of first stage error is .4 (sigma_v=.4).
# The significance level for the study is alpha = .05.

# minimum sample size required for Anderson-Rubin test:
AR.size(power=0.8, k=1, l=1, beta=1, gamma=.5, Zadj_sq=.25,
        sigma_u=1, sigma_v=.4, rho=.5, alpha = 0.05)
```

AR.test

Anderson-Rubin (1949) Test

Description

AR.test computes the Anderson-Rubin (1949) test for the `ivmodel` object as well as the associated confidence interval.

Usage

```
AR.test(ivmodel, beta0 = 0, alpha = 0.05)
```

Arguments

<code>ivmodel</code>	ivmodel object
<code>beta0</code>	Null value β_0 for testing null hypothesis $H_0 : \beta = \beta_0$ in <code>ivmodel</code> . Default is 0.
<code>alpha</code>	The significance level for hypothesis testing. Default is 0.05.

Value

AR.test returns a list containing the following components

<code>Fstat</code>	The value of the test statistic for testing the null hypothesis $H_0 : \beta = \beta_0$ in <code>ivmodel</code>
<code>df</code>	degree of freedom for the test statistic
<code>p.value</code>	The p value of the test under the null hypothesis $H_0 : \beta = \beta_0$ in <code>ivmodel</code>
<code>ci</code>	A matrix of two columns, each row contains an interval associated with the confidence interval
<code>ci.info</code>	A human-readable string describing the confidence interval

Author(s)

Yang Jiang, Hyunseung Kang, and Dylan Small

References

Anderson, T.W. and Rubin, H. (1949), Estimation of the parameters of a single equation in a complete system of stochastic equations, *Annals of Mathematical Statistics*, 20, 46-63.

See Also

See also [ivmodel](#) for details on the instrumental variables model.

Examples

```
data(card.data)
Y=card.data[, "lwage"]
D=card.data[, "educ"]
Z=card.data[, "nearc4"]
Xname=c("exper", "expersq", "black", "south", "smsa", "reg661",
        "reg662", "reg663", "reg664", "reg665", "reg666", "reg667",
        "reg668", "smsa66")
X=card.data[, Xname]
foo = ivmodel(Y=Y, D=D, Z=Z, X=X)
AR.test(foo)
```


ARsens.power

*Power of the Anderson-Rubin (1949) Test with Sensitivity Analysis***Description**

ARsens.power computes the power of sensitivity analysis, which is based on an extension of Anderson-Rubin (1949) test and allows IV be possibly invalid within a certain range.

Usage

```
ARsens.power(n, k, beta, gamma, Zadj_sq, sigmau, sigmav, rho,
             alpha = 0.05, deltarange = deltarange, delta = NULL)
```

Arguments

n	Sample size.
k	Number of exogenous variables.
beta	True causal effect minus null hypothesis causal effect.
gamma	Regression coefficient for effect of instruments on treatment.
Zadj_sq	Variance of instruments after regressed on the observed variables.
sigmau	Standard deviation of potential outcome under control (structural error for y).
sigmav	Standard deviation of error from regressing treatment on instruments.
rho	Correlation between u (potential outcome under control) and v (error from regressing treatment on instrument).
alpha	Significance level.
deltarange	Range of sensitivity allowance. A numeric vector of length 2.
delta	True value of sensitivity parameter when calculating the power. Usually take delta = 0 for the favorable situation or delta = NULL for unknown delta.

Value

Power of sensitivity analysis for the proposed study, which extends the Anderson-Rubin (1949) test with possibly invalid IV. The power formula is derived in Jiang, Small and Zhang (2015).

Author(s)

Yang Jiang, Hyunseung Kang, and Dylan Small

References

Anderson, T.W. and Rubin, H. (1949), Estimation of the parameters of a single equation in a complete system of stochastic equations, *Annals of Mathematical Statistics*, 20, 46-63.
 Jiang, Y., Zhang, N and Small, D. (2015), Sensitivity analysis and power for instrumental variable studies, (under review of *Biometrics*).

See Also

See also [ivmodel](#) for details on the instrumental variables model.

Examples

```
# Assume we calculate the power of sensitivity analysis in a study with
# one IV (l=1) and the only exogenous variable is the intercept (k=1).

# Suppose the difference between the null hypothesis and true causal
# effect is 1 (beta=1).
# The sample size is 250 (n=250), the IV variance is .25 (Zadj_sq =.25).
# The standard deviation of potential outcome is 1(sigmau= 1).
# The coefficient of regressing IV upon exposure is .5 (gamma= .5).
# The correlation between u and v is assumed to be .5 (rho=.5).
# The standard deviation of first stage error is .4 (sigmav=.4).
# The significance level for the study is alpha = .05.

# power of sensitivity analysis under the favorable situation,
# assuming the range of sensitivity allowance is (-0.1, 0.1)
ARsens.power(n=250, k=1, beta=1, gamma=.5, Zadj_sq=.25, sigmau=1,
             sigmav=.4, rho=.5, alpha = 0.05, deltarange=c(-0.1, 0.1), delta=0)

# power of sensitivity analysis with unknown delta,
# assuming the range of sensitivity allowance is (-0.1, 0.1)
ARsens.power(n=250, k=1, beta=1, gamma=.5, Zadj_sq=.25, sigmau=1,
             sigmav=.4, rho=.5, alpha = 0.05, deltarange=c(-0.1, 0.1))
```

ARsens.size

*Sample Size Calculator for the Power of the Anderson-Rubin (1949)
Test with Sensitivity Analysis*

Description

ARsens.size computes the minimum sample size required for achieving certain power of sensitivity analysis, which is based on an extension of Anderson-Rubin (1949) test and allows IV be possibly invalid within a certain range.

Usage

```
ARsens.size(power, k, beta, gamma, Zadj_sq, sigmau, sigmav, rho,
            alpha = 0.05, deltarange = deltarange, delta = NULL)
```

Arguments

power	The desired power over a constant.
k	Number of exogenous variables. =
beta	True causal effect minus null hypothesis causal effect.

gamma	Regression coefficient for effect of instruments on treatment.
Zadj_sq	Variance of instruments after regressed on the observed covariates.
sigmau	Standard deviation of potential outcome under control (structural error for y).
sigmav	Standard deviation of error from regressing treatment on instruments.
rho	Correlation between u (potential outcome under control) and v (error from regressing treatment on instruments).
alpha	Significance level.
deltarange	Range of sensitivity allowance. A numeric vector of length 2.
delta	True value of sensitivity parameter when calculating power. Usually take delta = 0 for the favorable situation or delta = NULL for unknown delta.

Value

Minimum sample size required for achieving certain power of sensitivity analysis for the proposed study, which extends the Anderson-Rubin (1949) test with possibly invalid IV. The power formula is derived in Jiang, Small and Zhang (2015).

Author(s)

Yang Jiang, Hyunseung Kang, and Dylan Small

References

Anderson, T.W. and Rubin, H. (1949), Estimation of the parameters of a single equation in a complete system of stochastic equations, *Annals of Mathematical Statistics*, 20, 46-63.
 Jiang, Y., Zhang, N and Small, D. (2015), Sensitivity analysis and power for instrumental variable studies, (under review of *Biometrics*).

See Also

See also [ivmodel](#) for details on the instrumental variables model.

Examples

```
# Assume we performed a sensitivity analysis in a study with one
# IV (l=1) and the only exogenous variable is the intercept (k=1).
# We want to calculate the minimum sample size needed for this
# sensitivity analysis to have an at least 0.8 power.

# Suppose the difference between the null hypothesis and true causal
# effect is 1 (beta=1).
# The IV variance is .25 (Zadj_sq =.25).
# The standard deviation of potential outcome is 1(sigmau= 1).
# The coefficient of regressing IV upon exposure is .5 (gamma= .5).
# The correlation between u and v is assumed to be .5 (rho=.5).
# The standard deviation of first stage error is .4 (sigmav=.4).
# The significance level for the study is alpha = .05.

# minimum sample size for sensitivity analysis under the favorable
```

```
# situation, assuming the range of sensitivity allowance is (-0.1, 0.1)
ARSens.size(power=0.8, k=1, beta=1, gamma=.5, Zadj_sq=.25, sigmau=1,
  sigmav=.4, rho=.5, alpha = 0.05, deltarange=c(-0.1, 0.1), delta=0)

# minimum sample size for sensitivity analysis with unknown delta,
# assuming the range of sensitivity allowance is (-0.1, 0.1)
ARSens.size(power=0.8, k=1, beta=1, gamma=.5, Zadj_sq=.25, sigmau=1,
  sigmav=.4, rho=.5, alpha = 0.05, deltarange=c(-0.1, 0.1))
```

ARSens.test

Sensitivity Analysis for the Anderson-Rubin (1949) Test

Description

ARSens.test computes sensitivity analysis with possibly invalid instruments, which is an extension of the Anderson-Rubin (1949) test. The formula for sensitivity analysis is derived in Jiang, Small and Zhang (2015).

Usage

```
ARSens.test(ivmodel, beta0 = 0, alpha = 0.05, deltarange = NULL)
```

Arguments

ivmodel	ivmodel object.
beta0	Null value β_0 for testing null hypothesis $H_0 : \beta = \beta_0$ in ivmodel
alpha	The significance level for hypothesis testing. Default is 0.05.
deltarange	Range of sensitivity allowance. A numeric vector of length 2.

Value

ARSens.test returns a list containing the following components

ncFstat	The value of the test statistic for testing the null hypothesis $H_0 : \beta = \beta_0$ in ivmodel
df	degree of freedom for the test statistic
ncp	non-central parameter for the test statistic
p.value	The p value of the test under the null hypothesis $H_0 : \beta = \beta_0$ in ivmodel
ci	A matrix of two columns, each row contains an interval associated with the confidence interval
ci.info	A human-readable string describing the confidence interval
deltarange	The inputted range of sensitivity allowance.

Author(s)

Yang Jiang, Hyunseung Kang, and Dylan Small

References

Anderson, T.W. and Rubin, H. (1949), Estimation of the parameters of a single equation in a complete system of stochastic equations, *Annals of Mathematical Statistics*, 20, 46-63.
 Jiang, Y., Zhang, N and Small, D. (2015), Sensitivity analysis and power for instrumental variable studies, (under review of *Biometrics*).

See Also

See also [ivmodel](#) for details on the instrumental variables model.

Examples

```
data(card.data)
Y=card.data[, "lwage"]
D=card.data[, "educ"]
Z=card.data[, "nearc4"]
Xname=c("exper", "expersq", "black", "south", "smsa", "reg661",
        "reg662", "reg663", "reg664", "reg665", "reg666", "reg667",
        "reg668", "smsa66")
X=card.data[, Xname]
foo = ivmodel(Y=Y,D=D,Z=Z,X=X)
ARSens.test(foo, deltarange=c(-0.03, 0.03))
```

card.data

Card (1995) Data

Description

Data from the National Longitudinal Survey of Young Men (NLSYM) that was used by Card (1995).

Usage

```
data(card.data)
```

Format

A data frame with 3010 observations on the following 35 variables.

id subject id
 nearc2 indicator for whether a subject grew up near a two-year college
 nearc4 indicator for whether a subject grew up near a four-year college
 educ subject's years of education
 age subject's age at the time of the survey in 1976

fatheduc subject's father's years of education
 motheduc subject's mother's years of education
 weight sampling weight
 momdad14 indicator for whether subject lived with both mother and father at age 14
 sinmom14 indicator for whether subject lived with single mom at age 14
 step14 indicator for whether subject lived with step-parent at age 14
 reg661 indicator for whether subject lived in region 1 (New England) in 1966
 reg662 indicator for whether subject lived in region 2 (Middle Atlantic) in 1966
 reg663 indicator for whether subject lived in region 3 (East North Central) in 1966
 reg664 indicator for whether subject lived in region 4 (West North Central) in 1966
 reg665 indicator for whether subject lived in region 5 (South Atlantic) in 1966
 reg666 indicator for whether subject lived in region 6 (East South Central) in 1966
 reg667 indicator for whether subject lived in region 7 (West South Central) in 1966
 reg668 indicator for whether subject lived in region 8 (Mountain) in 1966
 reg669 indicator for whether subject lived in region 9 (Pacific) in 1966
 south66 indicator for whether subject lived in South in 1966
 black indicator for whether subject's race is black
 smsa indicator for whether subject lived in SMSA in 1976
 south indicator for whether subject lived in the South in 1976
 smsa66 indicator for whether subject lived in SMSA in 1966
 wage subject's wage in cents per hour in 1976
 enroll indicator for whether subject is enrolled in college in 1976
 KWW subject's score on the Knowledge of the World of Work (KWW) test in 1966
 IQ IQ-type test score collected from the high school of the subject.
 married indicator for whether the subject was married in 1976.
 libcrd14 indicator for whether subject had library card at age 14.
 exper subject's years of labor force experience in 1976
 lwage subject's log wage in 1976
 perssq square of subject's years of labor force experience in 1976
 region region in which subject lived in 1976

Source

Card, D. Using Geographic Variation in College Proximity to Estimate the Return to Schooling. In *Aspects of Labor Market Behavior: Essays in Honor of John Vanderkamp*, eds. L.N. Christophides, E.K. Grant and R. Swidinsky. 201-222. National Longitudinal Survey of Young Men: <https://www.nlsinfo.org/investigator/pages/login.jsp>

Examples

```
data(card.data)
```

CLR *Conditional Likelihood Ratio Test*

Description

CLR computes the conditional likelihood ratio test (Moreira, 2003) for the `ivmodel` object as well as the associated confidence interval.

Usage

```
CLR(ivmodel, beta0 = 0, alpha = 0.05)
```

Arguments

<code>ivmodel</code>	<code>ivmodel</code> object
<code>beta0</code>	Null value β_0 for testing null hypothesis $H_0 : \beta = \beta_0$ in <code>ivmodel</code> . Default is 0
<code>alpha</code>	The significance level for hypothesis testing. Default is 0.05

Details

`CLR.test` computes the conditional likelihood ratio test for the instrumental variables model in `ivmodel` object, specifically for the parameter β . It also computes the $1 - \alpha$ confidence interval associated with it by inverting the test. The test is fully robust to weak instruments (Moreira 2003). We use the approximation suggested in Andrews et al. (2006) to evaluate the p value and the confidence interval.

Value

CLR returns a list containing the following components

<code>test.stat</code>	The value of the test statistic for testing the null hypothesis $H_0 : \beta = \beta_0$ in <code>ivmodel</code>
<code>p.value</code>	The p value of the test under the null hypothesis $H_0 : \beta = \beta_0$ in <code>ivmodel</code>
<code>ci</code>	A matrix of two columns, each row contains an interval associated with the confidence interval
<code>ci.info</code>	A human-readable string describing the confidence interval

Author(s)

Yang Jiang, Hyunseung Kang, and Dylan Small

References

Andrews, D. W. K., Moreira, M. J., and Stock, J. H. (2006). Optimal two-side invariant similar tests for instrumental variables regression. *Econometrica* 74, 715-752.

Moreira, M. J. (2003). A conditional likelihood ratio test for structural models. *Econometrica* 71, 1027-1048.

See Also

See also [ivmodel](#) for details on the instrumental variables model.

Examples

```
data(card.data)
Y=card.data["lwage"]
D=card.data["educ"]
Z=card.data[,c("nearc4","nearc2")]
Xname=c("exper", "expersq", "black", "south", "smsa", "reg661",
        "reg662", "reg663", "reg664", "reg665", "reg666", "reg667",
        "reg668", "smsa66")
X=card.data[,Xname]
card.model2IV = ivmodel(Y=Y,D=D,Z=Z,X=X)
CLR(card.model2IV,alpha=0.01)
```

 coef.ivmodel

Coefficients of the Fitted Model in the ivmodel Object

Description

This coef methods returns the point estimation, standard error, test statistic and p value for all specified k-Class estimation from an ivmodel object.

Usage

```
## S3 method for class 'ivmodel'
coef(object,...)
```

Arguments

```
object      ivmodel object.
...         Additional arguments to coef.
```

Value

A matrix summarizes all the k-Class estimations.

Author(s)

Yang Jiang, Hyunseung Kang, and Dylan Small

See Also

See also [ivmodel](#) for details on the instrumental variables model.

Examples

```

data(card.data)
Y=card.data[, "lwage"]
D=card.data[, "educ"]
Z=card.data[, "nearc4"]
Xname=c("exper", "expersq", "black", "south", "smsa", "reg661",
        "reg662", "reg663", "reg664", "reg665", "reg666", "reg667",
        "reg668", "smsa66")
X=card.data[, Xname]
foo = ivmodel(Y=Y, D=D, Z=Z, X=X)
coef(foo)

```

confint.ivmodel

Confidence Intervals for the Fitted Model in ivmodel Object

Description

This confint methods returns a matrix of two columns, each row represents a confident interval for different IV approaches, which include k-Class, AR (Anderson and Rubin 1949) and CLR (Moreira 2003) estimations.

Usage

```

## S3 method for class 'ivmodel'
confint(object, parm, level=NULL, ...)

```

Arguments

object	ivmodel object.
parm	Ignored for our code.
level	The confidence level.
...	Additional argument(s) for methods.

Value

A matrix, each row represents a confidence interval for different IV approaches.

Author(s)

Yag Jiang, Hyunseung Kang, and Dylan Small

References

- Andrews, D. W. K., Moreira, M. J., and Stock, J. H. (2006). Optimal two-side invariant similar tests for instrumental variables regression. *Econometrica* 74, 715-752.
- Moreira, M. J. (2003). A conditional likelihood ratio test for structural models. *Econometrica* 71, 1027-1048.
- Fuller, W. (1977). Some properties of a modification of the limited information estimator. *Econometrica*, 45, 939-953.
- Anderson, T.W. and Rubin, H. (1949), Estimation of the parameters of a single equation in a complete system of stochastic equations, *Annals of Mathematical Statistics*, 20, 46-63.

See Also

See also [ivmodel](#) for details on the instrumental variables model.

Examples

```
data(card.data)
Y=card.data["lwage"]
D=card.data["educ"]
Z=card.data["nearc4"]
Xname=c("exper", "expersq", "black", "south", "smsa", "reg661",
        "reg662", "reg663", "reg664", "reg665", "reg666", "reg667",
        "reg668", "smsa66")
X=card.data[Xname]
foo = ivmodel(Y=Y,D=D,Z=Z,X=X)
confint(foo)
```

fitted.ivmodel

Extract Model Fitted values in the ivmodel Object

Description

This fitted method returns the fitted values from k-Class estimators inside `ivmodel`.

Usage

```
## S3 method for class 'ivmodel'
fitted(object,...)
```

Arguments

`object` `ivmodel` object.

`...` Additional arguments to `fitted`.

Value

A matrix of fitted values from the k-Class estimations.

Author(s)

Yang Jiang, Hyunseung Kang, and Dylan Small

See Also

See also [ivmodel](#) for details on the instrumental variables model.

Examples

```
data(card.data)
Y=card.data[, "lwage"]
D=card.data[, "educ"]
Z=card.data[, "nearc4"]
Xname=c("exper", "expersq", "black", "south", "sma", "reg661",
        "reg662", "reg663", "reg664", "reg665", "reg666", "reg667",
        "reg668", "sma66")
X=card.data[, Xname]
foo = ivmodel(Y=Y,D=D,Z=Z,X=X)
fitted(foo)
```

 Fuller

Fuller-k Estimator

Description

Fuller computes the Fuller-k (Fuller 1977) estimate for the `ivmodel` object.

Usage

```
Fuller(ivmodel,
       beta0 = 0, alpha = 0.05, b = 1,
       heteroSE = FALSE, clusterID=NULL)
```

Arguments

<code>ivmodel</code>	<code>ivmodel</code> object.
<code>beta0</code>	Null value β_0 for testing null hypothesis $H_0 : \beta = \beta_0$ in <code>ivmodel</code> . Default is 0.
<code>alpha</code>	The significance level for hypothesis testing. Default is 0.05.
<code>b</code>	Positive constant b in Fuller-k estimator. Default is 1.
<code>heteroSE</code>	Should heteroscedastic-robust standard errors be used? Default is FALSE.
<code>clusterID</code>	If cluster-robust standard errors are desired, provide a vector of length that's identical to the sample size. For example, if $n = 6$ and <code>clusterID = c(1,1,1,2,2,2)</code> , there would be two clusters where the first cluster is formed by the first three observations and the second cluster is formed by the last three observations. <code>clusterID</code> can be numeric, character, or factor.

Details

Fuller computes the Fuller-k estimate for the instrumental variables model in `ivmodel`, specifically for the parameter *beta*. The computation uses `KClass` with the value of $k = k_{LIML} - b / (n - L - p)$. It generates a point estimate, a standard error associated with the point estimate, a test statistic and a p value under the null hypothesis $H_0 : \beta = \beta_0$ in `ivmodel` along with a $1 - \alpha$ confidence interval.

Value

Fuller returns a list containing the following components

<code>k</code>	The k value used when computing the Fuller estimate with the k-Class estimator.
<code>point.est</code>	Point estimate of β .
<code>std.err</code>	Standard error of the estimate.
<code>test.stat</code>	The value of the test statistic for testing the null hypothesis $H_0 : \beta = \beta_0$ in <code>ivmodel</code> .
<code>p.value</code>	The p value of the test under the null hypothesis $H_0 : \beta = \beta_0$ in <code>ivmodel</code> .
<code>ci</code>	A matrix of one row by two columns specifying the confidence interval associated with the Fuller estimator.

Author(s)

Yang Jiang, Hyunseung Kang, Dylan Small

References

Fuller, W. (1977). Some properties of a modification of the limited information estimator. *Econometrica*, 45, 939-953.

See Also

See also `ivmodel` for details on the instrumental variables model. See also `KClass` for more information about the k-Class estimator.

Examples

```
data(card.data)
Y=card.data[, "lwage"]
D=card.data[, "educ"]
Z=card.data[, c("nearc4", "nearc2")]
Xname=c("exper", "expersq", "black", "south", "smsa", "reg661",
        "reg662", "reg663", "reg664", "reg665", "reg666", "reg667",
        "reg668", "smsa66")
X=card.data[, Xname]
card.model2IV = ivmodel(Y=Y,D=D,Z=Z,X=X)
Fuller(card.model2IV,alpha=0.01)
```

ivmodel

*Fitting Instrumental Variables (IV) Models***Description**

ivmodel fits an instrumental variables (IV) model with one endogenous variable and a continuous outcome. It carries out several IV regressions, diagnostics, and tests associated this IV model. It is robust to most data formats, including factor and character data, and can handle very large IV models efficiently.

Usage

```
ivmodel(Y, D, Z, X, intercept = TRUE,
        beta0 = 0, alpha = 0.05, k = c(0, 1),
        heteroSE = FALSE, clusterID = NULL,
        deltarange = NULL)
```

Arguments

Y	A numeric vector of outcomes.
D	A vector of endogenous variables.
Z	A matrix or data frame of instruments.
X	A matrix or data frame of (exogenous) covariates.
intercept	Should the intercept be included? Default is TRUE.
beta0	Null value β_0 for testing null hypothesis $H_0 : \beta = \beta_0$ in ivmodel. Default is \$0\$.
alpha	The significance level for hypothesis testing. Default is 0.05.
k	A numeric vector of k values for k-class estimation. Default is 0 (OLS) and 1 (TSLS).
heteroSE	Should heteroscedastic-robust standard errors be used? Default is FALSE.
clusterID	If cluster-robust standard errors are desired, provide a vector of length that's identical to the sample size. For example, if $n = 6$ and $\text{clusterID} = c(1,1,1,2,2,2)$, there would be two clusters where the first cluster is formed by the first three observations and the second cluster is formed by the last three observations. clusterID can be numeric, character, or factor.
deltarange	Range of δ for sensitivity analysis with the Anderson-Rubin (1949) test.

Details

Let Y , D , X , and Z represent the outcome, endogenous variable, p dimensional exogenous covariates, and L dimensional instruments, respectively; note that the intercept can be considered as a vector of ones and a part of the exogenous covariates X . ivmodel assumes the following IV model

$$Y = X\alpha + D\beta + \epsilon, E(\epsilon|X, Z) = 0$$

and produces statistics for β . In particular, `ivmodel` computes the OLS, TSLS, k-class, limited information maximum likelihood (LIML), and Fuller-k (Fuller 1977) estimates of β using `KClass`, `LIML`, and `codeFuller`. Also, `ivmodel` computes confidence intervals and hypothesis tests of the type $H_0 : \beta = \beta_0$ versus $H_0 : \beta \neq \beta_0$ for the said estimators as well as two weak-IV confidence intervals, Anderson and Rubin (Anderson and Rubin 1949) confidence interval (Anderson and Rubin 1949) and the conditional likelihood ratio confidence interval (Moreira 2003). Finally, the code also conducts a sensitivity analysis if Z is one-dimensional (i.e. there is only one instrument) using the method in Jiang et al. (2015).

Some procedures (e.g. conditional likelihood ratio test, sensitivity analysis with Anderson-Rubin) assume an additional linear model

$$D = Z\gamma + X\kappa + \xi, E(\xi|X, Z) = 0$$

Value

`ivmodel` returns an object of class "ivmodel".

An object class "ivmodel" is a list containing the following components

<code>alpha</code>	Significance level for the hypothesis tests.
<code>beta0</code>	Null value of the hypothesis tests.
<code>kClass</code>	A list from <code>KClass</code> function.
<code>LIML</code>	A list from <code>LIML</code> function.
<code>Fuller</code>	A list from <code>Fuller</code> function.
<code>AR</code>	A list from <code>AR</code> test.
<code>CLR</code>	A list from <code>CLR</code> .

In addition, if there is only one instrument, `ivreg` will generate an "ARSens" list within "ivmodel" object.

Author(s)

Yang Jiang, Hyunseung Kang, and Dylan Small

References

Anderson, T. W. and Rubin, H. (1949). Estimation of the parameters of a single equation in a complete system of stochastic equations. *Annals of Mathematical Statistics* 20, 46-63.

Freeman G, Cowling BJ, Schooling CM (2013). Power and Sample Size Calculations for Mendelian Randomization Studies Using One Genetic Instrument. *International journal of epidemiology*, 42(4), 1157-1163.

Fuller, W. (1977). Some properties of a modification of the limited information estimator. *Econometrica*, 45, 939-953.

Jiang, Y., Zhang, N and Small, D. (2015), Sensitivity analysis and power for instrumental variable studies, (under review of Biometrics).

Moreira, M. J. (2003). A conditional likelihood ratio test for structural models. *Econometrica* 71, 1027-1048.

Sargan, J. D. (1958). The estimation of economic relationships using instrumental variables. *Econometrica* , 393-415.

See Also

See also [KClass](#), [LIML](#), [Fuller](#), [AR.test](#), and [CLR](#) for individual methods associated with `ivmodel`. For sensitivity analysis with the AR test, see [ARSens.test](#). `ivmodel` has [summary.ivmodel](#), [confint.ivmodel](#), [fitted.ivmodel](#), [residuals.ivmodel](#) and [coef.ivmodel](#) methods associated with it.

Examples

```
data(card.data)
# One instrument #
Y=card.data[, "lwage"]
D=card.data[, "educ"]
Z=card.data[, "nearc4"]
Xname=c("exper", "expersq", "black", "south", "smsa", "reg661",
        "reg662", "reg663", "reg664", "reg665", "reg666", "reg667",
        "reg668", "smsa66")
X=card.data[, Xname]
card.model1IV = ivmodel(Y=Y, D=D, Z=Z, X=X)
card.model1IV

# Multiple instruments
Z = card.data[, c("nearc4", "nearc2")]
card.model2IV = ivmodel(Y=Y, D=D, Z=Z, X=X)
card.model2IV
```

Description

`ivmodelFormula` fits an instrumental variables (IV) model with one endogenous variable and a continuous outcome. It carries out several IV regressions, diagnostics, and tests associated this IV model. It is robust to most data formats, including factor and character data, and can handle very large IV models efficiently.

Usage

```
ivmodelFormula(formula, data, subset, na.action,
               beta0=0, alpha=0.05, k=c(0,1),
               heteroSE = FALSE, clusterID = NULL,
               deltarange=NULL)
```

Arguments

formula a formula describing the model to be fitted. For example, the formula $Y \sim D + X_1 + X_2 \mid Z_1 + Z_2 + X_1 + X_2$ describes the mode where

$$Y = \alpha_0 + D\beta + X_1\alpha_1 + X_2\alpha_2 + \epsilon$$

and

$$D = \gamma_0 + Z_1\gamma_1 + Z_2\gamma_2 + X_1\kappa_1 + X_2\kappa_2 + \xi$$

The outcome is Y , the endogenous variable is D . The exogenous covariates are X_1 and X_2 . The instruments are Z_1 and Z_2 . The formula environment follows the formula environment in the `ivreg` function in the `AER` package.

data an optional data frame containing the variables in the model. By default the variables are taken from the environment which `ivmodel` is called from

subset an index vector indicating which rows should be used.

na.action A function to specify the action to be taken if NAs are found.

beta0 Null value β_0 for testing null hypothesis $H_0 : \beta = \beta_0$ in `ivmodel`. Default is `0`.

alpha The significance level for hypothesis testing. Default is 0.05.

k A numeric vector of k values for k -class estimation. Default is 0 (OLS) and 1 (TSLS).

heteroSE Should heteroscedastic-robust standard errors be used? Default is `FALSE`.

clusterID If cluster-robust standard errors are desired, provide a vector of length that's identical to the sample size. For example, if $n = 6$ and `clusterID = c(1,1,1,2,2,2)`, there would be two clusters where the first cluster is formed by the first three observations and the second cluster is formed by the last three observations. `clusterID` can be numeric, character, or factor.

deltarange Range of δ for sensitivity analysis with the Anderson-Rubin (1949) test.

Details

Let Y , D , X , and Z represent the outcome, endogenous variable, p dimensional exogenous covariates, and L dimensional instruments, respectively; note that the intercept can be considered as a vector of ones and a part of the exogenous covariates X . `ivmodel` assumes the following IV model

$$Y = X\alpha + D\beta + \epsilon, E(\epsilon|X, Z) = 0$$

and produces statistics for β . In particular, `ivmodel` computes the OLS, TSLS, k -class, limited information maximum likelihood (LIML), and Fuller- k (Fuller 1977) estimates of β using `KClass`,

LIML, and codeFuller. Also, ivmodel computes confidence intervals and hypothesis tests of the type $H_0 : \beta = \beta_0$ versus $H_0 : \beta \neq \beta_0$ for the said estimators as well as two weak-IV confidence intervals, Anderson and Rubin (Anderson and Rubin 1949) confidence interval (Anderson and Rubin 1949) and the conditional likelihood ratio confidence interval (Moreira 2003). Finally, the code also conducts a sensitivity analysis if Z is one-dimensional (i.e. there is only one instrument) using the method in Jiang et al. (2015).

Some procedures (e.g. conditional likelihood ratio test, sensitivity analysis with Anderson-Rubin) assume an additional linear model

$$D = Z\gamma + X\kappa + \xi, E(\xi|X, Z) = 0$$

Value

ivmodel returns an object of class "ivmodel".

An object class "ivmodel" is a list containing the following components

alpha	Significance level for the hypothesis tests.
beta0	Null value of the hypothesis tests.
kClass	A list from KClass function.
LIML	A list from LIML function.
Fuller	A list from Fuller function.
AR	A list from AR.test.
CLR	A list from CLR.

In addition, if there is only one instrument, ivreg will generate an "ARsens" list within "ivmodel" object.

Author(s)

Yang Jiang, Hyunseung Kang, and Dylan Small

References

Anderson, T. W. and Rubin, H. (1949). Estimation of the parameters of a single equation in a complete system of stochastic equations. *Annals of Mathematical Statistics* 20, 46-63.

Freeman G, Cowling BJ, Schooling CM (2013). Power and Sample Size Calculations for Mendelian Randomization Studies Using One Genetic Instrument. *International journal of epidemiology*, 42(4), 1157-1163.

Fuller, W. (1977). Some properties of a modification of the limited information estimator. *Econometrica*, 45, 939-953.

Jiang, Y., Zhang, N and Small, D. (2015), Sensitivity analysis and power for instrumental variable studies, (under review of Biometrics).

Moreira, M. J. (2003). A conditional likelihood ratio test for structural models. *Econometrica* 71, 1027-1048.

Sargan, J. D. (1958). The estimation of economic relationships using instrumental variables. *Econometrica*, 393-415.

See Also

See also [KClass](#), [LIML](#), [Fuller](#), [AR.test](#), and [CLR](#) for individual methods associated with `ivmodel`. For sensitivity analysis with the AR test, see [ARSens.test](#). `ivmodel` has [summary.ivmodel](#), [confint.ivmodel](#), [fitted.ivmodel](#), [residuals.ivmodel](#) and [coef.ivmodel](#) methods associated with it.

Examples

```
data(card.data)
# One instrument #
Y=card.data[, "lwage"]
D=card.data[, "educ"]
Z=card.data[, "nearc4"]
Xname=c("exper", "expersq", "black", "south", "smsa", "reg661",
        "reg662", "reg663", "reg664", "reg665", "reg666", "reg667",
        "reg668", "smsa66")
X=card.data[, Xname]
card.model1IV = ivmodelFormula(lwage ~ educ + exper + expersq + black +
                              south + smsa + reg661 +
                              reg662 + reg663 + reg664 +
                              reg665 + reg666 + reg667 +
                              reg668 + smsa66 | nearc4 +
                              exper + expersq + black +
                              south + smsa + reg661 +
                              reg662 + reg663 + reg664 +
                              reg665 + reg666 + reg667 +
                              reg668 + smsa66, data=card.data)

card.model1IV

# Multiple instruments
Z = card.data[,c("nearc4", "nearc2")]
card.model2IV = ivmodelFormula(lwage ~ educ + exper + expersq + black +
                              south + smsa + reg661 +
                              reg662 + reg663 + reg664 +
                              reg665 + reg666 + reg667 +
                              reg668 + smsa66 | nearc4 + nearc2 +
                              exper + expersq + black +
                              south + smsa + reg661 +
                              reg662 + reg663 + reg664 +
                              reg665 + reg666 + reg667 +
                              reg668 + smsa66, data=card.data)

card.model2IV
```

KClass	<i>k-Class Estimator</i>
--------	--------------------------

Description

KClass computes the k-Class estimate for the `ivmodel` object.

Usage

```
KClass(ivmodel,
       beta0 = 0, alpha = 0.05, k = c(0, 1),
       heteroSE = FALSE, clusterID = NULL)
```

Arguments

<code>ivmodel</code>	<code>ivmodel</code> object.
<code>beta0</code>	Null value β_0 for testing null hypothesis $H_0 : \beta = \beta_0$ in <code>ivmodel</code> . Default is 0.
<code>alpha</code>	The significance level for hypothesis testing. Default is 0.05.
<code>k</code>	A vector of k values for the k-Class estimator. Default is 0 (OLS) and 1 (TSLS).
<code>heteroSE</code>	Should heteroscedastic-robust standard errors be used? Default is FALSE.
<code>clusterID</code>	If cluster-robust standard errors are desired, provide a vector of length that's identical to the sample size. For example, if $n = 6$ and <code>clusterID = c(1,1,1,2,2,2)</code> , there would be two clusters where the first cluster is formed by the first three observations and the second cluster is formed by the last three observations. <code>clusterID</code> can be numeric, character, or factor.

Details

KClass computes the k-Class estimate for the instrumental variables model in `ivmodel`, specifically for the parameter β . It generates a point estimate, a standard error associated with the point estimate, a test statistic and a p value under the null hypothesis $H_0 : \beta = \beta_0$ in `ivmodel` along with a $1 - \alpha$ confidence interval.

Value

KClass returns a list containing the following components

<code>k</code>	A row matrix of k values supplied to KClass.
<code>point.est</code>	A row matrix of point estimates of β , with each row corresponding to the k values supplied.
<code>std.err</code>	A row matrix of standard errors of the estimates, with each row corresponding to the k values supplied.
<code>test.stat</code>	A row matrix of test statistics for testing the null hypothesis $H_0 : \beta = \beta_0$ in <code>ivmodel</code> , with each row corresponding to the k values supplied.

p.value	A row matrix of p value of the test under the null hypothesis $H_0 : \beta = \beta_0$ in <code>ivmodel</code> , with each row corresponding to the k values supplied.
ci	A matrix of two columns specifying the confidence interval, with each row corresponding to the k values supplied.

Author(s)

Yang Jiang, Hyunseung Kang, and Dylan Small

See Also

See also [ivmodel](#) for details on the instrumental variables model.

Examples

```
data(card.data)
Y=card.data[, "lwage"]
D=card.data[, "educ"]
Z=card.data[, c("nearc4", "nearc2")]
Xname=c("exper", "expersq", "black", "south", "smsa", "reg661",
        "reg662", "reg663", "reg664", "reg665", "reg666", "reg667",
        "reg668", "smsa66")
X=card.data[, Xname]
card.model2IV = ivmodel(Y=Y, D=D, Z=Z, X=X)
KClass(card.model2IV,
       k=c(0,1,length(Y)/(length(Y) - ncol(X) - ncol(Z) + 1)))
```

LIML

Limited Information Maximum Likelihood Ratio (LIML) Estimator

Description

LIML computes the LIML estimate for the `ivmodel` object.

Usage

```
LIML(ivmodel,
     beta0 = 0, alpha = 0.05,
     heteroSE = FALSE, clusterID = NULL)
```

Arguments

<code>ivmodel</code>	<code>ivmodel</code> object.
<code>beta0</code>	Null value β_0 for testing null hypothesis $H_0 : \beta = \beta_0$ in <code>ivmodel</code> . Default is 0.
<code>alpha</code>	The significance level for hypothesis testing. Default is 0.05.
<code>heteroSE</code>	Should heteroscedastic-robust standard errors be used? Default is FALSE.

`clusterID` If cluster-robust standard errors are desired, provide a vector of length that's identical to the sample size. For example, if $n = 6$ and `clusterID = c(1,1,1,2,2,2)`, there would be two clusters where the first cluster is formed by the first three observations and the second cluster is formed by the last three observations. `clusterID` can be numeric, character, or factor.

Details

LIML computes the LIML estimate for the instrumental variables model in `ivmodel`, specifically for the parameter β . The computation uses `KClass` with the value of $k = k_{LIML}$, which is the smallest root of the equation

$$\det(L^T L - k L^T R_Z L) = 0$$

where L is a matrix of two columns, the first column consisting of the outcome vector, Y , and the second column consisting of the endogenous variable, D , and $R_Z = I - Z(Z^T Z)^{-1} Z^T$ with Z being the matrix of instruments. LIML generates a point estimate, a standard error associated with the point estimate, a test statistic and a p value under the null hypothesis $H_0 : \beta = \beta_0$ in `ivmodel` along with a $1 - \alpha$ confidence interval.

Value

LIML returns a list containing the following components

<code>k</code>	The k value for LIML.
<code>point.est</code>	Point estimate of β .
<code>std.err</code>	Standard error of the estimate.
<code>test.stat</code>	The value of the test statistic for testing the null hypothesis $H_0 : \beta = \beta_0$ in <code>ivmodel</code> .
<code>p.value</code>	The p value of the test under the null hypothesis $H_0 : \beta = \beta_0$ in <code>ivmodel</code> .
<code>ci</code>	A matrix of one row by two columns specifying the confidence interval associated with the Fuller estimator.

Author(s)

Yang Jiang, Hyunseung Kang, Dylan Small

See Also

See also `ivmodel` for details on the instrumental variables model. See also `KClass` for more information about the k-Class estimator.

Examples

```
data(card.data)
Y=card.data[, "lwage"]
D=card.data[, "educ"]
Z=card.data[, c("nearc4", "nearc2")]
Xname=c("exper", "expersq", "black", "south", "smsa", "reg661",
        "reg662", "reg663", "reg664", "reg665", "reg666", "reg667",
```

```

"reg668", "sma66")
X=card.data[,Xname]
card.model2IV = ivmodel(Y=Y,D=D,Z=Z,X=X)
LIML(card.model2IV,alpha=0.01)

```

para

Parameter Estimation from Ivmodel

Description

para computes the estimation of several parameters for the ivmodel object, which could be used in the power calculation.

Usage

```
para(ivmodel)
```

Arguments

ivmodel ivmodel object.

Details

para computes the coefficients of 1st and 2nd stage regression (gamma and beta). It also computes the covariance matrix of the error term of 1st and 2nd stage. (sigmau, sigmav, and rho)

Value

para returns a list containing the following components

gamma	The coefficient of IV in first stage, calculated by linear regression
beta	The TSLS estimator of the exposure effect
sigmau	Standard deviation of potential outcome under control (structural error for y).
sigmav	Standard deviation of error from regressing treatment on instruments
rho	Correlation between u (potential outcome under control) and v (error from regressing treatment on instrument).

Author(s)

Yang Jiang, Hyunseung Kang, Dylan Small

See Also

See also [ivmodel](#) for details on the instrumental variables model.

Examples

```
data(card.data)
Y=card.data["lwage"]
D=card.data["educ"]
Z=card.data["nearc4"]
Xname=c("exper", "expersq", "black", "south", "smsa", "reg661",
        "reg662", "reg663", "reg664", "reg665", "reg666", "reg667",
        "reg668", "smsa66")
X=card.data[Xname]
cardfit=ivmodel(Y=Y, D=D, Z=Z, X=X)
para(cardfit)
```

residuals.ivmodel *Residuals from the Fitted Model in the ivmodel Object*

Description

This function returns the residuals from the k-Class estimators inside the `ivmodel` object.

Usage

```
## S3 method for class 'ivmodel'
residuals(object,...)
## S3 method for class 'ivmodel'
resid(object,...)
```

Arguments

`object` `ivmodel` object.
`...` Additional arguments to `residuals` or `resid`.

Value

A matrix of residuals for each k-Class estimator.

Author(s)

Yang Jiang, Hyunseung Kang, and Dylan Small

See Also

See also [ivmodel](#) for details on the instrumental variables model.

Examples

```

data(card.data)
Y=card.data[, "lwage"]
D=card.data[, "educ"]
Z=card.data[, "nearc4"]
Xname=c("exper", "expersq", "black", "south", "smsa", "reg661",
        "reg662", "reg663", "reg664", "reg665", "reg666", "reg667",
        "reg668", "smsa66")
X=card.data[, Xname]
foo = ivmodel(Y=Y, D=D, Z=Z, X=X)
resid(foo)
residuals(foo)

```

summary.ivmodel	<i>summary.ivmodel</i>
-----------------	------------------------

Description

Summarise different IV approaches for the `ivmodel` object.

Usage

```

## S3 method for class 'ivmodel'
summary(object, ...)

```

Arguments

<code>object</code>	<code>ivmodel</code> object
<code>...</code>	additional summary arguments

Details

The summary has five parts. The 1st part recalls the `ivmodel` expression and reports the total sample size. The 2nd part reports the first stage regression result to check the goodness of instruments. The 3rd part is the Sargan test (Sargan 1958), which checks for possible existence of invalid IVs. If there is only one IV, the 3rd part will not be displayed. The 4th part reports the result of k-Class estimations. The 5th part provides confidence interval from AR (Anderson and Rubin 1949), CLR (Moreira 2003) test, or sensitivity analysis if specified.

Value

Display summary information in plain text.

Author(s)

Yang Jiang, Hyunseung Kang, and Dylan Small

References

- Andrews, D. W. K., Moreira, M. J., and Stock, J. H. (2006). Optimal two-side invariant similar tests for instrumental variables regression. *Econometrica* 74, 715-752.
- Moreira, M. J. (2003). A conditional likelihood ratio test for structural models. *Econometrica* 71, 1027-1048.
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- Sargan, J. D. (1958). The estimation of economic relationships using instrumental variables. *Econometrica*, 393-415.
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See Also

See also [ivmodel](#) for details on the instrumental variables model.

Examples

```
data(card.data)
Y=card.data[,"lwage"]
D=card.data[,"educ"]
Z=card.data[,"nearc4"]
Xname=c("exper", "expersq", "black", "south", "smsa", "reg661",
        "reg662", "reg663", "reg664", "reg665", "reg666", "reg667",
        "reg668", "smsa66")
X=card.data[,Xname]
foo = ivmodel(Y=Y,D=D,Z=Z,X=X)
summary(foo)
```

TSLS.power

Power of TSLS Estimator

Description

TSLS.power computes the power of the asymptotic t-test of TSLS estimator.

Usage

```
TSLS.power(n, beta, rho_ZD, sigmau, sigmaDsq, alpha = 0.05)
```

Arguments

n	Sample size.
beta	True causal effect minus null hypothesis causal effect.
rho_ZD	Correlation between the IV Z and the exposure D.

sigmau	Standard deviation of potential outcome under control. (structural error for y)
sigmaDsqr	The variance of the exposure D.
alpha	Significance level.

Details

The power formula is given in Freeman (2013).

Value

Power of the asymptotic t-test of TSLS estimator based on given values of parameters.

Author(s)

Yang Jiang, Hyunseung Kang, and Dylan Small

References

Freeman G, Cowling BJ, Schooling CM (2013). Power and Sample Size Calculations for Mendelian Randomization Studies Using One Genetic Instrument. *International journal of epidemiology*, 42(4), 1157-1163.

See Also

See also [ivmodel](#) for details on the instrumental variables model.

Examples

```
# Assume we calculate the power of asymptotic t-test of TSLS estimator
# in a study with one IV (l=1) and the only one exogenous variable is
# the intercept (k=1).

# Suppose the difference between the null hypothesis and true causal
# effect is 1 (beta=1).
# The sample size is 250 (n=250).
# The correlation between the IV and exposure is .5 (rho_ZD= .5).
# The standard deviation of potential outcome is 1(sigmau= 1).
# The variance of the exposure is 1 (sigmaDsqr=1).
# The significance level for the study is alpha = .05.

# power of asymptotic t-test of TSLS estimator
TSLS.power(n=250, beta=1, rho_ZD=.5, sigmau=1, sigmaDsqr=1, alpha = 0.05)
```

`TSLS.size`*Sample Size Calculator for the Power of Asymptotic T-test*

Description

`TSLS.size` computes the minimum sample size required for achieving certain power of asymptotic t-test of TSLS estimator.

Usage

```
TSLS.size(power, beta, rho_ZD, sigmau, sigmaDsq, alpha = 0.05)
```

Arguments

<code>power</code>	The desired power over a constant.
<code>beta</code>	True causal effect minus null hypothesis causal effect.
<code>rho_ZD</code>	Correlation between the IV Z and the exposure D.
<code>sigmau</code>	Standard deviation of potential outcome under control. (structural error for y)
<code>sigmaDsq</code>	The variance of the exposure D.
<code>alpha</code>	Significance level.

Details

The calculation is based on inverting the power formula given in Freeman (2013).

Value

Minimum sample size required for achieving certain power of asymptotic t-test of TSLS estimator.

Author(s)

Yang Jiang, Hyunseung Kang, and Dylan Small

References

Freeman G, Cowling BJ, Schooling CM (2013). Power and Sample Size Calculations for Mendelian Randomization Studies Using One Genetic Instrument. *International journal of epidemiology*, 42(4), 1157-1163.

See Also

See also [ivmodel](#) for details on the instrumental variables model.

Examples

```
# Assume we performed an asymptotic t-test of TSLS estimator in a study
# with one IV (l=1) and the only one exogenous variable is the intercept
# (k=1). We want to calculate the minimum sample size needed for this
# test to have an at least 0.8 power.

# Suppose the null hypothesis causal effect is 0 and the true causal
# effect is 1 (beta=1-0=1).
# The correlation between the IV and exposure is .5 (rho_ZD= .5).
# The standard deviation of potential outcome is 1(sigma= 1).
# The variance of the exposure is 1 (sigmaDsq=1).
# The significance level for the study is alpha = .05.

### minimum sample size required for aysmptotic t-test
TSLS.size(power=.8, beta=1, rho_ZD=.5, sigma=1, sigmaDsq=1, alpha =.05)
```

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