```
  ___  ____  ____  ____  ____ (R)
 /__    /   ____/   /   ____/
___/   /   /___/   /   /___/   14.0   Copyright 1985-2015 StataCorp LP
  Statistics/Data Analysis             StataCorp
                                       4905 Lakeway Drive
      MP - Parallel Edition            College Station, Texas 77845 USA
                                       800-STATA-PC        http://www.stata.com
                                       979-696-4600        stata@stata.com
                                       979-696-4601 (fax)

Single-user 8-core Stata perpetual license:
       Serial number:  10699393
         Licensed to:  Bobby W. Chung
                       University of Illinois at Urbana-Champaign

Notes:
      1.  Unicode is supported; see help unicode_advice.
      2.  More than 2 billion observations are allowed; see help obs_advice.
      3.  Maximum number of variables is set to 5000; see help set_maxvar.

 1 . doedit "C:\Users\Bobby W. Chung\OneDrive\Project E\Project\Occupational License\Archive\oyster_

 2 . do "C:\Users\BOBBYW~1.CHU\AppData\Local\Temp\STD01000000.tmp"

 3 . set matsize 1500

 4 . clear

 5 .
 6 . use "C:\Users\Bobby W. Chung\Desktop\SIPPdata\wave13-16_FULL.dta"

 7 . keep if swave==13
(791,221 observations deleted)

 8 .
 9 . *****Merge with license
10 . merge m:1 lgtkey using "C:\Users\Bobby W. Chung\Desktop\SIPPdata\Module.dta", generate(_license

    Result                           # of obs.
    -----------------------------------------
    not matched                       1,814
        from master                   1,814  (_licensemerge==1)
        from using                        0  (_licensemerge==2)

    matched                         302,379  (_licensemerge==3)
    -----------------------------------------

11 .
12 .
13 . merge m:1 lgtkey using "C:\Users\Bobby W. Chung\Desktop\SIPPdata\Wave2_topical", generate(edume

    Result                           # of obs.
    -----------------------------------------
    not matched                      83,448
        from master                  48,966  (edumerge==1)
        from using                   34,482  (edumerge==2)

    matched                         255,227  (edumerge==3)
    -----------------------------------------
```

```
14 . drop if edumerge==2
   (34,482 observations deleted)

15 . gen math=0

16 . replace math=1 if ecourse1==1
   (102,291 real changes made)

17 . gen sci=0

18 . replace sci=1 if ecourse2==1
   (99,592 real changes made)

19 . gen eng=0

20 . replace eng=1 if ecourse3==1
   (148,508 real changes made)

21 . ******************************Data Management**********************
22 . drop if tage<18
   (71,482 observations deleted)

23 . drop if tage >64
   (49,165 observations deleted)

24 .
25 . * Work hour<1
26 . drop if ejbhrs1<1
   (77,858 observations deleted)

27 .
28 .
29 . *delege useless license data
30 . drop if  iprocert <1
   (9,461 observations deleted)

31 .
32 . *Delete imptued license
33 . drop if iwhopcer <0
   (366 observations deleted)

34 .
35 . * Define demographic
36 . generate female =1

37 . replace female =0 if esex==1
   (47,801 real changes made)

38 . drop if female==1
   (48,060 observations deleted)
```

```
39 .
40 . generate black=0

41 . replace black=1 if erace==2
   (4,325 real changes made)

42 .
43 . generate hispanic=0

44 . replace hispanic=1 if eorigin==1 & black==0
   (6,187 real changes made)

45 .
46 . *Create hourly wage
47 . generate long wage = (tpmsum1)/4/ejbhrs1

48 . drop if wage>100
   (685 observations deleted)

49 . drop if wage<5
   (4,047 observations deleted)

50 . gen lwage =log(wage)

51 . generate union=1

52 . replace union=0 if eunion1==2
   (37,332 real changes made)

53 .
54 . *Delete imputed union data
55 . drop if eunion1 <0
   (4 observations deleted)

56 .
57 . *Drop race other than white and black
58 . gen other=0

59 . replace other=1 if erace>2
   (3,246 real changes made)

60 .
61 . ***Merging with Module data of license (skip)
62 . ***Create license dummy (skip)
63 .
64 . *Delete imputed licensure source
65 . drop if iwhopcer <0
   (0 observations deleted)

66 .
67 .
```

```
68 . *Create gov't summy
69 . generate govt=0

70 . replace govt=1 if inrange(eclwrk1, 3,5)
   (6,683 real changes made)

71 .
72 . *service worker?
73 . gen service=0

74 . replace service=1 if inrange(ejbind1,6870,9290)
   (17,093 real changes made)

75 .
76 . *Create education dummy
77 . generate hs =0

78 . replace hs=1 if eeducate==39
   (11,397 real changes made)

79 . generate somecollege =0

80 . replace somecollege=1 if inrange(eeducate,40,43)
   (14,748 real changes made)

81 . generate college=0

82 . replace college=1 if eeducate ==44
   (9,228 real changes made)

83 . generate postgrad=0

84 . replace postgrad=1 if eeducate >44
   (4,531 real changes made)

85 .
86 . *Create self-employment and big company dummy
87 . generate self_emp=1

88 . replace self_emp=0 if ebuscntr<0
   (41,861 real changes made)

89 .
90 . gen age2=tage*tage

91 . rename tage age

92 .
93 .
94 . *Ensure that the license variable does not contain certified
95 . replace license=0 if cert==1
   (3,847 real changes made)
```

```
 96 .
 97 . *Ensure the license indicator include only license being required by job
 98 . gen licensenorequire=0

 99 . replace licensenorequire=1 if irjpcert!=1 & license==1
    (1,298 real changes made)

100 . replace license=0 if irjpcert>1
    (1,637 real changes made)

101 .
102 .
103 . ************** Redefine licensing by 50/50 rule
104 . egen licensecheck=mean(license), by(tfipsst tjbocc1)

105 . replace license=0 if licensecheck<0.5
    (1,845 real changes made)

106 . replace license=1 if licensecheck>=0.5
    (1,245 real changes made)

107 .
108 .
109 .                 *Merge with ban data
110 .         gen state_occ=string(tfipsst)+"-"+string(tjbocc1) if license==1
    (38,163 missing values generated)

111 .
112 .         merge m:1 state_occ using "C:\Users\Bobby W. Chung\OneDrive\Project E\Project\Occupatio
    > ate(_felonymerge)

        Result                           # of obs.
        -----------------------------------------
        not matched                        43,249
            from master                    41,014  (_felonymerge==1)
            from using                      2,235  (_felonymerge==2)

        matched                             2,051  (_felonymerge==3)
        -----------------------------------------

113 .
114 .         drop if _felonymerge==2
    (2,235 observations deleted)

115 .         replace permban=0 if _felonymerge==1
    (41,014 real changes made)

116 .         replace felony=0 if _felonymerge==1
    (41,014 real changes made)

117 .
```

```
118 .         rename permban Ban

119 .
120 .         ***"permban" only contains permanent ban
121 .         ***"felony" contains both temporary and permanent ban
122 .
123 .         keep if apmsum1==0 & inrange(wage,5,100)
    (4,893 observations deleted)

124 .
125 .
126 .         gen person=0

127 .         replace person=1 if iwhypcer==2
    (397 real changes made)

128 .
129 .         ***************** Race selection
130 .         drop if other==1
    (2,928 observations deleted)

131 .         drop if hispanic==1 & black==0
    (4,908 observations deleted)

132 .
133 .
134 .         **********************************
135 .         **** Main Table
136 .         **********************************
137 .
138 .         local controls  age age2  hs somecollege college postgrad union govt self_em service

139 .
140 .
141 .         gen boxyes=0

142 .         replace boxyes=1 if inlist(tfipsst,6,8,9,11,15,25,27,35)
    (4,716 real changes made)

143 .
144 .         gen BTBban=Ban*boxyes

145 .         replace Ban=0 if BTBban==1
    (246 real changes made)

146 .         gen nonBTBban=Ban

147 .
148 .
149 .         gen con_edu=0
```

```
150 . replace con_edu=1 if icdpcert==1
    (5,178 real changes made)

151 .
152 .
153 . replace license=0 if BTBban==1 | nonBTBban==1
    (1,082 real changes made)

154 .
155 . **** Panel B
156 . quietly regress lwage black BTBban nonBTBban license cert licensenorequire  `controls' i.tfipss
    > wpfinwgt], vce(cluster tfipsst)

157 . *Ordinary
158 .         psacalc delta  license, beta(0) rmax(0.61)
```

	——— Bound Estimate ———
delta	**2.28541**

	——— Inputs from Regressions ———	
	Coeff.	R-Squared
Uncontrolled	**0.12658**	**0.004**
Controlled	**0.03060**	**0.560**

	——— Other Inputs ———
R_max	0.610
Beta	0.000000
Unr. Controls	

```
159 .         psacalc delta  license, beta(0) rmax(0.72)
```

	——— Bound Estimate ———
delta	**0.71209**

	——— Inputs from Regressions ———	
	Coeff.	R-Squared
Uncontrolled	**0.12658**	**0.004**
Controlled	**0.03060**	**0.560**

	——— Other Inputs ———
R_max	0.720
Beta	0.000000
Unr. Controls	

```
160 .         psacalc delta  license, beta(0) rmax(1)
```

	——— Bound Estimate ———
delta	**0.25872**

	——— Inputs from Regressions ———	
	Coeff.	R-Squared
Uncontrolled	**0.12658**	**0.004**
Controlled	**0.03060**	**0.560**

	——— Other Inputs ———
R_max	1.000
Beta	0.000000
Unr. Controls	

```
161 .
162 .
163 . *License with ban in non-BTB states
164 .         psacalc delta  nonBTBban, beta(0) rmax(0.61)
```

	——— Bound Estimate ———
delta	**3.52939**

	——— Inputs from Regressions ———	
	Coeff.	R-Squared
Uncontrolled	**0.24951**	**0.005**
Controlled	**0.08622**	**0.560**

	——— Other Inputs ———
R_max	0.610
Beta	0.000000
Unr. Controls	

```
165 .         psacalc delta  nonBTBban, beta(0) rmax(0.72)
```

	——— Bound Estimate ———
delta	**1.10330**

	——— Inputs from Regressions ———	
	Coeff.	R-Squared
Uncontrolled	**0.24951**	**0.005**
Controlled	**0.08622**	**0.560**

```
                  ---- Other Inputs ----
-------------+----------------------------------------------------------------
R_max        |  0.720
Beta         |   0.000000
Unr. Controls|
-------------+----------------------------------------------------------------

166 .         psacalc delta  nonBTBban, beta(0) rmax(1)

                  ---- Bound Estimate ----
-------------+----------------------------------------------------------------
delta        |      0.40124
-------------+----------------------------------------------------------------

                  ---- Inputs from Regressions ----
             |      Coeff.                      R-Squared
-------------+----------------------------------------------------------------
Uncontrolled |       0.24951                    0.005
Controlled   |       0.08622                    0.560
-------------+----------------------------------------------------------------

                  ---- Other Inputs ----
-------------+----------------------------------------------------------------
R_max        |  1.000
Beta         |   0.000000
Unr. Controls|
-------------+----------------------------------------------------------------

167 .
168 . *License with ban in BTB states
169 .         psacalc delta  BTBban, beta(0) rmax(0.61)

                  ---- Bound Estimate ----
-------------+----------------------------------------------------------------
delta        |      6.48389
-------------+----------------------------------------------------------------

                  ---- Inputs from Regressions ----
             |      Coeff.                      R-Squared
-------------+----------------------------------------------------------------
Uncontrolled |       0.28069                    0.002
Controlled   |       0.13326                    0.560
-------------+----------------------------------------------------------------

                  ---- Other Inputs ----
-------------+----------------------------------------------------------------
R_max        |  0.610
Beta         |   0.000000
Unr. Controls|
-------------+----------------------------------------------------------------
```

```
170 .         psacalc delta  BTBban, beta(0) rmax(0.72)
```

	——— Bound Estimate ———
delta	**2.02469**

	——— Inputs from Regressions ——— Coeff.	R-Squared
Uncontrolled	**0.28069**	**0.002**
Controlled	**0.13326**	**0.560**

	——— Other Inputs ———
R_max	0.720
Beta	0.000000
Unr. Controls	

```
171 .         psacalc delta  BTBban, beta(0) rmax(1)
```

	——— Bound Estimate ———
delta	**0.73609**

	——— Inputs from Regressions ——— Coeff.	R-Squared
Uncontrolled	**0.28069**	**0.002**
Controlled	**0.13326**	**0.560**

	——— Other Inputs ———
R_max	1.000
Beta	0.000000
Unr. Controls	

```
172 .
173 .
174 .
    end of do-file

175 .
```