

Estimation results of AR(1) model: $Y_{it} = \alpha_i + \gamma Y_{i,t-1} + u_{it}$ where $Y_{it} = \log(\text{earning}_{it}/\text{price}_t)$.

Note: “se_c” denotes corrected standard errors by Windmeijer for 2step GMM and by Newey and Windmeijer for CU-GMM. “N/A” denotes not applicable. “—” denotes the cases where GMM estimators cannot be computed since the number of moment conditions is larger than the sample size.

T = 5, (t_start = 1978, t_end = 1982)

Number of moment conditions: DIF1 = 15, DIF2 = 9, SYS1 = 20, SYS2 = 14,

HSD			DIF1	DIF1	DIF1	DIF2	DIF2	DIF2	SYS1	SYS1	SYS1	SYS2	SYS2	SYS2
N_HSD = 237		transML	1step	2step	CUE	1step	2step	CUE	1step	2step	CUE	1step	2step	CUE
y(-1)	coef	0.6553	0.3329	0.3084	-0.0983	0.8151	1.2911	1.9975	1.0045	1.0375	1.0415	1.0258	1.0464	1.0848
	se	0.2015	0.1092	0.0938	0.1003	0.2659	0.2015	0.3132	0.0343	0.0116	0.0123	0.0455	0.0155	0.0171
	se_c	N/A	N/A	0.1858	0.1311	N/A	0.4825	0.2691	N/A	0.0293	0.0146	N/A	0.0422	0.0257

HSG			DIF1	DIF1	DIF1	DIF2	DIF2	DIF2	SYS1	SYS1	SYS1	SYS2	SYS2	SYS2
N_HSG = 514		transML	1step	2step	CUE	1step	2step	CUE	1step	2step	CUE	1step	2step	CUE
y(-1)	coef	0.6376	0.1587	0.1231	0.1257	0.0659	0.0996	0.0940	0.9317	0.9292	0.4971	0.9340	0.9230	0.4730
	se	0.1084	0.1246	0.0993	0.0985	0.1238	0.1116	0.1137	0.0243	0.0066	0.0071	0.0238	0.0075	0.0092
	se_c	N/A	N/A	0.1097	0.1097	N/A	0.1198	0.1183	N/A	0.0568	0.1462	N/A	0.0508	0.1190

CLG			DIF1	DIF1	DIF1	DIF2	DIF2	DIF2	SYS1	SYS1	SYS1	SYS2	SYS2	SYS2
N_CLG = 243		transML	1step	2step	CUE	1step	2step	CUE	1step	2step	CUE	1step	2step	CUE
y(-1)	coef	0.5084	0.5273	0.6012	1.0014	0.5631	0.7603	1.0053	0.9878	0.9949	1.0015	0.9879	0.9970	0.9967
	se	0.1263	0.1293	0.0913	0.1117	0.1386	0.1043	0.1226	0.0096	0.0023	0.0015	0.0096	0.0028	0.0024
	se_c	N/A	N/A	0.1673	0.1316	N/A	0.1501	0.1404	N/A	0.0062	0.0018	N/A	0.0067	0.0029

ALL			DIF1	DIF1	DIF1	DIF2	DIF2	DIF2	SYS1	SYS1	SYS1	SYS2	SYS2	SYS2
N_ALL = 994		transML	1step	2step	CUE	1step	2step	CUE	1step	2step	CUE	1step	2step	CUE
y(-1)	coef	0.6251	0.1199	0.0910	0.0874	0.1718	0.0590	0.0718	0.9433	0.9417	0.5258	0.9468	0.9362	0.5422
	se	0.1026	0.1114	0.0811	0.0809	0.1673	0.1176	0.1137	0.0154	0.0044	0.0062	0.0151	0.0050	0.0073
	se_c	N/A	N/A	0.0887	0.0801	N/A	0.1147	0.0912	N/A	0.0490	0.0887	N/A	0.0281	0.1493

T = 10, (t_start = 1978, t_end = 1987)

Number of moment conditions: DIF1 = 55, DIF2 = 19, SYS1 = 65, SYS2 = 29,

HSD			DIF1	DIF1	DIF1	DIF2	DIF2	DIF2	SYS1	SYS1	SYS1	SYS2	SYS2	SYS2
N_HSD = 134	transML		1step	2step	CUE	1step	2step	CUE	1step	2step	CUE	1step	2step	CUE
y(-1)	coef	0.4055	0.2516	0.2537	0.1288	0.4941	0.4738	0.1420	0.9456	0.9460	0.9836	0.9571	0.9483	0.2208
	se	0.0459	0.1039	0.0145	0.0147	0.1244	0.0799	0.0693	0.0246	0.0005	0.0005	0.0218	0.0030	0.0036
	se_c	N/A	N/A	0.1865	0.1621	N/A	0.1296	0.0837	N/A	0.0382	0.1281	N/A	0.2994	0.6131

HSG			DIF1	DIF1	DIF1	DIF2	DIF2	DIF2	SYS1	SYS1	SYS1	SYS2	SYS2	SYS2
N_HSG = 382	transML		1step	2step	CUE	1step	2step	CUE	1step	2step	CUE	1step	2step	CUE
y(-1)	coef	0.4449	0.2910	0.3241	0.2458	0.3680	0.5210	0.1743	0.9564	0.9561	0.9943	0.9617	0.9558	0.9615
	se	0.0344	0.0531	0.0283	0.0279	0.0725	0.0595	0.0494	0.0127	0.0011	0.0008	0.0126	0.0030	0.0030
	se_c	N/A	N/A	0.0689	0.0462	N/A	0.1159	0.1500	N/A	0.0204	0.0010	N/A	0.0128	0.0049

CLG			DIF1	DIF1	DIF1	DIF2	DIF2	DIF2	SYS1	SYS1	SYS1	SYS2	SYS2	SYS2
N_CLG = 196	transML		1step	2step	CUE	1step	2step	CUE	1step	2step	CUE	1step	2step	CUE
y(-1)	coef	0.7091	0.7647	0.8779	1.1048	0.9248	1.0335	1.0500	0.9859	0.9881	1.0035	0.9865	0.9969	0.9987
	se	0.0784	0.0740	0.0184	0.0213	0.0403	0.0288	0.0314	0.0061	0.0006	0.0003	0.0062	0.0013	0.0011
	se_c	N/A	N/A	0.1126	0.0162	N/A	0.0336	0.0238	N/A	0.0100	0.0002	N/A	0.0030	0.0009

ALL			DIF1	DIF1	DIF1	DIF2	DIF2	DIF2	SYS1	SYS1	SYS1	SYS2	SYS2	SYS2
N_ALL = 712	transML		1step	2step	CUE	1step	2step	CUE	1step	2step	CUE	1step	2step	CUE
y(-1)	coef	0.5045	0.3543	0.4636	0.1436	0.6122	0.8457	1.0457	0.9507	0.9501	0.9994	0.9554	0.9535	0.9710
	se	0.0294	0.0463	0.0292	0.0301	0.0660	0.0429	0.0433	0.0083	0.0009	0.0007	0.0079	0.0025	0.0024
	se_c	N/A	N/A	0.0802	0.0439	N/A	0.0739	0.0373	N/A	0.0130	0.0006	N/A	0.0085	0.0029

T = 15, (t_start = 1978, t_end = 1992)

Number of moment conditions: DIF1 = 120, DIF2 = 29, SYS1 = 135, SYS2 = 44,

HSD			DIF1	DIF1	DIF1	DIF2	DIF2	DIF2	SYS1	SYS1	SYS1	SYS2	SYS2	SYS2
N_HSD = 72	transML		1step	2step	CUE	1step	2step	CUE	1step	2step	CUE	1step	2step	CUE
y(-1)	coef	0.4236	---	---	---	0.1935	0.1620	-0.0319	---	---	---	0.9846	0.9804	0.9443
	se	0.0558	---	---	---	0.0700	0.0332	0.0325	---	---	---	0.0209	0.0013	0.0013
	se_c	N/A	---	---	---	N/A	0.1144	0.0644	---	---	---	N/A	0.0133	0.2903

HSG			DIF1	DIF1	DIF1	DIF2	DIF2	DIF2	SYS1	SYS1	SYS1	SYS2	SYS2	SYS2
N_HSG = 285	transML		1step	2step	CUE	1step	2step	CUE	1step	2step	CUE	1step	2step	CUE
y(-1)	coef	0.5488	0.4218	0.4017	0.2551	0.5552	0.6339	0.2933	0.9464	0.9449	0.9989	0.9545	0.9552	0.9644
	se	0.0274	0.0367	0.0131	0.0135	0.0707	0.0482	0.0501	0.0129	0.0004	0.0002	0.0121	0.0026	0.0026
	se_c	N/A	N/A	0.0619	0.0993	N/A	0.1451	0.0417	N/A	0.0878	0.0010	N/A	0.0135	0.0029

CLG			DIF1	DIF1	DIF1	DIF2	DIF2	DIF2	SYS1	SYS1	SYS1	SYS2	SYS2	SYS2
N_CLG = 150	transML		1step	2step	CUE	1step	2step	CUE	1step	2step	CUE	1step	2step	CUE
y(-1)	coef	0.7352	0.7873	0.8398	0.9844	0.9065	0.9039	0.9209	0.9881	0.9897	1.0022	0.9891	0.9928	0.9973
	se	0.0507	0.0428	0.0047	0.0036	0.0205	0.0147	0.0147	0.0044	0.0001	0.0000	0.0043	0.0008	0.0007
	se_c	N/A	N/A	0.1968	0.0364	N/A	0.0257	0.0036	N/A	0.0067	0.0021	N/A	0.0062	0.0014

ALL			DIF1	DIF1	DIF1	DIF2	DIF2	DIF2	SYS1	SYS1	SYS1	SYS2	SYS2	SYS2
N_ALL = 507	transML		1step	2step	CUE	1step	2step	CUE	1step	2step	CUE	1step	2step	CUE
y(-1)	coef	0.5899	0.4618	0.4739	0.3567	0.6860	0.8353	0.9202	0.9496	0.9487	1.0000	0.9554	0.9597	0.9750
	se	0.0254	0.0314	0.0133	0.0133	0.0388	0.0269	0.0215	0.0083	0.0005	0.0002	0.0078	0.0019	0.0018
	se_c	N/A	N/A	0.0559	0.0271	N/A	0.0419	0.0134	N/A	0.0246	0.0004	N/A	0.0087	0.0021