README file for

Replication of:
The Right Stuff: Personality and Entrepreneurship
by Barton H. Hamilton, Nidhi Pande and Nicholas W. Papageorge

1. REPLICATION Folders
The folder "REPLICATION" contains three items:
- This README document
- A folder 1_STATA
- A folder 2_MATLAB
The 1_STATA folder contains four subfolders: DATASETS, DOFILES, FIGURES and TABLES. DOFILES contain do files used to replicate results. DATASETS/RAW is where to place three raw data sets: the main 1995 data, the main 2004 data and the cognition data. Raw data can be obtain from the MIDUS website "http://midus.wisc.edu/data/index.php". If links are broken or other issues arise, please contact the authors, who have access to (and copies of) the raw data. The authors will provide assistance in obtaining the data if needed. Data sets, tables and figures generated by running the do files will be placed in the folders with the appropriate name.

The 2_MATLAB folder contains three subfolder: DATASETS, FIGURES and SCRIPTS. SCRIPTS contains m-files with code used to call data, estimate the structural model, compute errors and generate results from counterfactual policy simulations. Figures from these simulations will be placed in FIGURES and the data set generated from the STATA do files and used in structural estimation is found in DATASETS.

2. Replication

Replication of results proceeds in the following steps.

a) Go to the folder 1_STATA/DOFILES
b) Open both doilies (1_Setup and 2_Tables_Figures)
1_Setup will convert raw data files (found in 1_STATA/DATASETS/RAW) into the data sets used in this project. These data sets will be saved in 1_STATA/DATASETS
c) In order to use these do files, go do line 12 and replace the cd comment to change the directory to the folder 1_STATA, which depends on the file pathways on your computer. Do this in both do files.
d) Next, run 1_Setup. Having done that, there would be three data sets Personality, Personality_FULL and Personality_EXTRA in the folder 1_STATA/DATASETS, which are used for preliminary analyses performed using the second do file.
e) Next, run 2_Tables_Figures, which generate tables and figures, which will be saved in
the folder 1_STATA/FIGURES and 1_STATA/TABLES.
f) Running 1_STATA will also generate a dataset that can be used with MATLAB for structural analysis. It will be found in the folder "REPLICATION/MATLAB/DATASETS
g) Open up all scripts in MATLAB, which are found in "REPLICATION/MATLAB/SCRIPTS.

e) Change the command in the script ESTIMATE.m on line 19 to change the directory to "REPLICATION/MATLAB/SCRIPTS.
f) Estimation of the structural model proceeds in several steps.
- MODEL0 is a stripped-down model using starting values from preliminary analysis (and 100 draws).
- MODEL1 is a stripped-down model with utility parameters where estimation uses larger numbers of draws
- MODEL2 obtains estimates for the measurement error system, taking estimates from MODEL1 as starting values
- MODEL 3 uses estimates from MODEL1 and MODEL2 and 2500 draws to jointly estimate the full model.
Which model is used and number of draws depend on settings on lines 62-29 of ESTIMATE.m. To set MODEL0 to run, replace MODEL0=0 with MODEL0=1 and so on.
g) Once estimates are obtained, errors can be obtained by setting ERRORS_CALC to 1.
h) To calculate counterfactuals, set CFPS=1 on line 69, which clears and then computes the likelihood at estimated parameters, but does not estimate the model. It is recommended to run ESTIMATE.m with MODEL3=1, DRAWS=2500, ERRORS_CALC=0 and CFPS=1 between each of the counterfactuals.
i) To run counterfactuals, simply run CFPS1-5.m Doing so will generate some table values for Table 6 along with figures.

The following explains how each table and figure is generated:

Table 1: by hand
Table 2: Using Stata
Table 3: Using Stata (2_Tables_Figures)
Table 4: Using Matlab (ESTIMATE.m and ERRORS.m)
Table 5: by hand
Table 6: Using Matlab (CFPS3.m and CFPS4.m)

Figure 1: Using Stata (2_Tables_Figures)
Figure 2: Using Matlab (CFPS1)
Figure 3: Using Matlab (CFPS3)
Figure 4: Using Matlab (CFPS2)
Figure 5: Using Matlab (CFPS3 and CFPS6)
Figure 6: Using Matlab (CFPS4 and CFPS6)
Figure 7: Using Matlab (CFPS4)

Appendix Table S1 Using Stata (2_Tables_Figures)
Appendix Table S2 Using Stata (2_Tables_Figures)
Appendix Table S3 Using Stata (2_Tables_Figures)
Appendix Table S4 Using Stata (2_Tables_Figures)
Appendix Table S5-6 Using Matlab (ESTIMATE_M) (note that setting TABLES=1 will generate the inputs to these tables that can be copied directly to a tex file.
Appendix Table S7 Using Stata (2_Tables_Figures)
Appendix Table S8 Using Stata (2_Tables_Figures)