

[< Home](#)

Unbiased Estimation of the Half-Life to PPP Convergence in Panel Data

Chi-Young Choi, Nelson Mark & Donggyu Sul

SHARE   

WORKING PAPER 10614

DOI 10.3386/w10614

ISSUE DATE July 2004

Three potential sources of bias present complications for estimating the half-life of purchasing power parity deviations from panel data. They are the bias associated with inappropriate aggregation across heterogeneous coefficients, time aggregation of commodity prices, and downward bias in estimation of dynamic lag coefficients. Each of these biases have been addressed individually in the literature. In this paper, we address all three biases in arriving at our estimates. Analyzing an annual panel data set of real exchange rates for 21 OECD countries from 1948 to 2002, our point estimate of the half-life is 5.5 years.

[Download a PDF](#)

[Information on access](#)

Acknowledgements and Disclosures



Download Citation



Published Versions

Choi, Chi-Young, Nelson C. Mark and Donggyu Sul. "[Unbiased Estimation Of The Half-Life To PPP Convergence In Panel Data](#)," Journal of Money, Credit and Banking, 2006, v38(4,Jun), 921-938. citation courtesy of [RePEc](#)

Related

TOPICS

[Econometrics](#)
[Estimation Methods](#)
[International Economics](#)
[International Finance](#)

PROGRAMS

[International Finance and Macroeconomics](#)

More from NBER

In addition to [working papers](#), the NBER disseminates affiliates' latest findings through a range of free periodicals — the [NBER Reporter](#), the [NBER Digest](#), the [Bulletin on Retirement and Disability](#), the [Bulletin on](#)

Health, and the [Bulletin on Entrepreneurship](#) — as well as online conference reports, video lectures, and interviews.



16th Annual Martin Feldstein Lecture:

Lessons for Economists from the Pandemic

Cecilia E. Rouse, The Brookings Institution
and Princeton University
July 22, 2024

2024, 16th Annual Feldstein Lecture, Cecilia E. Rouse, "Lessons for Economists from the Pandemic"

FELDSTEIN LECTURE

PRESENTER: [CECILIA E. ROUSE](#)

Cecilia Rouse, president of the Brookings Institution and a professor at Princeton University, who chaired the Council...



Methods Lectures, Summer Institute 2024:

Analysis and Design of Multi-Armed Bandit Experiments and Policy Learning

Susan Athey, Stanford University and NBER
July 25, 2024

2024 Methods Lecture, Susan Athey, "Analysis and Design of Multi-Armed Bandit Experiments and Policy Learning"

METHODS LECTURES

PRESENTER: [SUSAN ATHEY](#)

Background Materials: [backgroundAthey](#), Susan, Undral Byambadalai, Vitor Hadad, Sanath Kumar Krishnamurthy, Weiwen Leung...



Economics of Social Security Panel Discussion

Earnings Inequality and Payroll Tax Revenues

Karen Dynan, Harvard University
Karen Glenn, Social Security Administration
Stephen Goss, Social Security Administration
Fatih Guvenen, University of Minnesota and NBER
James Pearce, US Congressional Budget Office
NBER Summer Institute, July 24, 2024

2024, Economics of Social Security Panel, "Earnings Inequality and Payroll Tax Revenues"

National Bureau of Economic Research

[Contact Us](#)

1050 Massachusetts Avenue
Cambridge, MA 02138
[617-868-3900](tel:617-868-3900)
info@nber.org
webaccessibility@nber.org

[HOMEPAGE](#)

[Accessibility Policy](#)

[Diversity Policy](#)

[Privacy Policy](#)

FOLLOW

