

TABLE 10.10 Hausman test for endogeneity in simulated data

<i>Simulation</i>	<i>Variance of measurement error, <math>V(v_i)</math></i>	<i>t-statistic for OLS estimate of <math>b_2</math></i>	<i>Decision regarding null hypothesis of no endogeneity</i>
1	1	32.90	Reject
2	1.5	50.32	Reject
3	2	51.55	Reject
4	2.5	45.03	Reject
5	3	59.53	Reject
6	3.5	55.95	Reject