Inevitably, one of the first questions raised by students in Econ 574 is, “Can you suggest some other references which might be helpful for background reading?” I am usually reluctant to do this because there is, inevitably, some question about guessing an appropriate level for the supplementary material. To circumvent this problem I have tried to assemble some references which span a reasonably wide range of levels. The references are subdivided into the two traditional categories: Probability and Statistics. Within these categories they are listed in order of approximate difficulty. The references range from what might be somewhat disparagingly called “statistics appreciation” to the very high-brow. There is always a tendency to believe that there is a “magic book” which, even when read superficially, will provide all of the wisdom of the ages. In my experience it is always better to find a book that seems slightly below your comfort level and then try to conscientiously read it – by which I mean fill in the details of the arguments along the way and do a reasonable selection of the problems.

There are a variety of books written by and for econometricians that I have recommended in past years for this course. This year I’m going to suggest something different. There often seems to be a rather abrupt transition from Applied Econometrics (508) to Econometric Theory (574). So I thought what might be most useful is a book that smoothed the transition; one that covered some of the same territory as 508, but added some topics of current interest that I failed to cover in 508. Ideally, these topics would have saliency in recent empirical applications in economics, and might provide a starting point for a 574 term paper. There are two new books that I think fills this niche nicely and as a side benefit are fun to read.


I would also encourage you to develop your R language skills. On this
front there are a few public domain “texts” that are quite good. I particularly like the following two volumes by Pat Burns. Both are freely available from the web.


Probability


Statistics

