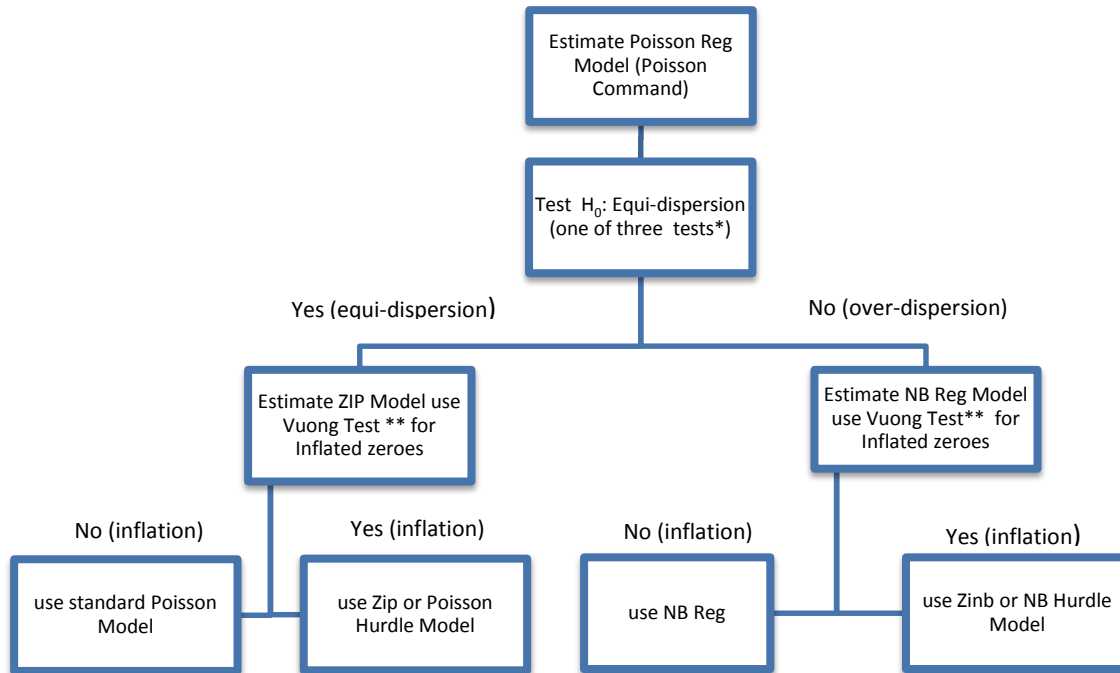


Flow Chart for Analyzing Count Data



* Cameron & Trevidi test (1990) and Wooldridge test (1996) involve the residuals of the standard Poisson model. On the other hand, the nbreg procedure is used to test the hypotheses $H_0: \alpha = 0$ (equi-dispersion) versus $H_1: \alpha \neq 0$. If $\alpha > 0$ then the Negative Binomial model is suggested. (Alternatively, one could produce robust standard errors for the Poisson regression coefficients using the sandwich variance-covariance matrix of the estimated coefficients (i.e. Quasi-Maximum Likelihood estimation)).

** Significant positive value indicates Zip or Zinb model is preferred. A significant negative value implies that the non-excess zeroes (standard) count models are preferred.