

1. "Labor Data 2" contains variables: hours worked a week prior to 1979, wage rate for the primary job in 1979, highest grade completed, union membership dummy, total wages in 1979, and the number of days a week alcohol is consumed. A natural dependent variable is either the wage rate for the primary job in 1979 or the total wages in 1979. You can decide which one you want to use.

2. The "Macro Data" file contains a time series data for GDP, the effective Fed Funds rate, industrial production, Personal Savings, Civilian unemployment rate, corporate profits, the S&P 500 index closing value, and exports of goods and services.

A natural dependent variable is GDP or industrial production. GDP and industrial production both represent the level of aggregate output. You can decide which one you want to use. GDP is usually considered a better measure of output, but GDP data are only available quarterly and not monthly. The other data in the file are all available monthly.