Sample Overlap in Meta-Analysis

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Abstract

A common feature of meta-analyses in economics, especially in macroeconomics and related subfields, is that the samples underlying the reported effect sizes overlap. As a consequence, these effects sizes are positively correlated, thereby decreasing the efficiency of standard meta-estimation methods. This paper argues that the variance-covariance matrix describing the structure of dependency between primary estimates can be feasibly specified as a function of information that is typically reported in the primary studies. Meta-estimation efficiency can then be enhanced by using the resulting matrix in a Generalized Least Squares fashion.

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Keywords: meta-analysis, meta-regression, sample overlap

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1 Introduction

Meta-analysis is a powerful statistical technique. By combining empirical results reported in multiple studies, it acts as to 'enlarge' the underlying sample from which an effect size is to be inferred. Not surprisingly, meta-analysis has been extensively used in fields such as biology, medical research, and psychology, among others.[1] In these areas, empirical research is typically conducted using randomized controlled trials, which employ a necessarily limited number of subjects. By mimicking a study with a larger number of subjects, meta-analysis allows to estimate an effect size more precisely.

But the precision gains of meta-analysis are not always so clear. In economics, empirical research is mostly based on observational (rather than experimental) data, which typically requires a higher level of statistical sophistication.[2] As a result, the disparity in empirical results in a given literature is often dominated by differences in study design characteristics—e.g., model specification, estimation method, and definition of variables—rather than sampling error. Pooling estimates from different studies is thus more likely to increase the variability of population parameters than to inform on the true size of a particular one. Moreover, in those fields of economics where data is by nature aggregated—as is the case in macroeconomics and related subfields—it is common to see the same (or nearly the same) data being repeatedly employed in several different studies.[3] Overlapping samples imply a positive correlation between the resulting estimates, which has implications for their optimal (efficiency-maximizing)

[1] Recent examples in these fields include research on biodiversity and ecological restoration (Benayas, Newton, Diaz, and Bullock, 2009), the study of H5N1 infections in humans (Wang, Parides, and Palese, 2012), and research on the neural bases of social cognition and story comprehension (Mar, 2011).

[2] There is a growing body of literature testing economic theories using experimental methods, however, which has motivated a number of meta-analyses of empirical research conducted in the lab. Recent examples include Weizsäcker (2010), Cooper and Dutcher (2011), and Engel (2011).

[3] A non-exhaustive list of meta-studies on macroeconomics-related topics where sample overlap may be an issue includes: Stanley (1998) on Ricardian equivalence; de Mooij and Ederveen (2003) on the FDI effects of taxation; de Dominicis, Florax, and de Groot (2008) on the relationship between income inequality and economic growth; Eickmeier and Ziegler (2008) on the forecast quality of dynamics factor models; Doucouliagos and Paldam (2010) on the growth effects of aid; Havranek (2010) on the trade effects of currency unions in gravity models of international trade; Efendic, Pugh, and Adnett (2011) on institutional quality and economic performance; Feld and Heckemeyer (2011) on FDI and taxation; Havranek and Irsova (2011) on vertical FDI productivity spillovers; Alptekin and Levine (2012) on the effect of military expenditures on economic growth; Adam, Kamas, and Lagou (2013) on the effects of globalization and capital market integration on capital taxes; Bom and Ligthart (2013) on the output elasticity of public capital; Celbis, Nijkamp, and Poot (2013) on the impact of infrastructure on exports and imports; Gechert (2013) on the output effects of fiscal policy shocks; and Melo, Graham, and Brage-Ardao (2013) on the output elasticity of transport infrastructure.

combination. Whereas the issue of study design heterogeneity has been successfully tackled within the context of a meta-regression model, the problem of overlapping samples has been largely ignored. The present paper addresses this issue.

To account for estimate dependency caused by sample overlap, I propose a 'generalized weights' meta-estimator. This method requires the full specification of the variance-covariance matrix of the primary estimates in terms of observables. I show how, under some assumptions, the elements of this matrix can be approximately written as functions of quantities that are typically reported in the primary studies, such as samples sizes, sample overlap, and standard errors. This variance-covariance matrix can then be used to optimally weight the observations in the meta-sample. The generalized weights meta-estimator is thus a feasible application of the Generalized Least Squares principle. Intuitively, each observation in the meta-regression model is weighted according to how much independent sampling information it contains. Under no sample overlap, the generalized weights meta-estimator reduces to the 'inverse-variance' meta-estimator, which weights each primary estimate according to the reciprocal of its variance.[4]

To build intuition and clarify ideas, I provide in Section 2 a simple example of a three-study meta-analysis of the mean of a normal population. This example helps understand the difference first-best and second-best efficiency and shows that, under sample overlap, no meta-estimator is first-best efficient. It also illustrates the efficiency gains of accounting for sample overlap by comparing the mean squared errors of the generalized weights meta-estimator, the inverse-variance meta-estimator, and the simple-average meta-estimator. Section 3 then describes the derivation of the generalized-weights meta-estimator in the general case. It shows how the elements of the variance-covariance matrix should be computed, given the information collected from the primary studies. Section 4 concludes.

[4]See Stanley and Jarrell (1989), Stanley (2005), and Stanley and Doucouliagos (2010).

2 A Simple Example

Consider an economic variable of interest—say, household disposable income in a given year—whose population is normally distributed with mean μ and variance σ^2:

$$Y \sim N(\mu, \sigma^2), \tag{1}$$

where, for simplicity, σ^2 is assumed to be known. The interest lies on the magnitude of the population mean, μ. Suppose that three studies are available, each of them computing and reporting one estimate of μ using the sample average estimator. Denote the sample average reported by the i-th study by $\bar{y}_i$ and the corresponding sample of size N_i by $S_i = \{y_{i1}, ..., y_{iN_i}\}$, for $i = 1, 2, 3$, so that $\bar{y}_i = \frac{1}{N_i} \sum_{j=1}^{N_i} y_{ij}$. Finally, assume that samples S_1 and S_2 overlap by $C \leq \min\{N_1, N_2\}$ observations—i.e., C independent realizations of Y are contained in both S_1 and S_2—but are totally independent of S_3. The question is then: how can we efficiently meta-estimate μ if only $\bar{y}_i$, N_i, and C (but not the individual observations in S_i) are reported in the primary studies?

Before tackling this question, let us consider the (unrealistic) case where the meta-analyst observes the primary samples S_1, S_2, and S_3. In this case, the efficient 'meta-estimator' of μ would simply average across the $N_1 + N_2 - C + N_3$ independent realizations of Y, excluding the C 'duplicated' observations in S_2:

$$\begin{aligned} \tilde{y}_F &= \frac{1}{N - C} \left(\sum_{j=1}^{N_1} y_{1j} + \sum_{k=1}^{N_2 - C} y_{2k} + \sum_{l=1}^{N_3} y_{3l} \right) \\ &= \left(\frac{N_1}{N - C} \right) \bar{y}_1 + \left(\frac{N_2 - C}{N - C} \right) \bar{y}_2^c + \left(\frac{N_3}{N - C} \right) \bar{y}_3, \end{aligned} \tag{2}$$

where $N \equiv N_1 + N_2 + N_3$ is the total number of observations in the three samples, and $\bar{y}_2^c = \frac{1}{N_2 - C} \sum_{k=1}^{N_2 - C} y_{2k}$ denotes the sample average of S_2 after excluding the C overlapping observations. The second line of (2) shows that the full information estimator can be written as a weighted average of the individual sample averages (after adjusting for sample overlap), using as weights the fraction of independent observations in each primary sample. Because all primary sampling information would be taken into account, this estimator would be first-best efficient. Below, I refer to $\bar{y}_F$ as the 'full information' meta-estimator.

What if, more realistically, the meta-analyst does not observe the primary samples? Then, a feasible meta-estimator must only depend on the observed $\bar{y}_i$'s:

$$\tilde{y}_S = \omega_1 \bar{y}_1 + \omega_2 \bar{y}_2 + \omega_3 \bar{y}_3, \tag{3}$$

where $\omega_i \in (0, 1)$ is the weight assigned to $\bar{y}_i$, $i = 1, 2, 3$. This implies that, because $\bar{y}_2^c$ is not observed, $\tilde{y}_S$ cannot replicate the full information estimator $\tilde{y}_F$. Unless samples do not overlap (i.e., $C = 0$), therefore, a feasible meta-estimator will not be first-best efficient. The question then is: how to choose the ω_i's so as to achieve second-best efficiency?

Assume first that samples do not overlap (i.e., $C = 0$) so that $\tilde{y}_S$ is also first-best efficient for the optimal choice of weights. If primary samples are equally sized (i.e., $N_1 = N_2 = N_3$), then according to (2) the weights should also be identical: $\omega_1 = \omega_2 = \omega_3 = 1/3$. If primary samples have different sizes, however, the weights should differ; in particular, $\omega_i = N_i/N$, for $i = 1, 2, 3$, so that primary estimates based on larger samples are given higher weights. This is equivalent to weighting using the inverse of the variance of $\bar{y}_i$—a common procedure in meta-analysis—because this variance is proportional to $1/N_i$.

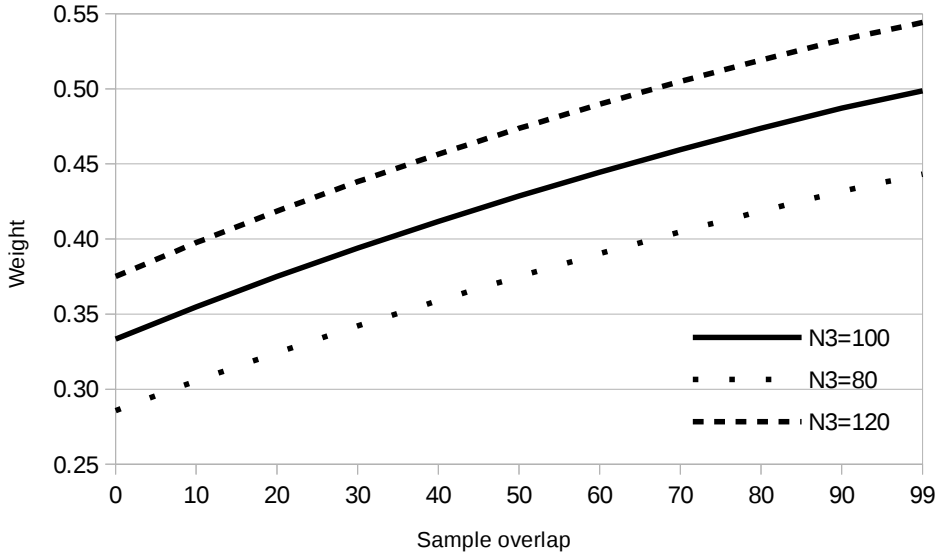
But if samples S_1 and S_2 overlap to some extent (i.e., $C > 0$), then $\bar{y}_1$ and $\bar{y}_2$ will be positively correlated. The optimal (second-best) weights must thus take this correlation into account. Using the procedure described below in Section 3.1, it can easily be shown that the optimal weights in this case are:

$$\omega_1 = \frac{N_1 - C}{N - 2C - \frac{C^2 N_3}{N_1 N_2}}, \qquad \omega_2 = \frac{N_2 - C}{N - 2C - \frac{C^2 N_3}{N_1 N_2}}, \qquad \omega_3 = \frac{N_3 - \frac{C^2 N_3}{N_1 N_2}}{N - 2C - \frac{C^2 N_3}{N_1 N_2}},$$

which clearly depend on C. Below, I refer to the meta-estimator $\tilde{y}_S$ with these optimal (second-best) weights as the the 'generalized-weights' meta-estimator. Note that these weights reduce to the 'inverse-variance' weights (i.e., $\omega_i = N_i/N$) for $C = 0$ and to $1/3$ if, additionally, $N_1 = N_2 = N_3$.

To illustrate the relationship between estimation weights, sample size, and degree of sample overlap, Figure 2 plots the estimation weight of $\bar{y}_3$ as a function of C assuming $N_1 = N_2 = 100$ and various values of N_3. If $N_3 = 100$ (solid line), the weight of $\bar{y}_3$ is $1/3$ for $C = 0$ and monotonically increases with C, approaching $1/2$ as C approaches 100. In-

Figure 1: Optimal ω_3 as a function of C for $N_1 = N_2 = 100$ and various values of N_3

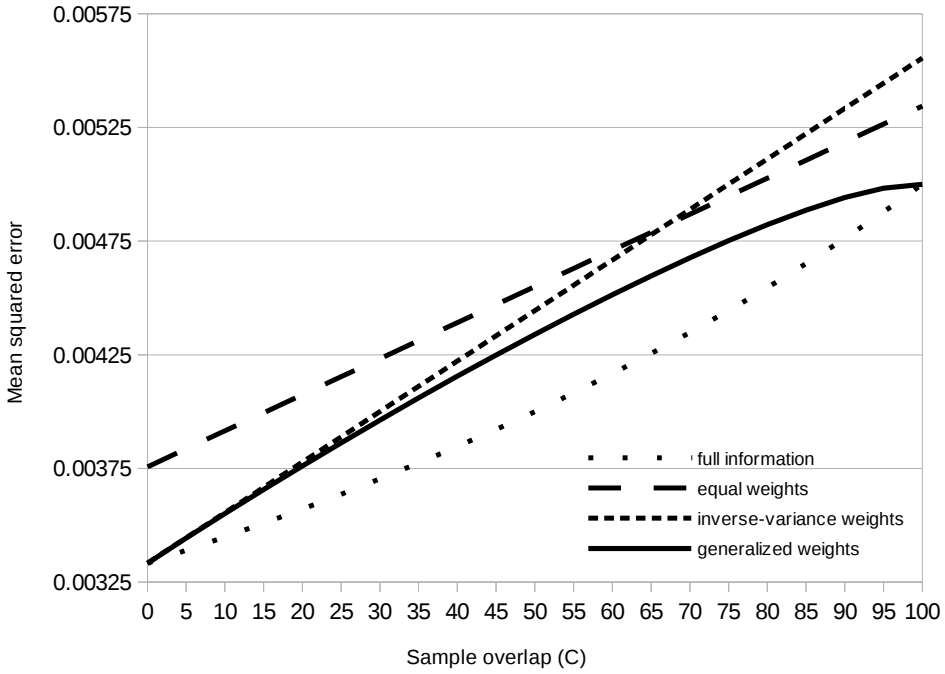


tuitively, because the primary samples are equally sized, each primary estimate receives the same weight if there is no sample overlap ($C = 0$). Full sample overlap, in turn, implies a weight of 1/2 for $\bar{y}_1 = \bar{y}_2$ (because S_1 and S_2 are in fact the same sample) and 1/2 for $\bar{y}_3$.[5] Clearly, a larger (smaller) size of S_3 implies a larger (smaller) weight to $\bar{y}_3$—as depicted by the dashed (dotted) lines—for any value of C.

How large are the efficiency gains from accounting for sample overlap? Figure 2 plots the mean squared error (MSE) of the meta-estimator $\tilde{y}_S$ as a function of sample overlap in the cases of equal weights, inverse-variance weights, and generalized weights. To compare first-best and second-best efficiency, Figure 2 also shows the MSE of the full information estimator (i.e., $\tilde{y}_F$). If there is no sample overlap (i.e., $C = 0$), the inverse-variance weights and generalized weights meta-estimators are identical to the full information estimator, so that first-best efficiency is achieved (the MSE of the simple average meta-estimator is higher because sample sizes differ). For positive values of C, however, the MSE of the generalized weights meta-estimator is lower than both the equal weights and the inverse-variance weights

[5]Rigorously speaking, the weights in (4) are not defined for $C = N_1 = N_2$—but only as C approaches $N_1 = N_2$—since the weight's denominator would in this case be zero. Intuitively, because $\bar{y}_1$ and $\bar{y}_2$ are identical, their weights cannot be disentangled.

Figure 2: MSE of the various meta-estimators as a function of sample overlap



Notes: The sizes of the primary samples are $N_1 = 140$, $N_2 = 100$, and $N_3 = 60$.

meta-estimators— which do not account for sample overlap—but larger than the first-best full information estimator. As C approaches its maximum value of 100 ($= \min\{N_1, N_2\}$), the generalized weights meta-estimator is again first-best efficient.[6] Note, finally, that a large degree of sample overlap may render the inverse-variance weights meta-estimator less efficient than a simple average.

3 The Generalized Weights Meta-Estimator

In economics, the object of meta-analysis is typically a slope parameter of a linear regression model. Assume, without loss of generality, that an economic variable of interest y (e.g., household disposable income in a given year) is linearly related to a single covariate x (e.g., average years of schooling of the household's income earners) in the population:

$$y = \alpha + \theta x + u, \tag{4}$$

[6]Note that $\tilde{y}_F$ can be computed in this case, because $\bar{y}_2^c = 0$.

where u is an independent and normally distributed error term with mean zero and variance σ_u^2. For simplicity, x is assumed to be non-stochastic (i.e., fixed for repeated samples). The interest lies in the magnitude of θ. A literature search reveals that M estimates of θ are available. Denote the i-th primary estimate by $\hat{\theta}_i$ and the respective primary sample of size N_i by $S_i = \{(y_{i1}, x_{i1}), (y_{i2}, x_{i2}), ..., (y_{iN_i}, x_{iN_i})\}$, for $i = \{1, 2, ..., M\}$. I allow for overlapping samples, so that samples are not necessarily independent from each other. In particular, I denote by C_{pq} the number of observations that are common to S_p and S_q. Up to sample overlap, however, samples are collections of independent realizations of y (given x).

3.1 The Baseline Case

Suppose that each primary estimate of θ is obtained by running an Ordinary Least Squares (OLS) regression of y on x using the N_i observations in S_i:

$$\hat{\theta}_i = \frac{\sum_{j=1}^{N_i} \tilde{y}_{ij}\tilde{x}_{ij}}{\sum_{j=1}^{N_i} \tilde{x}_{ij}^2} = \theta + \frac{\sum_{j=1}^{N_i} \tilde{x}_{ij}u_{ij}}{\sum_{j=1}^{N_i} \tilde{x}_{ij}^2}, \qquad \text{for } i = 1, 2, ..., M, \tag{5}$$

where $\tilde{y}_{ij} \equiv y_{ij} - N_i^{-1}\sum_{j=1}^{N_i} y_{ij}$ and $\tilde{x}_{ij} \equiv x_{ij} - N_i^{-1}\sum_{j=1}^{N_i} x_{ij}$ denote the demeaned dependent and independent variables, respectively. Because, under our assumptions, the OLS estimator is unbiased and consistent for θ, we can write (5) as

$$\hat{\theta}_i = \theta + \epsilon_i, \tag{6}$$

where ϵ_i is a sampling error component with zero mean. Equation (6) provides the basis of a meta-analysis model of θ. Collecting the M primary estimates in vector $\hat{\boldsymbol{\theta}} \equiv [\hat{\theta}_1 \;\; \hat{\theta}_2 \;\; \dots \;\; \hat{\theta}_M]'$, and the respective sampling errors in vector $\boldsymbol{\epsilon} \equiv [\epsilon_1 \;\; \epsilon_2 \;\; \dots \;\; \epsilon_M]'$, we can write the meta-analysis model (6) as

$$\hat{\boldsymbol{\theta}} = \theta\boldsymbol{\iota} + \boldsymbol{\epsilon}, \qquad \mathrm{E}(\boldsymbol{\epsilon}) = 0, \quad \mathrm{var}(\boldsymbol{\epsilon}) = \mathrm{E}(\boldsymbol{\epsilon}\boldsymbol{\epsilon}') \equiv \boldsymbol{\Omega}, \tag{7}$$

where $\boldsymbol{\iota}$ denotes a $M \times 1$ vector of ones.

What are the elements of the variance-covariance matrix $\mathbf{\Omega}$? The main diagonal contains the variances of the ϵ_i's, which are given by

$$\text{var}(\epsilon_i) = \frac{\sigma_u^2}{\sum_{j=1}^{N_i} \tilde{x}_{ij}^2} \approx \frac{\sigma_u^2}{N_i \sigma_x^2}, \tag{8}$$

where σ_x^2 is the population variance of x. Clearly, ϵ_i is heteroskedastic, since its variance is inversely proportional to N_i. These variances can be computed by squaring the standard errors of $\hat{\theta}_i$, which are typically reported in the primary studies. The off-diagonal elements of $\mathbf{\Omega}$ represent pairwise covariances between primary estimates and describe the dependency structure implied by sample overlap. Consider two primary estimates, $\hat{\theta}_p$ and $\hat{\theta}_q$, whose underlying samples of sizes N_p and N_q are denoted by S_p and S_q. Allow for sample overlap and denote by $C_{pq} \geq 0$ the number of observations of S_p overlapping with S_q, and by $C_{qp} \geq 0$ the number of observations of S_q overlapping with S_p; in this section, $C_{pq} = C_{qp}$.[7] Appendix A.1 then shows that the covariance between ϵ_p and ϵ_q is

$$\text{cov}(\epsilon_p, \epsilon_q) \approx \frac{C_{pq} C_{qp}}{N_p N_q} \text{cov}(\epsilon_{p,c}, \epsilon_{q,c}), \tag{9}$$

where $\epsilon_{i,c}$, for $i = \{p, q\}$, is the sampling error component corresponding to $\hat{\theta}_i$ if only the overlapping observations are used. But for the overlapping observations, $\hat{\theta}_p = \hat{\theta}_q$, so that $\epsilon_{p,c} = \epsilon_{q,c}$. Hence, $\text{cov}(\epsilon_{p,c}, \epsilon_{q,c}) = \text{var}(\epsilon_{p,c}) = \text{var}(\epsilon_{q,c})$. Because, from (8), $\text{var}(\epsilon_{p,c}) = \frac{N_p}{C_{pq}} \text{var}(\epsilon_p)$ and $\text{var}(\epsilon_{q,c}) = \frac{N_q}{C_{qp}} \text{var}(\epsilon_q)$, we can finally write (9) as

$$\text{cov}(\epsilon_p, \epsilon_q) \approx \frac{C_{qp}}{N_q} \text{var}(\epsilon_p) = \frac{C_{pq}}{N_p} \text{var}(\epsilon_q), \tag{10}$$

which can be computed from the information reported in the primary studies.[8]

Having specified the elements in matrix $\mathbf{\Omega}$, efficient meta-estimation of θ amounts to employing Generalized Least Squares (GLS)—by pre-multiplying both sides of (7) by $\mathbf{\Omega^{-1/2}}$—so that the meta-regression model actually estimated is

$$\hat{\boldsymbol{\theta}}^* = \theta \boldsymbol{\iota}^* + \boldsymbol{\epsilon}^*, \qquad \text{E}(\boldsymbol{\epsilon}^*) = 0, \quad \text{var}(\boldsymbol{\epsilon}^*) = \text{E}(\boldsymbol{\epsilon}^* \boldsymbol{\epsilon}^{*\prime}) \equiv \boldsymbol{I}_M, \tag{11}$$

[7] The distinction between C_{pq} and C_{qp} will matter below, when discussing data aggregation.

[8] Using (7) and (8), it follows that the correlation coefficient between ϵ_p and ϵ_q is given by $\frac{C_{pq}}{\sqrt{N_p N_q}}$.

where $\hat{\boldsymbol{\theta}}^* \equiv \boldsymbol{\Omega}^{-1/2}\hat{\boldsymbol{\theta}}$, $\boldsymbol{\iota}^* \equiv \boldsymbol{\Omega}^{-1/2}\boldsymbol{\iota}$, $\boldsymbol{\epsilon}^* \equiv \boldsymbol{\Omega}^{-1/2}\boldsymbol{\epsilon}$, and $\boldsymbol{I}_M$ is the $M \times M$ identity matrix. In essence, the meta-analysis model (11) is reweighted so that the residuals appear homoskedastic and uncorrelated. Intuitively, the larger the variance of a primary estimate or the more correlated it is with another primary estimate, the lower its estimation weight will be. This procedure gives rise to what we call the 'generalized weights' meta-estimator:

$$\tilde{\theta}_G = (\boldsymbol{\iota}'\boldsymbol{\Omega}^{-1}\boldsymbol{\iota})^{-1}\boldsymbol{\iota}'\boldsymbol{\Omega}^{-1}\hat{\boldsymbol{\theta}}, \tag{12}$$

which I alluded to in Section 2. It is important to note that, if the underlying samples of any two primary estimates, S_p and S_q, perfectly overlap (i.e., $C_{pq} = C_{qp} = N_p = N_q$), then $\text{cov}(\epsilon_p, \epsilon_q) = \text{var}(\epsilon_p) = \text{var}(\epsilon_q)$, which implies singularity (and thus non-invertibility) of $\boldsymbol{\Omega}$.

3.2 Data Aggregation Issues

In the previous section, I assumed that primary samples are drawn from the same population model, defined by (4), implying that the primary data are defined at the same level of aggregation. In practice, however, empirical studies often employ data defined at different levels of aggregation. Time series studies, for instance, may employ data at different frequencies (e.g., yearly, quarterly, or monthly data). Cross section or panel data studies, on the other hand, may use data at different lawyers of geographical aggregation (e.g., regional or national). This section discusses the particular pattern of sample overlap that may arise in such cases and how they affect the off-diagonal elements of $\boldsymbol{\Omega}$.

In this context, suppose that two primary estimates, $\hat{\theta}_p$ and $\hat{\theta}_q$, are obtained from overlapping samples containing data aggregated at different levels. Let S_p denote the sample of disaggregated data and S_q the sample of aggregated data. Each overlapping observation in S_q aggregates at least F overlapping observations of S_p. Hence, if S_q consists of yearly time series data and S_p contains quarterly data, then $F = 4$. Assuming that the population model is valid at both levels of aggregation, what are the variances and covariance between ϵ_p and ϵ_q? Clearly, the variances of ϵ_p and ϵ_q are still given by (8), after noting that σ_u^2 and σ_x^2 now

depend on the level of data aggregation:

$$\text{var}(\epsilon_i) \approx \frac{\sigma^2_{u_i}}{N_i \sigma^2_{x_i}}, \qquad \text{for } i = p, q, \tag{13}$$

which, again, can be obtained from the primary studies. In terms of the covariance between $\epsilon_{p,c}$ and $\epsilon_{q,c}$, Appendix A.2 shows that, for the overlapping observations (i.e., C_{pq} in S_p and C_{qp} in S_q), it is given by the variance of the least aggregated of the two primary estimates:

$$\text{cov}(\epsilon_{p,c}, \epsilon_{q,c}) = \text{var}(\epsilon_{p,c}). \tag{14}$$

Because this variance can itself be approximated by $\frac{N_p}{C_{pq}}\text{var}(\epsilon_p)$, we can use it in (9) to find

$$\text{cov}(\epsilon_p, \epsilon_q) \approx \frac{C_{qp}}{N_q}\text{var}(\epsilon_p). \tag{15}$$

3.3 Other Estimation Methods

Section 3.1 assumed that θ is estimated by OLS. While this is mostly the case in practice, some studies may nevertheless apply different estimation techniques. The typical choice among these is the instrumental variables (IV) estimator, which is designed to address endogeneity concerns. In short, the IV estimator replaces x_i by an instrumental variable, z_i, in the expression of the OLS estimator (5):

$$\hat{\theta}_i = \frac{\sum_{j=1}^{N_i} \tilde{y}_{ij}\tilde{z}_{ij}}{\sum_{j=1}^{N_i} \tilde{x}_{ij}\tilde{z}_{ij}} = \theta + \frac{\sum_{j=1}^{N_i} \tilde{z}_{ij}u_{ij}}{\sum_{j=1}^{N_i} \tilde{x}_{ij}\tilde{z}_{ij}}, \tag{16}$$

where $\tilde{z}_{ij}$ denotes deviations from its average.

The question is, again, how does the presence of IV estimates affect the elements of $\mathbf{\Omega}$ as defined in Section 3.1? From (16) it follows that the variance of the error term, $\epsilon_i = \hat{\theta}_i - \theta$, is approximately given by

$$\text{var}(\epsilon_i) \approx \frac{\sigma^2_u}{N_i \sigma^2_x \rho^2_{xz}}, \tag{17}$$

where σ^2_x is the population variance of the covariate, x, and ρ_{xz} is the correlation coefficient between x and its instrument, z. An estimate of this variance should be reported in the primary study. As for the covariance, Appendix A.1 shows that (9) holds irrespective of the

primary estimates being OLS or IV. Moreover, if both primary estimates are IV, then the overlapping covariance equals both overlapping variances, so that (10) also holds. But what if one primary estimate is OLS and the other is IV? Denote the OLS estimator by $\hat{\theta}_p$ and the IV estimator by $\hat{\theta}_q$. Then, Appendix A.3 shows that the overlapping covariance equals the variance of the OLS estimator, so that

$$\text{cov}(\epsilon_p, \epsilon_q) \approx \frac{C_{qp}}{N_q} \text{var}(\epsilon_p). \tag{18}$$

4 Concluding Remarks

Overlapping samples is a common feature of meta-analyzes in economics, especially in the field of macroeconomics. It arises when several studies report estimates of an effect size that based on primary samples with common observations. Sample overlap gives rise to dependency between the primary estimates being meta-analyzed, thus decreasing the efficiency of standard meta-analytical estimation methods.

This paper argues that, although first-best meta-estimation efficiency is unattainable under sample overlap, second-best efficiency can be achieved by fully specifying the variance-covariance matrix of the model's error component. The paper shows that elements of this matrix can be approximated using information either readily available from the primary studies (such as the variances of the reported estimates and the corresponding samples sizes) or at least computable from the information reported in the primary studies (such as the number of overlapping observations).

Appendix

A.1 Deriving the Covariance Between Overlapping Estimates

As in Section 3, consider two primary estimates of θ, $\hat{\theta}_p$ and $\hat{\theta}_q$, obtained from samples S_p and S_q of sizes N_p and N_q. The primary samples S_p and S_q overlap to same extent. Denote by C_{pq} the number of elements of S_p overlapping with S_q, and by C_{qp} the number of elements of S_q overlapping with S_p. We can split sample S_p into a subset of $\bar{N}_p \equiv N_p - C_{pq}$ independent observations and a second subset of C_{pq} observations overlapping with sample S_q. Similarly, S_q is split into a subset of C_{qp} observations overlapping with S_p and a subset of $\bar{N}_q \equiv N_q - C_{qp}$ independent observations.

OLS primary estimates. Using tildes to denote deviations from averages—i.e., $\tilde{y}_{pi} \equiv y_{pi} - \bar{y}_p$ and $\tilde{x}_{pi} \equiv x_{pi} - \bar{x}_p$—the OLS estimator $\hat{\theta}_p$ can be written as

$$\begin{aligned}
\hat{\theta}_p &= \frac{\sum_{j=1}^{\bar{N}_p} \tilde{y}_{pj}\tilde{x}_{pj}}{\sum_{j=1}^{N_p} \tilde{x}_{pj}^2} + \frac{\sum_{j=\bar{N}_p+1}^{N_p} \tilde{y}_{pj}\tilde{x}_{pj}}{\sum_{j=1}^{N_p} \tilde{x}_{pj}^2} \\
&= \frac{\sum_{j=1}^{\bar{N}_p} \tilde{x}_{pj}^2}{\sum_{j=1}^{N_p} \tilde{x}_{pj}^2} \frac{\sum_{j=1}^{\bar{N}_p} \tilde{y}_{pj}\tilde{x}_{pj}}{\sum_{j=1}^{\bar{N}_p} \tilde{x}_{pj}^2} + \frac{\sum_{j=\bar{N}_p+1}^{N_p} \tilde{x}_{pj}^2}{\sum_{j=1}^{N_p} \tilde{x}_{pj}^2} \frac{\sum_{j=\bar{N}_p+1}^{N_p} \tilde{y}_{pj}\tilde{x}_{pj}}{\sum_{j=\bar{N}_p+1}^{N_p} \tilde{x}_{pj}^2} \\
&= \frac{\text{SST}_x^{\bar{N}_p}}{\text{SST}_x^{N_p}} \hat{\theta}_{p,p} + \frac{\text{SST}_x^{C_{pq}}}{\text{SST}_x^{N_p}} \hat{\theta}_{p,c}, \qquad \text{(A.1)}
\end{aligned}$$

where $\hat{\theta}_{p,p}$ and $\hat{\theta}_{p,c}$ denote the OLS estimators using only the $\bar{N}_p$ independent and the C_{pq} overlapping observations, respectively. The term $\text{SST}_x^{N_p} \equiv \sum_{j=1}^{N_p} \tilde{x}_{pj}^2 = \text{SST}_x^{\bar{N}_p} + \text{SST}_x^{C_{pq}}$ is the total sum of squares of x in S_p, which equals the total sum of squares of x for the $\bar{N}_p$ independent observations ($\text{SST}_x^{\bar{N}_p}$) and the total sum of squares of x for the C_{pq} overlapping observations ($\text{SST}_x^{C_{pq}}$). Equation (A.1) simply writes the OLS estimator $\hat{\theta}_p$ as a convex combination of the subsample estimators $\hat{\theta}_{p,p}$ and $\hat{\theta}_{p,c}$. Noting that $\frac{\text{SST}_x^{\bar{N}_p}}{\text{SST}_x^{N_p}} \approx \frac{\bar{N}_p}{N_p}$ and $\frac{\text{SST}_x^{C_{pq}}}{\text{SST}_x^{N_p}} \approx$

$\frac{C_{pq}}{N_p}$, we can write (A.1) as

$$\hat{\theta}_p \approx \frac{\bar{N}_p}{N_p}\hat{\theta}_{p,p} + \frac{C_{pq}}{N_p}\hat{\theta}_{p,c}. \tag{A.2}$$

Following a similar procedure for $\hat{\theta}_q$, we find

$$\hat{\theta}_q \approx \frac{\bar{N}_q}{N_q}\hat{\theta}_{q,q} + \frac{C_{qp}}{N_q}\hat{\theta}_{q,c}. \tag{A.3}$$

IV primary estimates. The approximations (A.2) and (A.3) also hold in the case of IV primary estimates. Denoting the demeaned instrumental variable by $\tilde{z}_{pi} \equiv z_{pi} - \bar{z}_p$, the IV estimator reads

$$\begin{aligned}
\hat{\theta}_p &= \frac{\sum_{j=1}^{\bar{N}_p} \tilde{y}_{pj}\tilde{z}_{pj}}{\sum_{j=1}^{N_p} \tilde{x}_{pj}\tilde{z}_{pj}} + \frac{\sum_{j=\bar{N}_p+1}^{N_p} \tilde{y}_{pj}\tilde{z}_{pj}}{\sum_{j=1}^{N_p} \tilde{x}_{pj}\tilde{z}_{pj}} \\
&= \frac{\sum_{j=1}^{\bar{N}_p} \tilde{x}_{pj}\tilde{z}_{pj}}{\sum_{j=1}^{N_p} \tilde{x}_{pj}\tilde{z}_{pj}} \frac{\sum_{j=1}^{\bar{N}_p} \tilde{y}_{pj}\tilde{z}_{pj}}{\sum_{j=1}^{\bar{N}_p} \tilde{x}_{pj}\tilde{z}_{pj}} + \frac{\sum_{j=\bar{N}_p+1}^{N_p} \tilde{x}_{pj}\tilde{z}_{pj}}{\sum_{j=1}^{N_p} \tilde{x}_{pj}\tilde{z}_{pj}} \frac{\sum_{j=\bar{N}_p+1}^{N_p} \tilde{y}_{pj}\tilde{z}_{pj}}{\sum_{j=\bar{N}_p+1}^{N_p} \tilde{x}_{pj}\tilde{z}_{pj}}.
\end{aligned} \tag{A.4}$$

Hence, by noting that $\frac{\sum_{j=1}^{\bar{N}_p} \tilde{x}_{pj}\tilde{z}_{pj}}{\sum_{j=1}^{N_p} \tilde{x}_{pj}\tilde{z}_{pj}} \approx \frac{\bar{N}_p}{N_p}$ and $\frac{\sum_{j=\bar{N}_p+1}^{N_p} \tilde{x}_{pj}\tilde{z}_{pj}}{\sum_{j=1}^{N_p} \tilde{x}_{pj}\tilde{z}_{pj}} \approx \frac{C_{pq}}{N_p}$, we obtain (A.2).

Derivation of Equation (9). The covariance between ϵ_p and ϵ_q is then

$$\begin{aligned}
\mathrm{cov}(\epsilon_p, \epsilon_q) &= \mathrm{E}(\epsilon_p\epsilon_q) \\
&= \mathrm{E}[(\hat{\theta}_p - \theta)(\hat{\theta}_q - \theta)] \\
&\approx \mathrm{E}\left[\left(\frac{\bar{N}_p}{N_p}(\hat{\theta}_{p,p} - \theta) + \frac{C_{pq}}{N_p}(\hat{\theta}_{p,c} - \theta)\right)\left(\frac{\bar{N}_q}{N_q}(\hat{\theta}_{q,q} - \theta) + \frac{C_{qp}}{N_q}(\hat{\theta}_{q,c} - \theta)\right)\right] \\
&= \mathrm{E}\left[\frac{C_{pq}C_{qp}}{N_pN_q}(\hat{\theta}_{p,c} - \theta)(\hat{\theta}_{q,c} - \theta)\right] \\
&= \frac{C_{pq}C_{qp}}{N_pN_q}\mathrm{E}(\epsilon_{p,c}\epsilon_{q,c}) \\
&= \frac{C_{pq}C_{qp}}{N_pN_q}\mathrm{cov}(\epsilon_{p,c}, \epsilon_{q,c}),
\end{aligned} \tag{A.5}$$

where I have used that $\mathrm{E}[(\hat{\theta}_{p,p}-\theta)(\hat{\theta}_{q,q}-\theta)] = \mathrm{E}[(\hat{\theta}_{p,p}-\theta)(\hat{\theta}_{q,c}-\theta)] = \mathrm{E}[(\hat{\theta}_{q,q}-\theta)(\hat{\theta}_{p,c}-\theta)] = 0$ in going from the third to the fourth line.

A.2 Overlapping Covariance for Data Aggregated at Different Levels

This sections derives equation (14). Using (5) and noting that $u_{qi} = u_{p(i-1)F+1} + \cdots + u_{piF}$, we can write for the overlapping observations C_{pq} and C_{qp}:

$$\begin{aligned}
\operatorname{cov}(\epsilon_{p,c}, \epsilon_{q,c}) &= \mathrm{E}\left[\frac{\sum_{i=1}^{C_{pq}} \tilde{x}_{pi} u_{pi} \sum_{i=1}^{C_{qp}} \tilde{x}_{qi}(u_{p(i-1)F+1} + \cdots + u_{piF})}{\sum_{i=1}^{C_{pq}} \tilde{x}_{pi}^2 \sum_{i=1}^{C_{qp}} \tilde{x}_{qi}^2}\right] \\
&= \frac{(\tilde{x}_{p1} + \cdots + \tilde{x}_{pF})\tilde{x}_{q1}\sigma_{u_p}^2 + \cdots + (\tilde{x}_{pC_{pq}-F+1} + \cdots + \tilde{x}_{pC_{pq}})\tilde{x}_{qC_{qp}}\sigma_{u_p}^2}{\sum_{i=1}^{C_{pq}} \tilde{x}_{pi}^2 \sum_{i=1}^{C_{qp}} \tilde{x}_{qi}^2} \\
&= \frac{\sigma_{u_p}^2 \sum_{i=1}^{C_{qp}} \tilde{x}_{qi}^2}{\sum_{i=1}^{C_{pq}} \tilde{x}_{pi}^2 \sum_{i=1}^{C_{qp}} \tilde{x}_{qi}^2} = \frac{\sigma_{u_p}^2}{\sum_{i=1}^{C_{pq}} \tilde{x}_{pi}^2} = \operatorname{var}(\epsilon_{p,c}),
\end{aligned} \tag{A.6}$$

where I have used that $\tilde{x}_{qi} = \tilde{x}_{p(i-1)F+1} + \cdots + \tilde{x}_{piF}$ in going from the second line to the first term in the last line.

A.3 Overlapping Covariance Between OLS and IV Estimators

Here, I derive the covariance between the OLS and IV estimators for the overlapping observations. Let ϵ_p and ϵ_q denote the sampling error terms corresponding to the OLS and IV estimators, respectively. I assume that the data is aggregated at the same level, so that $\tilde{x}_p = \tilde{x}_q$, $u_p = u_q$, and $C_{pq} = C_{qp}$. Using (5) and (16), we find

$$\begin{aligned}
\operatorname{cov}(\epsilon_{p,c}, \epsilon_{q,c}) &= \mathrm{E}\left[\frac{\sum_{i=1}^{C_{pq}} \tilde{x}_{pi} u_{pi} \sum_{i=1}^{C_{qp}} \tilde{z}_{qi} u_{qi}}{\sum_{i=1}^{C_{pq}} \tilde{x}_{pi}^2 \sum_{i=1}^{C_{qp}} \tilde{x}_{qi} \tilde{z}_{pi}}\right] \\
&= \frac{\tilde{x}_{p1}\tilde{z}_{q1}\sigma_{u_p}^2 + \tilde{x}_{p2}\tilde{z}_{q2}\sigma_{u_p}^2 + \cdots + \tilde{x}_{pC_p}\tilde{z}_{qC_q}\sigma_{u_p}^2}{\sum_{i=1}^{C_{pq}} \tilde{x}_{pi}^2 \sum_{i=1}^{C_{qp}} \tilde{x}_{qi}\tilde{z}_{pi}} \\
&= \frac{\sigma_{u_p}^2 \sum_{i=1}^{C_{pq}} \tilde{x}_{pi}\tilde{z}_{qi}}{\sum_{i=1}^{C_{pq}} \tilde{x}_{pi}^2 \sum_{i=1}^{C_{qp}} \tilde{x}_{qi}\tilde{z}_{pi}} = \frac{\sigma_{u_p}^2}{\sum_{i=1}^{C_{pq}} \tilde{x}_{pi}^2} = \operatorname{var}(\epsilon_{p,c}).
\end{aligned} \tag{A.7}$$

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