Updated product price equation

For explanation/discussion see my 2000 FEDS paper
(this version includes the lagged dependent variable in the first line, has longer lags on unit labor costs (LULC) and fits a little better)

Dependent Variable: DEL1LPRODPRICEADJ
Method: Least Squares
Date: 06/24/03 Time: 14:17
Sample: 1955:1 2003:1
Included observations: 193
White Heteroskedasticity-Consistent Standard Errors & Covariance
DEL1LPRODPRICEADJ = C(1)*(LPRODPRICEADJ(-1) - LPRODPRICEADJ(-4))/3
+ (1-C(1))*(LULC(-1)-LULC(-22))/21
+ C(2)
**+ C(3)*(LPRODPRICEADJ(-1)-LULC(-1))** (the error-correction term)
+ C(4)*UDEM(-1)
+ C(5)*DRPFE
+ C(6)*ACCFARM4
+ C(7)*DEL3LPMXXX2
+ C(8) *DFDB

| | Coefficient | Std. Error | t-Statistic | Prob. |
|---|---|---|---|---|
| C(1) | 0.512791 | 0.059904 | 8.560183 | 0.0000 |
| C(2) | 0.134146 | 0.045951 | 2.919357 | 0.0039 |
| **C(3)** | **-0.028435** | **0.010137** | **-2.805155** | **0.0056** |
| C(4) | -0.001039 | 0.000145 | -7.166223 | 0.0000 |
| C(5) | 0.346866 | 0.086139 | 4.026822 | 0.0001 |
| C(6) | -0.020528 | 0.002226 | -9.222082 | 0.0000 |
| C(7) | 0.057859 | 0.014188 | 4.078163 | 0.0001 |
| C(8) | -0.002235 | 0.000332 | -6.733791 | 0.0000 |

| | | | |
|---|---|---|---|
| R-squared | 0.903994 | Mean dependent var | 0.008126 |
| Adjusted R-squared | 0.900361 | S.D. dependent var | 0.006889 |
| S.E. of regression | 0.002174 | Akaike info criterion | -9.383523 |
| Sum squared resid | 0.000875 | Schwarz criterion | -9.248282 |
| Log likelihood | 913.5100 | Durbin-Watson stat | 1.945891 |