Subject: Re: Odds ratios vs Marginal effects
Posted by user-rhs on Wed, 23 Mar 2016 00:29:24 GMT
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Reduced-For(u)m wrote on Fri, 22 January 2016 13:04
Dear Economist,

Please continue to estimate marginal effects. They are so much easier to interpret.

Yours,
Another Economist

*Ok, for real: it is just a matter of disciplinary convention, and any number of methods can work for any number of problems. You should feel free to estimate whatever kind of effects make sense in your research (and in your discipline).

As someone who dabbles both in epidemiology and economics, I respectfully disagree with R-F. They are *both* equally easy to interpret. I have, on occasion, chosen to present odds ratios instead of marginal effects when the marginal effect was abysmal (~0.00005) and the odds ratio was much more impressive ("1.5 times more likely"). I suspect others do the same. Sometimes the funders don't want to see the "true results," and you have to be...clever in packaging your results. It's not exactly "dishonest" so long as you're not making up data or numbers. I've seen this done even in highly cited studies on interventions that claim to have large protective effects against disease X, but the biological plausability of the intervention is suspect, and potential moral hazard brought about by the intervention puts the "clinical significance" of the intervention under even greater scrutiny. To be fair, I had never heard of marginal effects until I started working under an economist, who, not incidentally, loathes odds ratios.

Yours,
Dabbler

NB: In all seriousness--yes, I agree with R-F's sentiments above. How you present your results depend on the research, your field/discipline, and your target audience. Public health and policy people might prefer odds ratios because "two times more/less likely" is easier to digest than actual percentage point increases/decreases