

There is a small typo on p. 1918 of our AER paper (Appendix D). The formula for the variance is written

$$\mathbf{V} = \left[\sum_{i=1}^N ((\mathbf{m}_i - \mathbf{m})(\mathbf{m}_i - \mathbf{m})') \otimes (\mathbf{D}_i \mathbf{D}_i') \right] \oslash \left(\sum_{i=1}^N \mathbf{D}_i \mathbf{D}_i' \right) \quad (1)$$

where $\mathbf{D}_i = \text{vech}(\mathbf{d}_i \mathbf{d}_i')$.

In fact, it should be

$$\mathbf{V} = \left[\sum_{i=1}^N ((\mathbf{m}_i - \mathbf{m})(\mathbf{m}_i - \mathbf{m})') \otimes (\mathbf{D}_i \mathbf{D}_i') \right] \oslash \mathbf{D} \mathbf{D}' \quad (2)$$

where $\mathbf{D} = \text{vech} \left(\sum_{i=1}^N \mathbf{d}_i \mathbf{d}_i' \right)$. The Gauss programs posted on the web use the correct formula (2).