

Small Area Estimation Under Informative Sampling

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The problem of small area estimation (SAE) is how to produce reliable predictors for the true means or proportions in areas with very small or no samples. This can be done by basing the inference on statistical models that permit borrowing information across the areas or over time. In this talk we consider situations where the sampling of areas is with probabilities that are related to the true (unknown) area means, and the sampling of units within the selected areas is with probabilities that are related to the values of the study variable. The problem with this kind of sampling schemes is that the model holding for the sample data differs from the model holding for the population values, giving rise to *informative sampling*. Failure to account for the effects of an informative sampling scheme may result in severe bias of the small area predictors.

We use relationships between the *population distribution*, the *sample distribution* and the *sample-complement distribution* of a study variable in order to derive approximately unbiased predictors of the area means in sampled and nonsampled areas. Appropriate bootstrap MSE estimators of correct order are also developed. The results of a Monte-Carlo study that illustrates the performance of the proposed predictors and their MSE estimators will be shown.