

Econ 174, Section 101/103

Week 16

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Today

- General questions?
- Pop quiz! (not really)
- Pset 4 review – answers, not grades
- Show & Tell from last week
- More practice questions

- Next week: review session
- That's it!

```
. sum hdi
```

Variable	Obs	Mean	Std. Dev.	Min	Max
hdi	657	.6126259	.0487032	.3915	.6699

```
. Note: treatment is given to people with hdi values below .565
```

```
. gen goober = treat*(hdi-.565)
```

```
. reg pbudget_pc treat hdi goober, robust
```

Linear regression

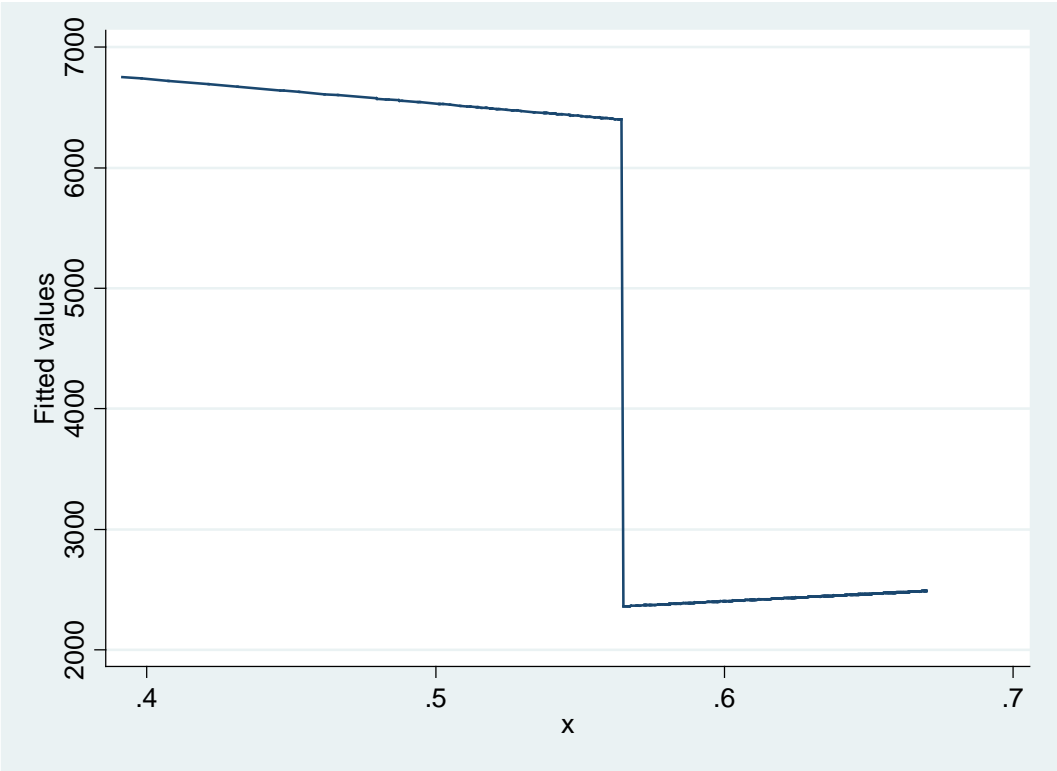
Number of obs = 483
F(3, 479) = 68.30
R-squared = 0.4670
Root MSE = 1564

	Coef.	Robust Std. Err.	t	P> t	[95% Conf. Interval]	
treat	4038.717	413.5538	9.77	0.000	3226.113	4851.321
hdi	1212.68	2221.357	0.55	0.585	-3152.128	5577.488
spline	-3264.88	6573.404	-0.50	0.620	-16181.15	9651.39
_cons	1675.036	1380.864	1.21	0.226	-1038.264	4388.336

Your task: plot the output from the following commands:

```
. predict z
```

```
. Line z hdi, sort
```



Pset 4

- Spline stuff
- Interpreting coefficients and standard errors

Key empirical methods covered

- Randomization & OLS
- Difference-in-Difference
- Instrumental Variables
- Propensity Score Matching
- Regression Discontinuity

Exercise

1. Describe method X in two sentences. (2 minutes)
2. What are the key assumptions of method X? (2 minutes)
3. What are the papers we have read that use X? (6 minutes)
4. Describe a situation in which you could use method X to estimate the impact of the cost of transporting kids to school on child enrolment. (10 minutes)
 - What data would you collect?
 - What estimating equation would you use?
5. List three potential confounds that might invalidate your use of method X, as describe in (4) above. i.e., what might you observe that would cause you to doubt the validity of your approach? (5 minutes)
6. Report back to class (20 min)

Some practice questions

- “No differential trends” assumption
- Linear spline
- Differential attrition
- Attenuation bias
- Moral Hazard

Key topics

- Education
- Health and nutrition
- Credit and microfinance
- Politics and corruption
- Institutions and development