Program Evaluation Methods
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Program

1. Empirical approaches, potential outcomes, and causality
   1.1. Structural and treatment effect approaches.
   1.2. Descriptive analysis vs. causal inference.
   1.3. Potential outcomes and causality.

2. Social experiments
   2.1. Experimental testing of welfare programs in the US.
   2.2. Employment effects of job and earnings subsidies.
   2.3. Experimental evaluation of labor histories.
   2.4. Econometric models of labor histories.

3. Matching
   3.1. Exogeneity, matching, and multiple regression.
   3.2. Methods based on the propensity score.
   3.3. The common support condition.
   3.4. Monetary incentives and schooling in the UK.

4. Instrumental variables
   4.1. Instrumental variable estimation using natural experiments.
   4.2. Interpreting IV estimates when effects are heterogeneous.
   4.3. Local average treatment effects and marginal treatment effects.
   4.4. Estimating the distributions of potential outcomes.
   4.5. The econometric selection model.

5. Regression-discontinuity
   5.1. Identification from discontinuities in assignment rules.
   5.2. Parametric ans semiparametric estimation methods.
   5.3. Financial aid offers and college enrollment decisions.

6. Differences in differences
   6.1. Comparisons based on policy changes.
   6.2. Identifying the average treatment effect for the treated.
   6.3. Changes in the distribution of effects vs. changes in means.
   6.4. Minimum wages and employment.

7. Further topics
   7.1. Continuous treatments.
   7.2. Treatment effects in duration analysis.
Readings

Lesson 1: Empirical approaches, potential outcomes, and causality

• General

• Potential outcomes and causality

Lesson 2: Social experiments


Lesson 3: Matching


**Lesson 4: Instrumental variables**

- **Methods**

- **Examples**

**Lesson 5: Regression-discontinuity**


**Lesson 6: Differences in differences**


**Lesson 7: Further topics**

- Continuous treatments

- Treatment effects in duration analysis

**Slides**


http://www.cemfi.es/~arellano/Pol_Eval_PROGRAM.htm