Making Policy with Data

An Introductory Course on Policy Evaluation

Policy Briefing

Instructor: Prof Yiqing Xu April 18

- The distribution of wealth in the U.S is highly skewed
- More inequality, more support for redistribution?
 - Poor? Maybe. Rich? Really?
 - Inequality is an abstract concept

 Would exposure to inequality affects rich people's support redistribution?

A Field Experiment in Boston

- Treatment: presence of poverty-stricken people (clothing, body language), but no begging or panhandling
- Control: presence of an affluent individual portrayed by the same actor
- Outcome: support for taxing millionaires
 - A petitioner 20 feet of the actor

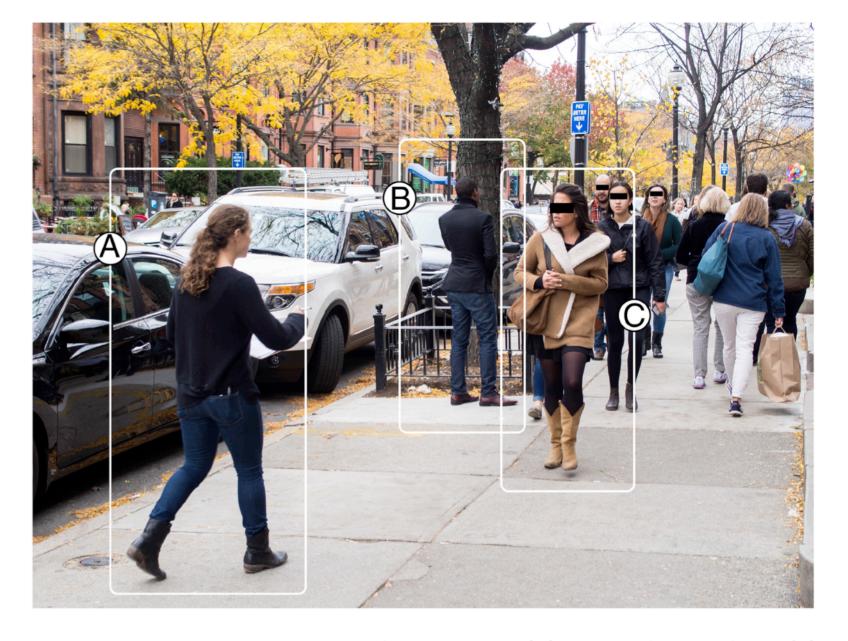
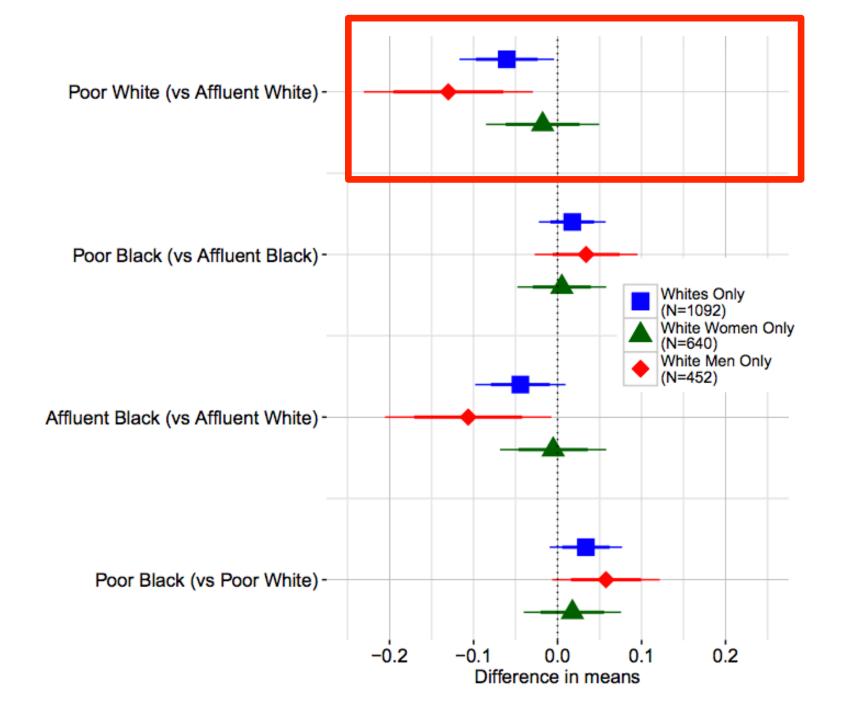


Fig. 1. Experiment in Progress. The petitioner (A) approaches a subject (C) after the subject passes the confederate (B).

Table 2. Cluster-level treatment effects

Signed petition

| Variable | Millionaire's tax | | Plastic bags (placebo) | |
|--------------|-------------------|----------|------------------------|----------|
| | (1) | (2) | (3) | (4) |
| Poor actor | -0.044* | -0.082** | 0.036 | 0.027 |
| | (0.024) | (0.035) | (0.030) | (0.047) |
| Black actor | | -0.051 | | -0.040 |
| | | (0.032) | | (0.044) |
| Poor actor × | | 0.070 | | 0.013 |
| Black actor | | (0.047) | | (0.061) |
| Constant | 0.114*** | 0.142*** | 0.180*** | 0.205*** |
| | (0.016) | (0.024) | (0.021) | (0.034) |
| Clusters | 38 | 38 | 36 | 36 |
| Residual SE | 0.073 | 0.072 | 0.089 | 0.090 |



Buzzword: Data Scientist

Data Analyst, Data Scientist, and Data Engineer

Data Analyst

- Process, summarize, and visualize small and structured data; provide reports
- Tools: Excel, MS Office, Stata/SPSS/R

Data Scientist

- Turn data into valuable and actionable insights
- Tools: R, Python, ML, statistics

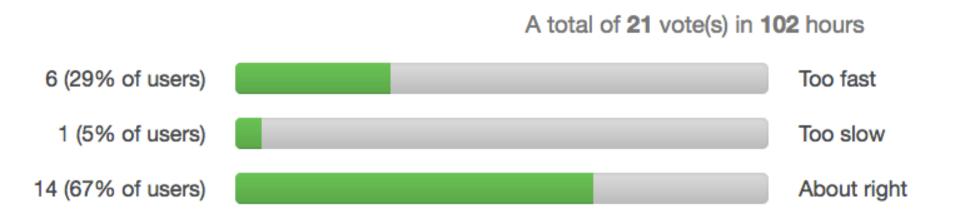
Data Engineer

- Manage "big data" infrastructure (extraction, storage, raw processing)
- · Tools: SQL, MapReduce, Hadoop, MangoDB

Business



House-keeping: Pace



Quiz on Thursday

- True of False
- Key concept covered in lectures

Problem Set 2

- Out tomorrow
- Due on May 2 (midterm)

Midterm

- Causality (potential outcome framework; selection bias)
- Randomized Experiments (identification, estimation, and inference)
- Interpreting research findings