

EMPIRICAL ANALYSIS FOR LAWYERS AND POLICYMAKERS
GEORGETOWN UNIVERSITY LAW CENTER
FALL 2015 (MON. 1:20-3:20 PM, M342)

Neel U. Sukhatme
Hotung 5014
Office Hours: M 3:30-5:00 PM or by appt.
neel.sukhatme@law.georgetown.edu

As lawyers, you will constantly make or evaluate arguments about law and policy. Such arguments depend on underlying facts. “We should expand health insurance coverage because it encourages preventative care.” “Patents are needed to spur new drug creation.” “Raising the minimum wage will increase unemployment.” “Gun control reduces crime.”

But how do we know if such claims are true? Theory and logic will only get you so far — eventually you need to know some real facts if you want to evaluate a policy. And empirical analysis is a powerful way to get at such facts.

Unfortunately, empirical work is often a black box: difficult to understand and easy to get wrong. The goal of this course is to make you a better consumer of empirics. You will learn about some common empirical methodologies and discover the limits and pitfalls inherent when working with data. And perhaps most importantly, you will learn how to ask the right questions if someone presents you with an argument based on data or empirics.

Our textbook will be *Mastering Metrics: The Path from Cause to Effect* (2015), by Joshua Angrist and Jörn-Steffen Pischke. This book surveys five basic empirical techniques — random assignment, regression, instrumental variables, regression discontinuity, and differences-in-differences. The text has some math; please don’t stress out if parts are unclear! Just do your best and focus on the underlying concepts and we’ll make sense of things in class.

In addition, we will typically cover one or two policy-relevant empirical articles each week. These articles will be chosen based on student interest, and we will draw from a variety of areas, such as criminal law, education, health, development, and labor. Students will submit a short 1-2 page analysis for six of these articles, due at 10 PM the night before class (see detailed syllabus below for more information). All submissions should be via Canvas.

During the last four weeks of the semester, students will give a short presentation (~30 minutes) to the class on an empirical paper of their own choosing (I’ll help suggest some papers). Given our class size, I will assign students into pairs for the presentation.

Students will also write an 8-10 page final paper that analyzes in detail one or two empirical pieces that I will select. This paper is due on Friday, January 8, 2016, at 10 PM, and it should be submitted via Canvas.

Class attendance is mandatory. Quality class participation benefits all (in economic parlance, it creates positive externalities), so please prepare for each class and participate regularly. Grades will be based on the short 1-2 page analyses (30%), group presentation (20%), 8-10 page final paper (30%), and classroom participation (20%).

If students have any concerns, they should feel free to contact me by email (neel.sukhatme@law.georgetown.edu). I will hold regular office hours after class on Monday from 3:30-5:00 PM. Students can also email me to set up office hours by appointment.

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Textbook: Joshua Angrist and Jörn-Steffen Pischke, *MASTERING 'METRICS: THE PATH FROM CAUSE TO EFFECT* (2015)

All assignments should be submitted via Canvas.

Week

(1) Causal inference: how our intuition can fool us (Aug. 31)

-- Read Textbook Introduction (pp. xi-xv) and Chapter 1 (incl. Appendix) (pp. 1-46)

(2) Basic statistics and regression: Ordinary Least Squares (Sept. 14)

-- Read Textbook Chapter 2 (incl. Appendix) (pp. 47-97)

(3) Ordinary Least Squares (cont'd) (Sept. 21)

-- Read Paper 1: Shamena Anwar, Patrick Bayer, and Randi Hjalmarsson, *The Impact of Jury Race in Criminal Trials*, Q.J. ECON. (2012), pp. 1-39.
<http://qje.oxfordjournals.org/content/early/2012/04/15/qje.qjs014.full.pdf+html>

Due: 1-2 page analysis on Sunday, Sept. 20 at 10:00 PM (5%)

(4) Ordinary Least Squares (cont'd) and Instrumental Variables (Sept. 28)

-- Read Textbook Chapter 3 (incl. Appendix) (pp. 98-146)

(5) Instrumental Variables (cont'd) (Oct. 5)

-- Read Paper 2: Atif Mian and Amir Sufi, *House Prices, Home Equity-Based Borrowing, and the U.S. Household Leverage Crisis*, AM. ECON. REV. (2011), Vol. 101, pp. 2132-56.
<http://isites.harvard.edu/fs/docs/icb.topic1390374.files/mian%20sufi%20aer%202011.pdf>

(6) Instrumental Variables (cont'd) and Regression Discontinuity

(Tuesday, Oct. 13, 1:20-3:20 PM, M342)

-- Read Paper 3: Alma Cohen and Rajeev Dehejia, *The Effect of Automobile Insurance and Accident Liability Laws on Traffic Fatalities*, J. LAW & ECON. (2004), Vol. XLVII, pp. 357-93.

<http://users.nber.org/~rdehejia/papers/Uninsured.pdf>

Due: 1-2 page analysis on Monday, Oct. 12 at 10:00 PM (5%)

-- Read Textbook Chapter 4 (pp. 147-77)

(7) Regression Discontinuity (cont'd) and Differences-in-Differences (Oct. 19)

-- Read Paper 4: Mark Hoekstra, *The Effect of Attending the Flagship State University on Earnings: A Discontinuity-Based Approach*, REV. ECON. & STAT. (2009), Vol. 91, pp. 717-24.

<http://www.mitpressjournals.org/doi/pdf/10.1162/rest.91.4.717>

-- Read Textbook Chapter 5 (incl. Appendix) (pp. 178-208)

(8) Differences-in-Differences (cont'd) and Review (Oct. 26)

-- Read Paper 5: David Card and Alan Krueger, *Minimum Wages and Unemployment: A Case Study of the Fast-Food Industry in New Jersey and Pennsylvania*, AM. ECON. REV. (1994), Vol. 84, pp. 773-93.

<http://davidcard.berkeley.edu/papers/njmin-aer.pdf>

-- Read Textbook Chapter 6 (incl. Appendix) (pp. 209-44)

(9) Review (cont'd) (Nov. 2)

-- Read Paper 6: Angus Deaton, *Instruments of Development: Randomization in the Tropics, and the Search for the Elusive Keys to Economic Development*, NBER Working Paper 14,690 (2009), pp. 1-54.

<http://www.nber.org/papers/w14690.pdf>

(10-13) Student presentations (Nov. 4, Nov. 9, Nov. 11, Nov. 16)

-- Presentations: Each student will present to the class a paper of his/her choosing (I will provide a list of suggestions). These will be short presentations (~30 minutes) followed by questions. Given the class size, I will likely assign students into pairs and there will be two presentations per class.

-- Reading: Non-presenting students should read the presented papers.

-- Analyses: Presenters jointly submit a 1-2 page analysis on the paper they are presenting. Non-presenters each submit a 1-2 page analysis on one of the presented papers.

Due: Sunday before each class at 10:00 PM (5% for each paper)

Final paper: An 8-10 page paper that analyzes one or two empirical articles that I will assign. Due: Friday, January 8, 2016, at 10:00 PM (30%)