**Module 7 lingo sheet**

**1. Natural experiments, event study, and DID**

* **Lingo 43:** What is an observational study
* **Answer:** When the researcher doesn’t control the assignment process.
* **Lingo 44:** What is a natural experiment?
* **Answer:** An observational study where we understand the assignment process and the assignment is as-if random.
* **Lingo 45:** What is an event study?
* **Answer:** A research strategy that exploits abrupt changes in X at a moment in time
* **Lingo 46:** What is a difference in differences design?
* **Answer:** A research strategy that compares how the outcome changed over time for a group of treated units to how it changed over time for a group of comparison units.
* **Lingo 47:** What is the parallel trends assumption?
* **Answer:** The assumption that comparison units and treatment units would have moved in parallel, had there been no treatment.

2. **Regression discontinuity designs**

* **Lingo 48:** What is the regression discontinuity design (RDD)?
* **Answer:** a quasi-experimental research design used to estimate causal effects when a treatment or intervention is assigned based on whether a continuous variable crosses a specific threshold or cutoff.
* **Lingo 49:** What is the scoring variable?
* **Answer:** the continuous variable that determines the treatment assignment in a RDD.