

Instrumental Variables

CONCLUSION



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From parameters vs. estimands to instrument recentering!

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At the same time we have barely scratched the surface on IV topics (including the ones we covered today!) E.g.:

- Large literature on weak IV detection and robust inference
- Subtle issues with controls and multiple endogenous variables
- Tons of Bayesian IV methods
- Combining observational and quasi-experimental estimates
- Improving efficiency with compliance estimation

My Advice

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Visualize the variation underlying your *estimator*, as best as you can

- E.g. binscatter the reduced form and first stage
- Useful not only for the “finished product” but for thinking about identification issues (e.g. balance failures) too

Keep Calm and ivreg2 On!

Good luck on your future adventures with IV!

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