

Control outcomes have higher variance than treatment outcomes

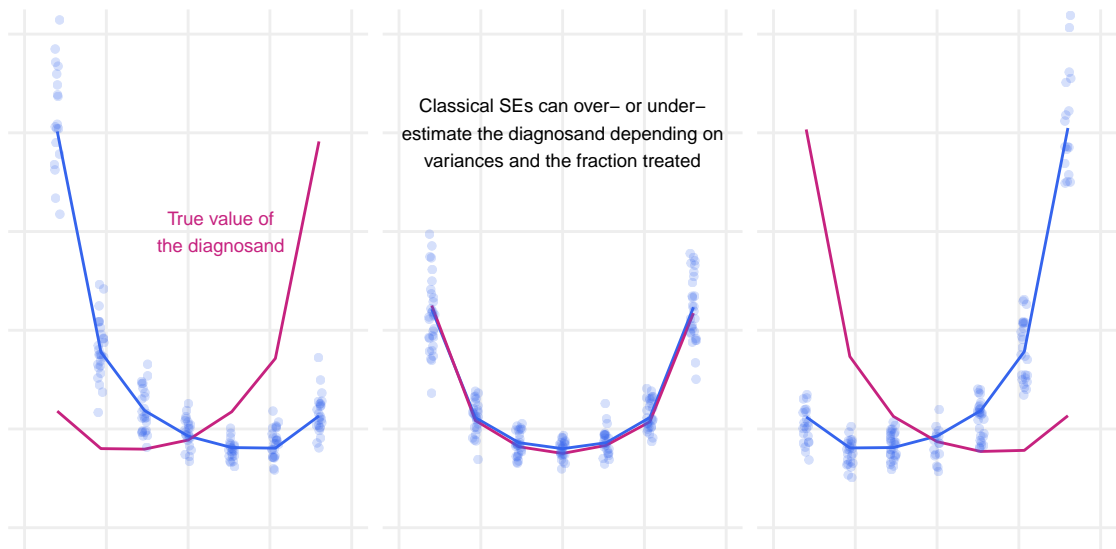
Potential outcomes have same variance (homoskedasticity)

Treatment outcomes have higher variance than control outcomes

Classical SEs can over- or under-estimate the diagnosand depending on variances and the fraction treated

Classical standard error

Standard error estimate (squared)



Robust SEs are closer to the diagnosand on average regardless of those parameters

HC2 robust standard error

