# ECON 280 - Part 4: README

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## Summary of Code Functionality

The main code 02_main_results.do, creates all the tables in the assignment. It uses the dataset data_reg.dta, and a .ado file that performs the two-sample two-stage least squares as in Chodorow-Reich and Wieland (2019). The code requires the functions ivreghdfe, and reghdfe. Here is a summary of the most important points to take into account.

1. Step 1 asks the user to choose a local for the name of the path in which the folder will be saved.

   ```
   global root "your path"
   ```

2. The code computes the present discounted value for unemployment and relative prices. It performs the discounted sum for a benchmark discount factor $\beta = 0.99$ and a truncation length of $T = 20$ quarters. Additionally, the calculations are repeated for $\beta \in [0.75, 0.80, 0.85, 0.90, 0.95]$ and truncation lengths $T \in \{10, 20, 30, 40, 50, 60\}$.

3. The main section of the code reproduces all the numbers behind the extension.

   - After each subsection, the code produces a .tex file with the name of the parameter estimated, the point estimate, and standard errors. These .tex files are meant to be used as inputs in the construction of a larger table according to the needs of the user.

4. The dataset includes the following variables:

   - **year**

   - **quarter**

- **date**: This variable is in the yq format.

- **mean_une**: Mean unemployment rate.

- **qt_bartik_sa**: Seasonally adjusted tradeable demand spillover instrument.

- **state**: Name of the state.

- **statecode**: Encoded variable for state.

- **constant**: A variable filled with ones, used for specifications without fixed effects.

- **infl_reg**: Non-tradeable inflation.

- **rp**: Relative price of non-tradeables.