

This readme file describes how one can estimate the method developed in “Correcting for Endogeneity in Models with Bunching”, available at [https://www.dropbox.com/scl/fi/num255cxb03696npi9lse/CCN\\_JBES.pdf?rlkey=xq11vkxu6o1ggcfx8apfi2noy&dl=0](https://www.dropbox.com/scl/fi/num255cxb03696npi9lse/CCN_JBES.pdf?rlkey=xq11vkxu6o1ggcfx8apfi2noy&dl=0).

Follow these steps, in order:

- 1- Add all files in the same folder.
- 2- Open Sample.do, and change lines 5-12 accordingly. In line 5, add the path of the folder from item 1 above.
- 3- Run Sample.do, which uses ccn\_dist.ado to estimate the effects.
  - a. It reports the estimated effect of the treatment variable (along with its standard error).
  - b. If one of the correction methods are invoked, then it also reports the results regarding the effect(s) of the correction term.
    - i. If the effect of this correction term is not allowed to change with Z, then it reports the estimated effect and its standard error.
    - ii. Otherwise, it reports the F-statistic as well as the p-value of the test of whether all effects are equal to zero, for all clusters of Z.

Sample.do reads into a sample dataset, creates clusters and then estimates the effects of interest. See detailed comments on Sample.do and ccn\_dist.ado if you want to make modifications. Please email us at [gregorio.caetano@gmail.com](mailto:gregorio.caetano@gmail.com) if you have any questions!

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