Homework 5 Answers

Economics 7103

Note that the `devicegroup` variable was miscoded. All groups eventually receive treatment.

1 Hourly data - Stata

1. There are 360 cohorts

2. There are 90,012 negative weights out of 360,053 ATTs, suggesting a problem with the interpretation of the TWFE estimates.

3. The ATT estimate is the coefficient on the treatment variable, which is -0.043 with a standard error of 0.00025.

2 Daily data - Stata

1. Now the estimated ATT is -0.94 with a standard error of 0.0059. This is a large change induced just by aggregating to the daily level.

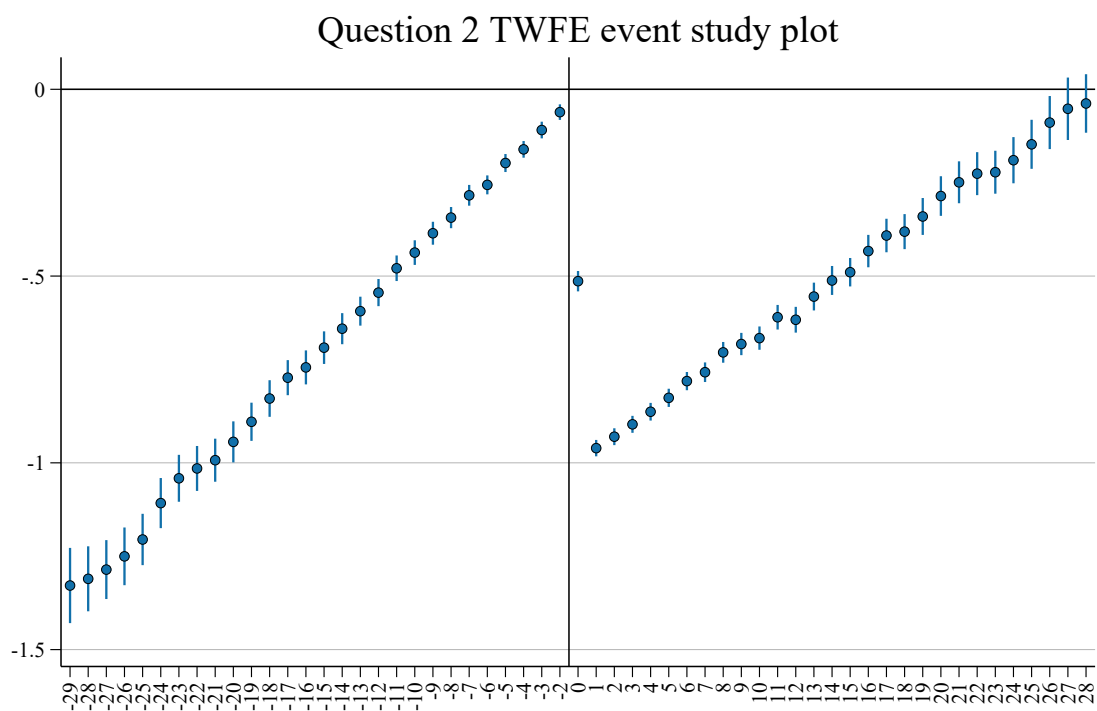2. See figure 1.

3. See figure 2.

4. See figure 3.

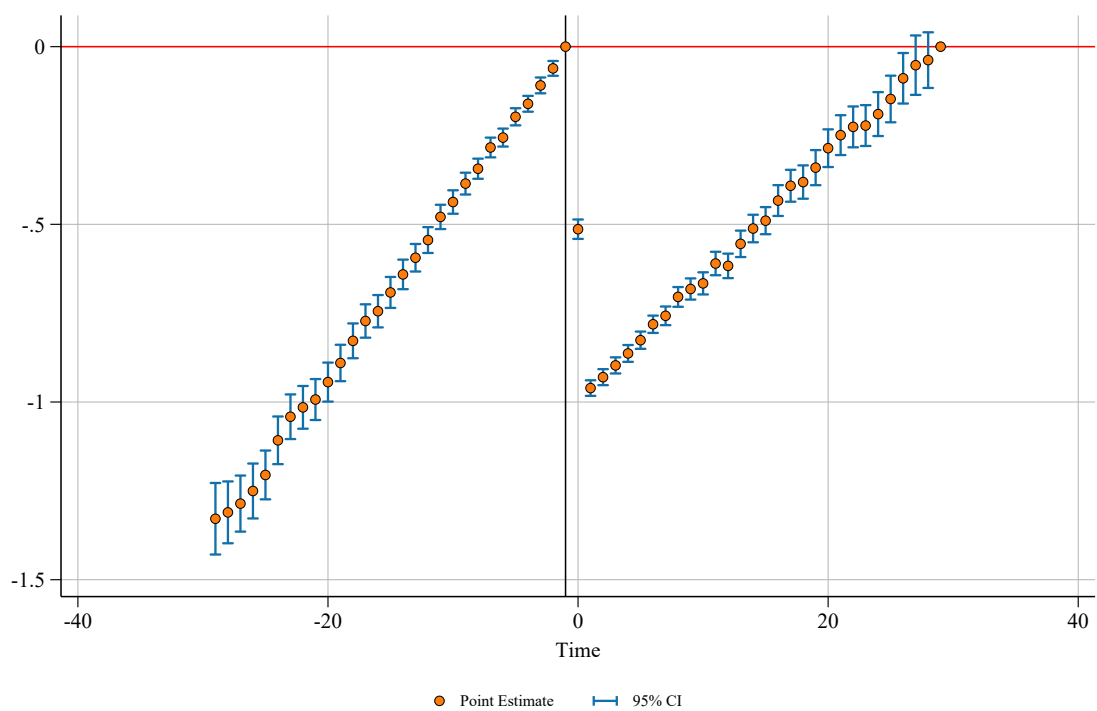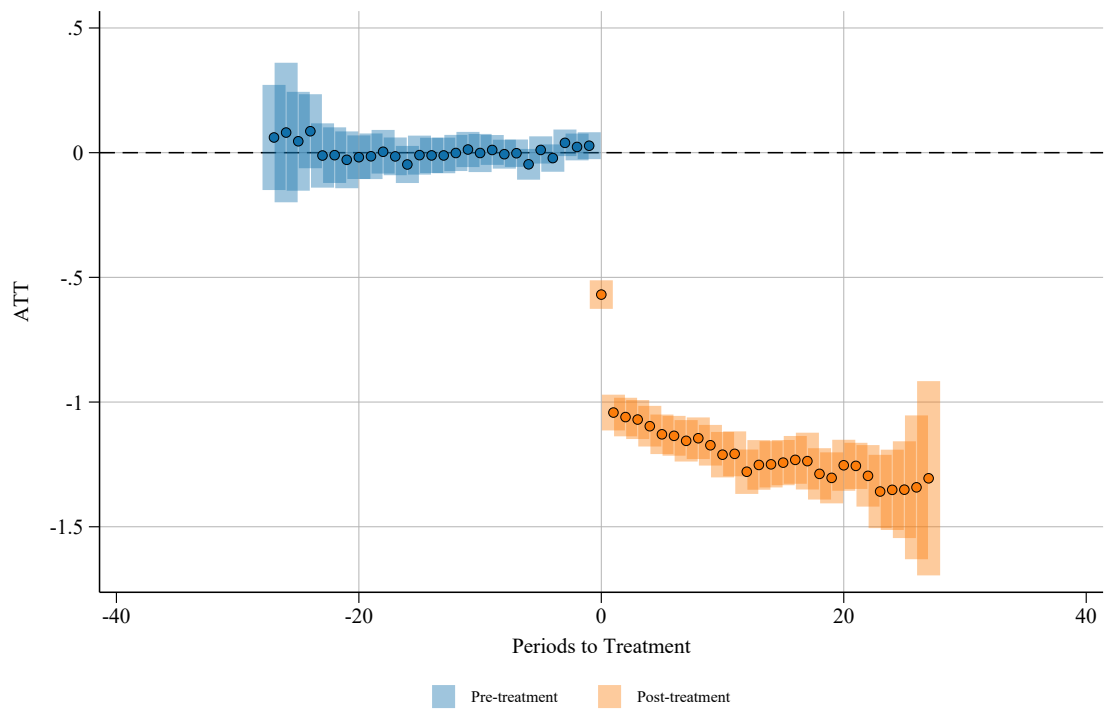Figure 1: Event study plot for question 2

Figure 2: Event study plot for question 3

Figure 3: Event study plot for question 4