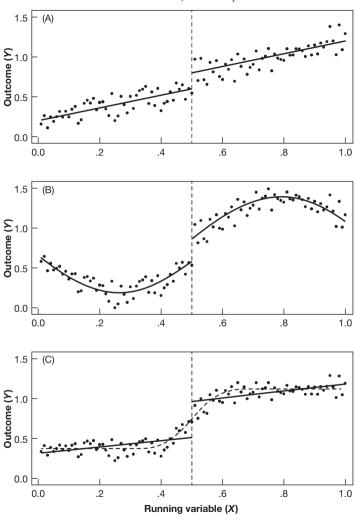
FIGURE 4.3 RD in action, three ways



Notes: Panel A shows RD with a linear model for $E[Y_i|X_i]$; panel B adds some curvature. Panel C shows nonlinearity mistaken for a discontinuity. The vertical dashed line indicates a hypothetical RD cutoff.

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