The Impact of Natural Disasters on Education: Evidence from Standardized Testing

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Goal

I attempt to answer two questions:

- What is the effect of natural disasters on academic achievement as measured by standardized test scores?
- ► What is the role of federal disaster assistance? Which counties apply for assistance?

Data

- Natural disasters:
 - Federal Emergency Management Agency (FEMA) declarations
 - Storms from the National Weather Service (NWS)
 - Work in progress: Data on heat waves
- Public Assistance applications and payments from FEMA
- ► **Standardized testing outcomes** from the Stanford Education Data Archive (SEDA):
 - Cohort standardized average scores by county in Mathematics
 & Reading Language Arts
 - ► Grades 3 through 8 for schoolyears 2008/2009 to 2017/2018

Empirical Strategy

Event study design:

$$y_{i,t,g} = \beta_{-5}D_{i,t-5} + \sum_{l=-4,l\neq-1}^{8} \beta_{l}D_{i,t-l} + \alpha_{i} + \lambda_{t} + \zeta_{g} + \varepsilon_{i,t,g}$$

- ► Heterogenous treatment effects ⇒ simple TWFE is inadequate (de Chaisemartin and D'Haultfœuille, 2020)
- ► Solution: Interaction-Weighted Estimator by Sun and Abraham (2021)
- ► Identifying Assumptions: Parallel Trends & No Anticipatory Behavior

References

- de Chaisemartin, C. and D'Haultfœuille, X. (2020). Two-way fixed effects estimators with heterogeneous treatment effects. American Economic Review, 110(9):2964–96.
- Sun, L. and Abraham, S. (2021). Estimating dynamic treatment effects in event studies with heterogeneous treatment effects. *Journal of Econometrics*, 225(2):175–199.