

Lecture 13

Health // Difference-in-differences

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R packages

Required packages: `ggthemes, fixest, broom, modelsummary, tidyverse`

```
# load required packages
if (!require("pacman")) install.packages("pacman")
```

```
## Loading required package: pacman
```

```
pacman::p_load(
  ggthemes, fixest, broom, modelsummary, tidyverse
)
```

Hands on: Intro to difference-in-differences

Generating fake data

To see how DD works in practice we will first generate a fake dataset where **we know the true value of what we want to estimate**. This is a good skill to have in order to make sure you understand how methods work, and that your code does what you want it to do. If you know what the result is and your code produces something different, your code is wrong.

To generate fake data we need to model the **true data generating process**. We will make this exactly the DD model, but with some added noise.

Random numbers