

The effects of matching algorithms and estimation methods using linked data

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Abstract: This paper studies the effect of different matching algorithms and estimation procedures for linked data on the quality of the estimates that they produce.

In applied microeconomics, identifying a common set of individuals appearing in two or more datasets is often complicated by the lack of unique identifiers. For example, [?] link children listed on their mother’s welfare program applications with their death records by matching individuals who have the same name and date of birth. Since name and date combinations are not necessarily unique and can be prone to typographical errors, the authors match some individuals to multiple death records, all of which seem equally likely to be the true match. Estimation proceeds using techniques from AHL (2019), which allow for observations to have multiple linked outcomes.

The methods in AHL (2019) consider the matched dataset as given, however the authors hypothesize that there could be efficiency gains if additional information about match quality is available. Specifically, if the probability that a record pair refers to the same individual is known, then this knowledge can be used to achieve a reduction in mean-squared error. Conveniently, these probabilities are estimable using probabilistic record linkage procedures

developed by [?] and [?].

Thus, the goal of this paper is to study the effects of different matching algorithms and estimation procedures for linked data on the quality of the estimates that they produce. First, I will examine different matching algorithms to determine whether they produce different configurations of matched data. With multiple matched versions of the data in hand, I will then use various estimation methods to estimate the same parameter of interest – the average treatment effect of a conditional cash transfer program on recipients’ children’s longevity. I will compare these methods first theoretically, then with simulated data, and, finally, with the original, unmatched data from [?].

Matching techniques include deterministic record linkage as described in [?], and multiple implementations of probabilistic record linkage – the fastLink, machine learning, etc. Estimation techniques include AHL (2019), Lahiri and Larsen (2005), and a fully Bayesian approach, that is described in this paper.

Currently, little is known about how data pre-processing impacts subsequent inference in the economics literature, and especially those projects that rely on matching historical datasets with imperfect identifiers. This paper adds to a recent series of papers by Abramitzky, Boustan, etc. in its effort to understand how these decisions impact the quality of inference.

The general outline will be as follows:

- (1) Matching - Overview of matching methods - Comparison of matching methods from (a) theoretical perspective, (b) with simulated data, (c) with actual data
- (2) Estimation - Overview of estimation methods - Comparison of estimation methods from (a) theoretical perspective, (b) with simulated data, (c) with actual data
- (3) Further investigation/follow-up simulations inspired by steps 1 and 2